



ITA GROUP EBOOK

Improve Retention and Engagement by Enhancing the Employee Experience

Why You Need to Focus on Your Employees' Feelings About Their Workplace

 ita group®

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THE IMPACT OF EMPLOYEE EXPERIENCE



Positive Experiences Deliver Positive Outcomes

Applying Customer Experience Strategies on the Inside

What’s it like to work at your company?

Ask everyone in your organization that question and you’re likely to get nearly as many different answers as you have employees. Then ask yourself how you would like them to respond. Because the answer to that question will allow you to shape the kind of employee experience that leads everyone in the company—no matter their role or tenure—to feel engaged, connected and supported.

Having learned that optimizing customer experiences can generate loyalty and increase sales, many businesses have begun to recognize another important factor in the equation—the employee experience. There’s now evidence of a direct link between employee satisfaction and customer satisfaction, as well as between satisfaction and improved financial performance.¹ What’s more, those companies focusing on strengthening employee experience are seeing equally impressive results—in terms of retention, revenue and profitability.



Why Employee Experience Matters

Focusing on Each Critical Touchpoint Helps Build a Strong Bond

By providing employees with the opportunities, tools and programs to help them excel at and enjoy their working lives, employee experience initiatives can help organizations in a number of areas.



Attract talent



Embrace a strong company culture



Encourage engagement



Recognize achievement



Boost productivity



Fuel loyalty and retention

The Link Between Employee Experience and Results

Positive Employee Experiences Lead to Positive Customer Experiences—and a Positive Bottom Line

When compared with other companies, those organizations that invest most heavily in employee experience initiatives have appeared:

11.5x

more often in Glassdoor's
Best Places to Work

4.4x

more often in LinkedIn's list of
North America's Most In-Demand Employers

28x

more often among Fast Company's
Most Innovative Companies

2.1x

more often on the Forbes list of the
World's Most Innovative Companies

2x

more frequently in the American
Customer Satisfaction Index

And they've produced **more than 4x** the average profit
and more than 2x the average revenue.²

A Strategy Employing Multiple Tactics at Specific Times

Employee Experience Defined

What exactly do we mean when we talk about “employee experience”? The term “employee experience” is shorthand for the ways in which an organization supports and interacts with each of its employees—from the time they’re recruited until the day they leave the company. You may also hear it described as the “employee journey.”

Because it's an ongoing process, it can be helpful to think about employee experience in terms of the five stages of the employer/employee relationship:

- 1 Attraction** focuses on the process of building awareness of an organization and its brand image, whether or not a position is currently open.
- 2 Recruitment** encompasses the application and interview processes a candidate goes through when applying for an open position.
- 3 Onboarding** begins when an offer is accepted and can vary in duration from one organization to another, although new hires are particularly vulnerable during the first 90 days.
- 4 Enablement** includes the processes or tactics designed to engage, educate, and otherwise develop and nurture an employee once they're on the job. While it typically overlaps with onboarding, it should continue for as long as the employee works for the company.
- 5 Separation** refers to the time when an employee leaves the company—whether it's due to voluntary or involuntary circumstances.

A woman with glasses is smiling while working on a laptop in an office setting. The image is overlaid with a blue tint. The text 'THE CHANGING EXPECTATIONS OF TODAY'S WORKERS' is centered in white, bold, uppercase letters.

THE CHANGING EXPECTATIONS OF TODAY'S WORKERS

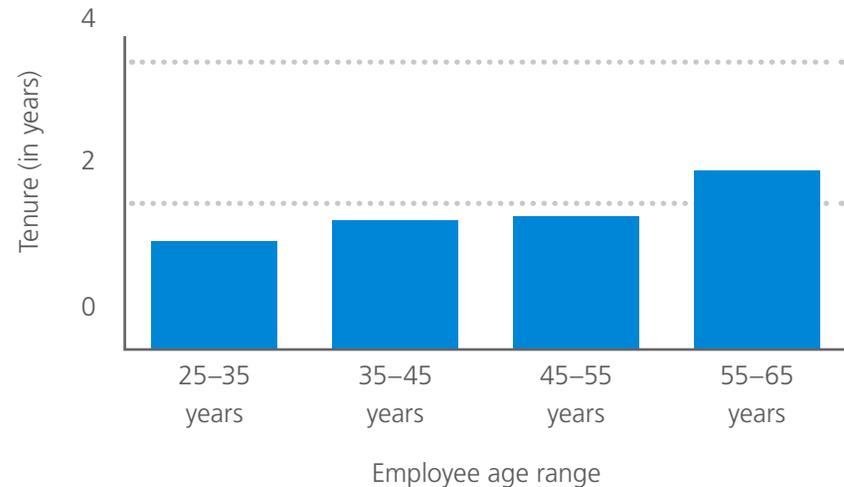
Why Are We Talking About This Now?

Thank the Growing War for Talent and a Fast-Shifting Employment Market

With unemployment remaining at unusually low levels and wages stagnating, many workers seem to be less hesitant than ever about changing jobs.

And it's happening across many industries—not just in tech-related fields, which have long been considered particularly prone to job-hopping. At the same time, employers are facing increased pressure to either change the way they treat employees or suffer the consequences of poor reviews on social media and beyond. Some have even been targeted by damaging revelations in the news.

Employee age and median job tenure



Looking at the average tenure of employees between the ages of 25 and 65, it may be surprising to see that the median tenure for 55-to-65-year-olds is just 2.53 years, which is only slightly longer than that of 25-to-35-year-old millennials, who are commonly thought to be “serial job-hoppers.”³

Today's Job Seekers Want More from Employers

Diverging Goals and Interests Reflect Changing Values

Society's ideas about job loyalty and personal accountability are changing.

As organizations increasingly shift their priorities when it comes to cutting costs, individuals are focusing more carefully on what it means to work for a given company—and how working there makes them feel. They're still thinking about advancement opportunities, but they're also concerned about elements like company culture, purpose and social responsibility. Add to that the rise of the gig economy and it's easy to see why more workers are turning to freelance and contract work as an alternative career path when they don't feel connected to an organization or job on an emotional level.

Just as successful customer experience initiatives focus on making people feel good about a brand and what it represents, a successful employee experience initiative should demonstrate and reinforce the things that make people feel good about working for their company.



When You Change Your Point of View

Seeing the World Through an Employee Lens

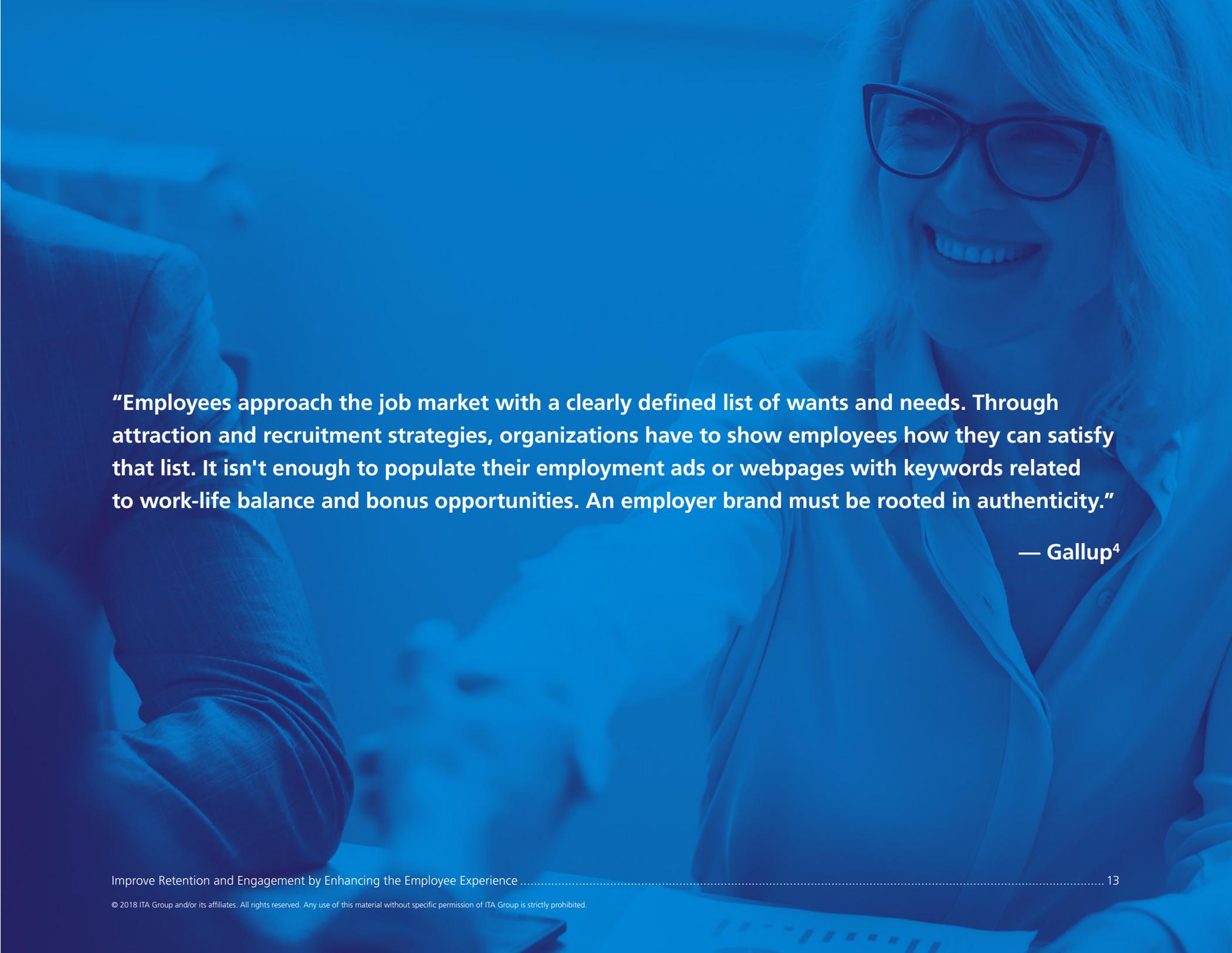
Do you remember what it was like when you started at your company? Chances are, everyone went out of his or her way to make sure you had a great first day on the job.

And that “honeymoon” period may have spilled over into your first month or two. Coworkers made it a point to stop by and say hello in the morning. There was a new lunch invitation almost every day. You got lots of positive feedback and compliments. What a great place to work!

It’s no wonder that new employees tend to love their new jobs. After all, they’ve typically had a great experience over those first few months. But after things settle down, it’s easy to see how the experience is likely to change.

Then what?



A woman with blonde hair and glasses is smiling and looking towards the left. She is wearing a light-colored blazer over a dark top. The background is blurred, suggesting an office or meeting environment. The entire image has a blue tint.

“Employees approach the job market with a clearly defined list of wants and needs. Through attraction and recruitment strategies, organizations have to show employees how they can satisfy that list. It isn't enough to populate their employment ads or webpages with keywords related to work-life balance and bonus opportunities. An employer brand must be rooted in authenticity.”

— Gallup⁴



HOW THE EMPLOYEE EXPERIENCE FILLS THE GAP

How Focusing on Employee Experience Can Make a Difference

A Holistic Approach Creates Consistency Across the Board

At its simplest, employee experience is all about how your employees interact with, feel about and respond to all the people, places and things in your organization. It goes beyond isolated programs with a narrow focus on things like service award recognition or physical fitness challenges. When fully realized, employee experience encompasses an integrated approach to building an engaged, enjoyable and productive workplace environment.

A positive employee experience will help enable your company to:



Recruit top talent—
especially in times of
low unemployment when
brand reputation matters most



Retain existing top talent—
because keeping them
engaged makes it less likely
they'll move on



**Improve customer
experiences**—since happier,
more engaged employees
provide better customer service



Better assist all employees—
by looking after the wellbeing
of your talent throughout
the employee lifecycle

Great Employee Experiences Can Generate Great Payoffs

Strong Results Tell the Story



Half of the business leaders responding to a recent survey said they're planning to create **significant employee experience programs—modeled on successful customer experiences—over the next two years.**⁵



Organizations offering a great employee experience **outperform the S&P 500 by 122%.**⁶



Companies with highly engaged workforces are **21% more profitable than those with poor engagement.**⁷



The employee experience is key to attracting, retaining and delighting your team members. It's the sum of everything an employee experiences throughout their connection to the organization—every employee interaction, from the first contact as a potential recruit to the last interaction after the end of employment.

A photograph of three people sitting around a table in a meeting. A woman on the left is smiling and gesturing with her hands. A man in the center is looking at a document. A man on the right is also looking at the document. The image has a blue overlay.

HOW TO RECREATE YOUR EMPLOYEE EXPERIENCE

Where to Start: Aim for Consistency, Understand Differences

Know What Your Audience Wants and Needs

We're now in the age of knowledge work—where no one wants to be viewed as just another part of the machinery.

What's more, we need to remember that when they leave their desks, our employees are also customers. And, for the most part, they're being treated quite well by companies that want to engage them in long-term relationships.

If they buy a new car, for example, they automatically become part of the manufacturer's (and dealer's) inner circle. They continue to get personalized email, phone calls and special offers—all in the hope of developing a relationship that will turn them into brand advocates and repeat customers. Employees are eager to feel this same sense of connection to their employers, as well.



BEST PRACTICES FOR MAKING A BIG DIFFERENCE

Creating and Sustaining an Engaging Employee Experience

Developing an employee experience initiative shouldn't be a stressful experience for you—or your organization. We've identified four specific components and supporting best practices for each that are key to a successful employee experience initiative.





EMPLOYER BRANDING

Organizations typically devote huge amounts of time and money to creating—and maintaining—a strong brand.

After all, strong brands tend to generate strong results. But what about your employer brand? That’s all about whether you have a reputation as a great place to work or an awful one.

A recent study found that 71% of employers say employer brand strength is important or very important when a candidate is evaluating a job offer.¹¹ And although 96% of companies believe employer brand and reputation can impact revenue, only 44% monitor that impact.¹²

That’s why it’s important to develop a communications strategy that reinforces the tone and image your organization wants to project—both internally and externally—and demonstrates consistency with your employee experience initiatives, making your company’s mission, values and personality clear.



**Employer Branding
Best Practice:**

**Tell a Consistent
Story**

- > **Identify your employer brand** by defining the tone and image your organization wants to project—while ensuring it’s authentic to your organization’s actual character.
- > **Develop a common theme** for your employer brand that can be woven throughout your employee experience initiatives.
- > **Evaluate** the ways in which the initiatives you’re considering mesh with the theme you want to project about your organization’s internal brand.
- > **Develop a communications strategy** that reinforces your employer brand both internally and externally. Use your theme whenever you’re speaking about an employee benefit or initiative to enhance recall and visibility for your employee experience-related programs.



2

RESEARCH AND ANALYTICS

BEST PRACTICES FOR MAKING A BIG DIFFERENCE

A popular business axiom reminds us that it’s impossible to get where you’re going if you don’t know where you’ve been.

That’s why market research and analytics are so important to a successful employee experience strategy. The data-driven information and insights you gain are key to understanding everything from employee sentiment and opinions to the measurable outcomes generated by your employee experience initiatives. So you get a clear picture of where you are, as well as what’s working and what’s not.

As management organization expert John Boudreau points out, “Just as virtually every website, application, and online product is constantly tweaked in response to data about user attention and actions, HR metrics and analytics should be improved by applying analytics tools to the user experience itself. Otherwise, all the HR data in the world won’t help you attract and retain the right talent to move your business forward.”¹³

Researchers focusing on identifying “personality archetypes” among customer-facing employees for a global quick-service restaurant chain took advantage of people analytics to improve overall business performance. After creating personalized strategies to engage each archetype, they saw dramatic improvements in customer satisfaction, service performance, and overall business results, including a 5% increase in group sales in the chain’s pilot market.¹⁴ Likewise, identifying employee personality archetypes—or personas—can help improve employee experiences by allowing organizations to recognize and respond to specific types of employee needs.



**Research and Analytics
Best Practice:**

**Do Your Homework—
and Focus Your Plans
for the Future**

- > **Get executive buy-in and support** for your plans. That support is critical to future success.
- > **Identify your current levels of engagement** by asking employees. Consider asking employees how they personally, socially and culturally identify with your company to better understand underlying emotions that exist.
- > **Gather qualitative feedback** from employees through interviews or focus groups to gain deeper insight in to your quantitative findings about where you're already succeeding and where there's room for improvement. Use this feedback to further develop your own employee personas, so you can evaluate your initiatives through the perspective of each of those typical employee types.
- > **Map out your organization's employee experience** by imagining yourself in your employees' shoes, through the lens of each persona. Identify the impactful high points as well as the low points that exist.
- > **Create your future plan** by collaborating with organizational leaders to redefine the employee experience you want and developing a roadmap to get there. It's ok if you can't do it all at once—it should be an iterative process.



3

EMPLOYEE ENGAGEMENT AND RECOGNITION

BEST PRACTICES FOR MAKING A BIG DIFFERENCE

It’s been demonstrated many times over—by organizations around the world—that regular recognition is a powerful employee engagement tool, whether or not there’s money involved.

In fact, *The Harvard Business Review* has cited “recognition given for high performance” as the most impactful driver of employee engagement. And The Aberdeen Group has found the number-one way leading organizations improve employee engagement is through employee-recognition programs.¹⁵

The impact of recognition may go beyond engagement, though. According to [Glenn R. Fox](#), PhD, of the University of Southern California’s Brain and Creativity Institute, “When the brain feels gratitude, it activates areas responsible for feelings of reward, moral cognition, subjective value judgments, fairness, economic decision-making, and self-reference.”

Research has also shown that “high-recognition companies” have 31% lower voluntary turnover than companies with poor recognition cultures. They typically build a culture of recognition through social reward systems (tools that give people points or other ways to reward others), weekly or monthly appreciation activities and a general culture of gratitude from top to bottom.¹⁶

Of course there are lots of ways to celebrate and reward achievement beyond these traditional ideas. Consider allowing employees nominate one another for special recognition. Or create a unique “trophy”—maybe a special hat or office poster, for example—that can be passed from one employee to another to mark a milestone or reward someone who’s gone “above and beyond” for a client or a team member. The possibilities are endless, but the need to do *something* is what’s important.



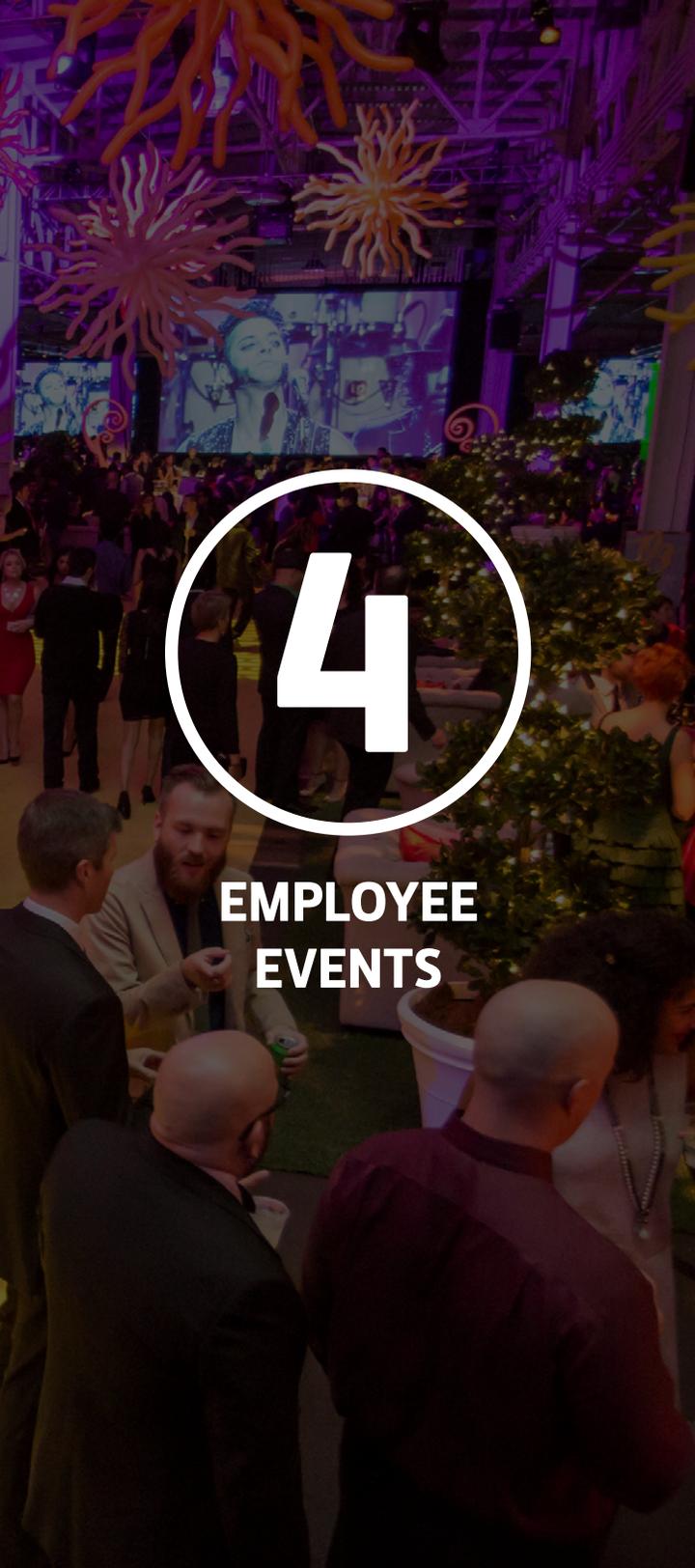
Employee Engagement and Recognition

Best Practice:

Make Your Offerings Inclusive

BEST PRACTICES FOR MAKING A BIG DIFFERENCE

- > **Consider the relevance of your proposed initiatives** for each of the different types of workers you employ—including full time, part time, contingent and contract workers, for example—and their diverse interests. Top initiatives to consider include:
 - **Spot recognition** for both managers and peers
 - **Nomination-based recognition** for above-and-beyond efforts
 - **Incentives** to create alignment and behavioral change
 - **Milestone awards** to recognize significant points in the employee experience, like service anniversaries, professional achievements or retirement recognition
- > **Don't expect employees to have awareness** of everything you offer; seek out ways to break away from email communications to help make a more memorable statement.
 - **Onboarding communications for new hires** will maintain consistency with your employer brand and draw important connections to other engagement efforts available
 - **Supporting communications and technology** will create alignment for all employees
- > **Offer a variety of reward options** to ensure maximum motivational appeal among all employees, including social recognition, monetary recognition and unique experiences.
- > **Use analytics to monitor the popularity** of each initiative among your employees and be ready to consider alternate options if something doesn't seem to catch on.



BEST PRACTICES FOR MAKING A BIG DIFFERENCE

The first rule of successful employee events: Know your company culture to ensure your event complements—not conflicts—with it.

The second rule: Understand what makes your company unique and appealing to support your event strategy. And the third rule comes from Damon Guidry, Global Event Strategist at Adobe. He says, “Events actually are just a part of a larger strategy to help engage employees more in the workplace and make their jobs and the places where they work a more interesting place to be.” It doesn’t have to be more complicated than that.

Edward Perotti, Senior Director, Global Meetings, Events and Travel at VMWare stresses the impact of this continuity with culture, and organizational personality. When you create continuity and unity between all internal events and communication tactics, you break down barriers and tie “a red thread of the soul of the company through everything [you] do ... that helps employees experience the company, not just one business unit or department.”

And at the end of the day, your employees should leave an event energized, tired—and looking forward to the next one.



**Employee Events
Best Practice:**

Say It with Feeling

- > **Find opportunities to bring people together**—in both small and large settings—to help increase feelings of connectedness, inclusivity and shared identity.
- > **Create unique programs** with specific purpose to increase relevancy, including:
 - **Kick-off events** for select teams or the entire company to create excitement and build awareness around significant news and updates
 - **Conferences** to create alignment among employees or between employees, partners and customers
 - **Incentive travel** to recognize particularly significant employee accomplishments
 - **Recurring events** to celebrate day-to-day wins and ongoing team member recognition



SUCCESS STORIES

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Fresenius Medical Care Works to Build a Strong Employee Experience



Fresenius Medical Care is the world’s leading provider of products and services for people with chronic kidney failure.

The organization wanted to build a culture of appreciation and recognition, while aligning employees with core values. They also wanted to enhance loyalty among top talent, developing a focus on being a best-in-class employer. Among their specific challenges: to engage a diverse employee base with limited access to communications.

Using a comprehensive strategy including communications, recognition and team events, Fresenius improved its employee experience.

Employees’ belief that they’re being be appropriately recognized and appreciated **increased by 63.2%**.

Employees’ sense of acknowledgment for their contributions to the organization’s success **increased by 19.4%**.

Employees’ motivation to do their best work **increased by 11.4%**.

There was a positive correlation between **increased employee recognition and motivation**.

How We Improved Our Own Employee Experience

Infusing emotional connection in a workplace takes more than motivational posters and emails from executives. Take it from us.

Here at ITA Group, we set out to enhance our own employee experience among our 500+ employees. Our goals going in were to improve employee retention and talent recruitment, create excitement and a sense of shared purpose, and increase client satisfaction.

Focus groups and surveys uncovered important areas of opportunity important to our team members, including an increased focus on team member benefits, such as:

- > A relaxed dress code
- > Greater work-life balance, including summer flex hours and remote work options
- > More regular connection with each other through employee events
- > Modernized anniversary recognition options, including a sabbatical option, travel and experiential opportunities

We also enhanced our focus on both internal and client relationships through a “Be the Reason” employer brand rollout and ongoing thought leadership. Our creative launch built excitement around each new change in a meaningful, memorable way and we carried that message consistently through all ongoing communications. And a consolidated platform streamlined communication by placing all initiative information in one spot.



The Results



A **19% INCREASE** in company earnings



A **4% INCREASE** in team member retention



A **41% INCREASE** hired employee referrals



Our client retention rate rose to **97%**

Nearly **80%** of team members believe this initiative will **POSITIVELY IMPACT THEIR DECISION TO STAY**

It All Starts with Your Employees

Creating an Employee Experience That Lets Everyone Win

As author and motivational speaker Simon Sinek famously tweeted in 2014: “Customers will never love a company until the employees love it first.”¹⁷

That’s because top-performing organizations have proven—and are increasingly vocal about reminding everyone—that employees are the most important part of their businesses. And when their employees are happy, satisfied customers follow. Creating an employee experience that allows team members to thrive—both personally and professionally—will always result in a positive impact on your customers’ experiences.

Achieving this exceptional employee experience takes focus and follow-through that caters to people’s motivations and passions. And it’s not a one-time exercise or a one-size-fits-all approach. You should continue to collect feedback and evaluate effectiveness, changing things up whenever it seems appropriate.

At ITA Group we’re experts in motivation. We’ll show you how to start—and maintain—a movement throughout your organization. One that creates an environment where employees love to work. And in turn, a brand customers love to choose.

Endnotes

- ¹ [Aligning The Employee Experience To The Customer Experience Standard](#), gethppy.com.
- ² [Why the Millions We Spend on Employee Engagement Buy Us So Little](#), Jacob Morgan, Harvard Business Review, March 2017
- ³ [HR Mythbusters: The Reality of Work at Mid-Market Companies Nationwide](#). Namely HR for Humans, Namely Inc. 2017.
- ⁴ [Gallup Q12 Meta-Analysis Report](#), 2016.
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- ¹⁰ [Employee Job Satisfaction and Engagement: The Doors of Opportunity Are Open](#), Society for Human Resource Management, 2017.
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- ¹² [29 Surprising Stats on Employer Branding](#), CareerArc, November 2017.
- ¹³ [HR Must Make People Analytics More User-Friendly](#), Harvard Business Review, June 2017.
- ¹⁴ [Using people analytics to drive business performance: A case study](#), McKinsey & Company, Carla Arellano, Alexander DiLeonardo and Ignacio Felix, July 2017.
- ¹⁵ [How Recognition Drives Employee Engagement](#), Harvard Business Review, March 2018.
- ¹⁶ [Becoming Irresistible Part 3: A Positive Work Environment](#), Josh Bersin, March 2018.
- ¹⁷ <https://twitter.com/simonsinek/status/456545886143643649?lang=en>

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