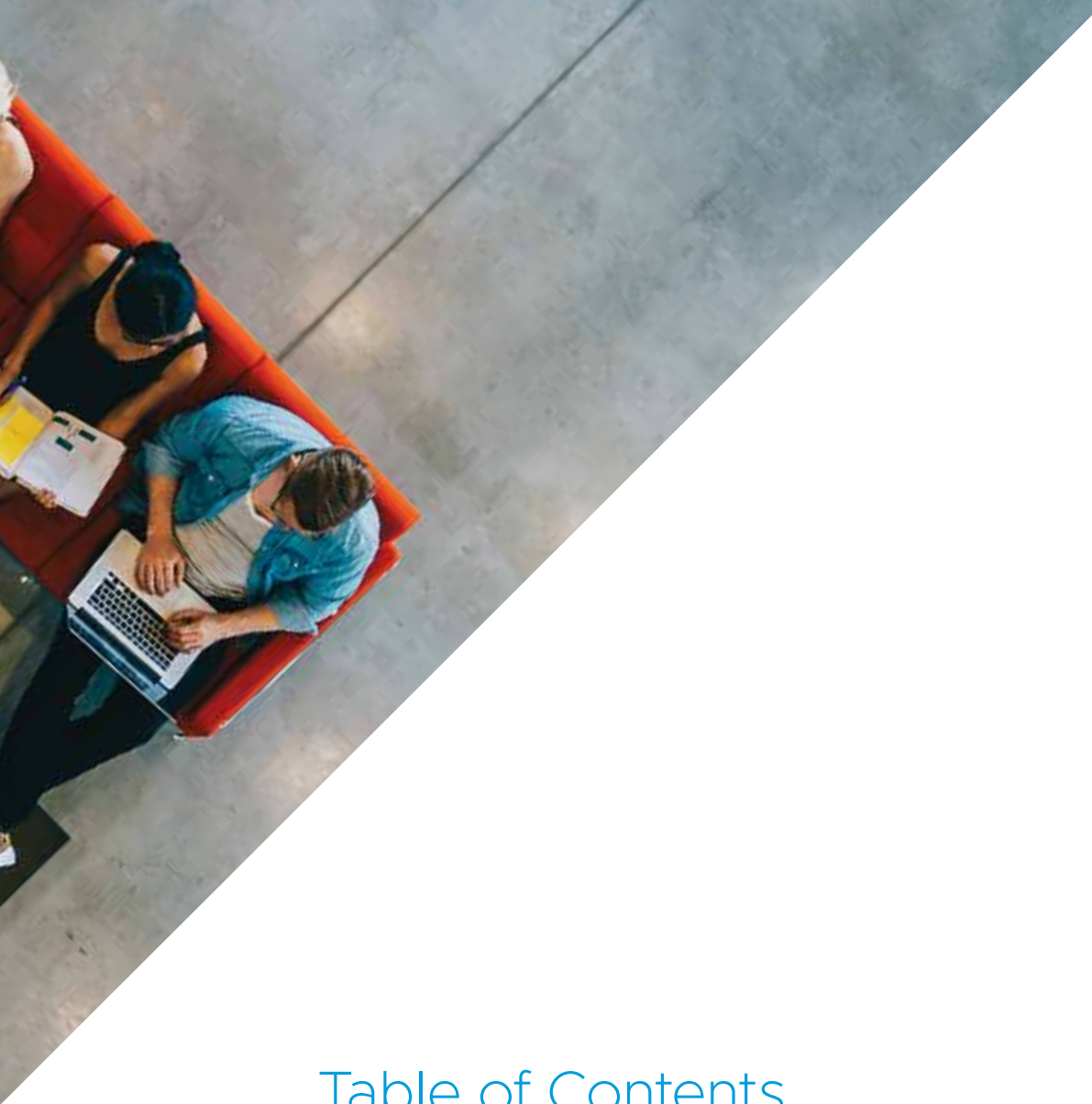


# The Value of Digital Employee Experience

Why Every Organization Needs a Digital Workspace Strategy







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## Employees Drive Business Success

Digital transformation is underway in organizations across the world. New and innovative customer experiences are shaping the way businesses compete. Yet something closer to an organization's core — its employees — has a significant impact on how well the company does and is perceived in the marketplace.

*The Impact of a Digitally Empowered Workforce* research in 2017 uncovered the extent to which employees worldwide have embraced emerging technologies to work better and smarter. It found simple and highly accessible employee-centric applications and productivity suites returned employee productivity gains that when added up across thousands of workspaces, produced combined efficiencies showing a more empowered enterprise with performance improvements from increased efficiency to enhanced agility.

A more recent survey of 6,400 employees, IT, and human resources (HR) decision-makers by Vanson Bourne in partnership with VMware goes further. *The Value of Digital Employee Experience* survey reveals how beyond introducing new technologies to transform their business models, winning businesses are vying for the best talent which is leading to a rise in improving the digital employee experience. It surfaces not only what digital experience factors employees want but also their high expectations for IT and HR organizations to work together in creating a better employee experience that meanwhile drives competitive advantage.

## Insights from the Survey

Employee experience — a combination of employee culture, technology, and workstyle — influences and is influenced by digital employee experience. This new survey showcasing employee experience trends shows why putting employees first continues to be a rewarding business strategy.

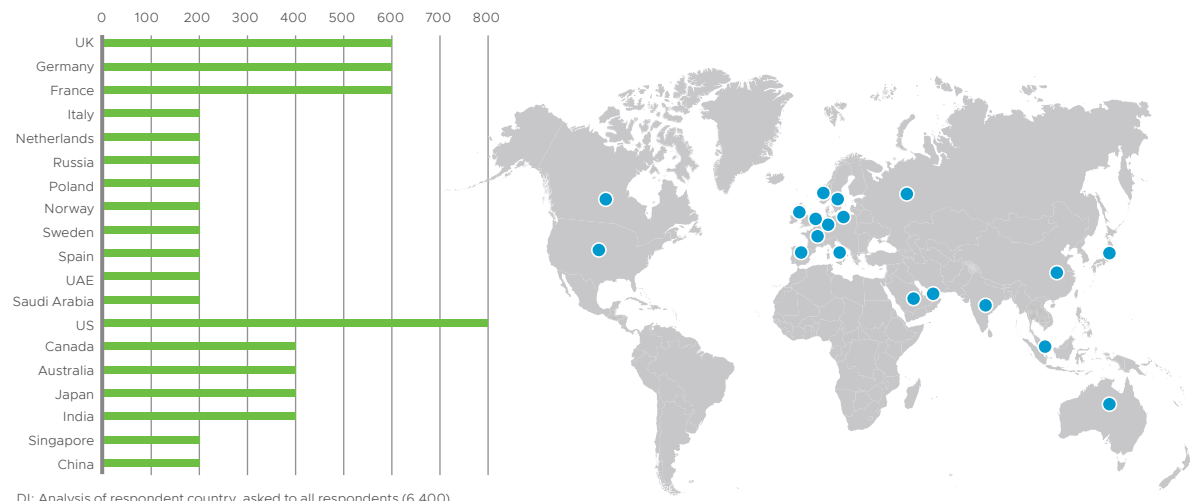
### Key Findings

- 1 Digital employee experience is linked to competitive position, company growth, and employee sentiment.
- 2 In a tight talent market, employee experience matters. Employees are far more likely to recommend their company (net promoter score) if it provides a great digital experience.
- 3 There is a perception gap. Although employees believe IT could do more, IT is focused on delivery speed over employee satisfaction.
- 4 The majority of respondents agree digital employee experience projects are rising in priority, but challenges exist and communication is lacking.
- 5 Employees want a voice, HR is an ideal conduit for expanding digital employee experience, and next steps are clear.

## Survey Demographics

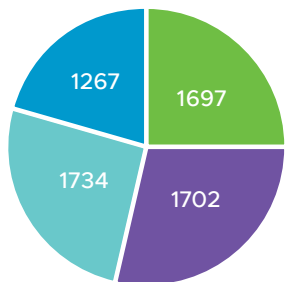
Six thousand, four hundred (6,400) respondents who use a computer/smart device for work purposes were interviewed in March and April 2019, split in the following ways...

### Country



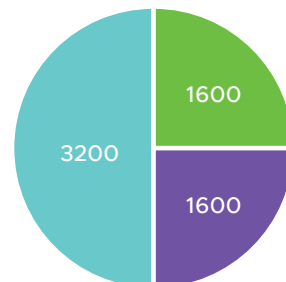
DI: Analysis of respondent country, asked to all respondents (6,400)

### ...number of employees



- 500-999 employees
- 1,000-2,999 employees
- 3,000-4,999 employees
- 5,000 or more employees

### ...respondent type



- HR decision makers
- IT decision makers
- Employees

# Business Success

To level set, respondents were asked about their organizations' overall success, including

- Competitiveness in their industry
- Annual revenue growth (asked to only supervisors and above)
- Staff planning levels
- Attitudes toward their organization

Within and across categories, the responses of those surveyed were tabulated and analyzed. Companies were categorized as leaders/pioneers; middle of the pack, or followers based on respondents answers. Annual revenue growth responses put organizations into one of five categories: underperforming (-1%+)/not growing (0%); low growth (1-5%); medium growth (5-15%); high growth (15-25%)/hypergrowth (25%+); and don't know.

Finally, analysis was done on attitude questions to determine net promoter score categories, assigning those surveyed into promoter, detractor, or passive respondents.

**At the top level, the survey revealed a strong correlation between digital employee experience and business success.**

# Digital Experience Factors

Many factors contribute to digital employee experience. Table 1 shows whether the answer “yes” or “no” to each question was a contributor to a good digital experience, enabling an average to be calculated to understand how many factors respondents have at their organizations. (The maximum number of digital employee experience factors respondents could have is 10.)

ANSWER YES OR NO TO THE FOLLOWING QUESTIONS ABOUT YOUR DIGITAL EMPLOYEE EXPERIENCE AT WORK	YES	NO
Does your organization let you choose between using a MAC or PC for work purposes?	✓	
Does your organization let you choose between using Android or iOS for work purposes?	✓	
Does your organization give you the freedom to work from your personally owned device(s)?	✓	
Does your organization give you the ability to work from anywhere as easily as from in the office?	✓	
Does your organization give new employees access to all of the apps and data they need to be productive in their role on the first day of the job?		✓
Do you ever have to take/send your device to IT to update or fix?		✓
Can you easily find and install the right app for any new task/process at work?	✓	
Outside of email, do you have applications on your phone or tablet for the three most important tasks in a given working week?	✓	
Does your organization have policies and practices to stop you taking files and email messages if you left the company?	✓	
Regardless of whether you actually would, if you left your organization tomorrow, could you take email messages and files with you?		✓

Table 1. Digital employee experience factors

# 1 Digital employee experience is linked to competitive position, company growth, and employee sentiment.

More factors. Better results. Correlating business success and digital experience factors reveals a good digital employee experience contributes to the competitiveness and financial growth of organizations, as well as employees feeling happier at work and recommending their organizations to others.

On average...

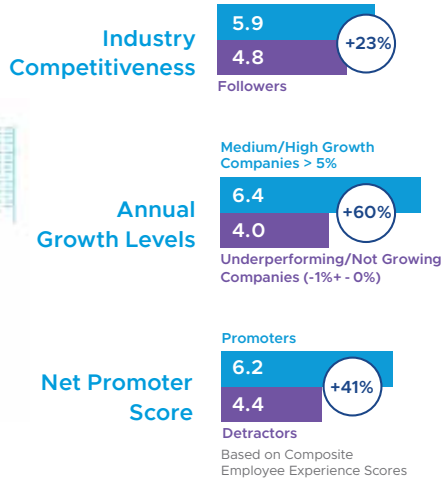
- Respondents have five digital employee experience factors in their organization out of ten.

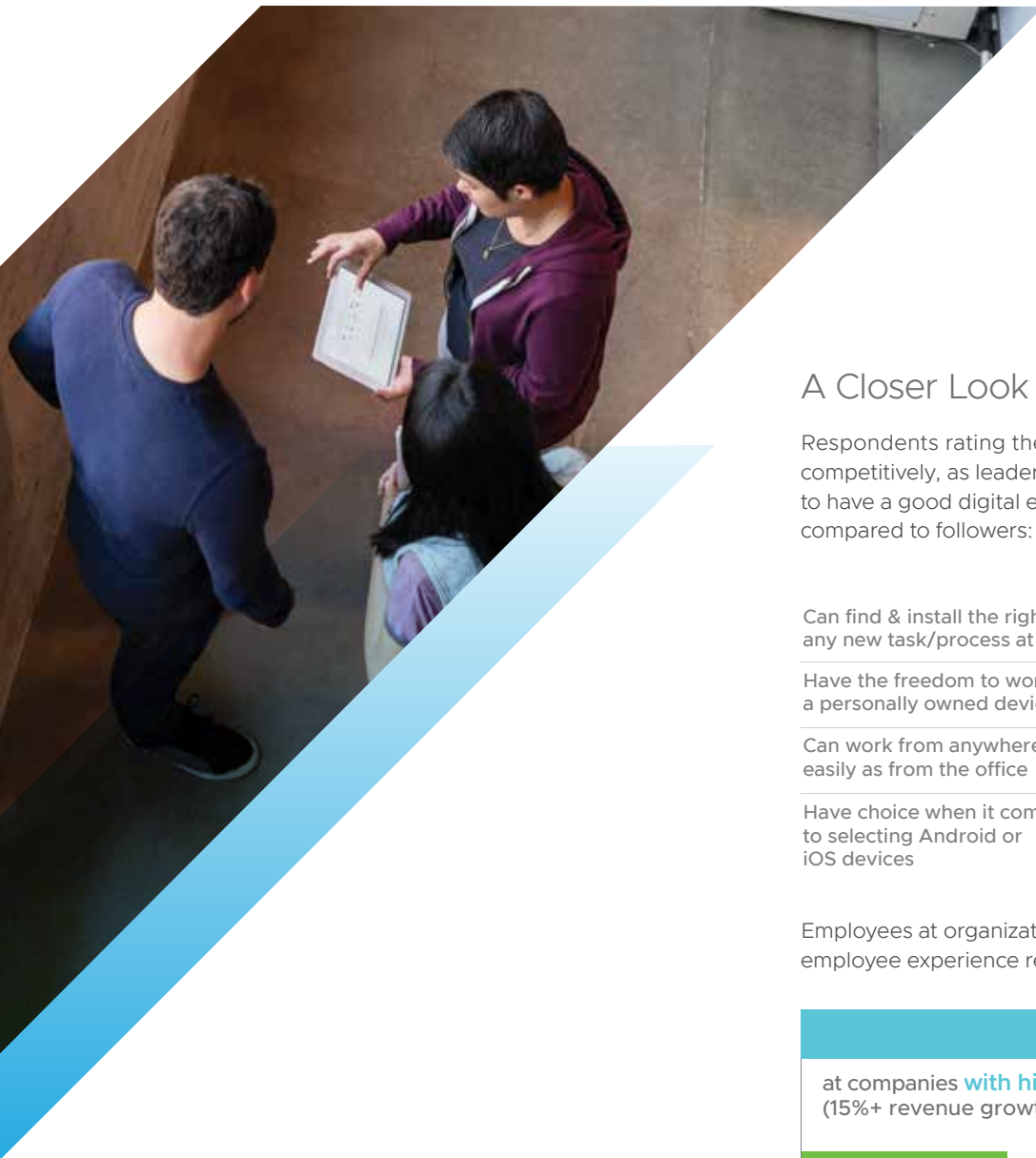
Analysis shows...

- Leader/pioneer organizations are more likely to have more digital employee experience factors (5.9) than those from organizations that are followers (4.8).
- High growth/hypergrowth organizations are more likely to have more digital employee experience factors (6.4) than underperforming/not growing companies (4.0).
- Organizations seen as promoters give employees a higher number of digital employee experience factors (6.2) than detractors (4.4).

Additionally...

- Organizations planning to add staff give their employees more digital employee experience factors (5.9), than those planning to reduce staff (4.2).
- Respondents who are proud of their organization and/or report that their organization is recognized as one of the top places to work have more digital employee experience factors (both 6.0) than those who don't say these statements (5.0 and 5.1, respectively).





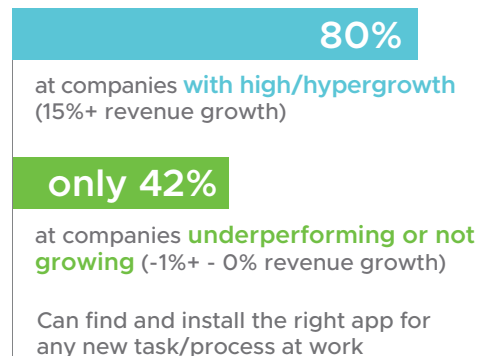
## A Closer Look at the Divides

Respondents rating their organizations more competitively, as leaders/pioneers, are more likely to have a good digital employee experience at work compared to followers:

	Leaders/ pioneers	Followers
Can find & install the right app for any new task/process at work	76%	53%
Have the freedom to work from a personally owned device	62%	51%
Can work from anywhere as easily as from the office	70%	51%
Have choice when it comes to selecting Android or iOS devices	61%	46%

Employee rating of their organization

Employees at organizations that deliver a better digital employee experience report higher revenue growth:



Moreover, the higher the growth of the organization, the more likely respondents are to see aspects of their digital employee experience as very important. For example, 58 percent of respondents from high growth/hypergrowth organizations see having the option to choose between a MAC or PC at work as very important. Only 10 percent from underperforming/not growing organizations agreed — pointing to higher exposure to more digital factors showcasing their benefits to employees.



## 2 In a tight talent market, employee experience matters. Employees are far more likely to recommend their company (net promoter score) if it provides a great digital experience.

Better digital experiences. Easier recruiting. Candidates are paying attention to the digital experience prospective employers provide:

**Attracting Talent** > 73% of employee and HR respondents agree “**The flexibility of tools (e.g. technology, apps, devices etc.)** I might need to use for work, would influence my decision to apply or accept a company’s position.”

Across every generation, employee experience influences talent decision-making:



Better digital experiences. Higher retention. Employee turnover is costly and involves more than filling a new role. Companies that keep their best talent retain valuable company and industry knowledge. They avoid redirecting manager and top-performer attention from innovation to new hire training.

Promoters give their employees a higher average number of digital employee experience factors — across all digital employee experience factors.

Retaining Talent >	Promoters	Detractors	Agree...
	81%	50%	they can easily find & install the right apps needed at work
83%	60%	have apps (excl. email) on their phones/tablets for the 3 most important work tasks/week*	
74%	47%	they can work from anywhere as easily as from the office	
74%	50%	new employees have access to all the apps and data they need to be productive in their role on the first day of work	
67%	43%	they have the freedom to work from their personally owned device(s)	
60%	33%	they can choose between using a MAC or PC for work	

\* Answer option was asked to only those using smartphones/tablets for work



## Workforce Sentiment Matters

Further emphasizing delivering a better digital employee experience plays a role in workforce sentiment, respondents saying their organization gives them the ability to work from anywhere as easily as from the office (compared to those who can't) are significantly more likely to agree...

	Can work easily from anywhere	
	YES	NO
They are proud of their organization	71%	28%
Their organization has a progressive culture	71%	28%
Their organization is recognized as one of the top places to work	70%	29%
Their organization provides good work-life balance	69%	30%

Giving employees a choice about their digital experience, and providing them with the tools, technologies and applications they need to perform well increases the likelihood of them recommending their organization to others. Organizations that fail to keep up with digital demands are at risk of losing talented employees who might choose to seek opportunities elsewhere.

### 3 There is a perception gap. Although employees believe IT could do more, IT is focused on delivery speed over employee satisfaction.

Better communication. More satisfaction. IT and HR decision makers as well as employees want their organizations to prioritize employee experience projects:

**82% agree...**

“Employee experience projects should be a **top priority** for my organization”



with more IT respondents (88%) than employees (78%) agreeing.

## Prioritization

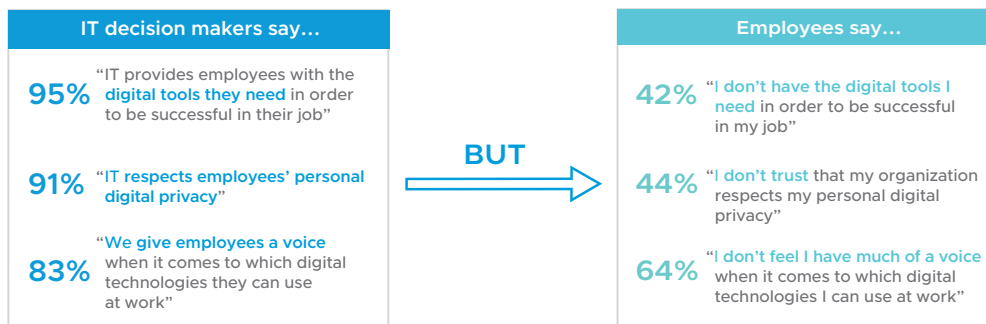
How important should digital employee experience be? Nearly three quarters (74%) of respondents say their organization should place more importance on ensuring employees have the best tools, with over a third (35%) saying it should be significantly more important.

Looking at the “significantly more important” response by organizational competitiveness — a comparison of those agreeing much more importance is needed — reveals differing mindsets:

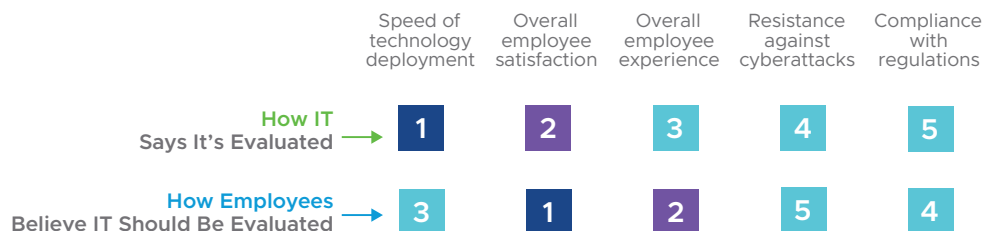


## Perception

Yet perceptions about what is being done to boost employee experience are significantly different.



Organizations cannot afford to minimize these disconnects; otherwise, they risk losing talent to those working on fixes. And it may be a surprise for IT leaders to learn delivery speed isn’t as important to employees as meeting workers’ digital needs:



# 4 The majority of respondents agree digital employee experience projects are rising in priority, but challenges exist and communication is lacking.

Fewer obstacles. Higher priority. Encouragingly, employee experience projects have become more of a priority in the last year, and this trend is expected to continue into the next year.



This finding highlights highlights the increasing importance of providing a good digital employee experience and why the following top challenges must be overcome — particularly as employees are the least likely (compared to IT and HR) to view these as challenges.

84% agree **obstacles exist** in delivering the optimum digital employee experience

### Top 3 Challenges

- 1 **Funding**
- 2 **Time**
- 3 **Lack of understanding about what employees want & need**

Although IT and HR say employee experience projects have become more of a priority over the last 12 months (**56%** and **52%** respectively), they are not communicating their progress to employees as most say improvement is needed to digital employee experience areas.



## 5 Employees want a voice, HR is an ideal conduit for expanding digital employee experience, and next steps are clear.

Incremental steps. Transformational progress. Who is ultimately responsible for the overall employee experience is still being debated.

- IT decision makers most likely say the Chief Information Officer
- HR decision makers most commonly say the Chief HR Officer
- Employees most likely say the Chief Executive Officer



Yet there is little doubt employee digital experience is a team sport.

**89%** of all respondents say **IT and HR could work better together** to improve the digital employee experience

That's not surprising because just under a quarter (23%) of respondents believe IT and HR work together all of the time to improve their organization's digital employee experience. However, this may be because IT and HR aren't communicating and reassuring employees of the work they're doing to improve their digital experience. Of note, though, are the numbers showing IT and HR are more likely to work together all of the time in high growth/hypergrowth (52%) organizations and/or in organizations viewed as promoters (37%).

### Mindset, Tools, and Support

Respondents agree IT (67%) and HR (51%) have the right mindset, tools, and internal support to best manage digital employee engagement. But are they doing the job, and doing it well?

**49% agree...**

**"I don't know** if it's IT or HR I should approach about my digital experience"

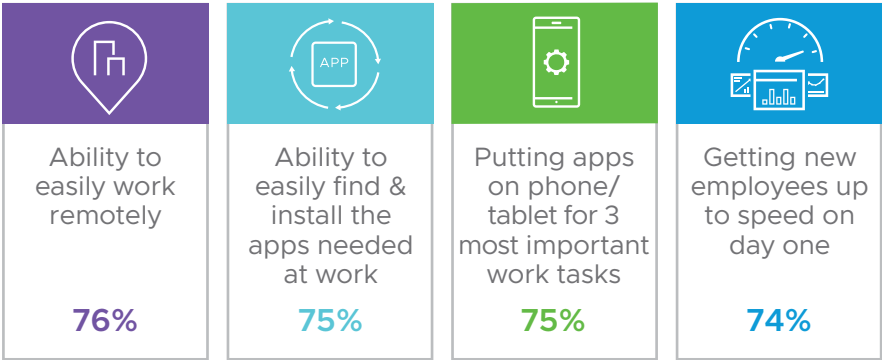
- Over three quarters (77%) of respondents report HR has at least some responsibility in improving the digital experience, with 13 percent saying they have complete responsibility.
- Of those who don't think HR has complete responsibility, 80 percent say HR should have more.

Clearly, respondents want HR to play a bigger role in providing digital employee experience, but it's important that HR staff work alongside IT on initiatives — given they're most likely to be the best two departments cited to manage it.



# Next Steps to Improve Your Digital Employee Experience

A majority of respondents say every digital employee experience factor requires improvement and they rank these four as the factors to improve first:



To jumpstart employee experience initiatives, organizations are choosing a digital workspace platform. VMware Workspace ONE® fuels modern work and delivers results:



**building a culture of choice**



**going beyond meeting requirements**



**focusing on meaningful moments**

Digital employee experience is linked to competitive position, company growth, and employee sentiment. Put your employees first to put your business first.

Learn more at <https://www.vmware.com/radius/topic/digital-workspace/>.



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