

STEWART LEADERSHIP'S SECOND ANNUAL EMPLOYEE EXPERIENCE RESEARCH STUDY

THE STATE OF EMPLOYEE EXPERIENCE
ACROSS THE US: FINDINGS, IMPLICATIONS
& RECOMMENDATIONS

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THE STATE OF EMPLOYEE EXPERIENCE (EX) 2020: EXECUTIVE SUMMARY

2020 has already been a year unlike any other—definitely one for the record books! Employee Experience continues to be a key to driving competitive advantage for companies—and in many instances shows up as an accelerator where the good stand out even more, and the ineffective lose their leverage. Done well, it will produce measurable outcomes in revenue, talent retention, engagement, productivity, and market share.

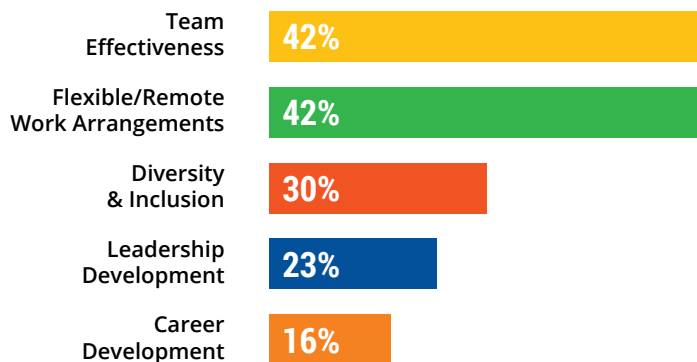
This year, given the global pandemic and renewed focus on diversity & inclusion, we expanded our research to address these topics as they have key implications on the overall employee experience. We share a summary of our research findings as well as implications for moving forward in positive ways.

This research was conducted from July 27–August 10, 2020 and represents over 11 industries with responses from 43 participants.

TRENDS FOR 2020: THE STATE OF EX

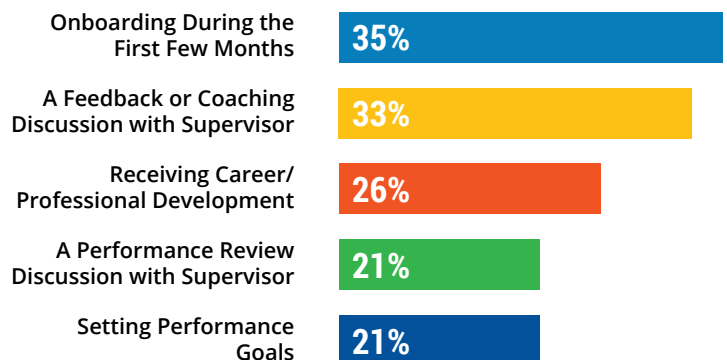
This year we asked what companies' top two priorities were for improving EX—these are the percentage of companies that listed one of these priorities in their top two:

TOP TWO EX PRIORITIES FOR 2020



We also asked which Moments that Matter need the most improvement. Moments that Matter are experiences that have the greatest potential impact to employees—and as such, they tend to be the most emotional and memorable. As you can see, these moments are critical in an employees' journey and experience with an organization.

MOMENTS THAT MATTER NEEDING THE MOST IMPROVEMENT:



IMPLICATIONS FOR 2021:

- The key experiences and Moments that Matter will likely continue to be team effectiveness, diversity & inclusion, onboarding, and key leadership coaching and feedback moments.
- The remote work aspect acts as a wrapper around these Moments that Matter—which complicates teamwork, collaboration and team leadership.
- If leaders didn't have solid skills and tools to lead during normal times, a global pandemic has exacerbated this situation. 2021 needs a strong focus on increasing leadership skills, team effectiveness and inclusive culture to deliver EX value.

KEY INSIGHT FOR 2020: PANDEMIC IMPACT ON EX AND REMOTE WORK

With a global pandemic raging across the world, we wanted to make sure we captured how EX is being impacted—both the positive and negative. Figure 1 outlines some of the responses we captured.

The good news is that 4 out of 5 firms have had a neutral or positive EX impact due to the pandemic. You can also see some of the impacts—most notably on the positive end a shift to remote work and a much greater acceptance of flexible work arrangements that many firms have been trying to accelerate for years.

On the negative side of things—poor communication, erosion of teamwork and anxiety show up—perhaps not surprising, but disappointing. One of the obvious conclusions is that the general level of and investment in EX pre-pandemic didn't magically change overnight—but manifested itself in a variety of new and critical ways.

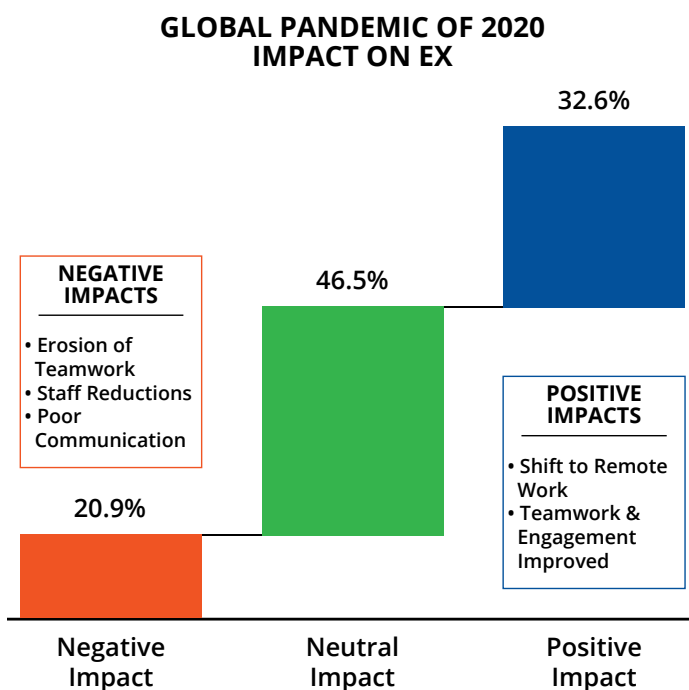
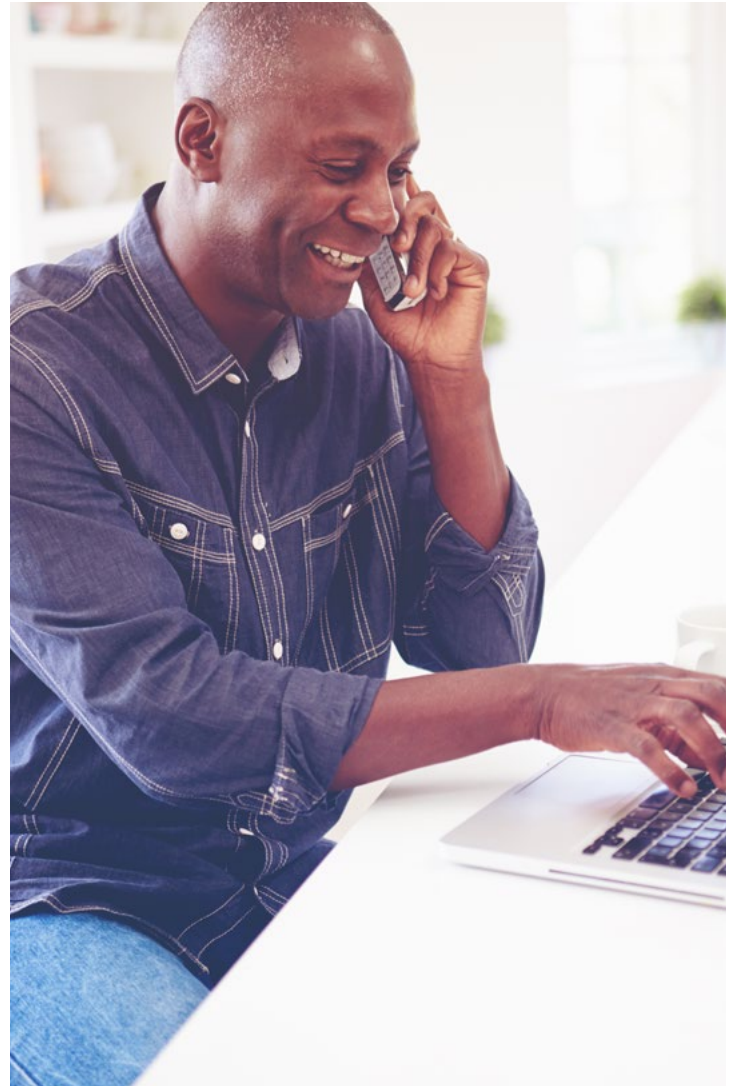


Fig. 1 Pandemic Impact on EX



IMPLICATIONS FOR 2021:

- If your firm has experienced some negative EX impact as a result of the pandemic, this should be a top priority to assess and implement changes.
- If you're neutral or positive, it's a good time to accelerate many of the plans you have had but perhaps not implemented yet—to increase your capability and advantage while the EX is more malleable.
- Whether you have an internal team capable of accomplishing this, or need external support, time is of the essence to address and capitalize on the current environment!

KEY INSIGHT FOR 2020: REMOTE WORK STEMS FROM GLOBAL PANDEMIC

Another key insight for 2020 EX—perhaps as important as any—is remote work. This trend had been increasing momentum over the last 15 to 20 years with technology advancements and globalization, but got a turbocharge from this year’s pandemic. We asked about the specific impacts to EX of remote work. In Figure 2 we have captured the major themes in a word cloud. Positive impacts have been improved engagement, increased productivity and flexibility. Negative impacts have been similar with decreased collaboration and engagement, a loss of productivity and lower engagement.

IMPLICATIONS FOR 2021:

- From the research, it’s clear that leadership effectiveness and technology tools are key enablers to a remote workforce and the degree to which it positively contributes to engagement and productivity.
- It is also important to understand the context of different roles and individual needs. Some roles simply can’t be done remotely, and some individuals have high needs for the structure and human interaction that are best achieved in a physical workplace.
- One size still doesn’t fit all. It becomes critical to assess your workplace EX and the unique needs of different employee segments as well as roles to design the best, sustainable solutions.



Fig. 2 EX Impact of Remote Work

DEGREE OF INCLUSIVE CULTURE & ENVIRONMENT

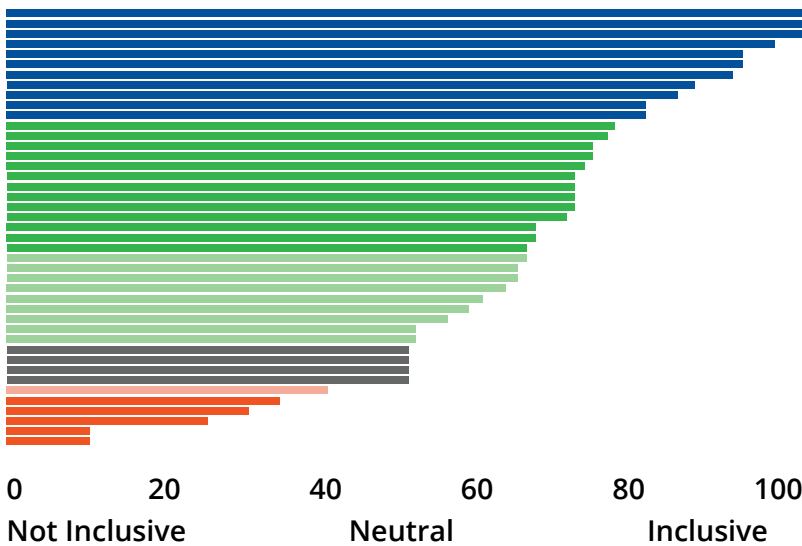


Fig. 3 Inclusive Workplace Index

KEY INSIGHT FOR 2020: INCLUSIVE WORKPLACE INDEX

2020 has brought a renewed and intensified focus on the need for inclusive workplaces. It seems we have made progress over time and in specific organizations, but there is still so much work yet to be done. We asked to what degree organizations had an inclusive culture and environment—and the responses were across the board, but trending positive overall. As seen in Figure 3, all but six respondents were either neutral or positive. The overall index (mean) this year was 60 out of 100—so things are trending positive, but there is still plenty of work to do.

OPPORTUNITIES TO DEFINE AND COMMUNICATE AN EX STRATEGY STILL REMAIN

Another finding from our research highlights that there is a more basic opportunity to get EX efforts going—and that is to define the aspirational EX as well as design a strategy for the organization. We took this finding and mapped it against the finding about investment to highlight the next logical step, depending on where an organization finds itself on the EX journey. What you’ll see in Figure 4 is that there is a decent population of organizations that have defined their EX and are investing in it. There are also many organizations that have not fully embraced an EX approach yet. See the following four strategies depending on where you assess your organization.

- 1. MAINTAIN & GROW:** If your organization has defined its EX and has a strategy in place including significant investment, the best next step is to maintain and grow the approach.
- 2. DEFINE:** For an organization that is investing sufficiently, but perhaps has not clearly defined its vision or mapped its EX strategy, the best next step is to define the vision and articulate a strategy.
- 3. INVEST:** It has been said that if you want to understand an organization’s strategy, just look at where they spend their money. This is very true in EX. If your organization is not currently investing sufficiently, a good first step would be to evaluate some prioritized investments.
- 4. DEFINE, THEN INVEST:** If you find that your organization is very early in the EX journey, or perhaps hasn’t begun and doesn’t know where to start, first defining and then investing is a logical way to approach things.

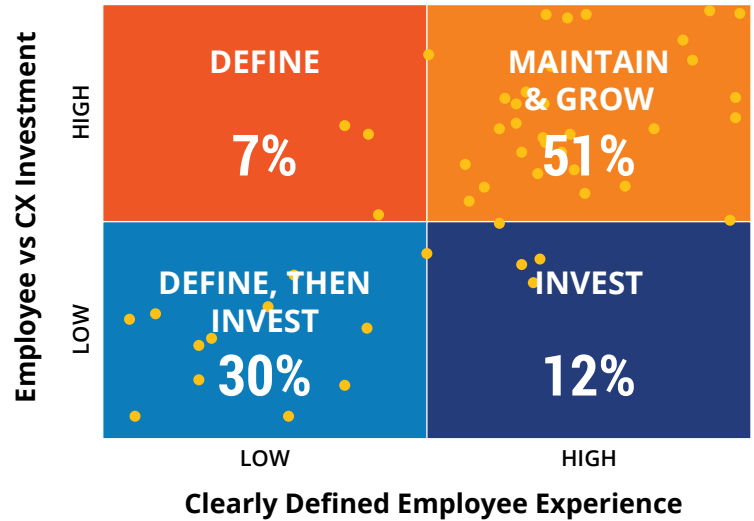


Fig. 4 EX Investment versus EX Definition



Fig. 5 EX Strategic Cycle

A FOCUS ON EMPLOYEE EXPERIENCE CONTINUES TO DELIVER VALUE

One of the key findings from our research is where leaders derive the most value from an investment in the employee experience. We asked research participants, “What value would your organization gain from improving its employee experience?” Their responses are very much in line with what we would expect given the Employee Experience Strategic Cycle (see Figure 5).

BENEFITS OF IMPROVED EMPLOYEE EXPERIENCE



You can see in Figure 6 that the primary perceived value from employee experience is higher workforce engagement—and that certainly is one of the most immediate. It is encouraging to see a fairly strong spread across many key business outcomes including quality and finance. Responses trended consistently year over year with only slight variations in 2020.

Fig. 6 Employee Experience Strategic Value

COMMITMENT 2021: STRENGTHEN EMPLOYEE EXPERIENCE BY BUILDING INCLUSIVE AND NIMBLE LEADERS AND TEAMS

While 2020 has had a host of major challenges and setbacks, it has also opened up the world to new opportunities – like the promise of flexible work arrangements and the urgency of a more inclusive and equitable workplace – and world. Regardless of what the future holds we strongly recommend the following:

- Commit to making a long-term investment in building inclusive and nimble leaders. This will deliver results in good times and bad. Skills can be learned through training, workshops, development programs, coaching, etc. Put your internal team to work on these priorities, or partner with an experienced external firm like Stewart Leadership.
- Continue to strengthen remote work and team skills. Leadership and team assessments can be leveraged to identify your baseline and prioritize focus areas.
- Ensure you have appropriate focus and resources dedicated to building an inclusive and diverse culture for your organization.

The future is as bright as your employee experience!



ELEVATE YOUR EMPLOYEE EXPERIENCE WITH STEWART LEADERSHIP

Stewart Leadership is your human capital development partner, creating tailored, high-quality solutions to achieve your organization's results. Our goal is to listen and deliver impactful and engaging experiences that move you, your team, and your enterprise forward.

If you would like to discuss how Stewart Leadership can support your organization in its Employee Experience journey, let's set up a time to talk.

CONTACT US

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