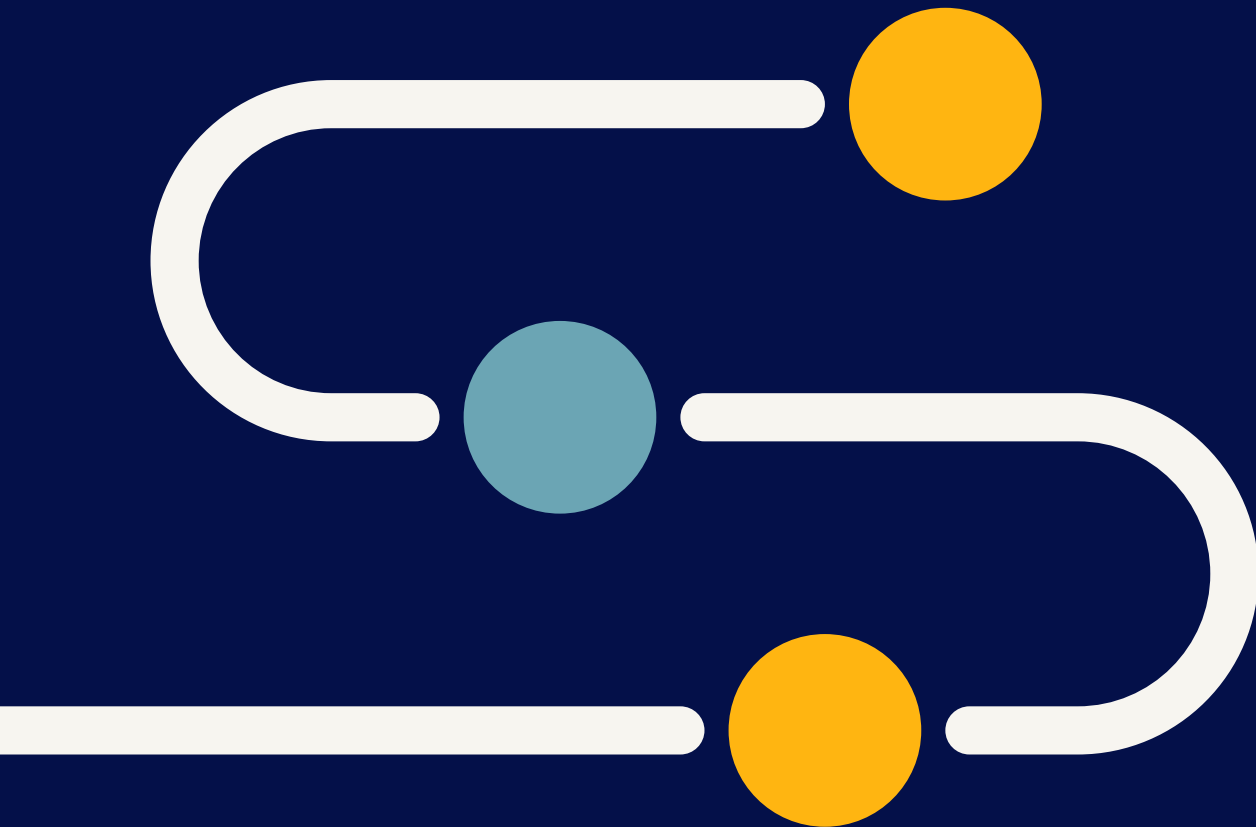




employee experience

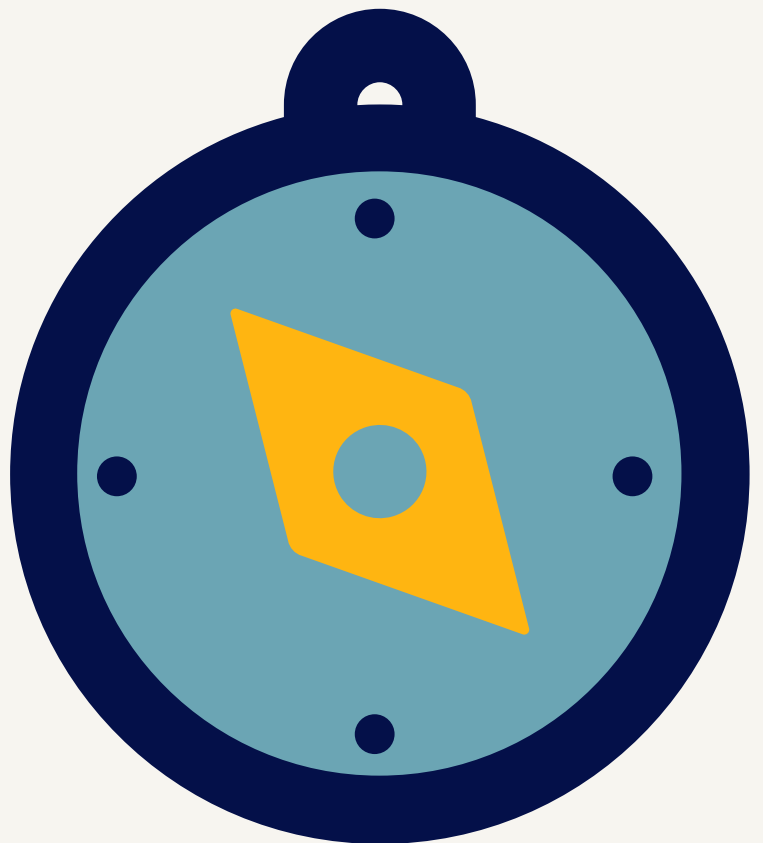
the first step in the customer journey.



employer
brand research.



every journey
begins with
a single step.



1

the feel-good factor:
why EX is so critical.

2

the lost opportunity:
behind the EX gap.

3

the way forward: four
ways to a winning EX.

what is employee experience?

Employee experience (EX) is a differentiating factor in attracting talent, sustaining loyalty and fulfilling an employee's potential.

Influencing key criteria – work-life balance, salary and benefits, and work environment – can create more significant meaning in the careers of your employees.



Studies also consistently show that a positive EX translates into improved customer experience (CX), an enhanced brand and stronger profitability. Yet, most organisations are still missing out on the benefits of CX. How then can your business engage and motivate employees to create a winning EX?

There are many definitions of EX (also referred to as people experience). But what EX comes down to, are three main factors – how employees work, the environment they work in and how they feel about their job.

The how includes the manageability of their work and the support they receive, along with areas such as flexibility, autonomy and work-life balance.

The environment not only includes the physical workplace and the culture within it, but also the virtual environment. This is especially critical when technology is central to how we work and more of our time is spent working remotely and on-the-move.

The feel includes relative motivation, sense of fulfilment and buy-in to the purpose and direction of the organisation.

EX can be determined through engagement surveys or job site ratings. While direct measurement of return on investment in EX can be difficult (one of the reasons why it often gets less attention than it merits), research has shown its impact on sales, productivity and profitability.

1



the feel good factor: why EX is so critical.

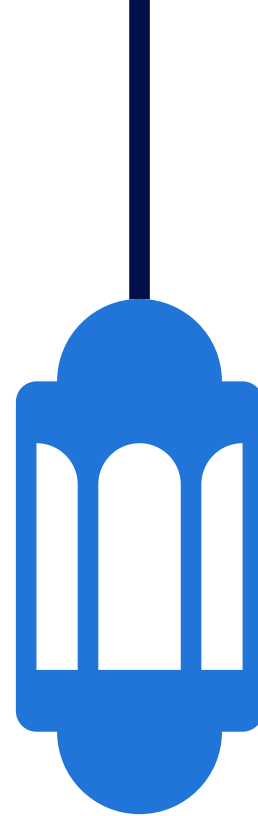
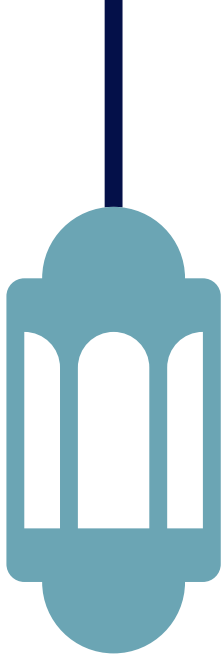
We all spend a great deal of our lives working.
How wonderful then to be in a job you love,
where you come away at the end of the day
feeling like you've made a difference.

Even better that you're empowered to work in the most agile and productive way and that your working and personal lives are in harmony.

Yet, we've all worked in jobs where none of the above applies. You feel grizzly and frustrated, with negative atmosphere and lack of motivation impacting on both your colleagues and clients. Why go the extra mile when your employer cares so little about you? Multiply the effects of that poor EX by how many people an organisation employs and the drain on organisational performance could be disastrous.

Studies now consistently highlight this link between EX, business performance and return on investment. Organisations that excel at CX have 1.5 times more engaged employees than organisations that don't¹. Happy employees² are 31% more productive than unhappy ones, resulting in 37% higher sales, not to mention all the health and wellbeing benefits that come with such satisfaction. And cutting to the bottom line, organisations that invest in EX are more than four times as profitable as those that don't³.

Randstad's Employer Brand Research shows how EX can boost brand and talent appeal. More than three-quarters of the Australians taking part in our research believe that a positive EX has increased brand perception. More than 80% say a positive EX has increased trust in the organisation and made it more likely that they would recommend their place of work to family or friends.



happy to give their all

So why does EX make such a difference? People want improved work-life balance, greater flexibility and more meaning in their careers. Get EX right and the result is improved productivity and ability to attract quality staff.

Australians taking part in our Employer Brand Research rank work-life balance at number one in what they want from an employer, notably ahead of salary and benefits. In other Asia-Pacific markets such as Singapore, Malaysia and Hong Kong, work-life balance ranks consistently in the top three and is critical for talent attraction.

And EX can be an especially important differentiator in sectors such as retail that are low in the talent attraction rankings and don't have the margins to compete for staff on pay. IKEA has bucked the overall trend in retail by consistently being one of the companies which participants in our Employer Brand Research most want to join. In an interview, Randstad carried out with IKEA⁴ as part of our Standing Out: Insights from organisations with great employer brands series, Lars-Erik Fridolfsson, Talent Manager, IKEA Sweden, described the importance of the emotional connections that are the heart of both EX and CX.

"As part of our selection process, we encourage candidates to come to the interview with a photo of their living room and ask them to talk about what they like about the room and what inspires them. From these conversations, you can quickly identify people who have a real passion for home furnishing and good design, and how they can make a difference to our customers' lives," he said.

“As part of our selection process, we encourage candidates to come to the interview with a photo of their living room and ask them to talk about what they like about the room and what inspires them.

From these conversations you can quickly identify people who have a real passion for home furnishing and good design, and how they can make a difference to our customers’ lives,”.

Lars-Erik Fridolfsson
Talent Manager
IKEA Sweden





brand influencers

From a brand perspective, the strongest perceptions of EX obviously come from employees who live it day in and day out, which they routinely share with family and friends. And EX doesn't just apply to the core workforce, but also flex-workers, contractors and partners within increasingly extended talent ecosystems.

People outside the organisation are also increasingly aware of, and influenced by an organisation's EX. This may include people who've left the company after having had a poor EX. On the plus side, they could also be alumni with a much more positive perception. In another interview in Randstad Standing Out with IBM⁵, the organisation highlighted the value of ex-employees as ambassadors for their brand.

Other critical brand influencers include people who've applied for a job and subsequently been rejected by an organisation. This candidate experience has a strong bearing on their brand perception as customers. A few years ago, Virgin Media⁶ carried out a survey of people it had turned down for jobs. It found that nearly one in five rejected applicants were customers and more than 7,000 of these had switched to a competitor as a result of poor candidate experience.

The resulting loss in revenue was more than the company spent on hiring. Better experience during this critical, but often neglected, phase of the employee lifecycle could clearly help customer retention. Better still, could a great experience help encourage the 80% or so who weren't customers to become ones?

Similarly, customers pick up on the levels of employee engagement among the companies they deal with. And this fusion of great EX and CX can create a virtuous circle whereby customers see the smiling face and think that would be a great organisation to work for.





the lost opportunity: behind the EX gap.

Are companies doing enough to capitalise on the EX dividend? In most cases, no. Figures for the U.S. show that barely a third of workers are engaged⁷.

And with social media and job comparison sites putting EX in the spotlight as never before, the impact on the employer and commercial brand perceptions is potentially grave.

When we compare what Australian participants in the Randstad Employer Brand Research want from a job and what employers are seen to offer, it's clear that factors such as work-life balance aren't a big priority for many organisations. This is creating a significant gap between employee expectations and employee experience.

mind the EX gap

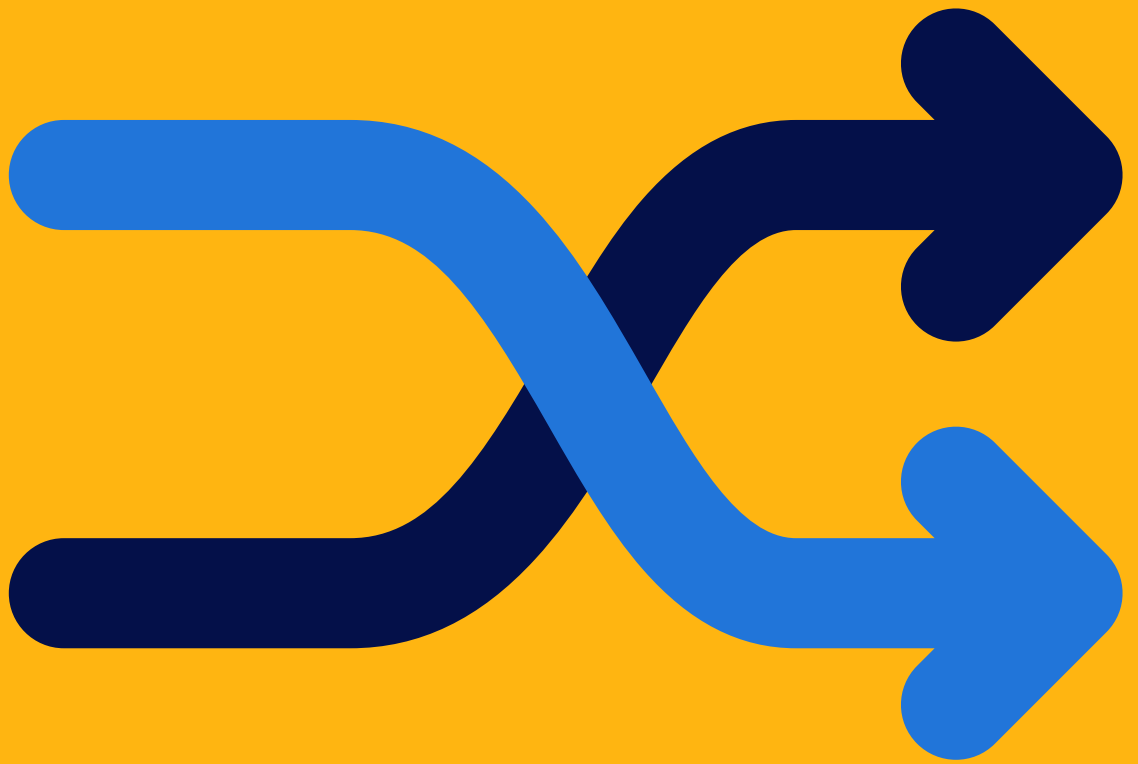
employers and employees

on a different page.

employees seek

rank

| | |
|-----------------------------|----|
| work-life balance | 1 |
| salary and benefits | 2 |
| job security | 3 |
| work environment | 4 |
| training | 5 |
| flexible work opportunities | 6 |
| convenient location | 7 |
| strong management | 8 |
| career opportunities | 9 |
| financial health | 10 |



employers offer

rank

| | |
|-----------------------------|----|
| financial health | 1 |
| latest technology | 2 |
| job security | 3 |
| career opportunities | 4 |
| reputation | 5 |
| salary and benefits | 6 |
| interesting job | 7 |
| work environment | 8 |
| work-life balance | 9 |
| environmentally responsible | 10 |

the future is here

technology is revolutionising HR.

The implications of this EX gap were explored in a 2018 PwC study⁸, which asked executives to rate the importance of 45 capabilities they need to consider when preparing for the workforce of the future and how much action they are taking to deliver on these priorities. By comparing executives' priorities with their organisations' progress against them, the study identified where organisations are most at risk of jeopardising their future success and hence where they need to accelerate preparations. Tellingly, 13 out of the top 20 'at risk' capabilities relate to EX (designated as 'people experience' in the report). Topping this list is the manageability of workloads, the adaptable talent processes needed to promote workforce agility and workspaces designed to promote wellbeing.

Why is this EX gap still so prevalent? One reason is that many organisations still haven't made the connection between EX and CX. In a Management Today/ Sopra Steria study⁹ carried out in 2018, more than half of chief executives and directors admitted that their organisations "care less about employee experience than the quality of service they give to their customers."

And even where EX is a stated priority, there may be questions over whether this is lip-service or a wholehearted endorsement. For example, the Management Today study found that while many organisations have set their sights on achieving a fully-connected and operationally mobile workforce, they don't necessarily equate this with moving away from a traditional 9-5 working day. Similarly, a PwC study¹⁰ found that many employees are reluctant to take up flexible working options in case they're seen as less committed and hence harm their career prospects. What this suggests is that the EX gap is as much a cultural as a policy issue.

As we explore in the Randstad Workpocket 'The Future is Here: The Technologies Revolutionising HR'¹¹, underlying challenges include a lack of infrastructure and resources within HR to support a winning EX, though this is beginning to change. Limited investment in technology means that HR is trying to manage increasingly mobile and digitised workforces using analogue capabilities. A clear case in point is the relative lack of analytics when compared to CX – this was the number one risk in the PwC study¹² looking at preparations for the workforce of the future. But there are also cultural hurdles to overcome; including gearing HR for a workforce that is moving away from fixed hours, wants greater autonomy, on-demand training and more regular feedback.



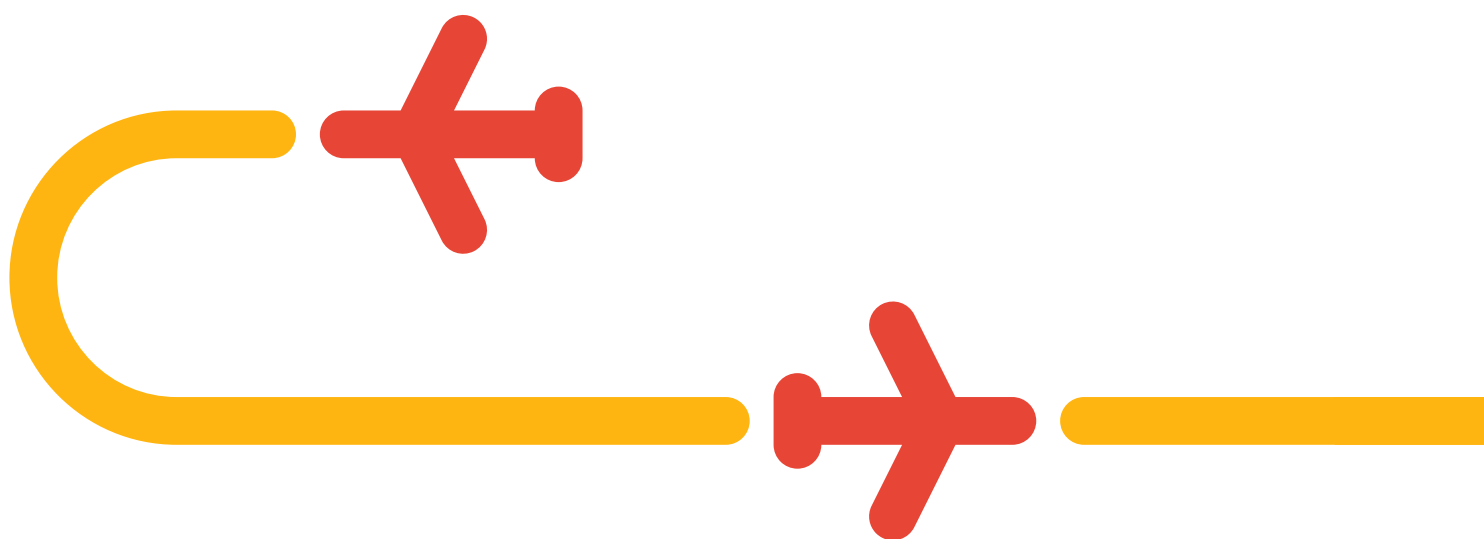


the way forward: four ways to a winning EX.

If EX and CX are two sides of the same coin, what does it take to deliver a great EX in practice? At Randstad, we believe there are four key steps to getting your EX right and, crucially, reaping the dividend.

priority one

A culture that embraces EX as a brand enhancer and bottom-line benefit.



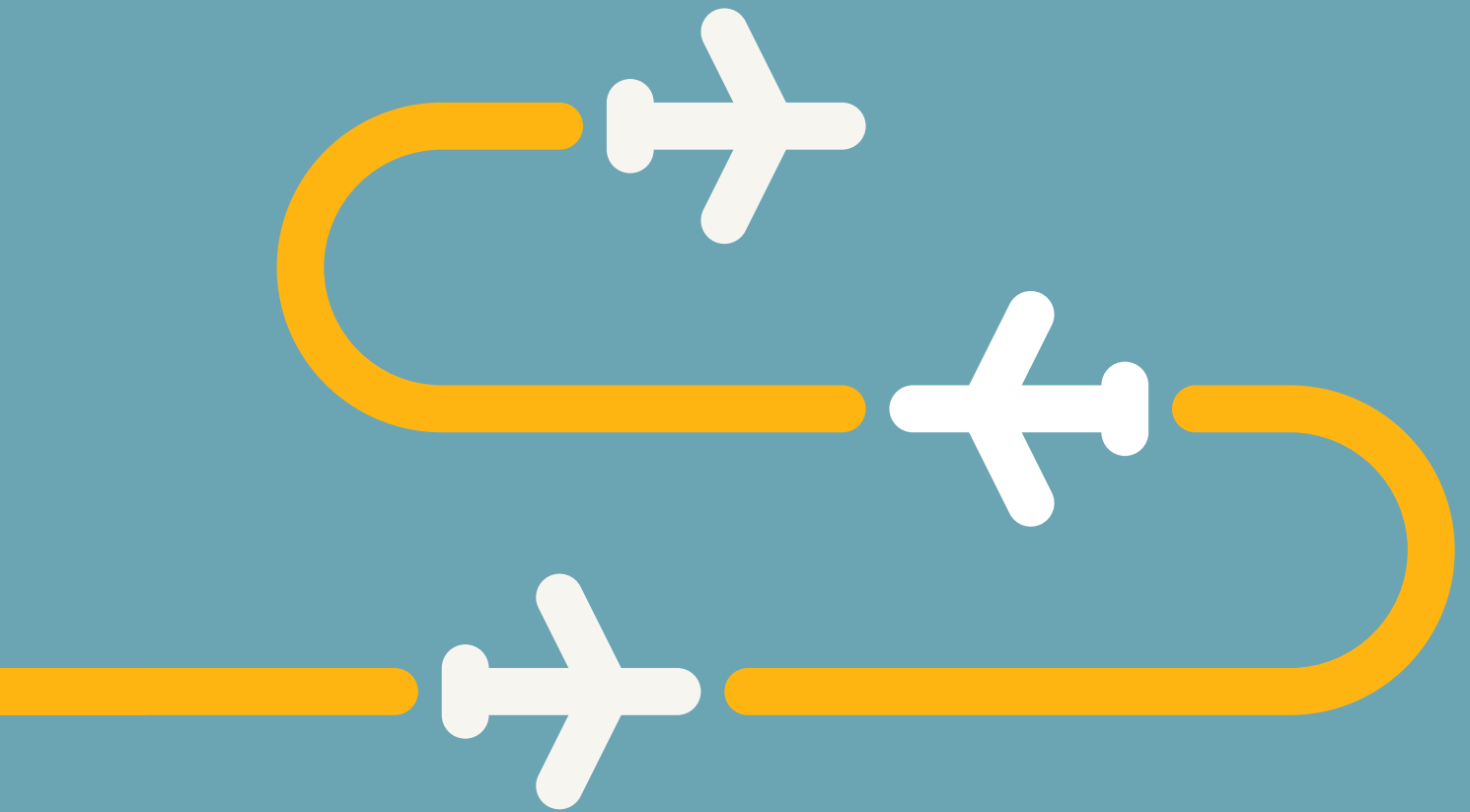
“Put your staff first, customers second and shareholders third,” said Virgin CEO, Richard Branson¹³. “It should go without saying, if you look after your people, your customers and bottom line will be rewarded too.”

As we’ve highlighted in this report, this can be a cultural leap for many organisations accustomed to putting CX before EX. But the results are increasingly evident. A Randstad Standing Out interview highlighted how Singapore Airlines¹⁴ has been able to develop a service culture, an employer brand, and an underlying employee value proposition that enables it to compete on both cost and quality.

“Our reputation for talent development, empowering our people, and encouraging them to think on their feet means that we’re able to consistently attract a strong talent pipeline,” said Christopher Cheng, Senior Vice President of Human Resources.

Fairmount Hotels¹⁵ is another leading brand that recognises the link between EX and CX and has built this into its strategic DNA. “Our philosophy is actually quite simple. If we take really good care of our colleagues, they will take really good care of our guests, which results in guest loyalty and financial return to our owners.

A great colleague experience is as important as a great guest experience,” said Carolyn Clark, Senior Vice President, Talent & Culture in an interview for Randstad Standing Out. This is a 24/7 business where it can be difficult to sustain work-life balance. But Fairmount seeks to compensate by creating a fun working environment and sense of community within the team.



“Put your staff first, customers second and shareholders third. It should go without saying, if you look after your people, your customers and bottom line will be rewarded too.”

Richard Branson
CEO
Virgin

priority two

Make work meaningful.

Creating work content that is highly compelling can make a real difference to EX. 'We're not the highest payers in the market, but I believe we are an attractive company to work for,' says Samantha Liston, Director of Australian Broadcasting Corporation¹⁶ (ABC) People, in an interview for Randstad Standing Out.

'For a journalist, for example, moving from a newspaper to work for ABC News puts you at the top of your profession and many will be prepared to take a pay cut to get there. Our commitment to independence and integrity is also a powerful draw as it gives journalists a freedom and mandate that they might not always enjoy elsewhere.'

Further examples of motivational purpose include the Microsoft¹⁷ Garage initiative, which aims to 'find the next thing you can't live without'. In an interview for Randstad Standing Out, Chuck Edward, Head of Global Talent Acquisition, described how this problem-solving drive stretches from social responsibility and charitable initiatives through to collaborative hackathons that promote the spirit of innovation.

"We see these initiatives as more than just corporate social responsibility. They help to keep people engaged and motivated. They also encourage greater collaboration and the development of lasting relationships and partnerships around our worldwide group," he said.

"Our commitment to independence and integrity is a powerful draw as it gives journalists a freedom and mandate that they might not always enjoy elsewhere."

Chuck Edward
Head of Global Talent Acquisition
ABC



priority three

Involve employees in designing their working environment.

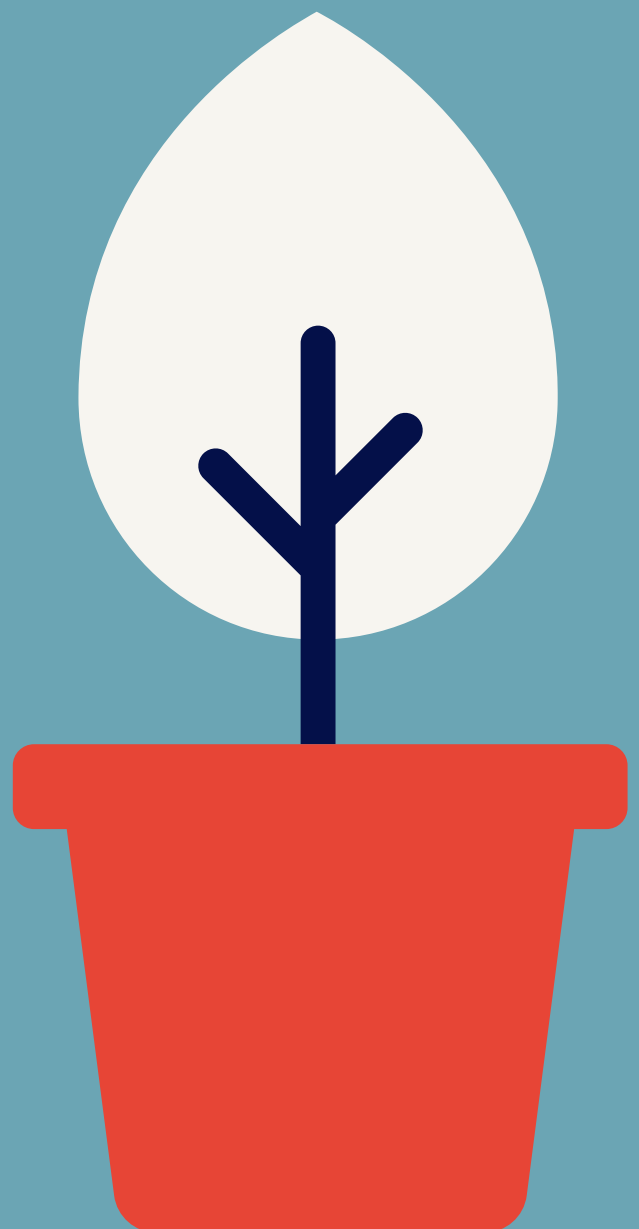
Encourage your employees to help drive the design of your working environment to bring about employee engagement. This is far more than just break-out areas and comfortable surroundings, as important as these are. Great EX design includes virtual as well as physical space. Priorities include building systems that help staff connect, free them from needless tasks, harness key data insights and hence achieve their goals. Useful capabilities coming into use include organisational network analysis tools, which enable your business to assess relationships, levels of collaboration and how to enhance them.

EX design also includes autonomy and empowerment in how your people work, along with the culture and mutual trust that underpins this. The Leiden University Medical Centre¹⁸ wants to encourage what it calls “productive conflict”, in which opposing views can be expressed openly and safely, with the aim of learning from each other without damaging the personal relationship. And the foundation for this is trust.

“If employees trust each other and trust their leaders to support them, they will be more prepared to take accountability and challenge others rather than shying away from conflict. All this constructive debate creates a learning, high performance and healthy culture,” said Denise van de Leur, Director of Human Capital and Organizational Development in an interview for Randstad Standing Out.

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Denise Van de Leur
Director of Human Capital
& Organizational Development
Leiden University



EX priority four

Sharpen data, analytics and employee understanding.

Talent analytics can help you to optimise engagement and talent performance. Backing this up with self-service capabilities such as instant feedback and on-demand training can not only improve EX directly but also provide increased data feeds for your analytics.

"HR (Human Resources) has a growing amount of data at its disposal; we want to be able to analyse and use this information to create the same kind of competitive intelligence we're seeing on the customer side of the business," said Rohit Thakur, Head of HR, Microsoft India¹⁹.

Data analytics is no longer only owned by IT. HR capabilities are moving into the mainstream engagement apps that enable HR professionals to assess behaviour, expectations and potential frustrations of employees. Results can be used to strengthen engagement and retention. We're also seeing the emergence of technology designed to support wellbeing. This includes monitoring the workplace environment and potential for overload and stress, and then providing advice and behavioural 'nudges' to support improvements.

Read our 2018 white paper [Enriching the Employee Experience](#) for more on building yours.

“HR (Human Resources) has a growing amount of data at its disposal; we want to be able to analyse and use this information to create the same kind of competitive intelligence we’re seeing on the customer side of the business.”

Rohit Thakur
Head of HR
Microsoft India

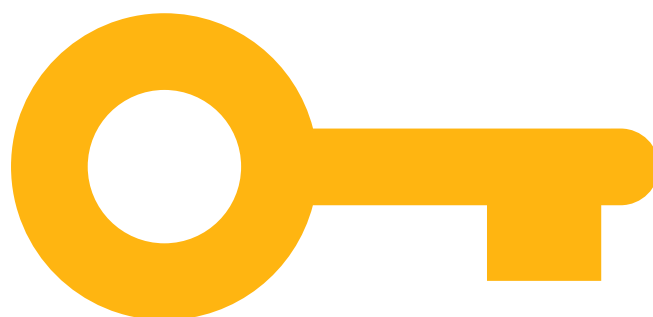


the key



differentiator.

So, putting EX in all its forms at the heart of your strategy can not only help your business to compete more effectively for talent that will deliver results to your bottom line, but also create a more compelling commercial brand, attracting even more quality talent in a virtuous circle.



What's more, with job site reviews putting the spotlight on EX, your people can be either brand ambassadors or brand disparagers. Yet, while there is growing recognition of the value of EX, it's still missing out when coming up against seemingly more pressing commercial priorities. This is a glaring miss as EX could be the untapped commercial differentiator that gives your business a decisive edge.

how we can help

Your employer brand is the most powerful tool you have in attracting and retaining the people that can make your organisation a success.

It's not something you can dictate to the market. It is a conclusion the market draws based on the information you provide, the experience of your employees, and what the broader market says about you when interacting with your organisation and employees.

With Randstad's long and successful track record in delivering employer branding insights since 2000, our Employer Brand Research is the most comprehensive independent research on employer branding anywhere in the world.

It provides unique insights into the world of work and gives an understanding of employee and job seekers' drivers and motivations and can be utilised to shape your organisation's branding, talent attraction and retention strategies.

If you would like to discuss the relative attractiveness of your sector or organisation find out how you can use the research insights to drive more effective workforce strategies in your organisation, visit our website randstad.com.au/employer-brand-research, where you can select the type of research you are most interested in.

Alternatively, you can request a visit by reaching out to your Randstad Account Manager or emailing us at employerbranding@randstad.com.au

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