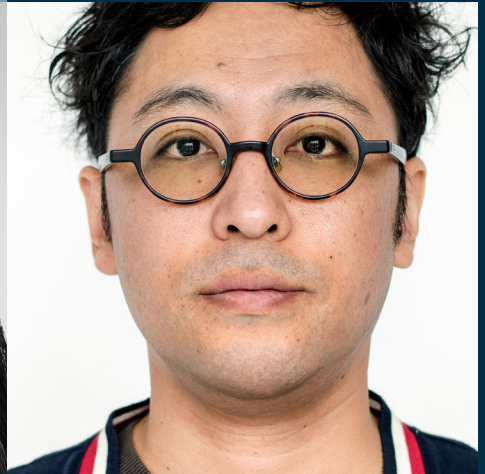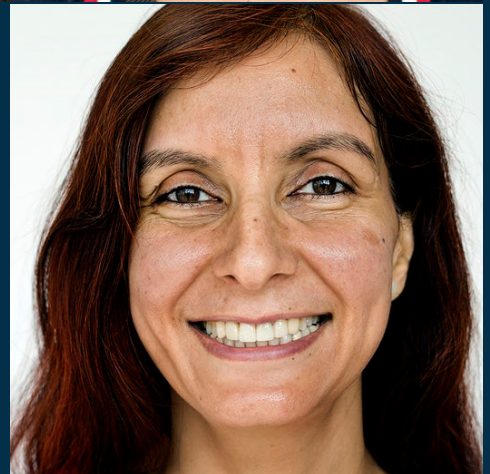# Adapt

OR LOSE THE WAR FOR TALENT

T° TOPIA

Why Your Employee Experience Needs an Upgrade

As culture evolves, so do the things employees want.

Employee experience isn't something that just happens – it is created. It's a balance: from technology to relationships to recognition, every touchpoint an employee has impacts your bottom line.

Contents

Employee experience has become a buzzword among HR professionals. Everyone is trying to do it right and everyone knows it needs to be prioritized. But what does it really mean and why should it matter to your company?

Individuals want their professional experience to be engaging and challenging, something they can feel passionate about. What you do for a living is a core part of who you are — your experience as an employee is a big part of your experience in life.

Designing an exceptional employee experience does more than simply attract the best people and make them want to stay. When your employees feel empowered, trusted and know that opportunity exists for them within your company, it impacts your bottom line.

Your People Have Spoken

What employees want in a great work experience has evolved. These days, they care least about office perks when it comes to company culture.

- 58% say trust and job empowerment make for a great employee experience.
- 48% say having the opportunity for career growth and development through training, job rotation or international assignments is most important.

What Makes For a Bad Experience at Work?

There is a noticeable disconnect between how employees rate their experience and what HR says.

- Only 17% of employees gave their company an exceptional rating.
- Twice as many non-HR employees rate their company poorly on experience than employees in HR departments do.

There are also splits when it comes to age groups: A bad manager tops the list of what makes the employee experience terrible for all types of employees, except for one important group: 18- to 38-year-old workers.

Why Technology Matters

Upgrading your tech will upgrade your employee experience. Currently, half of employees have a frustrating experience with HR tech.

- Inefficient HR-related tasks cost businesses across the US and UK $8.15B in lost productivity annually.
- Close to 40M monthly hours are lost due to fragmented tech.

The Future is Global

The integration of global teams within organizations will continue — and will likely increase. In fact, many employees believe it's essential to their career advancement and expect international opportunities.

- Over half of employees think international experience is critical to career growth.
- More than a third of employees say they'll consider moving abroad.

Daring To Be Diverse

A third of employees believe that hiring for diversity is more important than exclusively focusing on experience, but there are still disconnects when it comes to inclusivity in the workplace.

- 4 out of 5 employees want companies to have inclusive hiring practices, but some feel their own diversity is holding them back.
- 27% of employees believe personal political beliefs hinder career growth.

Employee Experience
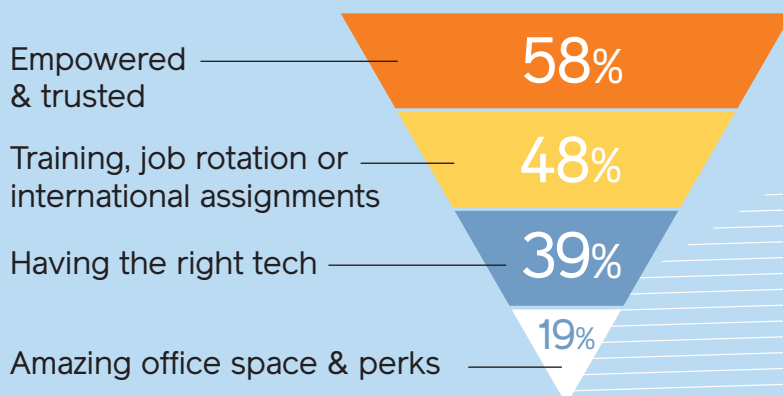
What Matters Most?

What Is Employee Experience?

In a word: everything. It's every step of the journey an employee takes at your company — from interviewing, to hiring, advancement and more, every interaction creates the sum of experience.

But the state of employee experience isn't what it used to be. The world of work is evolving, and employee expectations are evolving with it. Shifts in culture shape our values and priorities, and these changes are reflected in what people want from their employers. A decade ago, foosball tables and a kitchen full of snacks got candidates interested. Now, it's less about perks and more about purpose.

To better understand this shift, Topia commissioned a survey of 1,000 employed adults across the United States and the United Kingdom who work in an enterprise company with global operations. About a third of the respondents work in HR departments, the rest in non-HR functions.

How do workers define what makes a great employee experience?

Empowered & trusted — 58%

Training, job rotation or international assignments — 48%

Having the right tech — 39%

Amazing office space & perks — 19%

Giving people autonomy gives them power. When employees feel trusted and empowered to use their skills to their full potential, they have a great experience.

Who thinks cool office space, food & games matter to the employee experience?

HR Professionals

Employees

16% 25%
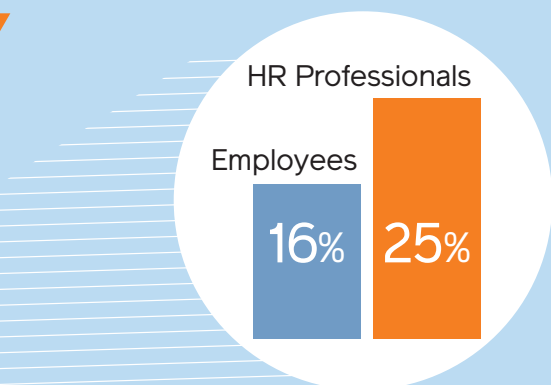
Office perks no longer top the charts as a way to create an exceptional employee experience, but there's a disconnect with what HR believes is important compared to employees.

What Matters Most?

How Are Companies Doing?

To build a culture that's great, companies need to design the employee experience so that it aligns with employees' priorities and motivations.

Things like diversity and representation, opportunity and empathy are more important today than ever.

It's time for HR to catch up and adapt to the reality that perks aren't enough anymore to claim a great employee experience, especially with the upcoming generation of employees.

What Makes the Employee Experience Terrible?

Most employees agree that a bad manager tops the list of what makes an employee experience terrible. This is particularly pronounced among women — significantly more women than men rank a bad manager as the number one thing that creates a toxic culture.
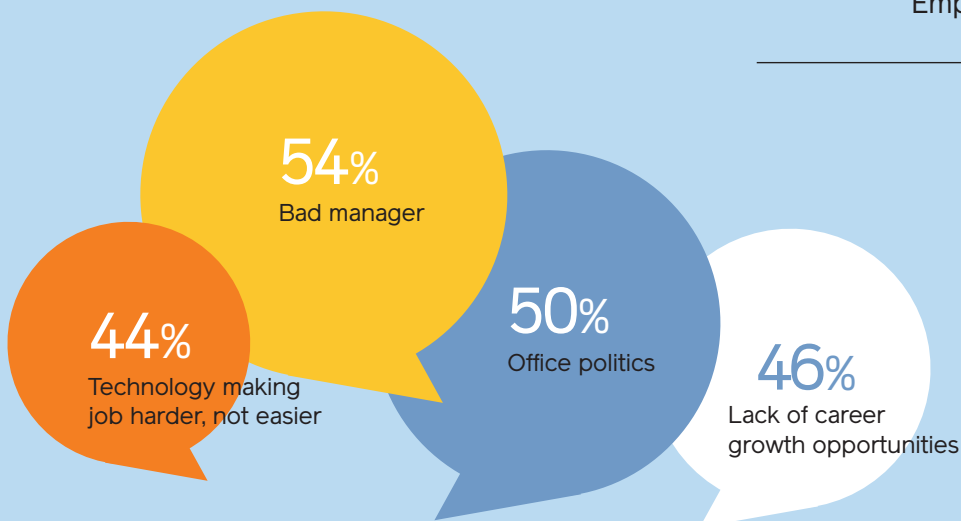
How would you rate your company's employee experience?

Only **17**% of workers rate their company's employee experience as exceptional.

The HR Disconnect

Does your company have a poor employee experience?

HR professionals overestimate how well they're doing: 40% of general employees rate their company poorly, compared to just 21% of HR staff.

40%
Employees

21%
HR Professionals

54%
Bad manager

44%
Technology making job harder, not easier

50%
Office politics

46%
Lack of career growth opportunities

Young, Ambitious & Dissatisfied

For 18- to 38-year-olds, a bad manager actually doesn't top the list. For this group, a lack of career growth and development opportunities ranks #1 when it comes to what makes the employee experience terrible.

The Tyranny of Tasks

Few employees love doing administrative tasks, but is it really worse than pulling teeth? For some, the answer is yes. About 1 in 3 employees will opt to go to the dentist, wait on hold for a cable/internet provider or sit in traffic rather than complete HR-related tasks.
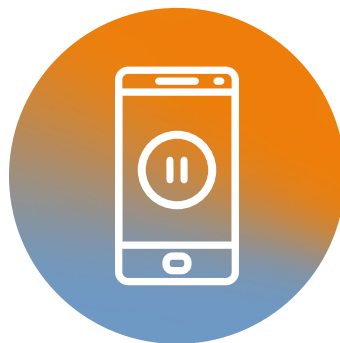
37%
find approving or submitting PTO requests more annoying than doing the dishes.

31%
find understanding HR benefits more annoying than waiting on hold with the cable provider.

29%
find compiling and submitting expense reports more annoying than sitting in traffic.

The Role of Technology

You Don't Need All the Tools — Just the Right Ones

It's no surprise that technology plays an important role in defining employee experience. Having sophisticated software and the latest tools is a good place to start, but app overload can wear your team out fast. What's important is empowering people to do their work in a way that's most productive for them. Unfortunately, too many HR professionals are dealing with subpar technology.

How user friendly are your company's HR tools?

Simple or Easy • **41%**

Disjointed or Poor UX • 24%

Difficult or Outdated • 18%

Glitchy or Don't Work • 14%

70% of HR employees use 3-6 apps to complete a single task.

Disconnect Leads to Discontent

The top way in which employees say the HR technology experience and offerings at their company could be improved is if the applications were more connected (meaning they weren't required to switch between different tools to find information, complete tasks, etc.).

What would improve your tech experience?

44% If apps were more connected

42% If processes and steps were simpler

31% Better training on the tools
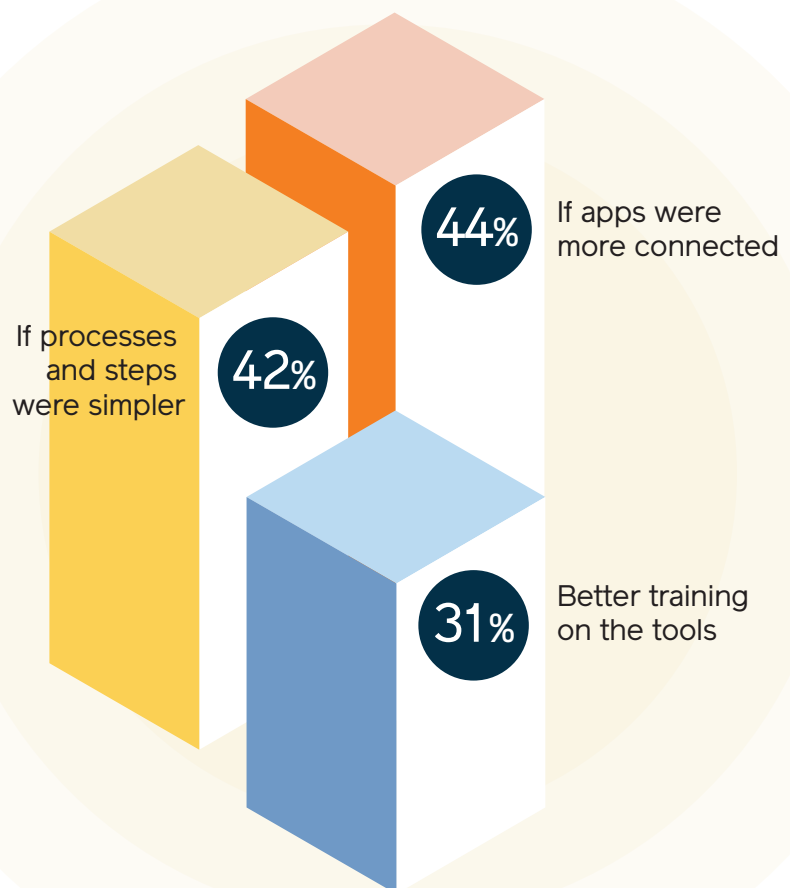
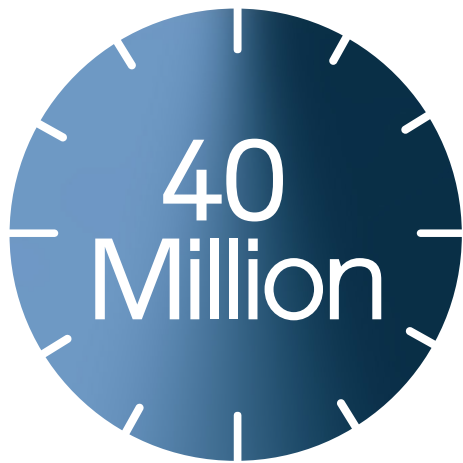## Bad Tech Hurts Productivity

Bad tech isn't just bad for the employee experience — it also hurts the bottom line. 58% of employees think they spend more time completing HR-related tasks each month than they should have to, and on average they are spending over half an hour longer than necessary. That may not seem like a lot, but at scale these are huge numbers.

40 Million

Number of hours per month that employees waste on HR tasks

$8.15 Billion

Estimated loss in productivity each year across large companies in the US and UK

Not only are there hard costs of having inferior HR tech, there are opportunity costs, too. A major role of technology should be to equip HR teams with the data and insights they need to better track employee performance, proactively plan talent acquisition and monitor employee engagement.

8%

Sadly, the number of HR professionals who have the right data and insights from their tools

Taking Your Talent Global

What Will the Team of the Future Look Like?

They say birds of a feather flock together. With modern advancements in tech and connectivity, keeping your flock together is more achievable than ever — no matter where they are.

The future state of work will see teams continue to be spread out across time zones and countries. Cultivating and maintaining flexible and distributed work environments is now a must for companies who want to stay competitive as employees believe that 5 years from now, the balance will shift from primarily long-term/permanent teams to shorter-term, project-based teams.

How will teams be formed in the future?	Today	In 5 Yrs.
A range of backgrounds & expertise	81%	86%
Spread across multiple locations	69%	76%
Many different time zones	59%	67%
Short-term, project-based teams	44%	54%

> ❭ Building the infrastructure now for fluid teams (dynamic, evolving teams coming together on a project basis and then reforming with a different makeup around the next initiative) allows organizations to be nimble and adapt to change in the future.
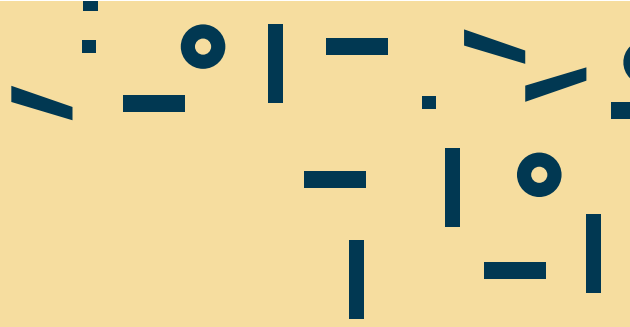
Your Talent Pool Is Now Global

However you choose to structure your people, being open to a dispersed workforce and remaining agile are keys for employee experience. Having globally scattered colleagues is a trend that will continue to rise — in part thanks to technology and apps that make dispersion more accessible, but also due to the high cost of living in tech hubs like San Francisco and London. Soon, the new normal will be finding the right talent no matter where they are in the world.

**A global mindset makes for a better employee experience:**

76% Agree

Teams in the future will be agile, and it won't matter if everyone is in the same location.

The Evolution of Teamwork

The way teams are structured is changing, and this trend will accelerate in the near future. International experience is a key part of this, and employees are increasingly willing to go abroad in the pursuit of a career next-step. In fact, 57% of employees agree that five years from now, there will be no such thing as a 9 to 5 job. Organizations will benefit from policies and procedures that allow employees to move up by moving out.
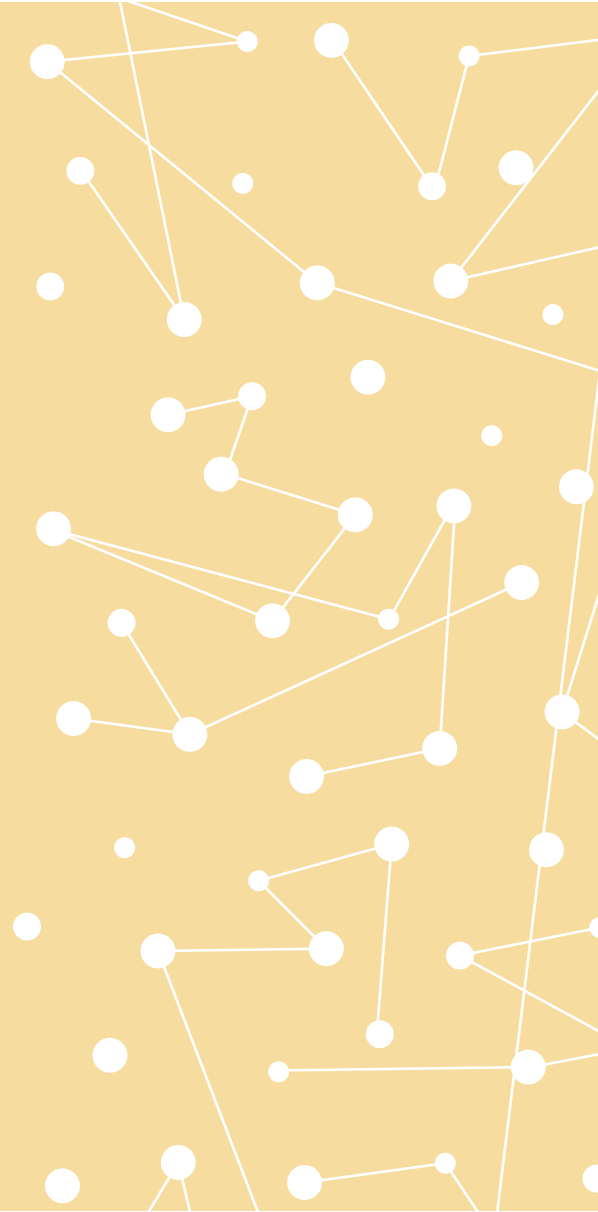
Here's What's Next:

57% of employees agree: International experiences are critical to career growth and mobility, especially for senior roles.

36% of employees say they'd consider moving abroad.

24% would do so for a long-term assignment.

9% indicate they've already done it before.

❯ The future of work will be about assembling global teams that are fluid, agile and come together to solve specific business objectives.
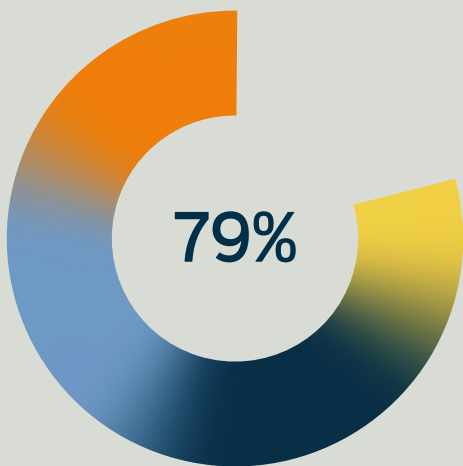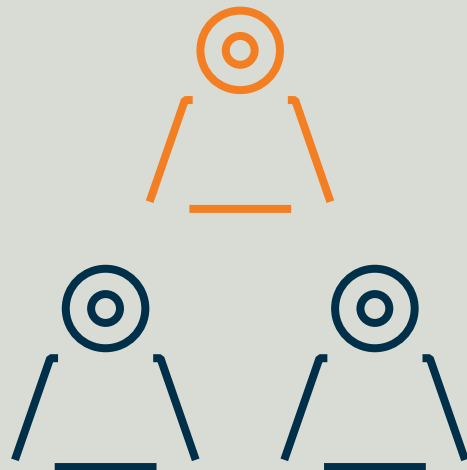
Diversity & Inclusion

Employees Want an Inclusive Experience

Diversity and inclusion are an important part of company culture. The benefits of having a representative workforce are clear: it's good for innovation; it's good for reputation; and it's good for employee experience.

Inclusion Sparks Innovation

79%

79% of employees believe building a team with diverse backgrounds and viewpoints leads to more creativity and innovation.

1 in 3 employees believe that companies need to hire based on prioritizing diversity rather than exclusively focusing on experience and capabilities.

Diversity Disconnect

Everyone agrees that diversity is important in all of the ways it's defined (for example, how people choose to self-identify). But some employees admit they are hiding parts of their identities or political beliefs because they fear it might inhibit their career growth.

Are people being their true selves in the workplace?

1 in 4 employees feel that if their manager or colleagues knew their political beliefs, it would limit their career potential. HR staff especially feels the need to keep their personal beliefs private, with **44%** saying political beliefs could limit their career potential. **1 in 4** employees also say that in order to fit in at work, they have to hide parts of who they are.
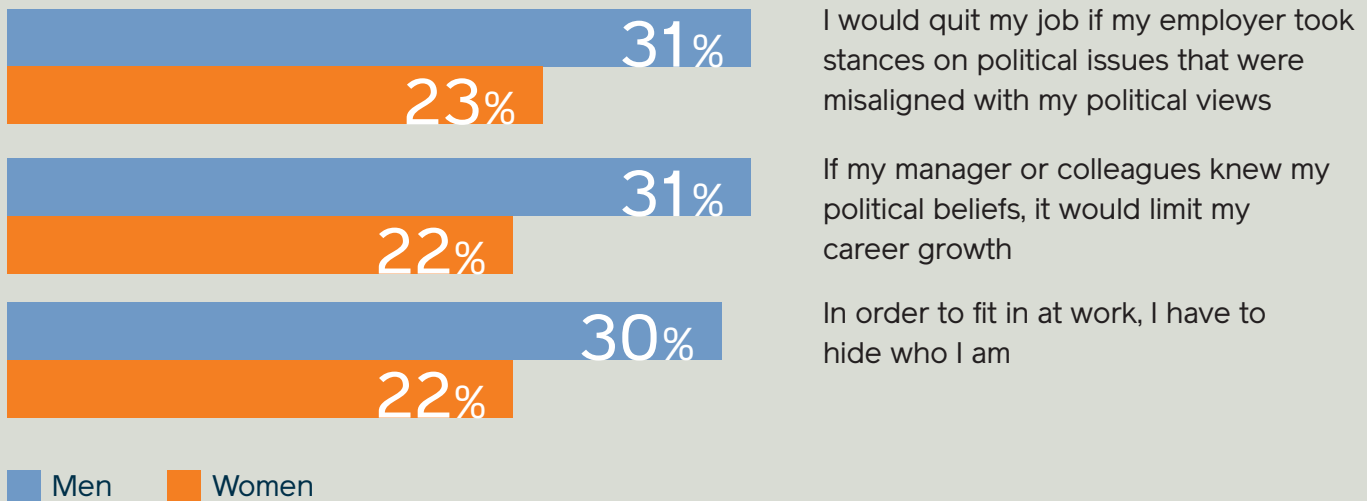
> Making diversity a priority is definitely important, but what is equally important is open tolerance of diversity — in all its forms.
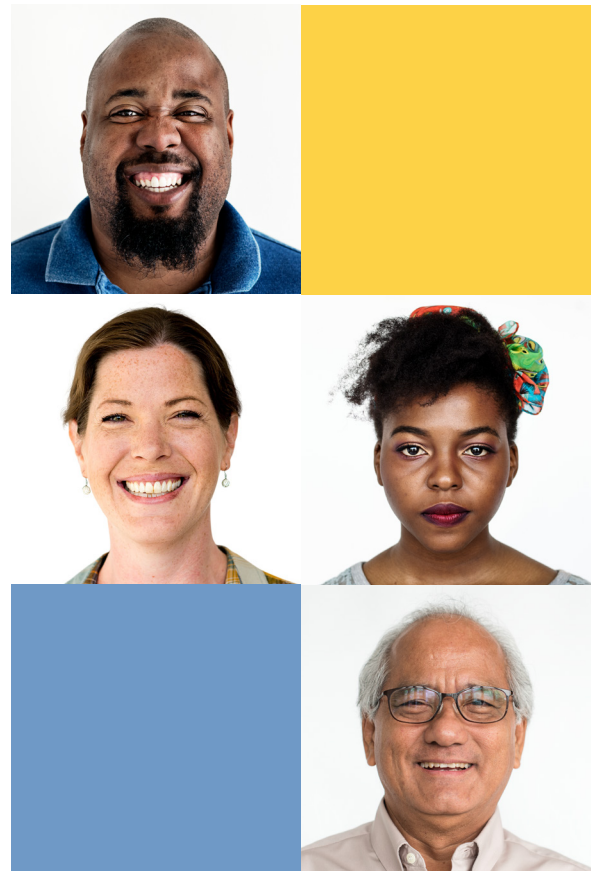
Divided Over Diversity

When it comes to opinions on diversity in the workplace — things like wanting inclusive and representative teams and colleagues — employees generally share similar views. But when it comes to self-identification, men and women differ greatly. And attitudes around hiring for diversity are very different when split among age groups.

Men are significantly more likely than women to say:

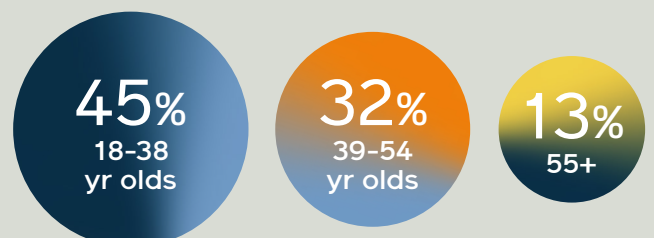|	
31% (Men) / **23%** (Women)	I would quit my job if my employer took stances on political issues that were misaligned with my political views
31% (Men) / **22%** (Women)	If my manager or colleagues knew my political beliefs, it would limit my career growth
30% (Men) / **22%** (Women)	In order to fit in at work, I have to hide who I am

Men   Women

Opinions change with age

Young people are craving more diversity and leading the push for a more representative workforce.

"Companies need to hire based on prioritizing diversity rather than exclusively focusing on experience and capabilities":

44% 18–38 yr olds **30%** 39–54 yr olds **16%** 55+
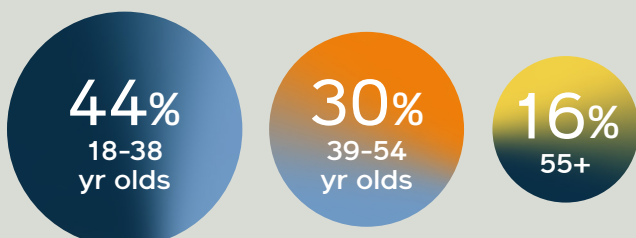
"I wish I worked with a more diverse set of colleagues":

45% 18–38 yr olds **32%** 39–54 yr olds **13%** 55+

Methodology

Topia conducted this research using an online survey prepared by Method Research and distributed by Dynata among n=1,000 full-time traditional office/desk-job setting employees who work in large enterprise companies (2,500+ employees) with global operations. Respondents were sourced from the US and the UK (500 respondents from each country), with 379 employees from HR departments and 621 employees from any department. Respondents were ages 18 to 64 and the sample was roughly balanced across age, gender and geographic area. Data was collected from February 25 - March 4, 2020.

Lost productivity calculations were done using respondents' answers to the questions "how much time do you spend completing HR-related tasks every month" and "how long do you think it should take?" With the gap between how long it does take and how long it should take established for each respondent, the distribution was scaled up by using secondary data on employment counts in large firms and median earnings data for each country.

Data sources included:

United States

US Bureau of Labor Statistics:
Q12019 employment in private firms with 1,000 or more employees

Fred Economic Data (St. Louis Fed):
Real Median Personal Income in the United States 2018

United Kingdom

UK Parliament Business Statistics:
2019 employment in large firms 250+ employees

Office for National Statistics:
Median weekly earnings for FTE in April 2019

All data sources reference the most up-to-date data available as of March 2020 and were selected to match the survey audience employment profile as closely as possible.