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New Workforce, New EX Technology

How A Comprehensive EX Platform
Supports The New Normal For The Workforce

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Executive Summary

It's official, the workplace is not returning to the 2019 status quo. Businesses have been trying to establish what the future of work will look like, and they still don't have a full picture. However, we know that hybrid work is here to stay. And while this might have generated excitement in 2020, now that the dust has settled employees are learning how to balance productivity, career growth, and mental health from their living rooms. In response, organizations are adapting and finding new ways to support their employees, but EX business leaders are struggling to identify which technologies will help them achieve success in the new normal.

Microsoft commissioned Forrester Consulting to evaluate employee experience (EX) tools. Forrester conducted two global surveys of 420 EX business leaders (those that have responsibility for EX strategy) and 606 knowledge and frontline workers. We found that EX business leaders are evolving but are misaligned to their employees' needs. Employees feel like there are too many tools and not enough focus on adoption. Both parties agree that a comprehensive, integrated employee experience platform would be beneficial to their organization. We will reference these results throughout the paper using the terms EX business leader respondents and employee respondents.

A comprehensive EX platform is an integrated digital workspace from anywhere. Providing personalized experiences including communications, connections, community, praise, and people-first culture with purpose; company news/information; employee growth and development; learning and knowledge; mental wellbeing and insights; goal alignment; and engagement with listening, feedback, analysis, and action.



Key Findings

The workplace has evolved. Employees and EX business leaders both agree that employee needs have changed over the last 24 months. EX business leaders are updating their metrics and investments to evolve with their employees. Sixty percent of EX business leaders indicated that they've spent over \$100,000 in EX-related technology in the last year. EX business leaders plan to increase that investment by 16% in the next two years.



EX business leaders and employees are not aligned. There is misalignment between what EX business leaders are prioritizing and what their employees actually want. EX business leaders believe that the ability to accommodate hybrid work is employees' most important aspect. However, employees state that curated learning experiences and the ability to give feedback around their well-being are more important. This is leading to poor investments, as employees ranked their current EX tools and resources a six out of 10.



Organizations offer too many tools. Thirty-four percent of EX business leaders have invested in six or more tools to meet their EX goals. This proves to be problematic as half of employee respondents indicated that there are too many separate tools, apps, and resources.



EX business leaders and employees both desire a comprehensive EX platform. Eighty-four percent of employees and 71% of EX business leaders desire a single, integrated EX platform that provides everything needed to do jobs well. EX business leaders expect this platform to increase business metrics such as KPIs, ROI on EX tools, and employee productivity.



A Disconnect Between EX Business Leaders And Employees

It's undeniable — the definition of employee satisfaction has changed. Knowledge and frontline workers and EX business leaders alike recognize this, and they all agree that employee needs have changed over the last 24 months. Specifically, it has become important for employers to provide a virtual workplace that supports employee engagement, frictionless productivity, career growth, and mental well-being. But how are EX business leaders evolving with these new standards? Forrester's research found that EX business leaders are focused on:

- **Metrics.** Today, EX business leaders measure their EX programs through factors such as: employee productivity metrics (68%); employee retention (58%); collaboration (55%); ESG and D&I metrics; (49%); and learning/upskilling (44%).¹ While productivity has always been an EX metric, ESG and D&I metrics are newer. In order to achieve these metrics and keep up with the market, organizations are making investments.
- **Investments.** Sixty percent of EX business leaders indicated that they've spent over \$100,000 in EX-related technology in the last year. This is not a phase: EX business leaders plan to increase that investment by 16% in the next two years. Specifically, when asked about their organizations' most recent investments, EX business leaders noted the following: employee collaboration and communication solutions; upskilling opportunities; company data/information; performance management; and mental well-being.
- **Tracking the ROI of investments.** Organizations measure their EX investments through the following metrics: cost of new hires; product innovation; measurable goal achievement; increased revenue from new business; and onboarding time (see Figure 1).

60%

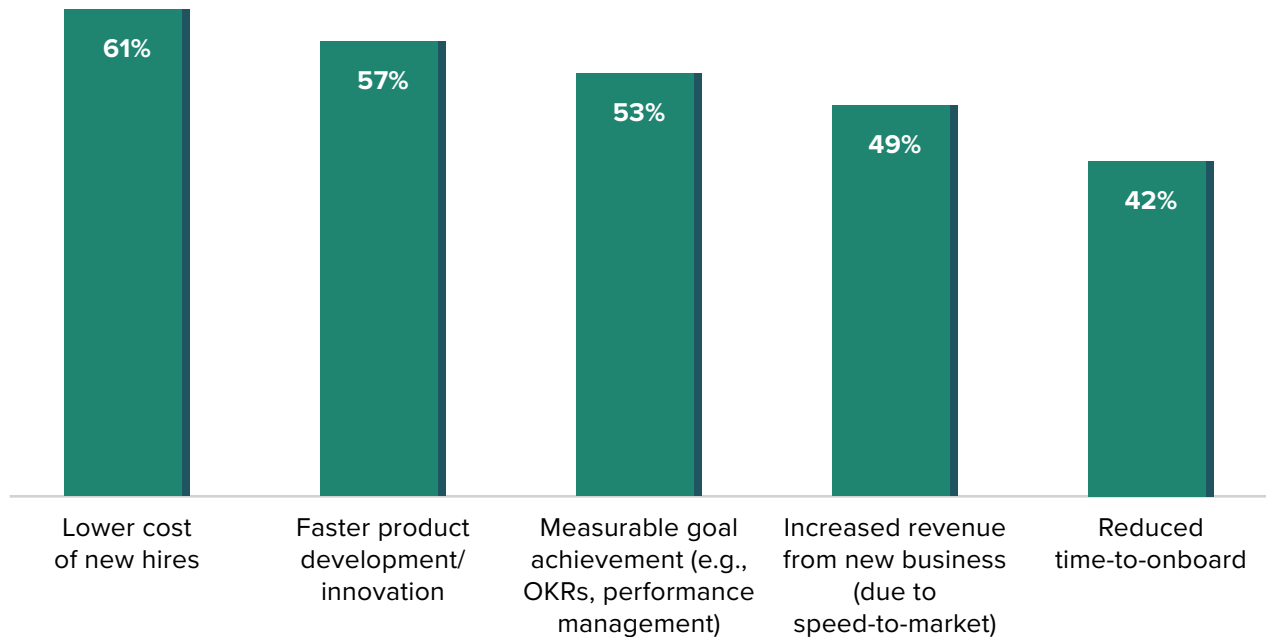
of EX business leaders indicated that they've spent over \$100,000 in EX-related technology in the last year.



EX business leaders plan to increase that investment by **16% in the next two years.**

Figure 1

“How does your organization measure the ROI of its current EX programs?”



Base: 420 EX business leaders with visibility/responsibility for EX strategy
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, November 2021

EX BUSINESS LEADERS ARE OVERCONFIDENT IN THEIR ABILITY TO MEET THEIR EMPLOYEES’ NEEDS

EX business leaders have invested in their employees and feel confident that those investments meet the mark. On average, 70% to 86% of employers believe their organization is enabling employees with resources to work productively and advance their career. However, only 47% to 65% of knowledge and frontline workers agree (see Figure 2). There are two main factors causing this discrepancy:

- **Companies and employees struggle with the adoption of multiple EX tools.** Thirty-four percent of EX business leaders said that their organizations have invested in six or more tools to meet their EX goals. This proves to be problematic as half of employee respondents indicated that there

34%
of EX business leaders said that their organizations have invested in six or more tools to meet their EX goals.

are too many separate tools, apps, and resources to navigate. In that same vein, EX business leaders are having a difficult time with the complexity of technology adoption.

- **EX business leaders and employees are not on the same page.**

There is misalignment between what employees want and what EX business leaders think they want. For example, employees indicated the following factors are the most important when considering an EX program: learning and upskilling; continuous feedback around mental well-being and workload; and an inclusive culture. But when asked what their employees care about, EX business leaders noted that the ability to accommodate hybrid work is the most important aspect. Interestingly, employees' ability to collaborate and connect, regardless of location, was rated lowest by EX business leaders. EX business leaders are misguided about what their employees want, which is leading to an overconfidence in the ability of their EX programs to meet employee needs.

Half of employee respondents indicated that there are **too many** separate tools, apps, and resources to navigate.

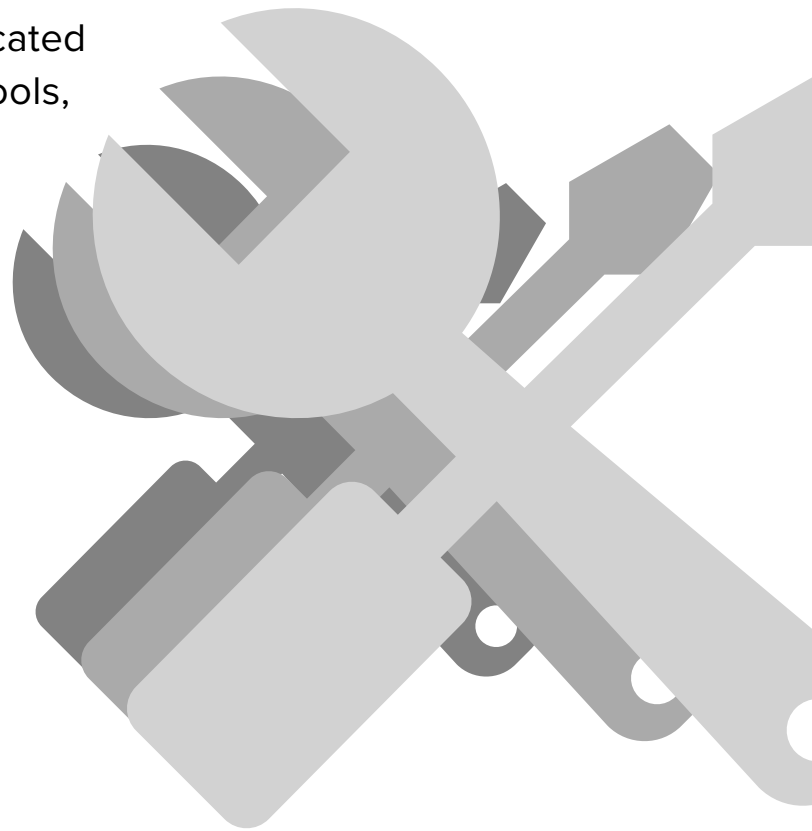
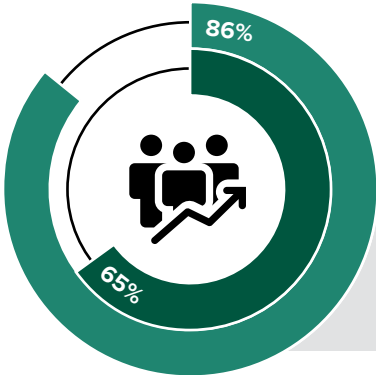


Figure 2

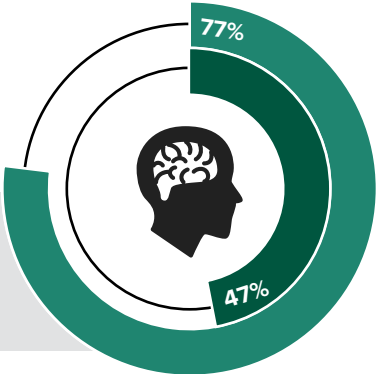
“How do you rate your organization overall when it comes to the following?”

(Showing highest rated)

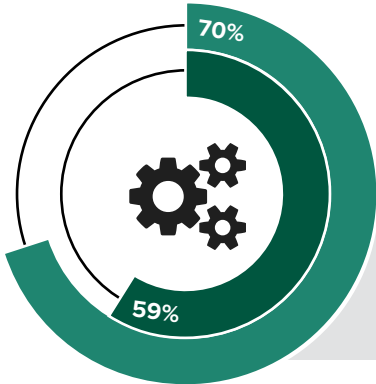
- EX business leaders
- Knowledge and frontline workers



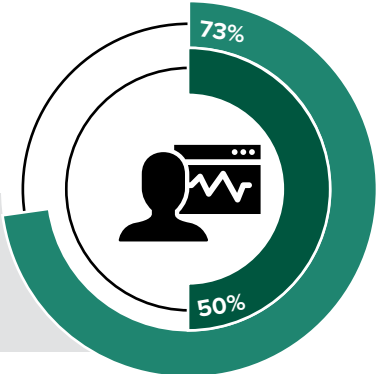
Our organization helps enable employees to work productively in their workspace.



Our organization does a good job of helping employees manage their mental well-being.



My organization provides its employees with a robust set of resources and tools to help them find information to do their job.



My organization provides our employees with a robust set of training/learning opportunities to help employees advance their career.

Base: 420 EX business leaders with visibility/responsibility for EX strategy and 606 knowledge and frontline workers
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, November 2021

Too Many Tools And Too Little Adoption

EX business leaders claimed that technology adoption is the number-one challenge with their organizations' current EX tools, resources, and platforms. A third of EX business leaders said that technology adoption is their top challenge when providing employees with the right tools and resources. Employees echo this sentiment by ranking their current EX tools and resources a six out of 10. Employees specifically note:

- **Their organization does not do a good job of implementing tools.** Employee respondents are challenged when utilizing their EX resources because they lack training and their organization does not focus on adoption (see Figure 3). Adoption is critical when making an investment. If employees do not know how to use a resource, their investment loses value.
- **There are too many tools.** Employee respondents indicated that their organization offers too many separate tools, apps, and resources, and they are unsure how to navigate the various options. They also feel like their tools and resources are outdated and confusing (see Figure 3). Employees are looking for a simplified and updated solution.

Figure 3

EMPLOYEES

“If your employer has EX tools and resources for you, what challenges do you face when utilizing them?”



Base: 606 knowledge and frontline workers
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, November 2021

A Single Comprehensive EX Platform For The Win

EX business leaders believe that EX technology will be valuable throughout the employee lifecycle to include: talent marketplace (54%); onboarding (64%); employee development/learning (59%); upskilling (49%); and mental well-being (40%). But they need to find the right tools and resources to accomplish these goals, and they are overwhelmed with the number of resources and lack of training/adoption.

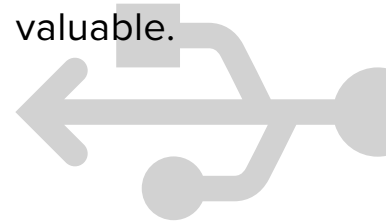
To resolve this challenge, 84% of employee respondents and 71% of EX business leader respondents said they desire a single, integrated employee platform that provides easy access to everything needed to do jobs well. Both groups know it would be an asset to their organization, as 94% of EX business leaders and 90% of employee respondents indicated a comprehensive, employee platform would be valuable or extremely valuable.

Employees expect a comprehensive and integrated EX platform to increase: satisfaction (62%); mental well-being and work-life balance (56%); and productivity (50%) (see Figure 4). EX business leaders see similar benefits, and they believe a comprehensive EX platform will enhance their business by:

- **Improving overall EX.** EX business leaders predict a comprehensive EX platform will create more personalized EX and increase employee satisfaction, employee mental well-being, and employee productivity engagement (see Figure 5).
- **Improving measurable metrics.** From a bottom-line business perspective, EX business leaders expect the platform to: improve their KPIs (71%); increase ROI on EX resources and tools (61%); increase employee commitment (54%); and increase employee productivity (48%) (see Figure 5).

90%

of employee respondents indicated a comprehensive EX platform would be valuable or extremely valuable.



94%

of EX business leaders indicated a comprehensive EX platform would be valuable or extremely valuable.

EX business leaders know the benefits of a comprehensive EX platform, and they are ready to spend more on the right tool. For example, 58% said they would spend \$100 or more annually per employee to gain this tool.

58%

of EX business leaders said they would spend \$100 or more annually per employee on a comprehensive EX platform.



Figure 4

EMPLOYEES

“What benefits would you expect from a comprehensive, integrated EX platform?”

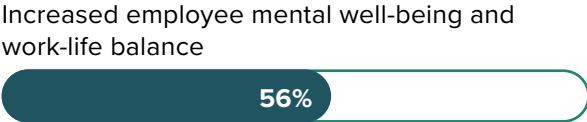
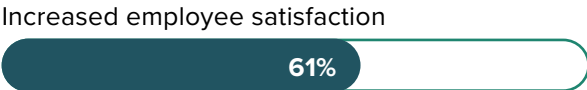


90% of employee respondents said an integrated EX platform would be **valuable** (50%) or **extremely valuable** (40%).

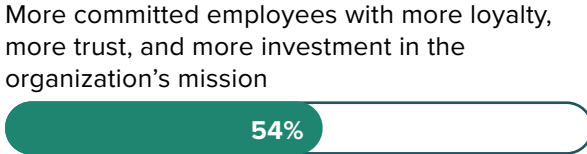
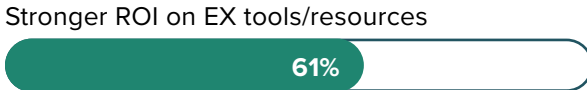
Base: 606 knowledge and frontline workers
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, November 2021

Figure 5

“What benefits would you expect your employees to gain from a comprehensive EX platform?”



“From a bottom-line business perspective, what benefits would you expect from an integrated EX platform?”



Base: 420 EX business leaders with visibility/responsibility for EX strategy
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, November 2021

Key Recommendations

This report offers insights that you can use to improve EX by shrinking the gap between what your organization's employees need versus what your leaders perceive they need. By gathering better insights into what EX looks like from where they stand, you will be able to set better priorities and make better investments that will improve business results.

Forrester's in-depth survey of EX business leaders and knowledge and frontline workers yielded several important recommendations:

Broaden and deepen your listening strategy.

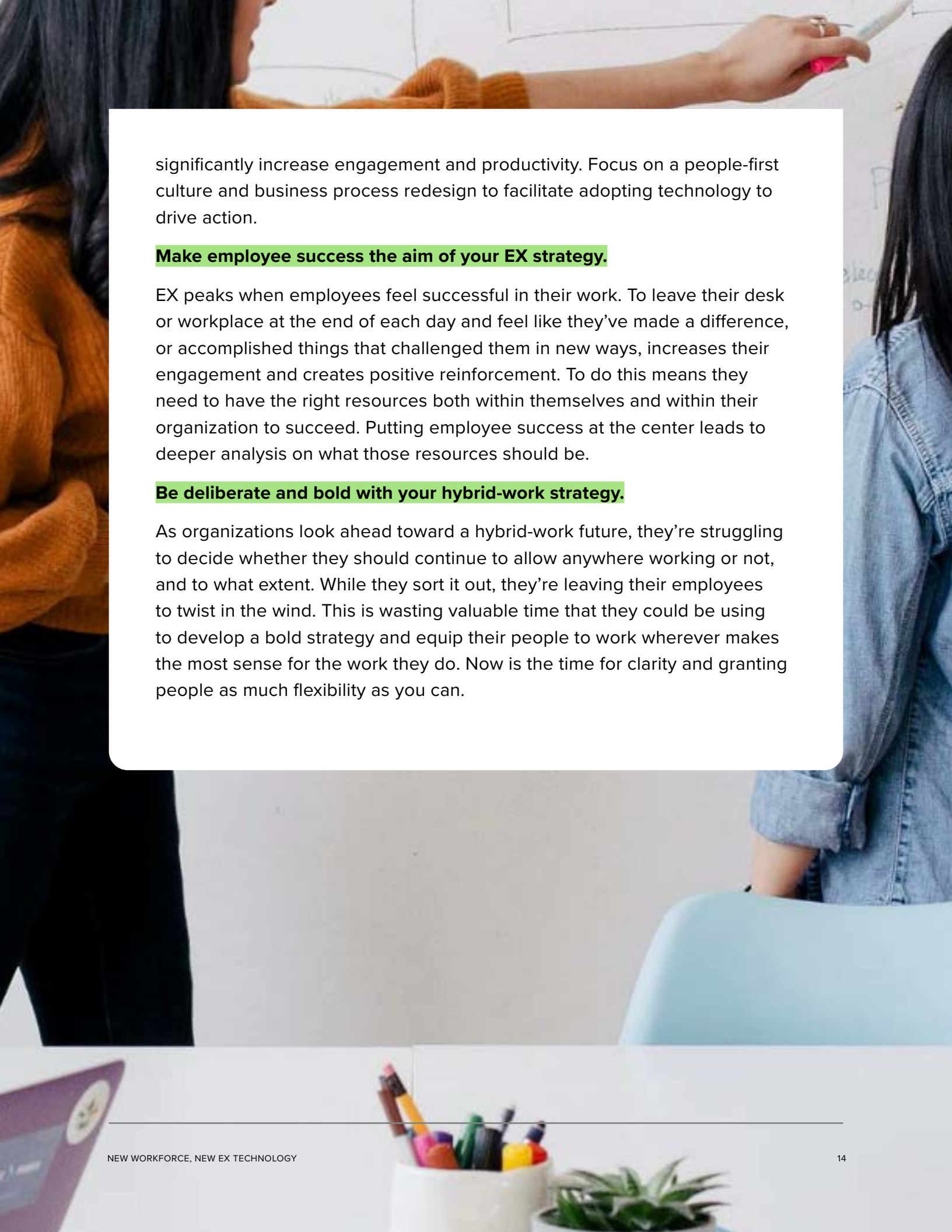
Most firms are running at least an annual employee engagement survey, but that's not enough data to generate the level of insight needed to deliver what employees need to be successful. A listening strategy should include data gleaned from their work patterns, micro-surveys, interviews, focus groups, and journey mapping exercises to help leaders gain a deeper understanding of the ways people work and what they need to be successful on a daily basis.

Invest in learning and upskilling resources for your employees.

The desire to develop existing skills and learn new ones is intrinsic to your workforce — the kind that comes from within and leads to higher engagement, productivity, and organizational commitment. The most powerful learning is self-directed, and readily available in employees' flow of work, so tools that are easy to access and available at the moment they need them are the most effective.

Consolidate and simplify access to EX resources and focus on technology adoption.

Neuroscience research shows that when people don't know which application to use to get something done, the mental energy required to get started may overwhelm their motivation, and they will avoid the task.² By reducing the number of required tools and their complexity, you can

A person with long dark hair, wearing an orange sweater, is standing and writing on a whiteboard with a white marker. The whiteboard has some faint lines and text. In the foreground, the back of a person's head and shoulders in a blue denim shirt is visible. The background is a plain white wall.

significantly increase engagement and productivity. Focus on a people-first culture and business process redesign to facilitate adopting technology to drive action.

Make employee success the aim of your EX strategy.

EX peaks when employees feel successful in their work. To leave their desk or workplace at the end of each day and feel like they've made a difference, or accomplished things that challenged them in new ways, increases their engagement and creates positive reinforcement. To do this means they need to have the right resources both within themselves and within their organization to succeed. Putting employee success at the center leads to deeper analysis on what those resources should be.

Be deliberate and bold with your hybrid-work strategy.

As organizations look ahead toward a hybrid-work future, they're struggling to decide whether they should continue to allow anywhere working or not, and to what extent. While they sort it out, they're leaving their employees to twist in the wind. This is wasting valuable time that they could be using to develop a bold strategy and equip their people to work wherever makes the most sense for the work they do. Now is the time for clarity and granting people as much flexibility as you can.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 420 EX business leaders and 606 knowledge and frontline workers at organizations in North America, EMEA, and APAC. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began in November 2021 and was completed in November 2021.

Appendix B: Demographics

REGION	
North America	38%
EMEA	31%
APAC	31%

TOP 4 INDUSTRIES	
Manufacturing and materials	20%
Retail	20%
Healthcare	19%
Financial services	18%

COMPANY SIZE	
1,000-4,999	46%
5,000-19,999	32%
20,000+	22%

Appendix C: Endnotes

¹ ESG: environment, social, and governance; D&I: diversity and inclusion.

² Source: David Rock, *Your Brain at Work: Strategies for Overcoming Distraction, Regaining Focus, and Working Smarter All Day Long*, Harper Business, 2009.



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