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Employee Experience Trends for 2020

Where is culture and employee experience heading in 2020? We've spoken to the experts, crunched the numbers and pored over research to find the trends to look out for as we welcome a new decade.

Despite Brexit and political uncertainties, organisations can't afford to shy away from change this year. With falling unemployment rates, more scrutiny around social impact and 61 million Gen Z employees entering the workforce, employers must invest in culture, diversity and employee experience to stand out from the crowd.

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EX takes the lead

We've become used to employee experience adopting the trends and technologies of customer experience. However in 2020 we're expecting more organisations to equally prioritise innovation for customers and employees.

Just this summer, 200 Chief Executives from <u>The Business Roundtable</u> urged businesses to prioritise employee engagement, arguing that organisations are responsible for delivering value for their employees as well as their shareholders.

The arrival of digital-native employees (more on that later), an expectation to share feedback on our experiences and the increased external visibility of brands are prompting employers to deliver an employee experience that reflects what employees expect as a customer.

<u>Hilton Hotels</u> are leading the way, focussing equally on their EX as CX. Mobile-first comms, stylish working spaces and VR-based training platforms give employees instant access to information and reflect the brand experience they're a part of.



Making sense of Big Data

In the last few years we've seen HR have an increasing influence at board level. Now we're seeing increasing expectations of what HR can contribute to the bottom line.

More organisations are recognising the value of an employee data-driven approach to business decisions. Data insights helped footwear retailer <u>Clarks</u> discover that a 1% improvement in engagement was worth 0.4% of additional store sales, leading them to identify key engagement drivers and support store managers to implement these.

However not all teams are prepared for a data driven culture. Although <u>71% of companies</u> see people analytics as a high priority, <u>only half</u> believe their HR teams have demonstrable skills in this area.

This year will see a big shake-up of HR roles and systems to match analytical capability expectations. Teams are going to need help adapting, provided with skills training and the confidence to put them to use.

Once teams get to grips with data, analytics and HR tech the potential is huge. From understanding flight risk and intervening early, to modelling scenarios that can predict staffing needs, data can transform HR into a key driver of business strategy.



Are managers going extinct?

We're used to the rumours about AI taking our jobs, but now it seems it could replace our bosses too.

Al has already stepped in to replace manual tasks like scheduling meetings, triaging email inboxes and suggesting auto-replies (only a bit creepy, Gmail). Now the tech is evolving to take over soft skills like giving feedback, running performance reviews and offering guidance to employees. Surprisingly this meets little resistance from employees with almost <u>two-</u><u>thirds</u> happy to trust orders from a robot and <u>half</u> already having asked a robot for advice.

<u>MetLife's</u> customer service centre has got the ball rolling with a chatbox coach that pops up during calls to alert staff if they're talking too fast or suggest an injection of warmth if their response is lacking in empathy.

Despite these advances there are still things AI can't replace, like creativity, innovation and building relationships. So it still pays to get on with your manager, as they won't be robotised just yet.



Trust me, I'm an employer

Amidst declining trust in UK Government and media, people's trust is shifting towards relationships within their control. Topping that list are their employers, with <u>75% of employees</u> trusting 'my employer' to do what's right.

Employees expect employers to join them in taking action on the big issues, and business as usual won't cut it anymore. With more choice than ever over where to work, <u>67% of people</u> expect their work to have a positive societal impact.

No matter what the political climate, employers need to step up. Leaders can no longer plead ignorance about the growing climate crisis (thanks Greta). Over <u>75% of people</u> expect CEOs to take the lead on change rather than wait for government rulings.

Following the lead of <u>The Guardian</u>, who have pledged to reach net zero carbon emissions by 2030, this year will see a radical rise in companies declaring bold action and being publicly held accountable.



Talk less, listen more

A recent Glassdoor survey found that 71% of employees would start looking elsewhere if their company's culture deteriorates. With change the new normal for organisations, culture is likely to be impacted as new processes, teams and ways of working are introduced to colleagues. So how can you cultivate a culture that supports people during times of transformation?

There are lessons to be learned from Financial Services, where extreme change is the new constant. How have these organisations brought their people with them?

1. Get into the habit of listening. People who feel like they have a voice are more likely to get behind change. TSB use an integrated listening strategy that ensures people feel listened to during critical moments. <u>Read more</u> about this on our blog.

2. Don't expect it to improve overnight. As Fiona Wallace of Brewin Dolphin told us "culture change is not achieved through a single action or project" rather, it's the accumulation of actions and behaviours across your organisation. Break down your ambitions for culture into milestones and take the time to bring people with you on your change journey.

3. Support leaders to communicate change. People need a clear reason for change, and will look to leaders for clarity. A good communication strategy is essential, with senior leaders briefed on key messages and given the space to share them in a way they're comfortable with.

People Insight design and develop cultures to support change by implementing listening strategies, creating values and behavioural frameworks and aligning their culture with their employee experience.

Find more examples of transformational change in our **Financial Services report**.



Are you age-ready?

With the arrival of Gen Z (born between 1995–2012) into the workforce, many organisations have five generations working alongside for the first time. This dynamic brings new challenges for performance and people management, but big potential too with mixed-age groups proven to <u>outperform</u> less age-diverse teams.

Typically, interaction between ages has been structured by hierarchies where older workers are senior to younger employees. But as careers become less linear, companies will have a mix of generations working as equals.

There's been a lot of noise about the arrival of Gen Z and the urgency of preparing workplaces for digital natives. However organisations will do well to remember their older workers too. By 2045, the 65+ population is expected to rise by almost <u>60%</u>. With people willing and able to work longer, savvy organisations will tap into this group of experienced workers and their wide networks of contacts.

We've already seen the start of this; <u>McDonalds</u> flex shift patterns to suit the lifestyle needs of mixed-age workers, while <u>Porsche</u> adapt production lines to meet the needs of older workers, providing exoskeletons that reduce the burden of repetitive tasks.



Juggling work and wellness

Employers will be under more scrutiny than ever for how they handle employee wellbeing. A failure to address workplace stress, which is the <u>worst</u> in professional occupations, will lead to unsustainable performance and cost businesses.

Last year, <u>12.8 million</u> working days were lost to work-related stress and almost <u>half</u>(44%) of all reported work-related illness was due to mental health. <u>HSE figures</u> suggest unmanageable workloads and 'management style' are the top contributors.

So what can organisations do about it? This year will see a move away from blanket policies like <u>Lidl's</u> 'no emails after 6pm', to a more personalised approach that helps employees figure out their stress triggers and how to deal with them. With this role likely to fall to managers, organisations need to invest in formalised people management so managers have the right skills to meet the new expectation that they will support people's health at work.

Organisations are urged to take a proactive approach and listen to employees about what is driving unhealthy working practices. People Insight work with clients like <u>A2Dominion</u> and <u>Southampton Football Club</u> on <u>wellbeing surveys and burnout risk indicators</u> to give leaders an insight into what can be done to help.



Make a wild success of change

Disruption continues to affect businesses across all industries and business leaders are under more pressure than ever to keep up, yet only 34% of change programmes are a success.

<u>Royal Mail</u> recently announced a commitment to invest £1.8 billion to transform their business from letters to parcels, following changing consumer trends for fewer letters and more online shopping. As business changes like these become more common, how can organisations support employees through them?

People are more likely to get behind change, and make it a success, if they understand the reason for it. Brief your leaders and empower managers to advocate change, but remember to listen too. Use channels like Teams, Yammer, Workplace and your intranet to give employees a say in what's happening and involve them in your journey through change.

Training and management are crucial so embed a culture of lifelong learning throughout your organisation. Encouraging self-led training, giving access to platforms for continuous learning and making use of VR/AR will help people respond to change.

These changes also require a new hiring strategy, to recruit people comfortable coping with changing roles and expectations. As a result we're likely to see a greater assessment of soft skills during recruitment, with people recruited into the organisation instead of into a specific role/team.



What diversity really looks like

This is the year for companies to get serious about diversity & inclusion, or pay the price.

Alongside the ethical implications, the business consequences of falling behind are serious. With hiring data and employee experiences widely available, candidates are using it to influence where they choose to work. 77% of Gen Z said that a company's level of diversity affects their decision to work there, while diverse organisations are proven to retain employees longer.

People will see through inauthentic attempts. Organisations striving for diversity need to internalise it, with diverse supervisory Boards, inclusive recruitment processes and using feedback from under-represented groups to adapt their hiring approach.



Turn up your employee voice

To better understand the ins and outs of the employee experience, organisations are shifting their focus from one-off employee surveys to an integrated listening strategy.

The ongoing debate about how often to survey continued at the 2019 Engaging Employees conference. The consensus among organisations including GSK, the BBC and Barclays was to supplement annual surveys with frequent, low-key polling to gather employee feedback. Head to <u>our blog</u> to find more insights and ideas from the event.

Much like the employee listening strategies we create for clients, this combination of listening methods reflects the demand from employees to have more say. Listening is particularly vital during times of change (which can be most of the time); colleagues who feel like they have a voice are more likely to get behind change.

TSB's listening model helped them navigate the industry-wide cultural transformation prompted by the <u>FSA's culture report</u>. Their model contains routine approaches such as annual deep dive surveys, fortnightly exec Q&As, online polls and team meetings but also allows for ad-hoc listening. At key moments, TSB can use quarterly pulse surveys, employee listening groups and activities led by local leaders to gather employee feedback.

This year, we'll be helping more organisations design and implement listening strategies to bring employees through change. <u>Find out more in our ebook</u>.





2020 will see organisations experience more change than ever, with the success of these programmes depending on how well organisations can bring employees with them.

People Insight help organisations create their ideal culture for success with surveys, listening strategies and industry expertise. Share your employee engagement challenges and our team of expert organisational psychologists, supportive project managers and sophisticated survey technology will help design a programme to achieve your business objectives.



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We'd love to talk

To find out how People Insight can help you evaluate and improve your employee experience and culture in 2020, contact us at:

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