

The State of Human Experience in the Workplace 2022



Measure and manage
the employee
experience for greater
organizational success



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Executive Summary

The concept of employee experience in HR follows from the concept of customer experience in marketing. It is a recognition that the day-to-day experience of employees has a critical impact on attracting, retaining, and managing staff.

Employee experience serves as an overarching framework or paradigm that incorporates a wide variety of talent-management-related factors, from compensation to culture.

To dive more deeply into this topic, we ran two separate surveys. The first survey, “The State of Employee/Human Experience in 2022,” went out to HR professionals. A second similar and complementary survey, “The State of Your Employee Experience,” went out to employees. We highlight some interesting differences between these cohorts throughout study.

About the Survey

The State of Human Experience in the Workplace survey ran in December 2021 and January 2022. We gathered 308 complete and partial responses from HR professionals in virtually every industry vertical. We used two panels for our HR professional-focused survey. One was based on HR.com’s extensive list of HR professional members. The second was an external panel of HR professionals.

We also ran a concurrent companion survey asking employees about their experience. This survey had 216 complete and partial responses. These participants came from an external panel.

Respondents are located all over the world, but most of them reside in North America, especially the United States. The participants represent a broad cross section of employers by number of employees, ranging from small businesses with fewer than 50 employees to enterprises with 20,000+ employees. Most, however, are organizations with 500 or more employees.

Below is a synthesis of some of the major findings of the report:

Major
Finding **1**

HR professionals and employees often have a different perspective when it comes to the employee experience.

- A majority HR professionals (58%) say employees have a high or very high degree of responsibility for their own work experiences, whereas just 47% of employees say the same.
- Employees are actually *more* likely than HR professionals to give their companies high marks in the area of employee experience. Whereas just 21% of HR professionals say the average overall employee experience in their organization is well above average (that is, 9 or above on the 10-point scale), 36% of employees gave their experience such a rating. Nonetheless, this still leaves huge room for improvement among both groups.
- Employee empowerment is a concern. Although employees are somewhat more likely than HR professionals to say employees are empowered, empowerment was the nonetheless among lowest rated indicators of employees experience for both groups.
- Whereas only 44% of HR professionals say they have a good understanding of the employee experience at their competitors' organizations, more than half (56%) of employees think they have a good understanding of such experiences. Moreover, HR professionals are about twice as likely as employees to say they don't have visibility into the employee experiences of competing organizations.

Major
Finding **2**

HR has a considerably more positive view of remote and/or hybrid work arrangements than employees do. In fact, employees are twice as likely as HR professionals to say remote and hybrid work arrangements had reduced the employee experience.

- Whereas 75% of HR professionals say the move toward more remote and/or hybrid work arrangements has improved the employee experience, just 42% of employees hold that view.
- Moreover, whereas only 17% of HR professionals say the move toward more remote and/or hybrid work arrangements has reduced the employee experience, 33% of employees say it has had a negative impact.

Major
Finding

3

It can take a variety of tools, technologies, and sources of data to get a full picture of the employee experience.

- The top three tools, technologies or methods used to measure the experiences of employees are:
 - ▶ annual surveys (60%)
 - ▶ performance management systems (59%)
 - ▶ exit interviews (58%)
- The top three types of data organizations most commonly use to measure employee experience are:
 - ▶ employee feedback (68%)
 - ▶ turnover and retention rates (58%)
 - ▶ survey data (57%)

Major
Finding

4

There are many different factors that can have a positive impact on the employee experience, but HR professionals and employees agree that compensation and benefits top the list.

- When it comes to the top programs and initiatives positively impacting employee experience, good compensation (62%) and benefits (50%) are the only two options selected by half or more of HR professionals.
- For employees, health insurance, which is a key worker benefit in the U.S., was selected third.
- Among the other practices that HR professionals rate among the top five as driving employee experience are learning and development, manager and leadership development, and schedule flexibility. The other key top factors among employees, by comparison, are promotions, recognition programs, and employee feedback.¹



¹ HR professionals were not asked about health insurance.

Major Finding 5

HR professionals and employees agree on three key factors that have a negative impact on the employee experience, but they disagree on a fourth.

- When asked about the top issues negatively impacting employee experiences, HR professionals and employees agree on three of the top four:
 - ▶ employee burnout
 - ▶ inability to grow within the organization
 - ▶ heavy workloads
- Where employees and HR professionals diverge is the issue of “negative aspects of the corporate culture.” Whereas that is the 4th most common choice among employees, it is only the 10th most cited issue among HR professionals.

Major Finding 6

Most HR professionals believe the employee experience will improve over the next year, but employees are more skeptical.

- Fully 72% of HR professionals agree or strongly agree that the employee experience will improve over the next year.
- Employees, however, are less likely to share this positive outlook. Just 38% think their employee experience will get better over the next year.

Major Finding 7

When compared with organizations that do not rate the experiences of their employees highly, those that tout good employee experiences are:

- ten times more likely to say employees feel empowered
- six times more likely to say employees have a good work/life balance
- five times more likely to get a high or very high ROI from experience-enhancing programs/initiatives
- more than three times more likely to have a good understanding of how their employees’ experiences compare to the experiences of others
- almost twice as likely to say employees themselves have a high or very high degree of responsibility for their employee experience
- more likely to say remote and/or hybrid work arrangements have improved the employee experience a lot
- less likely to be hindered by a lack of support from senior managers or budget constraints

HR and Employees Have Different Views of the Employee Experience

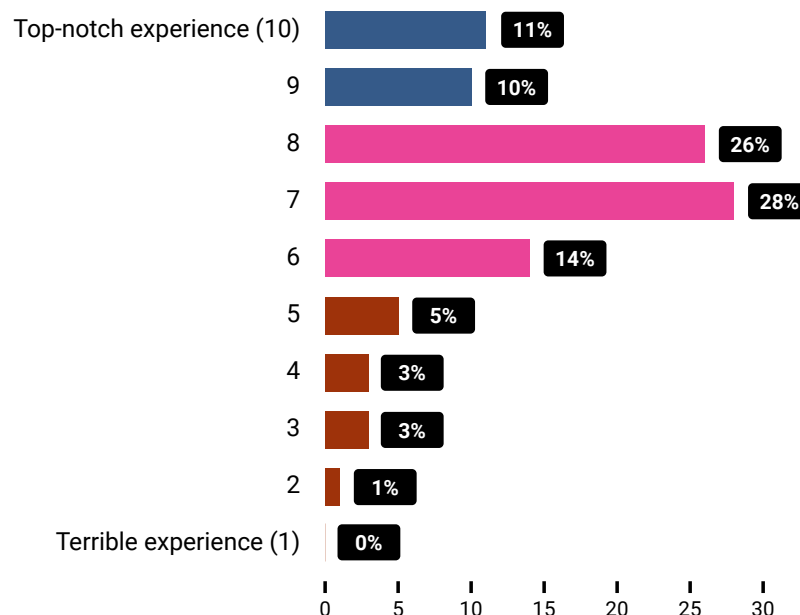


Finding: Although only a minority of HR professionals as well as workers report the highest employee experience ratings, employees are still more optimistic than HR professionals

To get a pulse on the state of employee experience, we asked HR professionals to rate the average employee experience in their organization on a scale of 1 to 10. About one-fifth (21%) say these levels are well above average (that is, 9 or above on the 10-point scale). However, just 11% say it is a top-notch experience.

Encouragingly, just 12% say the average overall employee experience is negative (that is, 5 or below on the same 10-point scale).

Survey Question: On a 10-point scale, how would you rate the average overall employee experience in your organization?



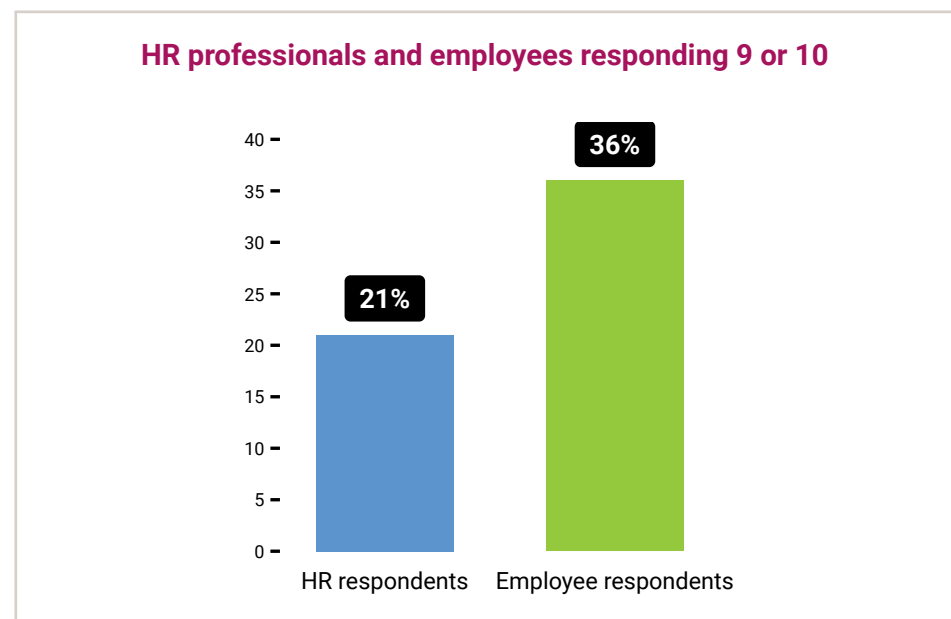
Note: Numbers do not add up to 100% due to rounding.

Employees tend to have a higher opinion of their work experiences than HR does, but only a minority of both groups views such experiences as top-notch

When we look at the data from the general employee perspective, a somewhat different picture emerges. In fact, employees in this survey sample are more likely to have a positive outlook when it comes to their work experience. Whereas only 21% of responding HR professionals rate the experience levels of employees at 9 or 10, more than a third of employees (36%) say their experience levels are at this highest level.

We should note that the employees and the HR professionals in our samples were not necessarily from the same organizations. That is, we relied on two separate panels for each, so it is possible that if we had surveyed the employees in the HR professionals' organizations, we might have had a different result.

We should also note that employees were surveyed after the so-called Great Resignation had started in the U.S. That was, of course, the period in the second half of 2021 when Americans quit their jobs at a record pace. This might mean that many employees who were especially unhappy with their job experiences had already left their positions for greener pastures.



Note: this chart is comprised of two sets of questions. For HR professionals, we asked "On a 10-point scale, how would you rate the average overall employee experience in your organization?" For employees, we asked "On a 10-point scale, how would you rate your experience as an employee in your current organization?"

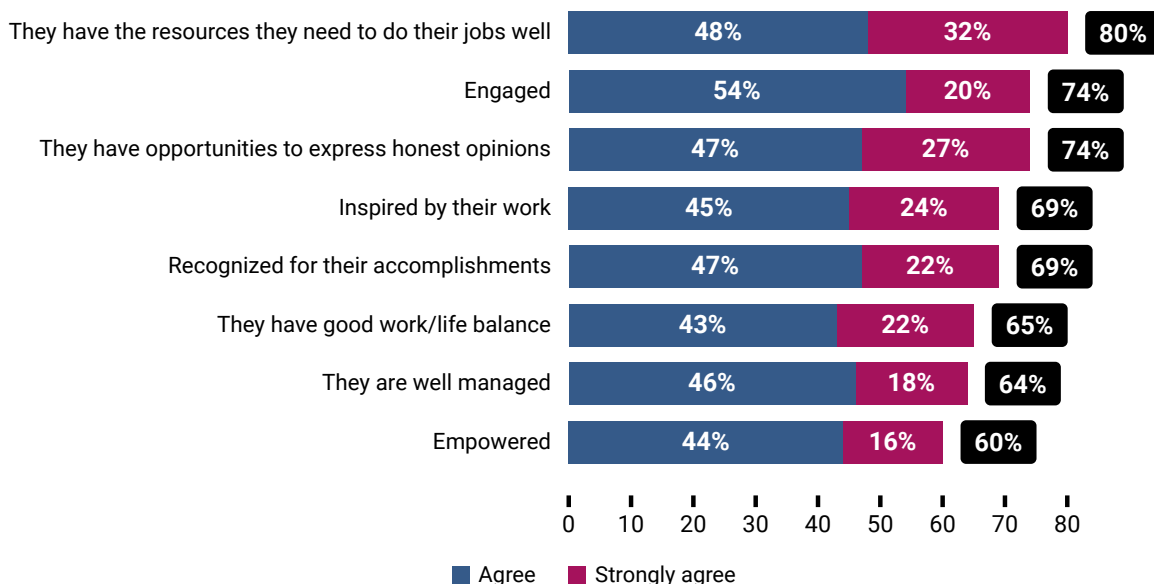


Finding: While 80% of HR professionals agree or strongly agree that employees have the resources they need to do their jobs well, much fewer say employees are empowered

HR professionals largely believe that employees in their organization have the resources to do their jobs well. However, much fewer (60%) say that employees feel empowered and 69% agree that employees are recognized for their accomplishments or are inspired by their work.

Two potential areas of concern for HR are the work/life balance of employees and how well these employees are being managed. Looking back at the data from 2021 shows that work/life balance has gotten slightly worse (last year, 69% agreed or strongly agreed employees have a good work/life balance whereas 65% say the same this year). Further, 64% of HR professionals agree or strongly agree that employees are well managed, indicating lots of room for improvement in this area. HR professionals who do not believe employees have a good work/life balance or are not well-managed should look at ways to boost these two areas.

Survey Statement: In your opinion as an HR professional, employees in your organization feel:

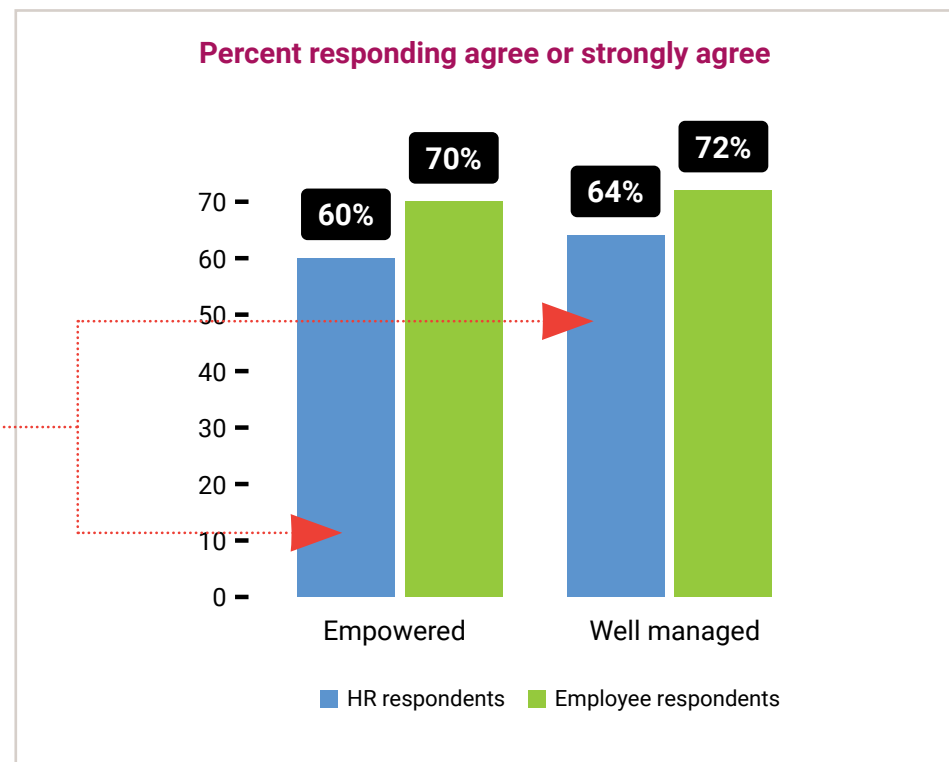


HR professionals and employees agree that empowerment is too often a problem

Although only 60% of HR respondents agree or strongly agree employees feel empowered, 70% of employees say they feel empowered. However, for both cohorts, empowerment was the most lowly rated indicator of a good employee experience, suggesting this is indeed an issue to be addressed in many organizations. As for the way they are managed, employees are more likely to say they are well managed than HR believes is the case (72% vs. 64%).



HR professionals are less likely than employees to agree that employees are empowered or well managed



Note: this chart is comprised of two sets of questions. For HR professionals, we asked “In your opinion as an HR professional, employees in your organization feel...” For employees, we asked “As an employee, you feel...”



Finding: More than a quarter of HR respondents (28%) don't know how the experiences of their workforces compares to that of their competitors

Organizations that understand how their employee experience compares to competitors may be better equipped to recruit and retain talent. Just under half (44%) say they have a good understanding of how the experience levels of employees in their organization compare to those of competitors, and another 28% say they have a basic understanding. Unfortunately, more than a quarter of HR respondents (28%) don't know how their employee experience compares to competitors.

To our knowledge, you cannot buy an “employee experience survey” to benchmark your organization against others the same way you can buy a compensation survey. However, by looking at external data (e.g., Glassdoor), talking to people at recruiting agencies, and interviewing employees who have worked at other companies you can get a reasonable sense of the employee experience at your competitors.

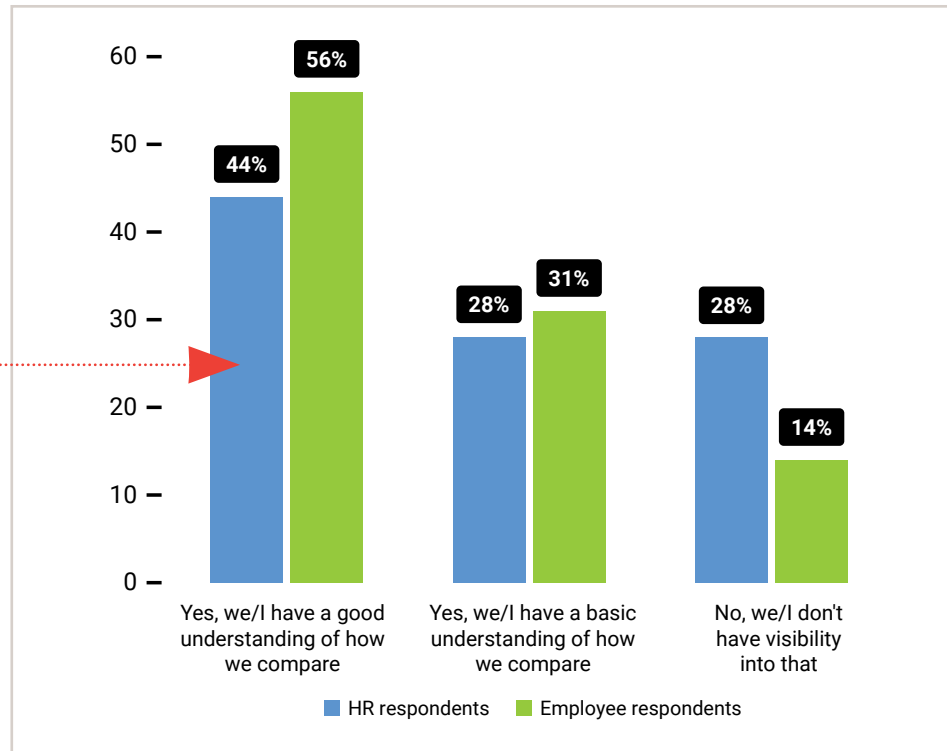
Compared with HR professionals, employees have a better understanding of the work experiences in competing organizations

To dive into this issue further, we looked at the results of a companion survey sent to employees in general. The data suggests that employees may know more about the employee experience in other organizations than HR does. More than half (56%) of employees feel they have a good understanding, and another 31% feel they have a basic understanding. Only 14% don't have an idea.

HR will need to react to what employees *think* the experience of competitors is, not just what it actually is. Organizations not only need to create a good employee experience, but they also should consider communicating this to employees internally and externally.



Forty-four percent of HR professionals say they have a good understanding of how their employee experience compares to competitors



Note: this chart is comprised of two sets of questions. For HR professionals, we asked "Do you know how the experience levels of employees in your organization compares to the experience levels of employees in competitor organizations?" For employees, we asked "Do you know how your employee experience compares to employee experiences in competing organizations?"





Finding: The large majority of HR professionals say immediate supervisors have a high or very high degree of responsibility for the employee experience

It's often said that employees don't leave the organization, they leave their manager. In fact, 84% of HR professionals say immediate supervisors have a high or very high degree of responsibility for the employee experience—more than any other group. While an organization as a whole may have an overall positive experience, if there is a manager who doesn't embody the company's values then the employees reporting to this manager will likely have negative experiences. Not far behind is top leadership, with 76% of HR respondents saying they have a high or very high level of responsibility for the employee experience.

Employees are just as likely to say top leaders are responsible for their experiences

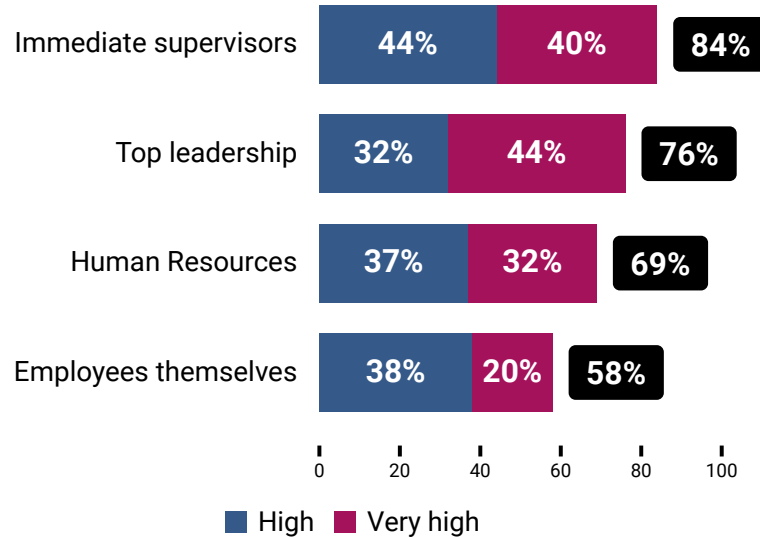
When we asked employees themselves, however, we got a slightly different result. Although 61% say that their immediate supervisors are responsible for the experiences of employees to a high or very high degree, 61% also say the same about top leadership. Moreover, 44% employees say top leaders are responsible to a very high degree while just 39% say the same about immediate supervisors.

Another area of difference is that while more than half of the HR respondents (58%) also say employees have a high or very high level of responsibility for their own experience, just 47% of employees say the same. In short, employees are less likely to feel they themselves are responsible for their employee experiences and more likely to hold top leaders accountable.



More than half of HR professionals say employees are responsible for their employee experience, but fewer than half of employees say the same

Survey Question: To what degree are the following groups responsible for the experiences of employees in your organization? (please provide your best guess)



Measuring the Employee Experience



Finding: Organizations most commonly measure employee experience through annual surveys, performance management and exit interviews

There's no clear winner for measuring employee experience. Instead, most organizations use a variety of methods such as data collected from annual surveys, performance management, and exit interviews. Just over half also consider data from employee recognition programs. While these are the only methods used by more than half of respondents, others also use sources such as employee communications (e.g., Slack) and focus groups.

The takeaway is that HR needs to draw on multiple sources to paint a picture of the employee experience. Each method or tool may give only a portion of the larger picture, and given the complex nature of employee experience, it is unlikely that a single metric will provide a clear look at the current state of employee experience.

One of the most interesting tools for assessing employee experience is sentiment analysis. This method gathers data from employee communications (such as posts on internal social media) and uses natural language processing (a form of artificial intelligence, or AI) to assess employee sentiment in general and around specific issues. A small number of organizations (13%) use sentiment analysis to study their employee experience. As the technology grows more powerful, sentiment analysis may grow more powerful as well. It will be interesting to see whether it becomes more prevalent in the future.



**Few organizations
(13%) use
sentiment data to
assess employee
experience**

Survey Question: Which tools, technologies or methods does your organization use to measure the experiences of employees? (select all that apply)



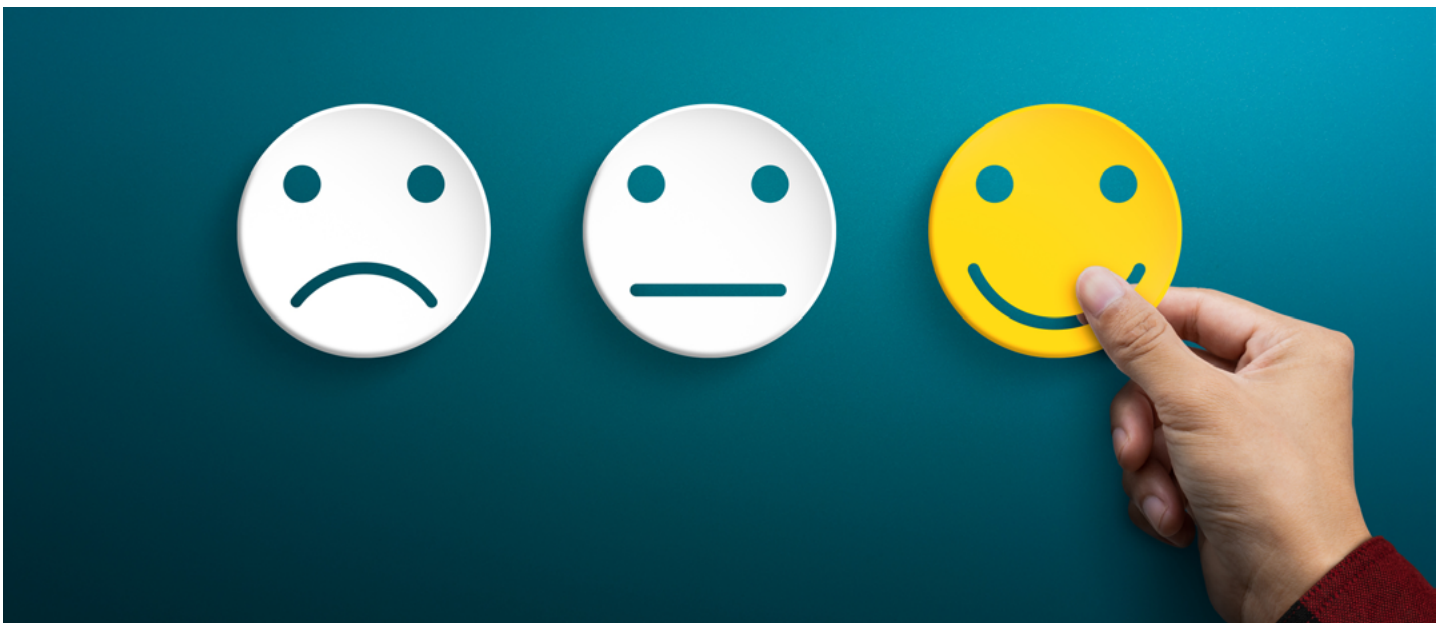


Finding: Employee feedback is the most commonly used type of data to measure employee experience

Just as organizations use multiple tools, technologies and methods to measure employee experience, they also use multiple *data types* to get a handle on that topic. The most commonly used source of data is employee feedback (68%). Turnover and retention rates, survey data, and exit and stay interview data are also used by more than half of the organizations.

Just over a third (34%) use customer service/satisfaction data. This is useful for customer-focused organizations and will help them find the link between the customer and employee experience.

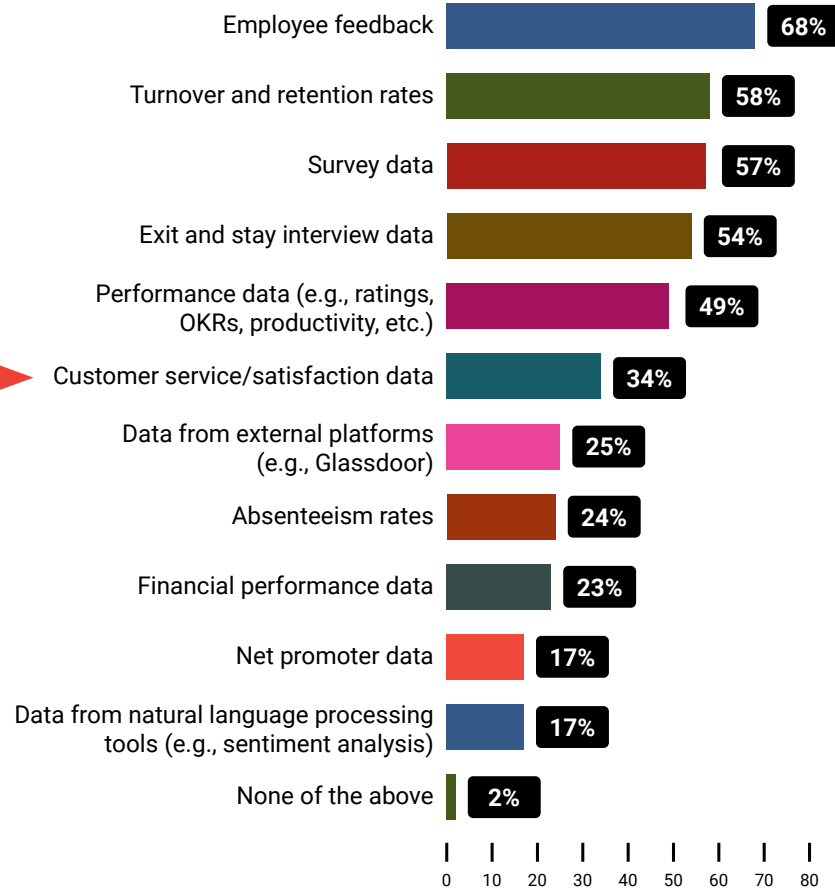
One-quarter use data from external sources (e.g., Glassdoor). However, this data may have some bias (people might be more likely to report negative experiences than positive ones). Nonetheless, it does provide a different perspective that may not show up in internal data, especially if employees are concerned about anonymity.





About one-third of organizations use customer service/satisfaction data to assess employee experience

Survey Question: Which types of data does your organization use to measure employee experience? (select all that apply)



While performance management is the most commonly used technology (58%), it can suffer from disadvantages. For example, it is not always a reliable source of objective data. Indeed, only 26% of HR professionals say their performance management process “accurately portrays employee performance.”²

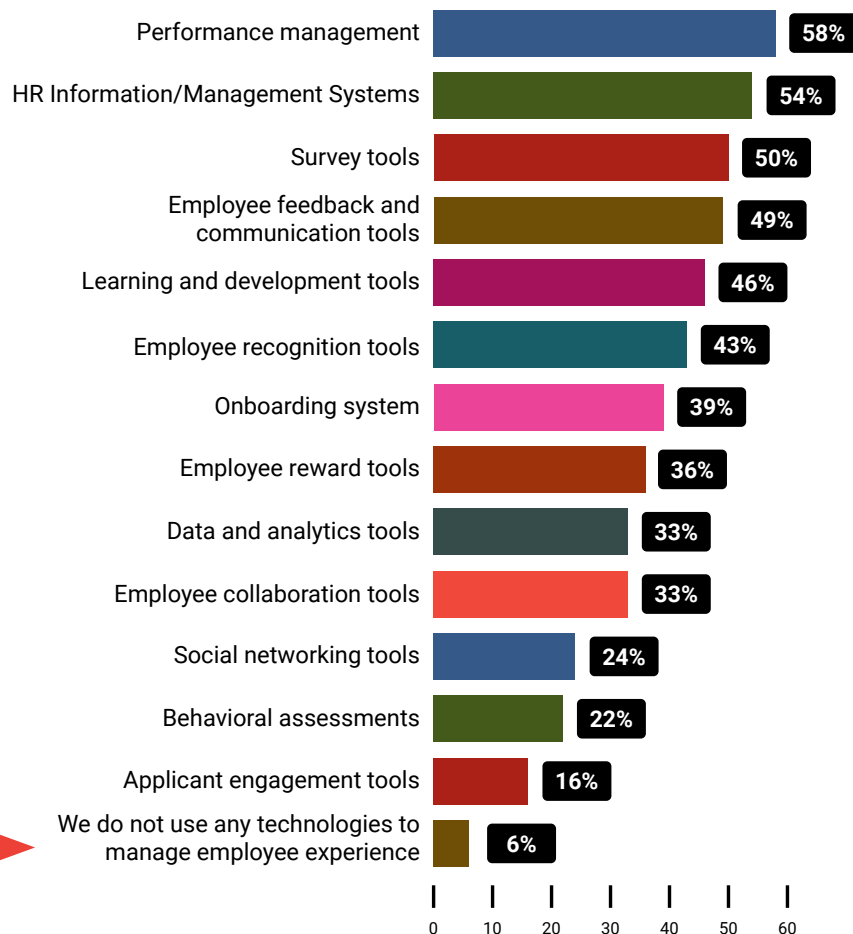


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Just 6% say they don't use any technologies to track, gauge, and otherwise manage or influence employee/human experience

Survey Question: Which technologies, if any, does your organization use to track, gauge, and otherwise manage or influence employee/human experience? (select all that apply)



Note: this chart excludes those who responded, "Don't know."



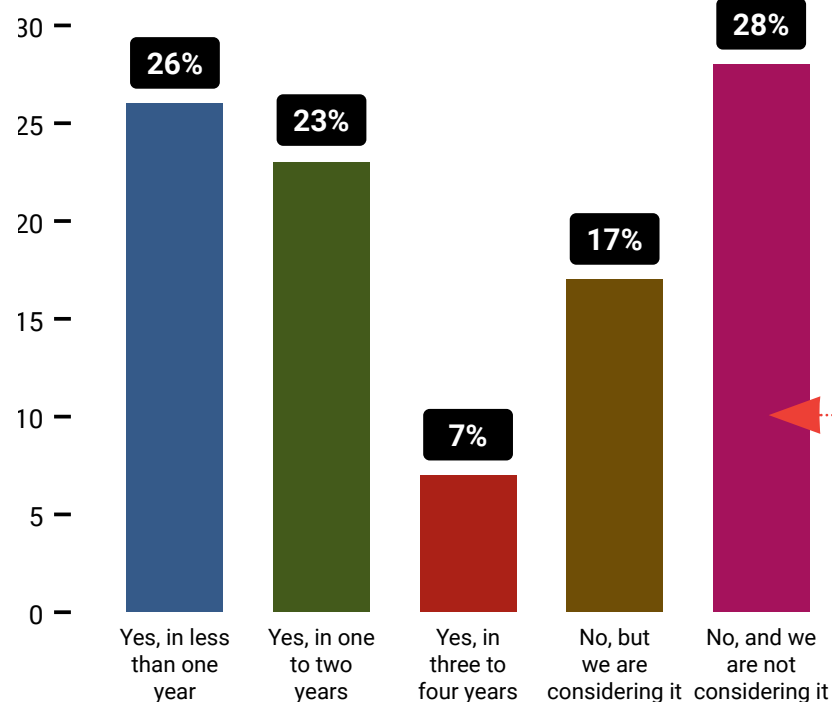
Finding: Just over half of all respondents (51%) are planning to buy technology to track or manage the employee experience within the next two years

As found previously, HR relies on a wide range of technologies and data sources to gain insight into the employee experience. It appears that organizations will look to acquire new technology specifically aimed at tracking, gauging, and/or otherwise managing or influencing the employee/human experience. Just over half of all respondents (51%) are planning to buy such technology within the next two years.



More than one-quarter of respondents (28%) are not even considering buying technology to track or manage the employee experience

Survey Question: Does your organization have plans to purchase or implement a new technology solution that tracks, gauges, and/or otherwise manages or influences employee/human experience?



What Drives Employee Experience?



Finding: Good compensation and benefits is the top driver of a positive employee experience

While there are aspects of employment that may matter to employees more than money, when it comes to identifying factors that positively affect the employee experience, HR professionals say good compensation and benefits is the top factor positively impacting the employee experience. Further, it is the only factor cited by more than half of the respondents (53%).

This focus on compensation notably increased since last year's survey. In 2021, compensation and benefits was the third—rather than the first—most commonly-cited factor. This increasing emphasis on compensation may be a reflection of rising inflation and younger workers who have experienced a turbulent economy for most of their career. It may also be a reaction by HR to “The Great Resignation,” which refers to the high number of employees who have resigned or are considering resigning and finding another job with better pay and working conditions. Research by Deloitte points out that “Millennials may value culture, values and social impact, but when it comes to retention, none of these can compensate for low pay.”³

Employees put more emphasis on work/life balance and less on camaraderie in the workplace

Employees themselves also cite good compensation and benefits as their number one issue impacting employee experiences. And, HR professionals and employees agree that a good relationship with immediate supervisors is a major issue, with both cohorts ranking it in third place.

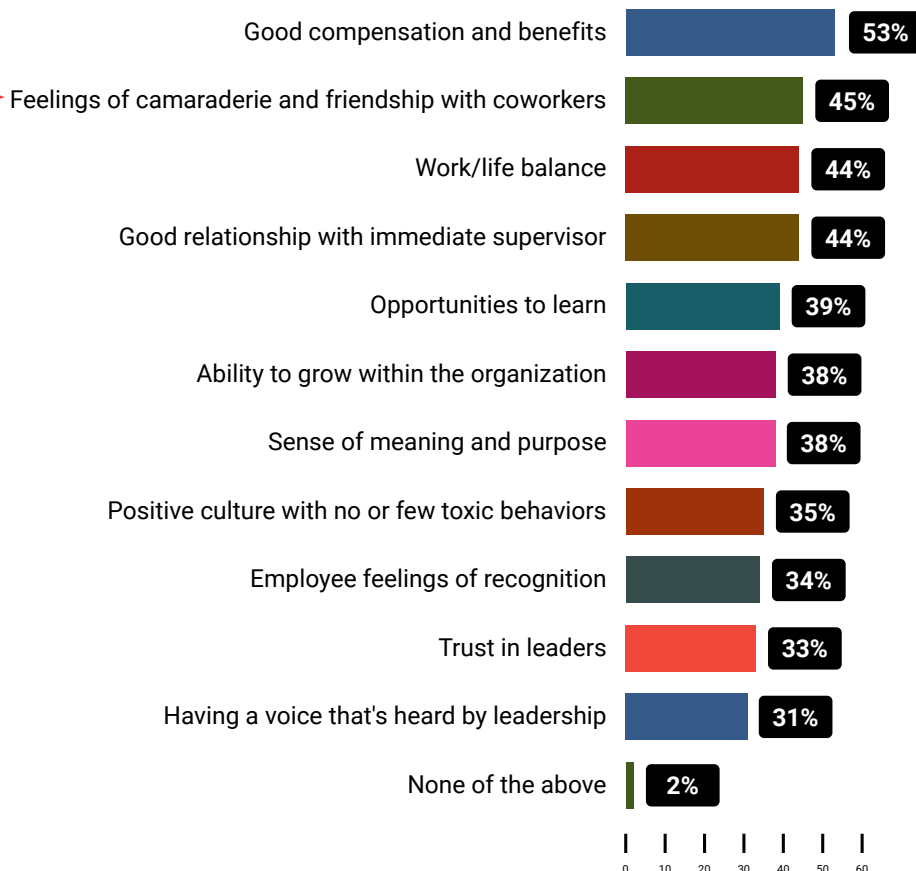
³ Kulkarni, A., Hogan, S. K., Hatfield, S., & Corduneanu, R. (2022, January 5). Millennials and the “Staying power” of pay. *Deloitte Insights*. Retrieved from <https://www2.deloitte.com/us/en/insights/topics/talent/motivating-millennials-at-work.html>

But there is one especially interesting area of difference. HR professionals rank “feelings of camaraderie and friendship with coworkers” as the second most commonly-cited factor (45%) that positively affects the employee experience. For employees, however, this is not nearly as high a priority, ranked only seventh on the list. So, what do employees have in second place? Work/life balance. Sure, comradery is attractive, but family comes first, and employees badly want to balance their personal lives with their work lives.



Forty-five percent of HR respondents cite feelings of camaraderie and friendship among coworkers as a positive factor impacting the employee experience

Survey Question: What do you view as the top five issues positively impacting experiences of employees in your organization? (select up to five)





Finding: Employee burnout and heavy workloads are the top factors negatively affecting the employee experience

The two most commonly cited factors that *negatively* affect employee experience are closely related:

- Employee burnout
- Heavy workloads

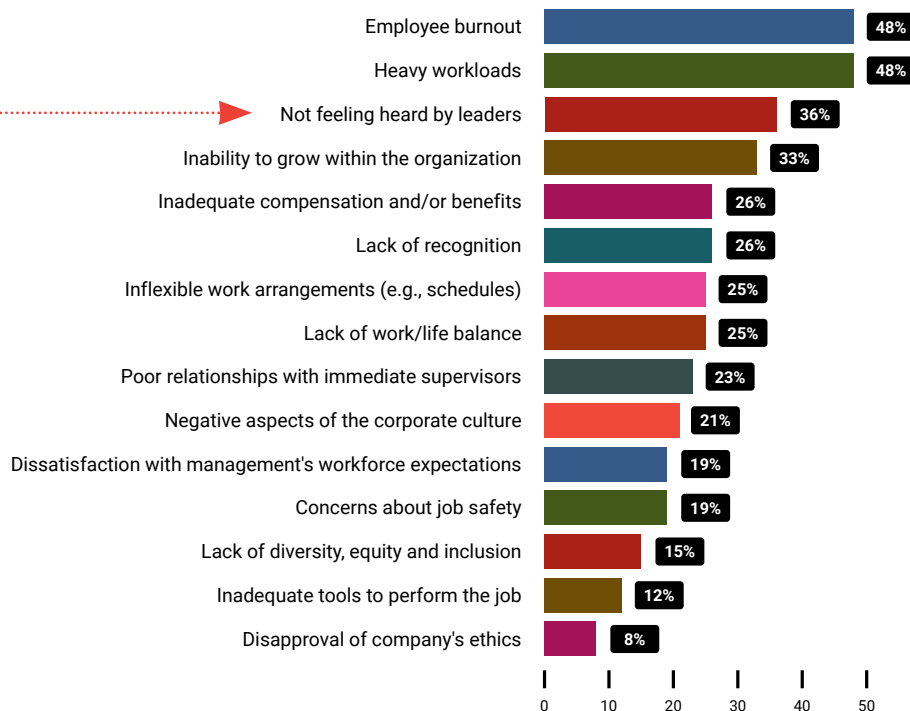
These factors may be hard for HR to control as they are often connected to the employees' direct managers rather than to the organization as a whole. HR may have little opportunity to prevent a supervisor from assigning too much work or putting too much pressure on their subordinates. However, this can come down to corporate culture, which HR *can* influence.

HR leaders who want to improve the employee experience need to work with the leadership team to confront the damage caused by burnout and create mechanisms to reign in supervisors who push their direct reports too hard.



More than a third of HR respondents say employees are not feeling heard by leaders, which negatively impacts employee experience in their organization

Survey Question: What do you view as the top five issues negatively impacting experiences of employees in your organization? (select up to five)

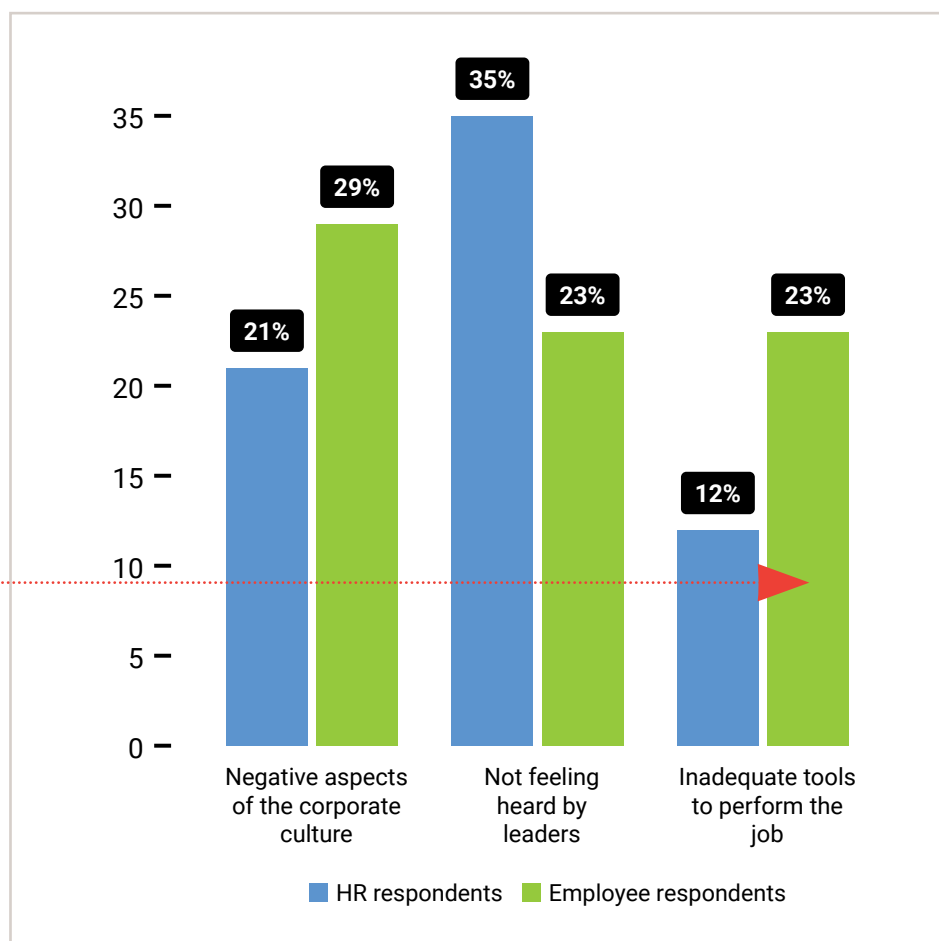


Employees place greater emphasis on toxic corporate cultures

When asked about the top issues negatively impacting their experiences, employees tend to agree with HR professionals on the importance of employee burnout and heavy workloads. In both groups, the issue of “inability to grow within the organization” also ranks highly (second for employees and fourth for HR professionals), but they do not see eye-to-eye on the issue of “negative aspects of the corporate culture.” Whereas 29% of employees see this as a major issue, giving it second place on their list, only 21% of HR professionals see it as a major issue, placing it only tenth on their list. This suggests that HR professionals should be taking a more careful look at toxic corporate cultural attributes since they may have an outsized impact on employee experience. The graph below illustrates other areas of difference as well.



Employees are nearly twice as likely as HR professionals to say that inadequate tools to perform the job negatively impacts employee experience



Note: this chart is comprised of two sets of questions. For HR professionals, we asked “What do you view as the top five issues negatively impacting experiences of employees in your organization?” For employees, we asked “What do you view as the top 5 issues negatively impacting your experiences as an employee in your organization?”



Finding: HR respondents believe employees consider compensation and benefits as the most important program for improving their experience

HR professionals believe that employees feel compensation (62%) and benefits (50%) are the top programs/initiatives most important to improving their experience. This reinforces how important these two factors are for a positive employee experience. Learning and development is close behind, cited by 46% of HR respondents.

However, this question is about the employee population in general, when individual employees might have very different priorities than the aggregate. HR needs to be sufficiently flexible in providing programs and initiatives designed to enhance the employee experience that can be personalized.



Just 14% of HR professionals say employees consider team building an important initiative to improving experience

Survey Question: What would employees in your organization consider to be the 5 programs/initiatives that are most important to improving their experience? (select up to 5)





Finding: Employees agree with HR professionals that good compensation is key to positively influencing the employee experience, but there are interesting differences as well

When it comes to the top programs positively impacting employee experience, employees agree that good compensation (54%) and benefits (49%) programs are the top two. But the next four programs on the list are different. Employees place greater emphasis on promotions, recognition programs, and employee feedback. Employees also attach high value to health insurance, which is an option absent from the HR professional survey.⁴



Finding: Insufficient buy-in from senior managers is the most commonly cited factor (39%) hindering a focus on enhancing the employee experience

We asked HR professionals what hinders organizations from focusing on the experiences of employees and just two factors are selected by more than a third of respondents:

- Insufficient buy-in from senior managers
- Budget constraints

However, while budget constraints is the second most commonly cited hindrance (35%), it is a drop from last year's results where 55% said it was a hindrance.

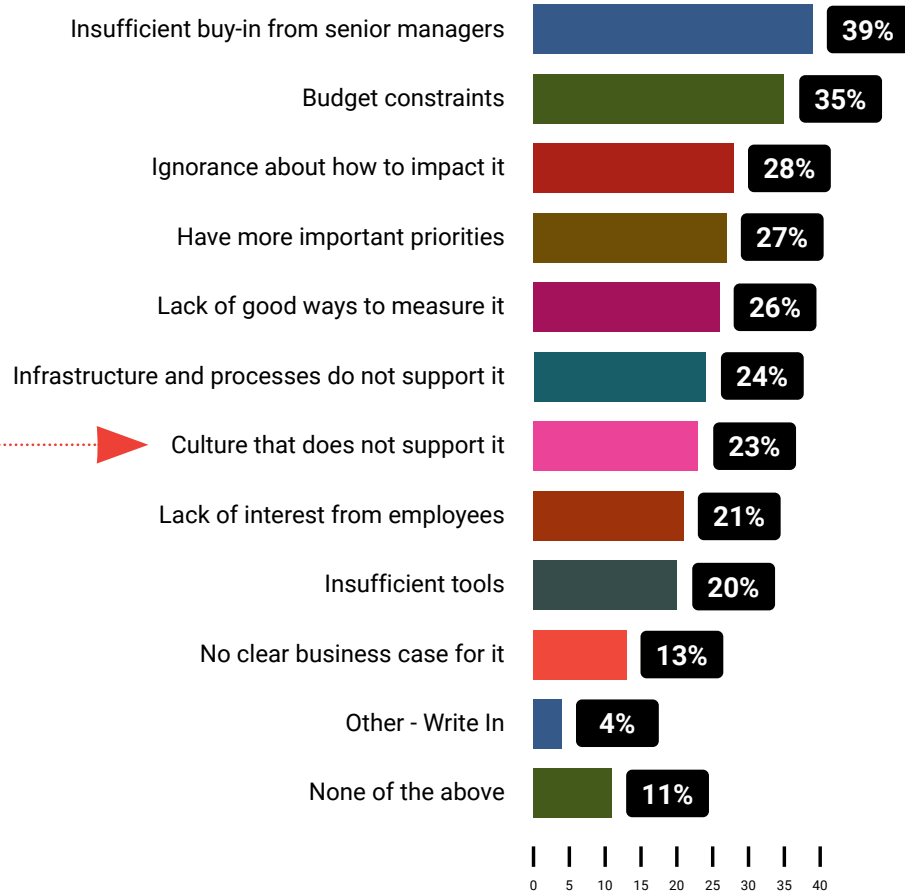
Further, the lack of buy-in from leadership may well be related to the next two most commonly cited factors: ignorance on how to impact the employee experience and other more important priorities. The challenge for HR leaders is to convince senior leaders that the employee experience can be improved in a way that does not break the budget or take so much time that it derails other important priorities.

⁴ HR professionals were not asked about health insurance.



Nearly a quarter (23%) say their organizational culture does not support enhancing the experiences of employees

Survey Question: Which factors do you feel hinder your organization from focusing on enhancing the experiences of employees? (select all that apply)



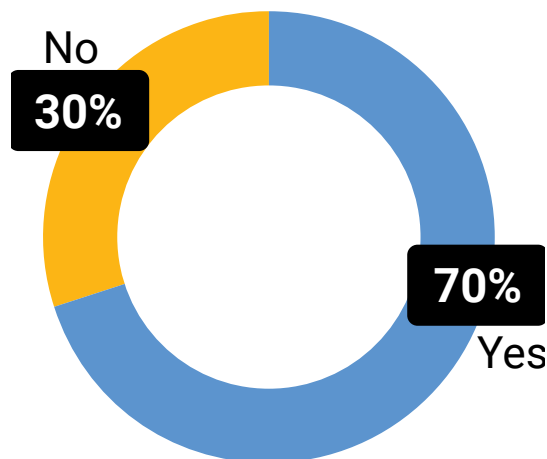
The Impact of Remote and/or Hybrid Work on the Employee Experience



Finding: Seventy percent of organizations had more employees move towards remote and/or hybrid work arrangements

Many organizations (70%) have seen more employees moving toward remote and/or hybrid work arrangements. For some organizations, this may have been forced and rushed due to the pandemic. However, others may have embraced this change in work arrangements. It will be interesting to see how remote/hybrid work evolves over the next decade when it isn't required for health and safety but may be seen as highly desirable for candidates.

Survey Question: In your organization, have more employees moved toward remote and/or hybrid work arrangements?





Finding: HR is more likely than employees to say that remote and/or hybrid work arrangements have a positive impact on the employee experience

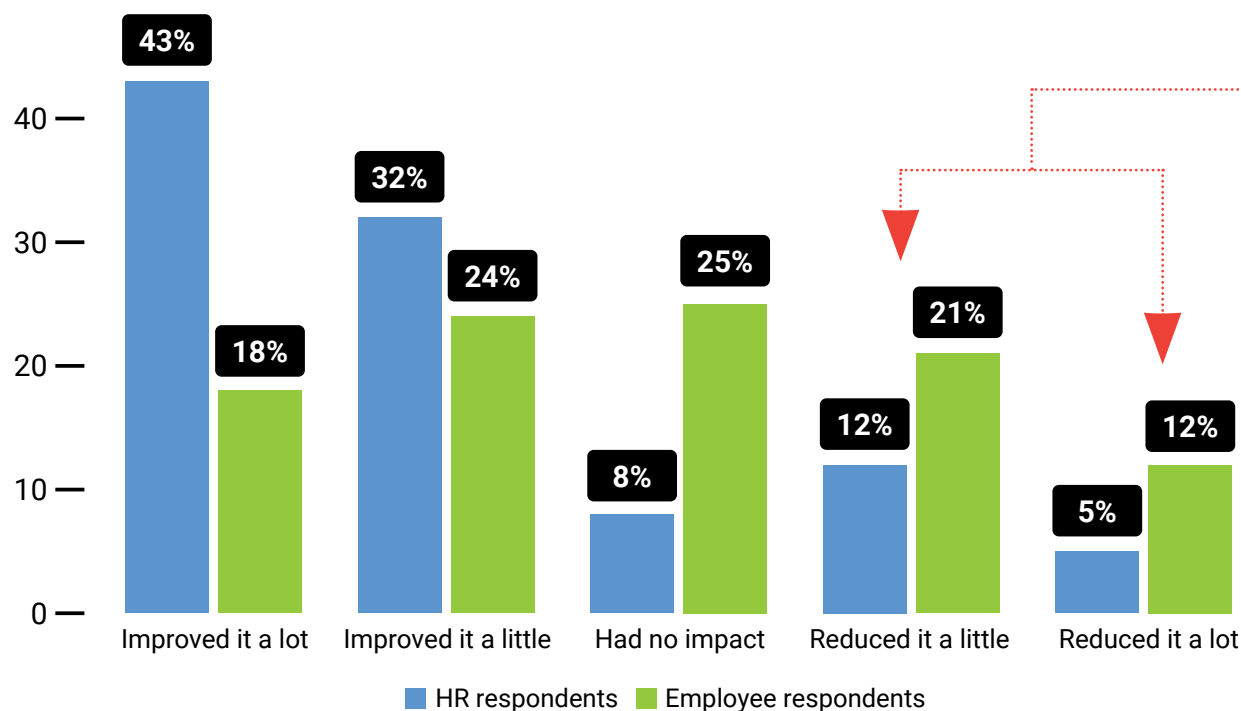
Out of the organizations that have had employees move toward remote and/or hybrid work arrangements, HR says these work arrangements has had a positive impact on the employee experience. Three-quarters say these work arrangements have improved employee experience a little or a lot and only 17% say hybrid or remote work arrangements have reduced the employee experience.

Employees are more likely to have mixed feeling about new work arrangements

The story shifts considerably when we look at the results of the employee survey. Only 42% of employees say these work arrangements have improved their experience a little or a lot. Moreover, one-third say it has *reduced* their experience a little or a lot.

The takeaway is that HR may not yet have a clear view of the impact of remote and hybrid work. Consider conducting a pulse survey to gather information about what employees want regarding flexible work arrangements and where improvements in these arrangements need to be made. Some organizations were thrown into remote work with little to no preparation; areas such as communication and collaboration suffered, impacting experience negatively. Where feasible, consider giving employees flexibility regarding remote and hybrid work and ensure everyone has the tools needed for success.

Survey Question: What impact has the move toward remote and/or hybrid work arrangements had on employee experience in your organization?



Employees are almost twice as likely as HR professionals to say remote and hybrid work has reduced the employee experience

Note: this chart is comprised of two sets of questions. For HR professionals, we asked "What impact has the move toward remote and/or hybrid work arrangements had on employee experience in your organization?" For employees, we asked "What impact has the move toward remote and/or hybrid work arrangements had on your employee experience in your organization?"

The Value of a Positive Employee Experience

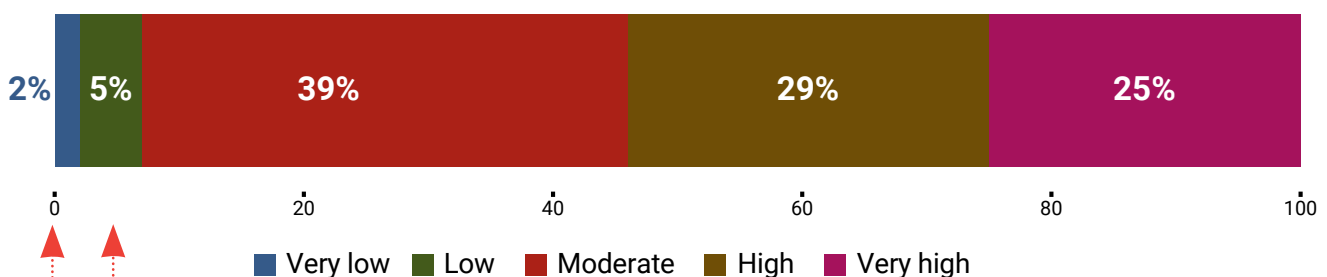


Finding: More than half of respondents (54%) believe they get a high or very high return on investment from their spending on experience-enhancing programs/initiatives

Most HR professionals (54%) believe they get a high or very high return on investment (ROI) from their spending on experience-enhancing programs/initiatives. A further 39% say this is the case to a moderate degree.

Few (7%) say they get a low or very low ROI from their spending on experience-enhancing programs/initiatives. Of course, if the ROI is low then HR should investigate alternative experience-enhancing programs/initiatives that would be a better use of budget.

Survey Question: To what degree is your organization getting a return on its investments in its experience-enhancing programs/initiatives?



Only 7% of organizations believe they get a low or very low return on investment from their spending on experience-enhancing programs/initiatives



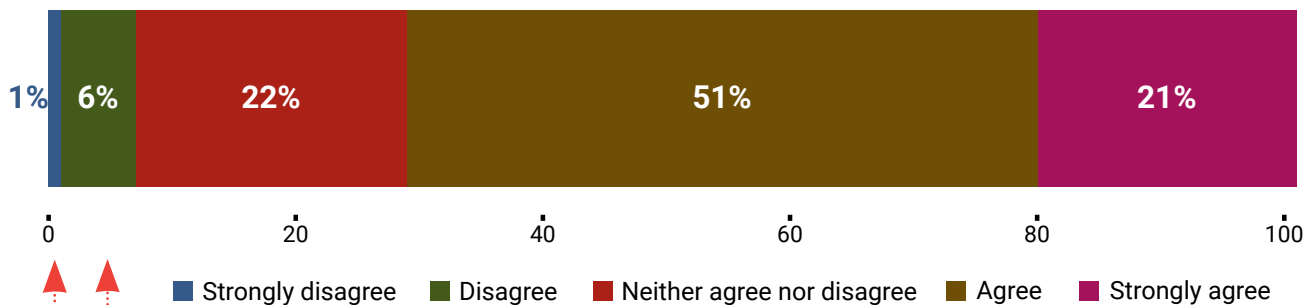
What Does the Future of Employee Experience Look Like?



Finding: HR professionals are more likely than employees to be optimistic about the future of employee experience

Most HR respondents (72%) agree or strongly agree that the employee experience will improve in the next year. However, only 21% *strongly* agree. It is logical to assume that this positive outlook is driven by the expectation that the pandemic will eventually end and major disruptions will be minimal.

Survey Statement: In your organization, the overall experience of employees will improve over the next year.



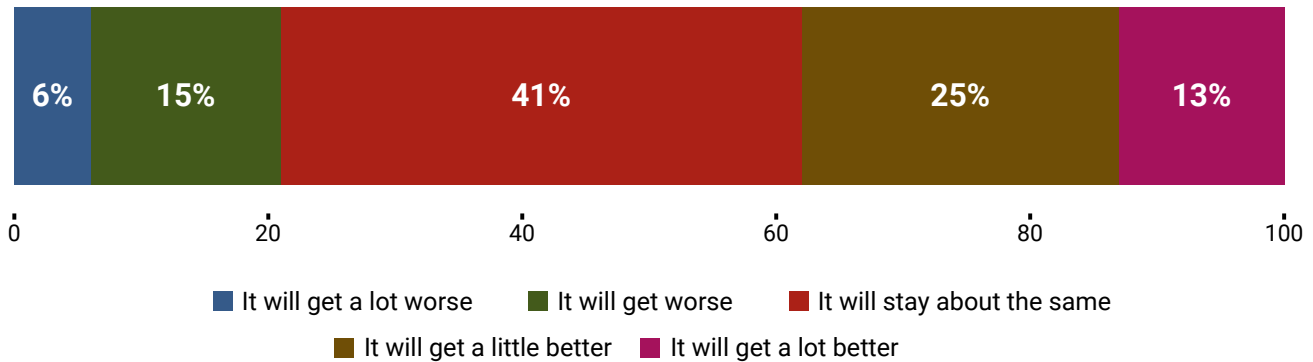
Just 7% of HR professionals actively disagree that the employee experience will improve next year



Employees don't entirely share HR's positive outlook

Employees, however, are more pessimistic than HR professionals about the future of employee experience. In fact, about a fifth (21%) say their employee experience will get worse over the next year. Nonetheless, a larger cohort (38%) say their experience will get a little or a lot better.

Survey Question: How do you think your employee experience will change over the next year?





Finding: More than two-fifths of HR professionals believe experience initiatives will gain greater prominence and that experience will become more important

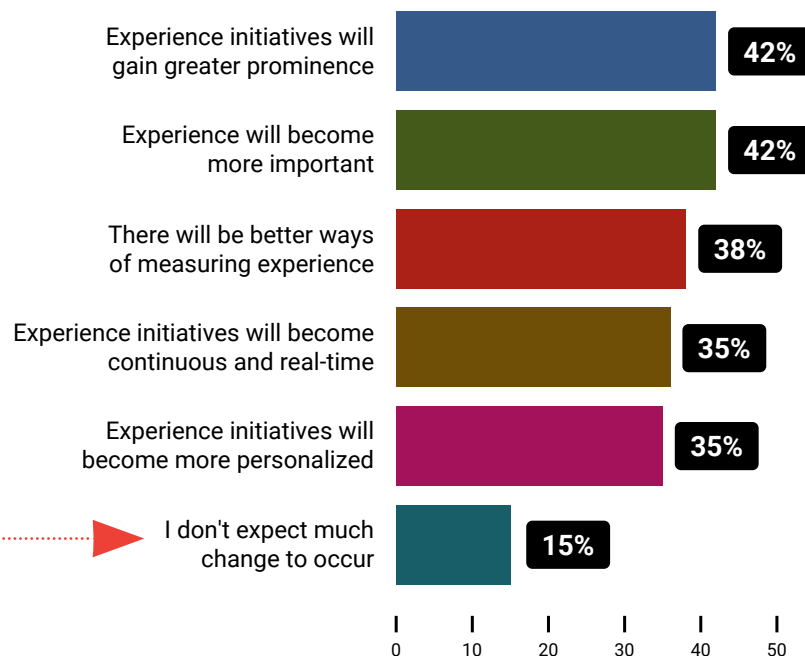
How will experience strategies and tactics change over the next year? Just over two-fifths of respondents believe that experience initiatives will gain greater prominence and that experience will become more important (42% in both cases). Others expect there will be better ways of measuring experience (38%), experience initiatives will become continuous and real-time (36%) and experience initiatives will become more personalized (35%).

All in all, respondents believe 2022 will be an exciting year for improving employee experience.



Just 15% of HR professionals say they don't expect much change in how their organization approaches employee experience

Survey Question: How do you feel experience strategies and tactics will change in your organization over the next year? (select all that apply)



Response to the SEC's Guidance on Human Capital Reporting



Finding: Some organizations (21%) have changed how they approach employee experience due to new SEC regulations

In 2020 the Securities and Exchange Commission issued new guidance about reporting on human capital. Rule S-K 101(c) states that the final amendments "include as a disclosure topic, a description of the registrant's human capital resources to the extent such disclosures would be material to an understanding of the registrant's business."

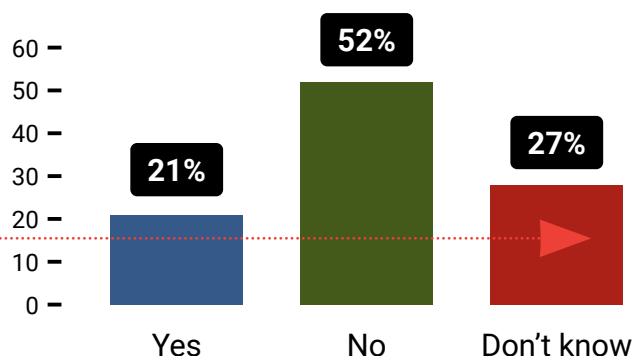
⁵ This rule is open to interpretation, but in any case, the SEC has undoubtedly put a spotlight on human capital in a manner that will capture the attention of CEOs.

Has this spotlight affected how organizations approach employee experience? Some say yes (21%), but most say no (52%), and many simply don't know if this SEC ruling has had any impact (27%). It remains to be seen how regulator and investor interest will affect how organizations tackle human capital matters.



Just over one-quarter of respondents (27%) simply do not know if the SEC guidance on reporting on human capital has affected how their organization approaches employee experience

Survey Question: Have the U.S. Securities and Exchange Commission (SEC) regulations on Human Capital Disclosure influenced the way your organization approaches employee experience?



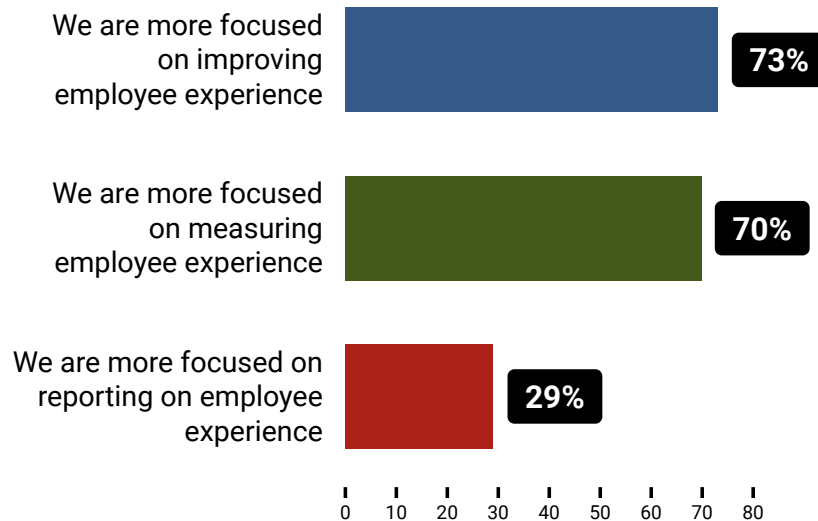
⁵ U.S. Securities and Exchange Commission. (2020, November 6). *Modernization of Regulation S-K Items 101, 103, and 105. A Small Entity Compliance Guide*. Retrieved from <https://www.sec.gov/corpfin/modernization-regulation-s-k-compliance-guide>



Finding: Nearly three-quarters of organizations that approached employee experience differently due to the SEC ruling did so by focusing on improving and measuring the employee experience

Of those who responded that the SEC ruling *did* influence the way their organization approaches employee experience, 73% say they are more focused on improving employee experience. Nearly as many (70%) are more focused on measuring employee experience. After all, it's hard to improve something without having the proper metrics in place.

Survey Question: How have the SEC regulations on Human Capital Disclosure influenced your organization's approach to employee experience? (select all that apply)



Differences Between Experience Leaders and Experience Laggards

For this report, we conducted various analyses to gain insight into which practices are most widely used by organizations that successfully manage employee experiences. We divided our sample into two groups:

Experience leaders: These represent HR respondents who answered 8, 9, or 10 to the question “On a 10-point scale, how would you rate the average overall employee experience in your organization?”

Experience laggards: These represent HR respondents who answered 1, 2, 3, 4, 5, or 6 to same question.

We highlight select key differences between the experience leaders and laggards. These findings are correlational and do not prove cause and effect. Nevertheless, they are suggestive about what might enhance employee experiences.



Finding: Experience leaders are more than three times more likely than laggards to have a good understanding of how their employee experience compares to competitors

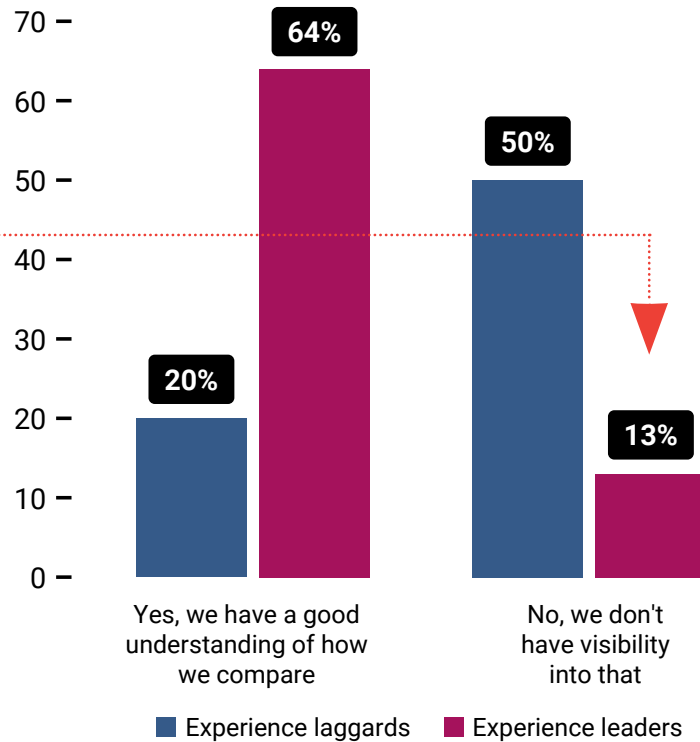
One of the most revealing differences between leaders and laggards is that experience leaders are more likely to know how they compare to competitors. In fact, experience leaders are more than three times more likely than laggards to have a good understanding of how their employee experience compares to competitors.

If top leadership is unaware of how their employee experience stacks up against competitor firms, they are unlikely to make the effort necessary to improve it.



Experience laggards are nearly four times more likely than experience leaders to lack a good understanding of how their employee experience compares to competitors

Survey Question: Do you know how the experience levels of employees in your organization compares to the experience levels of employees in competitor organizations?





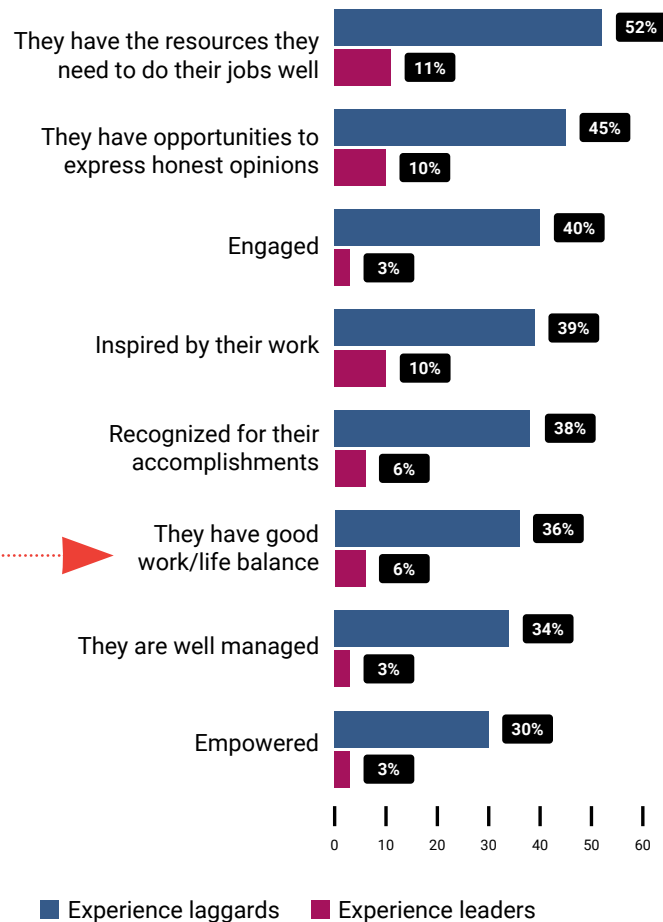
Finding: HR professionals in experience leader organizations are ten times more likely to say employees feel empowered

Experience leaders are ten times more likely than laggards to strongly agree that employees in their organization are empowered. Further, experience leaders are nearly five times more likely to strongly agree employees have the resources they need to do their jobs well.

This set of results can help convince the leadership team that employee experience is an issue they should attend to, especially since being able to do good work is part of the experience that employees seek.

Survey Statement: In your opinion as an HR professional, employees in your organization feel:

[Percent responding strongly agree]



Experience leaders are six times more likely to say employees in their organizations have a good work/life balance



Finding: Experience laggards are more likely to be hindered by a lack of support from senior managers and budget constraints

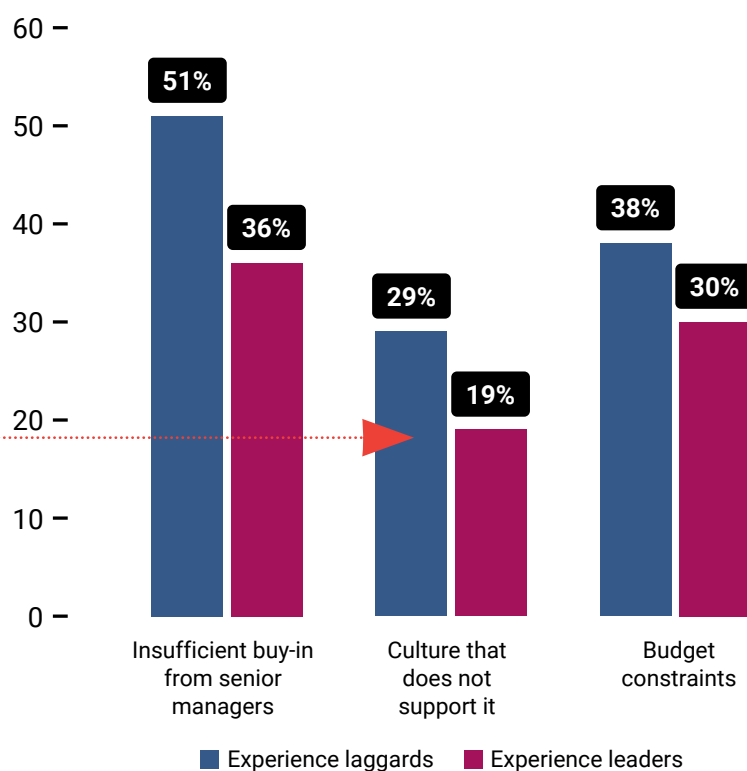
Both experience leaders and laggards say insufficient buy-in from senior managers and budget constraints are the top hinderances to employee experience, but experience laggards are more likely than experience leaders to face these challenges.

It's possible to see budget constraints as a result of insufficient buy-in from senior managers, so for HR professionals wanting to improve the employee experience, getting buy-in from senior managers could be the place to start.



Experience laggards are more likely to say their organizational culture does not support enhancing employee experience

Survey Question: Which factors do you feel hinder your organization from focusing on enhancing the experiences of employees? (select all that apply)



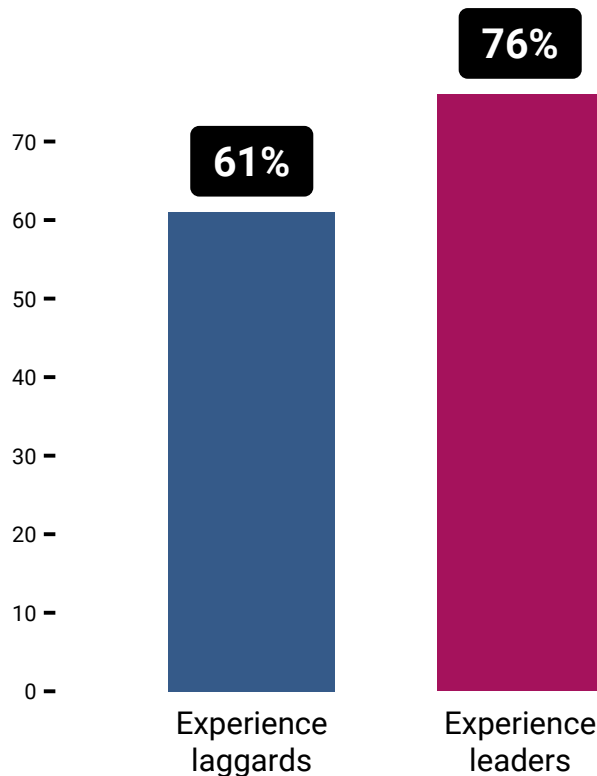


Finding: Experience leaders are more likely than laggards to have moved toward remote and/or hybrid work arrangements

There's still some debate as to whether remote and/or hybrid work arrangements enhance or diminish the employee experience. The most pragmatic answer is that it's good for some employees and not so good for others. That being said, the data shows that experience leaders are more likely than experience laggards to have moved toward remote and/or hybrid work arrangements (76% vs. 61%).

Survey Question: In your organization, have more employees moved toward remote and/or hybrid work arrangements?

[Percent responding yes]





Finding: Experience leaders are more likely than laggards to say remote and/or hybrid work arrangements have improved the employee experience a lot

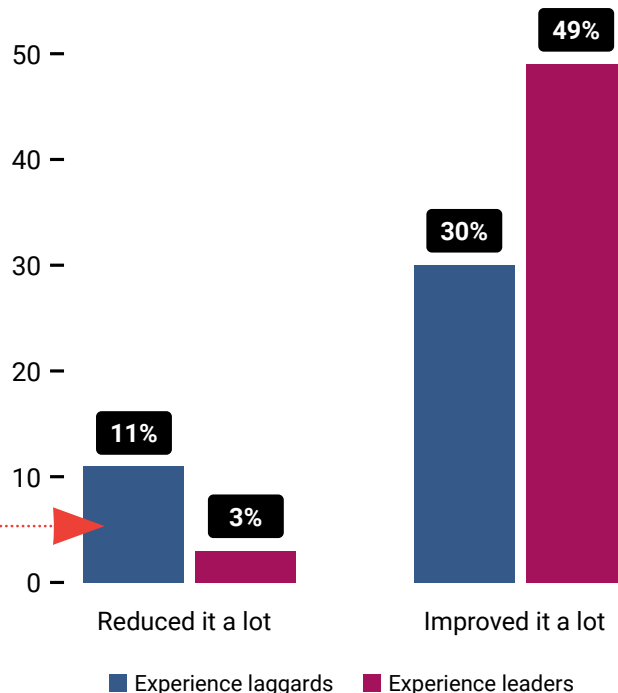
Experience leaders are more likely than laggards to say remote and/or hybrid work arrangements have improved the employee experience a *lot* (49% vs. 30%). At the other end of the scale, experience laggards are nearly four times more likely than experience leaders to say remote and/or hybrid work arrangements have *reduced* the employee experience a lot.

The implication is that experience leaders do a much better job of implementing remote and/or hybrid arrangements to ensure employees can be as productive and engaged as they were in-office. We should note, however, that feasibility of using remote and hybrid arrangements varies from industry to industry. The issue for organizations is not just whether to give employees this option, but to do it successfully.



Experience laggards are almost four times more likely than experience leaders to say remote and/or hybrid work arrangements have reduced the employee experience a lot

Survey Question: What impact has the move toward remote and/or hybrid work arrangements had on employee experience in your organization?





Finding: Experience leaders are almost twice as likely as laggards to believe that employees themselves have a high or very high degree of responsibility for the employee experience

There are two striking differences in how experience leaders and laggards view who is responsible for the employee experience. Experience leaders are far more likely to say that employees themselves as well as HR have a high or very high degree of responsibility for the employee experience.

The idea that employees have a high or very high degree of responsibility says something about the relationship between company and employee. We saw earlier that employees in experience leader organizations are much more likely to be empowered. With this empowerment comes responsibility and that includes responsibility for their own experience.

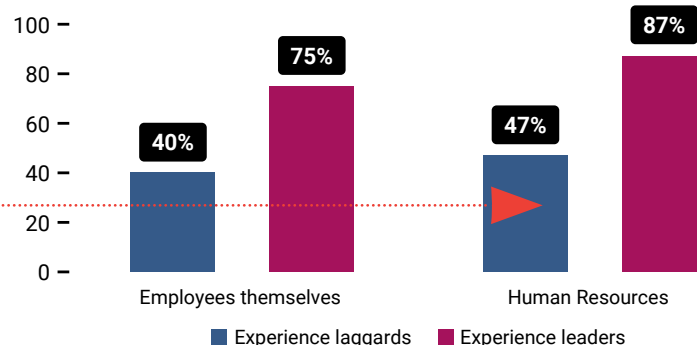
The fact that fewer than half of experience laggards say HR has a high degree of responsibility for employee experience may reflect the fact that the HR departments in these organizations simply do not have enough influence or buy in from leadership to affect the employee experience. The takeaway is that if an organization wants to create an effective employee experience, they may first have to empower HR.



Fewer than half of experience laggards believe HR has a high or very high degree of responsibility for the employee experience (47%)

Survey Question: To what degree are the following groups responsible for the experiences of employees in your organization? (please provide your best guess)

[Percent responding high or very high degree]





Finding: Experience leaders are five times more likely than laggards to get a high or very high return on investment from their spending on the employee experience

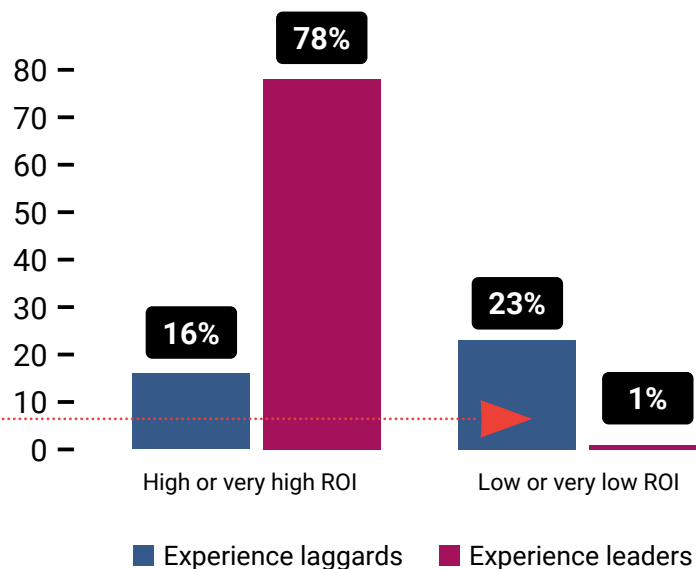
Only 16% of experience laggards get a high or very high ROI on their experience enhancing programs/initiatives. By comparison, 78% of experience laggards say the same. Even worse, nearly a quarter (23%) say they get a low or very low return on these programs, whereas just 1% of experience leaders say the same.

It's possible that in the absence of support from the senior leadership, projects to improve the experience are half-hearted and disingenuous. A lack of a belief in the importance of the employee experience becomes a self-fulfilling prophecy when organizations fail to put sufficient effort into their investments in improving the experience to achieve a high impact.



Almost one-quarter of experience laggards get low or very low ROI on their experience-enhancing programs/initiatives

Survey Question: To what degree is your organization getting a return on its investments in its experience-enhancing programs/initiatives?

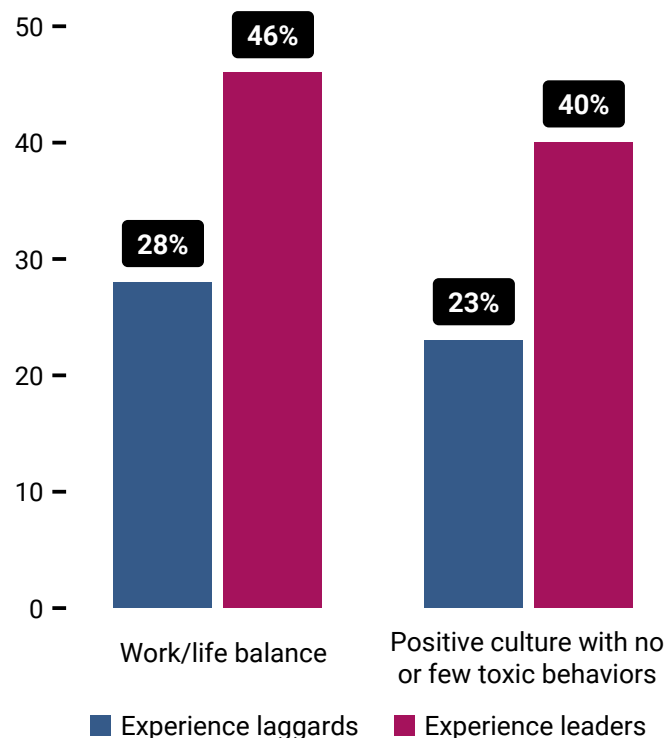




Finding: Experience leaders are more likely to say work/life balance and positive culture with no or few toxic behaviors positively impact the employee experience

Experience leaders are much more likely to say healthy work/life balance and positive culture have a positive impact on employee experience. A potential cause of this may be that experience laggard organizations have inadequate compensation and benefits. Employees in these organizations may also be struggling with building comradery and friendship with coworkers remotely.

Survey Question: What do you view as the top five issues positively impacting experiences of employees in your organization? (select up to five)





Key Takeaways

Key Takeaway 1

Start with leadership and management. Before the employee experience can be improved, senior and direct managers need to believe that employee experience matters. In fact, our research states that these two types of leaders are most commonly responsible for the employee experience. Leaders need to build trust, guide employee growth and development, foster a sense of belonging, and help employees develop a sense of meaning and purpose in their work. In addition, senior leaders need to be the champions of creating better employee experiences by prioritizing experience, providing resources, and guiding the effort. Without that belief or effort, attempts to improve the experience are likely to be half-hearted and investments in the employee experience could fall short of their potential. Ensure leaders are trained in successful performance management skills so their direct reports have an excellent employee experience.

Key Takeaway 2

Measure employee experience through a variety of quality tools and metrics. Better experiences often start with better metrics. There is no single metric that adequately captures the employee experience so it's necessary to use a range of available tools to pull together a rounded set of insights about the employee experience. For example, use data from performance management systems, employee surveys, or exit and stay interviews.

Key Takeaway 3

Learn what matters most to your employees. This study shows that HR professionals do not always fully understand the primary issues influencing employee experience in their organizations. Sometimes they can learn about what matters via metrics tools such as surveys, but it also makes sense to have conversations, conduct interviews and simply "keep your ear to the ground." These types of qualitative information-gathering techniques can turn up insights that other tools might not.

Key Takeaway 4

Gather evidence about the employee experience in competitor organizations and make adjustments based on that data. One way to galvanize a leader's interest in the employee experience is to show them how they compare to competitors. Learn about the employee experience in other organizations by asking interviewees about their experiences in other firms, talking to third-party recruiters, and looking at online sources of data such as Glassdoor. Even if your organization's employee experience is superior to competitors, your employees may believe the grass is greener on the other side due to a misperception of competitors' employee experience.

Key Takeaway 5

Ensure HR has a mandate to improve the employee experience.

Organizations that have achieved an excellent employee experience usually see HR as one of the key groups with responsibility for the experience. If HR has been relegated to a purely administrative role, then it cannot provide the help organizations need to craft a great employee experience.

Key Takeaway 6

Don't overlook the basics of good compensation and benefits. Both HR professionals and employees report that compensation and benefits are important parts of the employee experience. Consider conducting a salary benchmark to compare your organization's compensation and benefits packages against competitor organizations and ensure these are competitive. And, if you are a U.S. employer, do not underestimate how critical healthcare benefits are to workers.

Key Takeaway 7

Recognize that remote and/or hybrid work arrangements can improve the employee experience, but it can also reduce it if not done well. Remote and/or hybrid work can be a good thing, but not every employee will find it a positive experience. Ensure employees have the flexibility to choose an arrangement that works for their needs. Further, ensure all employees have the tools and technologies they need to do their jobs well, collaborate well with their team, and also feel included.

Key Takeaway 8

Align HR objectives, duties and functions with various programs and practices to gain a holistic view of employee experience. A potentially useful way of looking at employee and human experience can be seen in the accompanying wheel chart. Even as you list and align various factors, keep in mind that one poor experience can taint a variety of positive ones. You can probably remember a plane flight where the gate agent was great, the flight attendants were responsive, and departure and arrival were right on time. But, to your disappointment, your bags took more than an hour to arrive on the belt. You will tend to remember the late baggage more than the positive aspects of your flight experience. The same applies to the creation of employee experiences. One negative interaction or poorly designed touch point can influence an employee's perception of their experience.



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