

# The experience of work

## The role of technology in productivity and engagement

Research suggests that the more engaged employees are in their work, the more likely they are to be productive, self-starting and innovative. Unfortunately, only a minority of employees are actually fully engaged. The push to improve engagement has prompted many organisations to consider the holistic, subjective experience they create for their workers, the so-called employee experience.

But which factors contribute to a positive

employee experience? What role, if any, does technology play in shaping it? And how can companies improve collaboration across divisional silos to create a more productive and engaging experience for their staff?

To answer these questions, The Economist Intelligence Unit surveyed over 1,000 senior executives, including IT and HR leaders, and conducted a series of in-depth interviews. This executive summary presents the key findings.

### Key findings

- The employee experience is high on the management agenda, and improved productivity and engagement are the top two expected outcomes.
- Leadership and management are the most influential determinants of the employee experience. Technology is more likely to be seen as a primary factor among companies with higher self-reported employee engagement and productivity, and among those with more advanced digital transformation initiatives.
- Ease of access to information and the ability to access it from anywhere are the most important characteristics of the technology that helps shape a positive employee experience, respondents believe.
- Executive ownership of the employee experience is often shared, which may explain why only a minority of respondents strongly agree that they take personal responsibility for it.
- Making sure that technology has a positive impact on the employee experience will require collaboration between IT and HR. High-performing companies are more likely to have taken measures such as employing cross-functional specialists and defining shared key performance indicators.

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## About the research

The Economist Intelligence Unit surveyed 1,145 business executives in March and April 2019. The respondents hail from eight countries (the US, the UK, Germany, Australia, New Zealand, Japan, China and Brazil) and work in six sectors (automotive, energy/oil and gas, financial services, healthcare, manufacturing and retail). They have senior roles in their organisations, just under half (49%) being C-level executives and the remainder directors, business unit or department heads, and senior managers. The vast majority (81%) work in businesses employing over 500 people, while nearly half (48%) are at companies with over 5,000.

The survey analysis identified

significant differences in response patterns in two areas:

- *Digital development.* “Digitally more mature” organisations are those that have been implementing a digital transformation strategy for more than two years. These are compared with “digitally less mature” organisations, where strategy hasn’t been developed yet.
- *Engagement and productivity.* “High performers” strongly agree that employees at their organisation are more engaged in their work and more productive than at industry peers, and that they are more productive in their work than at peers. “Low performers” do not agree with either statement.

## Driven by productivity and engagement

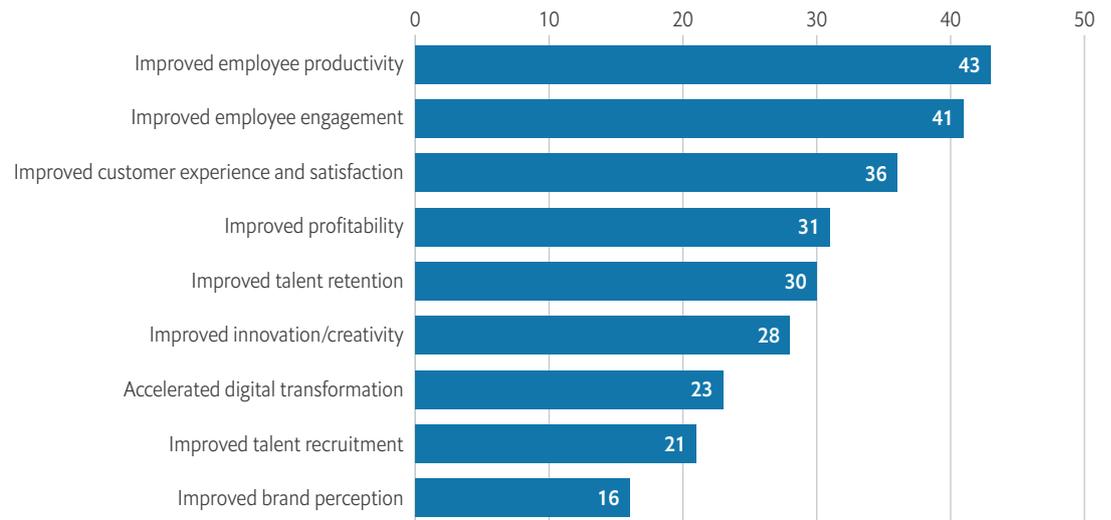
The employee experience is squarely on the management radar in large businesses, according to the executives interviewed for this study. It is a matter of senior management discussion at the vast majority (81%) of surveyed firms. Many businesses have established management roles with explicit responsibilities in this area (and even the exact term in the title).

The most common business outcomes that companies seek from improving their employee experience are improved productivity and engagement. Although the direction of causality is not entirely clear, the survey suggests that these two qualities are strongly linked to the employee experience. Half of the respondents who report that engagement and productivity among employees are higher than those of their rivals (“high performers”)<sup>1</sup> also say there has been an improvement in their employee

<sup>1</sup> We identified “high”, “middle” and “low” performers based on the extent of respondents’ agreement with two statements put to them in the survey: that employees at their organisation are more engaged in their work than at industry peers, and that they are more productive in their work than at peers. High performers agreed “strongly” with both statements; middle performers agreed “strongly” or “somewhat” with both; and low performers did not agree with either.

**Figure 1: The benefits of experience**

Business outcomes obtained or expected from an improved employee experience  
(% of respondents)



Source: The Economist Intelligence Unit.

experience in the past two years. This compares to just one in ten of respondent firms that do not report higher engagement and productivity (“low performers”). Digitally more mature firms are also more likely than less mature ones to report such improvement.

But the employee experience is not an entirely inward-facing agenda: in our survey, more than a third of respondents’ companies are seeing, or expect to see, better customer experience and satisfaction as a result of their efforts to improve the employee experience.

### The role of technology

It is difficult to overstate the role that strong leadership plays in the outcomes associated with an improved employee experience. When asked to rank the contributing factors, respondents placed leadership and management at the top—and with a more emphatic response than any other factor, including pay.

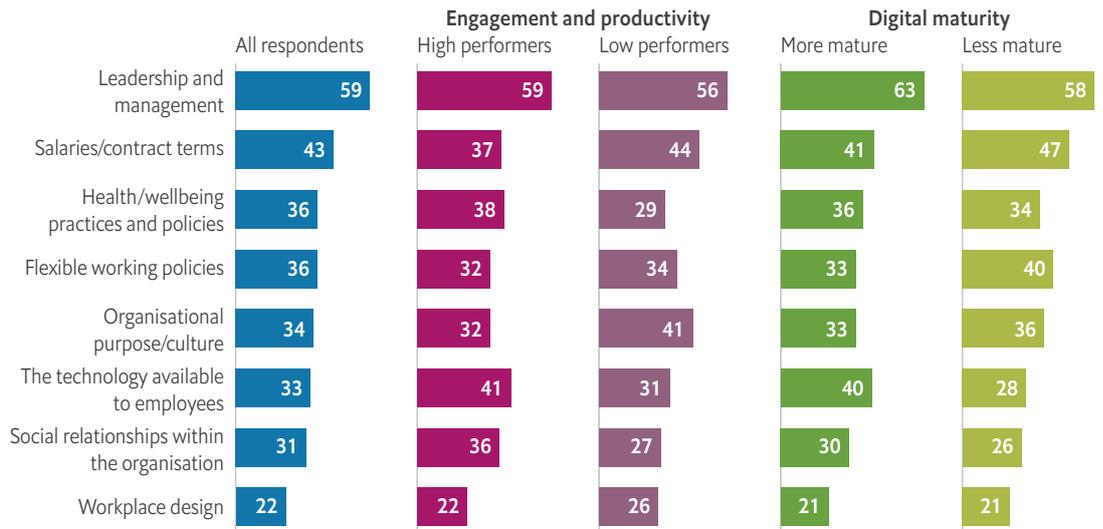
In the overall sample, technology ranks just behind organisational purpose and culture as a determinant of the employee experience. However, both the high performers and the digitally more mature groups put technology on a much higher level. This suggests that the factor has been a driver of the aforementioned improvement in employee experience, as noted by both groups.

Among the various ways employees interact with technology, it is the ability to access and share information that has the greatest bearing on improved engagement, productivity and, ultimately, a better employee experience. The ability to work from anywhere is a close second for respondents.

Almost half of high performers (46%) state emphatically that the applications and devices an organisation provides make a positive contribution to the employees’ working experience. However, if not managed carefully, technology initiatives may have

**Figure 2: The burden of leadership**

The factors perceived to contribute most to an improved employee experience  
(% of respondents who rank each factor 1st, 2nd or 3rd#)



Source: The Economist Intelligence Unit.

unintended effects: 44% of respondents firmly believe that inadequately specified or poorly implemented technology can have a negative impact on the employee experience. Often this is the result of workplace deployments that fail to pay enough attention to change management, interviewees suggest.

**Taking ownership**

By its holistic nature, the employee experience cuts across every facet of an organisation. This may explain why shaping the employee experience is more often a shared responsibility among multiple senior executives rather than the ownership of one. When the latter is the case, the chief human resources officer (CHRO) is more likely to take the lead than other C-level peers.

Shared responsibility can often result in a vacuum, however, and many survey

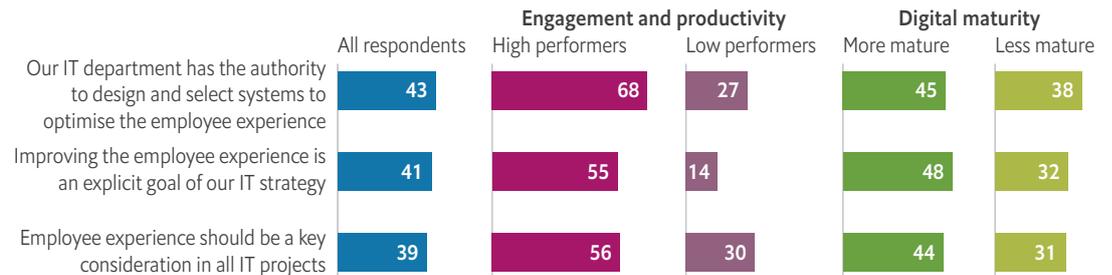
respondents evidently believe the employee experience is someone else’s problem. Little more than a third (34%) of C-suite respondents strongly agree that they take full responsibility for it across the organisation. Only a handful more (39%) say that they take full responsibility for it even within their own teams.

Among the global sample, the chief information officer (CIO) is the least likely C-Suite role to have ownership of the employee experience. Again, this varied by maturity: at digitally more mature businesses, the CIO is more likely to share the leadership of these efforts than at less mature ones.

IT leaders from more advanced companies were also more likely to take the employee experience seriously, the survey shows. IT executives from high-performing and digitally more mature organisations are more likely to

**Figure 3: Employee experience on the IT agenda**

IT perspectives on the employee experience  
(% of IT respondents who “strongly agree”)



Source: The Economist Intelligence Unit.

strongly agree that the employee experience should be a consideration in all IT projects, that it is an explicit goal of their IT strategy, and that they are authorised to design and select systems to optimise it.

### IT and HR: Working together

Given the HR function’s apparent leadership role with respect to the employee experience and its natural authority on issues related to employees, it stands to reason that ensuring technology has a positive impact on that experience will require effective collaboration between IT and HR.

Some formidable barriers stand in the way of that collaboration, however. Paramount among these are the familiar features of large, siloed organisations: a lack of mutual understanding and few common objectives. These cannot be broken down easily, but many organisations are finding ways to build bridges. It helps when CIOs and CHROs view digital transformation as a shared project, as over a third of respondents confirm is the case at their firm.

It also helps that IT supports HR in building digital means of tracking employee attitudes

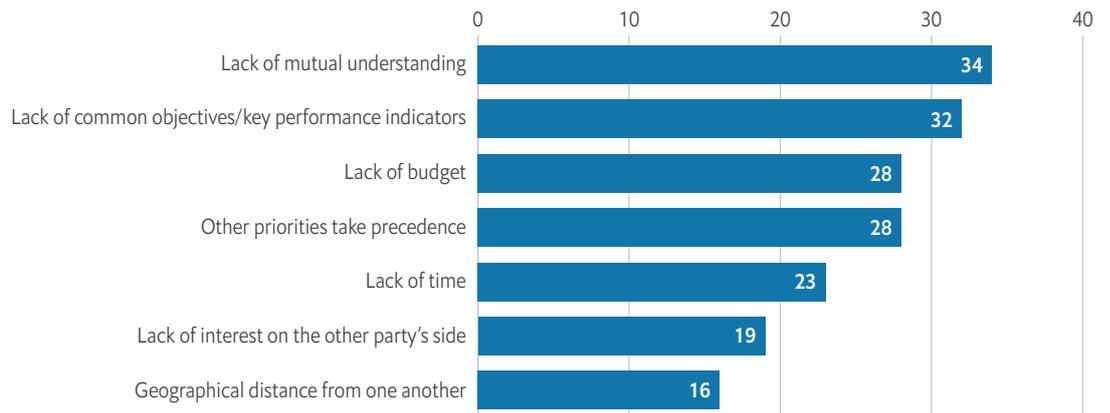
and levels of engagement. But many firms in the survey go beyond this. For example, a third of the overall sample (and 43% of high performers) strongly affirm that they’ve established key performance indicators used by both IT and HR to measure aspects of the employee experience.

Several of the surveyed organisations—as well as those interviewed for the study—are developing specialists with combined HR and IT expertise in order to reduce barriers. Just under a third of the overall sample (40% of high performers) confirms they do this to help bridge the two departments.

In the longer term, for HR and IT collaboration to become an everyday reality that is geared towards a better employee experience—and in all areas where employees interact with technology—outlooks need to change. Encouragingly, that recognition does appear to be top of mind. HR leaders of tomorrow, many respondents believe, will need to be knowledgeable in technologies such as artificial intelligence and analytics to guide and improve employee work and experience. At the same time, future IT leaders will need more insight into human factors such as engagement and wellbeing.

**Figure 4: The need for common ground**

The toughest barriers to effective HR-IT collaboration  
(% of respondents)



Source: The Economist Intelligence Unit.

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