



TECHNOLOGY AND CULTURE: WORKING TOGETHER FOR BUSINESS RESULTS

Whether your organization is ready or not, the future is coming. And with it, it brings the next generation of our workforce – a generation defined not just by when its members were born, but by the expectations they have for their work environment, both culturally and technologically. Organizations need to understand how to balance their HCM technology investments and strategic priorities to support this new generation and create an aligned workforce that can deliver business results for your next generation of customers.

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Technology + Culture = Experience and Alignment

The past several years have seen a shift in the capabilities organizations require in their HCM solutions. What began as a pure automation play has evolved into a focus on integration of systems and data to allow for deeper analytics and insight. And now organizations are looking to their technology solutions to help them to work collaboratively to make decisions based on that insight, as seen in the y-axis of the model in Figure 1.

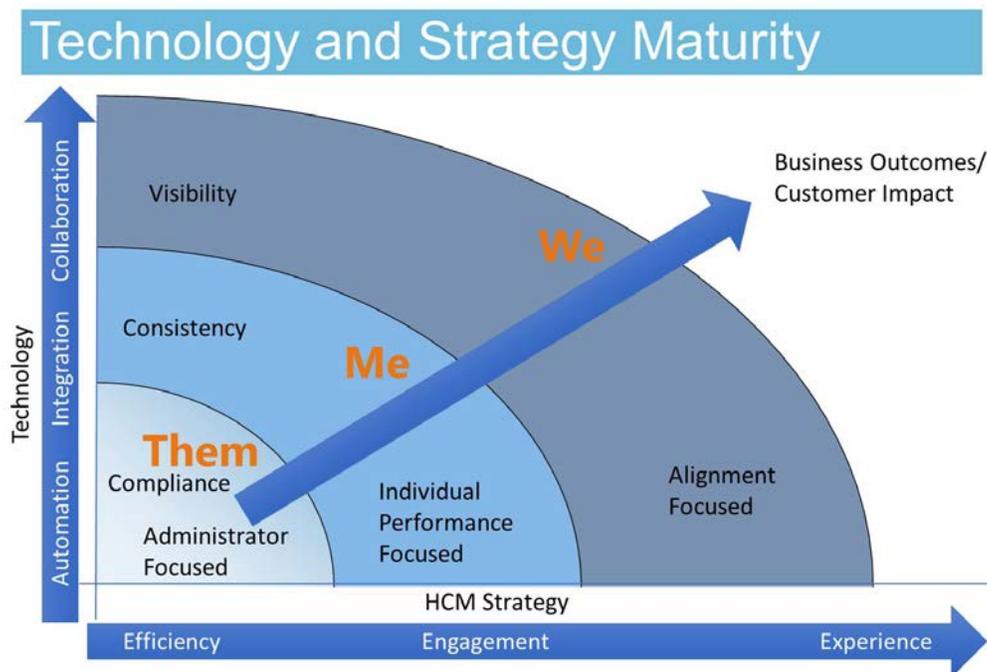


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“ Tools and technology are useful, but on their own they are not enough. To achieve real value, they must be supported by the culture. ”

At the same time, HCM strategy has shifted from a focus on operational efficiency to one-on-one engagement, and ultimately to creating an employee experience that creates alignment and delivers real business results, as seen on the x-axis of Figure 1. Tools and technology are useful, but on their own they are not enough. To achieve real value, they must be supported by the culture (which Aptitude defines as ‘the norms and behaviors that are rewarded or discouraged by both the formal processes and the day-to-day interactions of the organization’) and strategy motivating how technology is used. When these things come together, you get true alignment on how the organization as a whole takes shared responsibility for delivering business results.

Figure 1: Technology and Strategy Maturity Map



Source: Aptitude Research Partners, 2017.

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When organizations only focus on Technology, as they move from Automation to Collaboration, they do improve processes and the experience of those processes somewhat. Starting with compliance and consistency, mature tools can help provide greater visibility into data and analytics. But tools on their own don't drive action towards a goal. To do that they must be deployed in a strategic context.

When HCM strategy is focused on efficiency, technology is a means to improve accuracy and effectiveness, but typically does not include much thought around the user experience for administrators and employees. Functional capability is the primary filter. As organizations expand to think about engagement, they need to focus not only on functionality, but also on usability and integration to start to deliver a consistent interface. But to move towards a fully aligned experience that delivers business value, organizations must also look to how people use technology to work together to make decisions and get work done. You could describe each of the segments in the diagram above as solutions for

- **Them:** focused on the organization's needs;
- **Me:** delivering individual employees a consistent, easy, and targeted process; and
- **We:** enabling collaboration and a joint experience that is more satisfying to all parts of the organization as well as one that delivers better business results

From Engagement to Experience

The push to create engaging and positive experiences is everywhere today. From banks promising a different customer experience with armchairs and cookies, to hospitals competing for expectant mothers by offering spa amenities, to organizations moving beyond the corporate foosball table to create meaningful, personalized onboarding processes. Unfortunately, though, the employee experience is still being neglected far too often. Aptitude's 2016 Workforce Management study found that 60% of companies have executive level oversight of client experience, but only 37% have an executive level role focused on workplace culture and employee engagement.

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This lack of focus can be costly, as data from Aptitude's 2016 Hire, Engage, Retain study found:

- **81% of top-performing companies measure the experience of candidates, employees, managers, and leaders.**
- **75% of top performing companies were able to improve the candidate and employee experiences.**
- **77% of top performing companies had a consistent experience for candidates and managers.**

In its Hire, Engage, Retain study (2016), Aptitude defined Top Performers as those with 80% of employees achieving annual performance goals and 90% or greater retention of top performers. N=366



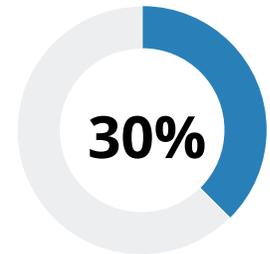
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Experience is really about bringing engagement to life and creating the situations and behaviors that drive alignment around key business objectives, but doing so in a way that feels connected and authentic. Below are three key areas to consider when addressing how technology can create a positive and productive employee experience.

- **Communication:** Bridge the gap between employer and employee through more frequent and bidirectional communications. 70% of high-performing companies are adopting employee communication technology strategies to help improve productivity and reduce turnover.
- **Personalization:** Catering to the needs of the individual – not a collective group – and recognizing that all individuals are not the same. 30% of organizations would strongly consider switching workforce management solution providers for a better user experience.
- **Simplification:** Creating an easier process for individuals to do their work, engage with others, and drive performance. For example, organizations using technology to enable employee shift swapping are more likely to indicate they had higher than industry average levels of engagement.

One Experience Does Not Fit All

Organizations focused on delivering a great experience through technology that combines accuracy, integration, and collaboration are realizing that their human capital technologies need to deliver more than just one experience. They need to be powerful transaction engines for administrative users. They need to deliver engaging experiences for employees at every level of the organization. And they need to deliver information that helps business leaders make better decisions. These are very different views of the role of technology. Organizations are increasingly looking for solutions that deliver on these very different sets of expectations and needs from the same core solution.



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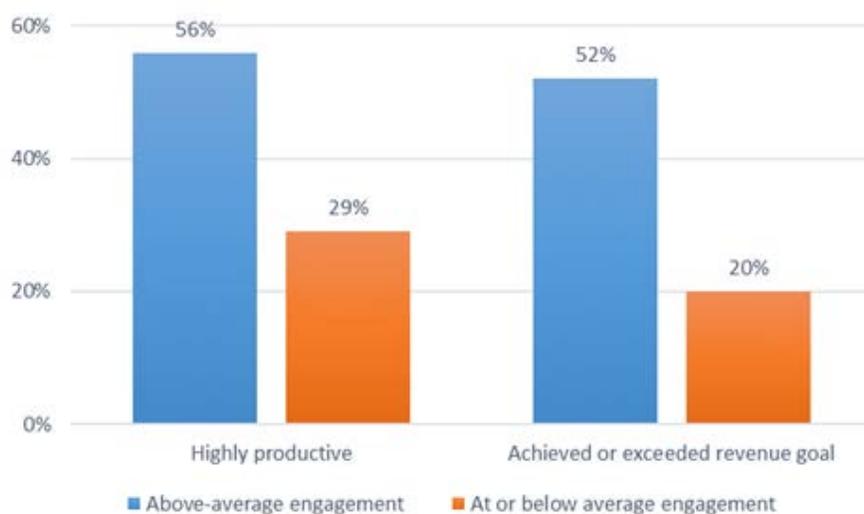
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The needs of these three groups – employees, administrators, and business leaders – vary widely for different processes as well. The manager experience during performance reviews, for example, is very different from their role in scheduling. They need access to different types of information, as well as different in-the-moment coaching and information. Organizations need to look carefully not only at their technical needs and solution functionality, but also at the experience it delivers for all stakeholders. Both technology and process need to be evaluated for their impact on the experience. That experience, and how easily or not it integrates into their current workflows, will have a huge impact on adoption as well. Only 29% of respondents to the Workforce Management study said they were very satisfied with the ease-of-use for their HCM solutions for both managers and employees.

Why it Matters

Started with the more personal focus on engagement, research into causes of employee burnout found that organizations that had higher levels of engagement also had higher levels of productivity and revenue attainment. As illustrated in Figure 2, organizations that achieved above average engagement levels for the industry were nearly twice as likely (56% vs. 29%) to also indicate that they had achieved above industry average levels of productivity. In addition, they are more than 2 ½ times (52% vs. 20%) as likely to have achieved or exceeded organizational revenue goals. While engagement is personal, the impact of aligning individuals with organizational priorities has a big impact on the team overall.

Figure 2: Engaging Individuals Yields Organizational Results



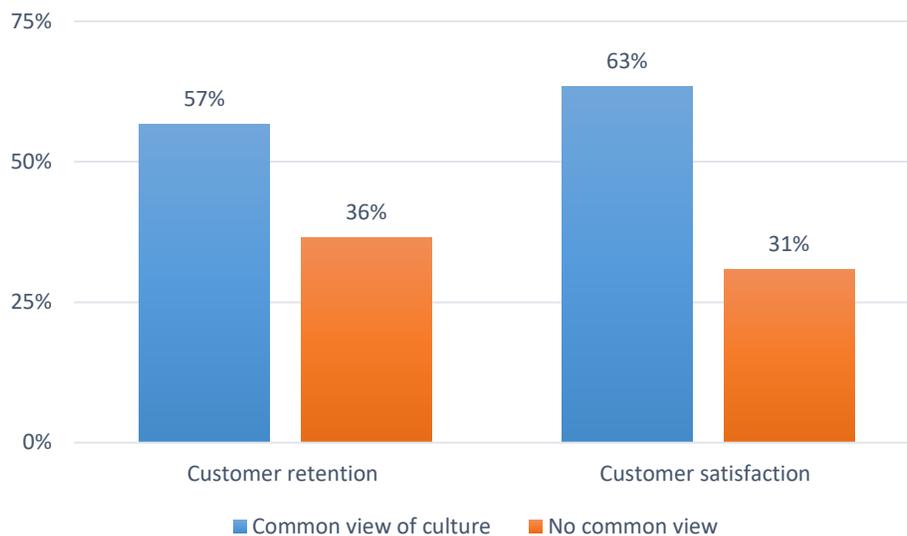
Source: Aptitude Research Partners. Culture Study, 2016. N=355

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When seeking to ensure that your organization's culture and technology are working together to drive success, it's very important to make sure that it supports not only individual engagement but overall alignment. Performance management and goal-tracking tools can provide information, but the conversations between managers and employees, and leaders and managers, must also occur to ensure alignment.

Aptitude's Culture Study (2016) found that just 38% of organizations surveyed felt that their senior leadership and employees would have the same description of their culture. Your employees may be highly engaged, but it's essential to make sure they are engaged with the right things. Not only is this good for employees and managers, it helps the organization focus on its most important constituency: its customers. As Figure 3 shows, when employees and leaders have a common view of the culture and its purpose within an organization – meaning a shared experience of the culture – they are 58% more likely (57% vs. 36%) to achieve above industry average levels of customer retention and twice as likely (63% vs. 31%) to achieve above industry average levels of customer satisfaction.

Figure 3: Customers Respond to Aligned Culture



Source: Aptitude Research Partners. Culture Study, 2016. N=355

An organization's culture is its calling card to the rest of the world, setting the stage for customer experience and employee experience. The transparency that social media has brought sheds light on your organization's treatment of employees and potential employees as well. If you are not living your culture -- and supporting it with your technology -- employees and candidates will know.

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CONCLUSION

Tools and technology are important parts of the modern HR organization, and indeed, important parts of the fabric of our organizations as a whole. But alone, technology is not enough to move your business forward. Organizations need to evolve the HR strategy to include efficiency, engagement, and experience, and ensure that their technology supports that strategy with the right capabilities. As the organization navigates its own evolution in technology and HCM strategy, keep in mind these key points:

- **Moving up isn't moving on.** It's important to remember that technology maturity and strategic maturity all build on previous levels. You don't stop focusing on administrative excellence when you are ready to tackle engagement and experience. And in fact, technology should enable you to streamline and automate processes so you can focus on the higher value activities. Make sure all of the gains you've already made stay in place as you continue to move your organization towards deeper alignment and better business results.
- **Start where you are.** You may have technological capability that your organization is not using to its fullest value because your strategy has not caught up. As your technology moves towards integration and collaboration, take a moment to see if you can take advantage of these changes as an opportunity to rethink your strategy as well. Similarly, if you don't have the resources to invest in new technology, bringing the right mindset and strategy to your current tools can start to shift you towards improved employee experience and business outcomes.
- **Remember who you do it for – your people.** All of your technology and strategy decisions move your organization toward the ultimate goal of helping to align and deploy your employees against meaningful work that will deliver critical outcomes for the consumers of whatever goods or services your organization provides. This may be directly or indirectly -- it's all about engaging your people in a purposeful way and aligning for results.

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Aptitude Research Partners is a research-based analyst and advisory firm focused on the new conversation required by changes in how HCM technology is delivered and utilized by today's organizations.

Our goal is to look beyond the obvious product capabilities to identify the real differentiators organizations should be looking for when considering providers, as well as the change management and change readiness capabilities consumers must have in place for successful technology adoption.

We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

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