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The rise of people teams as a business growth driver

The rise of people teams as a business growth driver

According to our new research on senior HR executives across the globe, the strategic role of the Chief Human Resources Officer (CHRO) is changing.

And with it, the dynamic of the C-Suite.

Employee Experience (EX) is no longer something that exists only within HR – it now requires and demands participation from the whole organization.

From developing experience-centric cultures and focusing on DEI, to heightened awareness of well-being and scaling through technology, the HR function isn't just the glue between employees and the organization – it's a critical growth driver that's as invaluable to the bottom line as marketing, sales, or R&D.

And the most essential component in this entire process? People.

At every stage of the employee journey, HR leaders are using Experience Management (XM) practices to equip business leaders with the people data and insights they need to make smart decisions, work cross-functionally to connect that data to specific outcomes, and influence organizational strategy to impact both top- and bottom-line results.

To better understand this moment and give you the tools to meet it head on, we asked nearly 1,000 senior HR leaders located around the world to report on:

+ The current state of their work and the work of HR teams

+ The evolution of their role, as well as HR as a whole

+ What's important to them right now

+ Their areas of focus and concern as EX management continues to evolve

But as you read this report, remember: **this is a snapshot of what's happening right now**. And the rate of change will only continue to increase as it becomes both pertinent and necessary for organizations to evolve their experience programs to meet the needs of tomorrow.

Without a doubt, those who fail to act now will fall behind. But those who seize this opportunity have a chance to redefine the employee experience – and business growth – as we know it.

If this awakens and inspires you – great! That's precisely the response your peers need from you to carry the torch – that is, champion the role of the HR – going forward.

Meet the experts

Dr Cecelia Herbert
PsyD, XMP, Principal Catalyst,
XM Institute

Talia Quaadgras
Senior Research Associate,
XM Institute

Moira Dorsey
XMP, Principal Catalyst,
XM Institute

Dr Benjamin Granger
PhD, XMP, Head of EX Advisory Services,
Chief Workplace Psychologist

Matthew Evans
Head of Employee Experience
Product Science

Dr Antonio Pangallo
PhD, Principal EX Product Scientist

Sarah Marrs, MSc
Director of EX Strategy Execution

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The data for this report comes from the "Global Study: HR Executives and XM" that Qualtrics XM Institute conducted in Q4 of 2022 and Q1 of 2023.

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TREND 1

The CHRO is the newest business growth executive

When we asked HR leaders about their roles in a post-COVID world of work, nearly three-quarters (74%) reported that the HR function is more involved in the company's strategic initiatives, compared to pre-pandemic.

Additionally, 9 in 10 HR leaders reported agreeing or strongly agreeing that experience management (XM) – connecting both experience and operational data to improve the four core experiences of business – will be an important capability for HR organizations in the future.

TREND 2

Upskilling to meet the moment is HR's top focus area

According to our research, HR leaders reported "employee training and development" and "talent attraction and hiring" as their top focus areas for the year ahead.

But development isn't just employee-specific. HR leaders should and need to invest in themselves, as well.

By upskilling to meet the moment, HR leaders ensure they have the XM skills and competencies to not only navigate the new world of HR, but also confidently manage and overcome disruption, increase organizational agility, and prepare for unexpected change.

TREND 3

The future of EX management lies in listening, not just surveying

HR leaders have made astronomical strides when it comes to feedback programs.

In fact, over half (58%) of the HR leaders who survey employee engagement say they reach out for employee feedback at least four times a year. But cadence isn't the only factor organizations should consider.

The next evolution of this process is to go beyond traditional methods of surveying. With this shift, organizations give employees the opportunity to dictate the themes important to them and provide feedback in their own words. By moving from surveying to listening, organizations can **gain a deeper understanding** of the 'moments between moments' and create a more holistic view of the employee experience.

TREND 4

A lack of organization-wide strategy is putting EX programs at risk

When it comes to having and communicating a clear vision and strategy for EX, one in three HR leaders cited it as a major obstacle to their organization's future success.

Right now, HR leaders are at the helm, charting a path for how their organizations operate at every level to build a more experience-centric culture.

HR leaders have cemented the importance of what they do, but to continue moving forward, it's critical they achieve strategic alignment across the whole organization.

TREND 1

The CHRO is the C-Suite's newest business growth executive

Trend 1

When we asked HR leaders about their roles in a post-COVID world of work, nearly three-quarters (74%) reported that the HR function is more involved in the company's strategic initiatives, compared to pre-pandemic, whereas just 6% reported being less involved.

Now more than ever, strategic HR operations are being recognized as the driving force behind organizational growth and innovation, while simultaneously delivering greater efficiencies. This includes connecting people data to business outcomes – for example, identifying which specific employee experience improvements drive customer experience outcomes – and collaborating cross-functionally to achieve those outcomes.

But that's not all. Our research also found that more and more value is being placed on XM, and that stakeholders are looking to HR leaders to significantly improve XM capabilities in the future.

And as XM is all about connecting both experience and operational data to improve the four core experiences of business (customer, employee, product, and brand), this could mean that HR leaders are moving towards being the stewards and leaders of experience design and organizational growth.

In the near future, HR leaders may be responsible for implementing new technologies to collect, understand, and act on experience data organization-wide – as well as developing the competencies required to create great experiences for everyone and establishing XM-centric behaviors and practices.

So not only are HR leaders developing their own XM capabilities as individuals, they're taking their organizations on that journey, too.

"The new standard for HR leaders is to have critical people data in hand that informs how we build a sustainable future for both the business and employees."

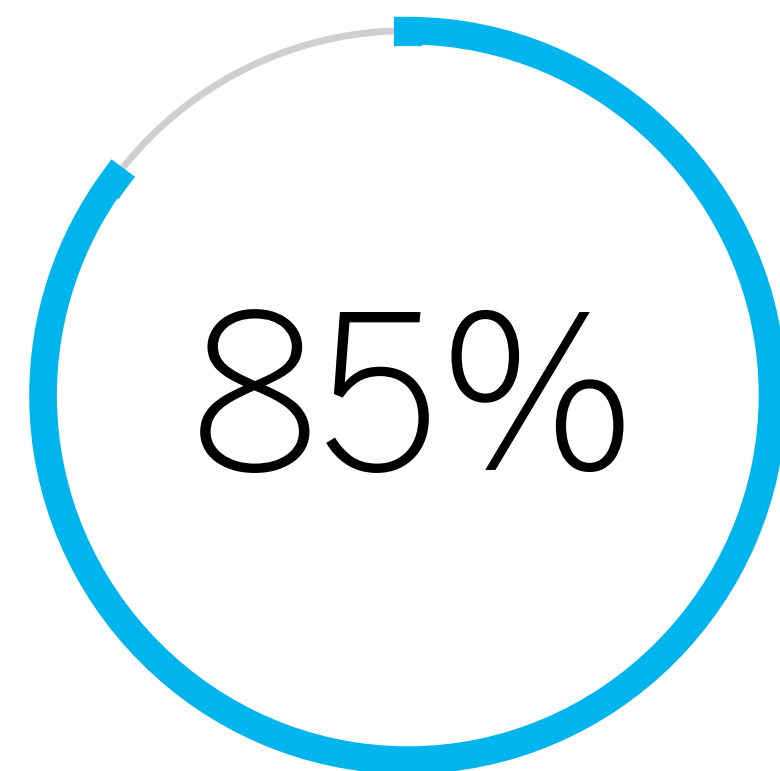DR. CECELIA HERBERT, PSYD, XMP,
XM INSTITUTE / PRINCIPAL CATALYST

Insights across the world

+ HR leaders in Brazil most frequently agreed that they are now more involved in their company's strategic initiatives compared to before COVID-19, at 86%

+ Yet, HR leaders in Singapore most frequently reported a decrease in their HR organizations involvement in company strategic initiatives at 13%

Source: XMI Global Study: HR Executives and XM

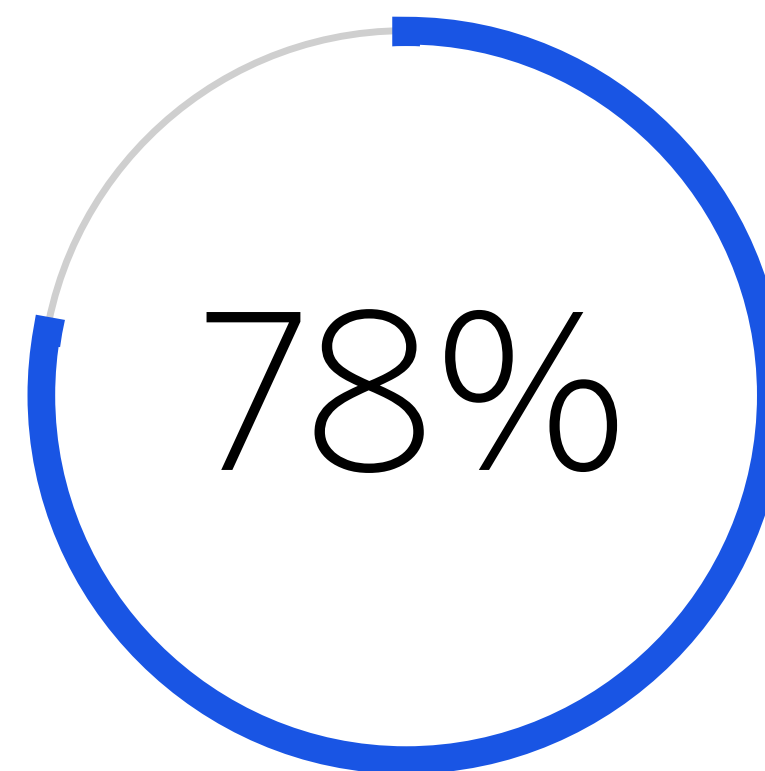# Percentage of HR leaders who agreed or strongly agreed that:

Given the increased importance of an effective XM strategy – as measured by its impact on organizational and career outcomes – HR leaders should use this opportunity to demonstrate how valuable they are in helping organizations drive growth and move through change.

In particular, HR leaders can take the lead in establishing the connection between EX data and metrics that impact customer experience outcomes. And most HR leaders are taking steps to better understand the value of this connection: according to our research, 81% of respondents said understanding the connection between employee experience (EX) and customer experience (CX) would be valuable or extremely valuable.

Yet despite its importance, there's a gap between seeing the value and having the capability to deliver – as just one in three HR leaders (31%) said their organization is effective at identifying the elements of EX that have the strongest impact on their organization's CX. Poor integration across EX and CX systems, poor data quality, and data privacy across multiple systems were also cited as barriers to fully connect EX and CX programs.

XM will be an important capability for HR organizations in the future

85%

Success in XM will be critical to their own career success

84%
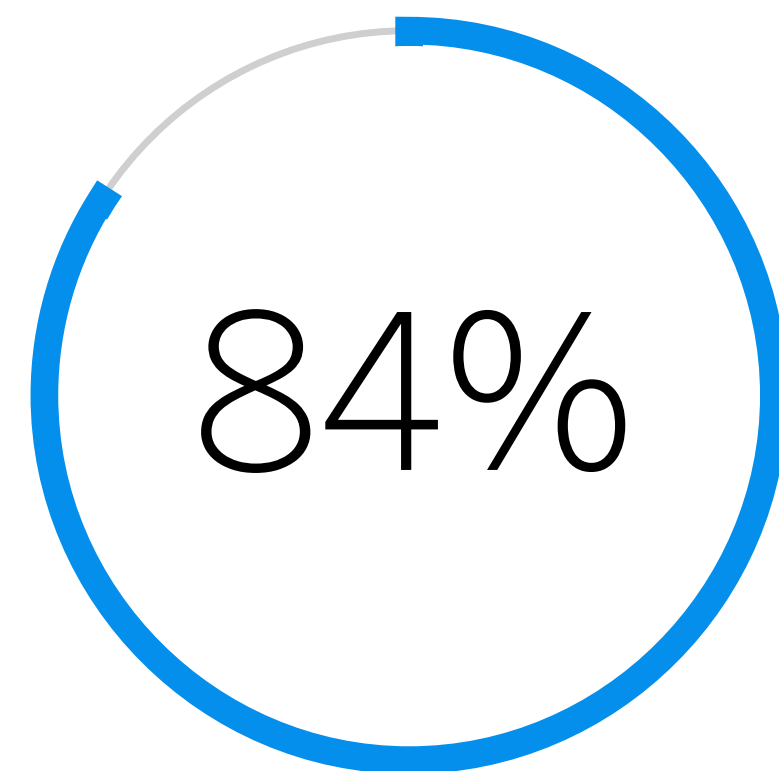
HR will be very significantly or significantly involved in improving XM over the next few years

78%

Driving business value — the impact of EX on CX

+ 92% of HR Leaders in the US see the ability to better understand the elements of EX with an impact on CX as 'valuable', along with 88% of HR leaders in the UK

+ Meanwhile, just 66% of HR leaders in France and 63% of HR leaders in Japan self-reported seeing the ability to better understand the elements of EX with an impact on CX as 'valuable'

Source: XMI Global Study: HR Executives and XM

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Cross**XM**™

Just 1 in 3 HR leaders know which EX efforts affect CX success. With CrossXM, you'll know them all.

CrossXM securely consolidates and connects **all** your experience data, enabling you to identify precisely which EX levers drive customer experience outcomes. See what actions to take to keep your people and customers engaged, and how your XM programs compare to the rest of your industry.

It's time to demonstrate the ROI of your employee experience initiatives.

LEARN MORE

08

The strategic role HR leaders are moving into showcases the value of the relationship between employee and customer experiences. This starts by collaborating with their peers in CX functions on projects that connect frontline employee experience with customer outcomes.

HR leaders are also starting to measure a more holistic set of KPIs and outcomes across the employee experience (e.g., well-being, inclusion, intent to stay). This is a critical first phase in EX program maturity.

The next frontier is to understand how those drivers and attitudinal outcomes, in turn, drive CX and business growth. Leaders can get started by simply building relationships across EX and CX teams within the organization and determining how to diffuse XM capabilities across these traditional internal silos.

When HR leaders focus on delivering great employee experiences, they bolster engagement – which kick starts a virtuous cycle that leads to happier customers and better experiences for all. Of course, realizing how to connect the dots is one of the most persistent challenges for organizations, and most companies struggle to manage this combined approach.

| Team	Rationale for EX + CX	Outcomes
HR	+ Highlights that HR is a value center + Shows the impact of EX driving topline business success + Align HR with the C-Suite	+ Highlights that HR is a value center + Shows the impact of EX driving topline business success + Transform HR into a c-suite value driver
CX	+ Drives investment in people while reducing costs + Adds a new level for customer retention + Prioritize areas of opportunity + Get more lines of business to drive success + Lead with customer-centrality + Align CX with the C-Suite	+ Decrease costs + Increase customer and employee retention + Guide business decisions based on customer and employee outcomes + Brings C-suite into the picture

Source: Combining your EX and CX to fuel business growth

Action steps for HR leaders:

1   Understand where your organization sits within the five stages of <u>XM Maturity</u>.

2   Learn the CX outcomes at your organization that can be influenced by EX drivers and address the <u>four categories of EX and CX alignment</u>.

3   Develop a compelling vision for the future state of EX for your organization and craft an <u>EX roadmap</u> to bring this vision to life.

4   Align KPI metrics by determining the EX metrics that are empirically linked to key business outcomes. Then, ensure that these are reliably collected and reported.

5   Communicate value by creating and sharing ROI models that show how changes in employee experiences lead to meaningful changes that influence the business objectives and outcomes the organization cares about.

6   Use EX metrics as business performance indicators, then integrate EX insights into existing business rhythms, such as quarterly business reviews or organizational scorecards.

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TREND 2

Upskilling to meet the moment is HR's top focus area
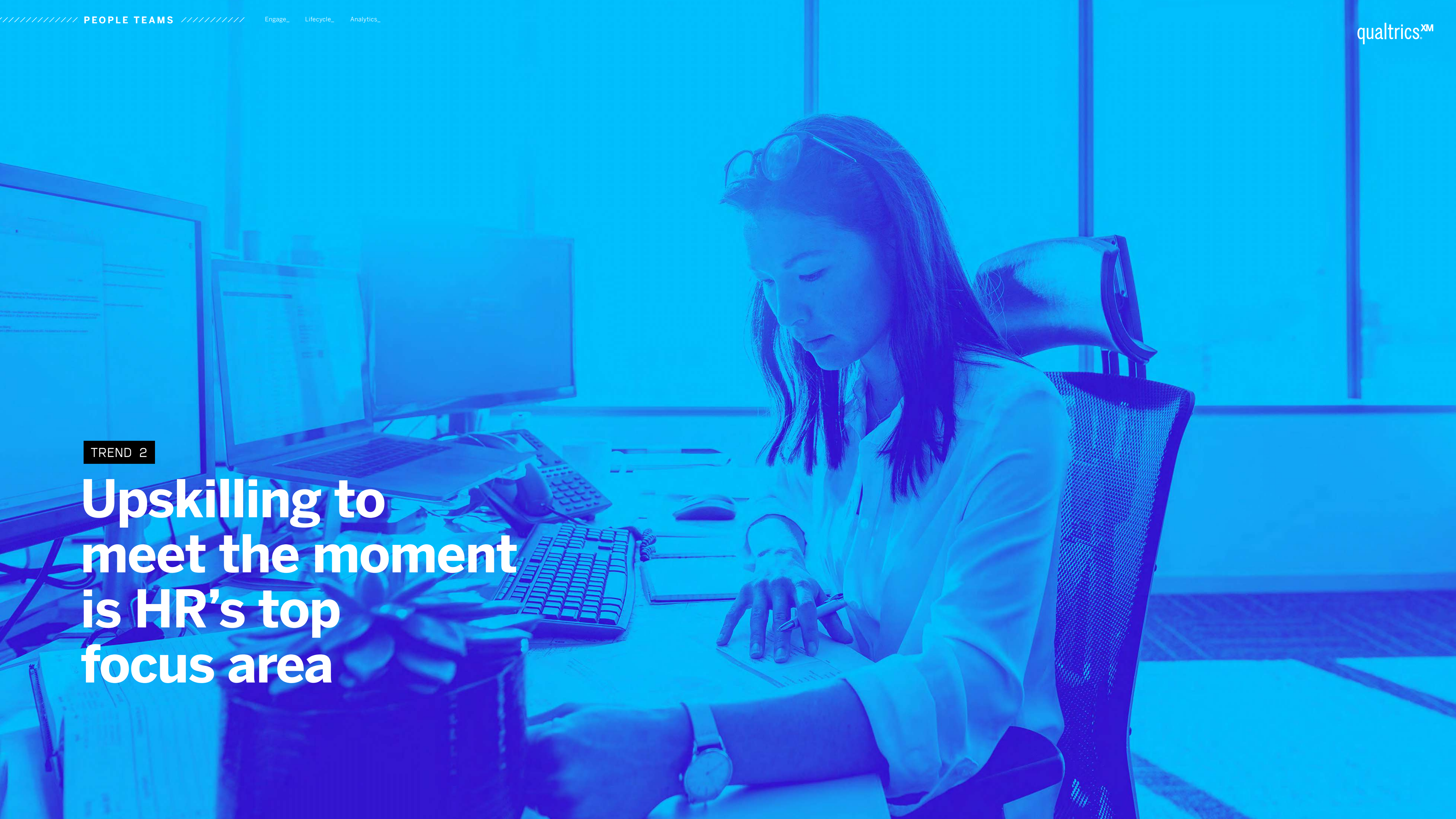
Trend 2

Right now, top HR leaders are focusing on rising to the challenges that lie ahead of them – both known and unknown.

Challenges like:

+ Addressing waning employee perceptions of growth and development opportunities

+ Closing a nearly 10% experience gap between talent attraction/hiring and onboarding

+ Stepping up to captain change management efforts; efforts that currently rank as the lowest area of importance to HR leaders

+ Responding and adapting to unexpected events (87% of HR leaders believe it's at least 'important' to improve their ability to adapt to unforeseen changes – and that starts with having the right skills, competencies and vision)

While these are challenges, they are also opportunities for HR leaders. According to our research, CHROs reported "employee training and development" and "talent attraction and hiring" as their top focus areas for the year ahead. And that makes sense with the rising importance of XM (85% agree or strongly agree XM will be an important capability for HR organizations in the future) that HR leaders are upskilling their people to meet the moment.

Of course, these focus areas are great news for employee **and** organizational growth, but it's vital that HR leaders focus on honing their craft and upping their XM capabilities, too. In many respects, this is a chance to lead by example – to cement the importance and benefits of training, showcase their own value, and help move the organization forward in the right ways.

Growth and development are inherent psychological needs, but they're also major drivers of employee engagement. Not only does meaningful work help meet those basic human needs, but it also helps the organization succeed.

Traditionally, organizations have viewed employee development as a cost to the business, this viewpoint must pivot: **development is an investment in everyone's ability to adapt to unexpected events**. Armed with this ability, employees and leaders can better support organizational agility in the face of uncertainty.

But that's not the only result: our 2023 Employee Experience (EX) Trends Report showed that career and growth opportunities are driving forces behind employees' Intent to Stay, Well-being, Inclusion, and Experience vs. Expectations scores.

HR focus areas around the globe

+ Talent attraction and hiring is a top 3 focus area for 6 out of the 8 countries, but was noted as most critical in the US, with 75% of respondents citing this area

+ Employee training and development is one of the top 3 focus areas for all countries – 38% of Singapore respondents cited this, and 68% of US respondents

Source: XMI Global Study: HR Executives and XM

"During times of uncertainty and change, employees want to feel confident in their paths forward with their organizations. Talent management and growth give employees that feeling of security to overcome uncertainty and thrive through change."

MATTHEW EVANS, HEAD OF EMPLOYEE
EXPERIENCE PRODUCT SCIENCE

In North America, in particular, employees that agree/strongly agree that their career goals can be met are:

+ 13% more likely to have their expectations exceeded at work

+ 13% more likely to have higher engagement

+ 9% more likely to have higher stay intentions (3+ years)

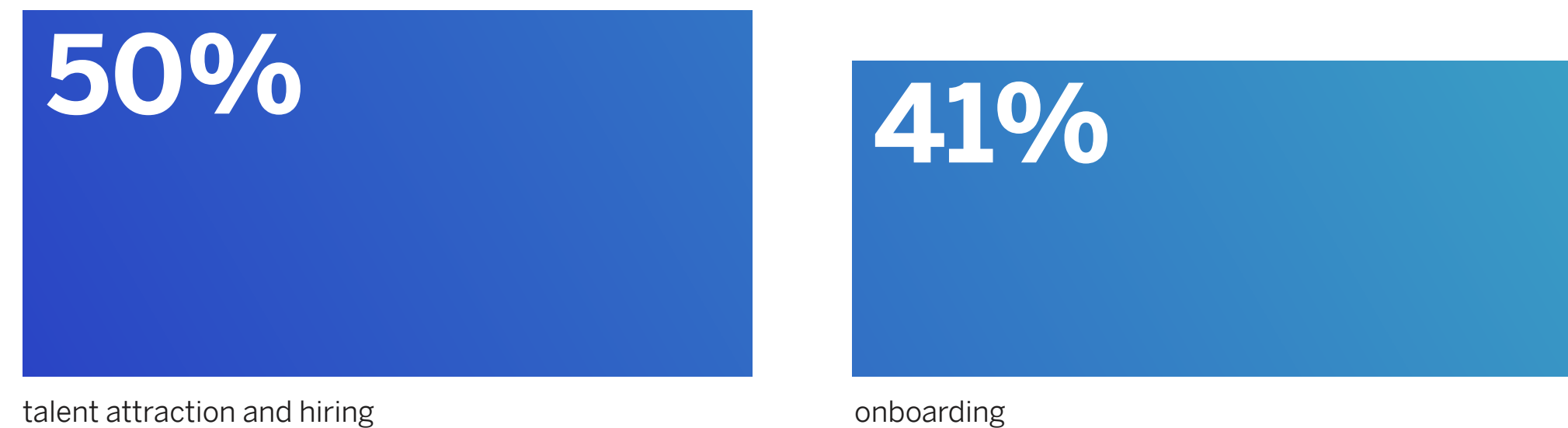Source: 2023 Employee Experience (EX) Trends Report

Closing the gap on the onboarding experience

An effective onboarding program ensures that new employees are set up for success to deliver value to the organization. But right now, there's an experience gap:
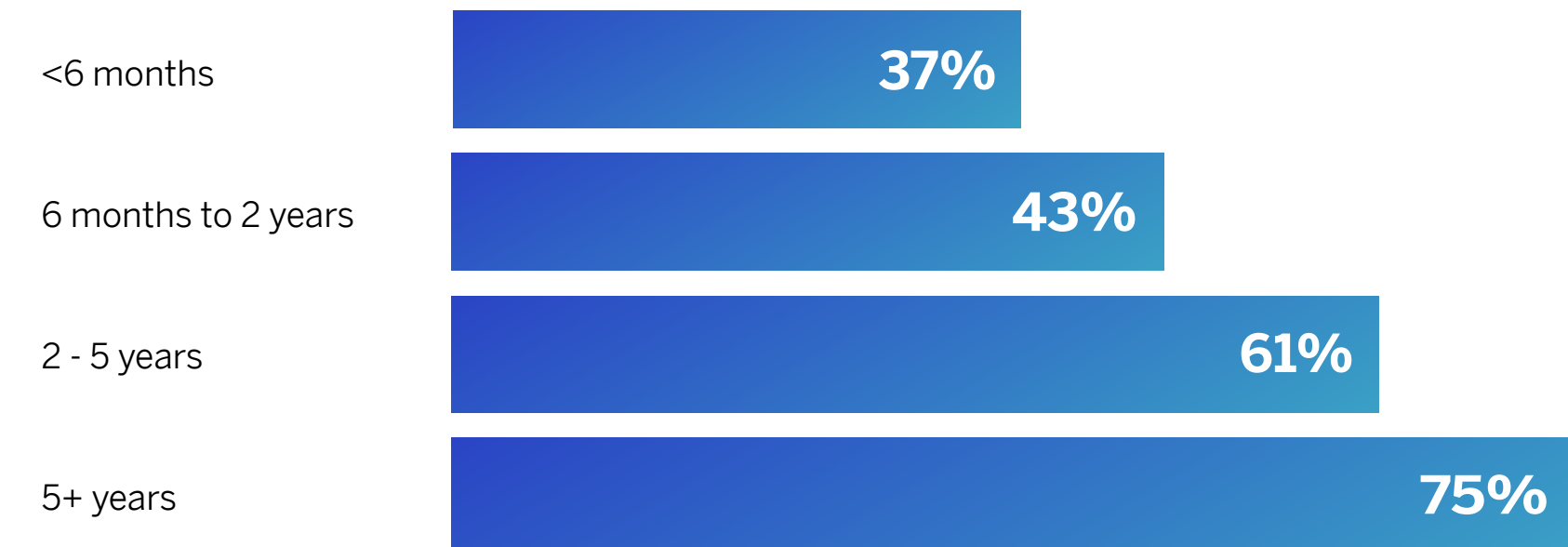
Unfortunately, this new research echoes what we saw in our 2023 EX Trends Report. In Asia-Pacific and Japan, in particular, organizations need to do a better job of creating great candidate and new hire experiences.

Our research showed that, compared to employees who have been with their current employer for more than six months, new starters have a more negative employee experience. They are less likely to have their expectations met, less engaged, less included, and they have lower well-being scores.

Intent to stay by tenure

<6 months	37%
6 months to 2 years	43%
2 - 5 years	61%
5+ years	75%

Asia-Pacific and Japan, 2023 Employee Experience Trends Report

Percentage of CHROs focused on:

50%

talent attraction and hiring

41%

onboarding

These results reflect not only the challenges of onboarding staff in a rapidly changing environment, but also highlight that what worked in the past is no longer delivering what new employees need.

To close this experience gap, organizations must redesign their candidate and onboarding experience programs to ensure they meet the expectations of incoming talent. Failing to get the candidate and onboarding experiences right results in poorer business outcomes: increased cost per hire, ineffective and expensive ramp-up time, and ultimately, an increase in unwanted employee attrition.

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Employee Journey Analytics

Employee Journey Analytics breaks down silos by consolidating all your feedback, enabling you to uncover the moments that matter most to your people, automatically identify trends and risks amongst employee segments at scale, and take action to improve experiences for every employee.

LEARN MORE

If leaders want transformation and agility, change management is essential

As reported in our research, change management was the **lowest-rated area of importance for CHROs** – but this could be a risk.

If HR leaders want transformation and agility (and 87% of those we asked said they did!), it's vital that they have good change management practices in place.

This is a call to action for HR leaders. While change management is not always HR's forte, it's an area where HR should be leaning into as they continue their rise in strategic importance in an organization. Often, HR leaders do an incredible job to enlighten their organization with great insights — but the future is about building competencies to activate the organization to respond to rapid change.

We see these competencies as part of a wider framework that empowers organizations to establish XM-centric cultures that permeate through every facet of their operations. Within this framework are 6 key competencies and 20 skills that **all** leaders require to make XM programs a success.

The 6 Competencies and 20 Skills of Experience Management

To establish an XM discipline, organizations should focus on building six specific XM Competencies, each of which is developed through a set of skills.
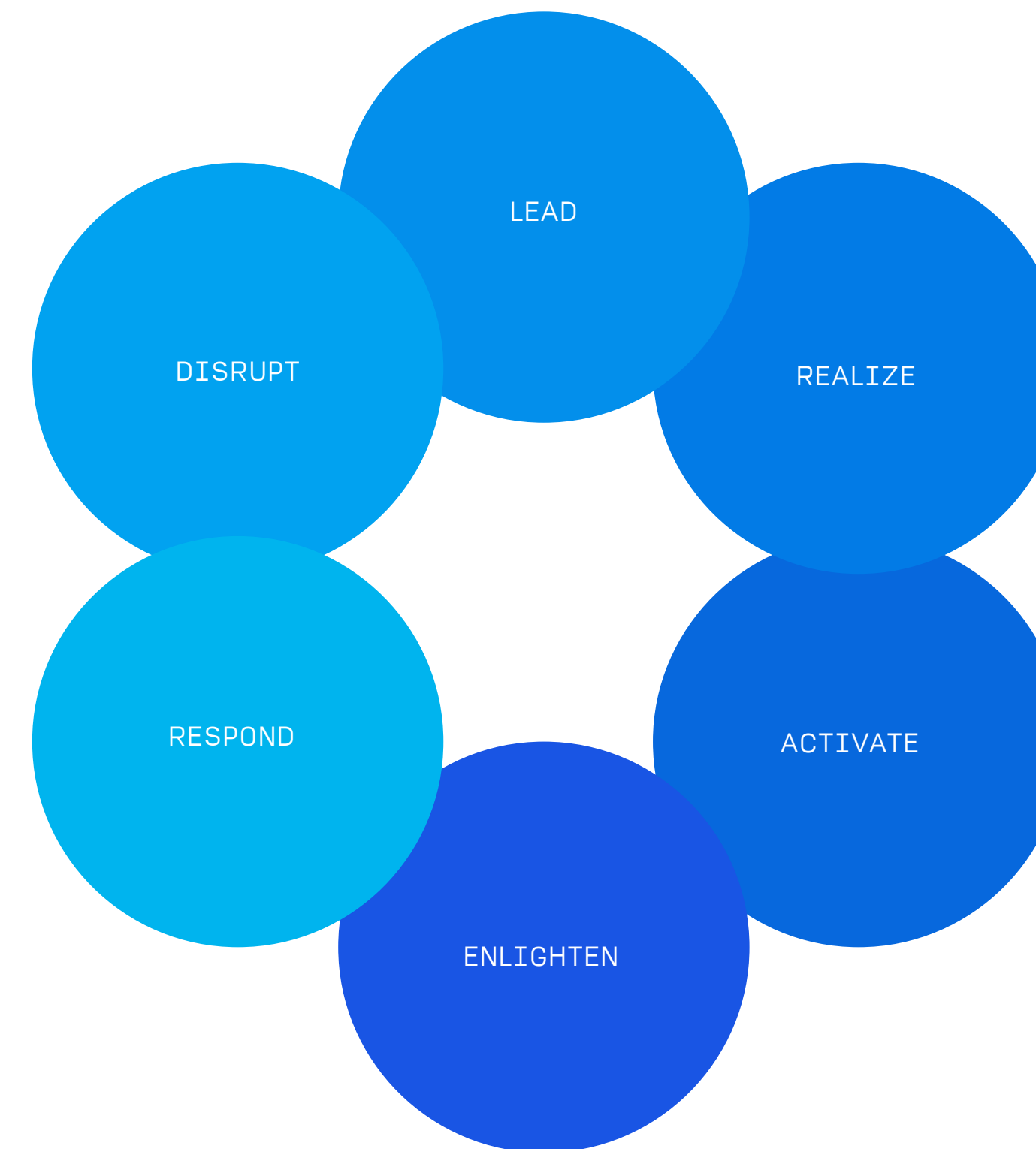
Lead
+ XM Strategy
+ Program Roadmap
+ XM Governance

Realize
+ Value Planning
+ Value Delivery
+ Metric Management

Activate
+ Ecosystem Communications
+ Expertise Building
+ Role-Based Enablement

Enlighten
+ X&O Data Integration
+ Experience Monitoring
+ Insights Discovery
+ Insights Distribution

Respond
+ Immediate Response
+ Continuous Improvement
+ Strategic Decision-Making
+ Process Integration

Disrupt
+ Experience Visioning
+ Experience Design
+ Experience Integration

Ultimately, HR leaders need to develop new systems of action to transform how people think, believe, and act within the organization, meaning:

+ **Nurturing cross-functional partnerships.** HR can't work alone. It must seek out stakeholders across the organization to own and implement changes; build authentic buy-in and alignment across the organization; as well as manage those stakeholders and make adjustments depending on a given stakeholder's level of interest in and influence.

+ **Tailoring support by function.** Empower leaders and employees with the skills, tools, training, and motivation they need to bring this new culture to life. For example, managers may need support with action planning, people operations teams may need support with developing analytical skills, and so on.

+ **Merging with the business rhythm.** With insights garnered through the organization's EX program, CHROs should showcase learnings and outcomes during quarterly business reviews and/or on organizational scorecards. This reinforces the connection between employee and business outcomes and frames EX as an accelerator of business goals.

+ **Supporting manager-level change.** As well as disrupting old systems to transform operations and ensure agility, organizations also need to empower those closest to their employees (managers), to ensure the various unique needs across every team are understood and addressed throughout any period of change.

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Manager Assist™

While HR sets the people direction and strategy for the organization, managers are the ones who bring it to life for everyone on the frontline.

Manager Assist provides managers with the tools they need to drive meaningful, employee-centric change; meet organizational goals; and focus on what comes next.

Explore personalized team engagement results, narrative-based insights that automatically surface EX drivers, and built-in idea boards for improvement – all to help people leaders identify what's working well and where to take action.

LEARN MORE

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Mentorship: an exponentially beneficial investment

One way organizations can boost employee perceptions of growth and development opportunities is through a formal mentorship program.

Qualtrics and Charter recently conducted a study of 3,000 U.S. employees working in office-based roles to understand the professional development opportunities available to them, and how they feel about the value of such offerings.

According to the study, when people use available development resources, they believe they're valuable for their careers. Internal coaching and formal mentorship among staff were the most desirable types of programs.

However, these are among the least available resources: just 39% of employees reported having internal coaching available to them; less than a third (30%) reported having formal mentorship opportunities.

And it's not a matter of value holding employees back: just 15% of employees said they didn't take advantage of a mentorship opportunity because they didn't think it would be valuable. Instead, **lack of awareness** was a top reason for not taking part in mentorship – an opportunity for HR leaders and teams to increase the visibility and communication around their organization's programs, and encourage employees to take advantage of them.

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"When maintained and supported by organizations, mentoring can quickly become a sustainable, self-propelling engine where successful mentees become the next generation of mentors."

BENJAMIN GRANGER, PHD, XMP, HEAD OF EX ADVISORY SERVICES, CHIEF WORKPLACE PSYCHOLOGIST

Focus on:
360-degree feedback

360-degree feedback, a powerful development tool, helps talent receive the right feedback to build upon their skills, understand their individual challenges, and take the right actions to ultimately boost business impact.

And yet, just 35% of HR leaders report using 360 feedback to support employee growth and development.

Learn how to use 360 feedback to develop your people to power growth and innovation

Action steps for HR leaders:

1 Effectively connect all employees with existing growth and development programs and opportunities; understand and accommodate the development needs of all employees with employee listening tools.

2 Close the gap in the candidate experience, especially as it pertains to onboarding new employees. **Tip:** check out our candidate experience playbook for in-depth guidance on this topic.

3 Change management activities (as outlined above). Learn more about how to manage change to drive HR impact.

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TREND 3

The future of EX management lies in listening, not just surveying

Trend 3

If we rewind to even just five years ago, employee feedback programs looked vastly different: employee engagement was the primary measure, and organizations surveyed their employees on this KPI just once a year in a flagship employee engagement survey.

Even then, there was a gap. In a 2018 study, employees wanted to share their feedback more frequently – four to five times a year — in response to their organization's once-annual request for it.

Now, our research shows organizations have caught up, and they're surveying employees with increased frequency. Over half (57%) of the HR leaders surveyed reported they're running employee feedback programs every quarter at a minimum.

While this signals progress, organizations must also work to understand and establish the right cadence of listening for their unique cultures, history, and readiness; one that will influence and change the behaviors of its leaders – for the better. That includes how employee feedback is used in the natural flow of work, and ultimately what actions are taken in response to feedback.

Ultimately, with more frequent employee feedback in hand, leaders can make more strategic, agile, and data-driven decisions. This includes where they should invest time to improve employee experiences overall, and how they can better understand the intricacies of each individual employee's experience.

Four Insights-Driven Action Loops

STRATEGIC
DECISION–MAKING

PROCESS
INTEGRATION

CONTINUOUS
IMPROVEMENT

IMMEDIATE
RESPONSE
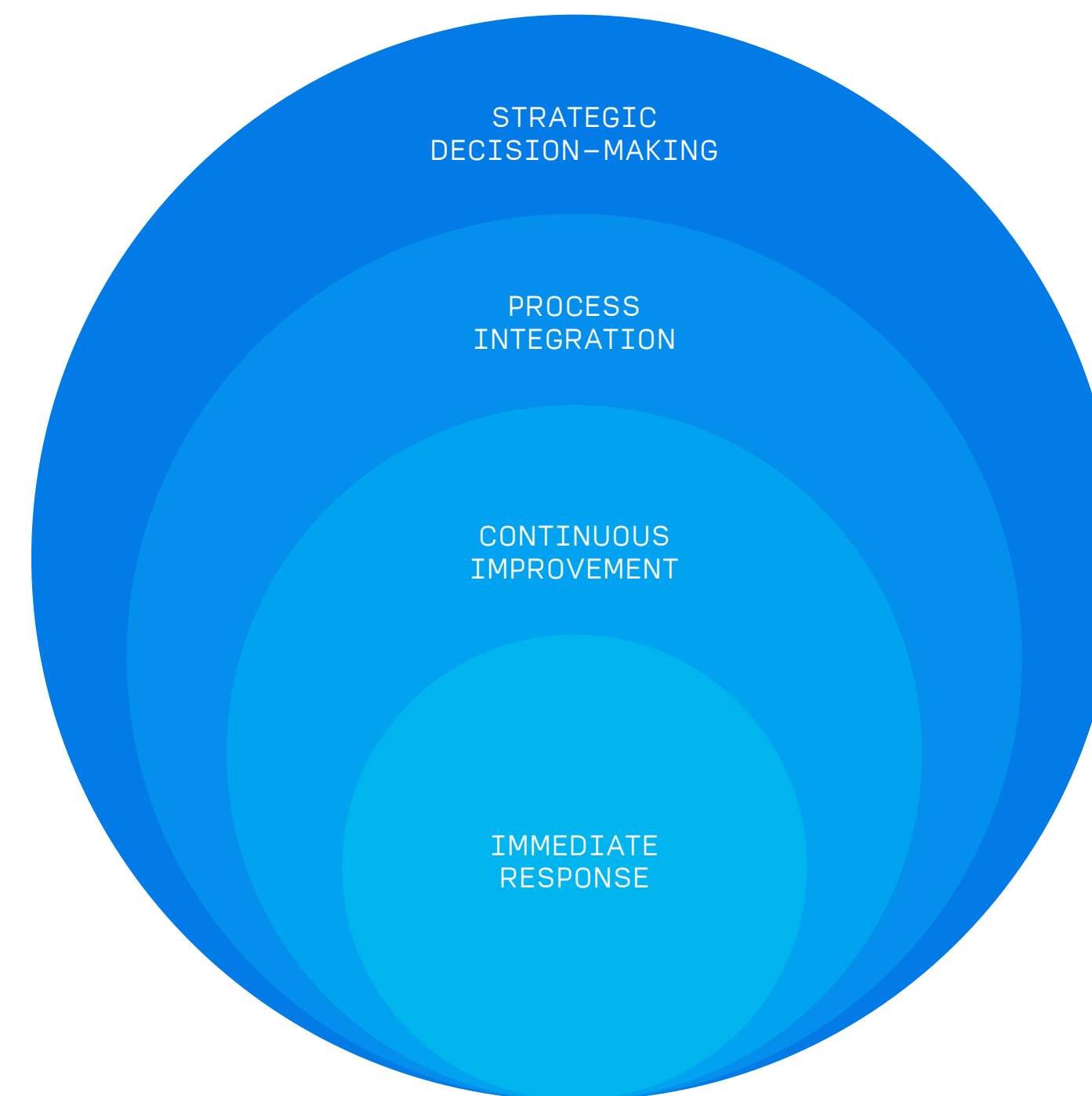
How to respond to employee insights

Strategic Decision-making
Apply insights to key strategic decisions

Process Integration
Connect insights directly into workflows to create customized experiences

Continuous Improvement
Identify, prioritize, and take action on opportunities to solve root causes of problems and to create differentiated experiences

Immediate Response
Close the loop with people based on feedback (and based on inference) and take corrective action on solvable problems

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"Employees will expect something in return, especially when they're investing *more* time in providing feedback. For most organizations that simply means demonstrating that action is being taken on employee feedback."

MATTHEW EVANS, HEAD OF EMPLOYEE
EXPERIENCE PRODUCT SCIENCE

82%

of HR leaders said it's very important or important to increase the frequency of employee listening over the next 3 years.

Listening programs must evolve for organizations to remain competitive

While most HR leaders (82%) reported it's important or very important to increase the frequency of employee listening over the next three years, there comes a point of diminishing returns in conducting increasingly more surveys.

89% of HR leaders in the US and 84% of HR leaders in Mexico said it's 'very important' or 'important' to increase the frequency of employee listening. They're the most likely to say as such, while Japanese CHROs said that increasing employee listening is important least frequently, at 68%.

Source: XMI Global Study: HR Executives and XM

"Employees are already speaking up, but often we have no way of deeply listening and understanding what we are hearing. Now, CHROs and People Teams are starting to reimagine what employee data is and how we respond to it – the open-ended comments in engagement surveys, or reviews left on Glassdoor and Reddit are loaded with valuable insights that have the potential to improve employee experiences and organizational performance."

DR. CECELIA HERBERT, PSYD, XMP,
PRINCIPAL CATALYST, XM INSTITUTE

Traditional EX vs. Holistic EX Programs

Right now, most employee listening programs are driven by the organization - and sometimes, they should be. However, one-sided conversations over long periods of time will plateau, and companies will need to consider new, holistic programs.

There are two ways HR can listen more without creating survey fatigue among employees.

First, to get a more complete picture of employees, strategic HR leaders must let employees drive the conversation sometimes. Tapping into unsolicited, employee-led feedback will create a more holistic picture of the employee experience while also reducing perceptions of survey fatigue.

Second, to operationalize employee-led feedback, strategic HR leaders will look beyond only collecting feedback through traditional surveys. There is an opportunity to continuously listen to the feedback that employees are already sharing via business communication channels but also elsewhere, such as on social media and/or community platforms.

The advantage of this approach is that organizations can start to tap into and understand every critical moment of their employees' experience – from the moment they first learn of your organization to the moment they leave their exit interview (and all the moments in between).

Traditional EX Programs consist of:

+ Annual or biannual engagement survey

+ Predetermined checkpoints for reviewing EX feedback

+ Employer-led metrics and focus areas

Holistic EX Programs consist of:

+ Employee sentiment and topic analysis on business communication channels

+ Feedback from social media platforms

+ Organization reviews on digital community platforms

+ Increased employee feedback opportunities (ex. annual survey, quarterly pulse)

+ Uncovering new EX focus areas that actually matter to employees

+ More opportunities to evaluate feedback and act on results

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EmployeeXM Discover

Know what your people need – when they need it – with EmployeeXM Discover. It's the world's most advanced conversational analytics tool, powering HR leaders to listen to what employees are saying, wherever they're saying it.

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Going beyond Engagement to measure a more holistic EX

As for Engagement – long the flagship measure of employee experience – it too is facing an evolution.

Now, it's being complemented by more holistic measures in an effort to better understand employee experiences — going beyond engagement and traditional metrics. For example, our research has demonstrated that employees can be engaged and still experience burnout, report lower well-being, and leave the organization. These trends were especially pronounced during the pandemic.

This indicates that organizations understand that Engagement alone is not indicative of employee experience, but rather a slice of it – and that other KPIs (and drivers) will become as important to measure, as those will help predict behaviors that matter most to an organization.

What HR leaders reported measuring in 2023:

66%
measure "Well-being"

55%
measure "Experience vs Expectations"

47%
measure "Engagement"
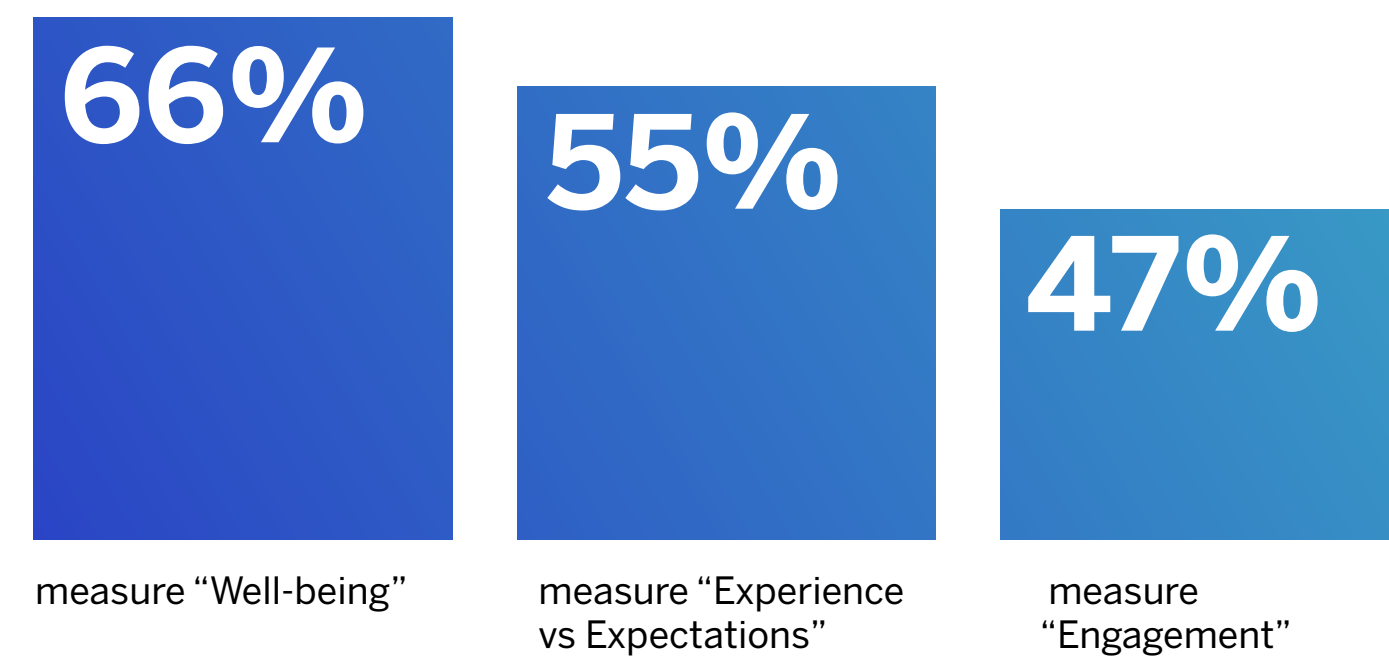
Measuring EX around the globe

+ CHROs in Mexico most frequently report measuring "Engagement" (67%)

+ CHROs in Australia most frequently measure "Experience vs Expectations" (88%) and "Well-being" (83%)

Source: XMI Global Study: HR Executives and XM

Action steps for HR leaders:

1 Resource and build the capabilities (i.e., talent and technology) to quickly gather and synthesize the EX data you want to action.

2 Establish <u>governance</u> for your listening programs, including:

    a What you're listening to

    b How you're listening

3 Understand and anticipate the pitfalls, i.e., be explicit and intentional about how you will use employee data (an essential step for establishing employee trust).

4 Identify and measure the KPIs and drivers that will help predict behaviors that matter most to their organization. <u>Try starting with EX25 – the five KPIs and 25 drivers of employee experience.</u>

TREND 4

A lack of organization-wide strategy is putting EX programs at risk

Trend 4

For one in three HR leaders, a lack of clear strategy is the most frequently cited obstacle to EX management efforts (30%), followed by misaligned incentives and rewards (27%), and a lack of critical skills (25%).

These obstacles paint a clear picture – for HR leaders to drive meaningful change and establish world-class EX programs, they have to:

+ Deliver a clear EX vision and strategy

+ Gain executive buy-in to ensure alignment across the organization

+ Expand XM competencies across the organization (including training within HR)

+ Create an experience-centric culture

And all of this is entirely possible. HR leaders currently operating top-notch employee experience management programs are leading alignment work across their organization and expanding how action is being communicated and implemented. Let's take a look at the specifics.

The entire C-Suite must be aligned for organization-wide XM success

What's working: CEOs, CIOs, and CHROs talking from the same script to achieve broader XM success.

What isn't: A lack of strategy and solutions agreed to by the members of the C-Suite.

What our research shows: CHROs reported that a "lack of clear strategy" was their #1 obstacle to EXM efforts.

In addition, addressing concerns over "Data Quality" and "Operation inefficiency from disconnected workflows" (when having employee data stored in disparate applications) were the top reported risks.

CHROs agree: a lack of clear strategy and misalignment on solutions will doom their EXM programs. So, how do they get started rectifying this with their C-Suite peers?

A few ways to get started:

+ **Revisit XM Competency #1: Lead.** That is, to effectively manage the experiences of suppliers, customers, employees, and partners, an organization needs to articulate a clear strategy and then coordinate the execution of that strategy across a number of different people and projects over multiple years. In particular, CHROs must always be able to speak to the value of employee experience management, and engage in business planning just like any area of the business.

+ **Champion the value of people data.** Find ways to convey operational data (e.g., turnover or performance metrics) that will encourage CEOs to look at people data in the same way they would other business data. You do this by effectively translating people issues into business issues. (Remember: it's okay to communicate people issues in financial terms; that sort of data will help get your CEO's attention.)

+ **When it comes to change, start small.** Making changes that improve C-Suite alignment doesn't have to be onerous. You don't have to force revolutionary change in one fell swoop. Work in the systems your peers are used to using. Suggest smaller actions that add up to impactful change. This will get you started down the path of working together – and with the least resistance.

+ **Collaborate with your CIO.** CIOs and CHROs are now both responsible for the employee experience – and your level of collaboration and partnership will determine the power and ability to drive tangible business outcomes. **Tip:** take a deeper dive in our guide to how HR and IT can work together to design the future of work.

Expand how action is shared and implemented across the organization

Here, it's not just about taking action; it's also about going beyond communication to create an experience-centric culture and celebrating progress.

Every HR leader knows that momentum is a key component in transforming how an organization operates. And part of ensuring that momentum – and that employees remain invested – is communicating and celebrating progress.

So, when it comes to taking action on employee feedback, organizations need to explain the goals, relay how they're doing, and share what they're tracking towards. After all, transformation is a long process – and nothing stalls progress quite like apathy.

Unfortunately, this contradicts employee reported data in our 2023 EX Trends Report where employees rated low satisfaction with EX survey follow-up.

What's working: A strong communication strategy that conveys the connection between employee feedback and the actions organizations take based on that feedback.

What isn't: Taking action without communication.

What our research shows: CHROs rated themselves highly in responding to EX results: 84% said they're somewhat or very effective in using insights from employee feedback.

Effectively using feedback to improve EX

+ HR leaders in France were least likely to say their executives were 'very effective' at using employee feedback to improve experiences (19%), followed by HR leaders in the UK (22%)

+ Meanwhile, HR leaders in Brazil self-report one of the highest rates of effectiveness for their organization's executive use of insights to improve EX, at 48% – followed by HR leaders in Mexico at 46% and HR leaders in the US at 42%

Source: XMI Global Study: HR Executives and XM

But, there's good news: most organizations are taking action, they're just not telling their people about it effectively.

So, how can HR leaders start reconciling this gap? Here are a few ways:

+ **Communicate when changes (big or small) happen because of employee feedback.** If you're thinking, 'But we do communicate about changes' – consider increasing your comms in accordance with the rule of three: communicating the change three times in three different ways (e.g., email, webcast, and in your next survey). And always draw the connection for employees; for instance, try saying: "here's what we did because of your feedback."

+ **Adjust your communications to meet all employees where they are.** In some situations, you may not be able to change the action your organization needs to take (e.g., a reorganization), but you can change how it's communicated. **Hint:** here's where you ask employees for their preferred means of communication (and then meet them everywhere they are). In other situations, you may need to connect the dots in order to reach all of your employees. For example, with frontline employees in the hospitality and healthcare industries, HR can lean on frontline managers to help them disseminate the message.

+ **Build an experience-centric (i.e., human-centric) culture.** Sometimes the action taken as result of employee feedback cannot be communicated, so there needs to be alternative solutions and/or methods of communication to close the gap. The best solution here? Creating a culture where leaders and managers constantly talk about how feedback is influencing the decisions being made. This sort of leadership lends to an experience-centric culture where employees inherently understand their feedback equals action – and leaves little room for misalignment.

+ **Implement 'immediate response' action loops.** Typically, organizations and HR leaders activate feedback on a strategic decision-making or process improvement level. And yes, these actions are essential, but often slow moving. Instead, organizations can implement immediate response feedback loops to quickly move from insight to action and close experience gaps for employees as they happen. Through this approach, employees can readily see the effect of their feedback and how an XM program comes to life.

"We know from our research that organizations are responding to employee feedback, but employees don't know that. Organizations must be better at communicating when they make a change in response to employee feedback."

— BENJAMIN GRANGER, PHD, XMP, HEAD OF
EX ADVISORY SERVICES, CHIEF WORKPLACE
PSYCHOLOGIST

Action steps for HR leaders:

1 Revisit the competencies of <u>XM Operating Framework</u>.

2 Identify small changes (powered by people data) that your C-Suite peers understand and care about.

3 Communicate to employees about changes (big and small) that were a direct result of EX survey feedback.

About the research

Qualtrics XM institute™

The data for this report comes from a study (Global Study: HR Executives and XM) of senior leaders in HR/People Operations that Qualtrics XM Institute conducted in Q4 of 2022 and Q1 of 2023.

Using an online survey, XM Institute collected data from 911 senior leaders in HR/People Operations working at companies with more than 1,000 employees headquartered in Australia, Brazil, France, Germany, Japan, Mexico, Singapore, the United Kingdom, and the United States.

Approximately 100 people were surveyed for each country.
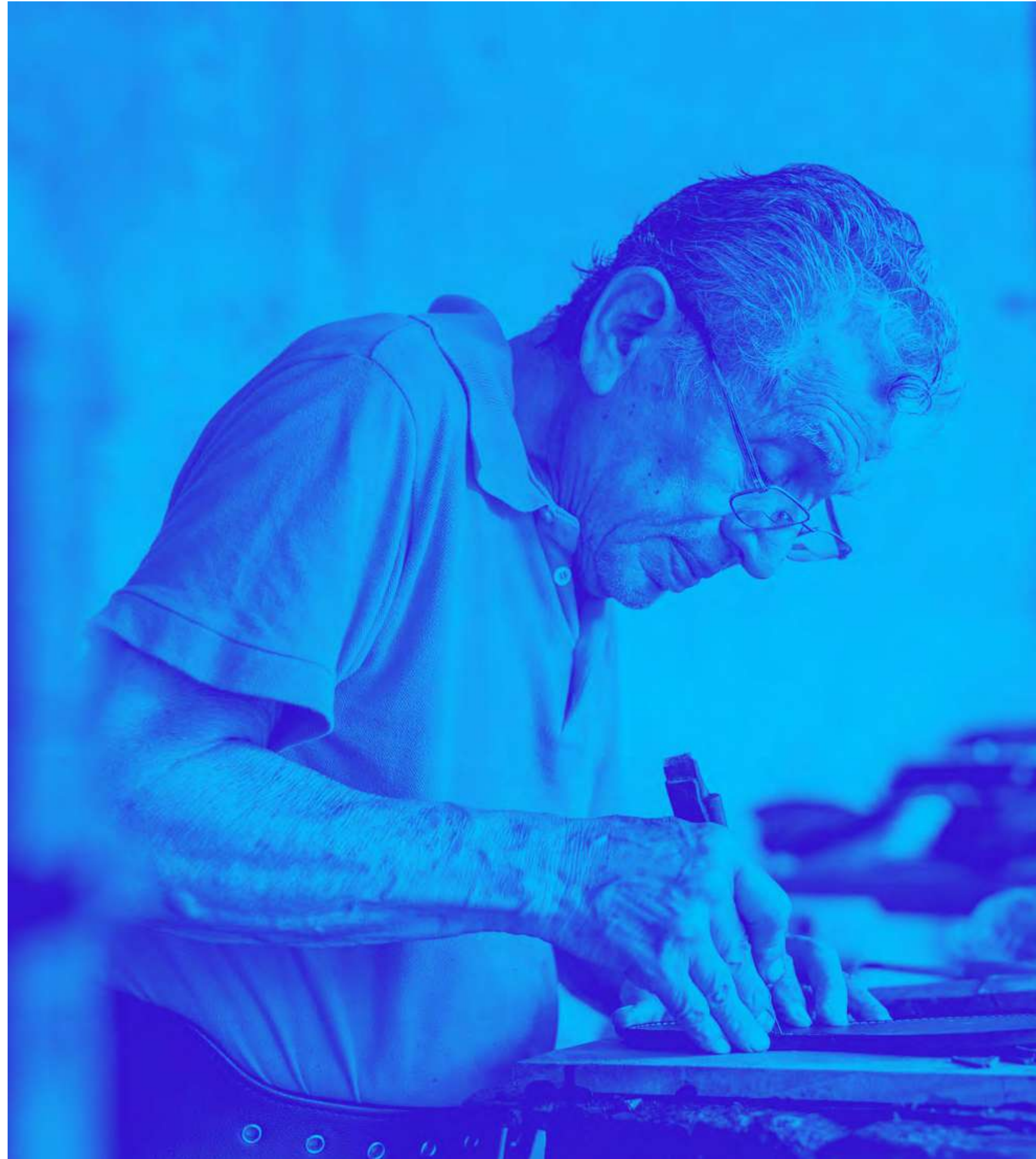
Other report citations and findings

EX Trends 2023 Report
Around the world, employees are restructuring their relationships with work.

We spoke with nearly 30,000 employees around the world to measure and understand how their experiences at work have changed, and to highlight the most critical actions organizations can take to attract, retain and engage their people on a more human level.

Qualtrics and Charter Research
Qualtrics conducted a study, in partnership with Charter, of 3,000 US employees working in office-based roles to understand what professional development opportunities are available to them and how they feel about the value of such offerings.

Power to your people - at every level

Qualtrics helps HR leaders build engaged and high-performing teams, improve manager and individual effectiveness, and make informed and timely business decisions.

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