

# Personalization: The Missing Link in Employee Experience



## **Employees are the beating heart of today's organizations.**

Unlike 30 years ago when the majority of an organization's value came from its tangible assets, today, more than 80 percent of the average S&P 500 corporation's value is from intangibles.<sup>1</sup> Ideas, software, relationships, contracts, institutional knowledge — essentially everything that comes from the people that make up an organization — are the ingredients of success.

Today's economy has also created a candidate's market, where talent have numerous job opportunities, and are more likely to turn down a job to await a potentially better offer around the corner. Leaders have realized this shift, and HR is now in the midst of a digital revolution, becoming an eager adopter of technology and analytics to streamline everything from recruitment, to benefits, to education.

HR is feeling increasing pressure to improve engagement and leverage technology strategically, but is still searching for the key to doing so in an effective and meaningful way. Despite the good intentions, new programs, and the fact that HR has more access to data than ever before, engagement rates — now the prime metric measuring HR — have not budged over the last 15 years. According to Gallup, less than one-third of the U.S. workforce is engaged in their jobs. Worldwide, that number plummets to only 13 percent.<sup>2</sup> This lack of engagement, alongside other critical factors — including the war for talent and how human value is changing alongside digitalization — are driving organizations to focus on the employee experience. This is what creates the environment for engagement, paving the way to achieving business success no matter the challenge du jour.

Broadly, these issues all tie to the need for personalization of the employee experience. Top-down programs and innovative initiatives will continue to fall flat as long as they overlook the employee's reality. Digitalization is leading to burnout, HR efforts have gone stale and people are more stressed and overwhelmed than ever before.

This paper will examine trends in employee experience, why many initiatives fail, the need for personalization and how AI can help solve the challenges. Enabling authentic personalization of the individual's work experiences is the missing link to transforming workplace satisfaction, dedication and enthusiasm.

### **Decoding digital: The difference between digitization, digitalization, and digital transformation.**

*Rapid advancements in technology often leaves terminology playing catch-up. What does it mean to digitize versus digitalize? And then there's digital transformation...*

#### **Digitization — Upgrading from analog**

*There are still processes and data that are hand written and stored on paper (picture most doctor's office forms). Death of the photocopier is still a ways off, but by now the workplace assumes digital information storage and sharing as the status quo. The term digitization refers to the process of making previously analog information into digital format.*

#### **Digitalization — Putting data to work**

*With information accessible, searchable, and easy to update, all of the data enables processes to get "smart". Think of what calling customer service would be like if the representative had to search in a filing cabinet for your account records. With a digitalized process, not only is it easy to find the right information (digitization), categorization and patterning enable the speed and personalization that's now the norm.*

#### **Digital transformation — Innovation based on the new reality of digitalization**

*Both digitization and digitalization have set the stage for accelerated change. Digital transformation refers to the marketplace changes stemming from this new era of data accessibility and intelligence. Completely new business models are born that can change an industry almost overnight (classic example: Blockbuster versus Netflix).<sup>3</sup>*

## Current Trends in Employee Experience

A recent Forbes article reported that experts in HR expect 2018 to bring a greater emphasis on employee experience, with organizations aiming to develop an “ecosystem that integrates three core dimensions: engagement, culture and performance management.”<sup>4</sup> To this end, organizations have implemented a multitude of programs including the following:

- **Wellness:** Virtually everyone has bought into the concept of wellness being directly tied to productivity and job satisfaction, and as a result, workplace well-being technology and programs are exploding.
- **Talent mobility:** Organizations are spending more resources on providing their staff with a clear path to career advancement, along with the tools they need to achieve it. Willis Towers Watson examined attitudes of more than 31,000 employees around the world, reporting that, “career advancement opportunities are among the top three drivers of attraction and retention globally... Of employees who say that their organization does a good job of providing opportunities for advancement, 61 percent are highly engaged, while only 9 percent are disengaged.”<sup>5</sup>
- **Recognition:** An Achievers survey found that 74 percent of people in North America are planning a change in their jobs, and 44 percent cited lack of recognition and engagement as the reason.<sup>6</sup> Today, 90 percent of employers say they have recognition programs in place, and for organizations that are executing them well, these have shown to increase engagement by up to 20 percent year-over-year.<sup>7</sup>
- **Fostering relationships and mentorship:** Morag Barret, author of “Cultivate: The Power of Winning Relationships,” asserts that strong, positive relationships in the workplace are critical to productivity and success. Friendships will develop wherever people spend significant time, which for most people, includes work. Barret writes, “As a friendship develops, so professional respect is enhanced... There becomes a willingness to share insights, make introductions, and to go the extra mile to help ensure success.” The power of relationships has led many companies to strengthen and formalize mentorship programs and help people foster stronger personal connections at work.



- **Frequent evaluations:** Regular one-on-one meetings are beginning to replace annual reviews. This is helping managers and their charges engage on a more frequent basis to discuss what’s working and what’s not, and how to address issues promptly.
- **Continuous listening:** This is an approach wherein the organization takes a more active and frequent role in gathering feedback across the employee lifecycle. An Aon Hewitt report indicated, “it’s not just measuring engagement; it can collect feedback about specific experiences and incidents, giving leaders a better idea of how to manage employees throughout the lifecycle.”

Companies are latching onto to the above opportunities to boost engagement through improved employee experience. And, as shown by the list, programs run the gamut of ways to support workers and appeal to different needs. Still, responses in a Welltok and National Business Group on Health survey<sup>8</sup> — which found that 37 percent of employees did not find health programs personally relevant, and another 20 percent didn’t know they were available — make clear that these programs aren’t making widespread impact.

## Personalization is the Key

With all of these efforts — and so much money invested — to provide a positive experience at work, why are companies still hitting a wall? The answer is that programs lack personalization, and a true understanding of an individual's needs. Providing many options does not mean programs are personalized. A Starbucks menu offers many items to choose from, but when the barista knows your coffee order — just the way you like it — without you needing to ask, the difference is clear.

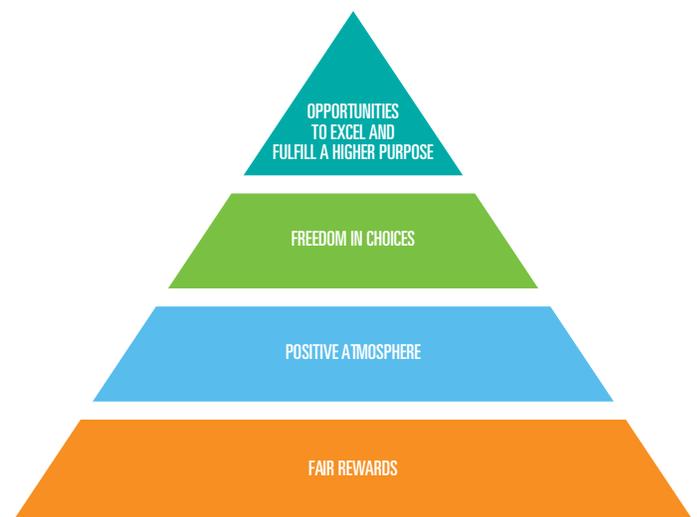
HR must take a similar approach, and leverage technology — such as AI and advanced data analytics — to provide a genuinely personal experience. According to Josh Bersin, an HR and learning analyst, talent management is one area evolving on this front. What was once talent management focused on automation and integration is now what Bersin describes as “people management,” focused on engagement, fit, environment and empowerment. Bersin suggests that HR technology and practices must make the shift to enable people management, and further, team management, to optimize productivity and leadership.<sup>9</sup> Technology is emerging to address this shift, and recognition programs, which have shown significant traction in improving engagement, are certainly an example.

*56 percent of respondents report that “their employer should understand them as well as they are expected to understand their customers.” However, only 39 percent of respondents in the study felt their workplaces were fulfilling this expectation.<sup>10</sup>*

Personalization is an opportunity to expand on that axiom. The Willis Towers Watson report mentioned above found that employees are in fact looking for a meaningful and personal connection with their employer. In the study, 56 percent of respondents report that “their employer should understand them as well as they are expected to understand their customers.” However, only 39 percent of respondents in the study felt their workplaces were fulfilling this expectation.

Without a personalized experience, it will be difficult for HR teams to fully transform their talent management practices to fit the expectations of today's and the future's workforces. Personalization is key to ensuring that each individual feels valued and understood at work, even as their needs shift on a micro and macro level, from hour to hour, day to day, week to week, etc. At one time, a person may begin disengaging from his job simply because he needs better access to critical feedback and career development, but later on, his priorities could shift, and he may require more life balance. Meanwhile, another person may begin looking for a new job because she feels a lack of team collaboration.

### EMPLOYEE-EMPLOYER ALIGNMENT MODEL



Research by Daniel Pink has shown that all people generally need a handful of things to feel aligned with their workplace.<sup>11</sup> These include baseline fair rewards (survival needs), positive atmosphere (relationship needs), freedom in choices (autonomy needs) and opportunities to excel and fulfill a higher purpose (self-esteem and internal needs). Still, how these needs are prioritized will vary between people and change with time. The level to which employers understand these needs for each person will enable the authentic, human experience for each individual. When HR leverages technology to gain a personalized level of insight about their workforce, they are empowered to meet needs through positive, customized action on the feedback they receive.



## **Future-Proofing for the Digital World**

Today, HR technology still is not widely providing consumer-grade user interfaces, which are expected in the workplace. As a result, programs that may hold promise aren't reaching their potential due to lack of adoption. A state-of-the-art learning and development program is useless, and will fail to make a difference, if end users aren't buying-in to the program.

Beyond the demand for consumer-like technology in our jobs, and the need to improve engagement, the digital workplace is another driver for personalization of employee experience. Society is just scratching the surface of how digital will change our work habits and communications, and in many ways, capabilities enabled by new technology are outpacing current expectations and habits. Employers need to understand that human value in the workplace is changing and the vastness of tools and data can quickly cause overload. To address this, organizations must implement strategies and tools today to future-proof their organizations and staff for the changes afoot.

A recent Deloitte report outlined some of the opportunities and challenges companies are facing in the new landscape.<sup>12</sup> While organizations are seeing increased productivity, global collaboration, cost savings and better adaptability from digitalization, "it has also changed the power balance in the employer-employee relationship, often more towards the employee." People today are empowered by technology in ways that keep them ahead of their employers in understanding digital trends, and can also leverage sites like Glassdoor and LinkedIn to force transparency and keep organizations accountable for the type of cultures they nurture.

Addressing personalization and human connection at work is a natural and effective way to ensure that employees have a positive experience amidst digital change, which is key to improving productivity and retention. Personalization efforts will also support change management needs and on-boarding when new technologies and processes are introduced across the organization.

## Is AI the Answer?

Analysts agree that HR professionals are increasingly open to adopting new technology, which is evident in the digitalization of recruitment, use of people analytics and application of technology to many other HR functions. But moving learnings from pulse surveys and feedback tools into real, personalized action is lacking. As HR is increasingly digitalized, professionals should begin looking at AI as a viable tool to personalize the way this information is acted upon and how people are engaged, recognized and managed.

People analytics are a prime example. Today, teams are being built to analyze workforce data. Not only is this resource-intensive, but manual analysis takes time, which creates a lag between knowledge and insight, putting follow-up action at high risk of irrelevance. Extending this model to personalization makes clear its limitations. Even for mid-size organizations, let alone large, multi-national enterprises, the scale of data and insight required to personalize each employee's experience is impossible to achieve without automation, and further, AI.

Looking at learning as another case in point, Bersin notes that AI tools will soon be used to automatically tag, organize and recommend content.<sup>13</sup> This will address the challenge of understanding and catering to the various ways different people learn, and bring order to the current chaos of content libraries. Imagine the possibilities if AI were applied in this way to the broader engagement, recognition and feedback cycle.

## Conclusion

**In our personal lives as consumers, we view personalization of experience as a given, making it part of the table stakes a brand or service must offer to even gain our mindshare. The workplace is not an island; it's no surprise that HR solutions must be built on the same principles as consumer technology. But adopting technology isn't enough. Even providing ease of use isn't enough. The purpose of workplace technologies is to enable employees, and the expectation from employees is that this enablement is personalized.**

**Organizations that can deliver on this expectation for the employee experience will be poised to engage their workforce in a personal, meaningful and holistic way — and realize the return an engaged workforce delivers.**

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14 Achievers customer base retention for FY2017  
15 Average survey rating by Achievers customer program members, Oct 1, 2017-April 1, 2018  
16 Average employee activation rate across all Achievers customer programs, 2017

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**Client Retention**<sup>14</sup>



**Member Satisfaction**<sup>15</sup>



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