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State of Employee Experience 2022

SIMPPLR RESEARCH

State of Employee Experience 2022

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INTRODUCTION

There's never been a more dynamic time to study the employee experience. Sure, we could go back to the advent of the power loom, or the invention of the steam engine, or the dawn of agriculture. But in the living memory of anyone reading this report in 2022, so much about the world we live in is unprecedented.

We are living through an age of profound and swift change, affecting everything from where we work, to how we work, to, in the case of many who join the "Great Resignation," for whom we work. A global pandemic and an emerging new employer-employee social contract have left professionals in internal communications, human resources, information technology, and employee experience with their heads spinning.

The stakes are high. It's no longer enough to have a strategy and execute on it. Sudden shifts in how we work are compounding the difficulty of engaging employees and responding to a new strategic reality. Organizations are simultaneously adapting to the new dynamic, and adapting to new forces in their industries, and adapting to accelerated digital transformation. Three inextricably related imperatives, each weighing on the others to raise the stakes.

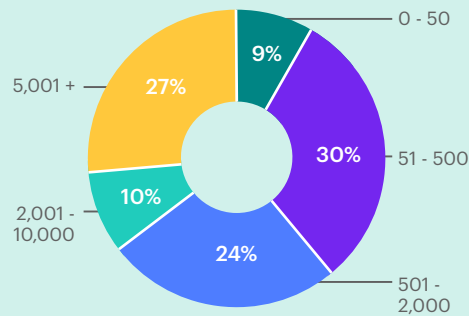
Laggard organizations, who are entering this new age stubbornly adhering to old thinking, will fail in the long run. Regardless of whether you are still fully remote, or hybrid, or fully back in the office, if you are operating like it's 2019, you are risking everything. Star employees walking out the door for greener pastures, for a better work-life balance, better comp, more flexibility. Your talent pipeline drying up. Your existing employees who don't leave disengaging for reasons you are failing to understand, and as such can't do anything about.

For this report, we asked professionals in HR, IT, comms and EX to help give us a snapshot of where the employee experience stands. How are organizations adapting? What's working? What's failing? Which tools are making the transition easier? The State of Employee Experience seeks to answer all of these questions, and surface some insights that might help experience leaders adopt new practices and tools, and get their leadership on board with the new reality.

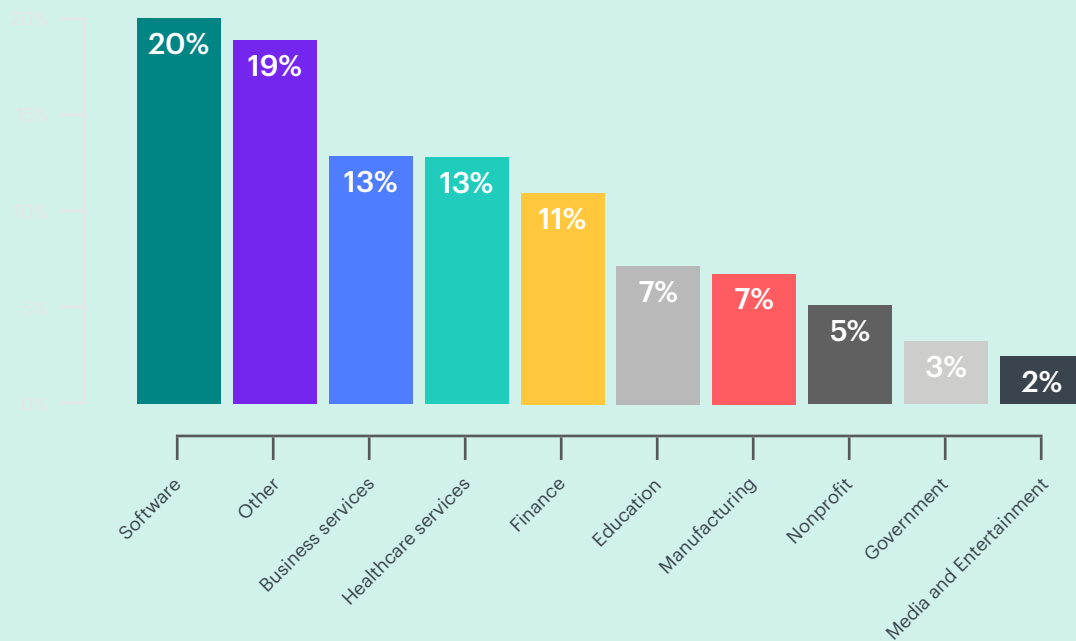
About our Sample

This study includes responses from 410 individuals whose job functions are internal communications, human resources, IT, employee experience, or closely related. Respondents took our survey in Q4 of 2021, and they were solicited through Simpplr’s email subscriber database as well as that of a partner with whom we collaborated to promote it. Respondents were offered the chance to win a pair of Apple AirPods Pro earbud headphones as an incentive to participate.

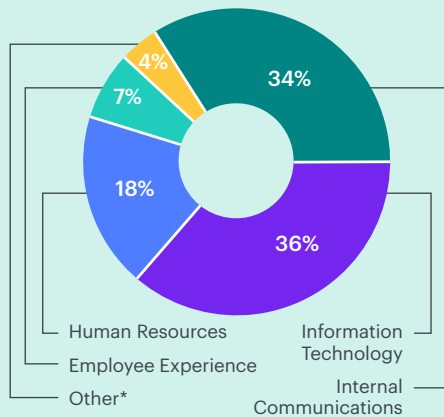
What is the size of your organization?



Which best describes your industry?



What best describes your job function?



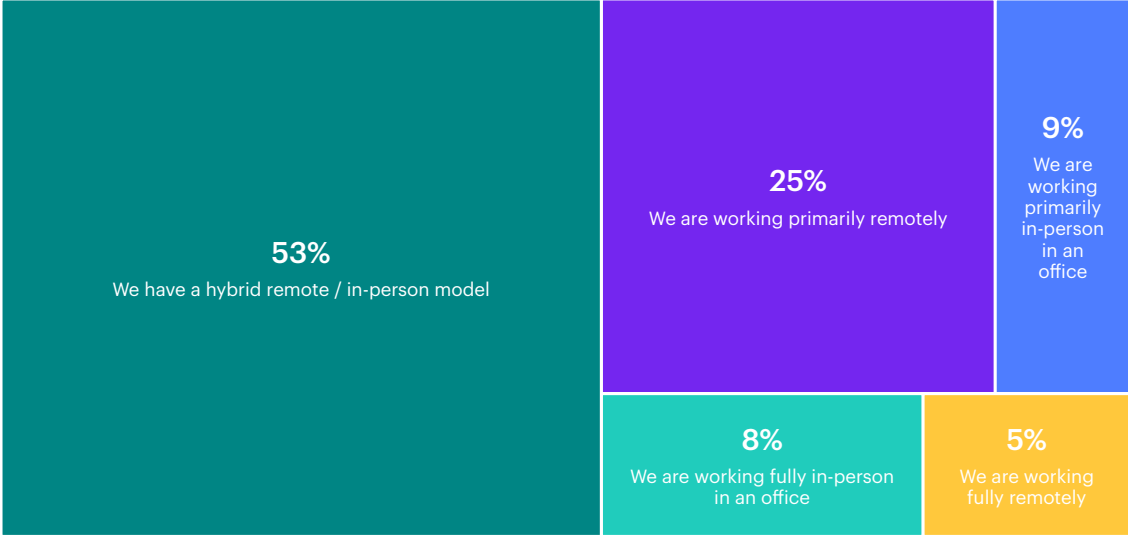
* Examples of "other" responses included executive leadership, marketers with some responsibility for internal communications, and knowledge management workers. Some respondents responded "other" but gave HR, IT or Comms titles in the open field; They were re-sorted into those respective functions.

THE “WHERE” OF WORK

The Covid-19 pandemic progressed from an event to a period to, perhaps, a new way of life. While vaccines are protecting billions from the most severe disease and the newest variants appear to be less deadly, no one would argue that our way of life has snapped back to 2019.

Many assumed that knowledge workers working from home would be temporary. Some organizations have, and others will, bring everyone back to in-person environments. But for many, it’s not so simple. The crisis showed many organizations that, thanks to videoconferencing, collaboration software, and other tools, knowledge workers can be plenty productive from home. More important, it showed many employees a new kind of day-to-day life. And amid a tight labor market, employees, collectively, have sent a clear message: They expect more flexibility in where they work. Even if that doesn’t mean 100% working-from-home.

Which best describes your organization currently?



Responses suggest that a mixed model prevails, with more than half saying they have a “hybrid” policy, and only eight percent and five percent, respectively, saying they are fully in-person or fully WFH. A quarter told Simpplr they are working primarily, but not fully, remotely.

A DEDICATED FUNCTION

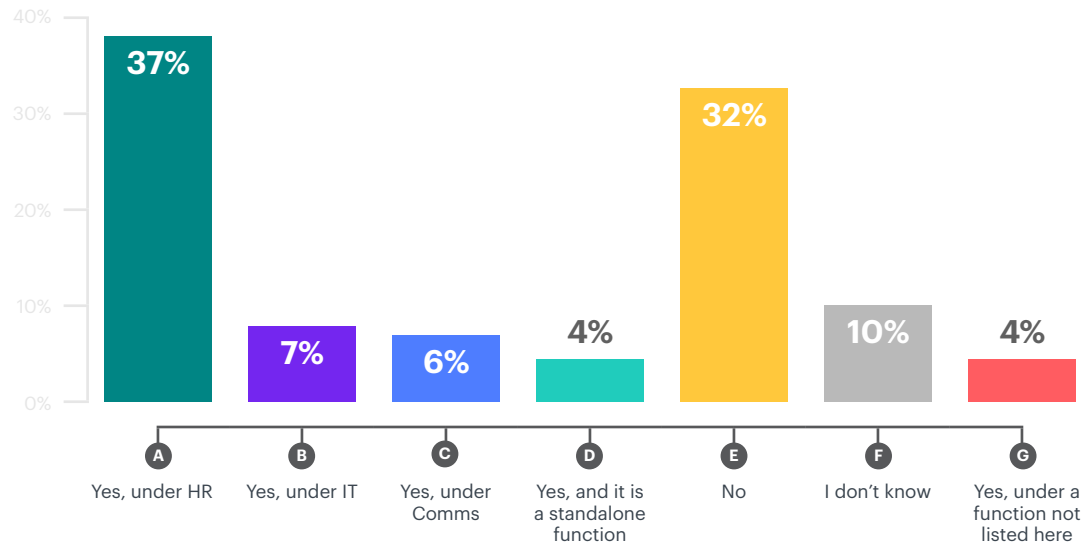
Over the past decade or so, it became commonplace for enterprise and mid-market scale organizations to give employee experience more emphasis by making it real in the org chart. Today, searching “employee experience” on job sites yields a seemingly endless scroll of openings. Without a doubt, the sudden jolt of the pandemic and its effect on organizations’ culture have made the EX function more essential and more in-demand than ever.

We asked respondents whether their organizations had an employee experience function, named as such. Fifty-eight percent of survey-takers said the function existed in some form, with most of those pointing to human resources as the team EX people worked under. Only four percent said it was a standalone function where they worked.

Smallest companies are most likely to lack EX

The fact that the likelihood of having EX increases with company size is not surprising: Larger organizations have more specialized workforces. More notably, the company size seems to have little bearing on whether EX is a standalone function or organized under HR, IT, or Comms. Standalone EX comes in under 6% for each cohort.

Does your organization have a dedicated Employee Experience function?

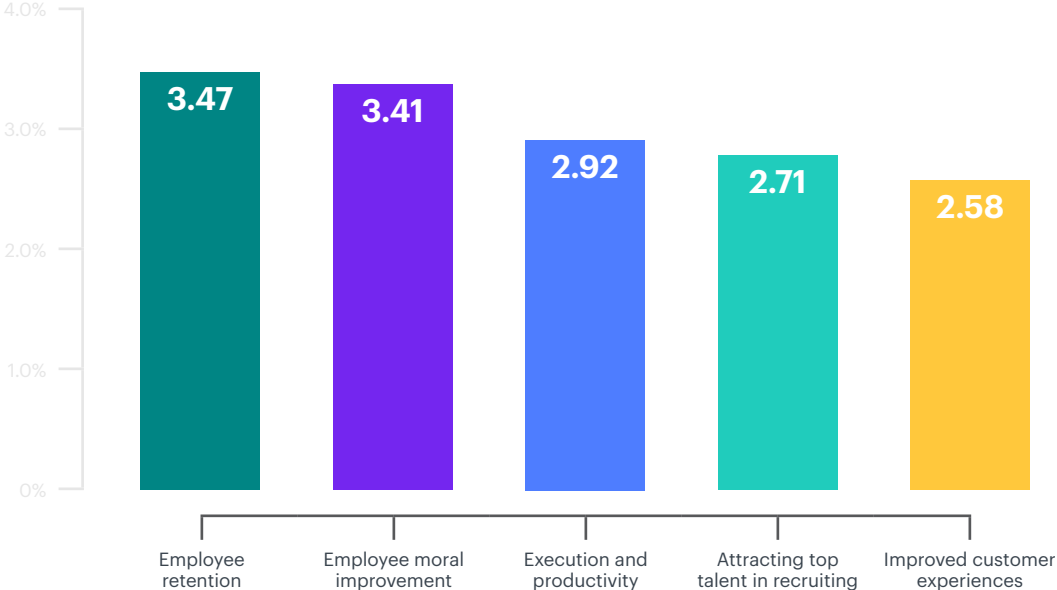


EMPLOYEE TURNOVER IS CREATING URGENCY

Asked to rank the types of outcomes that make investments in employee experience worthwhile from most to least important, employee retention and morale improvement came through the most. The “Great Resignation” has seen new records for voluntary quits with each successive month (4.5% of U.S. employees quit their jobs in November 2021, according to the Bureau of Labor Statistics). Employers are feeling the pain, and that comes through in these responses.

Of course, all of these reasons are closely interrelated. Employee morale improvement leads to better retention and a stronger talent brand, all of which boost execution and productivity... which in turn can improve customer experience. Still, it is informative to ask the question directly, as it sheds some light on the rationales being used to justify improvements in EX.

What do you view as the most important benefits of investing in employee experience?
Please rank from most to least important.



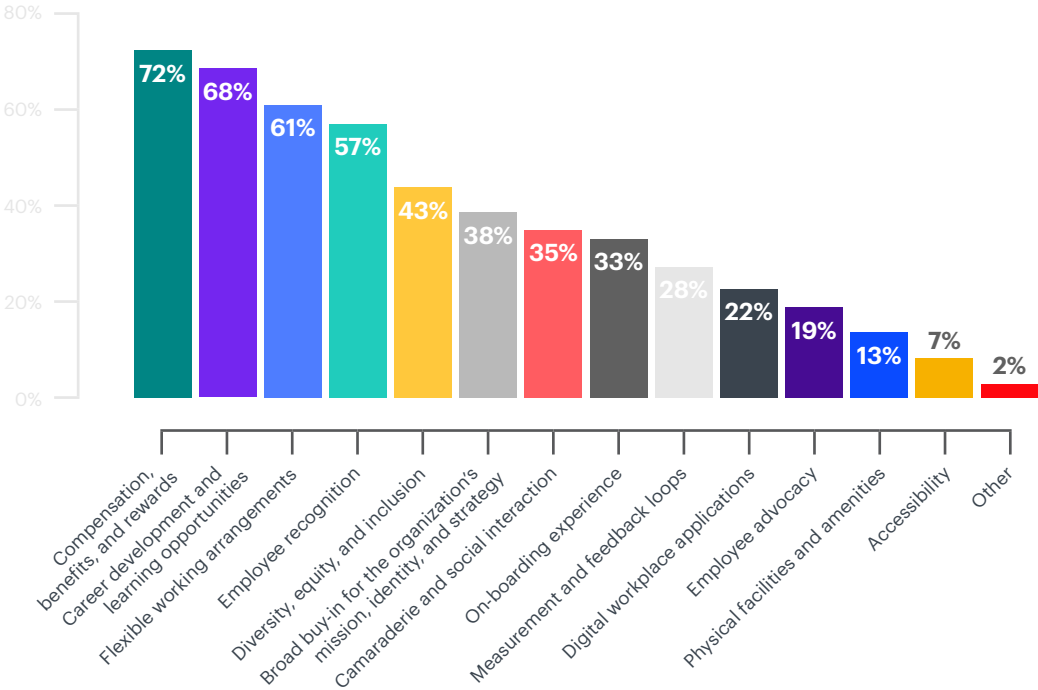
This chart presents each option scored using a weighted average, where a No. 1 ranking is given a 5, a No. 5 ranking given a 1, and so forth.

COMPENSATION IS KING, BUT IT'S NOT EVERYTHING

Asked which aspects of employee experience were most important, **compensation, benefits, and rewards** came in first overall. But to leave it there would miss an important point: despite coming up the most often, 28 percent of respondents did not include compensation in their top five factors. More to the overall point: the fact that, given five choices, there was no category that was selected by more than seven in 10 of respondents, and only four categories were selected by more than half of respondents, suggests that those tasked with driving EX are far away from a consensus about what matters most.

Also notable: Flexible working arrangements scores as the third-most important factor, which could be a reflection of the explosion in remote and hybrid work during the pandemic.

Among the following facets, which are the most important toward driving overall employee experience? Please select up to five.



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Variation across functions

Here’s a look at the breakdown of top responses across the four functions we surveyed. Note that while comms and IT both put comp and benefits first, employee experience professionals did not rate it among their top three.

<i>Selection prevalence</i>	Internal Communications	IT	Human Resources	Employee Experience
1	Compensation, benefits, and rewards	Compensation, benefits, and rewards	Career development and learning opportunities	Employee recognition
2	Career development and learning opportunities	Flexible working arrangements	Compensation, benefits, and rewards	Tie: Career development and learning opportunities / On-boarding experience
3	Flexible working arrangements	Employee recognition	Employee recognition	

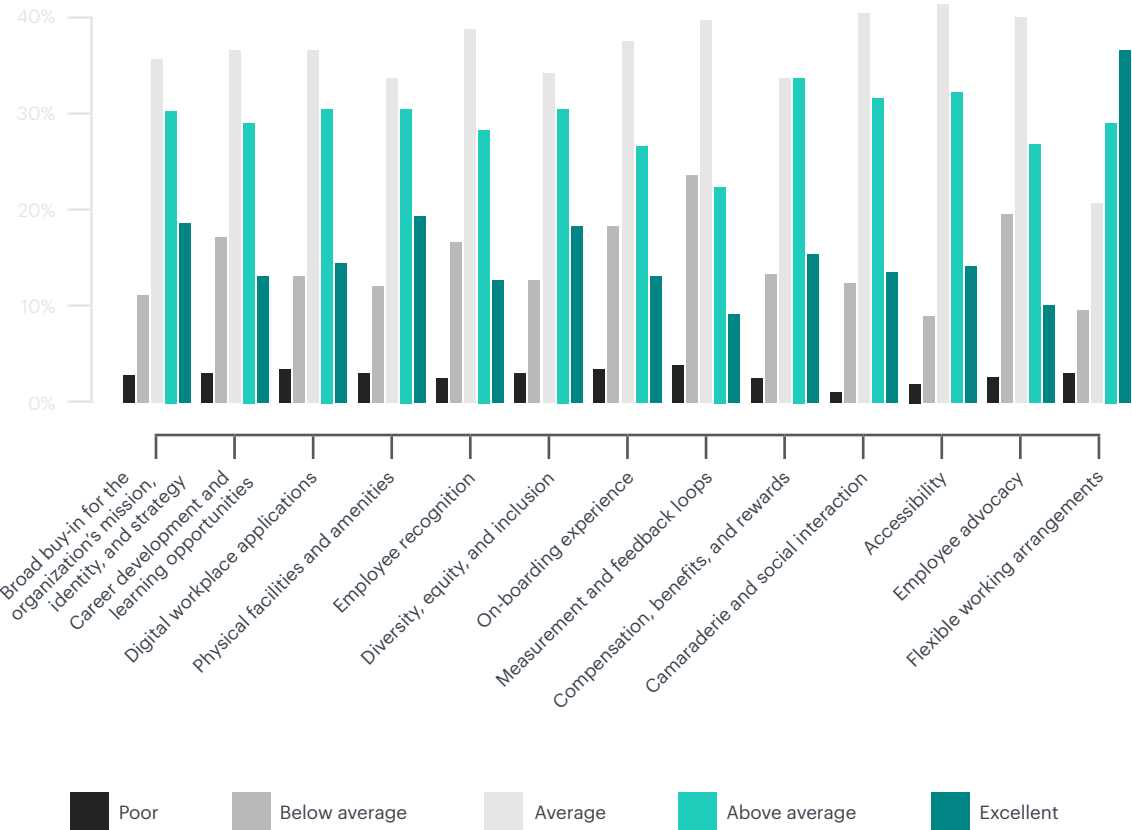
HIGH MARKS FOR FLEXIBILITY

We asked respondents to rate their organizations' performance on all of the factors from the previous question, from "poor" to "excellent." These are self assessments, and as such should be understood as inside-looking-out perceptions as opposed to measured outcomes.

Among the takeaways from this question:

- Overwhelmingly, respondents were most likely to rate "flexible working arrangements" as "excellent." This category also had among the fewest ratings of "poor" and "below average" taken together, second only to "accessibility."
- The highest number of "poor" and "below average" ratings went to "measurement and feedback loops."

For each of the following, please give your assessment of your organization's performance in satisfying employees on a scale of 1 to 5, where 1 is "very poor" and 5 is "excellent."



PRIORITIES AND PLATITUDES

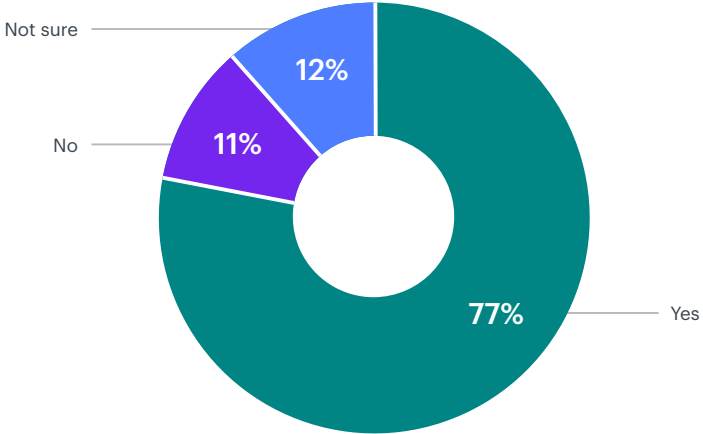
Everyone shares responsibility for the employee experience to some extent, with HR, comms, IT, EX and other functions driving specific aspects of it. And it's true that workplace culture emanates from the bottom upward, from the middle outward, and from the top downward. But it's also true that executive sponsorship for EX initiatives, and a genuine commitment to EX as both a driver of execution and an end in itself, are paramount.

Most respondents said they felt employee experience was a priority for executive leadership. Only one in ten said it was not.

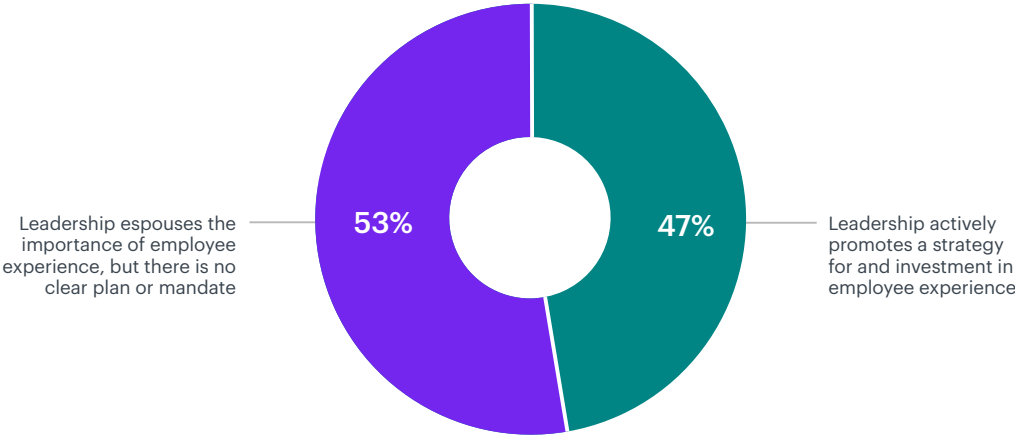
Lip service

Dig a little deeper, and a picture emerges that is not quite as rosy. Espousing the importance of employee experience is not enough, as employee engagement can't just be spoken into existence. Among the "yes" responses, more than half said their leaders talked about employee experience but offered no clear plan of action.

Is the employee experience a priority for executive leadership in your organization?



If you answered "yes" to the previous question, which of the following statements describes your organization?



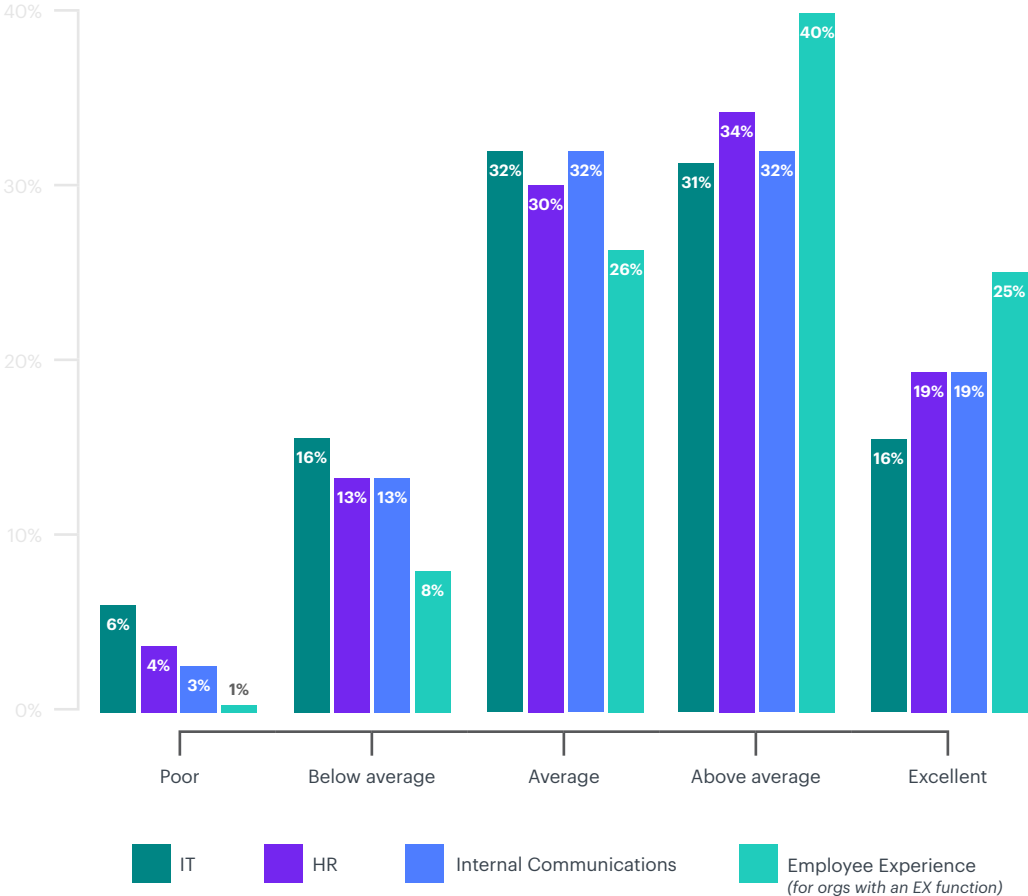
IT LAGS IN PEERS' PERCEPTIONS

For this question, we asked respondents from the four functions (IT, human resources, internal communications, employee experience) to rate each other on their effectiveness driving the employee experience within their organizations. Ratings of respondents' own functions are not included here.

The dedicated employee experience function, among respondents whose employers had one, scored highest overall. These are the folks who are proactively, and visibly, taking on projects aimed directly at EX, often working cross-functionally to make things happen.

IT saw the most "poor" and "very poor" ratings," as well as the fewest "very good" and "good" ratings. We should emphasize that most respondents (78.28%) still considered their IT teams' contributions to EX to be "very good," "good," or "adequate." It's possible that IT's relatively low ratings reflect the fact that the function is responsible for aspects of the employee experience with which employees come into contact most regularly – their digital workplace applications.

How would you rate each team's performance in prioritizing and executing on projects that improve employee experience?

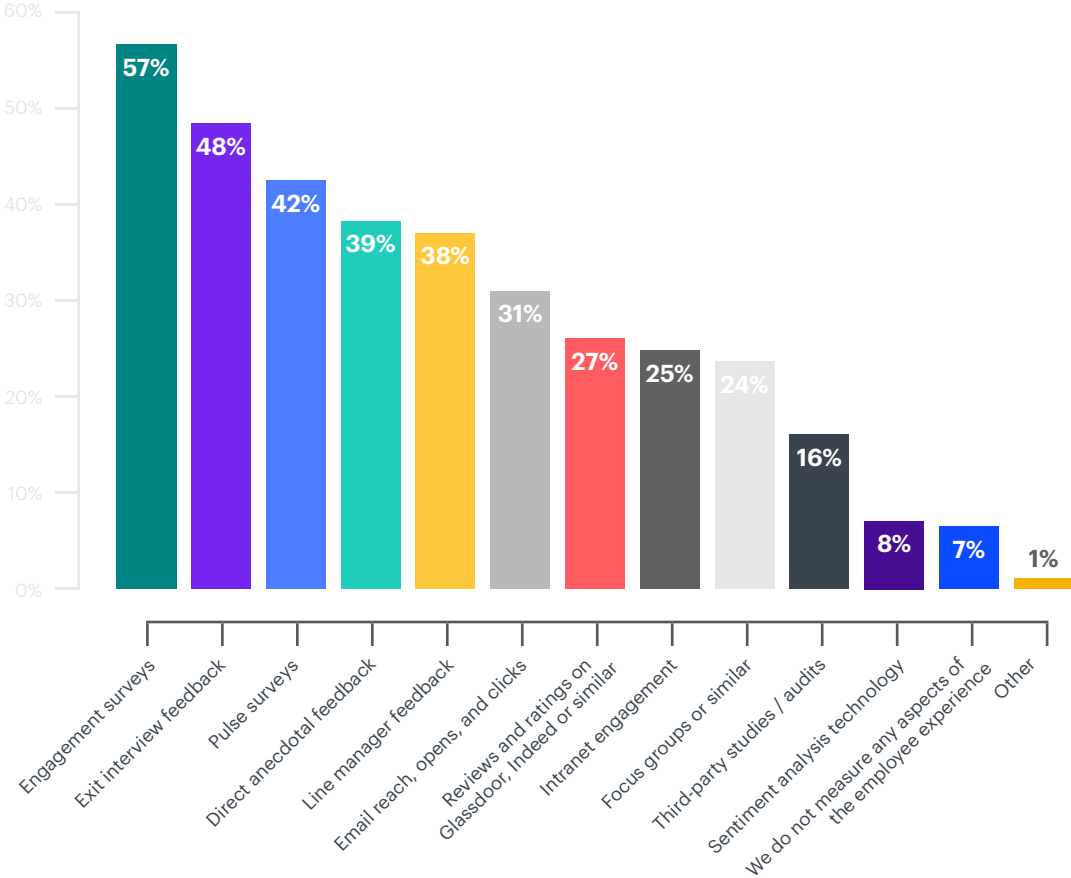


MEASUREMENT: ENGAGEMENT SURVEYS MOST COMMON

Respondents were presented with a dozen methods of measurement for the employee experience and asked to check all that apply. Nearly three in five said their organizations used engagement surveys.

No other measurement tool was selected by more than half of respondents. That said, only seven percent said they did not measure anything, and all of the remaining survey-takers selected at least one option. Such diversity of choices suggests that EX professionals have not quite coalesced around a set of core tools. As EX ascends as a formal discipline, expect to see more consolidation in charts like these.

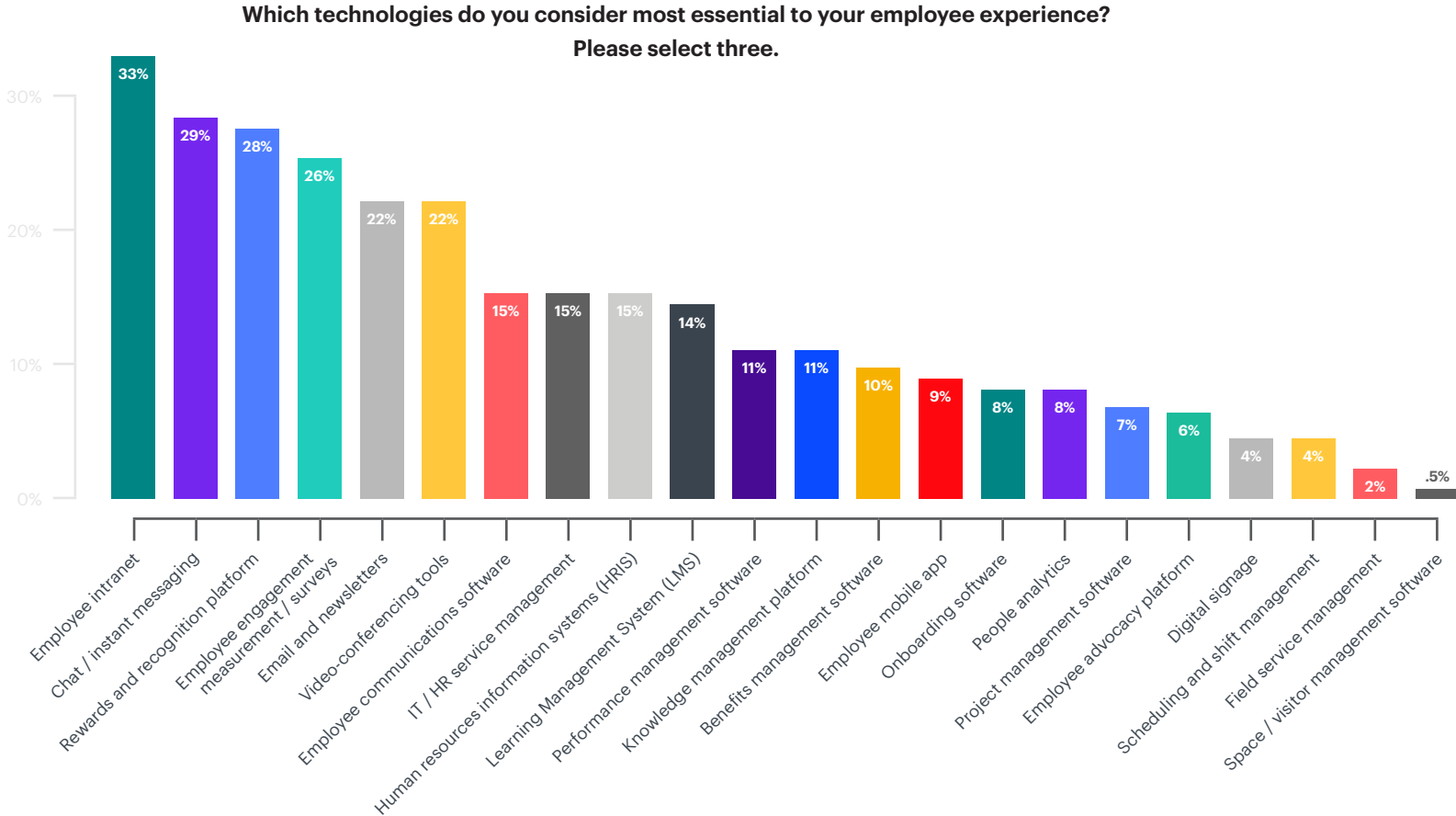
Which of the following do you use to measure employee experience?
Check all that apply.



TECHNOLOGY ADOPTION

Intranets deemed most essential

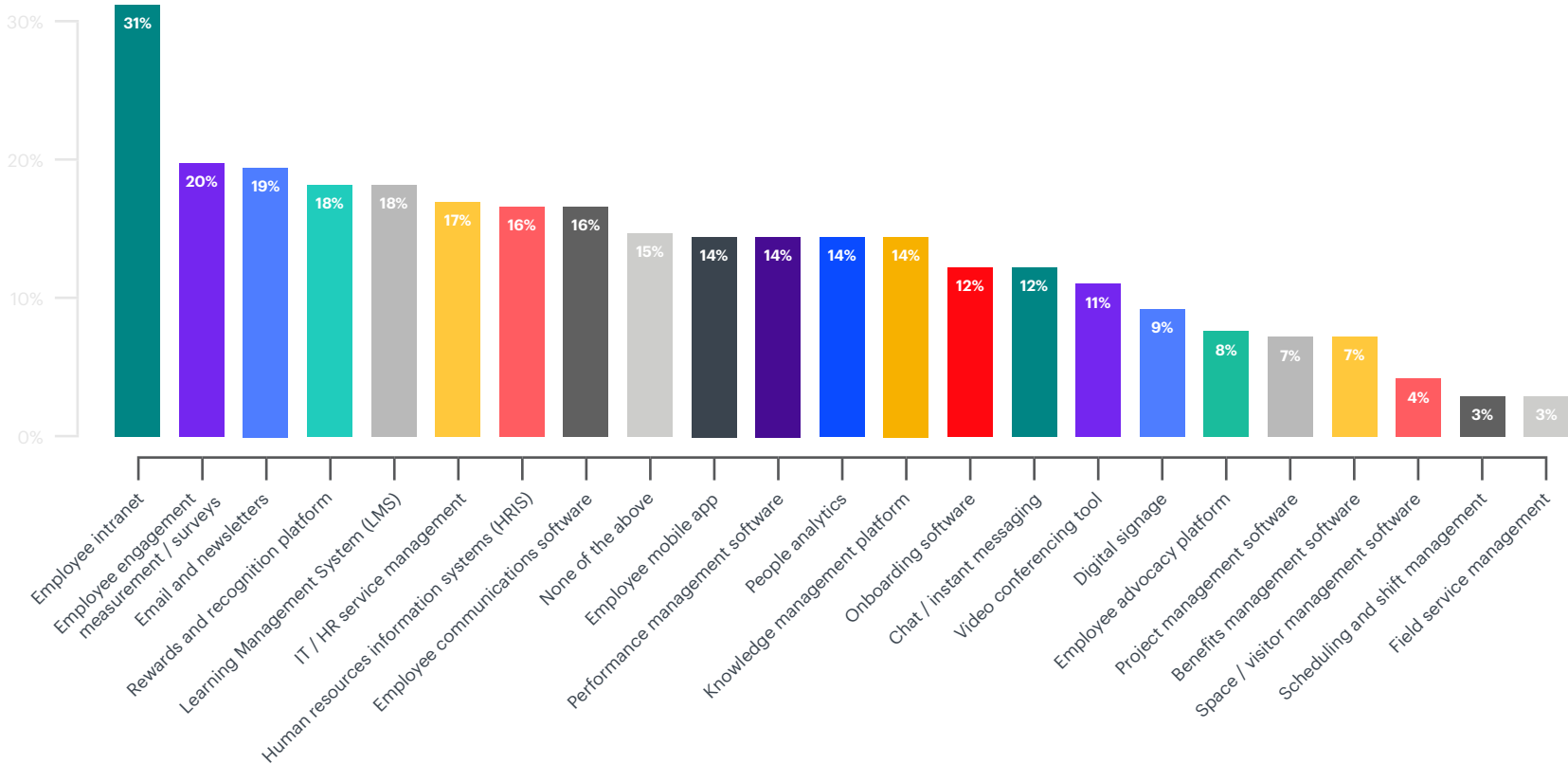
As with measurement tools, respondents gave a broad distribution of answers when prompted to choose their three most essential technologies for employee experience. The employee intranet was the most popular choice, and the second-tier cohort of tools included chat, rewards and recognition, employee engagement surveys, email and newsletters, and video-conferencing software.



Intranet projects on the horizon

The intranet’s prominence was even more pronounced when we asked respondents which technologies they plan on adopting or improving in the coming year. In 2022, as many organizations enter their third year of new working models, this could reflect a growing sense that distributed teams need a virtual environment for engagement, communication, and community.

**Which of the following technologies do you plan on adopting or improving upon in the next year?
Select all that apply.**

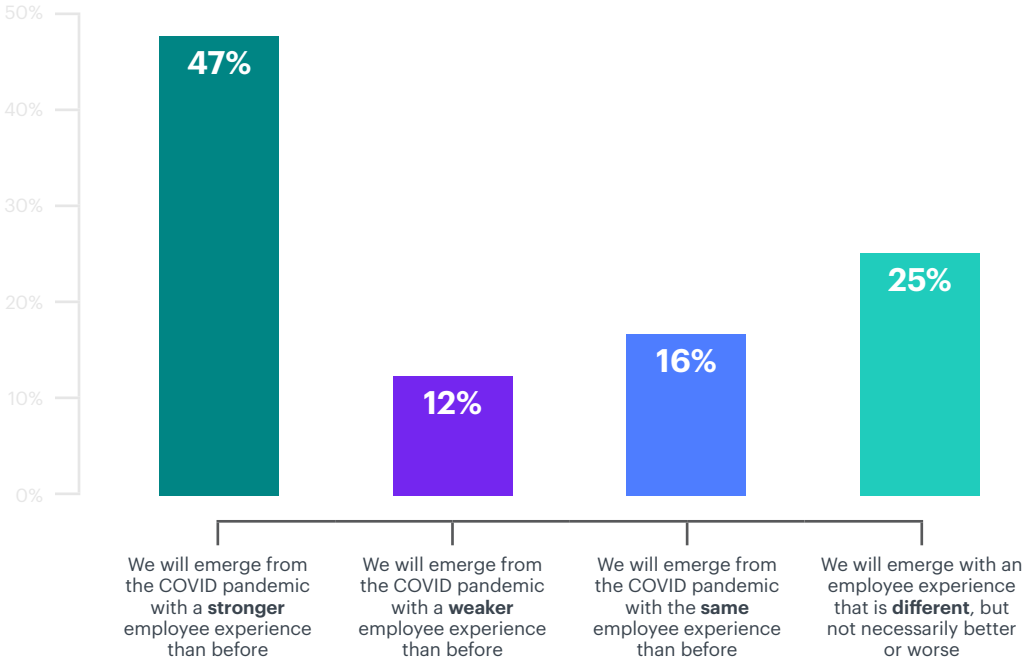


MIXED OPTIMISM FOR A BETTER FUTURE

There has not been, nor will there be, a clear-cut “end” to the COVID-19 pandemic and its impact on our day-to-day lives. This time has brought upheaval, tragedy, and challenges. It has forced people in all walks of life to reconsider how they do things. The pandemic has probably forever altered how organizations function, and how workers contribute and collaborate.

A plurality of respondents said they believed their organizations would “emerge from the COVID pandemic with a stronger employee experience than before.” Some others were more cautious: A quarter said the employee experience would be different, but not necessarily better or worse.

Which of these statements do you agree with most?



IN CLOSING

This research is intended to help experience leaders get a broad view of the trends and challenges in employee experience, assess their progress relative to their peers, and discover opportunities on our ongoing journey toward a new, better way of working. We'll close with three main takeaways from the data.

A gap to close for IT

Information technology departments scored lowest on employee experience relative to HR, Comms, and EX. That might not be “fair” to IT teams’ efforts, but perception is reality. If such a gap exists in your organization, IT leaders have an opportunity to improve their stature, get more resources, and meaningfully move things forward. Ask your people: Do your digital workplace applications that were adopted pre-pandemic live up to the demands of the distributed workplace? Does information, communication, and community flow among employees as well in the virtual environment as it did in your physical headquarters?

Measurement matters

Most respondents recognized the value of feedback loops. But too many organizations are leaving low-hanging fruit on the tree. Even as the second-most selected option, fewer than half of respondents said they used exit interview feedback to inform future decision making. And only a quarter said they’ve done employee focus groups. These are effective – and free – sources of input, and they can elicit more nuanced observations than surveys and other engagement data. EX leaders should also explore ways to bring a broader set of more timely and continuous signals into their strategies, including sentiment analysis technology and email/intranet engagement.

Execs feel the urgency. They need your help.

There’s a reason respondents told us that few of their leaders could articulate a plan for EX while most of them made noise about it. They know that the state of the employee experience is a fork in the road for organizations, presenting either an existential threat or an incredible opportunity. They see the effect of employee turnover and disengagement, whether on their teams or all around them. You have the specialized expertise to lay out a path toward change and advocate for it. Leadership needs to hear from leaders in EX, Comms, IT and HR – only you can help them put their money where their mouths are.

ABOUT SIMPPLR

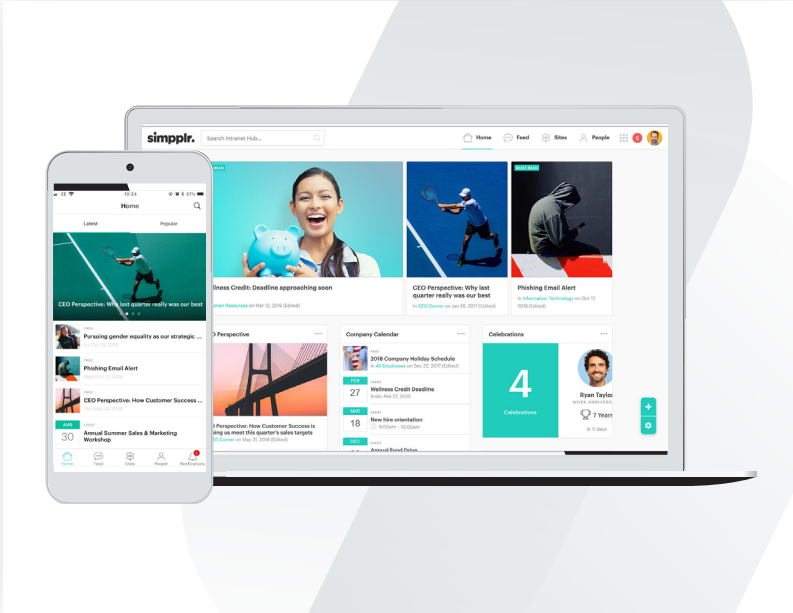
Simpplr is today's modern employee intranet. Our software helps companies connect their workforce by streamlining internal communication and forging employee connections.

Simpplr partners with many leading brands, including UKG, AAA, Vertex Pharmaceuticals, DocuSign, Eurostar, and Coursera. Our customers are improving productivity, increasing employee engagement, and reducing employee turnover. More importantly, the improved internal communication is helping employees find work meaningful and fulfilling.

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