

Employee Experience Services 2020

HR Transformation and Strategy

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Excerpt for EY

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Whether forced or fluid, customers change—all of them. And companies must place people first, not only to change with them but also to unleash the enterprise. It's not about a framework per se, *but a mindset* to re-engage your culture and empower people to break silos, drive experimentation, and advance business delivery.

—Phil Fersht, CEO & Chief Analyst, HFS Research

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Introduction

- The world of HR services has radically shifted from providing benefits, compliance, and payment processing to hosting a breadth of solutions, including HR modernization, workforce planning, and skilling. It's a tall order within a multigenerational and increasingly diverse global workforce and a growing imperative to do more with less.
- At the same time, companies have been putting customer experience (CX) at the forefront to stay relevant, fend off disruption, drive consistent improvement to their balance sheets, and, of course, delight customers.
- The rise of employee experience (EX) is the catalyst driving competitive advantage and deeper engagement across personal, social, and organizational domains. With an imperative for people, HR leaders are driving EX within the HR function and in concert with leadership across the organization.

Introduction



According to MIT Center for Information Systems Research, companies that score in the top 25% of employee experience achieve 2x the customer satisfaction, 2x the innovation in terms of percent of revenues from new products and services, and, ultimately, 25% greater profitability.¹



According to a Gallup survey of 1.8 million employees, team members with higher levels of engagement

- produce substantially better outcomes
- treat customers better and attract new ones
- are more likely to remain with their organization than those who are less engaged.²

¹ EX needs to play catch-up with CX | Avenade Insights | June 3, 2019

² 4 Factors Driving Record-High Employee Engagement in U.S. | Gallup | Feb 4, 2020

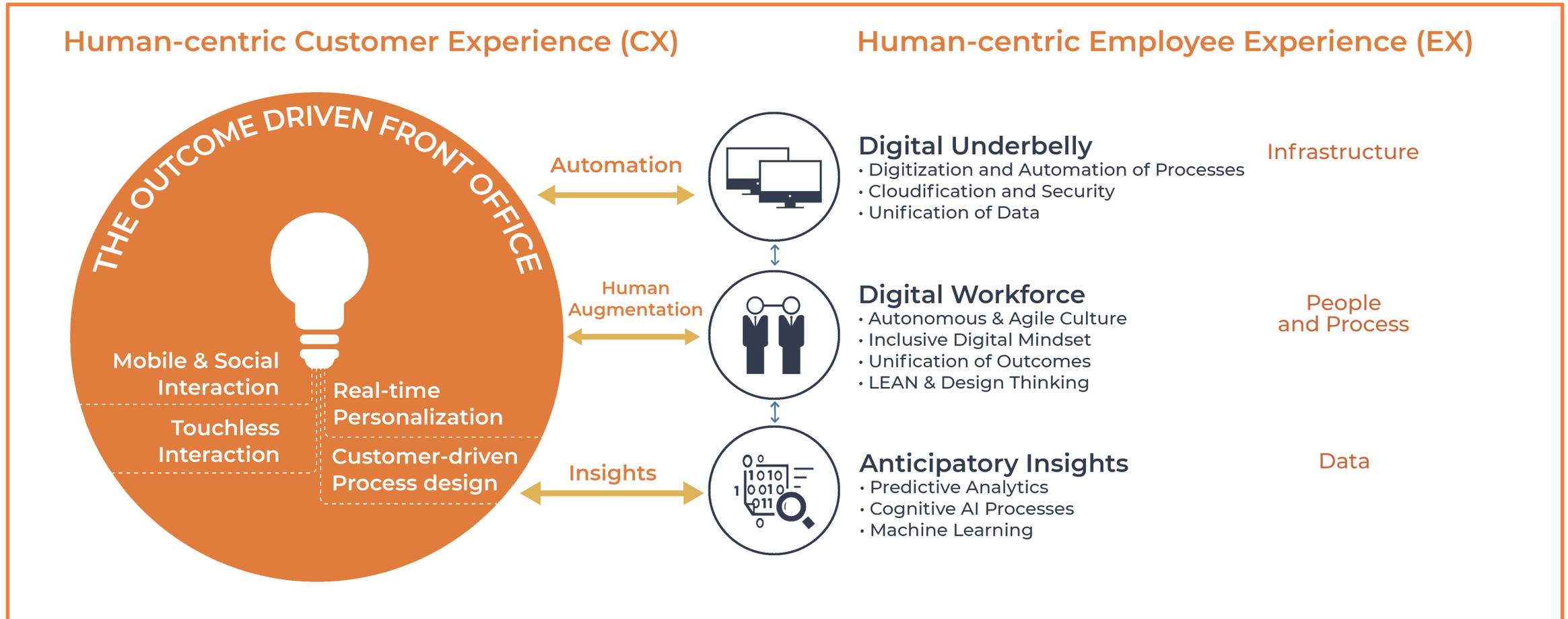
Introduction

- This research examines how consultants and service providers are evolving their practices to support the rapidly changing dynamics of employee experience and HR services within the context of a OneOffice organization.
- OneOffice is a vision for aligning business operations and workforce interactions across an adaptive, digital environment. **At its core, the OneOffice experience is about making customer, employee, and partner experiences the heart of the strategy** across the organization. This is our vision for the future of business operations.

HFS OneOffice™ Experience

Our bodies are meant for vitality, and so is our business.

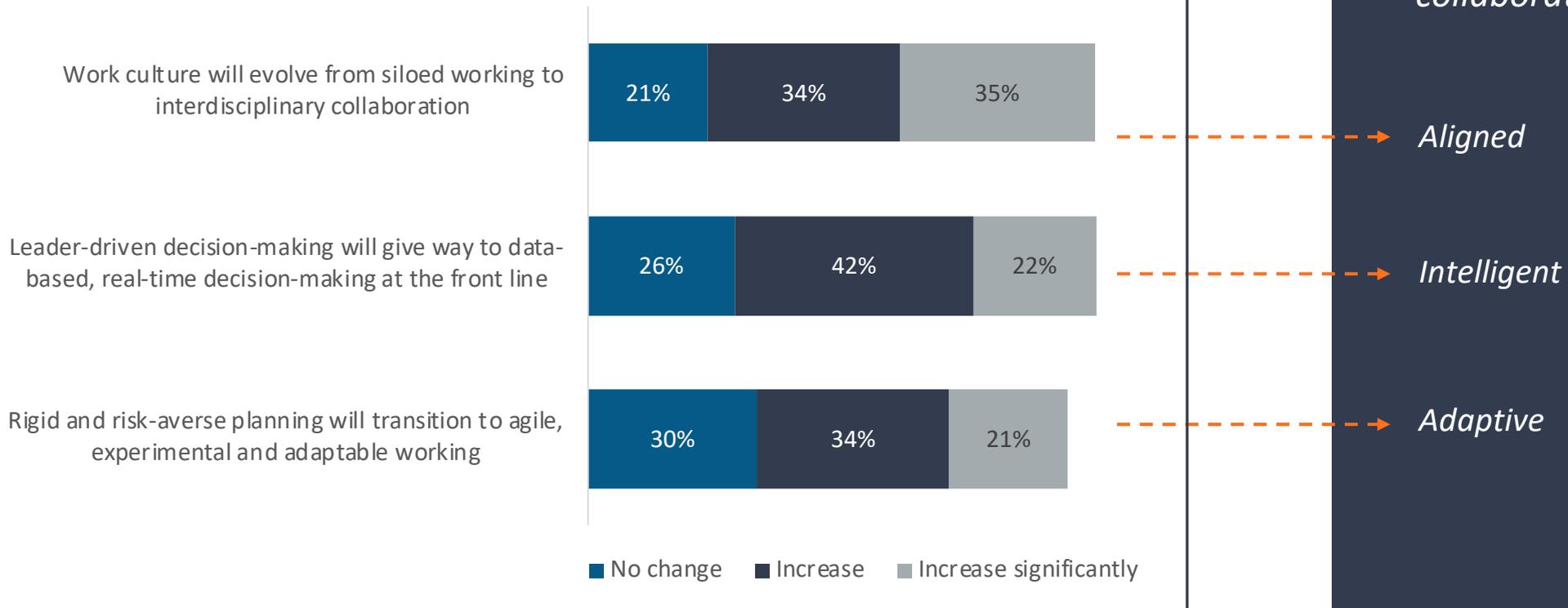
The OneOffice™ experience occurs when the organization's infrastructure, people, processes, and intelligence mature into **one integrated system** to delight customers and deliver on its purpose.



HFS OneOffice Experience

A OneOffice organization aligns business operations and workforce interactions across an adaptive, digital environment.

To what extent will the following be accelerated as a result of COVID-19



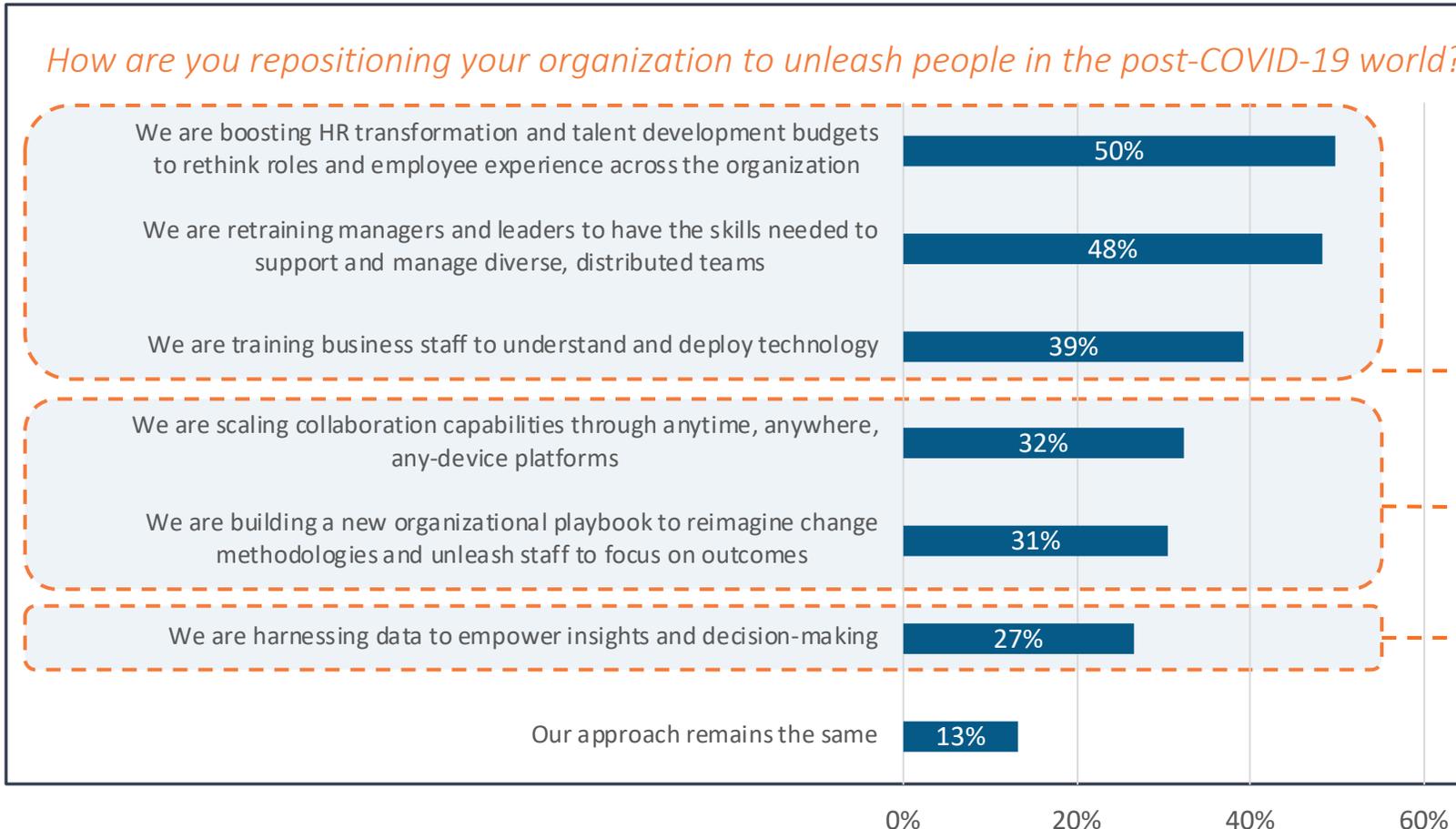
Flattening the enterprise:
69% of executives believe work culture will evolve from siloed working to interdisciplinary collaboration.

Sample: 400 executives across Global 2000 enterprises
Source: HFS Research 2020

HFS OneOffice Experience

A OneOffice organization aligns business operations and workforce interactions across an adaptive, digital environment.

How are you repositioning your organization to unleash people in the post-COVID-19 world?



Placing bets on people:
50% of executives are boosting HR transformation and talent development budgets to rethink roles and employee experience across the organization.

→ Aligned

→ Adaptive

→ Intelligent

Sample: 400 executives across Global 2000 enterprises
Source: HFS Research, 2020



Definitions and Executive Summary

Employee experience services, defined

Business leaders are readily recognizing that successfully driving engagement, productivity, and change requires the ability to bring people, process, and technology together in a fluid and meaningful way.

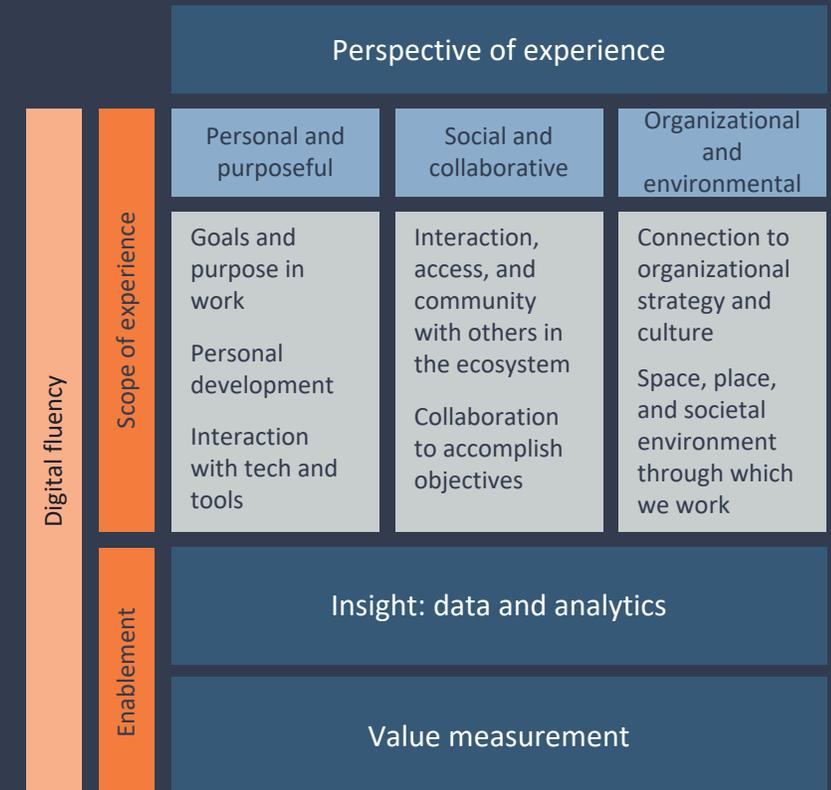
What are employee experience (EX) services?
 In this research, we define employee experience services as the ability for a service provider to connect its clients' workforces to strategic initiatives across three perspectives:

- Personal and purposeful
- Social and collaborative
- Organizational and environmental



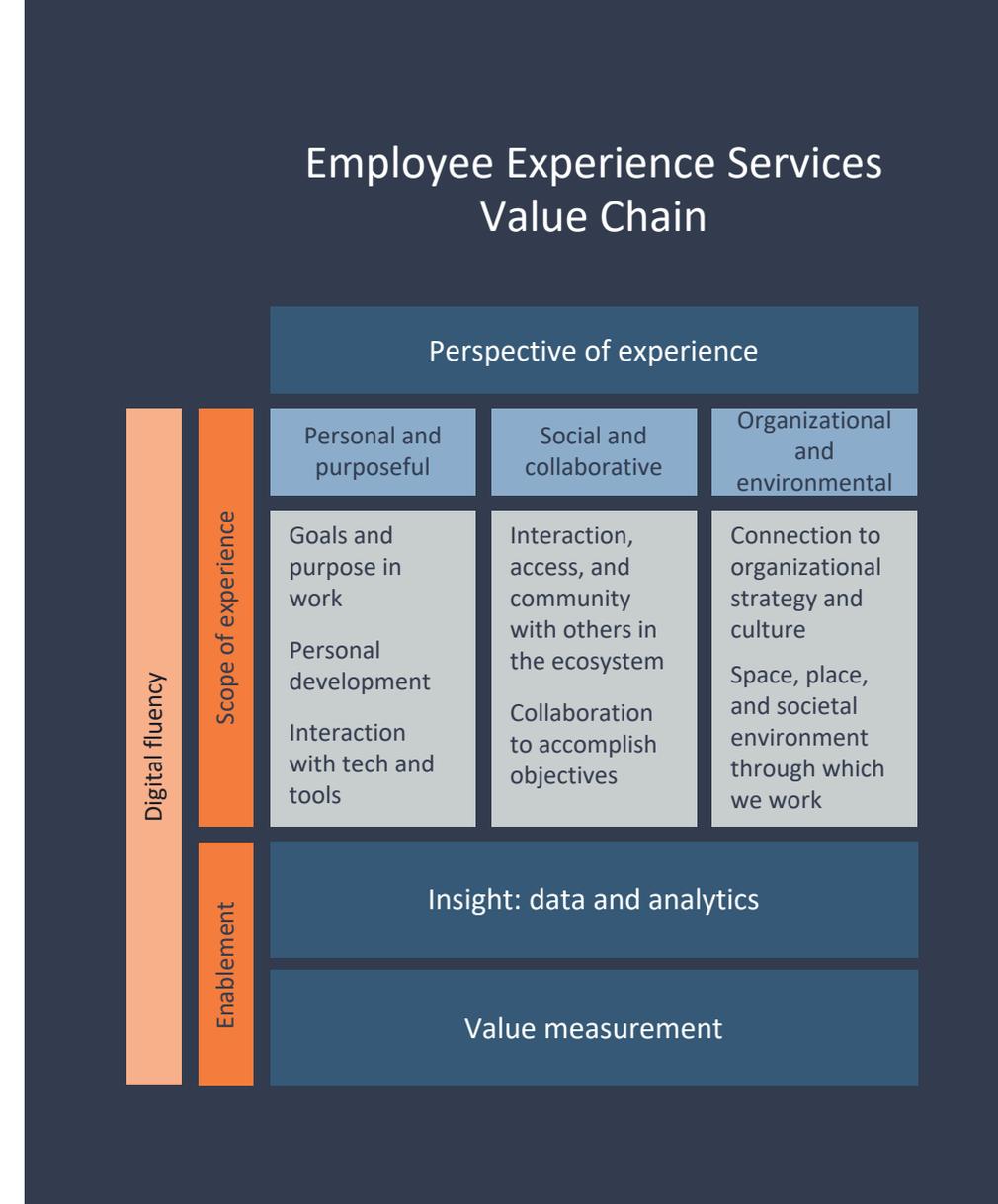
Data-centric and measurable: Employee experience services are rooted with data and analytics to provide both insight and measurement—identifying levers to pull for impact and establishing quantifiable ROI.

Employee Experience Services Value Chain



Executive summary

- Value measurement and articulating ROI:** Providers are making great strides to articulate the value of investments in EX—at a time when cost management and doing-more-with-less are imperative. By targeting the right mix of services, organizations can achieve cost savings while expanding capabilities and improving experience. Experience data, or “X-data,” provides a critical link between the three perspectives of experience and the ability to determine what levers to pull.
- Digital fluency and the employee experience with technology:** Digital fluency is the ability to drive seamless interplay between business and technology. To date, technology has primarily been described as a *tool*, but technology is truly a functioning member of the *team*. Harnessing the power of digital and human talent is a prerequisite for future-forward organizations—directing the digital workforce to do the heavy lifting while enabling people to deliver on purpose through personal, collaborative, strategic, and environmental perspectives.



Executive summary

2020 and the human experience: Driving the people agenda today requires organizations to embrace a much broader definition of employee experience to encompass the *human* experience. 2020 has unleashed two critical areas that have both solidified the intrinsic value in experience management and driven employee experience, human experience, and human *value* to the forefront:

Health and wellness: The pandemic has been the burning platform for digital transformation *and* a platform where the health, safety, and wellbeing of an organization's people cannot be underestimated or ignored. In addition, the mass mobilization of people to a work-from-anywhere environment has opened a new set of considerations for connectivity and experience across perspectives.

Diversity and inclusion: Black Lives Matter and the global demonstrations for social justice have awakened organizations and their people to root out racial bias and inequality—and take steps to open dialogue and to further actions that instill truly diverse and inclusive cultures.

If not us, then who?

If not now, then when?

*John Lewis, American Civil Rights icon
and former US Senator*

Investing in human beings goes beyond paying them well and offering them a great place to work. It also means treating them like human beings. Understanding that they, like all people, have ambitions and fears, ideas and opinions and ultimately want to feel like they matter.

Simon Sinek, The Infinite Game



Research and Methodology

Advisors and service providers covered in this report



Sources of data

This report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on each of the participants in our study. Sources are as follows:



RFIs and briefings

- RFIs—Each participating provider completed a detailed RFI
- Vendor briefings—HFS conducted briefings with executives from each provider



Reference interviews and surveys

- HFS conducted reference interviews across current and former clients of participating providers for direct feedback on performance across execution and innovation
- Surveys were utilized by client references if preferred.



Other data sources

- Public information such as white papers, websites, and press releases
- Ongoing interactions, briefings, virtual events, etc., with participants and their clients and partners

Research methodology

This Top 10 research is based on a comprehensive analysis of employee experience (EX) services and solutions. Participating organizations have been assessed on the following three dimensions: Voice of the Customer, Ability to Execute, and Innovation Capability.



33%

Voice of the Customer (VoC)

- Direct feedback from enterprise clients via reference interviews, surveys, and case studies critiquing provider performance and capabilities.



33%

Ability to Execute

- Capabilities across the Employee Experience Services value chain (*p.11*) (30%)
 - Breadth and depth (17.5%)
 - Methodology and approach (17.5%)
 - Growth (17.5%) and scale (17.5%)
- Associated client reference data applied*



33%

Innovation Capability

- Thought leadership (25%)
 - Strategy and vision (25%)
 - Internal IP and innovative solution combinations (25%)
 - Ability to deliver business transformation (25%)
- Associated client reference data applied*



Market Summary— Key Takeaways

Market summary—key takeaways

Employee experience breaks out of HR

Enterprise clients and services providers have made it clear that EX solutions must be embedded holistically across the entire organization. While CHROs are still key clients, providers are seeing a wide variety of other corporate leaders, including CFOs, CDOs, CIOs, and CEOs, who are at the table to drive workforce and transformation initiatives.

>> Notable providers for holistic EX solutions: EY, Deloitte

Providers must balance consulting, delivery, and managed services

Enterprise clients are reiterating one thing: They are looking for perspective and strong points of view to bring innovative ideas to the table. Clients want partners that help them think differently, present current best practices, and devise next-gen solutions with data solutions to identify the most pressing issues and opportunities.

- With too much focus on consulting, gaps may arise between advisory services and the realities of implementation.
- When provider services focus on consulting and implementation, gaps may arise between delivery and continuous modernization of services.
- As clients move away from managing multiple vendors to a sole-source environment, clients and providers should seek a balanced portfolio of consulting, delivery, and managed services to drive innovation and best practices throughout their partnerships.

Market summary—key takeaways

Powering the remote workforce

Powering the remote workforce is a critical capability that drives a deep partnership between HR and IT. Organizations are seeking to harness the right practices, culture, and experiences to drive productivity, engagement, collaboration, and inclusion through remote and hybrid environments. Concurrently, data security runs paramount for enabling the remote environment.

The skills agenda is top-of-mind

According to most participating providers, one of the foremost areas of focus for HR and buy-side organizations is understanding employees' current skills, matching skills to work, mapping the future-forward workforce, and reskilling for the future of work.

>> Notable providers focused on skills: IBM, Accenture, Mercer

>> Notable providers for delivering learning solutions: KPMG

Platforms as a pane of experience

Several providers have developed platforms to engage employees via a shared, digital platform, tailored to individuals and their unique perspectives, motivations, and needs and nudging behaviors while also providing metrics to understand experience gaps.

>> Notable providers with experience platforms: Infosys, PwC

>> Notable providers developing experience platforms: Hexaware



Top 10 Results: Employee Experience Services 2020

Summary of employee experience services advisors and providers in this report

Providers
(alphabetical order)

HFS point of view

Accenture

Substantial technology-led advisory services to modernize HR and drive workforce experience

Capgemini

Noted provider for connecting strategy to technical solutions

Deloitte

Global transformation practice with embedded employee experience

EY

Holistic approach to extensive employee experience services, placing human value at the center

Hexaware

Provider with strong history and depth in HR services, now pushing into the experience arena

IBM

Skills ecosystem at the forefront of employee experience and digital transformation

Infosys

Tech-agnostic platform provides a single pane of experience tailored to the individual's unique needs

KPMG

Market depth and continued growth for managed employee learning services

Mercer

High growth in HR Transformation engagements since connecting HR advisory to growing digital practice

PwC

Leverages proprietary platform to link employee insight to return on experience

HFS Top 10 Rankings: Employee Experience Services 2020

Notable performances

HFS Podium Winners								
Top three providers overall across execution, innovation, and voice of the customer criteria								
#1.			#2.			#3.		
								
Execution powerhouses			Innovation champions			Outstanding voice of the customer		
Top three providers on execution criteria			Top three providers on innovation criteria			Top three providers on voice of the customer criteria		
#1	#2	#3	#1	#2	#3	#1	#2	#3
								
Other notable top three performances								
<ul style="list-style-type: none"> • Mercer ranked #1 for Growth: HR transformation-related consulting services generated record growth. • Infosys ranked #2 for Thought Leadership, driven by strong client assessments of its ability to both provide future-forward insight and put it directly into practice. • Hexaware ranked #3 for Voice of the Customer, Hexaware's client fan base will see it through its continued evolution of employee experience services. 								

HFS Top 10 Rankings: Employee Experience Services 2020

Rank	Overall HFS Top 10 position	Execution						Innovation					Voice of the customer
		Capabilities	Depth and breadth	Methodology and approach	Scale	Growth	Overall execution	Thought leadership	Strategy and vision	Internal IP and innovative solution combinations	Ability to deliver transformation	Overall innovation	
#1													
#2													
#3													
#4													
#5													
#6													
#7													
#8													
#9													
#10													



Participant Profile



Holistic approach to extensive employee experience services, placing human value at the center

Dimension	Rank	Strengths	Opportunities	
HFS Top 10 position	#1	<ul style="list-style-type: none"> Implementation capabilities: EY maintains one of the highest percentiles in combined consulting and implementation services for organizations participating in this study, which ultimately services clients by reducing potential gaps between advisory and delivery services. Operating horizontally: EY brings forth a compelling narrative for moving a traditional HR focus from standard vertical services to horizontal people services across the organization that are both key to experience and deriving long-term value: traditional HR services, workforce vitality engineers, organization and workforce strategists, performance architects, experience amplifiers, and people enablement technicians. Regional emphasis among a global network: EY's focus on regionalizing businesses ensures critical skills are available at scale for local markets while tapping into global network and resources. This approach resonated strongly with customers, who were impressed with EY's ability to marshal resources and make decisions quickly with autonomy and agility. Internal practice brings proven people solutions to market: In addition to EY's PX360 solution (noted below), EY implemented SAP SuccessFactors across its global business (260,000 people in 150 countries), and its AI-based employee engagement solution, Goldie, co-created with IBM, showcases its digital ecosystem with a human-centered approach. 	<ul style="list-style-type: none"> Market recognition: In addition to launching People Advisory Services (PAS) in 2015, EY has successfully moved into the digital and technology services space over the past five years. Published thought leadership will continue to help EY gain more traction in the market, but a stronger push may be needed to convey depth and breadth in its ability to help clients address complex issues of people experience and enablement against competitors. 	
Overall Execution	#2			
Capabilities	#2			
Depth and breadth	#2			
Methodology and approach	#4			
Scale	#1			
Growth	#4			
Overall Innovation	#1	<p>Partnerships, alliances, and IP</p> <p>Partnerships:</p> <ul style="list-style-type: none"> SAP and SuccessFactors (Global Partner): EY's Agile People offering combines its global people advisory capability with a proven SAP SuccessFactors implementation methodology. ServiceNow (Global Partner): EY modernizes the employee experience from hire-to-rotate by enabling self-service and allowing employees to focus on higher-value work. Microsoft (Global Partner): EY's Workforce Experience Transformation solutions help unlock workforce productivity, accelerate organizational change, empower virtual team collaboration, and make the most efficient use of talent. Microsoft awarded EY its 2020 US Partner Award in Modern Workplace for Firstline Workers. IBM (Global Partner): EY brings market-leading cloud, asset management, and cognitive technologies to its solutions. Qualtrics (Global Partner): Delivering the PX360 dashboard's employee experience insights leveraging the exponential power of combined, analyzed experience and operational data. In April 2020, EY was named "Qualtrics Employee Experience Partner of the Year." <p>Alliances:</p> <ul style="list-style-type: none"> Bonfyre: Employee experience mobile-first solution drives employee engagement, collaboration, and culture building while generating organizational analytics and insight 	<p>Initiatives, solutions, and methodologies</p> <p>Experience Amplifiers: EY's experience amplifiers add rigor and quantifiable metrics across areas of employee engagement and culture, impacting employee productivity and the bottom line. Solutions and enablers include:</p> <ul style="list-style-type: none"> PX360: Originally designed for use by EY's own Global Leader of HR Services, EY's PX360 solution, in partnership with SAP Qualtrics, allows businesses to pull experience data (X-data) and operational data (O-data) from multiple SAP and non-SAP systems to derive real-time insights about the experience of employees and contingent workers. Change Experience solutions: Holistically analyzes organizational levers to design a data-driven, digitally enabled change experience, with a relentless focus on adoption and ROI. People Experience solutions: EY uses the latest research in network theory, leadership, and human behavior to reinforce environmental and individual experience investments with improved workforce interactions. <p>Organizational Capability Excellence (OCX): EY offers a framework for assessing the competencies and skills of an organization's or function's talent and the adequacy of its talent management strategies and processes, with the objective of aligning them to the overall business strategy.</p>	<p>Engagements, geography, and key clients</p> <p>Percentage of HR transformation and strategy services engagements: 20%: Consulting only 80%: Consulting and implementation 0%: Managed services</p> <p>Top three services for HR transformation and strategy (by revenue): 1: Change Management 2: HR Performance Improvement 3: HR Transformation</p> <p>Geographic footprint of clients: 52%: North America 27%: Europe 16%: Asia Pacific 3%: Middle East and Africa 2%: Latin America</p> <p>Key clients include: US private research university, European multinational pharmaceutical, US-based financial investment advisory, American agri-science and chemical company, global paints and materials provider, Brazilian cosmetics company</p>
Thought leadership	#1			
Strategy and vision	#1			
Internal IP and innovative solution combinations	#1			
Ability to deliver transformation	#2			
Voice of the customer	#1			



About the Authors

HFS Research authors



Phil Fersht

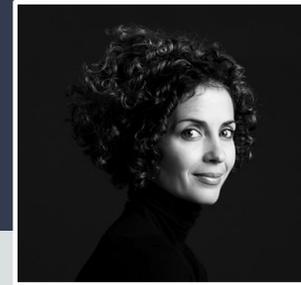
CEO and Chief Analyst

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Phil Fersht is globally recognized as the world's leading independent analyst covering the alignment of business operations and technology, spanning two decades. He has a reputation for calling out the big trends, unafraid to share his honest views.

Fersht coined the terms the "OneOffice" and the "Hyperconnected Economy" which describe HFS Research's vision for future business operations amidst the impact of automation, AI and disruptive digital business models. In 2012, he authored the first analyst report on Robotic Process Automation (RPA), introducing this topic to the industry and is widely recognized as the pioneering analyst voice that has driven the evolution of the RPA industry.

Prior to founding HFS in 2010, Phil has held various analyst roles for Gartner (AMR) and IDC and was BPO Marketplace leader for Deloitte Consulting across the US, UK and Asia/Pac.



Sarah Little

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Sarah Little is Director, Content and Strategy, CEO's Office, focusing on big industry themes such as leadership, culture, employee experience, and skills for the future of work. Sarah joined HFS in 2012 and has worked across functions and roles, currently supporting the CEO on key projects for both HFS Research and clients.

Sarah holds a Bachelor of Arts degree in Digital Media Studies from the University of Denver, starting her career in programming and software development. She resides in Dallas, TX with her family.

About HFS Research

The HFS mission is to provide visionary insight into major innovations impacting business operations, including: automation, artificial intelligence, blockchain, Internet of things, digital business models, and smart analytics.

HFS defines and visualizes the future of business operations across key industries with our Digital OneOffice™ Framework.

HFS influences the strategies of enterprise customers to help them develop OneOffice backbones to be competitive and to partner with capable services providers, technology suppliers, and third-party advisors.

Read more about HFS and our initiatives on www.HFSresearch.com or follow [@HFSResearch](https://twitter.com/HFSResearch).

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