The state of the employee experience

alight

Benefits | Payroll | Cloud

Alight's mindset research

Alight Solutions is pleased to offer a suite of "mindset" research. Our research provides a comprehensive view of what employees are thinking to help our clients understand how to optimize the employee experience and employee wellbeing to drive engagement, productivity and performance. For more information, please visit **alight.com**.

The fifth annual *Workforce Mindset® Study* described in this report is part of this mindset series, along with Alight's *Employee Wellbeing Mindset Study* which provides insight into what employers can do to improve employee wellbeing, drive greater engagement in benefits and wellbeing programs and facilitate smarter planning and actions.

About Alight Solutions

Alight Solutions is a leading provider of integrated benefits, payroll and cloud solutions. With more than 15,000 professionals across 29 countries, Alight provides leading-edge benefits administration and ERP technology and services to more than 3,250 clients including 50% of the Fortune 500. Alight's combination of data-driven insights and technology expertise creates unique value for clients. Alight is a six-time member of IAOP's Global Outsourcing 100. Learn how Alight drives better business outcomes and employee wellbeing for organizations of all sizes at **alight.com**.

An authentic and compelling employee experience

What employees need, want and expect in the workplace is evolving. The future of work will shift as human workers interact with digital workers and job tasks take new forms to best leverage technology. Our research shows that while some things have remained consistent year over year, others are now coming to the forefront. As an employer, you have opportunities to differentiate yourself and produce even higher levels of performance and engagement by creating an authentic and compelling employee experience for your people.

- **Understand** what American workers have to say about their jobs, total rewards and workplace dynamics.

- **Explore** interesting trends in what people want from their culture and employee experience.

- **Consider** ways you can take your employee experience to the next level for greater engagement, productivity and performance.

We heard from 2,503 employees in November 2019 representing the U.S. workforce*. In this report, we'll break down the data, look at what's trending and explore ways to make your organization more successful today and effectively adapt in the future.

* See page 20 for details

What we need, want and expect

The employee experience is defined as the day-to-day interactions that enable employees to contribute their value fully and efficiently, express their authentic selves at work and collaborate with people they respect and enjoy while connecting to a meaningful brand and inspiring purpose.

Perceptions of the overall employee experience are rising and when the overall employee experience improves, so do productivity and engagement—in fact employees having a great EX are 2X more likely to say they are fully productive than those having a bad or awful one (96% vs. 53%). At 28%, those having a great experience is up 5 points from 23% in 2018[*].

**Those enjoying a truly great overall employee experience is rising.**

How would you rate your overall employee experience?

	2019	2018
Boomers	**25%**	19%
Gen Xers	**25%**	25%
Millennials	**31%**	23%
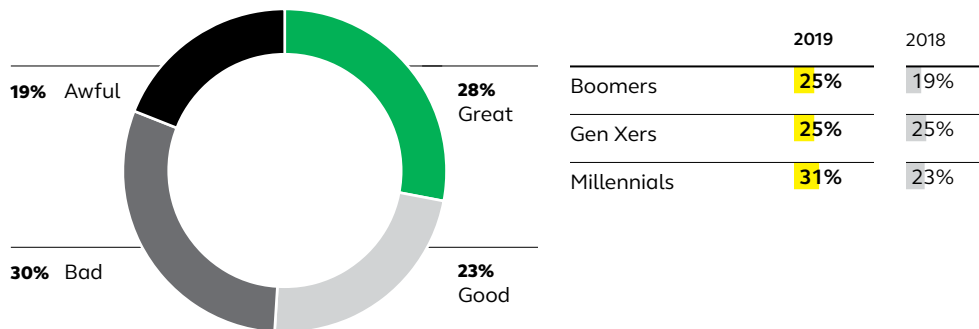
Further evidence that the overall employee experience may be improving is the rise in likelihood to recommend, which has risen to over half (57%) of the population. Many organizations use an eNPS score as an overall metric, and results show this finally rising into positive territory at +7 from its negative position last year[**].

Net Promoter Score increased significantly from 2018 to 2019.

Employees Net Promoter Score (eNPS) by year

2019	+7
2018	-12

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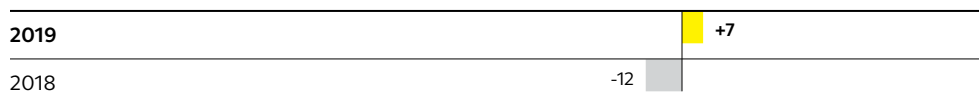
*   Figure is calculated using composite of three separate items: overall rating (Awful to Awesome on 6-point scale) , "EX couldn't be much better here" (strongly agree and agree on 6-point scale), and meeting of expectations (significantly exceeds and exceeds on 5-point scale)

**   Figures represent those indicating an 8, 9 or 10 on a 11-point scale (where 0 = "not at all likely" to 10 = "extremely likely"). This translated to a employee Net Promoter Score(R), or eNPS. (Note: Net Promoter Score and NPS are trademarks of Satmetrix Systems, Inc., Bain & Company, Inc., and Fred Reichheld.)

Driving the experience

There are six key drivers of the overall employee experience and we'll explore trends within each of these drivers.

Culture
Culture centers mostly on the collective—on how the organization's values (specifically articulated or not) are demonstrated by leaders and people, how leaders support a positive culture and create a sense of energy and excitement within the company.

Career
Career is more focused on the individual and relates to an organization's authentic support for employee work and life goals, plentiful and variant opportunities for professional and personal development, as well as strong and demonstrated managerial support for personal success.

Collaboration
Not surprisingly, this dimension incorporates the ease of collaborating with others and the ability to effectively share valuable information. It also points to an underlying theme about the importance of authenticity and transparency both among coworkers, as well as between the employee value proposition and the organization's external one.

Contribution
People want to contribute value and be productive, and be recognized for that contribution. But the ability to fully contribute can often be challenged by obstacles within the workplace — mainly a perceived lack of, or effective access to, enabling and integrated tools, technology, resources or information to do their best work.

Connection
Any experience, be it the employee or customer, is better when it involves people with whom connections can be made, sometimes on a deep level but always honestly and respectfully.

Cause
The overall experience is heightened by the level of passion employees feel toward the company's purpose and how well their personal values align with what they experience, see or hear as indicators of the company's values. Having pride in the products and services the company delivers is also an important part of the cause dimension.

The relative importance of these drivers remains consistent from last year—Culture, Career, Collaboration, Contribution, Connection and finally Cause. Of course the relative impact will differ by organization and by workforce segment. However, contribution—especially finding information needed to get the work done and do it well—has declined the most from the prior year, potentially signaling issues with the digital experience.

Thriving versus surviving

Earning a paycheck—a good one—is a given. Access to benefits—relevant and valuable ones—are necessary. Employees expect pay and benefits as a means to survive. But employees in today's workplace want to thrive. They're interested in staying and growing their career if the company is willing to invest in them. Here's what's needed to thrive:

— Provide the right tools, technology and resources for people to be more productive

— Give them training and development to grow and excel at work

— Encourage flexibility and balance (nearly doubled as a top desired characteristic compared to prior year—29% vs 17%)

— Build a sense of community and connection within the organization and among colleagues

Overall, employees want a more "human" experience, beyond only improvements in tech or systems.

Ways employers can improve the overall employee experience

"Get more involved in the community."

"I would like my company to create a sense of community amongst employees."

"Provide more training opportunities. Provide more opportunities for growth, competitive pay."

"Allow people to work the hours that would suit their lives consistently."

"Be more understanding and compassionate when employees are going through trying times."

"Fix the IT issues that prevent me from doing my job. I spent a good 33-50% of my time just fixing broken things."

A desire for decency

The desired culture reinforces human relationship-oriented characteristics—like being accountable, ethical, trustworthy, fair and honest, all of which continue to rise to the top set. Others such as recognition-oriented, respectful, loyal and teamwork-focused have declined as top desired characteristics.

Making its debut among the top 10 this year is Financially Stable which has risen steadily over the past 5 years, potentially signaling the increased importance of security (more important to Centennials and Emerging Millennials) over uncertainty (startups and entrepreneurial endeavors favored by Established Millennials).

Most employees (57%) say that an organization being financially successful or a market leader differentiates one employer from another, rising five points from 2018.

What people want from their employers is shifting:
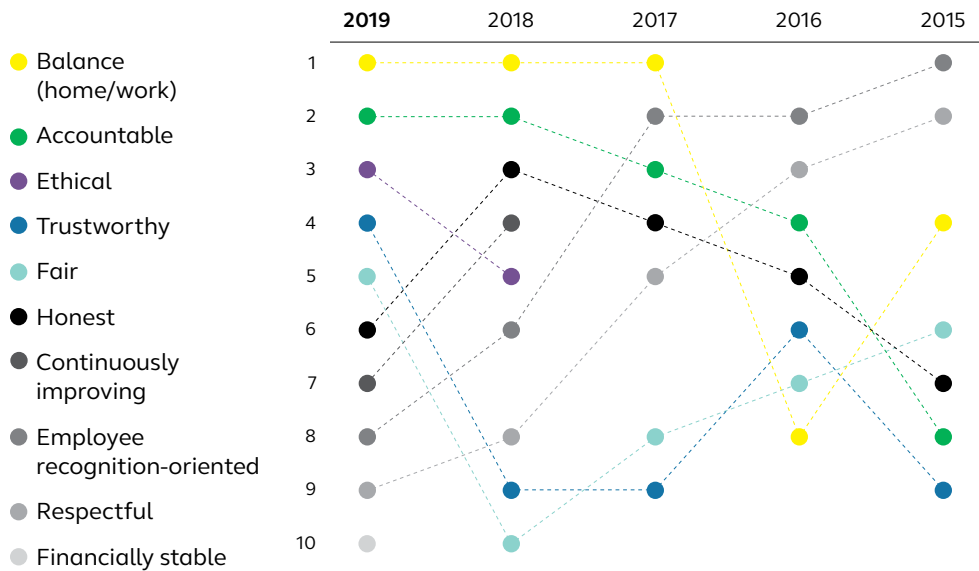
Notable differences across generations

- Centennials: Fair came in at #1 followed by Accountable and Creative
- Millennials: Generation most focused on Balance
- Gen Xers: Only generation with Profitable in the top 15
- Boomers: Trustworthy came in at #1

Daring to be different

Status quo only works for so long. The opportunity for differentiating your employee value proposition is better than ever, especially by taking a social stand and providing rewards, flexibility and fun in the workplace. All elements surveyed are more likely to be viewed as a potential for differentiation than in the past. Everything is fair game, and the door is open to reevaluate what makes you special and promote it effectively.

Of course, employers want to be highly recommended by their employees , who are often viewed as more credible sources by external talent than company-generated communication—and that desire is well founded with 59% of employees saying it has strong potential to differentiate.

Rising as perceived opportunities for differentiation among employers (largest increase since last year):

+8 points
has strong leaders

+7 points
provides meaningful work

+6 points
positive reputation with customers/clients

+6 points
strong fit for my values

+6 points
provides above average benefits

Each attribute is more likely to be considered a potential differentiator than in the past though taking a stand, better pay, benefits, fun and flexibility lead the pack. (Note: bolded attributes below have risen the most since 2016.)

"This really differentiates one employer from another*"

	2019	2018	2017	2016
Takes a public stand on social and/or political issues	65%	n/a	n/a	n/a
Provides better-than-average pay	64%	59%	62%	62%
Provides better-than-average benefits	63%	57%	59%	61%
Is a fun place to work	63%	59%	61%	58%
Has a flexible work environment	62%	59%	59%	58%
Is a strong fit with my values	60%	54%	56%	56%
Is an innovative organization	60%	55%	56%	53%
Is highly recommended by current employees	59%	n/a	n/a	n/a
Is financially successful or a market leader in areas in which it competes	58%	53%	52%	52%
Provides stimulating work	56%	55%	51%	53%
Is highly purpose-driven	55%	49%	n/a	n/a
Provides valuable career and/or development opportunities	55%	51%	50%	50%
Empowers employees	55%	50%	50%	51%
Provides meaningful work	54%	47%	47%	47%
Encourages appropriate balance between work and personal life commitments	54%	51%	50%	51%
Has a very positive reputation with customers/clients	54%	48%	45%	47%
Has strong leaders	54%	46%	45%	48%
Is environmentally and socially responsible	53%	48%	47%	48%
Has strong managers	51%	47%	45%	48%
Recognizes strong individual achievement or performance	50%	47%	44%	48%
Provides valuable work tools and resources, including technology	49%	44%	43%	44%
Has supportive and capable employees	48%	45%	44%	46%
Encourages collaboration and teamwork	48%	43%	41%	45%
Communicates effectively	45%	42%	39%	41%

* Figures represent those citing each as more likely to differentiate rather than as an expectation of most employers on a 4-point scale.

Recruiting and onboarding: Getting it right from the start

With historically low unemployment, increasing labor participation rates and higher levels of churn, new hire and onboarding experiences have become more critical. As Boomers and Matures exit the workforce, it will be more important than ever for employers to quickly engage not only their employees, but also gig, temporary and contract workers.

We asked about these particular experiences and almost half (49%) rate the overall candidate or new hire experience as awesome or great. First impressions matter. There is a clear opportunity for organizations to revisit and refine their recruiting and onboarding efforts.

Are companies starting at a deficit with their hiring processes? And what about those who ultimately do not join—how might a less than great experience impact their view as a future candidate or as a customer? It's a tough situation to overcome, meaning there is even more incentive to get these numbers up from the start.

Is your new hire and onboarding process falling short or are you killing it? What would your most recent high-performing hires say?

While there is room for improvement, most have at least a good candidate experience.

How would you rate your overall experience as a candidate trying to get a job at your company?

Awesome	18%
Great	31%
Good	35%
Okay	12%
Bad	2%
Awful	2%

Similar to candidate experience, the new hire experience is at least good for most, but can improve.

How would you rate your overall experience as a new hire?

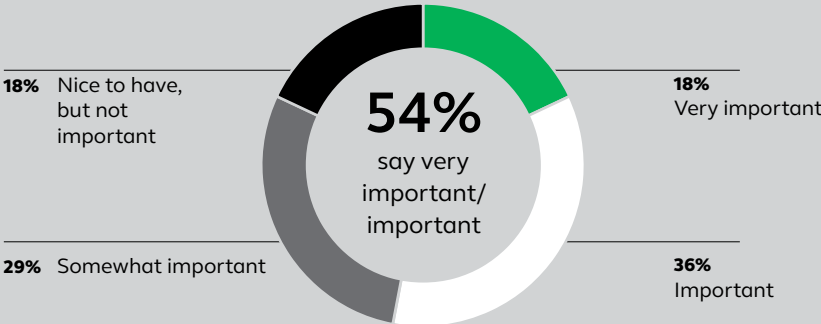|	
Awesome	16%
Great	33%
Good	27%
Okay	17%
Bad	5%
Awful	2%

Taking a social stand

Be open. Be mindful. Take a stand. Why? It's trending as a key differentiator in the workforce. Taking a stand on social/political issues is the new #1 differentiator, being a strong fit with my values is #6 and highly purpose-driven is #10—all of these are very connected to the sense of meaning for employees.

Nearly two thirds (65%) say taking a stand on social and political issues is an opportunity to differentiate. Just over half (54%) say it's important for the company to have a broad social purpose. And 83% of those who say it's important also say they have it at their current company indicating it likely influences their choice.

Having a broad social purpose matters to many.

How important is it to you that the company you work for has a broad social purpose*?

18% Nice to have, but not important

18% Very important

54% say very important/ important

29% Somewhat important

36% Important

Most say their company has a strong or moderate social purpose beyond great quality, customer service or revenue/profitability.

To what extent do you feel your company has a broad social purpose beyond great quality, customer service or revenue/profitability*?

10% No real social purpose

26% Strong social purpose

66% say strong/ moderate social purpose

23% Slight social purpose

40% Moderate social purpose
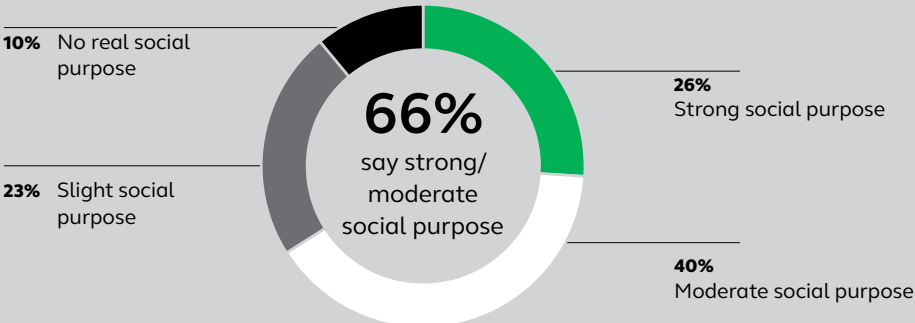
* Figures do not add to 100% due to rounding

Show me the value

Employees lack a full understanding of their total rewards. And, importantly, understanding directly relates to perceived adequacy and competitiveness, so filling this gap can help employees appreciate the full value of their employers' investment. With better communication and subsequent understanding and engagement comes improved perceptions.

Unfortunately, employees' perceptions of their overall total rewards aren't getting any better and it impacts engagement and their overall employee experience.

How they feel
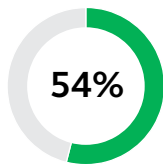
54% say overall total rewards meet their needs
(61% in 2015)
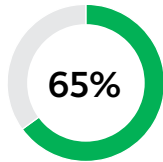
65% understand their overall total rewards
(78% in 2015)
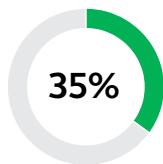
35% view their total rewards as better than what others are offering
(40% in 2015)

Why it matters

6x more engaged when rewards do meet their needs

6x more engaged when they understand

4x more engaged when they view their rewards as competitive

Making it real. Making it tangible.

Think of a total rewards statement as show and tell for grown-ups. It's your company's opportunity to share what they offer in a tangible way.

Employers who don't currently provide a statement should consider doing so as it drives employees' understanding, decision-making and appreciation when it comes to rewards. Plus, there is a correlation between employees' understanding of their total rewards and their overall engagement.

When a total rewards statement (online or print) is available, employees are twice as likely to be engaged and twice as likely to…

Report a good understanding of their total rewards

View total rewards as meeting their needs

View total rewards as better than others (well above/above)

Regardless of how robust the statement is, those who have access to one definitely see value and say it*…
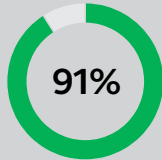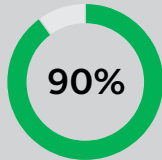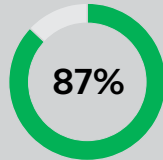
91%
improves understanding
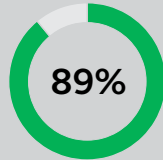
89%
supports good decisions about benefits/rewards
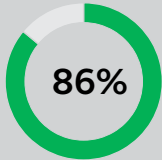
86%
makes them feel better about working at their company

90%
shows them the value of what the company offers

87%
helps them take advantage of their programs

* Figures represent those citing "strongly agree," "agree" or "slightly agree" on a 6-point scale.

Rewards understanding

The understanding of each reward item is down by an average of nearly 5 points from 2015. The largest declines from 2015 include incentives, career/development and work/life—many of them are also the least understood. There is a significant investment being made by most employers in these spaces, but companies need to consider whether they are doing enough to increase awareness and market the value of these programs, or these investments are unlikely to make the impact employers may be expecting.

Understanding rises ever so slightly for some rewards, but the least understood remain low and are declining.

At my place of employment, I have a good understanding of...[*]

	2019	2015
Base pay	80%	84%
Paid time off programs	80%	85%
Dental coverage/insurance	78%	80%
Medical and prescription drug benefits	76%	81%
Vision coverage/insurance	76%	n/a
Retirement savings plan(s)	74%	79%
Life and disability insurance	68%	72%
Workplace flexibility	66%	n/a
Wellness or wellbeing programs	65%	60%
Work/life programs	59%	64%
Incentives/Bonus pay	59%	66%
Career and personal development and training programs	56%	63%
Long-term incentives	55%	n/a
Recognition programs	54%	n/a

* Figures represent those citing "strongly agree" or "agree" on a 6-point scale.

Rewards competitiveness

In terms of competitiveness, the majority don't consider their rewards to be outshining others. Similar to understanding, programs like incentives, recognition and career/development come in lowest. There's clearly a theme that links understanding and perceived competitiveness by the employee, and should give employers added incentive to help employees recognize and appreciate these valuable rewards.

While most employees view rewards as at least competitive, fewer perceive them as better than others.

Perceived competitiveness of rewards at my place of employment*

|	2019	2015
Paid time off programs	41%	42%
Workplace flexibility	37%	34%
Retirement savings plan(s)	35%	37%
Medical and prescription drug coverage/insurance	35%	38%
Base pay	34%	37%
Wellness or wellbeing programs	32%	n/a
Vision coverage/insurance	32%	n/a
Incentives/bonus pay	32%	36%
Dental coverage/insurance	31%	33%
Work/life programs	30%	42%
Career and personal development and training programs	28%	35%
Long-term incentives	28%	n/a
Life and disability insurance	27%	30%
Recognition programs	26%	n/a

* Figures represent those citing "well above" or "above" on a 5-point scale.

Driving productivity with technology

Finding information continues to be a real challenge for employees—in fact it is one of the biggest declines from last year among key drivers of the overall employee experience, and while technology helps, it may be failing to deliver fully on its promises. There are plenty of productivity pains, too. Bottom line—the digital workplace experience needs to be better.
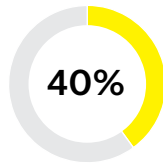
34%
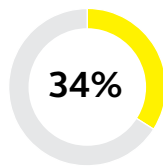
are almost always or often frustrated with work technology
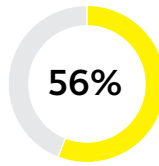(up from 31% in 2018)

46%
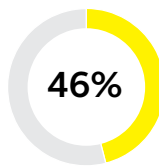
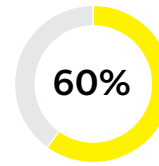are overwhelmed with all of the sites and apps available

62%
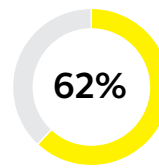
know where to go for pay, benefits and HR topics
(down nine points from 71% in 2015)

40%

say their HR Systems are easy to use or effective
(no change from last year)

56%

felt well-prepared when their HR System was first implemented

60%

of employees are confident they are using their HR system/platform as effectively as possible

Only about half of employees trust their employer will use data collected from employees appropriately and ethically (consistent across generations), but depending on content, at least two thirds of employees are at least somewhat comfortable with their employer collecting data on them.

Comfort with sources/types of data employer may collect
("very comfortable" and "somewhat comfortable" on a 4-point scale)

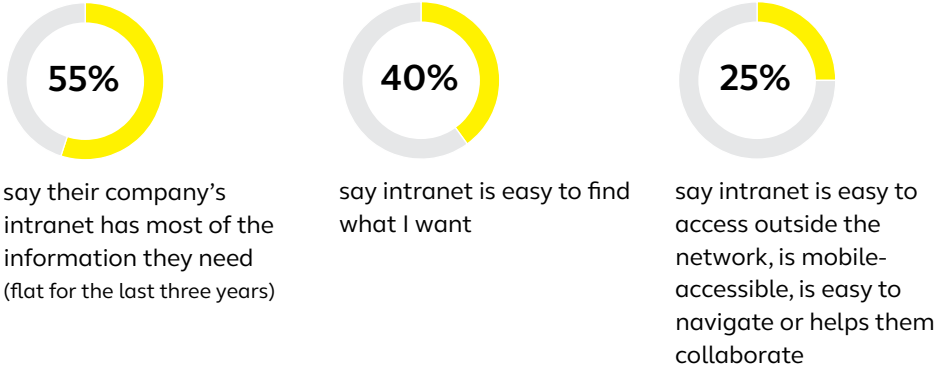|	
Meeting and calendar invites	83%
Who I communicate/collaborate with	78%
Sites or tools I use or visit	74%
Phone and meeting exchanges	73%
Email, IM or chat exchanges	73%
Where I go or how I move around the workplace	73%
Career/job related social sites such as LinkedIn or other social sites	63%

Productivity pain points

Employees feel they are productive—of course they do, right? However, when you drill down to the tools and technology they use on a daily basis that's not necessarily the case. Many employees are frustrated and overwhelmed when it comes to their company's technology.

Productivity pain points hit the bottom line over time. Employees have got to get the work done, and the digital experience needs to do better. Roughly half of employees don't have the tools they need to get their job done effectively.

While 72% of employees say they are able to be fully productive at work, only...

45%

say they can find the information needed to work effectively
(down from 2018)

52%

feel they have the tools/ technology and resources to work effectively

38%

say processes at the company help them work effectively

For now, intranets aren't the answer, only...

55%

say their company's intranet has most of the information they need
(flat for the last three years)

40%

say intranet is easy to find what I want

25%

say intranet is easy to access outside the network, is mobile-accessible, is easy to navigate or helps them collaborate

Getting better together

Effective communication is critical to effective action in any organization and is really table stakes for employees, but perceptions of communication haven't improved over the years either.

Today, **only 42%** say their company does a good job communicating with employees overall. And, **only 46%** say the communication they receive is open and honest.

Not only is effective communication a top expectation of employers (as opposed to a potential differentiator), it also has strong ties to employees' overall experience and engagement levels.
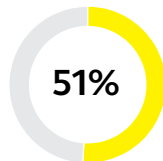
Employees who feel their employer is open and honest are…
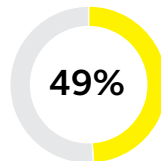
12x
more likely to be engaged

10x
more likely to have a truly great experience

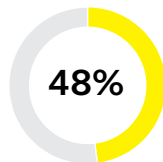**When it comes to collaboration, only…**

51%

say it's easy to collaborate with others
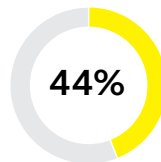
49%

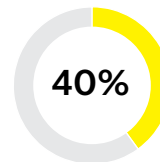have effective tools to communicate beyond email

When it comes to a sense of belonging and community, only…

48%

feel like they belong at their company

44%

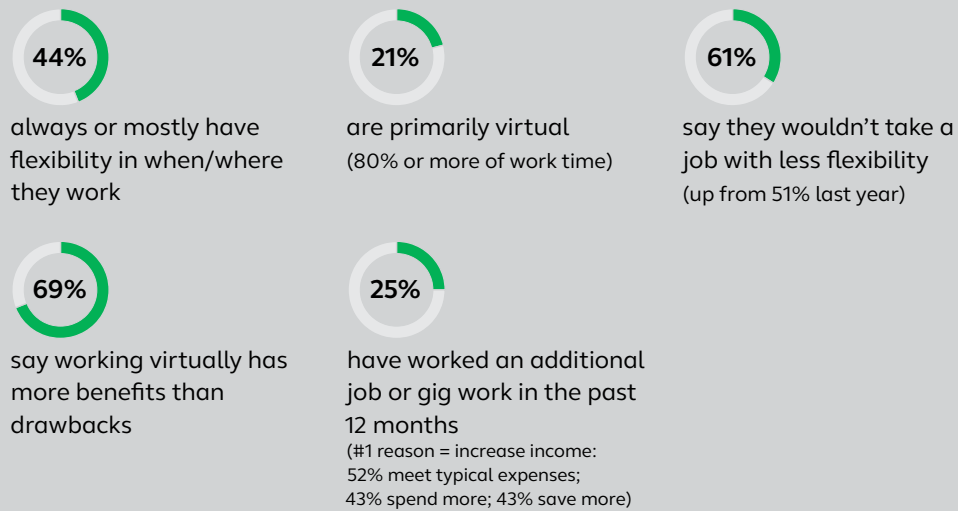feel connected to the purpose or mission of their company

40%

say leaders demonstrate company values and encourage a positive culture

Nature of work is shifting

Achieving appropriate balance through flexibility continues to be highly sought after and valued by employees. There's a rising desire to integrate activity-based workplace design with the increase in virtual work, as well as adding gig workers and digital workers (bots) to the traditional set of employees. The agility of talent management and work roles or styles will be important considerations for employers dealing with the future of work.

Getting the balance right between providing flexibility/virtual work and encouraging community/connection is the key to success for providing a great employee experience and promoting high productivity. And the right balance often differs by age group and other factors, so listening to employees and testing ideas is important to getting it right.

Flexibility by the numbers

44%
always or mostly have flexibility in when/where they work

21%
are primarily virtual
(80% or more of work time)

61%
say they wouldn't take a job with less flexibility
(up from 51% last year)

69%
say working virtually has more benefits than drawbacks

25%
have worked an additional job or gig work in the past 12 months
(#1 reason = increase income: 52% meet typical expenses; 43% spend more; 43% save more)

Employees recognize the use of digital workers has and will become a more significant part of the employee experience, but opinions are mixed as to how this may play out. Understanding where your population might be on this will be important in your change management and overall employee experience design.

In the future, I believe digital workers will...*

Materially reduce the number of employees at my company	33%
Perform some activities that exist today and my company will retrain employees or redesign roles	29%
Help me focus further on activities that provide the most value to the company and thereby improve opportunities for rewards and recognition	25%
Help me do my job better	24%

* Figures represent those indicating Strongly Agree or Agree on a 6-point scale

Take the employee experience to the next level

A great overall employee experience is critical in attracting, retaining and engaging your employees. At the heart of that experience is a relationship—between you and your employees—one that is authentic and rewarding. Take that partnership to the next level.

Here are five things that will enable you along the path.

1. Facilitate and promote strong alignment

Your organization's value proposition and purpose may be more important now than ever, it is certainly more visible and accessible to stakeholders looking for potential conflicts in behavior or policy. It requires great companies to align all experiences to the overall brand and promote that alignment in a clear and compelling voice. When's the last time you looked at your value proposition? Does it accurately reflect your company and its goals for today, tomorrow and beyond? Take time to revisit, revise and reconnect that purpose so your current and future employees can truly assess, embrace and live it.

2. Build trusted relationships

The overall employee experience is driven by both connection and collaboration with coworkers, leaders, contingent workers and business partners. How's the current dynamic going at your company? Do your employees feel a sense of community and belonging? Do they trust the company's actions and motives from both a business and people perspective? Create an environment with frictionless collaboration and connection to different stakeholders and easy-to-use processes—so that trust can be enhanced, and productivity and innovation improved.

3. Provide effective programs and tools

From benefits and rewards to performance and communication—a comprehensive, wellbeing-oriented and productivity-enabling set of programs and tools provide the foundation of a great overall experience as well as the opportunity to truly differentiate and reinforce what makes you special. Do your employees understand and value their benefits and rewards? Do your employees use the tools they have available? Take a pulse of what your employees think, commit to making improvements and then keep iterating with employees in mind.

4. Bring what matters when it matters most

Be it wellbeing programs, benefits, work-related information, recognition or access to technology and tools, find ways to bring them forth at the time of need by leveraging hyper-personalization, preferences, analytics and insights. How does your organization incorporate personalization and predictions? When and how do you communicate to employees to enable them to easily take advantage of opportunities? By anticipating and responding effectively at point of need, the perceived relevance and, therefore the related value, rise and people recognize the great experience for what it produces for themselves, their coworkers and their customers.

5. Be agile and stay human

It is becoming clear with the integration of digital workers and evolving technology that the future of work will be quite different than it is today. Flexibility in how, when and where workers contribute will be necessary and critical to drive high performance. Is your company reimagining its workforce, workplace and the processes to get the work done efficiently and effectively? While employees recognize the changing landscape, they also seek human connection, community and a desire for those foundational values of balance, ethics, trust and honesty. It will be in the balance of these forces that companies will be measured as truly great. How can you harmonize a virtual and physical workplace experience? How can you incorporate human connection and community into employee experiences—even digital ones?

Success starts with a few simple steps

While making a truly great overall employee experience a reality can seem daunting, it takes a few solid first steps to begin to make progress. First, get clarity and agreement on your current state and what the desired experience should be. Second, find a starting point for alignment, design and experimentation. It may be a significant current pain point in the journey. It may be a current growth area for the business. It may be a critical segment of the population. The point is…get started and don't get discouraged. Real change takes time to make a full impact, but it will be worth it to your people and your organization.

Respondent information

Gender

Females	50%
Males	50%

Generation

Centennials	3%
Millennials	48%
Emerging Millennials (born 1988–1996)	17%
Established Millennials (born 1979–1987)	31%
Gen Xers	24%
Boomers	25%

Company size

1,000–4,999	35%
5,000–14,999	28%
15,000+	37%

Tenure

Less than 1 year	11%
1–2 years	11%
2–5 years	27%
6–9 years	17%
10–19 years	23%
20 or more years	12%

Industry

Business services and construction	9%
Financial services and insurance	10%
Healthcare	18%
Manufacturing and energy	15%
Media, entertainment and leisure	5%
Public sector	10%
Retail and wholesale trade	19%
Technology	9%
Utilities and telecommunications	5%

Household income

<$35,000	11%
$35,000–$64,999	21%
$65,000–$99,999	23%
$100,000 or more	17%

2,503
respondents employed
full-time or part-time

Employed at a company
with at least 1,000 U.S.
based employees

Contacts

We at Alight Solutions are grateful to have the opportunity to bring you insights into the employee experience for the fifth year. Feel free to contact us if you would like to discuss any aspect of the research or to help you design your own fulfilling and inspiring experiences.

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