BUILDING A FUTURE-PROOF EMPLOYEE EXPERIENCE

Part **01**

RECOGNITION:
THE LIFEBLOOD OF A THRIVING WORKFORCE

With millennials now dominating the five-generation workforce, the growth of ever more disruptive technologies, the outsized role of Big Data and longer lifespans putting pressure on healthcare costs, the perfect storm of change is upon us -- shaking up the way things have always been done and pushing us to explore new ways of working. Furthermore, organizations feel the pressure to deliver results, react to opportunities and challenges and implement sustainable solutions that keep up with our rapidly changing times. With all these factors profoundly transforming the workplace, the question is: how can we future-proof the employee experience?

The good news is that there is one constant that remains unchanged: employees thrive on recognition. For example, when employees receive one piece of praise a day, some studies report productivity jumps up to 30 percent[1]. And that's not all, a quick Google search will show you that Gallup found 13 percent lower attrition rates, a whopping 44 percent higher profits and 50 percent higher customer satisfaction in highly engaged companies, versus those with engagement levels in the bottom 25 percent. Similarly, the Harvard Business Review reported that of the employees who were recognized for a job well done, seven out of 10 said they were happy with their jobs (compared to only 39 percent of those who didn't receive recognition).

7/10
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Source : BRS article, Employee motivation: what if money wasn't the only answer?

Not only does recognition need to happen, but in order for employees to really feel appreciated, it needs to happen often. For example, studies show that while recognition is seen as the number one motivator for employees to do great work -- three times more sought after than a pay raise, promotion or increased autonomy -- it's not only about getting a pat on the back, but rather getting it in a *timely* manner. In a world where employees can get their favorite lunch delivered within an hour or can connect to a video conference call with colleagues on the other side of the world in mere seconds, no one wants to wait until the end of the quarter to be recognized for a job well done. Studies show that this recognition needs to come from a healthy, non-hierarchical approach to management.

Gallup's *State of the Global Workforce* report from 2017 found that managers are responsible for at least 70% of varying engagement levels throughout a company, and prescribes a holistic, personalized approach to management that encourages individuals to use their strengths in the office and recognizes them for good work. Recognition in all its forms is crucial, seeing as the average happy employee is 12 percent more productive at work.

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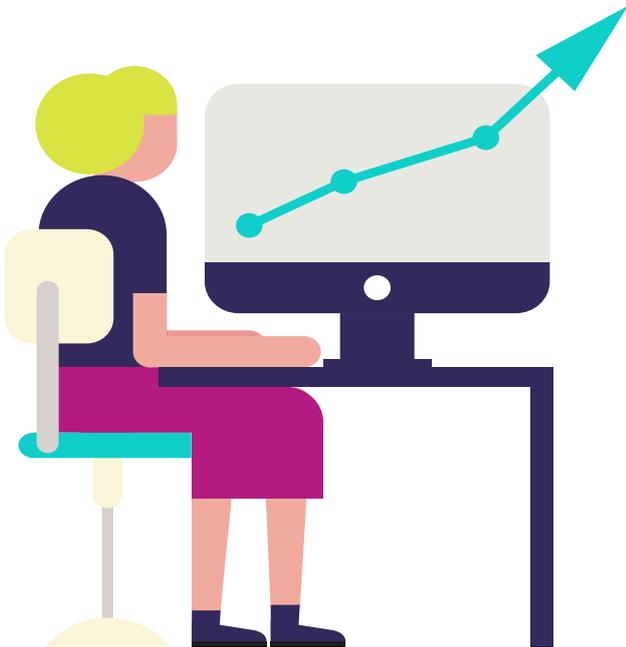
A LA CARTE BENEFITS AND REWARDS

Having the basic understanding that recognition is important is one thing, but putting a plan into action -- and having it succeed and endure in the future workplace -- is another beast entirely. It's important to realize that there is no one-size-fits-all solution to recognition, since the workplace can have as many as five generations working together at the same time.

Succeeding in the multigenerational workplace requires us to first understand each generation. In order to do so, Wu takes a look back at previous generations. "The Boomers came to age in the 60s and 70s and were all about freedom," he says. "Generally speaking, Millennials are their children; so it makes sense that, like their parents, they look for freedom and flexibility. On the other hand, Gen X went through bad economies and big recessions and are, as a result, much more risk averse. Gen Z are their children. This youngest generation of workers saw the 2009 recession and they are now reading all the headlines about how Millennials are still living at home when they're 35 because they can't find a job or afford a place to live." Wu's current research on the Gen Z population points to a trend reversal in the next decade or so. "They are a very different population from what we're seeing now with Millennials -- they want more structure, more predictability and they are particularly risk-averse." And while Gen Z currently makes up a mere five percent of the workforce, that figure will change over time and so, too, will the expectations and ways of working once again.

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Once we understand each generation, the challenge then becomes catering to each individual, who undoubtedly values different aspects of workplace recognition. But what does that look like concretely?
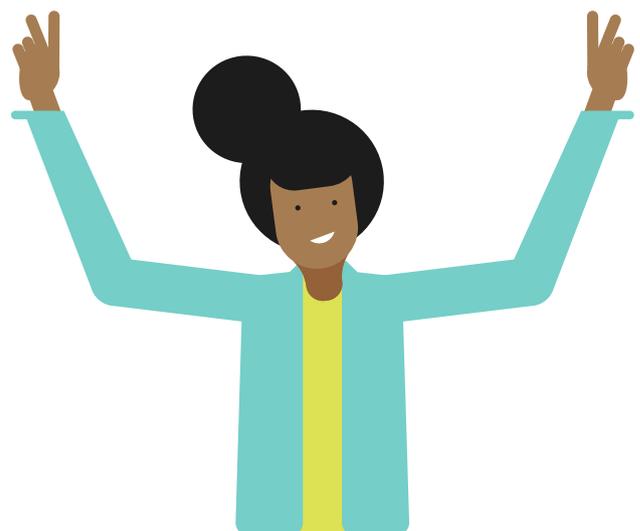
With 80 percent of employees looking for benefits that are tailored to their age or personal circumstances, companies are realizing that the one-size-fits-all benefits package no longer works. "Luckily, today's a la carte services are as diverse as the employees that require and expect them," says Mia Mends, CEO at Inspirus and Sodexo Benefits and Rewards Services. "Baby Boomers and Gen X employees may have a greater need for financial and wealth management type of benefits, while millennials may have more interest in philanthropic flexibility, creative benefits, and rewards aligned with their personal needs. This can manifest differently based on the company and its operating culture. It could also differ in complexity such as a wide range of benefits and services from which employees can select to craft a benefits plan that best suits their individual situation. An impactful benefits and rewards program targets cross-generational employees with varying needs."

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While companies are tasked with making a diverse group of people happy, one constant has emerged: the need for a technology-driven employee engagement program that delivers results. At Sodexo, the comprehensive Inspirus Employee Engagement Platform caters specifically to the multigenerational workforce and spans the entire employee journey from onboarding and training to retirement and milestone awards. "It is a single solution that integrates seemingly a la carte programs to make it easier for companies to deliver holistic benefits and rewards offering that is also meaningful and specific to each employee," says Mends.

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—Mia Mends,
CEO at Inspirus & Sodexo Benefits and Rewards Services

Part **02**

THE WORKPLACE IS GETTING **YOUNGER**

As more and more Boomers hit retirement age, they are replaced by droves of Millennials who will account for 75 percent of the working-age population by 2030 -- a figure projected to peak in 2036. Given the sheer size of this demographic, it is essential that companies consider the working style and preferences of these Millennial workers as they construct their benefits and rewards policies.

A JOB THAT MATTERS

So what does the *average* Millennial look for in a job? For starters, for 88 percent of this population, a job is more than a means to earn a living. In Sodexo's 2018 Global Workplace Trends report, experts noted that these civic-minded individuals are searching for meaningful work as they feel more fulfilled when they have the opportunity to make a positive impact on the environment and the society around them. Moreover, nearly two out of three Millennials said they wouldn't take a job with a company that doesn't prioritize social and environmental commitments. This is a trend that extends beyond Millennials as well. For example, 93 percent of Gen Z employees -- the youngest generation just entering the workforce -- say that a company's societal impact affects their job choice. Around the world, the youngest members of the workforce are emerging as powerful advocates and change agents — and companies need to take notice.

"We've gone through the cycles of trying to be really cool -- providing meals and snacks in the office, or Google actually has a slide in one of its campuses -- but we've seen that tapping into organizational purpose is what really leads to success," says Wes Wu, Ernst & Young's western region HR systems leader and co-author of *Future of Work: Shifting Rewards with Shifting Environments*. "For years, companies just wanted to better the bottom line. What they are now finding is if they can create purpose, they will engage the employee population. Let's say you're a healthcare company, your purpose is obviously to better the health of your local population, or the world. Managers can engage employees in this mission by giving them a couple hours or days off to go into the community and improve health or raise money or awareness." Simply being out of the office gives employees a mental break, but more importantly, they also spend time engaging with peers, notably those outside their immediate network. As a result, they feel more fulfilled and strengthen connections with their company.

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THE WORK-LIFE BLEND

While there has been quite a lot of buzz around the idea of work-life balance, with the arrival of Gen Z in the workplace the mindset is shifting towards a work-life blend. In fact, expert contributors to Sodexo's 2018 Global Workplace Trends report noted that this generation of workers has the "ability to switch in and out of multiple tasks without putting 'my job' and 'my life' in separate boxes. This flexibility allows them to create a satisfactory work–life blend—instead of striving for an equal 'balance.'"

But to get the blend right, employees need tools and support from their companies. Many businesses are making it a point to give employees a hand when managing tasks both in and out of the workplace through a variety of concierge services specialist. Whether employees need help with basic errands (dry cleaning, shoe repair, and the like) or more complicated requests (booking travel, getting a last minute travel visa, etc). These services save time, money and help employees manage their busy lives and focus on other priorities.
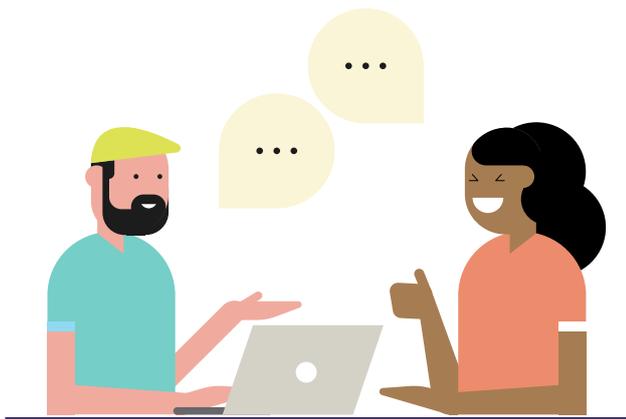
65%

of executives rate the "overwhelmed employee as an urgent or important trend".[1]

These priorities often include the employee's own health and well-being -- notably, 94% of young people rate mental and physical health as being the most important contributors to their overall happiness. Sodexo has committed to fostering a health-forward workplace by adapting work and the workplace so that both are wellness-focused and improve all dimensions of quality of life. "Creating awareness for a safe physical environment increases employee safety, health, and well-being," says Mia Mends. "We offer whole health support for our employees through mandated professional resources for mental health, nutrition, and more. In addition, we provide an opportunity for employees to connect and develop socially making for a stronger culture."

Source : Sodexo 2018 Global Workplace Trends Report

THE FUTURE-FOCUSED EMPLOYEE

Another defining characteristic of the Millennial worker is his/her tendency to consider the long-game. When considering a job offer, 59 percent are more apt to choose a company that offers relevant continual learning opportunities. Moreover, nearly 60 percent give more weight to professional development than initial salary or even higher earning potential. Eighty-seven percent of Millennials say that personal and career growth opportunities are important, versus 69 percent of non-Millennials.

We are on the cusp of the next industrial revolution, and this need for professional development and training is more urgent than ever. "Fifty percent of current jobs will be automated by AI by 2040 -- meaning that half of all employees will have jobs in future and the other half will have to find different jobs that new economy creates," says Wu. "But the problem is humans, in general, don't yet know how to collaborate or interact with bots. On top of that we're not incentivizing employees to improve their skills in order for them to have these future jobs. This is the perfect place for benefits and rewards to come in. Seeking out and training the right people and rewarding the right behaviors will help us future proof our workforce."

Based on the conviction that there is strong correlation between offering health and well-being programs and overall employee engagement, the Group also incentivizes this behavior through its Boundless program. Let's consider some very telling statistics: First of all, according to a HealthMine survey, 68 percent of employees would engage more in their wellness program if there were better incentives. And secondly, people spend roughly 30 percent of their lives at work. The first step to change, thus clearly starts with encouragement in the workplace.

"As the name implies, Boundless reaches all generations," says Mends. "With over 30 healthy habits on which to focus, there is something for everyone and each person is responsible for their well-being. The platform also provides the opportunity for employees to communicate with and support each other reaching and uniting a cross-generational audience and strengthening workplace culture. What's unique is that Boundless isn't limited to the employee. Families, children, partners can also take part in the program and the healthy habits carrying the progress and knowledge across the spectrum of the employees' lives."

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DISRUPTIONS IN THE WORKPLACE

Speaking of technology, another trend that has already begun to transform the workplace is the proliferation of digital disruptions. As access to technology puts the global economy in the palm of our hand and brings anything and everything to our doorstep within hours (or minutes), employees look for this same level of immediacy in the workplace.

Similarly, we are seeing the repercussions of social media in the work environment as well. Social media and the practice of living our lives online bring total transparency to pay and benefits. Interactive websites such as Glassdoor.com form online communities where employees share salary information and openly evaluate their job and company. They effectively blow the corporate door wide open and create an environment where nothing is secret anymore.

And lastly, connectivity itself has seeped into just about every aspect of our lives and shows no signs of slowing down. In fact, by 2030 three out of four people will own a connected device. Not only does this technology feed one of the fastest growing markets, but it also creates what one Wired journalist coined the "Quantified Self". This term refers to the fact that our lives can now be, and often are, quantified by connected objects -- how long we sleep, how often we exercise, the path and duration of our daily commute, what we eat, how much our heart rate jumps when we take on a flight of stairs or go for a run. These three mega trends, immediacy, transparency and connectivity, not only change the way we live but also the way we work.

According to a McKinsey report, companies are already integrating the use of digital dashboards and messaging systems to effectively recognize exemplary employee behavior. These digital solutions can be even more crucial in global workplaces where location and time can hinder the timely process.

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THE QUANTIFIED EMPLOYEE

Along with immediacy, digital disruptions bring on a wave of data. Researcher Josh Bersin argues in his study, *Will IoT technology bring us the quantified employee?*, that the concept of the Quantified Self has already entered the workplace. "Companies are capturing vast amounts of data about employees -- including email data, meetings and interactions, location and badge reader data, travel data, as well as data about learning, performance reviews, and data about salaries, career moves, and feedback. This data is also complimented with new data on wellbeing, health-related activities, and even exercise," he says. Quantified employees and their employers can use this data to make their work-life better.

According to Bersin, companies can draw from these "data lakes" to identify patterns which lead to retention problems, engagement problems, and patterns of high-performers. While they have not yet found a good way to give nudges to employees, they are now looking at tools that give this data to HR and line managers so they can better coach their teams. Given that a poll conducted by the Rewards and Employee Benefits Association found that more than half (58 percent) of professionals in the benefits and rewards industry see the value of predictive analytics, this is set to be an industry game changer in the years to come.

Quantifying apps such as Limeaid, VirginPulse, Rally Health, meQuilibribum now give employees direct fitness-related data about their daily schedule, activity, learning, and even emotional wellbeing. Others provide online access to content and videos for mindfulness, sleep assistance, and even psychological support. "I've talked with clients who use these tools and they tell me they are more frequently used than even Twitter or other social networks. One study found that employees who use these tools are 30 percent more likely to be highly engaged at work, because they give people such tremendously helpful feedback on how to make their work-life better", says Bersin.

However, one of the big hurdles to overcome is to get employees on-board with this kind of tracking. Bersin says the secret lies in pointing out the tangible value for employees. In fact, 58 percent of U.S. employees said they would use a wearable device if it helped them in their work. Bersin recommends that companies promote data collection as a tool for employee wellbeing and productivity and to ensure that they deliver tips and aids directly to employees so they see the value.

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—Josh Bersin,
founder of Bersin by Deloitte

"I was just meeting with a client who uses organizational network analysis software to identify people who are "*highly connected*" vs. those who are "*outliers.*" They have found, for example, that some people who are highly connected are not well known or well rewarded, which doesn't lets the company highlight them for promotion or find them more valuable roles."

"Technology can also facilitate informal moments that offer people an opportunity to connect, to recognize personal and professional achievements and help them build genuine relationships throughout the organization" says Mends. "Social listening technology and dynamic survey tools provide means to determine what works well for the organization and crowdsource feedback. Digitizing the workplace with IoT solutions enhances productivity, increases employee engagement and boosts satisfaction. Facility managers use Beacon technologies (sensor tracks, movement record, and wearable devices) to make data-driven decisions and to use smart scheduling practices for maintenance activity. This new technology can even be applied to safety equipment to prevent all categories of injuries", Bersin says.

As this type of technology is still coming into its own in the workplace, there are a few pitfalls to avoid, says Bersin. The security of all this data is of course a big concern. But Bersin points out a key tip for companies: "Don't use this data to directly measure job performance. The way each person gets work done will differ – so measuring activity does not necessarily tell you anything about results. What this data should do is help people improve themselves, not directly measure their output."

LOOKING TOWARDS THE FUTURE

As organizations around the world look for ways to future proof the workplace, they must have a clear understanding of the unique characteristics of the newest and most predominant generations in the workforce. Likewise, they must prepare for the way that digital megatrends will continue to reshape the workplace.

In the future, every aspect of the workplace will be designed with the employee in mind; if we can begin to install a tech-based yet human-centric approach to human capital management, we can truly start preparing for the future.