KennedyFitch

EMPLOYEE EXPERIENCE REPORT 2024

Humanized Growth In A Digital Era

FOREWORD

At KennedyFitch, our commitment to advancing Employee Experience (EX) is grounded in years of research, collaboration and practice.

Our journey began with our first comprehensive EX study back in 2017, and since then, we have dedicated ourselves to exploring and enhancing this evolving field. Over the years, we have partnered closely with practitioners, thought leaders, and organizations across industries, building capabilities and co-creating innovative solutions that transform the workplace and uplift the world of work.

As companies continue to navigate the complexities of the modern workplace, including remote work trends and changing employee expectations, Employee Experience stands out as a critical factor driving business value in attracting, retaining, and engaging top talent. The insights from this report provide a roadmap for organizations at various stages of their EX-journey and maturity level, offering both strategic direction and practical recommendations, and suggestions on where to invest to create more human-centric, productive, and innovative work environments.

At KennedyFitch, we have had the privilege of witnessing first-hand the transformative power of Employee Experience (EX) in shaping the modern workplace. In the pages that follow, our goal is to hold up a mirror of the present and the future, to inspire action, foster innovation, and provide practical guidance for organizations ready to embrace the transformative power of Employee Experience. We believe in Humanized Growth, in growth that creates value for multiple stakeholders, including employees, while fostering sustainable and ethical business practices. And we can impact achieving Humanized Growth by researching and developing the field of Employee Experience with you.

We have collaborated with visionaries – the EX-Pioneers, enthusiasts, connectors, thinkers, and builders who embrace the unknown. These are the individuals who dare to reimagine what work can be. They are passionate believers in Employee Experience, driven by an unwavering commitment to enhance the working lives of their people.

To these trailblazers – those who tried, succeeded, failed, and tried again – we extend our deepest admiration for making real progress in advancing EX. Your resilience and dedication is inspiring! You can read interviews from the trailblazers and pioneers in our network at the end of the report. For those more advanced in EX, this report provides a continuous learning and unique opportunity to benchmark your strategies against other industry leaders and gain insights into other advanced practices that are reshaping the EX-landscape. To those just beginning their journey, eager to make a difference but unsure where to start, this report is also for you! As you embark on this journey, remember that every EX-expert was once a beginner. Every great innovation in EX started with a single idea, a moment of insight, a leap of faith, or a question that challenged the status quo. The key is to start somewhere, anywhere. This report aims to provide you with the knowledge, tools, and confidence to take those crucial first steps. A heartfelt thank you to all 172 organizations who have shared their voices on the topic of Employee Experience (EX), as well as to the EX leaders who took the time to share their stories with us.

Regardless of where you are on this journey, know that you are joining a community of like-minded individuals with whom we, at KennedyFitch, are surrounded by, and they are all working towards a common goal – to uplift the world of work for everyone. And we are here to help. Because at KennedyFitch, we're committed to supporting organizations at every stage of their Employee Experience (EX) journey. Whether you're taking your first steps into EX or seeking to elevate your existing programs, our expertise is at your service. For those just starting out, we offer guidance to help you identify impactful initiatives and build a solid EX foundation. For organizations looking to mature their EX-capabilities, we provide advanced strategies to refine and expand your efforts and strategize and strengthen your transformation capability and capacity. Our tailored approach ensures that you receive the right support at the right time, helping you create a workplace where employees thrive, and your organization excels.

Together, we can reshape the world of work, one experience at a time!

Frank van den Brink & Joan Beets

Managing Partners, KennedyFitch

THE KEY FINDINGS OF THIS REPORT

With the Employee Experience Report 2024, KennedyFitch offers a comprehensive analysis of the current state and future trajectory of EX initiatives across industries and organizations globally. This report serves as a guide for organizations on where to focus their efforts and investments to enhance EX. This year's survey, building on our previous studies (2017 and 2020), reveals significant progress in EX adoption and maturity, while also highlighting persistent challenges and emerging ones.

EX ADOPTION

82%
of respondents are actively engaged in EX initiatives

There has been a substantial increase in EX adoption, with 82% of respondents now actively engaged in EX initiatives, up from 55% in our 2020 report. Leaders in sectors like Finance, Professional Services, and Technology can serve as benchmarks, while industries lagging in EX adoption have the chance to leapfrog by learning from early adopters.

EX POSITIONING

EX is increasingly viewed as a strategic function, underscoring its growing importance within organizations

72%
of respondents reporting either directly to the CHRO/CPO or just one level below.

EX RESPONSIBILITIES

Top 3 EX related activities respondents mention to be reponsible for

Defining the problem to be solved (70%)
General employee listening (66%)
Analyzing employee data (65%)

EX COLLABORATION

92%
of organizations working on EX engage in collaborative efforts, with HR (96%), Marketing & Communications (69%), and IT (67%) being the most frequent collaborators.

SKILLS

Today's Top EX Skills
- Project Management (81%)
- Analytical skills (78%)
- Survey Management (76%)

Future priorities
- AI and Machine Learning (57%)
- Change Management (46%)
- Advanced Analytical skills (45%).

TOOLS

Today's EX Tools mostly used
- Survey management platforms (83%)
- Reporting & dashboards (62%)
- Company social and communications platforms (60%)

Future priorities
- Predictive tools including Python, R, and AI solutions (45%).

FOCUS AREAS

Today
- Onboarding (74%)
- Organizational culture and behaviors (66%)
- Training and Development (51%)

Future focus areas (next 12 months)
- Organizational culture and behaviors (63%)
- Onboarding (56%)
- Leadership development (55%)

THE TOP 5 ANTICIPATED OBSTACLES FOR EX IN THE NEXT 12 MONTHS

1. Lack of budget (54%)
2. Insufficient leadership buy-in outside HR (41%)
3. Absence of a clear EX vision (35%)
4. Inadequate technology (31%)
5. Skills deficits (27%).

PRODUCT- / SERVICE-BASED HR APPROACH

There is a growing trend towards treating EX initiatives as products to be developed, launched, and continuously improved. This approach allows for a more agile development of EX initiatives and closer alignment with business needs.

CONTENT

INTRODUCTION

THE SCOPE OF THE REPORT

This report examines the current state of EX, the future expectations of EX, and provides you with our recommendations. We look at key aspects of EX, including design process stages, areas of the employee lifecycle, cross-functional collaborations, and the skills and tools utilized. We compare current EX skills and tooling with anticipated developments over the next 12 months and look at perceived obstacles to advance in EX maturity.

EX has moved from being a novel concept about 10 years ago to a more strategic function for many organizations. While progress is evident, there remain significant opportunities for growth and refinement in EX strategies. The increasing focus on data-driven approaches, cross-functional collaboration, and advanced technologies suggests that EX will continue to evolve and gain prominence in shaping organizational success.

As EX continues to mature, we anticipate a shift towards more personalized, real-time, and integrated approaches. As we see, organizations that can effectively leverage data, design thinking, and cross-functional collaboration to create impact for both people and business will be best positioned to create meaningful and impactful employee experiences.

1. HOW WE CONDUCTED OUR RESEARCH

1. RESEARCH DESIGN

1.1. Methodology

The findings in this report are based on comprehensive research on the current and future state of EX using quantitative and qualitative methods.

- Quantitative: We conducted a survey in May-June 2024, gathering responses from 172 organizations across the world. The survey data forms the foundation of our analysis.
- Qualitative: In parallel, as we are having continuous strategic dialogues with EX leaders, we carried out in-depth qualitative interviews with top EX leaders in 2023 and 2024. Six of these EX-leaders further shared their stories in case studies included at the end of the report to provide a deeper understanding of organizational EX use cases, organizational context, and long-term vision of EX.
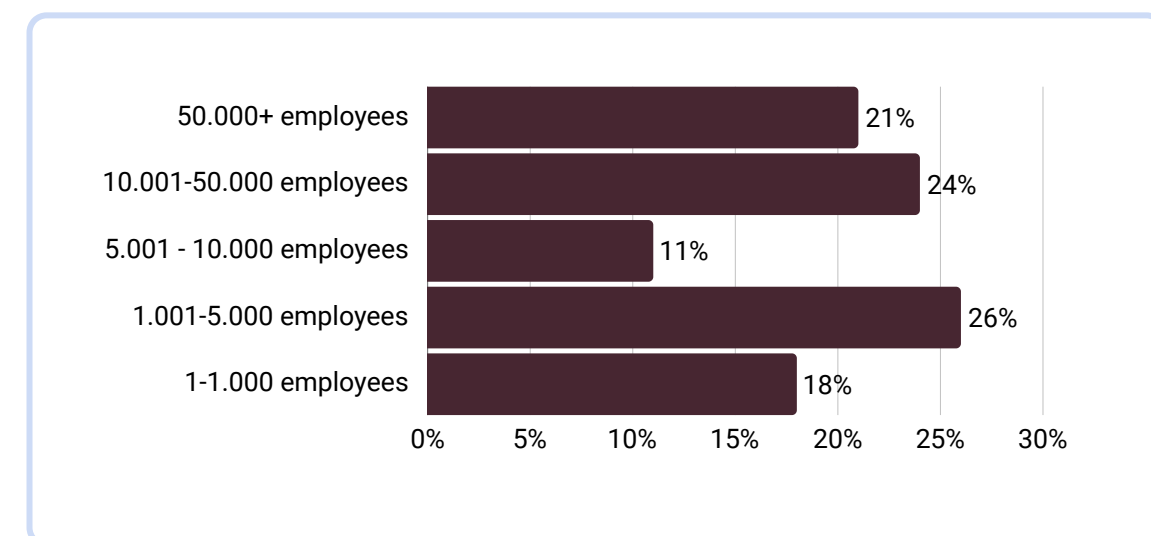
1.2. Sample Demographics

Survey

This section provides an overview of the characteristics of participating organizations, showing the diversity and representativeness of our sample. It examines the distribution of respondents across various industries, workforce sizes, and geographical regions. These demographic characteristics serve as a foundation for interpreting the subsequent data and conclusions presented in this report.

Our EX Report 2024 is based on 172 organizations with the following characteristics:

WORKFORCE SIZE

INDUSTRIAL DISTRIBUTION
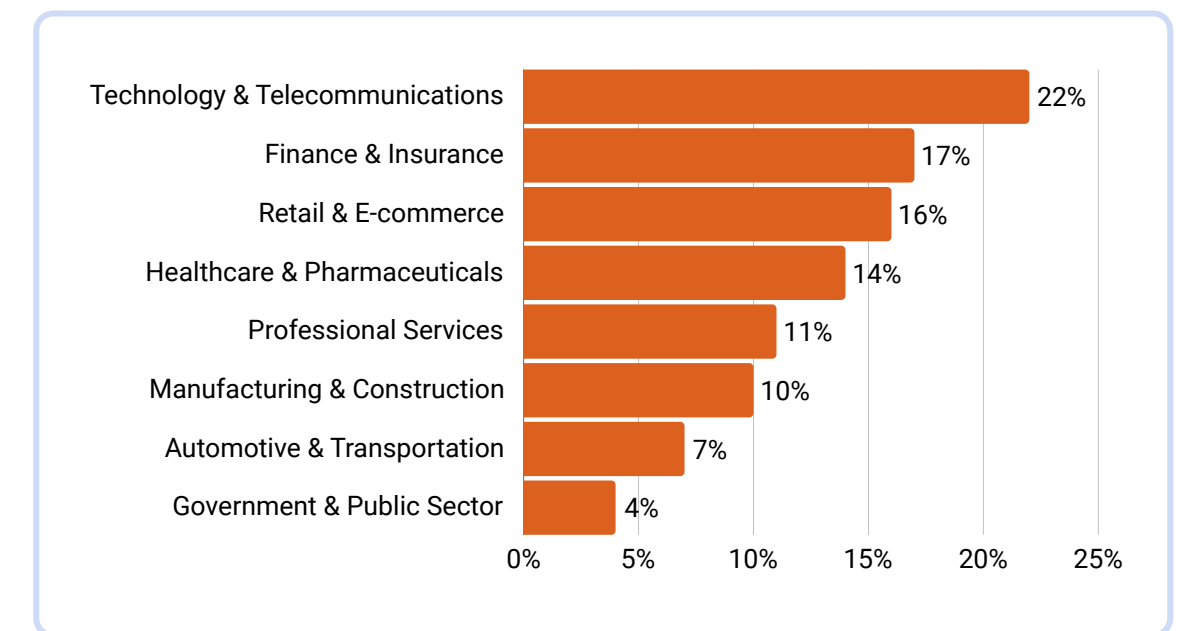
OWNERSHIP

GEOGRAPHICAL DISTRIBUTION

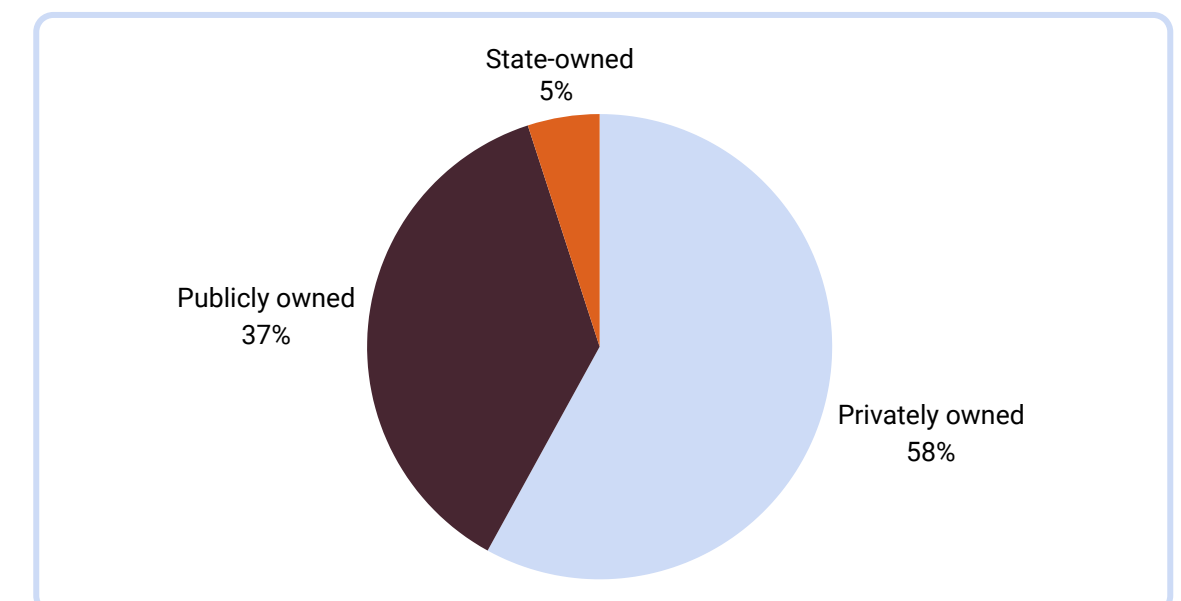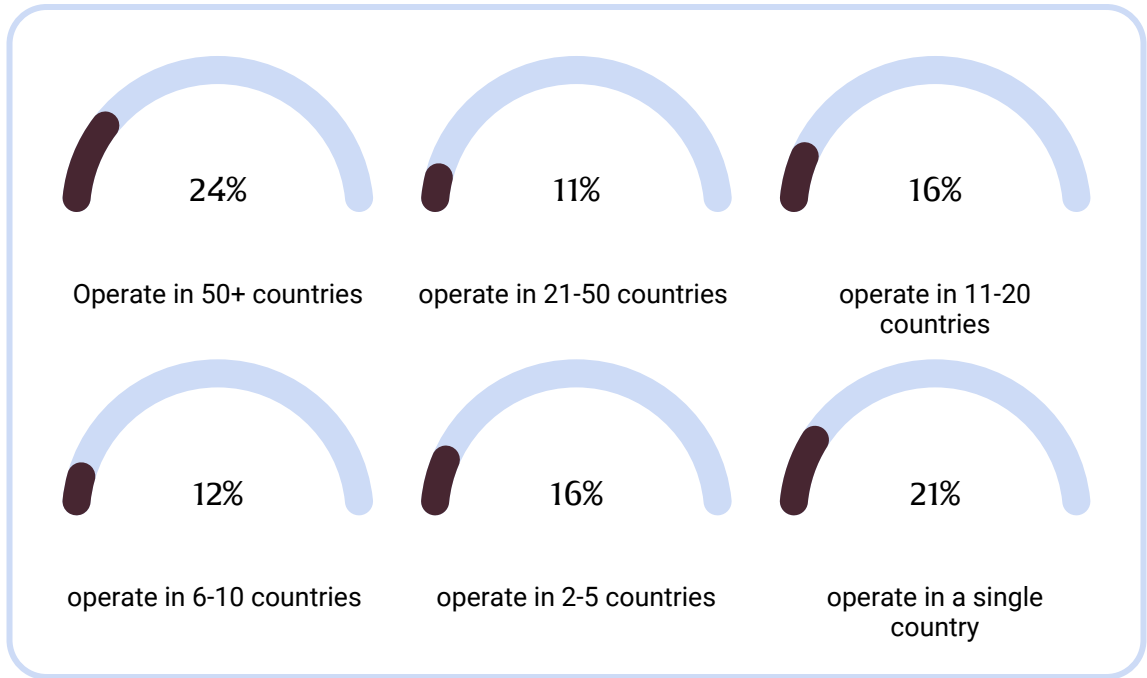US / Canada
27%

Europe
43%

Middle East
3%

Asia Pacific
9%

Central America
1%

Africa
10%

South America
7%

ORGANIZATIONAL REACH

24%
Operate in 50+ countries

11%
operate in 21-50 countries

16%
operate in 11-20 countries

12%
operate in 6-10 countries

16%
operate in 2-5 countries

21%
operate in a single country

ROLES AND RESPONSIBILITIES

To better understand our respondents, let's look at their roles and responsibilities, where are they placed in an organization, what reporting line they have and what terminology they use in their titles. From our survey, 84% of all participants are working within the Human Resource domain, followed by 5% in Information Technology, 4% in Marketing and Communications, and 2% in Facility Management. 76% of total respondents are in a managerial capacity.
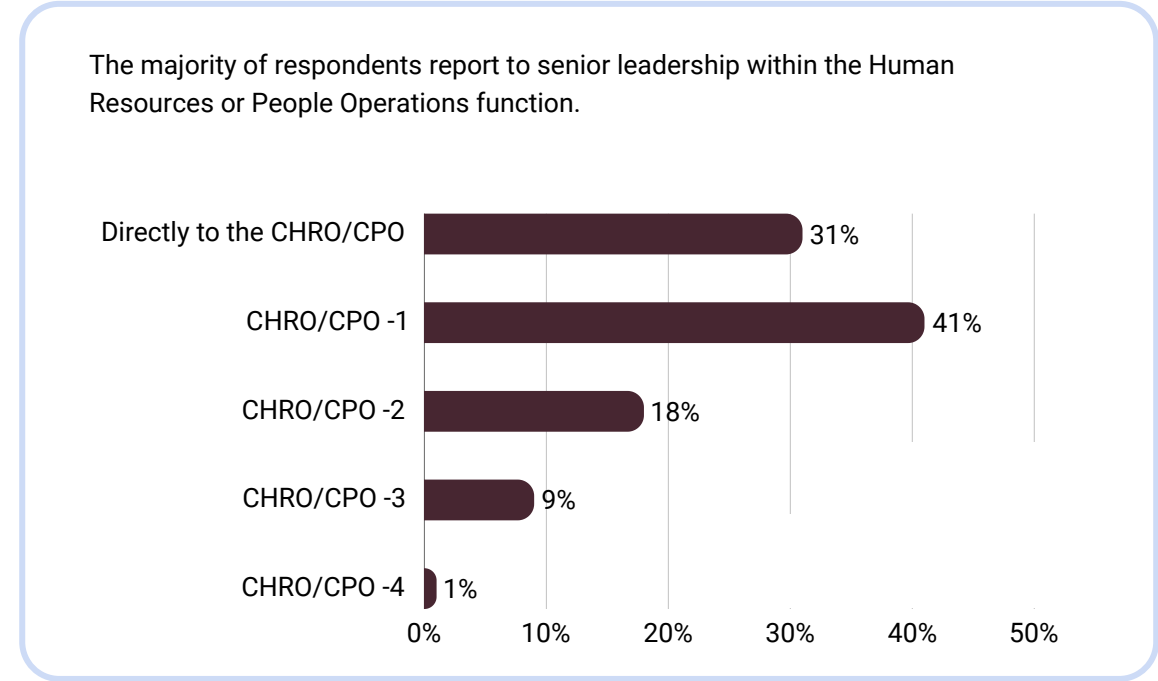
PLACE IN ORGANIZATIONS

For those participants working in HR (84%) we asked where in the HR function they are positioned:

- 47% work in an HR CoE, 23% within HR strategy, and 11% in HR operations.
- Only 7% of the HR respondents directly partner with business in an HRBP role.

JOB TITLE TERMINOLOGY

Regarding the terminology used within their role titles, of all participants actively involved in Employee Experience, 91% mentioned Employee Experience in their job titles, while only 9% use People Experience in their title. We examine job titles in this context because Employee Experience is a relatively new discipline in the corporate world, and evolving terminology can provide insights into industry trends and the maturation of the field. This data suggests that "Employee Experience" continues to be the dominant term in the field, with "People Experience" emerging as a newer alternative, though it's not widely adopted yet. There were no mentions of terms like "Human Experience".

REPORTING LINES

The majority of respondents report to senior leadership within the Human Resources or People Operations function.

Directly to the CHRO/CPO — 31%
CHRO/CPO -1 — 41%
CHRO/CPO -2 — 18%
CHRO/CPO -3 — 9%
CHRO/CPO -4 — 1%

Key observations

With 72% of participants reporting either directly to the CHRO/CPO or just one level below, Employee Experience is generally considered a high-priority function within the organizations in our sample. This positioning indicates that EX is viewed as strategically important and is given relatively close access to top HR leadership in most cases.

1.3 Interviewed Organizations and Experts

As part of this research, we interviewed leaders at the forefront of this evolving field. These experts, representing diverse industries and global organizations, offer unique insights into the challenges, innovations, and strategic directions shaping EX today and, in the years to come.

Our panel of interviewees include:

Lea Mikus

Lea Mikus, former Director for People Strategy and People Analytics at Celonis, who brought a data-driven approach to EX in a rapidly growing tech company. Lea is now HR Portfolio Manager at Amira.

Ruth Bielderman

Ruth Bielderman, the Director for Talent and Development at Royal BAM Group, who has introduced and scaled EX by utilizing agile methodologies and design thinking to optimize EX and engage, retain and develop people.

Sebastian Knepper

Sebastian Knepper, former Head of HR PnX (People, Portfolio and Product Experience) at Deutsche Telekom, who has been leading the charge in creating a "customer-graded people experience" in the telecommunications sector. Sebastian is now the Head of HR Digital at EnBW.

Andreas Mayer & Sander de Bruijn

Andreas Mayer, Chief Operating Officer Global HR at ING and Sander de Bruijn, former Head of Global Employee Experience at ING. Together, they have been driving EX initiatives. Sander is now a Partner at KennedyFitch.

Joachim Decock & Volker Schrank

Joachim Decock, Head of People Services & Employee Experience Europe at Mondelez and Volker Schrank, Vice President EX and HR Tech at Mondelēz International and Founder Employee Xperience Labs.

Vasuki Ranganath

Vasuki Ranganath, Head of People Experience at Volvo. who is a business-savvy, results driven, collaborative HR leader, driving business transformation through people and future focused people practices (EX) in a fast moving agile and complex business environment.

Martijn Seijsener
EX Expert

Martijn Seijsener is a an HR executive skilled at leading large-scale transformations and building HR infrastructure that enables companies to thrive in dynamic environments. The full EX interview with Martijn is not included in this report.

2. CURRENT STATE OF EMPLOYEE EXPERIENCE (EX)

2. CURRENT STATE OF EX

The landscape of Employee Experience is continuously developing. This chapter examines the current state of Employee Experience practices as revealed through our research. Across our sample, we looked at EX maturity levels and EX activities as well as recent improvement focus areas and cross-functional collaboration in EX efforts. We also evaluated EX team capabilities and tools, providing an overview of the main obstacles to advancing EX maturity.

2.1. How mature are organizations in their EX practices?

This section explores Employee Experience (EX) maturity levels across industries, organization sizes, and geographical locations. Understanding the maturity of Employee Experience (EX) practices is crucial because it reveals how well organizations design and deliver experiences that attract, engage, and retain talent.

Our EX Maturity is inspired by the "Innovation Diffusion Process" as described by Everett M. Rogers (2003). We recognized five different EX Maturity Levels:
- Maturity Level 1. Not yet focused on EX
- Maturity Level 2. Familiarizing with EX
- Maturity Level 3. Decided to implement EX
- Maturity Level 4. Implemented EX at small scale and specific use cases
- Maturity Level 5. Embedded EX throughout the organization

Overall, the data reveals a significant increase in EX adoption, with 82% of respondents actively engaged in EX initiatives at levels 4 and 5, a significant increase from 55% in our 2020 report. Only 18% now said they have not yet started implementing EX, compared to 46% of surveyed organizations in 2020.
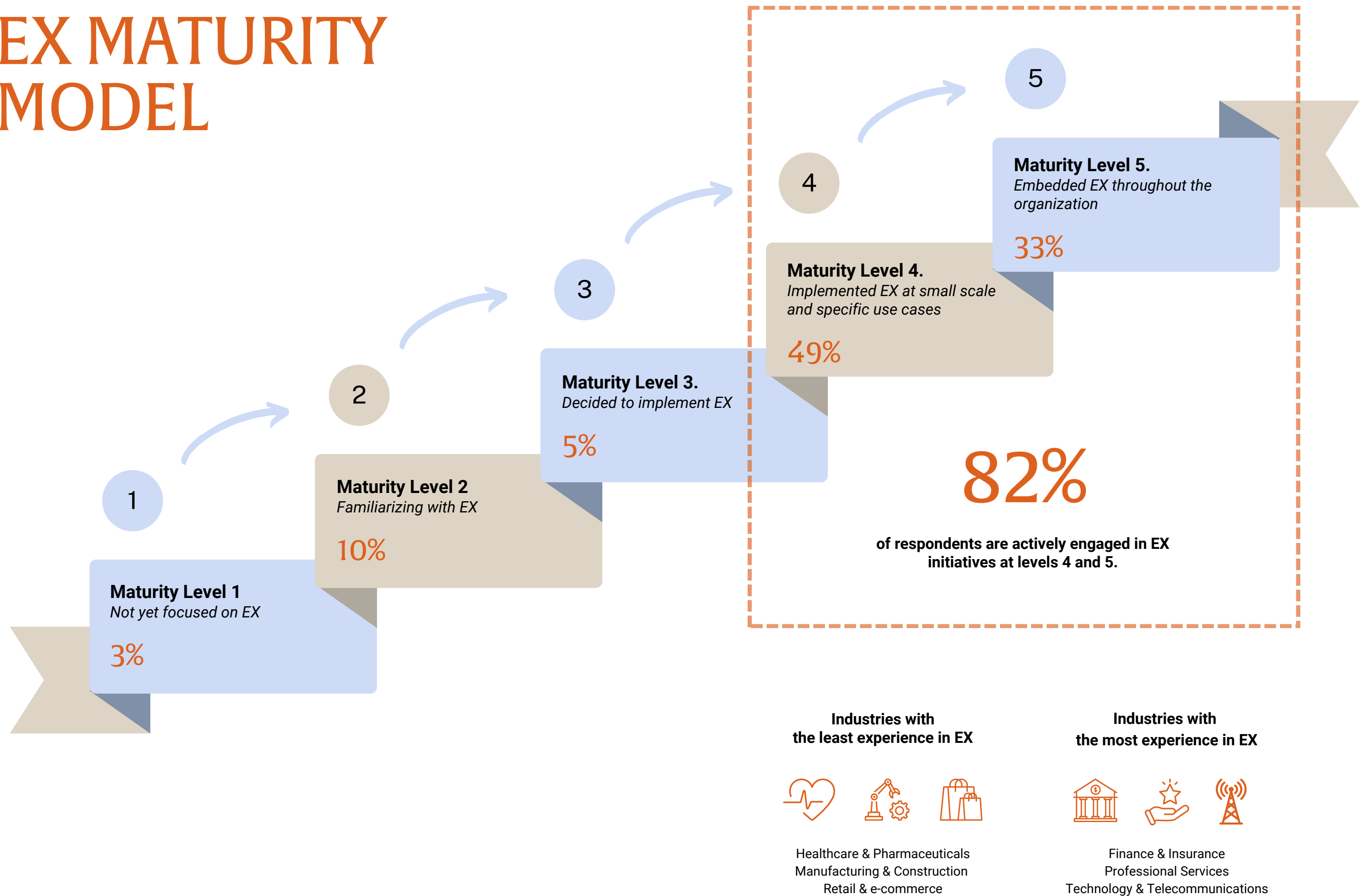
Looking through the industry lens, knowledge-intensive industries such as Finance & Insurance, Professional Services, and Technology & Telecommunications are in the lead: Finance & Insurance (92% started working on EX, being at Levels 4 or 5), Professional Services (93%), and Technology & Telecommunications (93%) have the most experience in EX. Lagging behind are Healthcare & Pharmaceuticals (26% have not started working on EX), Manufacturing & Construction (28% haven't started EX), and Retail & e-commerce (23% haven't started EX).

While 82% of organizations across all sizes in our sample have implemented EX practices, the depth of implementation varies. Larger organizations have more experience with EX. Notably, all very large organizations (50,000+ employees) surveyed have initiated EX efforts, with 94% having implemented EX practices (compared to 13% in our 2020 EX report) and 44% of them fully embedding EX (compared to 8% in 2020). Large organizations have more experience than smaller organizations, probably because they were among the early adopters due to funding and resources.

When we looked at maturity across geographical spread, most organizations across all regions are at level 4 (49%), indicating widespread adoption of EX practices at a small scale. The data reveals also that country-spread isn't a determining factor for overall EX maturity level. The pervasiveness of EX adoption signals its evolution from a "nice-to-have" to a core business strategy.

EX MATURITY MODEL

1

Maturity Level 1
Not yet focused on EX

3%

2

Maturity Level 2
Familiarizing with EX

10%

3

Maturity Level 3.
Decided to implement EX

5%

4

Maturity Level 4.
Implemented EX at small scale and specific use cases

49%

5

Maturity Level 5.
Embedded EX throughout the organization

33%

82%
of respondents are actively engaged in EX initiatives at levels 4 and 5.

**Industries with
the least experience in EX**

Healthcare & Pharmaceuticals
Manufacturing & Construction
Retail & e-commerce

**Industries with
the most experience in EX**

Finance & Insurance
Professional Services
Technology & Telecommunications
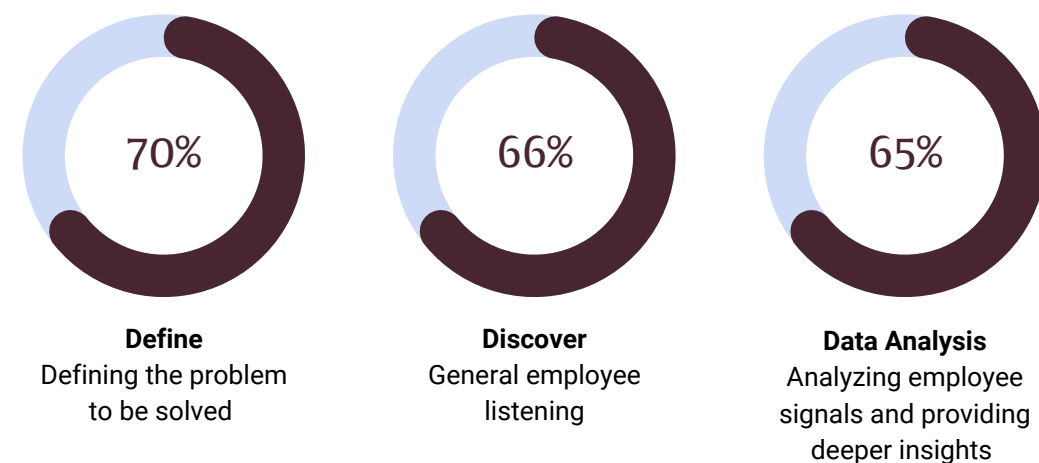
2.2. What EX activities are teams responsible for?

We asked participants to identify the specific activities for which they hold responsibility, using the five-stage process in EX (Discover, Data Analysis, Define, Develop, Deliver) which closely mirrors established customer experience methodologies, particularly design thinking and service design approaches used in CX.
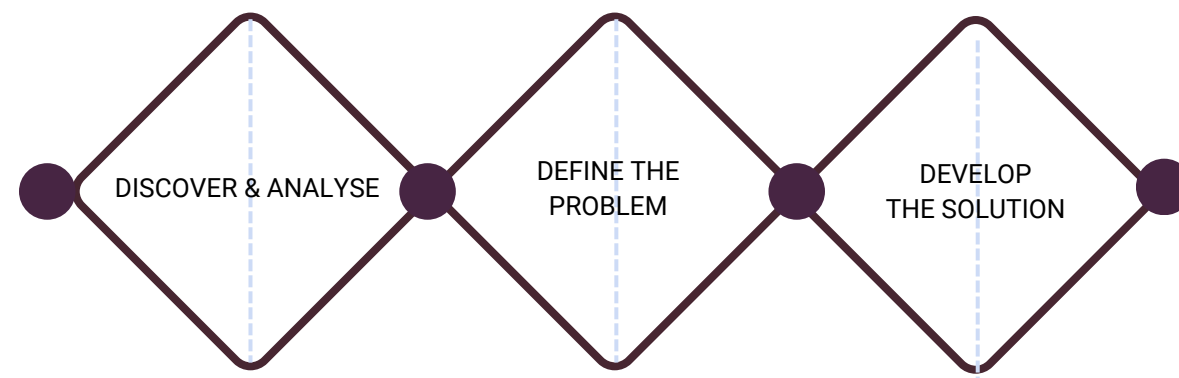
The "Define" stage shows the highest direct responsibility (70%), emphasizing the critical nature of problem/opportunity definition. The "Discover" (66%) and "Data Analysis" (65%) stages follow closely, highlighting the importance of initial information gathering and interpretation. The "Develop" (60%) and "Deliver" (62%) stages have slightly lower responsibility, indicating more distributed ownership in solution creation and implementation.

The top 3 of EX related activities participants mention as being responsible for:

Define
Defining the problem to be solved

Discover
General employee listening

Data Analysis
Analyzing employee signals and providing deeper insights

---

TRIPLE DIAMOND METHODOLOGY

Our Triple Diamond methodology is a conceptual model to develop EX practices, integrating data-driven insights with design thinking and service design principles. Our framework operates within the broader context of Human-Centered design, ensuring that employees remain at the core of every decision and solution. By combining these methodologies, we create a holistic process that not only addresses current EX challenges but also anticipates future needs, fostering a workplace environment that is both engaging and adaptive to employee expectations.

What is the Triple Diamond approach?
Diamond 1 (Explore and Sense-Making) focuses on employee listening through surveys and analytics, discovering key problem areas (employee sentiment, needs, and ambitions) to understand how people actually experience work. After prioritizing the most strategic or pressing issue to solve for your organization, Diamond 2 (Empathize and Define) focuses on articulating a problem definition statement and then, Diamond 3 (Ideate and Prototype & Test) is about solution development and implementing a minimum viable version of it, to test and validate with employees. Notice that the activities within each Diamond represent divergence and convergence. During each divergence, activities are meant to open up our thinking and understanding. In each convergence, we refine and narrow down. This iterative process of divergence and convergence fosters creativity and ensures focused, employee-centered outcomes.

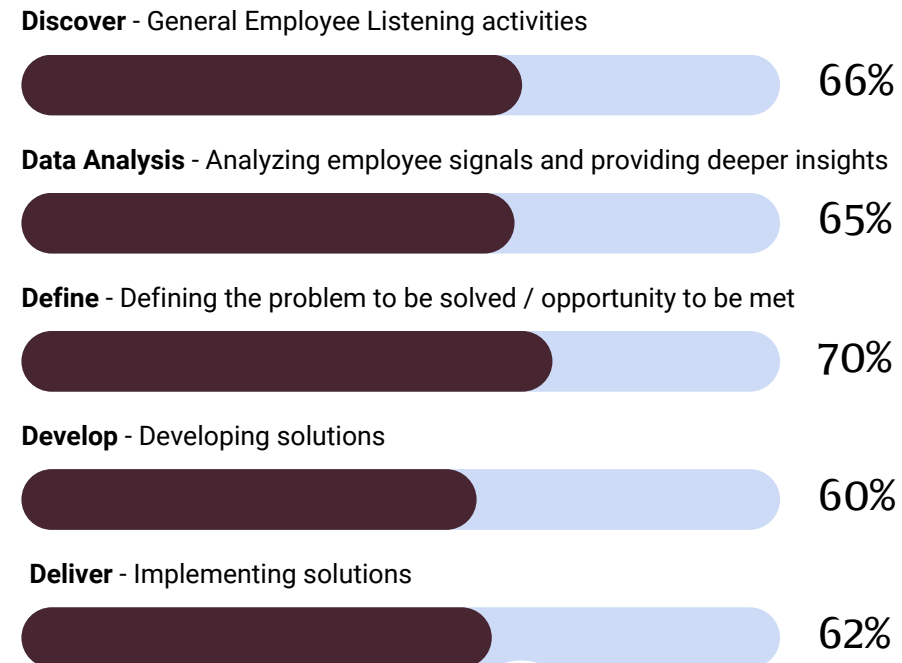Following the Triple Diamond approach ensures our clients are identifying and solving the right problems for their people in the right way. As a result, we ensure that we are not jumping to conclusions based on unverified assumptions and creating solutions for non-existent or misunderstood problems. The Triple Diamond approach is repeated over time, so the effectiveness of solutions can be re-evaluated and improved.
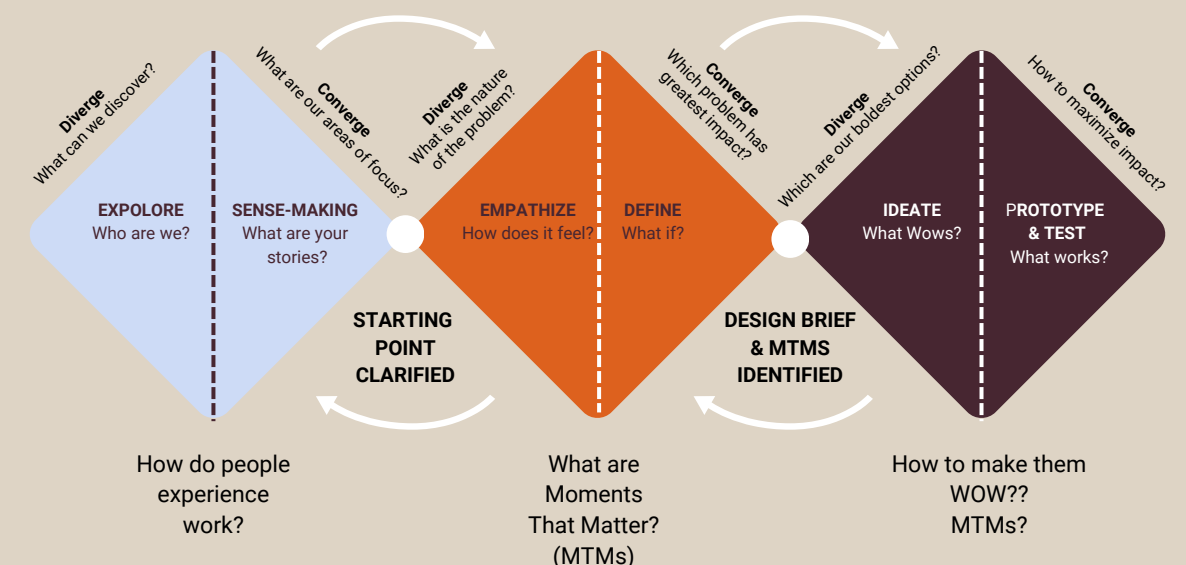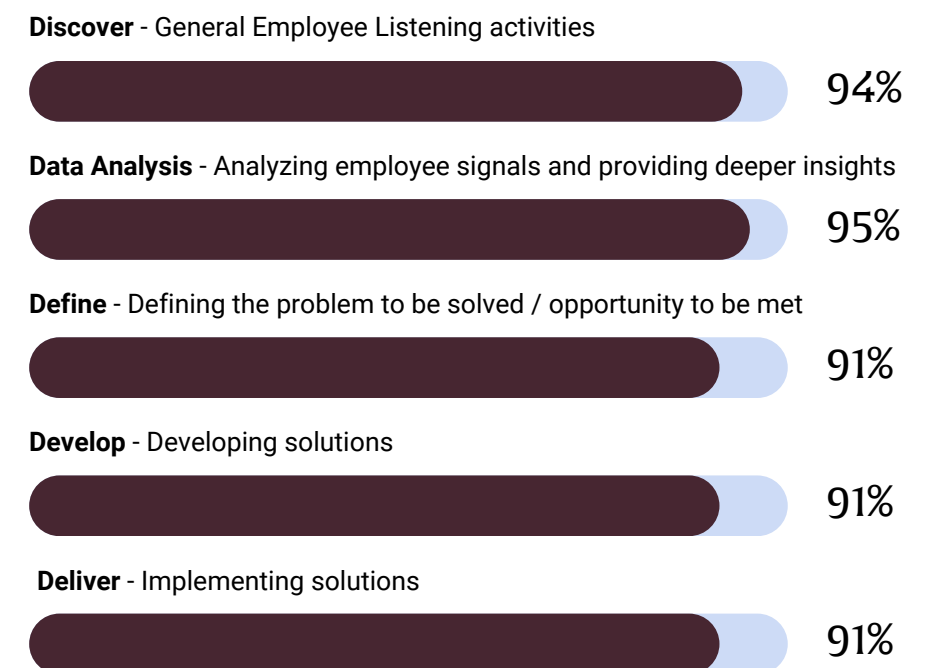
THE 5 STAGES OF DESIGN IN EX

We also asked participants to rate the importance of each of the 5 stages (Discover, Analyse, Define, Develop, Deliver), for successful EX. All five stages of the design process in EX are considered important or very important for success, with each stage receiving over 90% importance from respondents. This indicates a strong consensus that each stage is essential for success.

Participants are responsible for

Discover - General Employee Listening activities

66%

Data Analysis - Analyzing employee signals and providing deeper insights

65%

Define - Defining the problem to be solved / opportunity to be met

70%

Develop - Developing solutions

60%

Deliver - Implementing solutions

62%

What participant consider important or very important for success

Discover - General Employee Listening activities

94%

Data Analysis - Analyzing employee signals and providing deeper insights

95%

Define - Defining the problem to be solved / opportunity to be met

91%

Develop - Developing solutions

91%

**Deliver** - Implementing solutions

91%

2.3. What are the primary areas of EX improvement organizations have focused on in the past 12 months?

From our own consulting work, we know that organizations at higher levels of EX maturity not only intensify efforts in core HR areas but also expand into more diverse aspects.
In 2020, when we asked our participants about the EX journeys they had mapped, the top 3 areas were:

The top 3 journeys mapped in 2020

33%	17%	13%
Onboarding	Recruiting	Training & Development
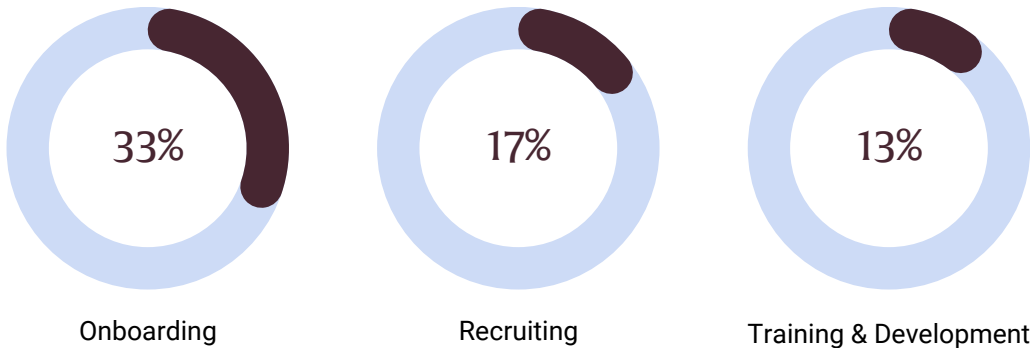
Respondents from our 2024 sample (which also features a strong HR representation as in 2020) had the following top 3 over the last 12 months:

| 74%	66%	51%
Onboarding	Organizational culture and behaviors	Training & Development

There's a clear prioritization of fundamental HR functions (onboarding, culture, training) over emerging areas (virtual workspace, wellbeing). Onboarding is the most prioritized EX area [2020: 33% | 2024: 74% (+41 percentage points)] suggesting a strong focus on integrating new employees effectively. We see that the importance of onboarding has more than doubled since 2020, likely driven by the rise of remote work and the need for robust digital onboarding processes.

> "Millennials and Gen Z often have relatively short tenures, with both generations together averaging between two and three years. This is why efficient and fast onboarding is essential."
>
> Lea Mikus
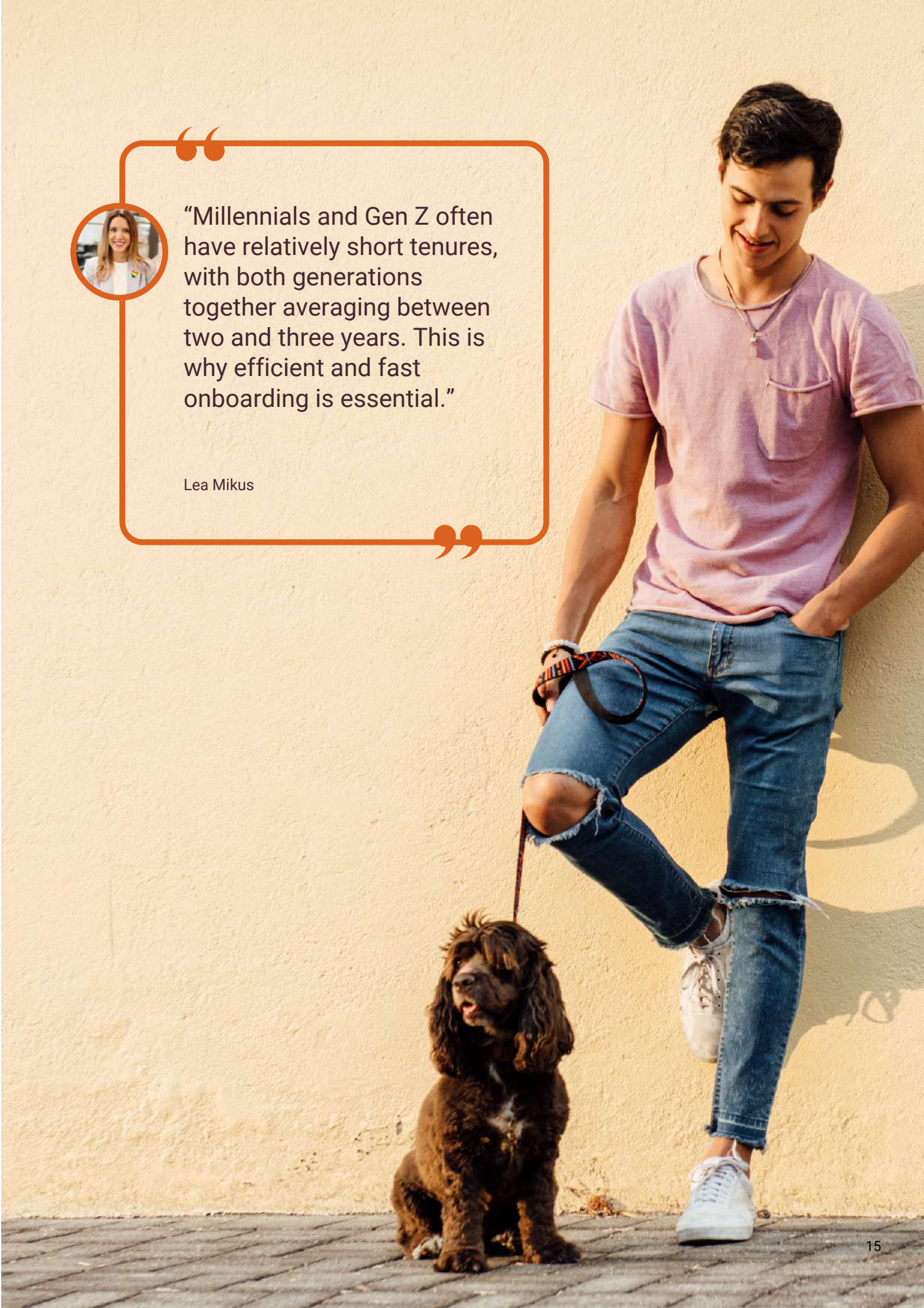
We also note the emergence of Organizational Culture [2024: 66% (not featured in 2020), reflecting a growing recognition of culture's role in employee satisfaction and retention. Diversity and Inclusion is also mentioned now as a top priority, although in 2020 no journey map mentioned D&I. Training and Development also gained prominence [2020: 13% | 2024: 51% (+38 percentage points)].

At higher levels of maturity, there's a clear emphasis on organizational culture and leadership development. Culture emerges as a key differentiator for advanced EX practices, becoming a primary focus for mature organizations.

Top 10 EX Focus Areas

1. Onboarding (74%)
2. Organizational culture and behaviors (66%)
3. Training and Development (51%)
4. Diversity and Inclusion (49%)
5. Recruitment (45%)

6. Leadership development (43%)
7. Reward & Benefits (42%)
8. Performance Management (41%)
9. Workplace (39%)
10. Career Development (33%)

Looking across industries, respondents from the Technology and Telecommunications industry have focused mostly on Onboarding (17%) and Leadership Development (14%); Financial and Insurance worked most on Onboarding (14%), Leadership Development (11%) and Reward and Benefits (11%); Retail and E-commerce worked most on Onboarding (13%), Leadership Development (12%), and Training and Development (11%).

Overall, we see that while early employee lifecycle stages are well-addressed, there's a need for increased focus on some of the later employee lifecycle stages, such as internal mobility and offboarding.
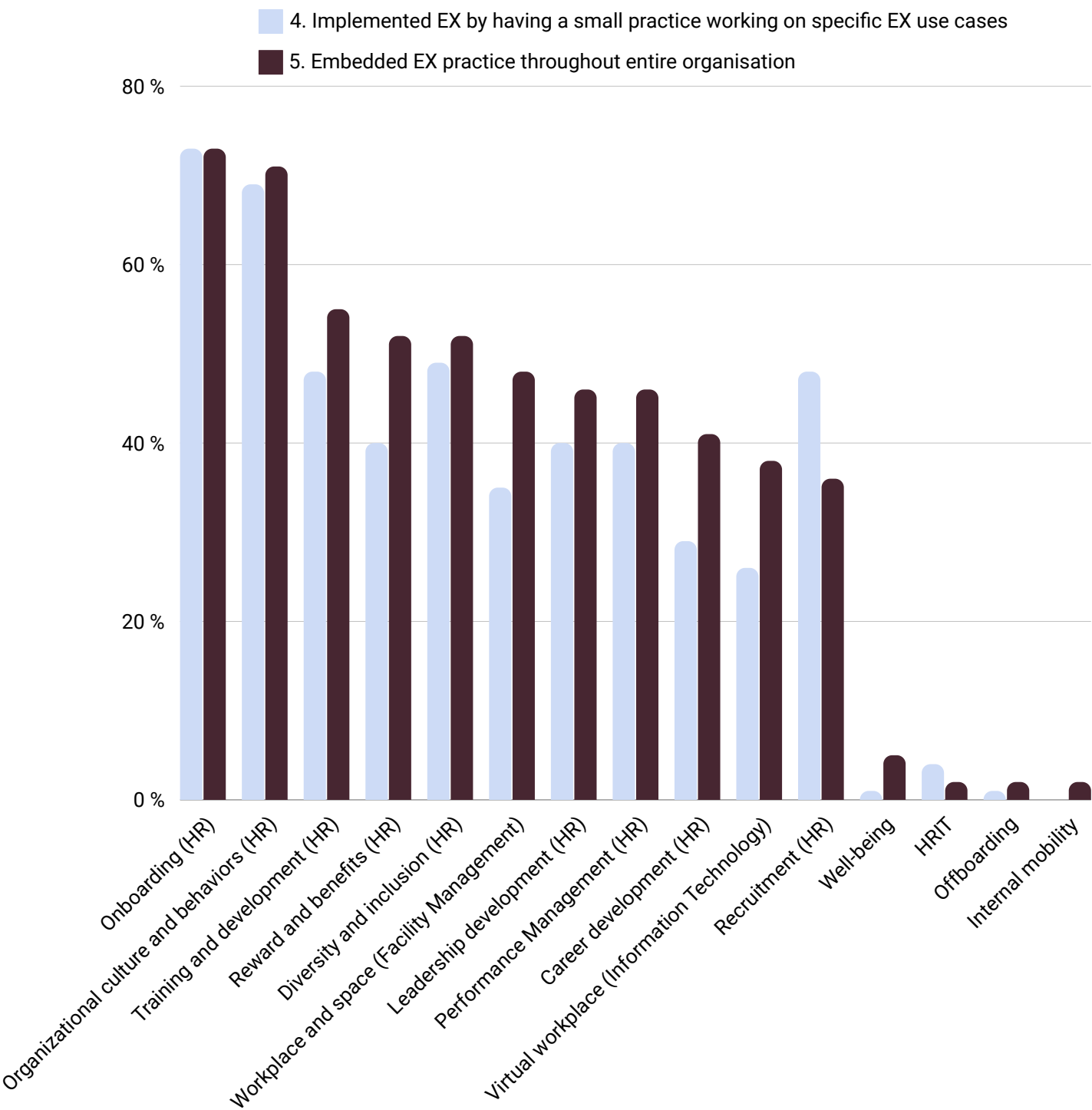
> For unleashing your EX aspirations to the fullest, knowing your workforce is key, and so is your ability to differentiate. (...) If you believe in that as a starting point, then you need to understand the differences so you can differentiate HR services and products. You need research to understand this better, and by doing so, you add more value to your processes, whether recruitment, or performance and development, and so on. A one-size-fits-all approach does not acknowledge and takes accountability for people's reality.
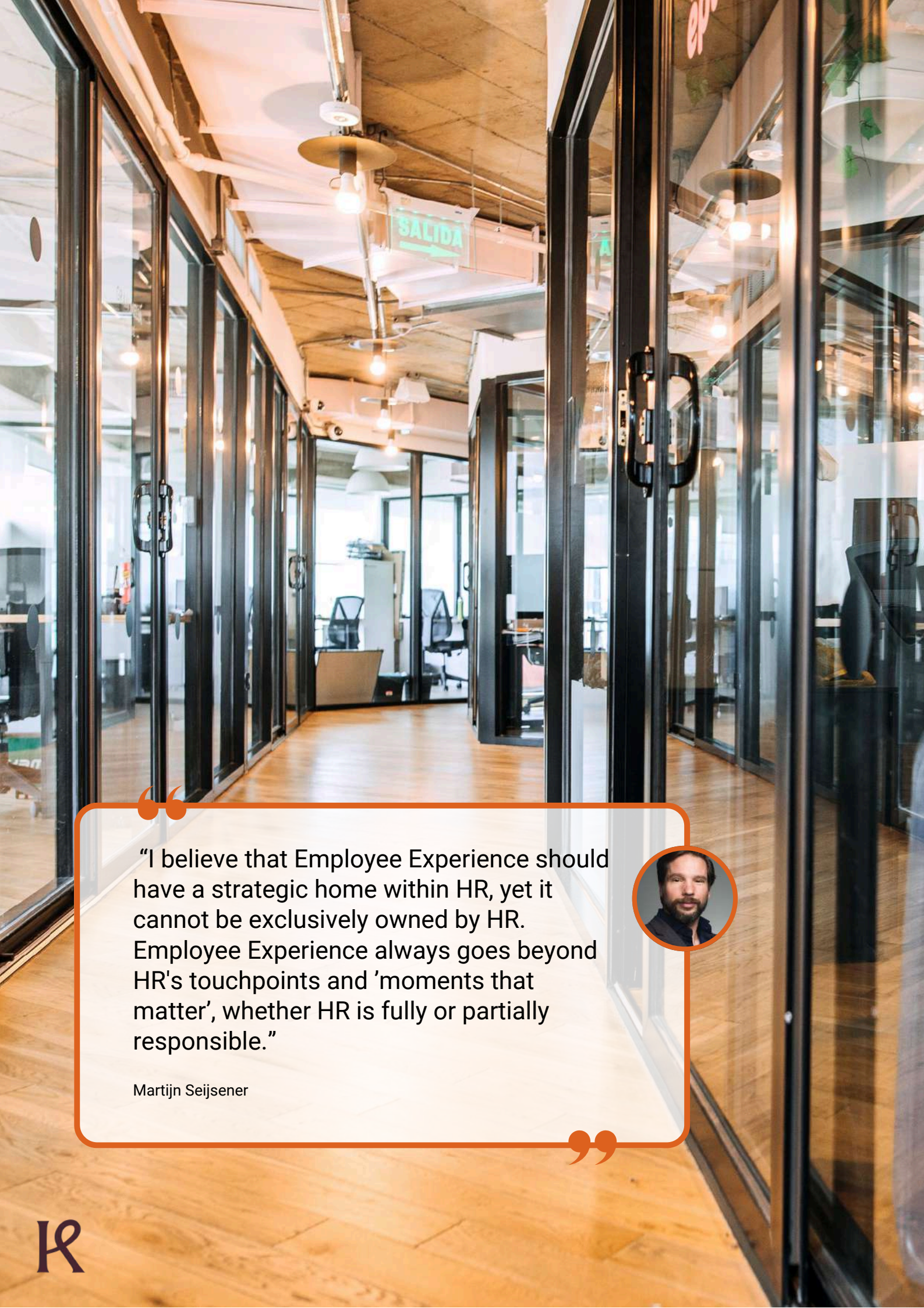>
> Lea Mikus

EX Focus Areas for Organizations active in EX (levels 4 and 5)

Legend:
- 4. Implemented EX by having a small practice working on specific EX use cases
- 5. Embedded EX practice throughout entire organisation

2.4. Which functions work together for EX?

Given that our sample predominantly represents the HR function, the data shows that EX initiatives increasingly involve HR collaborating with other functions (like Facility Management, Marketing & Communications, IT, CX). By examining these collaborative efforts, we aim to shed light on the holistic approach companies are adopting to create more impactful and comprehensive EX strategies.

The data in our current survey reveals that organizations that work on Employee Experience tend to integrate multiple functions. The most frequent domains involved are HR (96%), Marketing & Communications (69%), IT (67%), and Facility Management (54%).Back in 2020, 68% indicated that HR and IT collaborate, compared with 67% now, so the values remained quite similar.From the open category, where we gave our respondents the possibility to mention the function they collaborate with, 3% of organizations active in EX report collaboration with Business or Customer Experience (CX) functions. This highlights an opportunity in aligning EX initiatives with customer-focused efforts and broader business strategies.

More importantly, collaboration has emerged as a critical factor for companies active in EX. Our analysis reveals that an overwhelming 92% of organizations working on EX engage in collaborative efforts; Isolated approaches to EX do not lead to success. The data demonstrates that to drive EX initiatives, organizations must actively cultivate collaboration and partnerships across their functions. As organizations continue to prioritize EX, we can expect even more integration and collaboration across departments. Future trends may involve deeper partnerships with other areas such as legal, R&D, and corporate social responsibility (CSR), reflecting a more interconnected approach to organizational development.

Functions actively working on EX
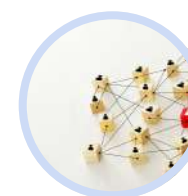
96%	69%	67%	54%	30%
with HR	with Marketing & Communications	with IT	with Facility Management	with Finance

Cross-functional collaboration for respondents active in EX:
- 13% have HR, IT and Marketing & Communications working on EX
- 17% have HR, IT and Marketing & Communications and Facility Management working on EX
- 12% have HR, IT and Marketing and Communications, Facility Management and Finance working on EX

"I believe that Employee Experience should have a strategic home within HR, yet it cannot be exclusively owned by HR. Employee Experience always goes beyond HR's touchpoints and 'moments that matter', whether HR is fully or partially responsible."

Martijn Seijsener

HUMANIZED GROWTH

How does humanized growth relate to EX and why is that important?

Gone are the days where all companies needed to worry about generating value for their shareholders. In today's world, companies are expected to not only do no harm but bring sustainable value to the wider society within which they operate.

In our 2023 report on Humanized Growth and Multistakeholder Value Creation, we explored the role of Chief Human Resources Officers (CHROs) in guiding businesses towards a more inclusive and sustainable approach. The first steps in this process are: 1) understanding who your stakeholders are and what their needs are and 2) articulating a purpose that includes the stakeholders you would like to create value for. Here we see an opportunity, if not a strong argument, for EX to collaborate across all areas of the business. Not just because Human-Centered Design skills are critical in this process, but also because your employees often represent multiple stakeholders. An employee can also be a consumer, a resident in the community where you operate, a shareholder and someone who is deeply concerned about climate change. Understanding their needs and knowing how to communicate effectively with your stakeholders on topics that are close to their heart can be a big differentiator for a company's brand, especially with the rise of employee activism. In increasingly transparent consumer and labor markets, your employer brand and consumer brand are no longer two separate things.

You have one brand and it needs to be consistent in its messaging and connecting with all your stakeholders. As a society, we are paying more attention to whether or not companies are "walking their talk" and are unafraid of calling out those who don't for greenwashing and the like. The only way to get this right is by collaborating across your organization, from customer-facing areas to Sustainability, Marketing & Communications, Finance and HR/EX, to collectively shape your multistakeholder approach and commitment.

HUMANIZED GROWTH AND MULTI STAKEHOLDER VALUE CREATION

Perspectives from Chief Human Resources Officers

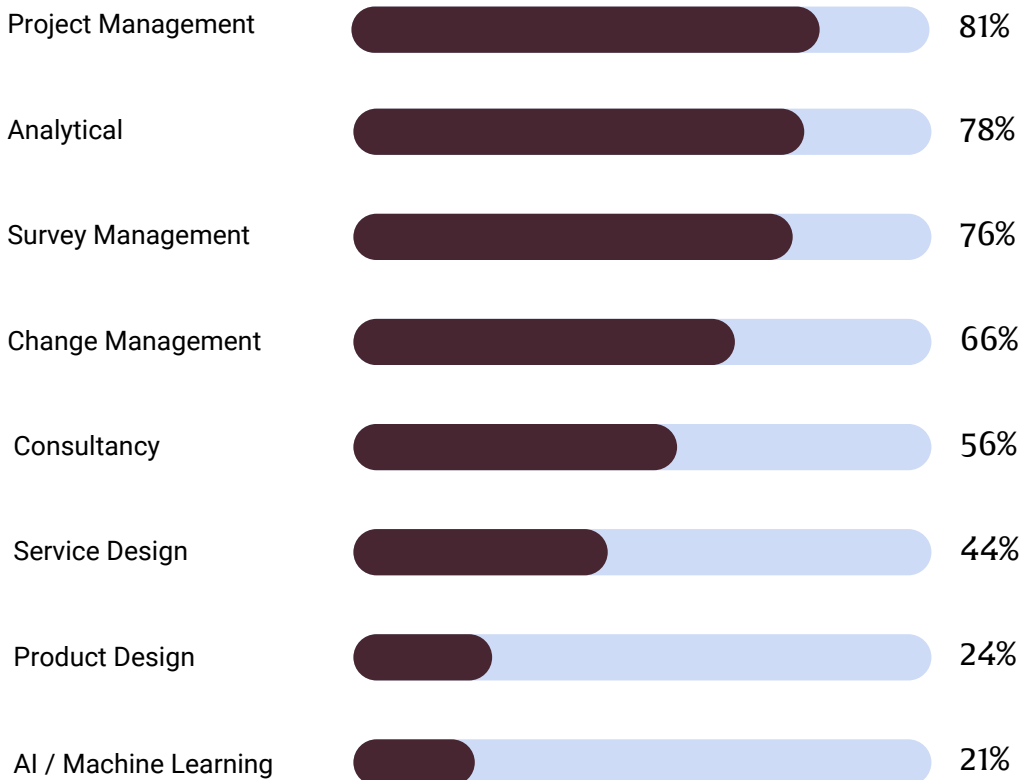KennedyFitch

Download our report here

2.5. What skills do EX teams currently have?

We wanted to understand the current skill distribution among EX professionals and identify potential gaps or areas for development to enhance employee experience strategies in the future.

Project management skills (81%), reporting and analysis skills (78%), and survey management skills (76%) are those most used within the group or organizations that are already working on EX. This suggests that organizations are prioritizing foundational capabilities essential for implementing and measuring EX initiatives. The overall skill distribution highlights the current focus on execution and data analysis.

The lower percentages for service design, product design and AI & Machine learning already indicate a gap. We will look more deeply into this in the next chapter where we compare what respondents said about skills that need to be developed or acquired over the next year. Overall, as we expected the data reveals that organizations that are more mature in their EX practices tend to have a more sophisticated skill set, with particular emphasis on project management, analytical capabilities, and increasingly, technological skills.

Current EX Skills for organizations active in EX (Maturity Levels 4 and 5)

Skill	Percentage
Project Management	81%
Analytical	78%
Survey Management	76%
Change Management	66%
Consultancy	56%
Service Design	44%
Product Design	24%
AI / Machine Learning	21%

> " In my search for team members, (...) I aimed to find individuals who could learn from and collaborate with various departments, displaying curiosity and a willingness to understand different languages and concepts.
>
> Martijn Seijsener

2.6. What tools do EX teams currently have?

Tools are crucial for organizations to effectively measure, analyze, redesign and improve employee experience, leading to increased engagement, productivity, and retention in an increasingly competitive talent landscape.
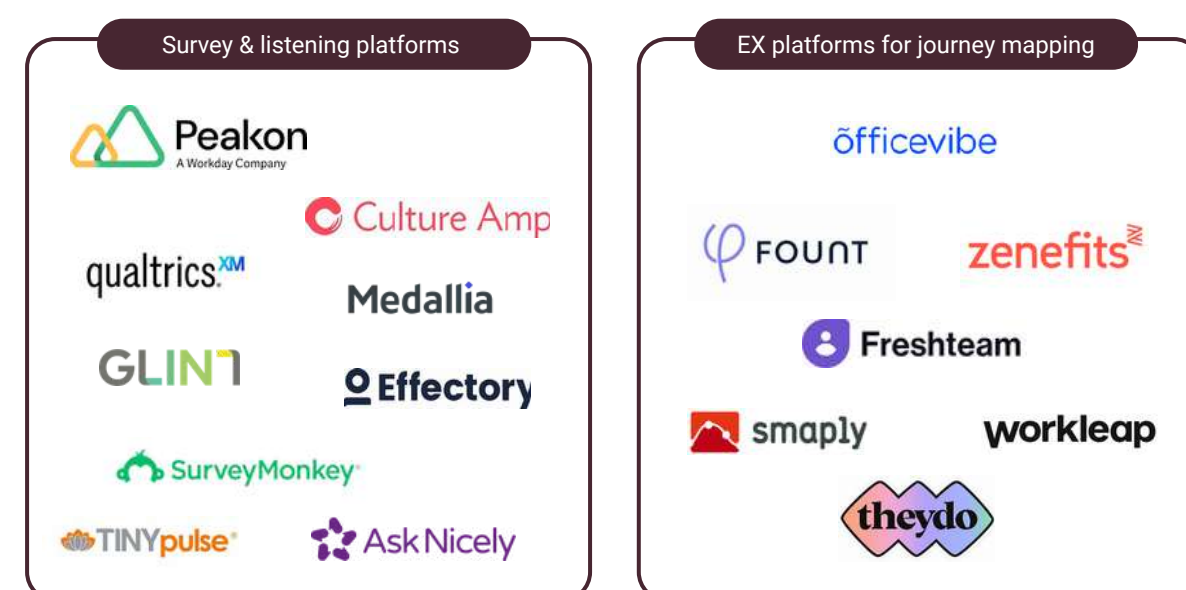
We make a clear distinction between (1) tools aimed at understanding employee sentiments and redesigning employee journeys and (2) tools that enhance the employee experience itself. The first category consists of survey, listening, and journey mapping platforms that support discovering and analyzing employee sentiment. Some examples are provided at the bottom of this page. The second category refers to the opportunity to enhance employee experience adoption using, for example, AI. This category potentially impacts the whole technology stack of an organization.

Our research shows that among all organizations, survey management platforms (83%), reporting tools and dashboards (62%), and company social and communications platforms (60%) are currently the most used. This observation indicates the importance of gathering employee feedback and measuring EX.

Additionally, 48% utilize dedicated Employee Experience platforms, emphasizing the importance of managing the entire employee journey from onboarding to exit. These platforms allow for a more in-depth measurement of the moments within specific employee journeys.

Finally, we observed a limited use of Advanced Analytics: only 26% of organizations active in EX currently use predictive tools such as Python, R, or other advanced analytical tools or AI solutions. With low current skill levels in AI and machine learning, this is an opportunity for organizations to leverage more sophisticated data analysis in their EX strategies. We will see in this report that organizations are starting to invest in the advanced analytics space.

Looking at the tooling across different levels of EX Maturity, we see tool adoption increasing when organizations start implementing EX.

Survey & listening platforms

Peakon
A Workday Company
Culture Amp
qualtrics XM
Medallia
GLINT
Effectory
SurveyMonkey
TINYpulse
Ask Nicely

EX platforms for journey mapping

officevibe
FOUNT
zenefits
Freshteam
smaply
workleap
theydo

26%

of organizations currently use predictive tools such as Python, R, or other advanced analytical tools or AI solutions.
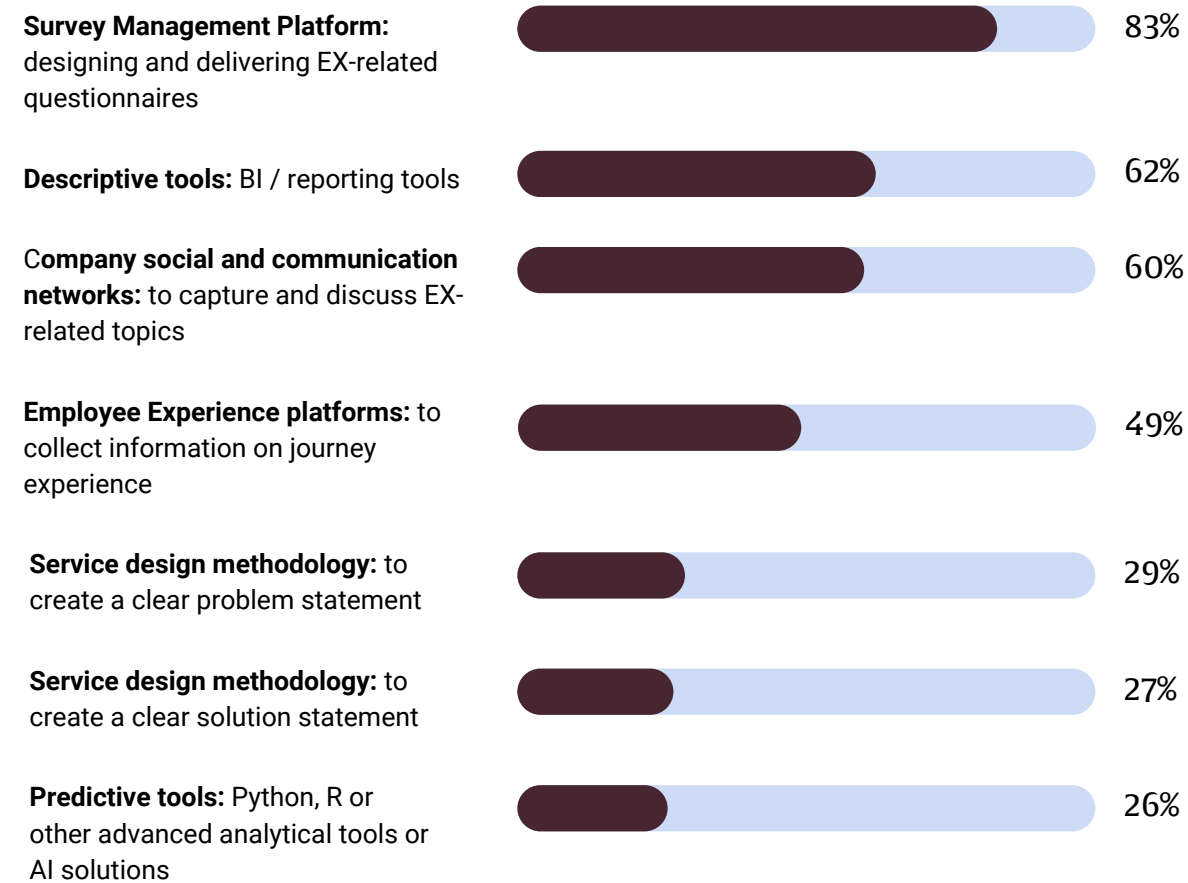
"If you don't have a strong data-related, data-founded argument base, then you will always be talking 'noise'. You need data to prove your cause, prove your arguments and prove your impact."

Sebastian Knepper

Current EX Tools for organizations active in EX (Maturity Levels 4 and 5)

Survey Management Platform: designing and delivering EX-related questionnaires — 83%

Descriptive tools: BI / reporting tools — 62%

Company social and communication networks: to capture and discuss EX-related topics — 60%

Employee Experience platforms: to collect information on journey experience — 49%

Service design methodology: to create a clear problem statement — 29%

Service design methodology: to create a clear solution statement — 27%

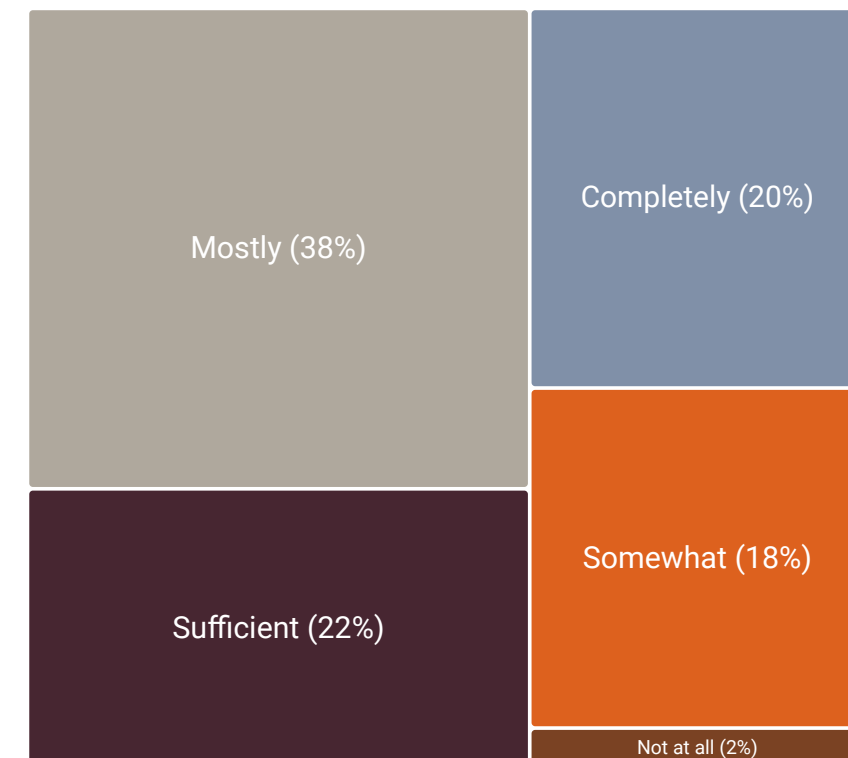**Predictive tools:** Python, R or other advanced analytical tools or AI solutions — 26%

2.6 To what degree does EX have the buy-in of senior leadership teams (HR and Business)?

While 58% of all surveyed organizations report strong leadership support ("Mostly" at 38% and "Completely" at 20%), a significant 42% still face challenges in securing full leadership commitment. Organizations with "Mostly" or "Completely" supportive management have the highest percentages (82% and 100% respectively) of implemented or fully embedded EX practices. So fully embedding EX requires strong support. The percentage of organizations with EX "Embedded throughout the entire organization" increases steadily from 16% with "Somewhat" support to 40% with "Completely" supportive management.
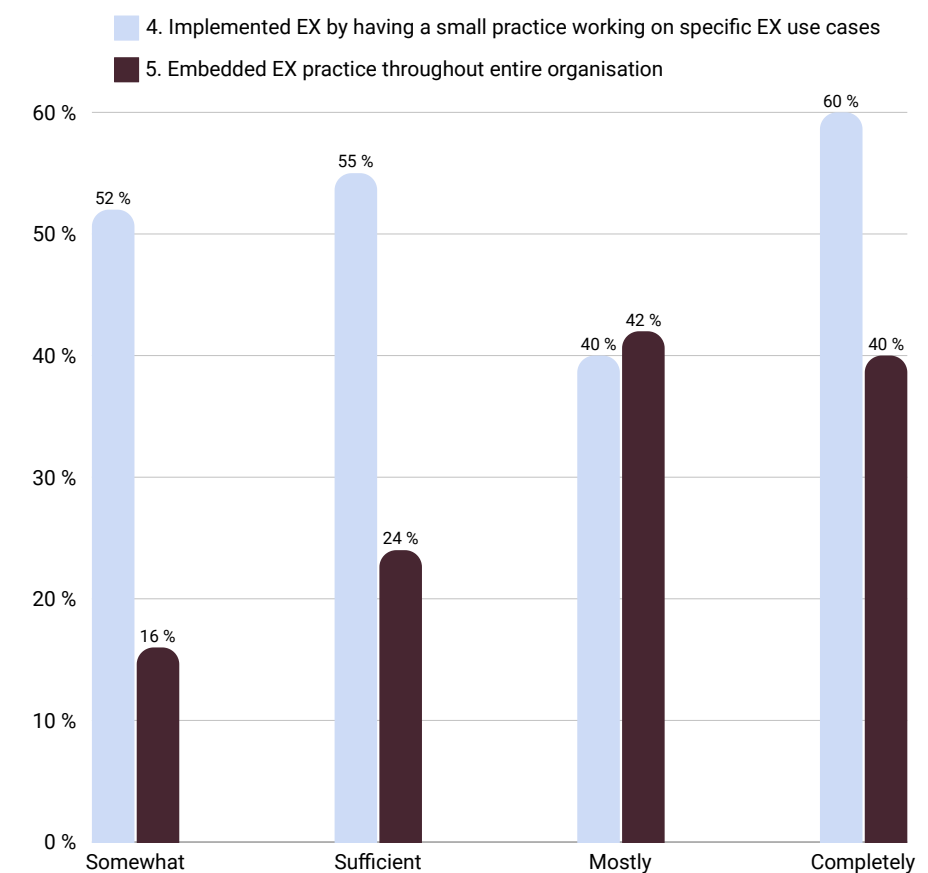
This data highlights the importance of securing strong leadership commitment to achieve higher levels of EX maturity and more widespread organizational embedding of EX practices.

Now, let's look at what obstacles people perceive they currently have and, within that, review how much leadership-buy-in (in HR and Business, separately) also proves to be a challenge right now.

Leadership Buy-in (HR and Business) across the sample:

Mostly (38%)

Completely (20%)

Sufficient (22%)

Somewhat (18%)

Not at all (2%)

Leadership Buy-in (HR and Business) for organizations active in EX (Levels 4 and 5):

■ 4. Implemented EX by having a small practice working on specific EX use cases
■ 5. Embedded EX practice throughout entire organisation

	Somewhat	Sufficient	Mostly	Completely
Implemented EX	52%	55%	40%	60%
Embedded EX	16%	24%	42%	40%

Leadership Buy-in (HR and Business) across industries:
The percentage of Leadership Buy-in (HR and Business) classified as "Mostly" and "Completely" across industries:

86%	68%	67%
Manufacturing & Construction	Retail & E-commerce	Professional Services

63%	52%	47%
Finance & Insurance	Technology & Telecommunications	Healthcare & Pharmaceuticals

2.7 What are the current main obstacles to maturing EX within organizations?

This section examines the obstacles faced by companies at different stages of EX maturity, from those just beginning their journey to those with embedded practices. These are challenges in advancing from one level of maturity to the next. Notably, even organizations at the highest maturity level report ongoing challenges, reflecting the dynamic nature of EX and the need for continuous improvement. Again, it shows that EX excellence is an ongoing process of adaptation and refinement in response to the evolving needs of people and organizational contexts.

Across the sample, budget constraints (51.7%) and a clear EX vision (49.4%) remain significant challenges across all maturity levels, even for the more mature organizations. The same is true for leadership buy-in, especially outside HR (43.3%).

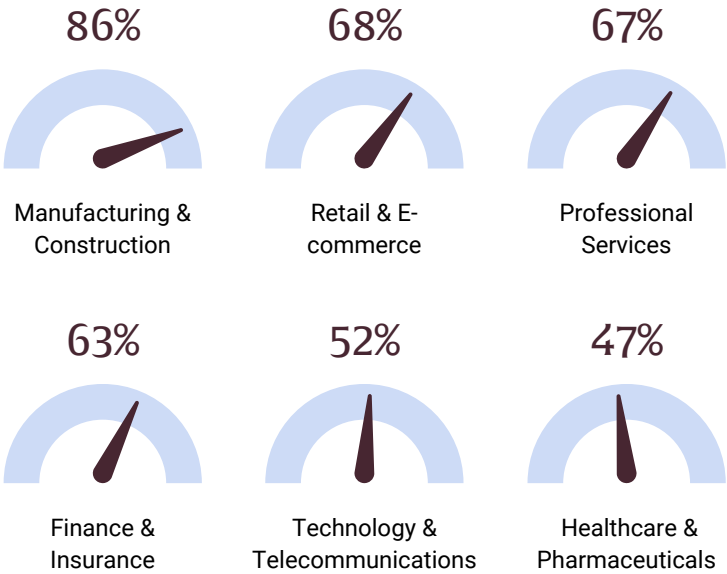|	
Lack of budget	52%
Lack of a clear EX vision	49%
Lack of leadership buy-in outside HR	45%
List of appropriate technology	35%
Lack of needed skills	29%
Lack of leadership buy-in in HR	26%

> " Move quickly and avoid over-diagnosing. Too many companies get stuck in endless analysis and problem statements. "
>
> Joachim Decock

FORMULATING AN EX BUSINESS CASE TO GET LEADERSHIP BUY-IN

At KennedyFitch, we know that creating a compelling EX business case requires a strategic approach that aligns with broader organizational goals and demonstrates tangible value. And we also know that business cases may also be needed for smaller scale initiatives.

Some examples.
If you want to improve the onboarding journey for instance, it is quite easy to calculate the amount of idle time in the process for new hires caused by waiting for the next steps in the process. You can calculate this based on actual process timestamps in your HR, IT and Facilities systems and identify the gap with the designed process times. When multiplied by the average salary paid out during the onboarding period and the average number of new hires per month or year, you will be able to identify the potential efficiency gain in actual budget terms.

If you want to invest in new tooling to improve Employee Experience, make sure you test it first on a smaller group of people. Sometimes you don't even need a sandbox environment but a prototype, simulating the experience will be more than sufficient. This will save you the time of actually setting up a solution. A simple A/B test between the old and the new situation will tell you a lot about decreased processing times and increased adoption. So, ask one set of people to go through the old process, keep the time and ask how much effort it took to complete the process on a scale from 1-5 (Effort Score) and ask them about their satisfaction after completion. Then do the same with another set of people on the process with the new tooling/ prototype. Again measure time to complete, effort score and satisfaction.

Basically, every time where 'time saved' is a factor, you will be able to calculate productivity gain in terms of financial impact. However, be aware that it is not a given that time savings will result automatically in higher productivity or higher Employee Satisfaction. Therefore this type of case building should always be combined with measuring satisfaction. As for productivity, what people will do with that time saved is still their own call.

A third possible business case is by calculating the correlation between specific moments or journeys (satisfaction score) and a more high-level engagement driver. Business Leaders often have engagement or organizational health drivers as part of their KPIs (e.g. Job Engagement, Organization Engagement, EX NPS score, etc.). Finding the moments that have the biggest correlation with those engagement drivers in the employee life cycle will give you the data that prove how your initiative will contribute to a business leader's goals. This is typically where EX and People Analytics teams work together to create statistical correlations between two or more data sets.

1 STRATEGIC ALIGNMENT STAGE
Ensure that each EX initiative aligns with broader organizational goals and demonstrates tangible value.

2 EFFICIENCY AND COST SAVINGS ANALYSIS
Quantify financial impacts by calculating efficiency gains in specific employee journeys (e.g., onboarding).

Provides an $/€ amount for potential efficiency gains

3 PRODUCTIVITY AND SATISFACTION ANALYSIS
Calculate the productivity gains and balance them with employee satisfaction to avoid false positives in financial impacts.

Assesses financial gain alongside satisfaction to validate true productivity impacts.

4 PROTOTYPE AND TESTING STAGE
Test new EX solutions on a smaller scale before broad implementation to assess effectiveness.

Collects quantitative and qualitative data for assessing adoption and satisfaction.

5 CORRELATIVE ANALYSIS STAGE (PEOPLE ANALYTICS COLLABORATION)
Identify which employee journey moments correlate with high-level engagement drivers relevant to business leader KPIs.

Provides data-backed correlations that link EX initiatives to measurable business goals.
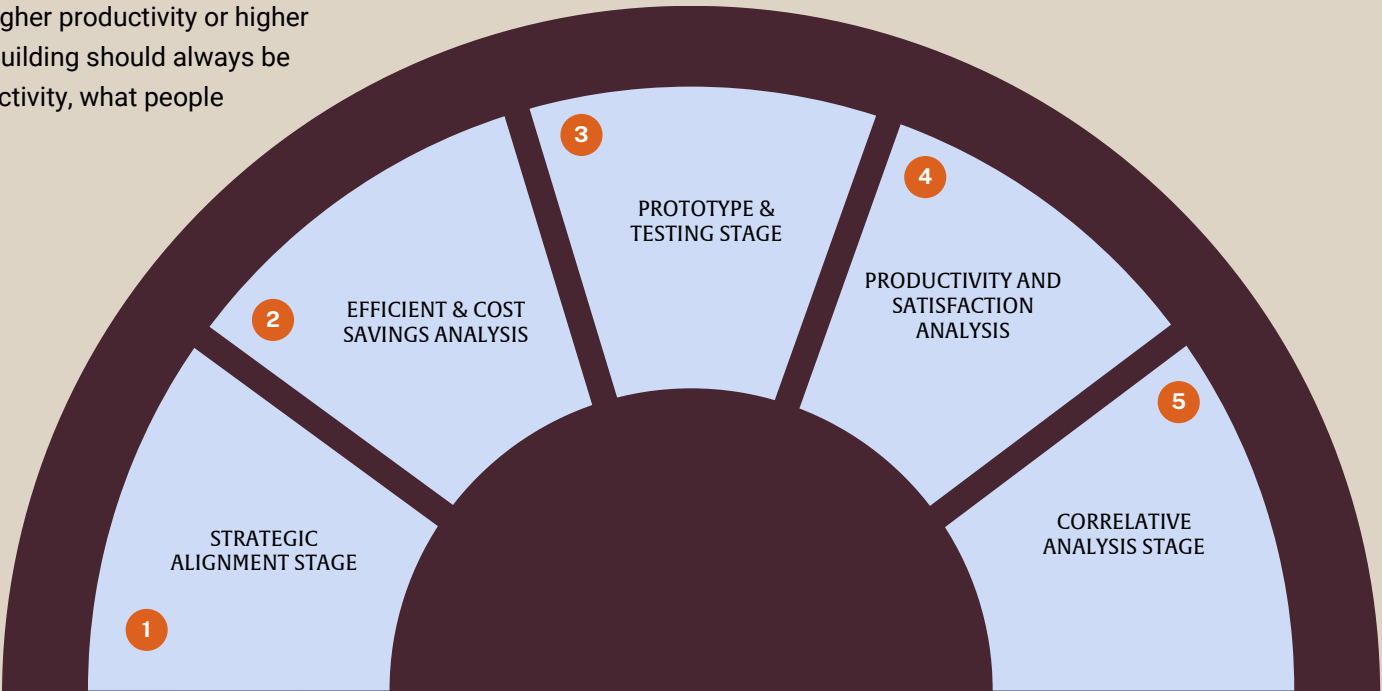
3. FUTURE STATE OF EMPLOYEE EXPERIENCE

Ambitions for 2025

3. FUTURE STATE OF EMPLOYEE EXPERIENCE: AMBITIONS FOR 2025

Here we explore the trajectory of EX initiatives, examining both immediate ambitions and long-term visions. Our analysis reveals organizations' plans for the next 12 months, offering insights into anticipated EX maturity progression, target areas within the employee lifecycle, and skills EX professionals aim to develop. We also investigate the new tools teams plan to incorporate and the obstacles they foresee in maturing their EX initiatives.

3.1 How do organizations envision their EX maturity progressing in the next 12 months?

Organizations across the sample show a strong ambition to mature their Employee Experience (EX) practices. 72% of companies surveyed want to progress to a higher level of maturity within the next 12 months.

EX Maturity ambition in the next 12 months, across the sample:
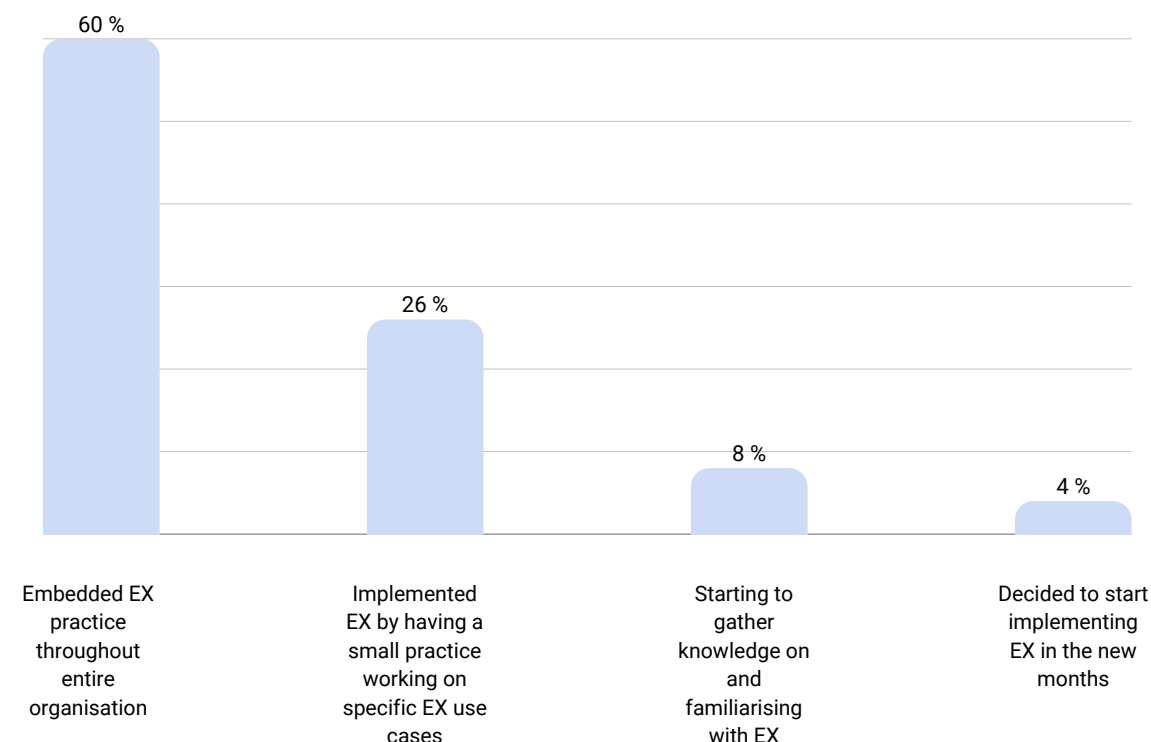
3.2 What are the primary areas of EX improvement that organizations expect to work on in the next 12 months?

The data across the sample shows a sustained focus on culture. Organizational culture and behaviors (63%) are a top priority, indicating its perceived importance in shaping overall employee experience. We see the same sustained focus on onboarding (56%). There is also a shift towards long-term initiatives: the increased focus on leadership development (55%) and career development (50%) suggests a move towards more strategic, long-term EX improvements.

When we examine the improvement areas that organizations active in EX are expecting to work on in the next year, we see that Level 4 (Small-scale implementation) appears as a quite evenly distributed focus across EX areas, with increased attention on workplace management. Level 5 (Embedded EX practice) shifts towards strategic and cultural aspects, prioritizing organizational culture and leadership development. They also place greater emphasis on performance management and rewards compared to other levels.

Less mature organizations tend to prioritize foundational HR processes (those which are essential to basic workforce management, according to our survey data, generally applicable across different types of organizations and fundamental to maintaining legal compliance), while more mature organizations shift focus to integrate also strategic, cultural, and advanced EX initiatives.

From our consulting experience, we see two movements on EX improvements: (1) optimizing foundational processes (enablement), generally owned by corporate operations functions like HR, Tech etc. and (2) working on the more strategic topics (empowerment), such as development, culture, wellbeing, leadership, topics generally owned by the business and supported by Strategic HR teams. In our experience, more mature organizations are not "giving up" on the first, while focusing on the second. There's a compelling case to be made for moving beyond just addressing "hygiene" factors (such as compensation, working conditions, and job security) and also focusing on motivational factors (like recognition, personal growth, and a sense of purpose). While hygiene factors are essential to prevent dissatisfaction, motivational factors are what truly engage employees and drive long-term commitment.

By balancing both, not only do we address immediate employee needs, but we also strengthen the business case for EX by fostering deeper engagement, innovation, and retention.

We firmly believe in refining our core HR functions, the bread and butter of our business. (...) Prioritizing the accuracy and efficiency of our fundamental HR operations is paramount, so my focus is on elevating these foundational processes to a higher standard before delving into unconventional solutions. Once foundational work is robustly established, we anticipate considering the next strides in AI implementation.

Andreas Mayer

If we adopt the mindset of being a 'community' or 'platform', offering people opportunities to grow, develop, and bring their fullest potential to work - that's a more employee-centric approach. If you think from a sense of togetherness, you start to organise all your processes differently.

Ruth Bielderman

Comparison of Past and Future EX Impact areas (next 12 months)

Onboarding (HR):

Past 12 months   73.8%
Next 12 months   55.8%

Observation: While still a high priority, there's a significant decrease in focus, suggesting many organizations have already made substantial improvements in this area.

Organizational culture & behaviors (HR):

Past 12 months   66.3%
Next 12 months   62.8%

Observation: This area has moved to the top spot for the coming year, indicating a sustained and even increased focus on culture.

Training and development (HR):

Past 12 months   51.2%
Next 12 months   48.3%

Observation: Slight decrease in focus

Leadership development (HR):

Past 12 months   43%
Next 12 months   54.7%

Observation: Significant increase in focus, moving up to a top-3 priority for the coming year.

Career development (HR):

Past 12 months   33.1%
Next 12 months   50%

Observation: Major increase in focus, jumping six places in priority ranking.

Diversity & Inclusion (HR):

Past 12 months ████████ 49.4%
Next 12 months ███████ 44.8%

Observation: Significant increase in focus, moving up to a top-3 priority for the coming year.

Virtual Workplace (HR):

Past 12 months ████ 26.7%
Next 12 months █████ 30.2%

Observation: Slight increase in focus but remains at the same priority level.

PAST 12 MONTHS
1. **Onboarding (HR): 73.8%**
2. **Organizational culture & behaviors (HR):66.3%**
3. **Training and development (HR): 51.2%**
4. Diversity & Inclusion (HR) - 49.4%
5. Leadership development (HR): 43%
6. Career development (HR) - 33.1%
7. Virtual Workplace (HR) - 26.7%

NEXT 12 MONTHS
1. **Organizational culture & behaviors (HR):62.8%**
2. **Onboarding (HR): 55.8%**
3. **Leadership development (HR): 54.7%**
4. Career development (HR) - 50%
5. Training and development (HR): 48.3%
6. Diversity & Inclusion (HR) - 44.8%
7. Virtual Workplace (HR) - 30.2%

3.3 Which skills do EX professionals aim to develop or acquire in the next year?

To gain insights into the future skill distribution among EX professionals we identified the skills our respondents believe they need to acquire or develop over the next 12 months.

The most striking shift is the strong desire to develop AI and Machine Learning (predictive analytics) with 57% of respondents highlighting their importance. These results correspond with the current skills findings outlined in the previous chapter, which showcased low levels of AI and Machine learning skills (15%) in EX. Similarly, Service Design (40%) and Product Design (35%) are rated as highly desired skills, while they currently stand at low levels.

These findings may indeed suggest a gap in AI and Machine Learning (predictive analytics), Service Design and Product Design skills across companies in EX. Moreover, they suggest a strong need for a future shift towards data-driven and automated approaches in managing employee experiences, while also looking toward a growing focus on crafting tailored, user-centric experiences for employees, mirroring trends in customer experience.

Analytical skills in general remain crucial, with 45% of respondents hoping to get more talent in the next 12 months, despite them being very present within companies in the current state (77%). While still relevant, Project Management (28%) and Survey Management (22%) are ranked lower, suggesting they may be seen more as foundational skills rather than differentiators in the future EX landscape. Only 2% of respondents identified Communications as a future skill they intend to acquire or develop.

Organizations active in EX prioritize varying skills for the next 12 months:
- Level 4 (Small-scale implementation) maintains focus on AI/ML and analytical skills, while service and product design gain prominence.
- Level 5 (Embedded EX practice) heavily prioritizes AI/ML skills probably in order to scale EX initiatives. Change management remains important, and service/product design continues to be emphasized.

This analysis reveals that as organizations become more mature in their EX-implementation, their immediate talent needs are different, shifting from foundational skills towards more specialized and advanced capabilities, with a particular emphasis on AI/Machine Learning and design thinking approaches to drive innovation in employee experience.
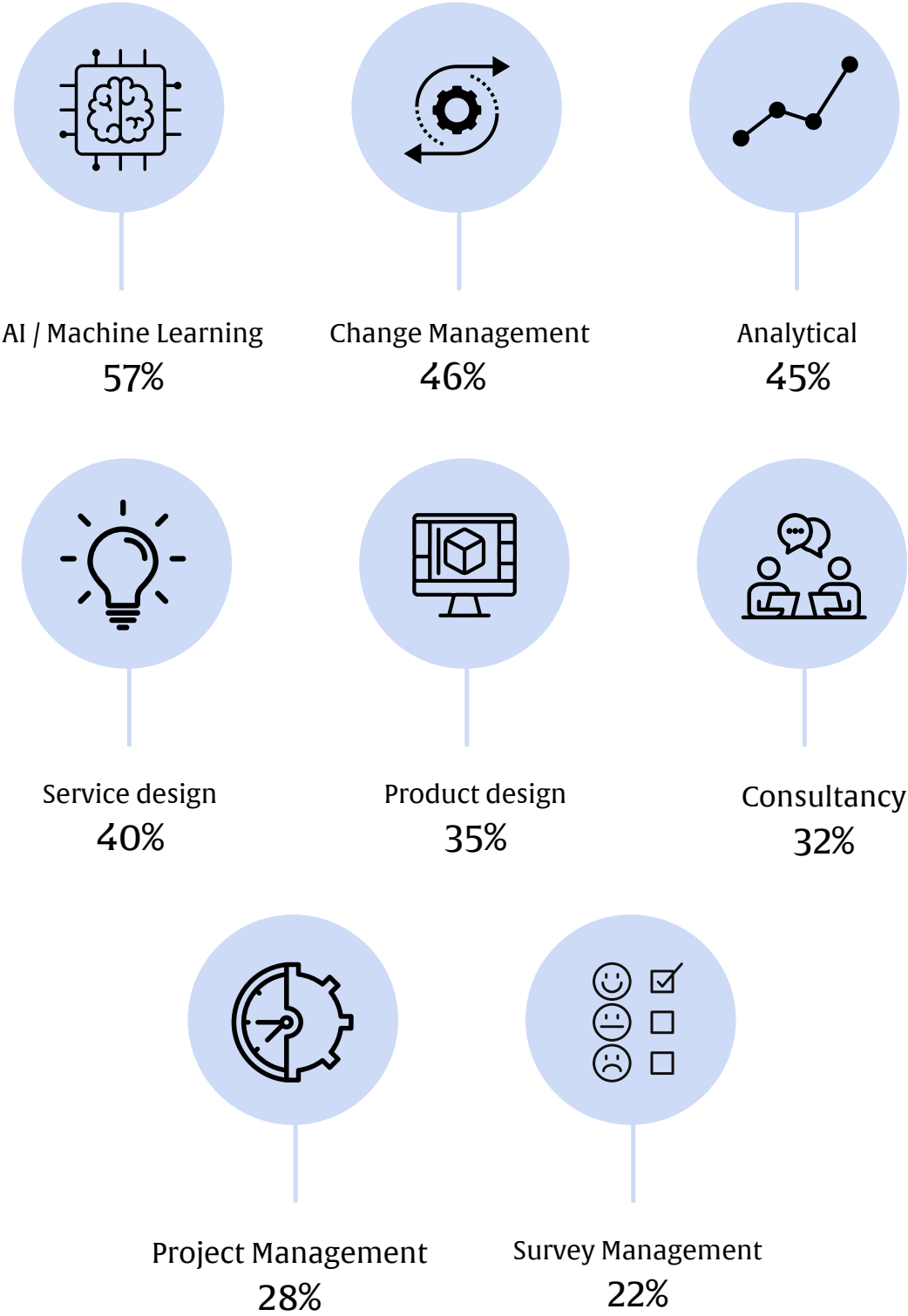
> To enhance employee experience, we need individuals with UX expertise, UI skills, communication proficiency, and a flair for visualization. It requires more than just customer experience design skills; we need to incorporate extensive marketing skills.
>
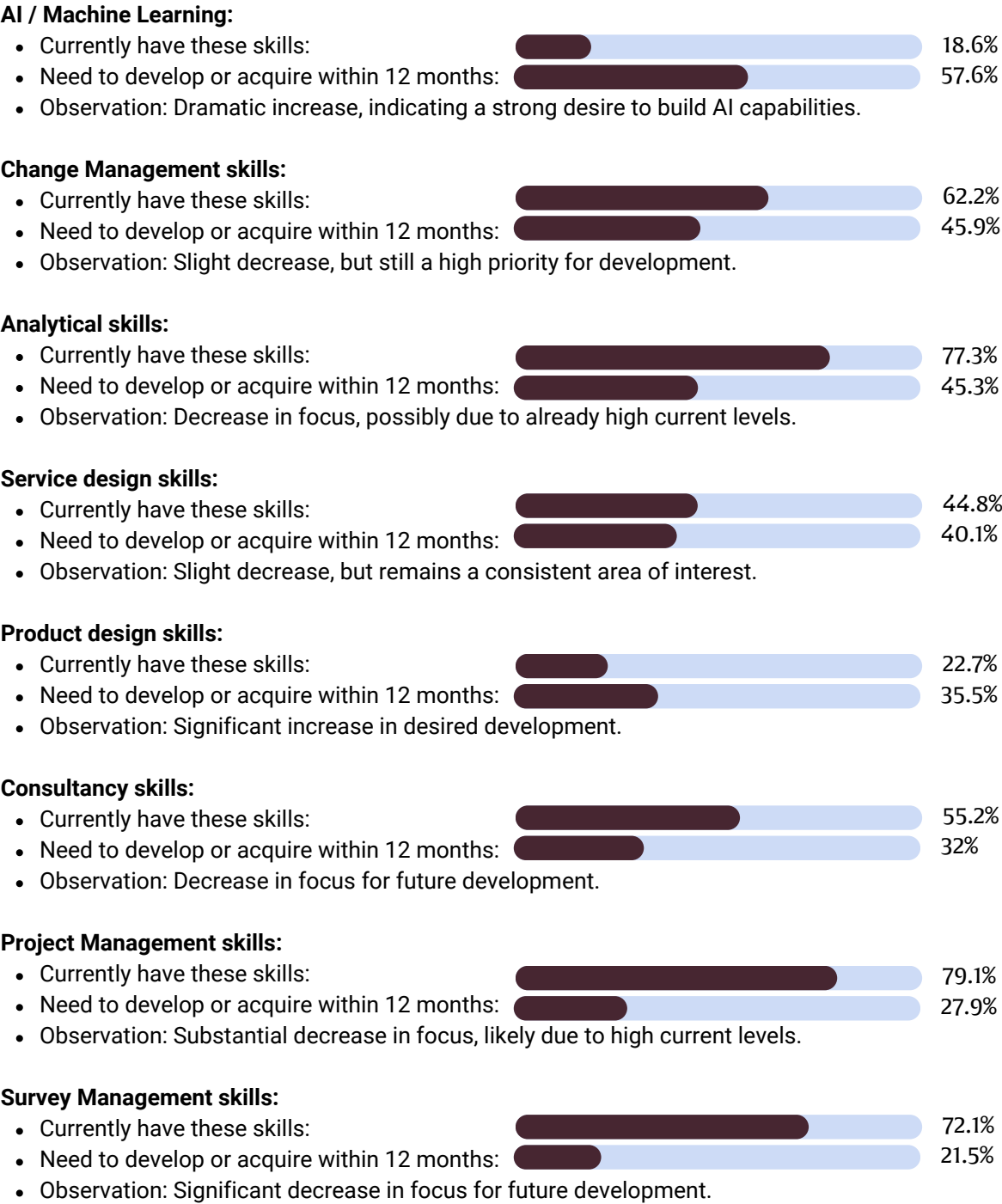> Sander de Bruijn, formerly at ING, now at KennedyFitch

Future EX Skills needed in the next 12 months, across the sample

AI / Machine Learning
57%

Change Management
46%

Analytical
45%

Service design
40%

Product design
35%

Consultancy
32%

Project Management
28%

Survey Management
22%

Comparison of Current versus Future skills (next 12 months) across the sample:

AI / Machine Learning:
- Currently have these skills: 18.6%
- Need to develop or acquire within 12 months: 57.6%
- Observation: Dramatic increase, indicating a strong desire to build AI capabilities.

Change Management skills:
- Currently have these skills: 62.2%
- Need to develop or acquire within 12 months: 45.9%
- Observation: Slight decrease, but still a high priority for development.

Analytical skills:
- Currently have these skills: 77.3%
- Need to develop or acquire within 12 months: 45.3%
- Observation: Decrease in focus, possibly due to already high current levels.

Service design skills:
- Currently have these skills: 44.8%
- Need to develop or acquire within 12 months: 40.1%
- Observation: Slight decrease, but remains a consistent area of interest.

Product design skills:
- Currently have these skills: 22.7%
- Need to develop or acquire within 12 months: 35.5%
- Observation: Significant increase in desired development.

Consultancy skills:
- Currently have these skills: 55.2%
- Need to develop or acquire within 12 months: 32%
- Observation: Decrease in focus for future development.

Project Management skills:
- Currently have these skills: 79.1%
- Need to develop or acquire within 12 months: 27.9%
- Observation: Substantial decrease in focus, likely due to high current levels.

Survey Management skills:
- Currently have these skills: 72.1%
- Need to develop or acquire within 12 months: 21.5%
- Observation: Significant decrease in focus for future development.

3.4 What new tools do teams plan to incorporate into their EX practices in the next year?

Similarly, as with skills, the dramatic increase in interest for predictive tools suggests a move towards more sophisticated data analysis and AI-driven insights. As the top priority for EX in the coming year, 45% of respondents identified predictive tools, including Python, R, and AI solutions. This indicates a significant shift towards data-driven decision-making in EX strategies, suggesting that organizations are looking in the next year to leverage advanced analytics to anticipate employee needs and trends.

There is a shift from Descriptive (reporting and dashboards platforms) to Predictive Analytics. While 29% still see value in Descriptive tools, the higher ranking of Predictive tools suggests a transition from a mostly reactive to a proactive EX management. However, both Descriptive and Predictive tools are needed for effective EX. Overall, these insights reveal a clear trend towards more sophisticated, data-driven approaches to EX, with a focus on predictive analytics, holistic experience management (meaning end-to-end employee journey, rather than "just" isolated touchpoints), and structured problem-solving methodologies.

Next, we looked at how tooling needs for Employee Experience (EX) change as organizations mature, especially for Levels 4 and 5. Maturity Level 4 shows a high interest in predictive tools (45%), a decreased focus on survey management platforms (15%) and company social networks (22%). Maturity Level 5 shows continued high interest in predictive tools (46%), decreased focus on survey management platforms (11%) and descriptive tools (20%). Overall, looking at tooling across maturity levels, we see a shift from basic to advanced analytics: As organizations mature, there's a clear trend moving from Descriptive tools (like BI or reporting tools that show you how things currently are) towards Predictive tools (like Python, R or other advanced tools that show you how things could be) and AI-driven solutions. With maturity, there is a decreasing reliance on survey platforms, suggesting a shift towards more integrated and continuous listening approaches.

Future EX Tools needed in the next 12 months across the sample

Predictive tools: Python, R or other advanced analytical tools or AI solutions — 45%

EX platforms: to collect information on journey experience — 37%

Service design methodology: to create a clear solution statement — 37%

Service design methodology: to create a clear problem statement — 35%

Descriptive tools: BI / reporting tools — 29%

Company social and communication networks: to capture and discuss EX related topics — 24%

Survey Management Platform: designing and delivering EX related questionnaires — 18%
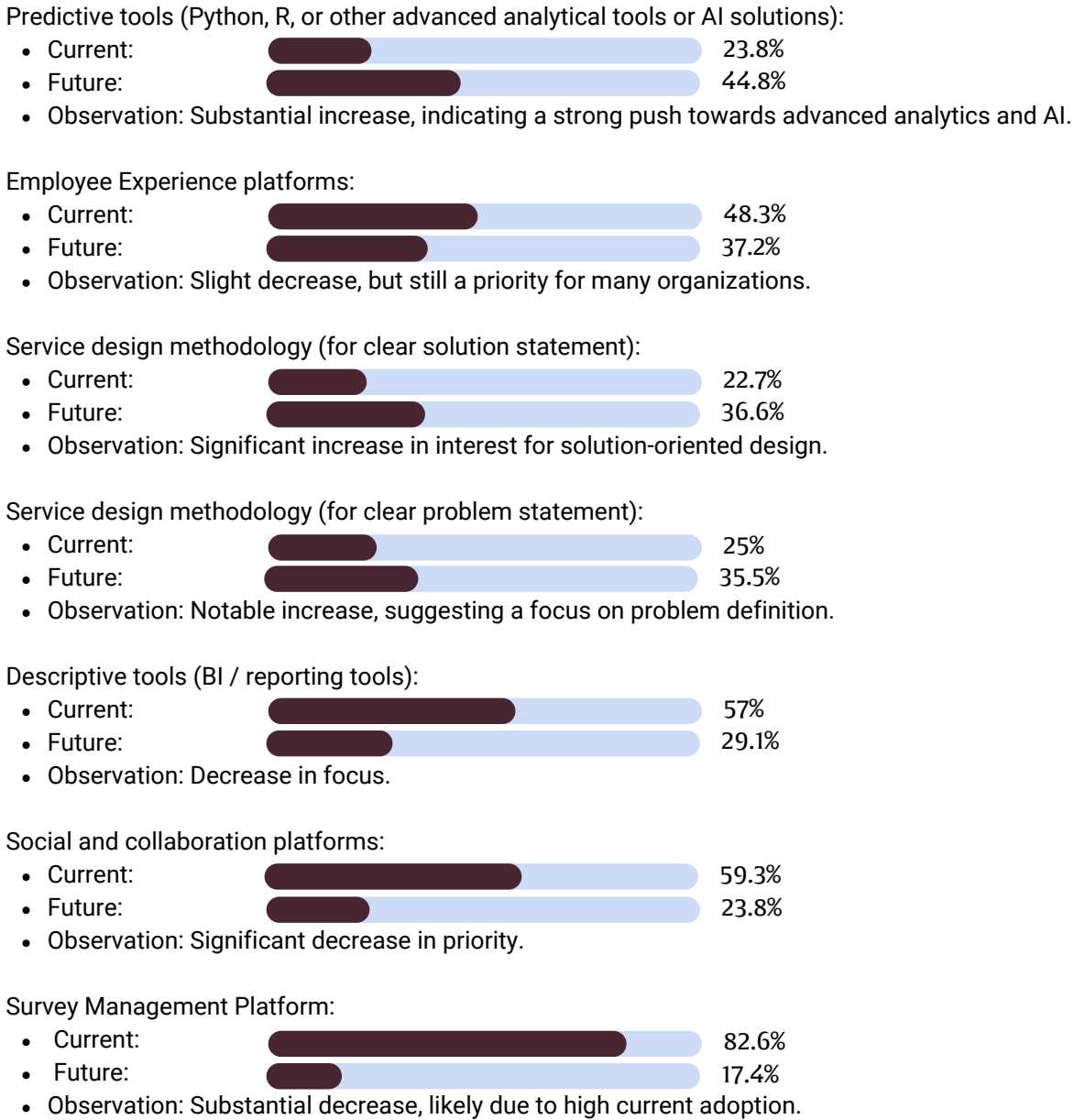
> We realized it's not about the technology - it's about what employees and managers actually need.
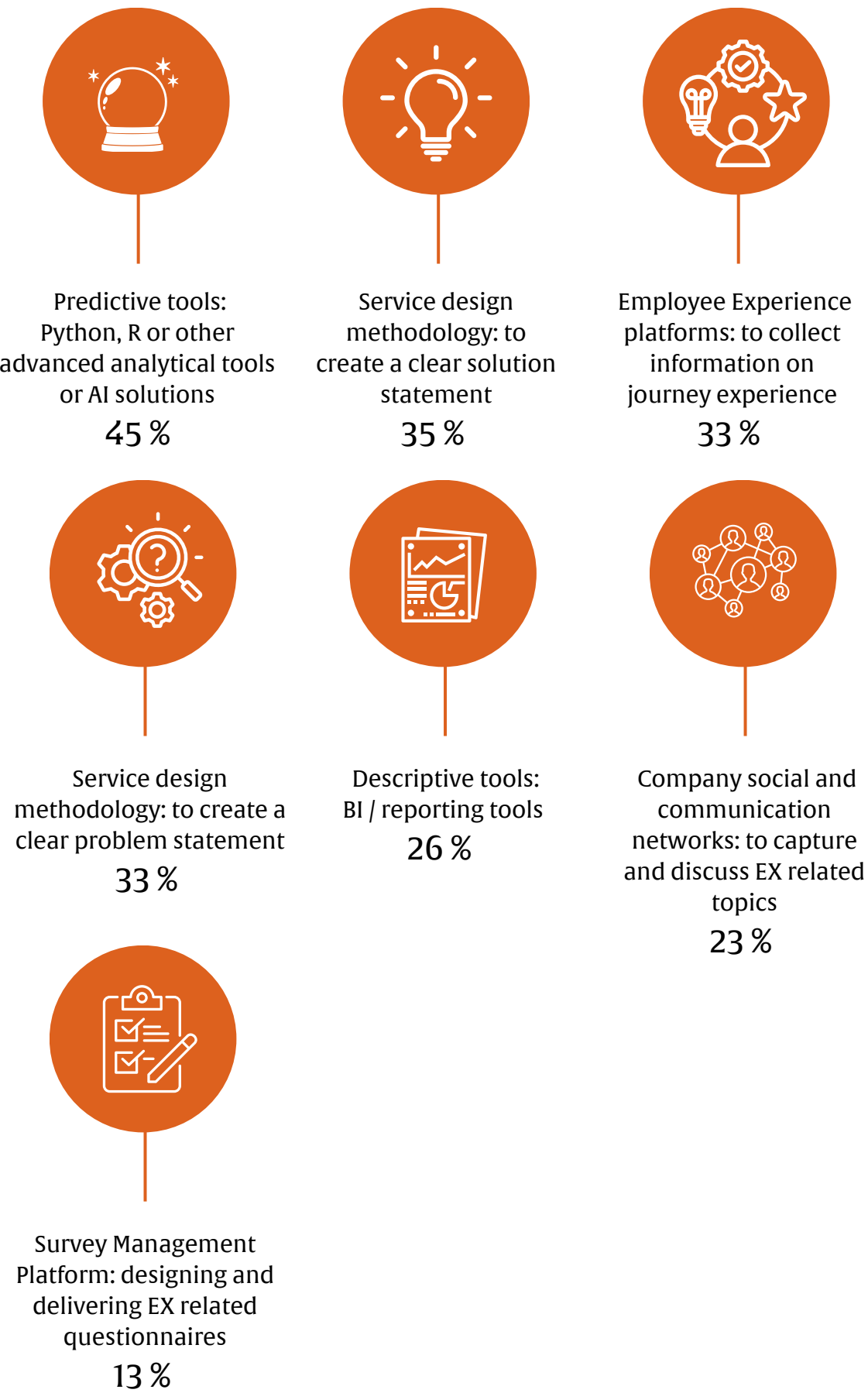>
> Volker Schrank

Comparison of Current versus Future EX tools needed

Future EX tools needed in the next 12 months

Predictive tools (Python, R, or other advanced analytical tools or AI solutions):
- Current: 23.8%
- Future: 44.8%
- Observation: Substantial increase, indicating a strong push towards advanced analytics and AI.

Employee Experience platforms:
- Current: 48.3%
- Future: 37.2%
- Observation: Slight decrease, but still a priority for many organizations.

Service design methodology (for clear solution statement):
- Current: 22.7%
- Future: 36.6%
- Observation: Significant increase in interest for solution-oriented design.

Service design methodology (for clear problem statement):
- Current: 25%
- Future: 35.5%
- Observation: Notable increase, suggesting a focus on problem definition.

Descriptive tools (BI / reporting tools):
- Current: 57%
- Future: 29.1%
- Observation: Decrease in focus.

Social and collaboration platforms:
- Current: 59.3%
- Future: 23.8%
- Observation: Significant decrease in priority.

Survey Management Platform:
- Current: 82.6%
- Future: 17.4%
- Observation: Substantial decrease, likely due to high current adoption.

Predictive tools: Python, R or other advanced analytical tools or AI solutions
45 %

Service design methodology: to create a clear solution statement
35 %

Employee Experience platforms: to collect information on journey experience
33 %

Service design methodology: to create a clear problem statement
33 %

Descriptive tools: BI / reporting tools
26 %

Company social and communication networks: to capture and discuss EX related topics
23 %

Survey Management Platform: designing and delivering EX related questionnaires
13 %

PEOPLE ANALYTICS & EFFECTIVE EMPLOYEE LISTENING

A mature People Analytics practice is crucial for developing an effective continuous employee listening strategy. In all stages of continuous employee listening, People Analytics services play an important role.

The first stage (listening or signaling) is about collecting active employee data from survey, panel and pulse software and passive employee data from your transactional systems in order to understand what is on the mind of your employees. This information can be used to separate the signal from the noise and prioritize topics that matter most to your employees and organization.

The second stage is about truly understanding these signals and their underlying problems. This stage is about applying additional descriptive and predictive analytics where needed, and applying qualitative data collection via, for example, semi-structured interviews or panel sessions. Applying service design to build a clear problem statement is also typically part of this stage.

The last stage is about designing a solution. Additional interviews, panel discussions, and testing, can help to design a sustainable solution. Again service design is a common methodology to support this stage. Once the solution is designed, it can be implemented throughout the whole organisation or first tested as a pilot or experiment.

Overall, a mature People Analytics practice facilitates continuous employee listening from the beginning to the end, to deliver well-thought-through and -designed solutions that increase your employee experience, enhance employee wellbeing, and boost productivity.

DISCOVER & ANALYSE	DEFINE THE PROBLEM	DEVELOP THE SOLUTION & DELIVERY
LISTENING & SIGNALING	ANALYZING & UNDERSTANDING	DESIGNING & IMPLEMENTING
Collect active and passive data via survey or listening platforms to understand employee sentiments and prioritize relevant topics.	Dive deeper into the collected data to uncover root problem via e.g., journey mapping, panel discussion and interviews.	Create and test a sustainable solution based on panel testing and pilots.

3.5 What obstacles do organizations anticipate in the next 12 months?

Back in 2020, our survey revealed significant challenges in organizational transformation. A majority (64%) of respondents grappled with "Organizational Complexity," indicating widespread structural and procedural hurdles. Additionally, over half (55%) found it difficult to change the "Capability and mindset of our HR," suggesting a need for substantial skill development and cultural shift within HR departments. Perhaps most notably, "Transforming the Culture" emerged back then as the most daunting task, with an overwhelming 77% of respondents rating it as very or extremely difficult.

Our current results show that things now look quite different. The main obstacles in the next 12 months are lack of budget (54%), insufficient leadership buy-in outside HR (41%), absence of a clear EX vision (35%), inadequate technology (31%), and skills deficits (27%).

54%	41%	35%
Lack of budget	insufficient leadership buy-in outside HR	Absence of a clear EX vision

31%	27%
Inadequate technology	Skills deficits
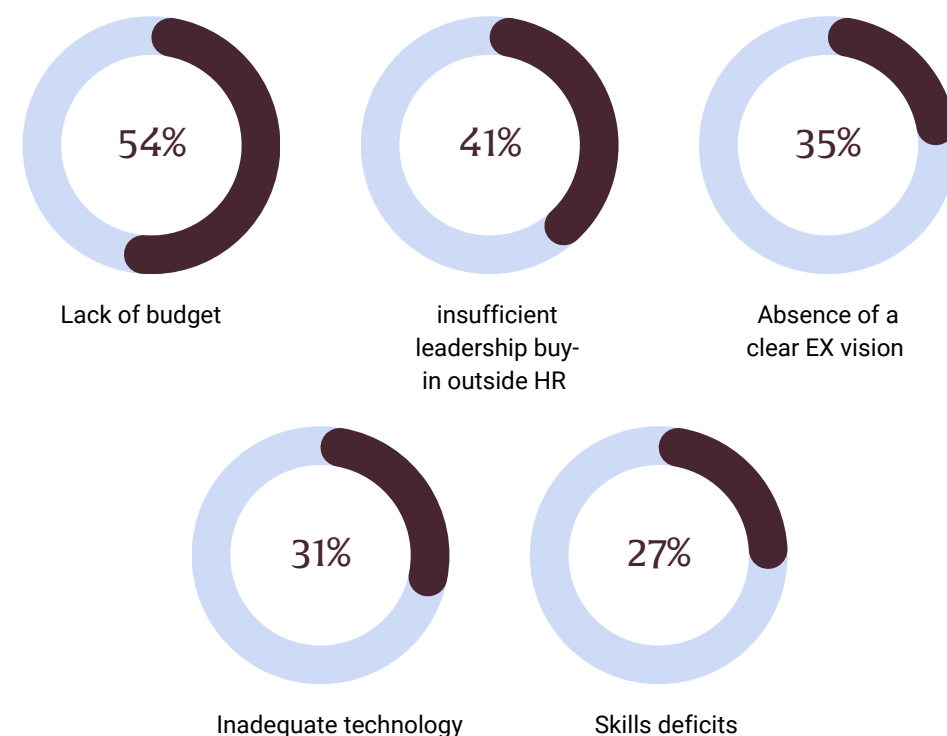
These barriers highlight the need for a more strategic approach to EX. To overcome these challenges, organizations need to start developing a compelling business case for EX initiatives, with clear metrics to measure impact, that will convince leadership outside HR and then have the resources and freedom to create cross-functional teams to ensure alignment, invest in appropriate technology and skills development.

Organizations that have implemented Employee Experience (EX) practices face varying challenges at different levels: Level 4 (Small-scale implementation) continues to prioritize budget concerns, while leadership buy-in outside HR gains prominence. The skills gap concern peaks, reflecting scaling challenges. Level 5 (Embedded EX practice) shows a more balanced distribution of challenges, with leadership buy-in outside HR becoming the top concern, followed closely by budget. A new challenge emerges implementing an EX target operating model.

Top obstacles in the next 12 months across the sample

54% — Lack of budget

41% — Lack of leadership buy-in outside HR

35% — Lack of a clear EX vision

31% — Lack of appropriate technology

27% — Lack of needed skills

17% — Lack of leadership buy-in in HR
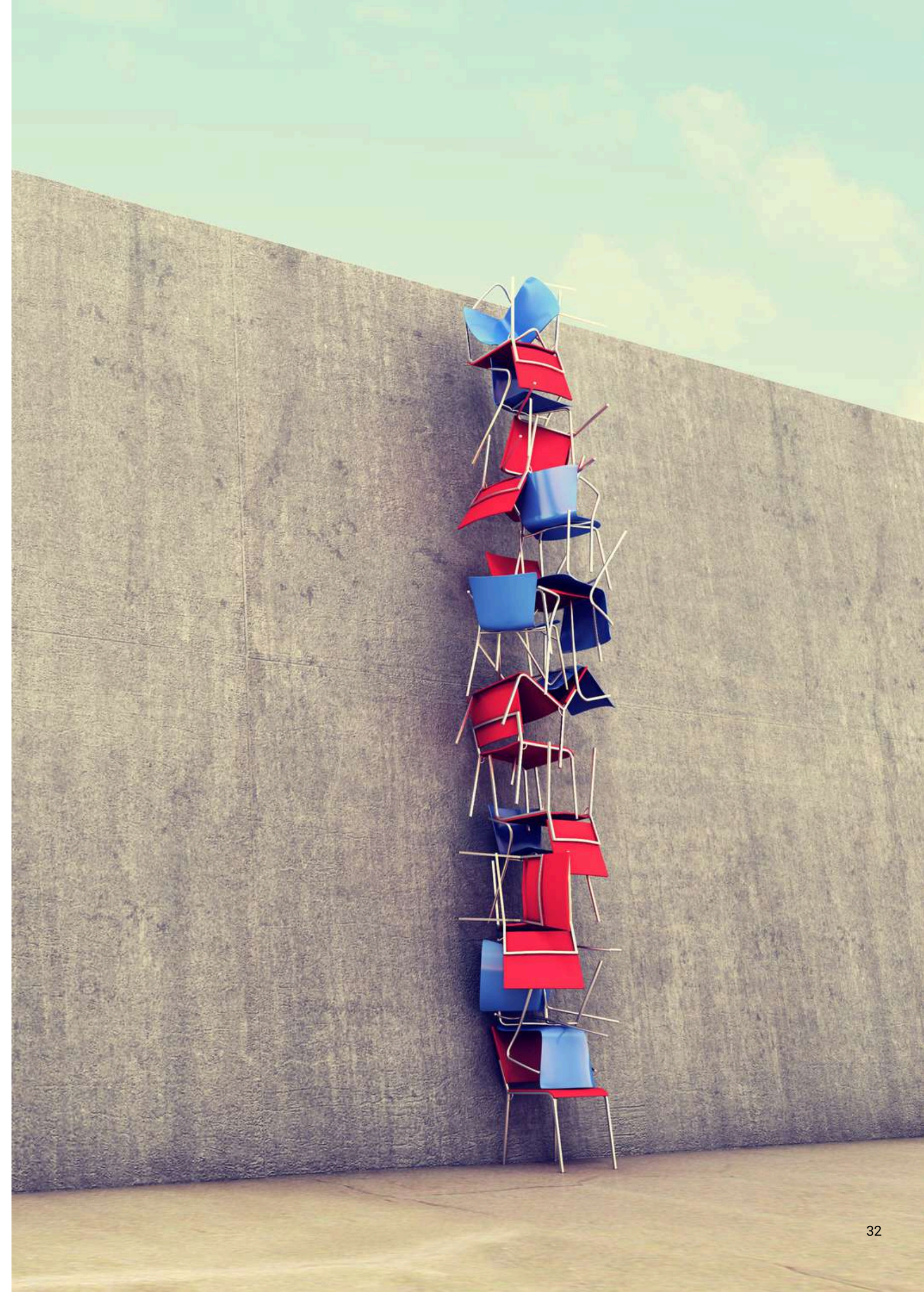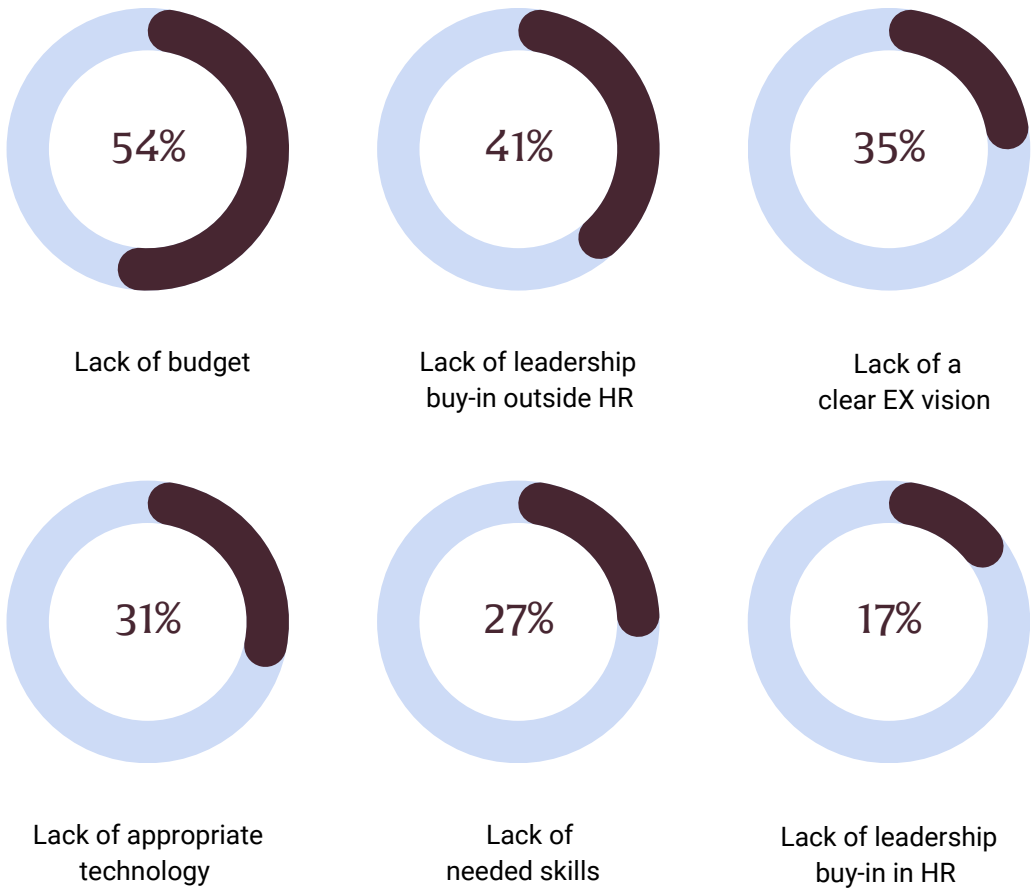
Obstacles in the next 12 months, for organizations active in EX

- 5. Embedded EX practice throughout entire organisation
- 4. Implemented EX by having a small practice working on specific EX use cases

Obstacle	5. Embedded EX practice	4. Implemented EX small practice
Lack of a clear EX vision	40 %	23 %
Lack of budget	60 %	45 %
Lack of leadership buy-in in HR	12 %	20 %
Lack of leadership buy-in outside HR	40 %	43 %
Lack of needed skills	35 %	20 %
Lack of appropriate technology	26 %	32 %
Lack of EX target operating model		4 %

SUMMARY OF THE AMBITIONS FOR 2025

- 60% of respondents aim to have **embedded EX practices** throughout their organization within 12 months, reaching level 5 of EX Maturity.

- **AI and Machine Learning skills** are perceived as the most critical future skills in EX (58% of respondents). **Change Management** remains crucial, with 46% identifying it as a key future skill. **Service Design** (40%) and **Product Design** (35%) skills are gaining importance, reflecting a shift towards **user-centric experiences.**

- As organizations mature in EX, their focus shifts from **foundational skills to more specialized capabilities.**

- **Predictive tools**, including Python, R, and AI solutions, are the top priority for future EX tools (45% of respondents).

- Early-stage organizations focus on **securing resources and support**, while mature organizations grapple with **integration and scalability**.

- The main obstacles anticipated for EX maturation include **lack of budget** (54%), **insufficient leadership buy-in outside HR** (41%), and the **absence of a clear EX vision** (35%).

This analysis provides insights into the evolving landscape of EX, highlighting the increasing importance of data-driven approaches and advanced technologies in shaping future employee experiences.

4. LONG-TERM VISION FOR EX

4. LONG-TERM VISION FOR EX

This forward-looking section discusses how technological advancements, particularly in AI, are poised to reshape EX practices. Additionally, we explore EX's evolving role as a strategic business function and where EX is going as a discipline. By adding the long-term projections to the short-term ambitions, we aim to provide valuable insights about the EX future for business leaders and practitioners alike.

As part of the research included in this chapter we interviewed leaders at the forefront of this evolving field. These experts, representing diverse industries and global organizations, offer unique insights into the challenges, innovations, and strategic directions shaping EX today and in the years to come.

The case studies from each of them are included at the end of this report. In the following section, we have integrated insights from their interviews, zooming in on the role of AI and data analytics in Employee Experience, and then further exploring the future of EX as a discipline.

4.1 How AI might shape future EX practices and transform HR

In crafting this report and analyzing the data around the future skills and tooling needed in EX, it became clear that any discussion of the future EX would be incomplete without addressing the transformative potential of AI.

When it comes to harnessing AI and harnessing data for personalized people experiences, in our discussions with EX leaders we learned that, firstly, AI is poised to streamline everyday employee interactions and support. It offers significant potential for improving operational efficiency and supporting employees in their day-to-day tasks. Key areas include the development of chatbots, AI-powered solutions, and intelligent Q&A systems. The purpose is to make everyday work easier, allowing employees to focus on what adds most value. And this is where AI can really make EX truly impactful.

These advancements in AI and data analytics are enabling unprecedented levels of personalization in EX. Major cloud platforms are rapidly integrating AI capabilities, significantly expanding AI's potential to help personalize employee journeys. This personalization extends beyond basic recommendations to create tailored employee journeys: Imagine a company using technology to personalize your work experience. They gather various data about you, like skills and performance, even from unorganized sources. Using advanced tools, they create a detailed profile for each employee... This allows them to recommend specific learning courses from their vast catalog tailored just for you."

Data Integration and Analytics enhances EX's impact as a strategic business function. The ability to integrate diverse data sources is becoming crucial for advanced EX practices. Lea Mikus, formerly at Celonis explains their approach: "We centralized our data in a data lake, and then used our software to integrate information throughout the employee life cycle and across the organization." This integration enables more comprehensive insights and predictive capabilities. As Lea Mikus highlights: "People data is business data." As Sebastian Knepper describes, proving the impact to the business: "You need data to prove your cause, prove your arguments and prove your impact. That is very, very important."

However, this technological revolution in EX comes with its own set of challenges. As companies strive to leverage the power of AI and data, they must also grapple with ethical considerations, data privacy concerns, and the need to maintain simplicity in their processes. This delicate balance between innovation and responsibility will define the next era of Employee Experience. Because within these advancements, it is easy to get lost and overly complicate things. Therefore, there's a growing emphasis on simplifying EX processes. The focus should always be on stripping away complexity to ensure initiatives are efficient and impactful.

As EX practices become more data-driven, ethical considerations are coming to the forefront, especially around privacy. Maintaining employee trust while leveraging data for insights will be crucial. Sander de Bruijn and Andreas Mayer shared that "While ChatGPT is undoubtedly a buzzword, [we are] cautiously approaching this domain. Due to stringent data security protocols, we won't directly adopt ChatGPT from external sources. If we venture into ChatGPT, it will be through an in-house development, a process that requires time."

4.2 Where Employee Experience is heading as a strategic business function

Today, the future of work is being shaped through the experiences we create for our employees. In our survey, we asked participants to share their thoughts on the future of Employee Experience. Key themes emerged from these open-ended responses. We have combined these insights with perspectives from the key EX leaders we interviewed.

EX as a Product Organization
A significant trend emerging in EX is the shift towards a product management approach. This model treats EX initiatives as products to be developed, launched, and continuously improved. Sander de Bruijn articulates this vision: "I believe the organizational structure for EX should transition into a product management organization. This evolution encompasses two primary functions: continuous improvement and the identification and development of new products or services."

This product-oriented approach allows for a more agile development of EX initiatives and closer alignment with business needs. It also facilitates a more iterative process of improvement based on employee feedback and data insights.
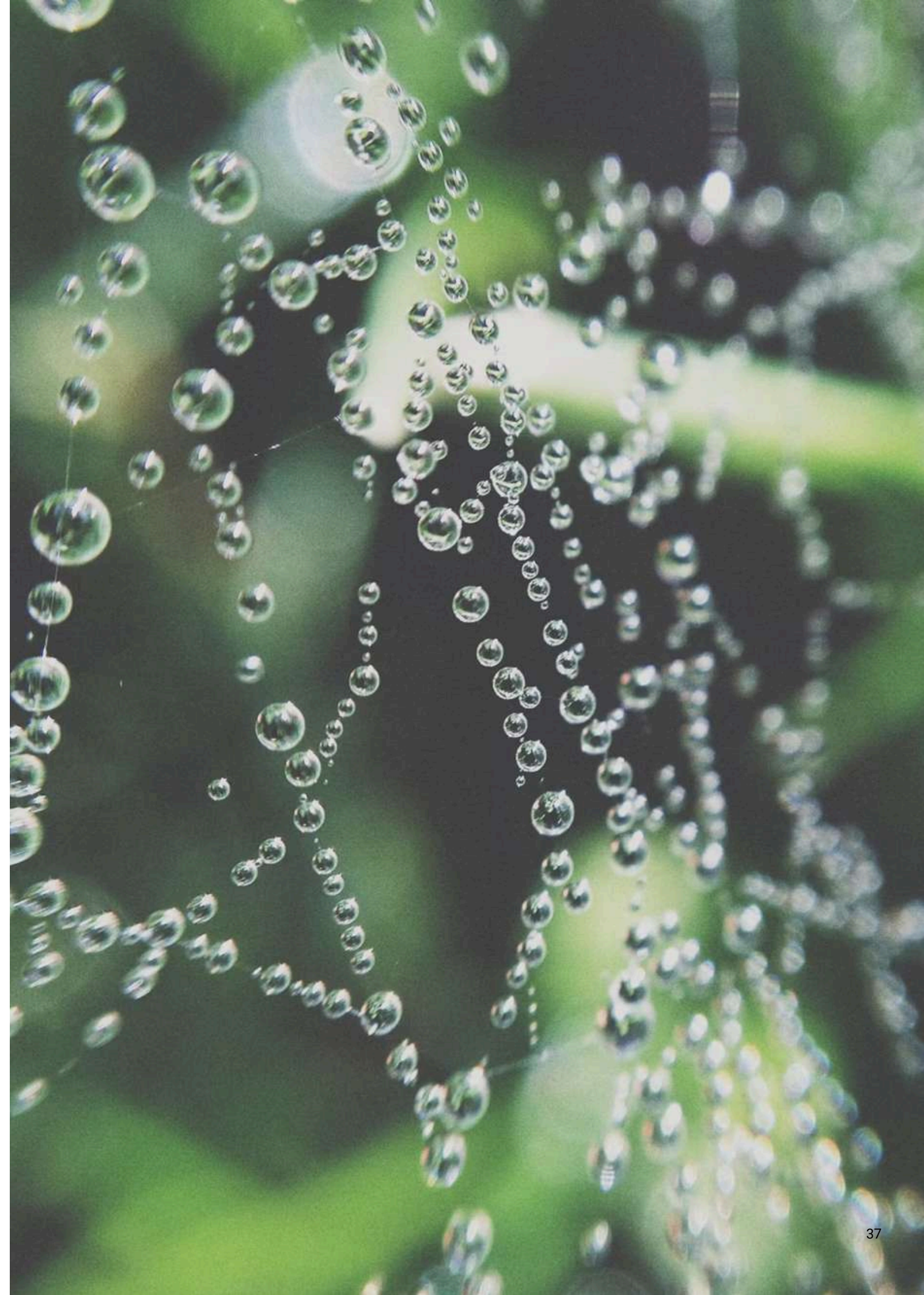
4.3 Convergence with Customer Experience

Several participants highlighted the growing connection between EX and customer experience (CX). One survey respondent said, "EX continues to become more and more important, but few large organizations have a centralized core program. Working across generations, hybrid work, and changing markets will require a more unified approach to EX." Another respondent noted, "EX will mature fast and will integrate more and more with existing CC and UX departments oftentimes situated within the Tech department." Sebastian Knepper echoes this sentiment, describing their approach as "customer-graded people experience." He explains: "We must view our employees and managers as customers, applying the same level of investment and attention to their experience as we do to our external customers. This concept underpins the notion of a customer-graded people experience, which serves as our gold standard." Organizations that recognize this and act decisively to enhance their EX strategies will not only attract and retain top talent but will also drive innovation, customer satisfaction, and sustainable business success.

4.4 Integration with Business Strategy

There's a growing recognition that EX needs to be more closely aligned with overall business objectives. One survey respondent stated, "EX needs to tackle the heterogeneity of a large organization while still following a scalable approach." This indicates a shift towards viewing EX not just as an HR initiative, but as a core business strategy. Many respondents emphasized that EX will become increasingly critical for organizational success. As one survey participant noted, "EX is the key to any company to ensure minimal turnover while keeping an optimized satisfaction rate." This sentiment was echoed by others who see EX as a fundamental driver of business performance.

4.5 Personalization and Flexibility

Many respondents highlighted the need for more personalized and flexible approaches to EX. As one survey participant put it, "The future of EX will focus on personalization, holistic wellbeing, and advanced technology integration, creating tailored, flexible, and supportive work environments."

EX AS AN INTEGRAL PART IN DESIGNING YOUR PEOPLE STRATEGY

Creating a people strategy that effectively aligns with a company's objectives involves a harmonious integration of three critical perspectives: the voice of the business, the voice of the market, and the voice of the employee. Each of these voices plays a pivotal role in crafting a comprehensive strategy.

Firstly, the voice of the business reflects the organization's core goals, the perceived threats to its success, and the opportunities it aims to seize. This requires HR to not only understand but also anticipate how to strategically align workforce capabilities and structures with business imperatives.

Secondly, the voice of the market encompasses the prevailing trends in human resources, including technological advancements, hybrid working, leadership skills, evolving workforce demographics, and shifting cultural norms. A strategic HR function stays ahead of these trends to ensure the organization remains competitive and adaptive, integrating innovative practices like flexible working hours or AI-driven recruitment tools.

Thirdly, the voice of the employee captures the sentiments, needs, and ambitions within the workforce. Engaging with employees to understand their views and aspirations helps in building a responsive and supportive culture and employee experience, ultimately leading to enhanced satisfaction and retention. Regular feedback mechanisms and employee engagement surveys are more and more integrated in a continuous employee listening strategy.

The integration of these three voices into a coherent people strategy underlines the importance of having a strong HR strategy capability in order to design, execute, share, and evaluate the people strategy effectively.

The voice of **the talent market**

The voice of **the business**

The voice of **the employee**

People strategy

5. A WAY FORWARD

5. A WAY FORWARD

5.1 Evidence-Based

The starting point for an EX initiative should always be to gather actionable data. Because you don't know what to fix when you don't know what is broken. And you don't know what to enhance if you don't know what actually makes a positive difference. It's important to identify problems or opportunities and validate these with end-users before you even start to think about solutions. These insights should be situation-based, revealing something about a specific journey or moment rather than giving a general view. This is where EX teams often work closely with People Analytics teams to collect active employee data from survey, panel and pulse software and passive employee data from transactional systems to understand what is on the mind and hearts of employees. Additional qualitative data gathering (focus groups, interviews, panels) will give a hint of the relative importance of the identified problems. To really understand the potential business impact of solving a problem, Data Scientists can help you find correlations between specific moment experiences and their impact on an overall job and organization engagement.

5.2 Human-Centered

A smoothly running EX engine is in fact a continuous feedback loop, collecting data and insights, defining a validated problem statement, designing and implementing improvements, and finally communicating about it to generate scaled impact. Then the process starts again with collecting data to identify opportunities for further optimizations. In our EX-consulting work, we use the Triple Diamond approach to EX initiatives, a methodology which integrates data-driven insights with design thinking and service design principles. Most important to a successful design approach is to continuously validate assumptions with end-users, just as our Customer Experience colleagues do with their clients. Instead of designing for employees, this method will allow you to design with employees to ensure that your improvements are meeting their needs.

5.3 Cross-domain collaboration

So, if you have been able to embed these elements into your daily activities then you have laid the foundation for a best-in-class EX function. But this still leaves the question of what topics to focus on to make an impact. With our clients we see different approaches. Some teams are focused on HR operations, optimizing key HR processes and tools, others are more HR Strategy driven, taking on topics such as Culture, Development, DIB (Diversity, Inclusion and Belonging) and Wellbeing. There are teams in communications focusing on culture, leadership visibility and internal brand engagement, and there are workplace teams focusing on digital and physical workplace improvement. The ideal EX function combines a focus on enablement (easy, personalized and automated internal services, tools and processes) with empowerment (improving the perception of progress, belonging, autonomy and recognition). And that requires some serious alignment. EX, therefore, is no longer a pure HR topic. HR may be in the driver's seat to ensure progress is made, but without structural collaboration with other services functions (Tech, Communications, Facilities, Real Estate) and with business (leadership) teams, EX will not make its fullest impact. Getting leadership buy-in by building solid EX business cases, combining the voice of the business, the voice of the market, and the voice of the employee will help you pave the way for cross-domain collaboration and an impactful People Strategy.

5.4 Innovation

Any EX team should be closely following, or be involved in their organization's (Tech) innovations. Even when you are just starting on your EX journey, the possibilities of what machine learning, generative AI and process automation have to offer may help you accelerate and bridge the gap with more mature EX leaders. There is always more budget for innovation in a customer experience team than in an EX team. Try to hitch a ride and benefit from innovations implemented in the Customer Experience channels in your organization. The future of EX lies in creating deeply personalized employee journeys, where AI and advanced analytics work together to deliver tailored learning recommendations, career pathways, and workplace solutions based on individual employee profiles and preferences. And we agree: "People data is business data." This recognition is driving organizations to centralize their data and develop predictive capabilities that demonstrate clear business impact. However, the key to success lies in maintaining simplicity in these data processes despite their growing complexity. Organizations must strike a delicate balance between innovation and responsibility, particularly regarding data privacy and employee trust.

5.5 Product-Driven Evolution

The evolution of EX is increasingly taking cues from product management principles. This shift represents a fundamental change in how organizations approach employee experience initiatives. Rather than viewing EX programs as traditional HR initiatives, leading organizations are treating them as products to be developed and continuously refined. This approach enables faster iteration and improvement while maintaining a clear focus on measurable impact and value creation.

5.6 Strategic Business Integration

The future of EX lies in its integration with broader business strategies. We're seeing a particularly powerful convergence between customer and employee experience initiatives. Organizations are recognizing that the principles that create exceptional customer experiences can and should be applied to employee experiences. This alignment creates a powerful synergy: enhanced employee experiences will naturally flow into improved customer outcomes. Success in this integration requires close collaboration across business functions. Organizations that excel in EX are breaking down traditional silos and recognize that employee experience isn't just an HR initiative but a crucial business driver that requires input and support from every corner of the organization.
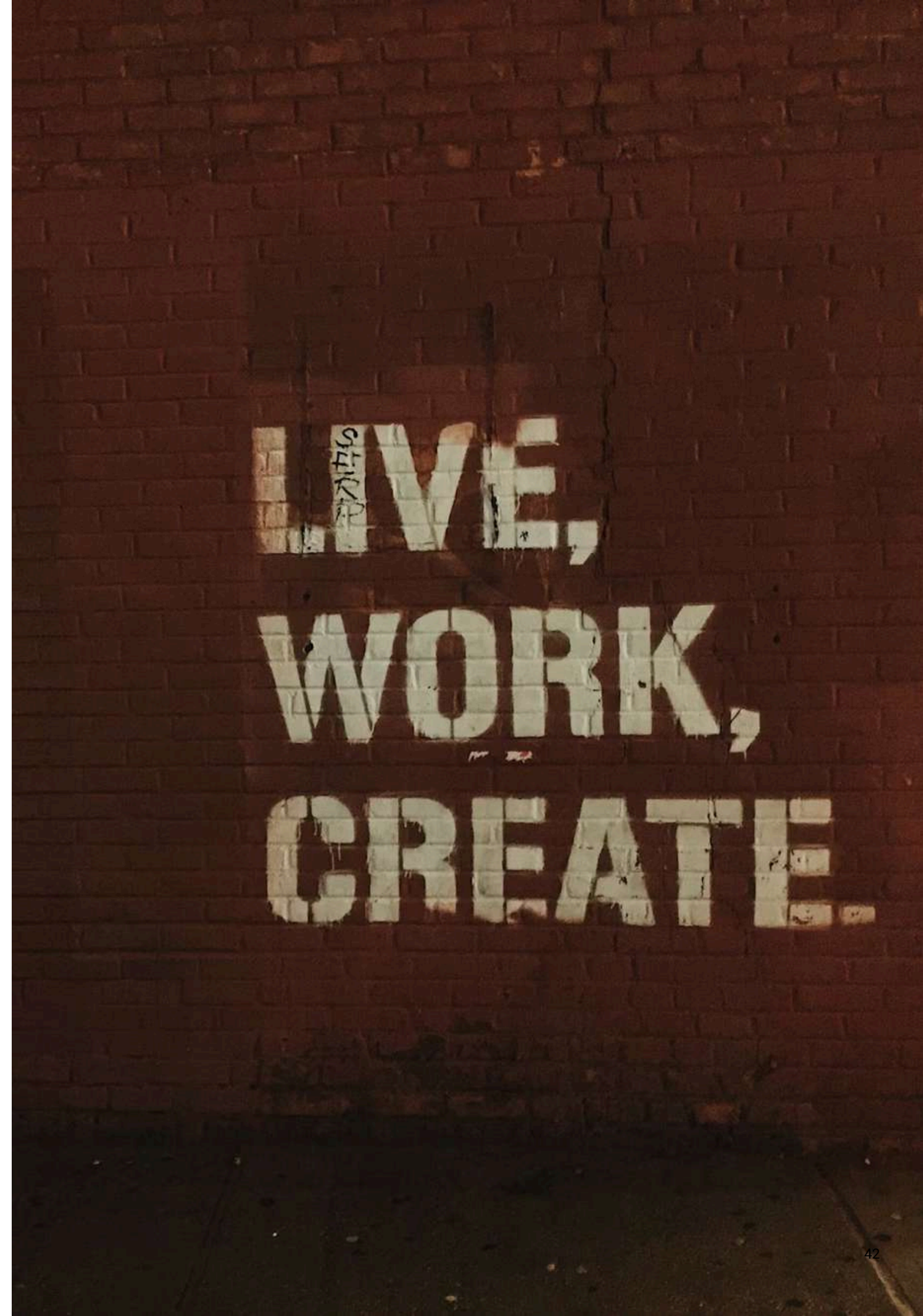
6. CASE STUDIES

A DIFFERENTIATED APPROACH TO EMPLOYEE EXPERIENCE

RUTH BIELDERMAN

Director for Talent and Development at Royal BAM Group

CUSTOMER-GRADED PEOPLE EXPERIENCE

SEBASTIAN KNEPPER

Former Head of HR PnX (People, Portfolio and Product Experience) at Deutsche Telekom

FROM 'SHOW AND TELL' TO 'LISTEN AND LEARN'

VOLKER SCHRANK

Vice President EX and HR Tech at Mondelēz International

JOACHIM DECOCK

Head of People Services & Employee Experience Europe at Mondelez

SEAMLESS DIGITIZED EXPERIENCE

SANDER DE BRUIJN

Former Head of Global Employee Experience at ING, now Partner at KennedyFitch

ANDREAS MAYER

Chief Operating Officer Global HR at ING

FROM DATA TO EXPERIENCE: RE-IMAGINING PEOPLE STRATEGY

LEA MIKUS

Former Director for People Strategy and People Analytics at Celonis

FROM POLICY FOCUS TO CREATING EXPERIENCE

VASUKI RANGANATH

Head of People Experience at Volvo

bam

Beyond One-Size-Fits-All

A DIFFERENTIATED APPROACH TO EMPLOYEE EXPERIENCE

Interview with:

RUTH BIELDERMAN
Director for Talent and Development at Royal BAM Group

Ruth Bielderman is the Director for Talent and Development at Royal BAM Group, a construction industry leader and an organization committed to pioneering sustainable practices. Ruth's career highlights include introducing and scaling EX by utilizing agile methodologies and design thinking to optimize EX and engage, retain and develop people at ABN AMRO Bank. As a senior leader, Ruth's key achievements include transforming recruitment to focus on Employee Experience and building a reskilling capability to address critical skill gaps by 2025. Recognized as an energetic team player with a growth mindset, she is now well on track to transform Employee Experience at BAM.

How is your organization approaching Employee Experience (EX) strategies?

Over the past couple of years, Employee Experience has gained significant momentum in our organization as a more deliberate initiative, which makes sharing our story more interesting for the readers who are also at a similar stage on their EX journey. We're focused on aligning our delivery and roadmap with the values of BAM and the purpose of our employees. This is the main question we're addressing now, as we move towards a higher maturity level in EX, as compared to last year.

Our new People Strategy is ambitious, putting EX at its core. By prioritizing our people's needs and aspirations, we aim to create a workplace that inspires and empowers, that foster an inclusive culture, in which people can bring their true self to work. The way we've been approaching talent initiatives and interventions has been innovative, so we are making tangible progress fast. For example, we needed to redesign our performance management processes, so we started with design thinking first; asking people questions, to "fall in love with the problem", before designing the solution without understanding their needs. Instead of doing this as an HR function alone, we created focus groups which reflected the employee journey, to ensure people could share their beliefs and values on performance and development (P&D). This approach adds more value to our people and is a small but impactful step towards a more EX-driven organization. Indeed, it has ignited a collective ambition.

We're also incorporating EX principles into optimizing processes like recruitment. BAM's culture, as in many other organizations, tends to prioritize quick solutions, such as rapidly implementing new systems or tools, like a CRM for recruitment. What I do differently is that I focus on addressing the Employee Experience and voice first, really spending time on understanding the 'problem space' before moving to the 'solution space'. And that means not going straight to a quick solution, but really understanding what employees, recruiters and hiring managers need. What does the employee journey look like: where do we need to fix the gap – what exactly is the moment that matters? For recruitment, we've developed a people journey that includes stages like 'awareness', 'consideration', 'attraction', 'onboarding', and 'retention'. This helps us identify gaps from our target audiences, leading to more informed decisions and recommendations. This offers us a comprehensive view of what we need. So, when we are requesting proposals from suppliers, we always refer to the employee journey we've designed to make sure the needs are met by the proposed solution. This approach ensures we remain employee-driven.

Having worked in organizations with different EX maturity levels, what are some of your lessons learned?

Firstly, what I've learned also during my previous work with Employee Experience, is that you really need to go back and identify the core of the problem, backed by data. You need to understand the problem before you 'start running'. Is it just a gut feeling or an assumption or is it truly backed by data? Did we ask the employees the right questions? What did they say? And so on. Looking back on my journey, I've learned to be stricter and ask the questions behind the questions more than I did before working with EX.

I understand that it often feels like we're delaying progress by asking too many questions, setting up focus groups, or drawing out journeys. People can be quick to decide they need a tool or redesign of a product, without understanding why and what features it should have to fulfill the needs of your people. So instead of rushing to deliver, ask questions like: What is the problem we want to solve? Why? How does this solution fit into the overall landscape and contribute to the employee experience and at the end of the day, to your people strategy? These questions may be perceived as delaying the process, but they are necessary when it comes to ensuring adoption and making your solution a success.

Secondly, in terms of learnings, it's crucial to understand the audience and to foster a culture of end-to-end accountability. If there's no one like a product owner who feels accountable for fixing the problem, then who will? I'm therefore supporting that within BAM people take accountability in their roles in the way the deliver change and optimization to their product. Because I believe EX is only successful when we have a clear product vision, defined roles and work end-to-end like, with clear product ownership. Agile and EX are closely linked for me.

You have such a diverse workforce at BAM, how do you take that into account in delivering value for the whole workforce?

I believe that for unleashing your EX aspirations to the fullest, knowing your workforce is key, and so is your ability to differentiate. Due to differentiation our talent strategy comes into play. For BAM, due to all our different target groups, differentiating is key, and I think that's the main point if we want to bring the BAM experience alive for all our employees. We have employees with laptops and people without and people who work in an office space or on a construction site. For the first time, this year we are not asking people without laptops to fill in their performance goals in our BAM People System. This differentiation was needed to support the different needs of people experiencing our performance and development processes.

But, before we look at the benefit of differentiation, let me first explain our vision on talent at BAM. We believe that all colleagues within BAM have talent(s) relevant to our purpose and strategy. That's why everyone is supported in their development to grow into their full potential by a talent management approach which is open to all, no matter their background, identity or experience, thus creating a positive experience for all employees. People do differ from each other because of different needs, expectations or ability to grow and develop faster and/or further in specific talent(s), ambitions or potential. By identifying talents in time and giving them the support they need, we ensure that colleagues reach their full growth potential. As we say: we have an inclusive talent approach: "We are all equal, but not the same." So, yes, on one hand, we have an inclusive talent strategy, but on the other hand, we also need to differentiate because needs for promotions or development differ. If you believe in that as a starting point, then you need to understand the differences so we can differentiate our HR services and products. You need research to understand this better, and by doing so, you add more value to your processes, whether recruitment, or performance and development, and so on. A one-size-fits-all approach does not acknowledge and takes accountability for people's reality, which is what we aim with the BAM Experience. The concept of 'we are all equal but not the same' is already influencing our performance and talent management -and development practices.

Why Employee Experience is important for you at BAM?

Our workforce needs to reflect the communities we build for – from the construction site to the board room. We need innovative ways of finding diverse people and inspiring highly engaged individuals to perform at their very best. BAM is an organization that is big enough to make a difference in society – in the communities we're building and the individuals that are part of them. We want our people to feel empowered to develop our company culture internally and to make a positive and sustainable impact where they live and work.

What are some of the first results you have seen?

In performance and development, we've significantly improved goal-setting completion within our organization through a more inclusive approach and better differentiation. This also contributed to an increase in engagement. We received feedback about the accessibility of our goal library, particularly for operators who struggle with reading or require content in different languages. Acknowledging these concerns, we've begun making improvements to enhance accessibility and foster a more employee-centric approach. These evidence-based enhancements reflect our commitment to continuous improvement and creating a more inclusive environment by addressing feedback progressively. Working with EX means you need to stay committed to making it better step by step, day by day. For organizations starting with EX, I want to emphasize that it is really important to manage people's expectations when people are not familiar with an incremental, iterative approach. This is a muscle you need to train, and it is a sign of EX maturity.

What would you need to do to reach the next level in EX maturity?

To reach the next level, we need to scale. We need more adoption in the teams, more case studies, more exercises, more focus groups, and more agile working together. I think that's what we really need because EX is about end-to-end thinking, working end-to-end, and understanding how to connect the dots. For instance, we started implementing our new People Strategy up to 2026, ensuring that the prioritization of the yearly cycle is an end-to-end approach, with a quarterly backlog, reviewing of our portfolio and setting priorities. We do this by making sure that synergies are considered, for example: what we do differently in the recruitment space also links to the differentiation or the changes in the reward space, and IT, Facilities, and Marketing and Communications are affected. So, for me, EX is the full, integrated journey, and that is what we are in the process of bringing to life.

You have launched the BAM Experience, could you describe the initiative?

The BAM Experience is the narrative of our People Strategy. It is a way to share with our people the employee experience we want to build, the journey we want them to experience in terms of culture, career perspective, development and recognition. We want to build a sustainable tomorrow, and it's not a small promise, especially given the current economic situation. We cannot do it without our people. So, with the BAM experience, we actually put our people at the forefront of our strategy. Consequently, we ensure that we live our values, drive leadership that supports our organization's values, promote diversity and inclusion, allow people to grow and develop, and stay focused on innovation and safety.
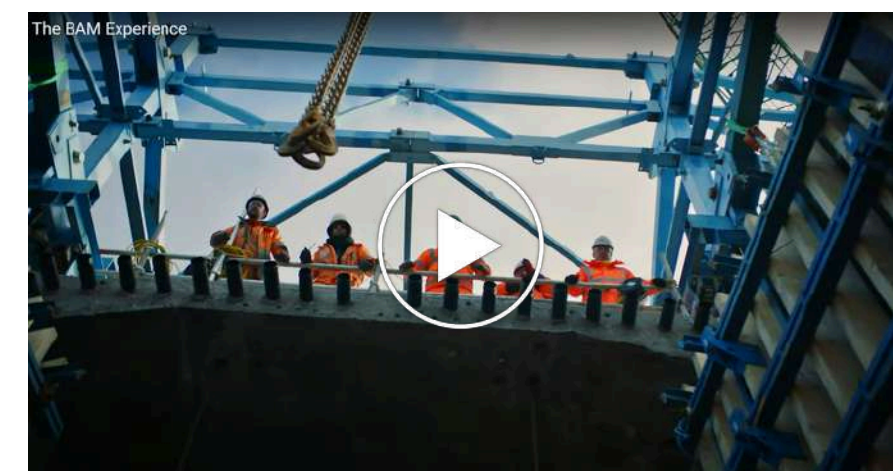
With the BAM Experience, we created a compelling story about what the bigger aim is and why we need our people at the forefront of our strategy. That also means we re-worked our Employer Branding. Our aim needs to be rooted in how we think, talk and act. And if we say that this is our strategy, then how should our product delivery look? What employee experiences should we create? This is where EX can really create authenticity. You don't just create a strategy as a roadmap, but you walk the talk, and you bring it to life.

Now, you are probably wondering how we plan to assess and measure how much of a lived experience our strategy is. We need a more refined EX dashboard. For now, we are focusing on developing an engagement survey for this. We conduct engagement surveys in the company every quarter, covering a wide range of topics. However, it's not very tailored to the employee experience yet. We are now building towards more sophisticated analytics.

How do you see the role of Employee Experience evolving in the future, and what impact do you think it will have on organizations?

I believe that due to changes in the labor market and skills requirements, the need to be an employee-centric organization will persist in the future. We cannot afford to ignore EX or the mindset shift from being "just an employer" to more of a "community" for people, especially for a company like ours, as it serves so many different categories of people.

If we adopt the mindset of being a "community" or "platform" offering people opportunities to grow, develop, and bring their fullest potential to work - that's a more employee-centric approach. If you think from a sense of togetherness, you start to organise all your processes differently. BAM becomes not just an employer but a place where talent comes together, where people have the opportunity to develop. Old models of 'work' and 'the individual' will fade, and the focus will shift to inclusivity, social interaction, recognition, wellbeing and engagement. That, for me, is the ultimate BAM Experience.'

Where do you think EX is going?

I experienced already in more mature EX organizations, how much effort is truly needed in terms of culture, values and belief system, to make the people strategy more employee-centric for everyone. From a governance point of view, I saw the clear advantage of having dedicated teams to deliver on a dedicated roadmap with straight accountability, teams who have end-to-end responsibility to drive EX for their division or product. So I am expecting to see this replicated in many organizations going forward.

For the ones who want to introduce EX in their organization: it's all about alignment within (because you need to model it) and on the outside as well (with all HR and business stakeholders). It takes also a lot of patience and also a lot of resilience to take people along and explain the need to slow down the process by including the employee perspective, understanding the needs, organizing interviews, workshops, focus groups and getting to the root cause of what makes or breaks an experience. If you believe in something, you really need to model it and show the evidence of why the "EX way" is beneficial to the people. It takes time, hence resilience and patience are also important, but the results are incredibly rewarding once you start seeing the difference you make in how people experience work.

CUSTOMER-GRADED PEOPLE EXPERIENCE

Interview with:

SEBASTIAN KNEPPER

ormer Head of HR PnX (People, Portfolio and Product
Experience) at Deutsche Telekom

As the Head of HR PnX (People, Portfolio and Product Experience) at Deutsche Telekom, Sebastian Knepper has been at the forefront of transforming the company's approach to employee experience.

In this interview, he shares his journey to this role, the evolution of the employee experience focus within the organization, and how Deutsche Telekom has leveraged its strengths in innovation, design thinking and service design to create a "customer-graded people experience" for its workforce. Sebastian talks about the importance of data-educated decision making, the development of the company's employee app, and the steps taken to ensure inclusivity and compliance in their digital solutions.

Could you share your journey and experiences leading up to your current position at Deutsche Telekom? How did you come to be in this role?

In short, my journey began as a customer of the HR department. As an employee, I interacted with HR and noticed areas for improvement in the services they provided. Reflecting on my experiences with other companies as a customer, particularly the seamless digital experiences offered by smartphone apps, I saw potential for HR to enhance its services. It wasn't that HR was necessarily doing anything wrong, but rather that there was an opportunity to adopt a customer-centric approach. I recognized the critical role HR plays in shaping a company's brand and attracting talent. While it's gaining more attention at the executive level, there was a time when it might have been overlooked. Rather than simply complaining about the situation, I took it upon myself to be part of the solution. I was fortunate to have the opportunity to contribute to the transformation of HR into a more people-focused and service-oriented function, moving away from a purely administrative role. Both aspects are crucial, of course, but my focus has been on enhancing the people experience within HR.

I understand that the realm of people experience, or employee experience, is vast, and that's perfectly fine. However, there are steps we can take to establish a strong foundation where the people function and HR are recognized as significant contributors to our employees' day-to-day experiences. Let's explore how we can innovate and cultivate new ideas to enhance the overall experience for our people. It's important to recognize that employee experience is influenced by various factors beyond just HR, such as parking arrangements, cafeteria facilities, workplace technology, office infrastructure, and the support provided by experience managers, which is arguably the most impactful aspect.

Could you describe how the topic of employee experience evolved within the company?

The journey began with a focus on customer experience, essential to stay competitive in the telecommunications market. Recognizing the parallel between customer and employee experience, the company shifted its attention internally, aiming to treat employees with the same customer-oriented approach. This shift was consolidated through the adoption of design thinking methods, emphasizing the importance of considering employees as individuals with emotions and perceptions. The company chose to start in its own backyard, prioritizing HR to enhance the employee experience within the organization. Collaboration between customer and employee experience domains emerged as crucial, with the understanding that happy employees contribute to happy customers. This evolution led to a collective realization: by prioritizing employee satisfaction, the company can effectively address business challenges and foster a positive reputation as an employer in the labor market.

How has Deutsche Telecom utilized its track record in innovation, design thinking, and service design for customers in its focus on the employee experience?

At Deutsche Telekom we prioritized service excellence, investing heavily in customer care. This customer-centric approach permeated our culture, guiding our focus on providing exemplary experiences for both customers and employees. Recognizing the interconnectedness of employee experience and customer satisfaction, we embarked on the journey of creating a customer-graded people experience. Leveraging initiatives, such as design thinking education for our teams, we laid the groundwork for this mindset shift. Upon assuming my role two years ago, I sought to integrate this philosophy into our HR practices, supporting our HR product managers in aligning their offerings with the customer-graded people experience standard.

Could you elaborate on customer-graded people experience and why you believe it to be so important?

It's crucial to recognize the individuals utilizing our services and products, particularly within the realm of HR, for which I am responsible. With labor markets in flux and increasing mobility among employees, their experience with our company holds significant weight. Consequently, we must view our employees and managers as customers, applying the same level of investment and attention to their experience as we do to our external customers. This concept underpins the notion of a customer-graded people experience, which serves as our gold standard.

Consider this scenario: if a manager in a T-Shop has a negative personal experience at work, how likely is it that they'll deliver a positive customer interaction? To ensure optimal customer interactions, we must eliminate friction for employees, allowing them to focus entirely on meeting customer needs. Ultimately, the mantra holds true: happy employees lead to happy customers.

Has your approach to the employee experience changed in recent times?
COVID significantly influenced our approach, prompting a heightened focus on topics such as IT equipment, digitization, and remote collaboration. We've made substantial efforts to equip our employees, providing them with smartphones and an employee app that enables comprehensive HR-related tasks. While some tasks still require traditional methods like printing, we're continually refining our touchpoints. Regarding office spaces, we've created more open layouts with cozy nooks for focused work, while still fostering interaction. Our aim is to create inviting environments that encourage employees to return voluntarily, fostering being together and productivity. Not because somebody said you need to be in the office, but because people want to come to the office to meet their colleagues and to have a building and surroundings which are enjoyable through being with people. This journey continues as we adapt to evolving remote work dynamics and implement IT solutions to support dispersed project teams, both locally and globally.

Is your employee app a homegrown solution?

Yes, digital experiences are our North Star. We have employee smartphones and the app is proving to be popular: in Germany we have 80,000 employees and 74,000 are using it daily.

The app is entirely in-house developed due to compatibility challenges with our legacy systems. The HR legacy system is something which is quite complicated in a big company because it is composed of different elements. It is the result of a 10-20-year project with all the licenses in behind running, so you cannot start from scratch. A homemade solution is the best one for us. We cannot take something off the shelf as it would never be applicable to our legacy systems, and that's what we're trying to do with the app.

Our goal is to ensure maximum digitization, with the app serving as the primary access point for HR services. This approach ensures accessibility for all employees, including blue-collar workers, who now have smartphones. This shift has been transformative, allowing employees to access HR services conveniently, regardless of their role, and eliminating the need for laptops or fixed workstations, which means more inclusion of your blue-collar workers.

And do you also need to ensure compliance of your app in Germany to GDPR and other requirements?

Yes, for instance, inclusion of the visually impaired. How can they navigate with an app? So, we need to have a solution that takes care of all our people, not just concerning data privacy, but also to address diversity and inclusion aspects. And we're constantly working to make all these things compliant to their causes and their needs. It's very important to us and an especially important focus for us in Germany; we are trying to be as inclusive as possible in real terms and not just on paper. This is very important for our employees - that nobody is left behind here, that we do our very best and the app is supporting these efforts.

Since you began working on your PX Lab project three years ago, how has it evolved, and how did you secure the formal authority to start implementing changes with HR product managers and teams? Additionally, could you share how you built ownership of this initiative?
We began from scratch as a team, leveraging the existing human-centered and customer-focused mindset prevalent throughout the organization. Recognizing the complexity faced by product managers in understanding the entire customer journey within HR products, we assembled a team comprising project managers, UX designers, data analysts, and design thinking facilitators. Our approach prioritized data-educated decision-making to identify areas for improvement in the HR product portfolio. Regular surveys provided the foundational data for our initiatives.

Over the course of a year, we developed a consulting toolbox to support product managers, including resources like designers for mockups and interface ideas. We emphasized the formula: people experience equals customer experience equals business value, which resonated with senior leaders. Then, pilot projects validated our approach, leading to widespread recognition and support for our team. Now, with established methods and toolboxes, we're readily accessible to support both employees and managers, fostering inclusivity in enhancing the overall people experience within HR.

How have you built up your team and expertise?

We receive support from internal staff and leverage our internal design capabilities. We have one designer in my team and we just hired a second. Additionally, we've hired specialists to assist with digital process and interface design. While such expertise isn't always readily available, the growing digital landscape has led to an increase in UX designers focused on UI/UX design. We have external consultancy support on UX because that is something as a capability we are missing in HR. Currently, our team includes five people who contribute significantly to our efforts, particularly in target group ideation and touchpoint design.

Can you share how the acceptance and impact of your offering has developed?

Initially, we presented our offer and approach to the HR Department, which led to an influx of requests for support. To prioritize these requests, we assessed the volume and perceived importance of each product, balancing daily usage and reputation impact. We typically manage two to three projects concurrently.

As our visibility grew, we established collaboration with social partners to ensure legal compliance. However, we recognized the crucial interface between HR decisions and IT systems. Programming these decisions into our systems effectively enhances user experience. It's essential to seamlessly integrate digital processes into our workflow to ensure user adoption and satisfaction. This understanding has shifted the mindset of our product managers, emphasizing the importance of user experience beyond contractual agreements.

How do you get to the root cause of a challenging employee experience?

Our approach is data-educated and evidence-based. We regularly survey strategic HR products to gather feedback from employees and managers, identifying areas for improvement. This data serves as the foundation for our PX Lab, where we conduct additional surveys to quantify the issues. Before any intervention, we ensure accountability lies with the product manager, emphasizing the importance of clear ownership. By focusing on data from start to finish, we cut through the noise and biases and address real issues effectively, evaluating the impact of our interventions.

What's the drum beat that you take with the team in solving a challenge?

We recently addressed communication fragmentation within our organization. By analyzing historical data on email engagement, we discovered that recipients were overwhelmed by the volume of communications, leading to low engagement rates. Through data-educated insights, we cultivated a common understanding among team members, prompting a collaborative effort to redesign our communication strategy. This involved a three-month co-creation process with employees and managers to brainstorm alternative approaches. Once a solution was developed, it was handed over to the responsible product manager for implementation. Larger projects, such as app development or global HR communication transformations, typically require a three-month timeframe, while smaller tasks, like online form redesigns, can be completed within days or weeks. The product manager receives a menu of options or solutions that were validated by employees and then they have the ownership of deciding which one will be implemented. At the end of the day, they are accountable.

What input goes into the design process of your solutions?

Much of our initiative stemmed from HR-wide design thinking education, which has been instrumental in guiding our current phase and fostering openness to the design process. We recognize the importance of integrating customer feedback and expertise into our solutions. While product managers bring valuable content knowledge, we also leverage the expertise of design professionals to ensure effective implementation. This collaborative approach, which includes input from employees and managers, has proven effective. Additionally, involving IT and process experts, as well as hotline support, ensures comprehensive understanding and support for newly integrated HR products or significant changes. This inclusive approach is integral to our people experience efforts from the outset.

As regards feedback, could you tell us more about the ethos behind emotions? How do you touch emotions?

We distinguish between employee feedback received through surveys, managed by a separate team, and emotions triggered by HR products and processes. Understanding the subjective nature of individual experiences, they emphasize the importance of quantitative data to gauge satisfaction objectively. Co-creation sessions involve physical collaboration, acknowledging the emotional aspect while striving for practical solutions. They aim to mitigate frustrations caused by ineffective HR processes, recognizing their impact on employee interactions with customers. Through data-educated approaches and proactive measures, the company seeks to minimize friction and optimize employee experience to enhance overall customer satisfaction.

How do you address the needs of managers and involve them in the design of solutions?

The manager experience is addressed through digital solutions aimed at facilitating interactions and enhancing engagement. Features like notifications for team members' birthdays and anniversaries are integrated into the platform to ensure managers acknowledge and celebrate these important occasions, positively impacting team perception. Co-creation sessions with managers led to innovative ideas, such as a calendar for personal milestones accessible via the app. This feature enables managers to receive timely reminders and take action, like ordering gifts, fostering a supportive and appreciative work environment. Through collaborative efforts and user-driven design, the digital solution aims to support and enhance the overall manager experience within the organization.

What are some of the achievements over the last three years that you're most proud of?

I think first of all, the understanding that people experience is something which is and needs to be taken care of. Although everybody has a common sense understanding that 'happy people = happy customers'. People perceive this customer experience as value. I also understand that from the microeconomic perspective. But I'm very proud that we put together the toolbox based on existing elements - we did not try to reinvent the wheel. This is common sense brought into the workplace and transferred into methodologies, into competencies and creating a consultant's approach or consultancy approach for our people within the organization. That's something I'm proud of.

What learnings do you see as relevant also for the larger community to think about?

One important aspect I found out first of all is that data is key. If you don't have a strong data-related, data-founded argument base, then you will always be talking "noise". You need data to prove your cause, prove your arguments and prove your impact. That is very, very important.

Based on what you have achieved this far, what are your hopes and dreams for the next two to three years?

First of all, I hope that this methodology we came up with will stay. I think people experience or employee experience as a requirement will stay. I think the honeymoon phase for this topic is over and all this very popular human-centered design focus is a bit more sober right now. When you look back at the customer experience world, that was also a big wave of making human-centric design great for our customers and then co-creating products for the marketplace. It's now the turn of people experience and employee experience. We found a way to handle it and looking forward to other years hopefully as an integrated regular part of management of the HR portfolio, I would say that would be my dream. Not that we only go there product by product, step by step....but this is something that is integrated into the product life cycle process for us.

What would you say are the missing elements to make that happen?

Of course, the easy answer is resources, but sometimes it's just time you're missing. You may sometimes use data to justify putting resources on a certain topic. We are now piloting the integration of feedback from our customers within the experience.

So, when you start the HR process or service, there's already some integrated feedback to work with. Then we go deeper and find out if there's any friction that makes the time much shorter for the product manager to react on the friction. That is something I would love to see in two or three years for all the HR processes that are digitized and if possible to integrate this ongoing feedback option. This needs to be integrated into the experience in the IT processes and its maintenance needs money. This is the kind of investment we are looking for, and hopefully, we'll get it.

Thinking about the discipline of EX in general, what opportunities and challenges do you see in the future?

From the HR perspective, the big opportunity for us is to really show that we can be a prime lever when it comes to enhancing employee engagement. However, there are also other areas of the company where we could perhaps have an even greater influence. But it's always important to start with the man in the mirror. And when you are working in HR, consider that you have a big influence - not only measuring employee engagement, but also contributing to positive employee engagement.

That's very important for us, especially as I said earlier, when we talk about retention and branding. It's also important for us to consider EX and make it a fully integrated component. When you introduce new HR technology into the company, from the very start you try to find out how this could be integrated into your company culture, into the corporate design. For instance, we have just introduced a large new vendor for our skill management and right from the start we supported it with the PX Lab to create the look and feel of the front end to ensure it fits into our culture and our corporate design.

Then there's the challenge of AI that many believe will lead to more personalization of experiences. As an example, imagine telling people 'Here is a survey and it's totally anonymous'. And then they receive a reply with 'Thank you (person's name) for your survey'. I think we need to be very careful when it comes to personalization at scale because. it is complicated to work with the personal data of employees. So that's something we need to consider and be very careful about to ensure we have a balance between personalization and meeting all the data privacy requirements. It's about not breaking the trust, we need to be very open when we introduce AI solutions into the workplace so that people understand what data is used, where there is a model learning and training on that data and what purpose the data is used for. This is very important for us and it also challenged me to consider all these aspects when introducing AI into the workplace.

Mondelēz's Practical Approach to Employee Experience

FROM 'SHOW AND TELL' TO 'LISTEN AND LEARN'

Interview with:

VOLKER SCHRANK
Vice President EX and HR Tech at Mondelēz International

JOACHIM DECOCK
Head of People Services & Employee Experience Europe at Mondelez

How is employee experience positioned within your organization?

Joachim Decock: It's an inherent part of Mondelēz's overall people strategy, which is written into what we want to do as a company on the technology and financial side. Interestingly, our People Services organization reports into Finance and Technology. While there are connections with the HR environment, we deliberately didn't put it solely in an HR box, which could have led to the business critiquing it as concentrated in one single function and not having overall end-to-end business impact.

What is the history and current state of employee experience at Mondelez?

Volker Schrank: Until 2020, we were still with an old SAP HCM and various built-on-top solutions. Self-service was used maybe once a year. We started our journey with Workday in 2020, moving towards self-service and democratization of our processes. Initially, we thought employees would love it just because it looked better than SAP HCM. However, in the first year, HR was called out as a barrier to execution. Employees said: "You gave us a system, took away our HR people, and we don't know what to do."

This brought us to our CEO's table, where we had to quarterly report on how to improve. We realized it's not about the technology - it's about what employees and managers actually need. We turned our lens and started designing products for regular employees and managers who might use our services only once a year. We adopted a design thinking approach, evaluating everything through the lens of actual users.

It's still challenging to get meaningful employee voice - there's lots of noise and so getting actionable feedback is difficult. For example, 50% of our workforce is in manufacturing and we have over 150 plants - how do you get a manufacturing colleague into a virtual focus group? We had to work differently with different personas to understand their daily realities. This is why employee experience is an infinite game - you never reach perfection, and you need to work on it every day. This is different from how HR and tech organizations worked in the past, where you'd implement technology and it would be quiet for five years.

How do you engage with your manufacturing population to understand their needs?

Volker Schrank: We leverage our global and diverse team. We have people in our People Services organization located in factories who walk with our core employees, observe them, and understand their daily realities. We enrich this with conversations to get qualitative input beyond just observation. We also don't do this alone - we bring our partners with us. We work with external partners like ServiceNow and Workday, who bring their research teams to jointly conduct research in our factories to understand needs and drive those insights into the product.

Joachim Decock: This collaboration illustrates one of our most powerful beliefs at Mondelēz - we cannot do it alone. We need partnerships and an outside-in perspective constantly. Indeed, we work with partners like Microsoft, Workday, and ServiceNow to leverage their learnings and be at the forefront of new technologies. It's a two-way street - we can also share Mondelēz insights to enrich their understanding.

We work with multidisciplinary teams including business leaders, experts out of different functional domains and HR leaders to engage together in a squad. They work in agile methodology, capturing insights, and then dissolving again. This requires a very humble attitude - we cannot go in with a "show and tell" or "know it all" culture. It's a step-by-step process of learning and being willing to fail.

How do you engage with your manufacturing population to understand their needs?

Volker Schrank: We leverage our global and diverse team. We have people in our People Services organization located in factories who walk with our core employees, observe them, and understand their daily realities. We enrich this with conversations to get qualitative input beyond just observation. We also don't do this alone - we bring our partners with us. We work with external partners like ServiceNow and Workday, who bring their research teams to jointly conduct research in our factories to understand needs and drive those insights into the product.

Joachim Decock: This collaboration illustrates one of our most powerful beliefs at Mondelēz - we cannot do it alone. We need partnerships and an outside-in perspective constantly. Indeed, we work with partners like Microsoft, Workday, and ServiceNow to leverage their learnings and be at the forefront of new technologies. It's a two-way street - we can also share Mondelēz insights to enrich their understanding.

We work with multidisciplinary teams including business leaders, experts out of different functional domains and HR leaders to engage together in a squad. They work in agile methodology, capturing insights, and then dissolving again. This requires a very humble attitude - we cannot go in with a "show and tell" or "know it all" culture. It's a step-by-step process of learning and being willing to fail.

How do you handle technology access for your workforce, particularly for manufacturing employees?

Volker Schrank: We try to enable as many channels as possible and let end users choose what works for them. Globally, everyone can use either Android or iOS devices and access everything they need via our apps. This works very well in developing markets like Latin America and Asia Pacific. In Europe, we have kiosk environments with PC-like devices with touch screens, and we're testing tablet devices in manufacturing environments. We have to optimize for their schedule constraints - they can't just decide when to do self-service tasks like office workers can.

How do you incorporate AI into your employee experience strategy, given cost constraints?

Volker Schrank: The nice thing about being our size and having our partner network is that partners understand this and come to us saying, "We have this cool new Gen AI that we believe will help with your cost to serve, not only experience perspective. Let's go on a one-year journey to prove it to you, before you choose whether or not to buy it." So we do pilots and test-and-learn to confirm we have the need for the newest technology, while also providing real market feedback to our partners about what works and what doesn't.

Joachim Decock: This is why we look for stable partners. When startups come to us with products, if we believe in it and the business case is valid, we scale quickly. At that point, some startups get concerned because when we scale, we scale big. That's why we need to select partners that can scale with us given the magnitude of Mondelēz.

Are there any unexpected value cases or "hidden gems" you've discovered through listening to employee needs?

Joachim Decock: One nice example relates to our Shared Services Centers, like in Bucharest. We discovered that getting answers in their language of choice, whether from a real agent, virtual agent, or within WorkDay and chatbot applications, puts a smile on many people's faces. While they might have struggled with English before, now they can get service in their preferred language. This creates a feeling of closeness - even if the HR person is miles away, it feels like they're next door. While we serve them at a much lower cost than in the past, that cost saving allows us to invest more in these kinds of applications.

Volker Schrank: We must carefully analyze the financial return of every initiative. From my team's side, when we do something, we know 90% of how it will impact because we must - otherwise, we cannot get the funding. Experience alone doesn't give you money - we need hard financial returns on our EX investments.

How do you measure success and prioritize initiatives?

Volker Schrank: The main key performance indicators for my team are NPS (Net Promoter Score) and CES (Customer Effort Score). My team does an in-depth financial analysis of every single initiative, and if it doesn't show a financial return - regardless of the experience benefit - we don't do it.

How do you balance the cost constraints with the need for experience improvements?

Joachim Decock: It comes with continuous improvement and process optimization. It's about time calculation and making everything more efficient, constantly. We have to make this visible in dialogues with end users and funders. It's not about HR solutions for HR's sake - it's about bringing money to the table in a cost-to-serve environment and an efficiency model that makes both the company and employees better. Sometimes we have a very attractive product that we want to integrate, but we have to be disciplined about the business case.

o you have any governance structure outside of HR, since employee experience also involves communications, facilities, environment, end-user services etc.?

Volker Schrank: That's the beauty of having Mondelēz Digital Services - in this framework, we have all the functions playing together under one umbrella. People Services is just one of those, alongside facilities and end-user IT. We're all measured along the same lines and have the same leader, which allows us to truly integrate. A good example is our onboarding process - it's not an HR process, it involves everything. We can deliver this effectively because everyone reports to one person, allowing us to avoid silos and work together effectively.

What capabilities do you look for in employee experience professionals?

Joachim Decock: First and foremost, we need people with a learning ethic and growth mindset - people who are curious and want to test new things. Second, business acumen is crucial - understanding business beyond HR and not being locked into their function. Third, we need agility to move across different domains of expertise, understanding concepts like Six Sigma and customer experience. Finding HR professionals with this combination can be challenging.

What's your vision for the future of employee experience?

Volker Schrank: Employee experience will become significantly more personalized. We need to move from persona to personal - what Accenture calls the **"Workforce of One."** One example is career management - everyone now needs a personalized career coach. You cannot have a human doing that at scale, but it's wanted by our younger workforce and needed because we have fewer people entering the workforce who need to be more equipped than ever before.

Joachim Decock: The employee voice is getting much stronger, in every organisation. In the past, they would complain in corridors. Now they're upfront about their expectations - from how their payslip should work to how their career should be facilitated. They want everything at their fingertips, including having the employee center accessible on their phone. The needs are growing, and if you're not addressing them according to today's standards, you could face a kind of revolution within your company.

For organizations just starting their employee experience journey, what would you recommend?

Volker Schrank: Find out which function has the biggest need, where your cash generation is most impacted, and start there with a pilot. Begin with strategic workforce planning - understanding what skills you need today, tomorrow, and beyond. Many companies fail here because they don't know how to do this effectively. Start small and start where it's relevant for you. Don't let consulting firms sell you the "Disney Castle" of EX – choose a small and impactful start.

Joachim Decock: Move quickly and avoid over-diagnosing. Too many companies get stuck in endless analysis and problem statements. At Mondelēz, if the diagnosis is clear and the business case is valid, we go ahead. Don't be intimidated by seeing others' end products - start small and scale up in your core functions that add financial and customer value. Remember that we're not perfect either - we've had our failures and frustrations, but we've learned from them. The joy is in the journey, not in reaching some final state of employee experience.

ING

SEAMLESS DIGITIZED EXPERIENCE

Interview with:

SANDER DE BRUIJN

Former Head of Global Employee Experience at ING,
now Partner at KennedyFitch

ANDREAS MAYER

Chief Operating Officer Global HR at ING

Meet Sander de Bruijn, Head of Global Employee Experience, and his manager Andreas Mayer, Chief Operating Officer Global HR, both dedicated to making work life better at ING.

We interviewed Sander in our 2020 report as an EX-expert who brought his Marketing and Customer Experience expertise to HR, and has built a team around ING's employee journeys, focusing on data driven improvement and human centered design. In this interview, we explore their journey, from Sander starting solo in 2018 to now leading a growing team of specialists.

Who is responsible for EX at ING and how did you build the team?

Sander: "Within HR, I'm responsible for EX, Innovation and continuous improvement right now. But we have come a long way since we started and now work closely together with EX enthusiasts across the company. I started off as a one-man band in 2018. It took 6 weeks to gather input from people internally and to come up with a rough design of what we wanted EX to be. I talked to a lot of colleagues: in People Services, outside People Services in HR, and in the other functions. Then I came back with an idea of how I thought employee experience should be defined, how it should bring value to ING, and how we should manage it.

Now, 5 years later, we have a strong team with deep EX expertise and skills such as PACE methodology, Process Excellence and Process Mining is our way of running innovation and customer experience projects. It combines Design Thinking, Lean Start up and Agile methodologies to have a pragmatic and evidence-based approach to Employee Experience improvement. We also have one black belt certified expert and since very recently we have hired two Process Mining experts to take our process analytics to the next level. The three employee experience specialists basically all bring their own expertise, varying from digital solutions to change and communications and HR Consultancy.

One of our responsibilities in Global People Services is managing HR change projects and programs. The most important initiative, HR Unite, is the global deployment of Workday and a standardized self-service organization. In this programme there is not a lot of room for the Employee Experience team to experiment on design, or to run customer validation tracks. But additionally, there's a lot of change coming in our daily business that we want to run alongside the HR Unite program that we are involved in as a team. Our goal is to make sure that we perform evidence-based decision making and that we put the right solutions live - not based on gut feeling but on employee feedback."

How are EX projects initiated and who gets involved?

Sander: "Some projects are initiated by us; we see that, for instance, the user experience in Workday can be improved and then we explore what tooling is out there, what Workday has in the pipeline and what the market has to offer. Then we come with a test, an evidence-based process, and then we say, 'hey, there's an opportunity here to invest in digital adoption tooling, for instance'. We work very closely with our tech colleagues. But, we also have a strict process in HR, we call it the 'change control board', which receives any proposed change within People Services. Basically, we assess the value and decide if it is something that we need to do and if it's feasible. Is this a change that we can, from a technological and from a People Services strategy perspective, embark on? And if there's an employee experience component, then my team is consulted and will also be involved in the implementation."

What mechanisms do you use to assess effort and value for employees?

Sander: "This is something we continuously improve on. It is the reason why we initiated this change control board. We realized we needed to prioritize certain elements. There is a constant cautious balancing act between implementing process or system elements that keep our bank safe and compliant and on the other hand new features which help to improve employee experience. Our job is that we bring all together and there is no compromise on quality, compliance and a safe process and system environment.

How do you balance the new release feature roadmap of Workday and all the features that you have in the tech ecosystem, as opposed to the dissatisfiers coming from employees?

Andreas: "This is an ongoing journey. For example, in compensation and rewards the team might want to have more control, and we want to have fewer approvals from a user perspective to fasten and simplify the process of compensation for our employees. At the end of the day, I strongly believe it's never the system when people perceive something as user-unfriendly. It's usually the processes that lie behind. That's why it is more important to work on the processes rather than the systems, to make them easier to understand."

What are the biggest learnings from your EX journey at ING?

Andreas: "When I joined in 2018, Workday had been implemented in the Netherlands, but it lacked a global presence. Our first task was to establish a standardized global footprint for people processes, and from there, we initiated the rollout. However, we faced significant challenges due to the initial program setup before my arrival. The rooftile deployment approach, where waves of countries were initiated simultaneously, led to complications as each wave operated at different project maturity levels. We changed the approach, as we saw it did not work. So then, adopting a sequential deployment approach, we implemented changes step-by-step, focusing on small, manageable increments. This strategic shift and meticulous deployment eventually led us to the successful place where we are today."

Sander: "Exactly. So in terms of Workday and the global footprint process, after its initial implementation we recognized the need for further refinement and optimization. Last year, Andreas initiated a project with my team to carry out radical simplification exercises, starting in the Netherlands. We questioned existing processes, such as the expenses approval process for the Netherlands, executed in Workday and checked by a shared services team in Manila. The inquiry led us to question the necessity of scrutinizing every single expense, irrespective of the amount. Rather than optimizing the current process, we took a bold step to envision the ideal situation. We called it: "Aim for the stars to land on the moon." We aimed for a streamlined process, where submitting an expense by taking a picture and then receiving reimbursement within an hour became the envisioned end-state. Through collaborative efforts with policy owners, services, risk and data teams, we implemented changes that resulted in a 50% reduction of manual effort and a significant improvement of the process throughput time, meaning a turnaround time of less than 1 week in average between submission of the expense report and expense reimbursement – a significant achievement. This example served as a template, and we have since optimized three more processes in the Netherlands. Looking ahead, our plan is to make this approach a regular practice. Every quarter, we intend to focus on a few processes in a specific country, enhancing efficiency, maximizing automation, and promoting a seamless and digitized experience. This aligns with our overarching goal of establishing as many seamless digital processes as possible.

To what extent is EX part of your people strategy or the business imperative?

Sander: "Our people strategy is aimed at unlocking our people's full potential. We consider one of the supporting pillars for this strategy, Operational Excellence, to be a foundation for efficiency and a great Employee Experience. Our definition of operational excellence involves maintaining safety and compliance in our processes and data, as well as having the right technologies in place We strive for the delivery of effective and accurate services, that are perceived as personal, easy, relevant, and instant. And of course, cost efficiency and being data-driven are two other key aspects. We strive for seamless digital experiences with lean end-to-end processes, with as little administrative burden and manual intervention as possible and for scalable technologies and operations. We assert that when these components harmonize effectively, they contribute to shaping the right employee experience.

Can you describe a project you've recently started in tech for EX?

Andreas: "One of our team members is taking the lead in a recently launched chat deflection initiative. We observed that the chat deflection rate had reached a plateau – not deteriorating but not showing improvement either. The primary focus of this initiative revolves around enhancing two aspects: self-resolution (tier zero) and chatbot deflection, which also falls under tier zero. The decision to consolidate these efforts stemmed from the existence of multiple initiatives across teams and technologies. Simultaneously, the centralized People Services team is optimizing chat flows. However, there was a gap in addressing knowledge articles and determining their optimal placement. This situation necessitated numerous decisions, and our involvement was crucial for informed decision-making based on evidence. As of recently, we are taking the lead in strategically driving decisions to optimize continuous improvement in self-resolution and chatbot deflection."

What is the future of EX at ING?

Sander: "Until recently, we observed that HR operates somewhat independently in crafting the employee experience. And that other departments were doing the same. The perpetual question arises: Who truly owns the employee experience? In my belief, there isn't a single proprietor; rather, the custodians of the experience span different realms – HR Centers of Excellence, service providers like us in People Services, IT, facilities management, and foremost the manager and peers of the employee. With our strong focus on service, we are collaborating mainly with the group services CIO and with the leaders from corporate Communications, Real Estate and Facilities Management and workplace Services, we are now actively engaged in forging a shared and unified vision and way of working for the employee experience. The ultimate goal is to transition towards a unified service experience. In this envisioned future, whether an employee encounters challenges with HR, IT, or other services becomes secondary. The paramount focus is on ensuring an excellent overall service for employees. We acknowledge that glitches, like delays in IT delivering a laptop or technical hiccups, can mar the experience even if HR performs flawlessly. Or the other way around, an administrative delay in HR, can have a negative effect on registering a new hire for a building access badge. Hence, our mission is to establish a seamless and consistently positive service experience. Looking ahead over the next two to three years, the specific form this unification will take – whether it evolves into a consolidated unit delivering all resources or remains a technical platform – is still uncertain. Nevertheless, our concerted effort is directed towards achieving greater unification and consistency across all facets within the company."

Do you see opportunities for artificial intelligence in EX?

Andreas: "While ChatGPT is undoubtedly a buzzword, ING is cautiously approaching this domain. Due to stringent data security protocols, we won't directly adopt ChatGPT from external sources. If we venture into ChatGPT, it will be through an in-house development, a process that requires time. Presently, our primary focus, especially from a banking perspective, revolves around exploring large language models and their applications on the customer side. Looking ahead, a comprehensive artificial intelligence suite for HR at ING might not materialize in 2024. Our initial steps involve implementing AI-driven search functionalities, to enhance information retrieval on HR-related topics. While this serves as a beginning, we remain pragmatic and prioritize foundational work. Rather than hastily chasing the latest trends, we acknowledge there's substantial groundwork to cover. By the end of 2024, once foundational work is robustly established, we anticipate considering the next strides in AI implementation. We firmly believe in refining our core HR functions, the bread and butter of our business. While I appreciate innovative and out-of-the-box solutions, prioritizing the accuracy and efficiency of our fundamental HR operations is paramount. It's not just about payroll; there are aspects where improvement is still possible and necessary. My focus is on elevating these foundational processes to a higher standard before delving into unconventional solutions. Here's a final statistic for context: currently, we are actively working on reducing the number of approvals and notifications in Workday. In the Netherlands alone, we handled about 16.000 approval requests and notifications by managers each month in Workday. Our goal was to streamline this process and bring the number down. We landed at a new number less than 4.000 on average per month, which is a success the team can be very proud about. This reduction exemplifies the kind of impactful changes I categorize as bread and butter—addressing the aspects directly influencing our employees. Once we have these foundational elements in better shape and control, we can confidently explore the next phase of improvements."

**What kind of use cases for EX are you really proud of in terms of the impact achieved?**

Sander: "There are three key achievements that stand out for me. First and foremost, I take pride in the realization we had at some point that we actually lacked comprehensive employee experience data within the company. While we were actively measuring various aspects within HR, the focus was predominantly on the results of employee experience, primarily gauged through engagement metrics. Recognizing this gap, we initiated a pilot for the Employee Experience Index survey—a survey developed by FOUNT/ TI-People. Over the past four years, we have continuously optimized and refined it. The survey, now integrated into Qualtrics, spans around 17 countries, making it an integral dataset for HR, focused on actionability It's gratifying to witness increased interest, with individuals requesting access, actively engaging with the data, and even participating in workshops initiated by HR management teams. Looking ahead, the exciting development is the establishment of employee experience index targets for the upcoming year, both at the HRMT level and among the management teams. This initiative, stemming from our quest for more detailed and actionable employee experience data, has had a notable impact on a global scale. One of the nice aspects of the FOUNT survey in Qualtrics is its versatility. We can seamlessly integrate benchmark data, both external and historical, along with general data to get a comprehensive view. This approach extends to current enterprise data, allowing for a holistic understanding. The ability to compare each country against these diverse benchmarks at a specific moment provides actionable insights at a high level. Furthermore, the FOUNT survey in Qualtrics allows for a granular analysis by drilling down into touchpoints and open-text responses. This feature empowers individuals to gain a nuanced understanding of the state of employee experience, whether at the country level or within specific divisions of the company. It's a valuable tool that fosters a deeper comprehension of our organizational dynamics."

How much demand is there for these projects, how much do you have to push and how much pull is there now from the business, countries etc?

Sander: "My dream is for this dataset to transition into a business-owned asset. We have already presented it to our Managing Board, but my ultimate goal is to have company EXCOs or Country EXCOs, as is already the case for the CEO of ING Netherlands or the CEO of ING Belgium, include the EXI NPS score in their targets. By achieving this, it would mean that teams at various levels would then set targets for employee experience, transforming our impact. Rather than solely impacting HR services, it will have a more profound influence on the human factor within the business. This represents a push, where we actively advocate for this integration into broader business targets. On the other hand, there's a pull effect that emerges after a few years of pushing this initiative. We witness a shift where People Services leads and HR leads from different countries actively invite us to their leadership teams. They seek workshops or explanations about the dataset, which is great. There's a growing demand with HR business partners specifically asking for assistance, seeking demos or training on the dashboard because they recognize the value of this dataset. It's a rewarding development after investing time and effort into this endeavor. Another noteworthy initiative that I discussed in our last interview two years ago is our focus on the design track. Initially started not within People Services but in our Innovation office, this effort gained traction under the innovation board, backed by an innovation budget. We embarked on a significant redesign of the onboarding process meanwhile and so this endeavor resulted in the global procurement of a solution called Enboarder, initially implemented only in ING Australia. However, it proved to be the ideal solution for fostering a more engaged and aligned onboarding experience among managers, employees, and onboarding buddies. Subsequently, we successfully introduced this Enboarder solution to around 12 countries globally, marking a substantial scale-up of an initiative originating from our team.

The third significant initiative is the ongoing radical process simplification project that we ran last year. In this endeavor, we bring together black belts, COEs, risk management, data experts, and all stakeholders into a collaborative space. The primary goal is to create the most efficient and straight-through processes possible, leveraging automation for the remaining steps. While we currently have one or two best practices, I envision this becoming a regular job for us. The approach involves continuously taking on processes with a holistic view, engaging everyone in a pressure-cooker environment, akin to a fast track. We rapidly redesign the process, implement changes, and then scale the improvements. I take pride in the foundational work we've accomplished, and I foresee a lot more progress in this area."
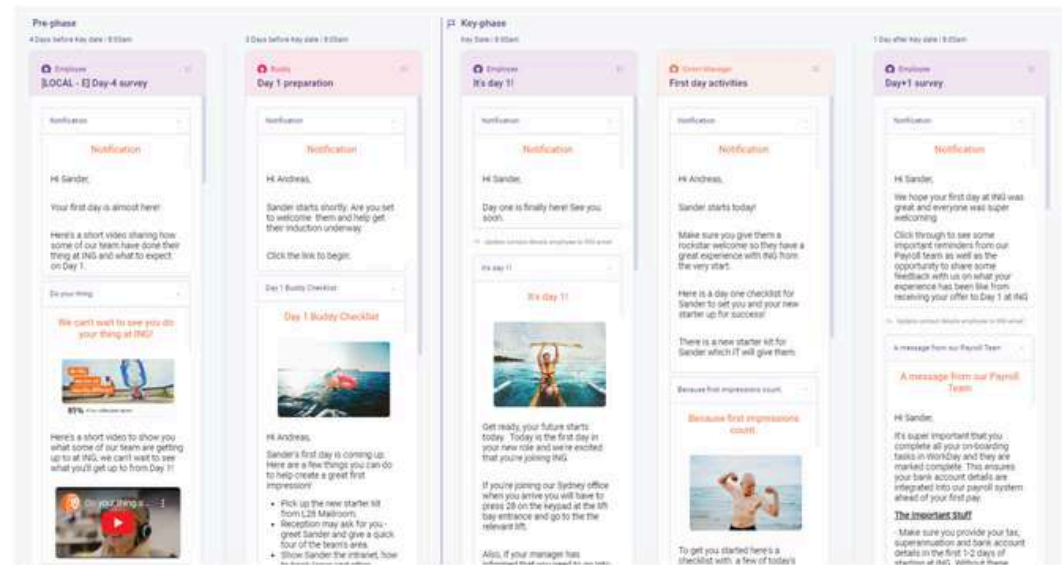
What are the next big things you would like to achieve?

Sander: "One ambition on the horizon is to enhance business impact by collaborating more closely with business teams. We've successfully undertaken such projects this year, working alongside HR business partners and business leaders. The profound impact achieved has been impressive. I envision expanding this approach beyond HR processes to encompass team processes and dynamics within wholesale banking, retail, business banking, Operations and Tech. This entails working collaboratively with newly established employee experience leads in these domains, therefore ensuring a more unified ambition and approach. The second goal involves our services model. This entails streamlining support across corporate comms, facilities, real estate, workplace, and HR. Here, the vision is to create a seamless experience where users can seek assistance by pressing a single button, addressing 80-90% of their needs independently. For those requiring support, for example, a digitally empathetic voice will provide assistance, ensuring a personal touch."

How is your agile infrastructure organized?

Sander: "We have tribes. We have a digital solutions tribe where our People Services and tech work together on Workday and other service enabling technologies. This is where my team of employee journey experts are, in the biggest squads, so we are part of that tribe as customer journey experts. Additionally, we are in a collaborative governance with other departments. We call this the Employee Experience Design Board and we have an Agile set up to collaborate on all digital and non-digital cross-domain initiatives. I must say though, that in Global People Services we do not work fully agile. It is especially in those initiatives where we work closely together with Tech that we have an Agile way of working."

We talked a lot about digital and automation and an optimization of processes with digital landing. Do you have an analog use case of the EX which is very tangible for ING employees?

Sander: "I have a couple of instances where a positive experience approach could have worked better. I firmly believe that if further improvement isn't possible, providing clarity becomes crucial. There's a certain level to which an experience can be enhanced. If it can't be improved, managing expectations is key. People are generally content with spending two minutes on a process instead of one, as long as the instructions are clear. We're putting a lot of effort in notifications, instructions, tone of voice, quick reference cards, and knowledge articles, emphasizing effective communication around processes that can't be further optimized due to regulations or risk controls. This ensures people understand what's required and appreciate the necessity of going through it. It's not just one example; there's significant work in the realm of communication, change and expectation management. Nudging managers to approach things differently is another aspect. We provide instructions for managers as well since it's common for individuals to be unsure about what to do, like everywhere. Often, people look to their managers for guidance, and if the manager is uncertain, it creates a challenge. To ensure both parties excel in their roles, clear instructions are essential. We focus on instructing and supporting both employees and managers with comprehensive guidance."

Is there something missing in the skills set of future EX practitioners?

"There's a significant gap in skills within data analytics. Reflecting on my experience in marketing a decade ago, we were already leveraging data modeling to analyze factors like the impact of weather on media campaigns. It's raining outside. What does it mean for our advertising campaign and the conversion to sales? It raises the question: Why aren't we applying similar approaches in HR? There's untapped potential for optimization and prediction based on data. Currently, this aspect isn't given enough importance in our analytics departments and in leadership. Improving this is crucial. Moreover, in HR, we excel at operational excellence, believing that a perfectly delivered process automatically leads to a positive employee experience. However, this isn't automatically the case. To enhance employee experience, we need individuals with UX expertise, UI skills, communication proficiency, and a flair for visualization. It requires more than just customer experience design skills; we need to incorporate extensive marketing skills. Working with agencies emphasizes the creativity in messaging and visualization, something lacking in HR sometimes. Investing in employee marketing and UX specialists is vital, and presently, we are underinvesting in these functions."

What advice would you have for leaders interested in EX?

Sander: "Employee Experience tends to be somewhat sidelined in satellite projects. My challenge to anyone in a decision-making role is simple: don't treat EX as an add-on. Avoid having an employee experience specialist multitasking as Communications, Wellbeing or diversity and inclusion expert. If possible, dedicate someone full-time to this role, preferably someone with experience in evidencebased service design. Furthermore, when you have an EX specialist, don't limit their role to workshops and sessions. Instead, place them at the forefront of core projects, allowing them to lead and decide from an employee experience perspective. Ensure they are closely involved in significant decisions regarding programs or projects. It's essential to have a designated checkbox for employee experience in these decisions and empower the specialist to make well-informed choices. This means giving them time to validate assumptions with end users. This has been my ongoing battle, and while progress is being made year by year, it's a lengthy process. If you have the opportunity, make the employee experience person a pivotal figure in your decision-making processes and core business functions."

FROM DATA TO EXPERIENCE: RE-IMAGINING PEOPLE STRATEGY

Interview with:

LEA MIKUS

Former Director for People Strategy and People Analytics at Celonis

Lea Mikus has global responsibility as Director for People Strategy and People Analytics at Celonis, a software player leading in process mining. With their Celonis Process Mining platform, the company provides their clients with a modern way to run their business processes entirely on data and process intelligence. With data the very bread and butter of the company, Lea managed to bring those capabilities into HR through an EX approach integrated through the People Strategy. With a steep career progression, Lea is one of the most forward- thinking leaders in human capital management we spoke with, and in this interview we discuss how she works with employee resource groups.

How did Celonis start building EX and how are you now moving to the next level of maturity?

"We recently celebrated our 12th birthday as a company, and we've made significant progress, tripling our headcount during the pandemic. Joining the company during this period, there was a crucial need to establish a people strategy. Hypergrowth, while a blessing, very often comes with growing pains. Suddenly, you are in need of more advanced structures, such as career paths or a job architecture. During that time it becomes essential to bring the foundational HR elements in place for the company's continued growth. Over the past three years, we've seized the opportunity to implement fundamental components of a typical people department. We've achieved a good foundation.

From my perspective, experience plays a pivotal role in every aspect of our daily lives: private and professional. For us at Celonis, it's not merely another benefit; it's integral to everything we do. We don't have a specific function in place just for EX, and rather look at experience through the professional lens of everyone's scope. We established our first, holistic people strategy in 2022. This project spanned over six months, aiming to take into consideration the present and - to some extent - anticipate the future. Looking at changes in human needs overall, we sought to identify trends and aspects crucial for our employees in the long run, making informed predictions for the next five to ten years.

We engaged in discussions with academics and analysts, as well as placing a strong emphasis on listening to our Celonaut community – listening is a core practice at Celonis. This collaborative effort resulted in the development of our people strategy. The strategic framework serves to encapsulate both the business objectives, outlining our direction as a company, and the employee perspective. Referred to as the Employee Value Proposition (EVP), it delineates what makes us unique today and outlines our aspirations for the future – essentially, defining who we aim to become as an employer. So, EX is captured within our people strategy, it is an essential part of our strategy, in fact."

Who is responsible for EX right now, how did you structure the team?

"We've seamlessly integrated Employee Experience into every team and everything we do. Our organizational structure follows a setup with Centers of Excellence (COEs) and regional divisions. Operating globally is a crucial aspect for us; we prefer a unified approach across countries rather than individual initiatives. All our designs are crafted on a global scale, only with minor local deviations if need be, and this approach has proven to be effective. Our global People Leadership Team reports to our Chief People and Culture Officer, and the people strategy is applicable to all of us working in the People & Culture department. Aligning with the EVP and our business priorities, every project must find its grounding within this framework; otherwise, we abstain from pursuing it."

What kind of strategic pillars is EX supporting at Celonis?

"One of our key pillars as part of the EVP centers around Care and Community. In my role overseeing strategy and analytics, we delved into our data. With over 80% of our workforce being Millennials and Gen Z, and average age in the early 30s, we are looking at a cohort moving into the family-building years. We know from listening to Celonauts many of them want to nourish children alongside their careers, and they'll need sustained support from us to make that happen. It's also consistent with our focus on creating robust opportunities for women and others long underrepresented in the tech industry. Paid leave helps women stay in the workforce.

So in June 2022, we launched a global family leave program, offering primary caregivers 24 weeks of full pay and secondary caregivers 12 weeks of full pay. This initiative aligns seamlessly with our strategy, emphasizing the care and community pillar, and it reflects a commitment to a global standard. Despite operating across 16 different locations with varying regulations, every Celonaut has access to the same parental leave program. This not only demonstrates our dedication to equality but also places employee experience at the core of our initiatives. Taking it a step further, we recognized that it's essential not only to provide leave options but also to support the return of new parents. Thus, we designed a learning pathway to facilitate the reintegration of returning parents into our work environment, assisting them in re-onboarding and seamlessly picking up where they left off."

How are you involving employees in this co-creation process?

"The design and implementation of the parental leave program was truly a great example of co-creation at Celonis. Lead from within People and Culture, involving many colleagues across our various teams within our department. Simultaneously, we have Business Resource Groups (BRGs), which are voluntary, employee-led groups that drive impact, foster a diverse and inclusive workplace, and are backed by executive support. Examples include Pride at Celonis, Women and Allies at Celonis and Parents at Celonis. The parental leave program was co-designed in collaboration with Parents and Women at Celonis. We sought input on their needs, considering the balance between impact and budgetary considerations. This close collaboration with the BRGs, ensured that the program aligned with our overall strategy and addressed the specific needs of our Celonauts. The BRGs played crucial roles in shaping this program by bringing insights from the daily lives and work experiences of our employees.

In general, when initiating a project like this, we follow a structured approach. We look at our people strategy, and the alignment to our business priorities as well as EVP, and leverage all quantitative and qualitative input we have available. We think about the desired impact and work backwards to make sure we have the right departments, employee groups and stakeholders involved in the process to generate buy-in from the beginning. Although we don't explicitly term it as design thinking, we make use of some elements from that methodology. Personally in my work, I am drawing from my consulting background, where I've been exposed to such practices. Our workshops often involve brainstorming, categorization, prioritization, and ultimately shaping the timeline for implementation. We also make use of personas as key tool in our approach. Designing personas inherently involves mapping out their journeys. While it's so ingrained in our daily work that it might not be immediately recognized as a distinct tool, the persona-journey combination is integral to our process. This tool, often taken for granted due to its seamless integration, plays a crucial role in understanding and tailoring our strategies to meet the diverse needs and experiences of Celonauts within our organization."

What advice would you give to an HR leader who wants to get started with EX or wants to get started with a co-creation process to solve a specific challenge but doesn't know where to start and how to prioritize?

"I always prioritize based on the potential impact. Identifying the areas where we can achieve significant wins is crucial. We then compare this with the implementation timeline. The impact needs to be high, but considering our fast- paced environment, a long implementation period, say two years, might not align with our ambitious pace. In our context, even three months can be perceived to be a relatively long timeframe. When we announce a program, like the parental leave initiative for example, people inquire about the launch date. So we need to be spot on when managing employee expectations.

From a data perspective, impact can be measured by different factors like population size, productivity drivers, or engagement drivers. Sometimes, we may choose to undertake three projects at the same time and strategically spread them across quarters to avoid launching everything simultaneously, for instance, spacing initiatives from Q1 to Q4. It's all about managing expectations and how we frame the communication. What we've learned is not to announce the start of a project too early on but rather communicate closer to launch.

What stages take place during a 3-month EX project?

"We follow a 3-step approach. Ideation comes first, we create a working hypothesis and try to define an opportunity or problem we want to solve for. It must align with our strategic framework. This stage also includes gathering all data and insights to include in an early design draft co-creation brainstorm. At this stage, everyone is invited to assess the data and kickstart the co-creation process. Conceptualization comes next, which is the creation of a concept for a product or initiative, also including validation testing. This involves engaging with various stakeholders, including focus groups like BRGs, our executive team, and our internal people department. The goal is to ensure that the solution makes sense and resonates effectively when we eventually launch. Stage three is capturing everything from the official launch to the enablement of stakeholders and employees, hyper care and tracking the adoption. We continuously monitor if the solution meets the desired outcome. So, in summary, it involves these three key phases."

How do you collaborate with other departments, such as facilities?

"We extensively collaborate with various departments because people topics are a universal concern. Our people initiatives are frequently on the agenda for our executive meetings, reflecting the founders' commitment to creating an environment where all Celonauts can thrive.

In addition to this, collaboration extends to marketing, particularly in areas like brand, EVP, and talent marketing. We maintain a very close partnership within Celonis, emphasizing a unified brand rather than creating a separate employer brand. Communication is another key collaboration area. We place great importance on maintaining a consistent tone and language across internal newsletters, communication on program launches, and policy documentation.

Lastly, in the realm of facilities, termed as real estate and workplace services in our context, it falls under the purview of the people team. This integration has proven beneficial, with my colleague and peer, our Head of Real Estate and Workplace Services, reporting to our CPCO, ensuring a holistic approach that spans various aspects and yields positive results. This unified structure has been in place for over a year, closing gaps and enhancing overall experience."

How do you measure the impact of EX?

"When assessing the impact of EX, we primarily rely on engagement scores, with Employee Net Promoter Score (ENPS) being one of the main metrics captured in our engagement survey. Additionally, we closely monitor attrition, viewing it as a non-traditional indicator of experience. High attrition might suggest a shortfall in the overall employee experience, prompting us to delve into specific reasons for termination.

To gain insights, our exit survey, conducted by business partners, explores dissatisfaction with the work environment, leadership, benefits, career development and related factors. This comprehensive approach aligns with our commitment to understanding the entire employee lifecycle. Moreover, we monitor external perceptions through platforms like Glassdoor. For new joiners, we conduct an onboarding survey, measuring their first weeks' experience. We continue measuring at 60 days and 90 days. It is often that millennials and Gen Z have relatively short tenures, with both generations together averaging between two and three years. This is another reason why efficient and fast onboarding is essential.

How do you use tech for EX?

"That's a great question because it really gets to the core of what I do. We manage various systems like Workday, Greenhouse for Recruiting, and several other tools, each serving specific data needs. However, combining these diverse data points is challenging, as you're likely aware. What sets us apart is that we're in a unique position to utilize our own software, Celonis, to make sense of all these data points. We centralize our data in a data lake, and then use our software to integrate information throughout the employee life cycle and across the organization.

Currently, we're in the process of developing dashboards for organizational health, and real-time insights into program utilization. While our focus is more on reporting at this stage rather than predictive analytics, our vision is to venture into the predictive space as well."

Do you have software development and analytics capabilities in your team?

"Yes, that's an interesting aspect of our approach. We have a permanent member in my team, originally from our analytics department, who has been supporting us for the past nine months to lead this project. While we considered hiring a dedicated headcount, we decided against it. We believe in consolidating our data scientist skills in one place rather than dispersing them across departments. This way, we can leverage the expertise we have company-wide.

Over the past nine months, we've been working on building this project, closely collaborating with our colleagues from the finance team. There's a significant overlap between finance and people data, especially when examining aspects like organizational health, forecasting, budgeting, headcount, and attrition."

How do you navigate the plethora of HRIS adds-on?

"Addressing the multitude of HRIS add-ons has been a strategic consideration for us. We evaluated the market to determine whether it's more practical to embark on the challenging task of developing a solution from scratch or leverage existing software - so a typical buy vs build analysis. For the moment, we decided to go for a bit of both. We've built our own analysis leveraging Celonis, but we have also ramped our reporting capabilities using Workday HCM and People Analytics. As we continue to build, we keep our options open with the goal in mind for real-time, constantly updated, automated data models that not only support our day-to-day operations but also provide valuable insights into the future. The ambition is for our solution to be a 50-50 blend of addressing current needs and anticipating future requirements."

What are the key aspects of success for EX at Celonis?

"One significant aspect of our approach is the close collaboration with our CEOs and the executive team, where the importance of people is consistently emphasized. Securing buy-in from top management is crucial. Another key aspect is recognizing that engaged employees thrive. Creating an environment that showcases our uniqueness as an employer and genuinely caring for our people plays a vital role. An illustrative example is evident in our engagement survey, where we observed immense pride in our product. The question regarding belief in our product being best in class consistently receives an incredible amount of positive responses.

And this is an area where we saw an opportunity. While it's fantastic that our employees recognize the capabilities of our product and believe in it, we also acknowledge that our product has the potential to contribute to a better future for humanity. For instance, there are use cases that directly impact sustainability. Recognizing this, we decided to seize the opportunity. Impacting the green line with our product is valuable, and we wanted to take it a step further. Therefore, in 2022, we introduced the concept of 'impact days'. These are three days a year when we virtually halt the entire company's operations. During these days, every Celonaut can contribute to a social project of their choice. When you consider the cumulative impact of over 3,000 employees dedicating eight hours three times a year, it amounts to 72,000 hours of real-time impact. One notable example is organizing hackathons with clients, especially non-profit ones, where we identify cases where our product can contribute positively. This initiative has been widely appreciated as it not only reflects our culture and values but also serves as a platform to explore new business angles, projects, and clients."

What makes you most proud, from all the EX initiatives at Celonis?

"Parental leave is a standout initiative we've developed, and it holds significant importance not just for the company and our people, but also personally for me. I am also deeply committed to bringing data to the table, building a business case, and fostering a robust connection between the people department and the business to show how we can make a difference for our people. To me, this type of collaboration aims to ensure the sustainable growth of the company and a successful long-term future. I firmly believe that people should be at the core of every company and strategy. Utilizing people data becomes a powerful lever in influencing not only our practices but also, hopefully, the entire industry. People data is business data."

If you could turn back time what would you do differently?

"Taking a moment to reflect, in my career I've often worked in environments of rapid pace, which has its merits. However, when dealing with substantial organizational changes, team shifts, and transformative endeavors, it becomes imperative to step back and ensure everyone is on the same page. I've come to appreciate the necessity of this step, understanding the importance of gradually bringing people on board. Everything you implement takes time to adopt in the organization. It requires a candid approach, coupled with attention to the transformational groundwork that precedes the actual initiation of change. This is the perspective I aim to emphasize. I believe achieving buy-in, regardless of the stakeholder, holds tremendous significance. Emphasizing that transformation is a gradual process is crucial, and I consistently convey this message. Transformation isn't concluded with the introduction of a new system, tool, product, or initiative; in fact, that marks its inception. Although the groundwork may have begun three to six months earlier, it's essential to consider the entire implementation and transformation cycle. This cycle initiates before the launch and extends, I'd say, for at least one or two years post- launch to firmly embed something within an organization or an individual. Perhaps, considering it as a cycle or visualizing it on a change curve could be valuable, offering insights into the trajectory of these projects."

What opportunities and challenges do you envisage in EX as a field of expertise?

"Employee experience in my mind is really the opportunity to get a foot in the door to see people at the heart and center of a company. There are so many tools available: journey mappings, personas - not everyone is thinking about people down to the essence of their human needs, what is important to them, how they think, feel and what they truly desire. Therefore, I believe that all those templates and toolkits which are used in the EX space can actually help bring everyone closer to the same page and focus on people being at the core of organizations. As for a challenge, I believe employee experience should incorporate data. Avoiding being overly abstract is crucial, and while personas may seem somewhat intangible, the process of designing them has to be thorough. Making these aspects tangible and ensuring they are taken seriously is, in my opinion, the most significant challenge."

How do you keep being inspired in your own learning journey?

"What I enjoy doing is networking because every conversation brings a lot of inspiration. Even today, speaking with you and gaining insight into your thoughts and projects is fascinating. In the analytics realm, I've connected with leaders to tap into their experiences, understand how they structure their functions and navigate challenges. By collecting insights from various sources, I can determine what makes sense for specific situations, leveraging knowledge and potentially accelerating the learning process. I consider myself a curious learner and an open networker. Asking people for insights has no downside, and I've found many individuals who are so open and willing to share their knowledge and help. I aim to reciprocate and assist others as well."

FROM POLICY FOCUS TO CREATING EXPERIENCE

Interview with:

VASUKI RANGANATH

Head of People Experience at Volvo

We've seen growth in EX initiatives from 55% in 2020 to 82% according to our 2024 research. How do you see this evolving in the next 3-5 years, and what's the impact on the overall business landscape?

The focus on consumer centricity has taken a significant shift in the last 5-6 years, especially post COVID. This shift isn't industry-specific and cuts across the spectrum. Organizations have become much more consumer-focused, which has led to a complete reimagination of how we look at things internally.

This has a direct impact on how we view our workforce and also how we are organized at workplace while challenges around attraction and retention remain high, we've moved from focusing on policies to creating experiences which have a much lasting impact on people. This transformation will continue to evolve, particularly due to the changes we see in digital experience and how it impacts the overall talent journey. The changes we see in the Customer Experience (CX) space have a direct impact on how we approach Employee Experience (EX).

How will AI and machine learning transform employee experience? What are the opportunities and challenges, including ethical considerations?

AI and machine learning present great opportunities in the workplace. We're now able to get information and data at a much faster pace, which directly impacts most facets of our talent journey - whether you start with talent attraction, recruitment, onboarding, or creating learning pathways.

Real-time feedback is another excellent example where you don't need to struggle to articulate feedback - you can get that insight using AI chatbots or new solutions. However, what's important is how we personalize this without losing the human touch. Sometimes we try to make everything automated, which is fine, but we're still dealing with people, and we need empathy.

There are also important challenges to consider. For instance, who creates these AI algorithms? People do, and people have innate biases in how they think and act. We need to ensure we're not making decisions purely based on the data sets we see. Sometimes, we see only what we are prone to see, overlooking the qualitative aspects, whether it is in recruitment or a promotion case. We need to be conscious of what kind of biases we have and what preferences we're considering when using AI in our day-to-day practice.

Privacy is another significant concern. People can perceive these technologies as invasive to their personal spaces. Eg: When we are speaking, we already know that our our phones have started tracking and feeding data back to us. We need to be transparent as possible in organizations, seeking consent from employees and sharing information as to what data is collected and how it is used.

Where should AI and machine learning capabilities sit within an organization to influence employee experience effectively?

This isn't a question of a department. Today, everything is connected. You can work closely with data analytics teams who are experts in working with different data sets, and they can help enable respective functions to use the data effectively and make prudent decisions. This model of Center of Expertise works well because they can work with multiple functions, understand their needs, and bring in experience from wider business context. The key question which we need to think about is "what is the problem statement which we want to solve?", from an employee experience perspective and "how can AI tools enable and create a positive experience?".

### What are some of the most impactful AI applications you've seen in the employee experience space?

The learning domain has gone through a huge shift. If we look at LinkedIn Learning today as an example, you don't need to ask anybody what you should focus on. With minimal inputs about your profile, you will automatically get recommendations on different learning opportunities. The challenge now isn't getting the recommendations - it's about taking that input and using it effectively. I've seen significant change in how we approach learning and development through AI tools.

How can organizations balance personalization with consistency across the workforce, especially in cases like hybrid working policies?

This is truly a paradox that we see in pretty much every organization. The context in which people are operating is very different. If you talk about industrial workers, their environment is very different from an office environment or a digital landscape. Before we talk about the deviations or the differences, it's important to tell the story around the business and work context. When we do this, there's much more reception to thoughts and ideas, "OK, I operate in this world, so I need to be at this site if I'm a production worker."

We need to see what is the fine balance which we need to cultivate within the organization. Shying away from these topics doesn't solve the problem. If you take up that conversation, you're creating a much more open speak-up environment and culture. You allow people to ask questions, and while we may not please everybody with our solutions, at least we've created an environment of transparency where people see different perspectives.

Certain conversations need to be personal. It's not just about sending an email across to employees saying everybody needs to be present in the office. That requires a personal touch and a leader has the responsibility to contextualize this. That's where people feel more connected and bought into the idea, rather than just receiving an automated message that people often ignore because there's so much coming across from different corners.
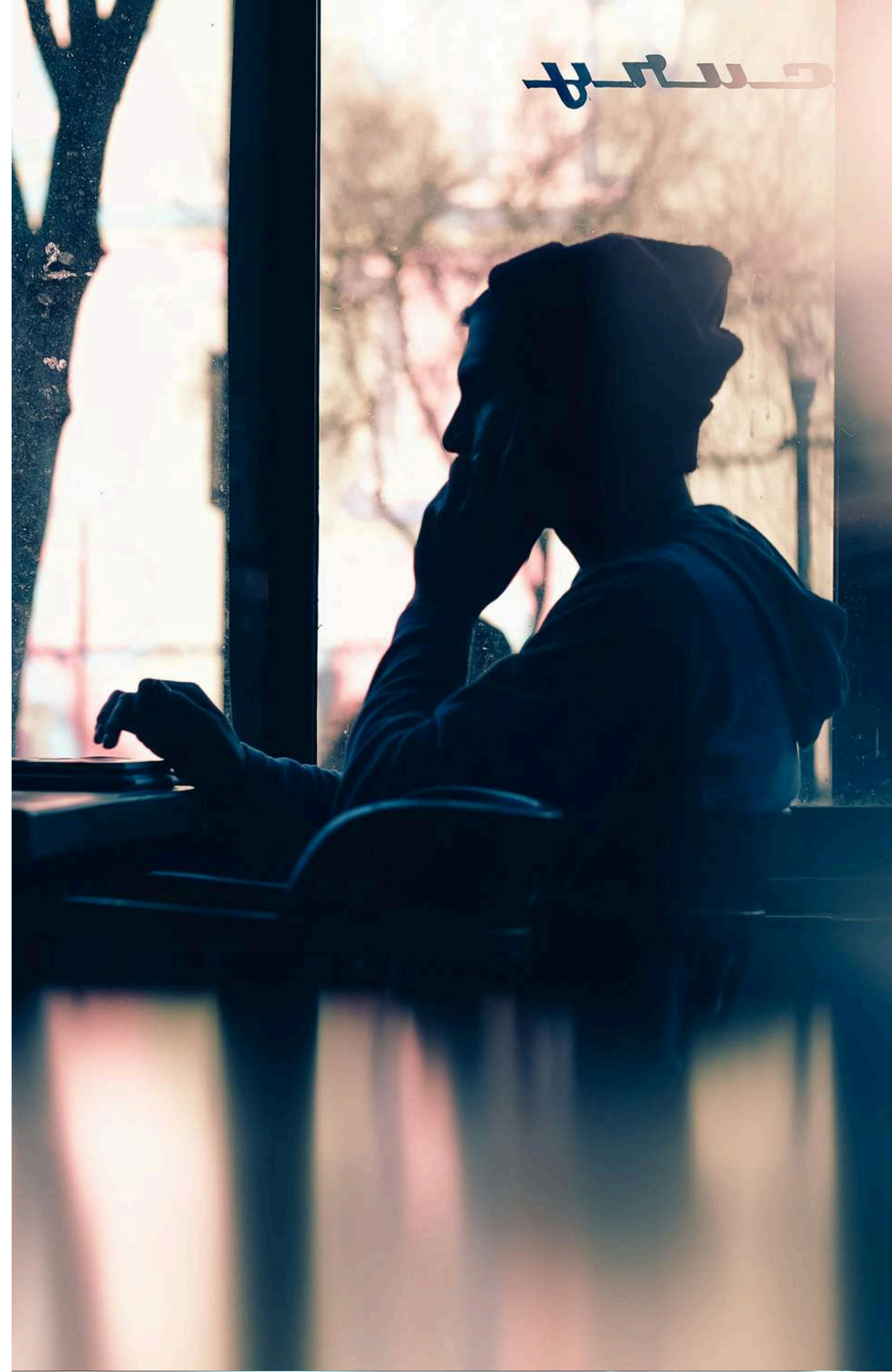
What advice do you have for organizations just starting their EX journey?

Well, my experience suggests that you need to have a business story to connect to EX. This cannot stand on its own. While it can exist independently, if you need to stay strong and sustain in that journey, you must have a compelling business story. It's equally important to get a shared vision across this topic within your leadership team, whether you're doing it on a country level, region, or on a global scale. You need to get your leadership on board, which means there has to be a strong intent and commitment from leadership.

Additionally, while you may have people working on EX, that doesn't mean you should create a department for it. That will probably address one level of your experiences, but you will not create a transformation out of that. You definitely need to find ways to create an inclusive EX framework. It's not just HR folks working in this area - it's about your leaders, your manager community, your employees. It's a top-down plus bottom-up approach that we need to integrate.

You need to have your champions who are passionate about this topic. It's also about how you construct this whole working team - I don't call it a department. You need to have people with different mindsets. It's not necessarily traditional HR people suddenly talking about EX - that doesn't fly. This is where you need to bring in UX designers, people who have that consumer behavior orientation, who have worked in different functions, whether it's marketing, CX as a function, or any other areas. That's where you leverage and scale with the richness of cross-functional competence.

For organizations looking to scale EX beyond HR, what approach would you recommend?

In this journey, while you can connect it to CX, you need success stories and strong leaders who are committed to this purpose. I would say you need to channelize your energy on identifying those leaders who can be your strong influencers. This goes with any change initiative.

When you're scaling up, it's also about checking in with different business functions - whether at a regional or global level doesn't matter. Is there an appetite for that? Do you have leaders who are open to the idea of bringing this as a transformation within the organization?

You cannot ignore those who are resistant to the idea of scaling EX activities - you need to work on both sides. Sometimes, these strong advocates who are not on-board in your journey turn out to be vital for you to take that jump from where you are to three steps ahead. It's important to recognize where they are coming from, have those tough conversations, listen to them, and hear their perspective. Having them in your journey, even if they're challenging, is much more valuable than not having them at all.

What's your long-term vision for employee experience as a strategic business function? What new skills and competencies will be needed?

In my eyes, EX and CX are very much intertwined. The faster we recognize this as organizations, then the Employee Experience will take center stage as it is all about people, their engagement and contribution adding up the organizational success.

The skill sets and competencies needed in the future of HR or EX as a function will be very different than where we are, particularly because of where AI is leading us. You definitely need to cultivate design thinking and (UX) User experience skills. We need people who have the consumer-centric mindset, who have worked in multiple functions. It's not a traditional evolution where all HR folks will turn into EX champions - it doesn't happen like that.

I've witnessed a lot of people who are passionate about these topics coming into the HR function – bring different perspectives, challenging the status-quo and adding richness in our evolution of EX journey. It's also a great opportunity for development, for people to contribute at the leadership level while being part of HR, and then they can go back to their respective functions with a completely different people-first mindset on how they run their operations.

How will the picture look in 2030 for EX?

There will definitely be a huge shift, but it's very hard to visualize exactly how that will look as of now. Just as business strategies must evolve with changing market conditions, the path to achieving our EX goals may have different touchpoints, even if our long-term view remains consistent.

The contributors
of this report

Joan Beets
MANAGING
PARTNER

Gjeneza Berisha
JUNIOR
CONSULTANT

Frank van den Brink
MANAGING
PARTNER

Sander de Bruijn
PARTNER

Patrick Coolen
PARTNER

Maria Neicu
CONSULTANT

LET'S TALK

Whether it's in dedicated EX teams, or existing HR teams aiming to make more business impact, KennedyFitch supports organizations to get started with EX or to help them get through the next curve with Evidence based improvement and Human-Centered design. We offer sparring partner, mentoring and upskilling programs, workshops, re-design tracks and executive search to meet you where you are on your EX journey and help you build scalable EX impact. Let's talk.

Connect with Sander de Bruijn
Practice Lead Employee Experience at KennedyFitch

With over 20 years of expertise in EX, Customer Experience (CX), and Marketing Communications across various industries, Sander brings a wealth of knowledge and passion to our mission of uplifting the world of work. His impressive track record in transforming employee engagement strategies into tangible, lasting change, makes him an invaluable resource for your EX initiatives

www.kennedyfitch.com