HAWORTH

Defining EX in the Workplace



Research from Massachusetts Institute of Technology (MIT) suggests that organizations who focus on employee experience achieve:

25% greater profitability

2x more innovation

2x more customer satisfaction

Source: MIT CISR, 2017

Employee experience (EX) is a critical factor in organizational performance. As more companies invest in EX, leaders are discovering the investment results in improvements to the balance sheet.

Covid-19 has shaken the employee experience. Organizations are working diligently to establish safe, healthy work environments while retaining and, in some cases, attracting top talent. Leaders are faced with significant questions:

- How do we create a safe workplace?
- Are people doing well while working from home?
- What can we do to nurture our culture during rapid change?
- How can we help our teams stay connected?

Now is the time to evaluate your EX.

What is EX?

While there is slight variability in the definition of employee experience, how organizations craft their experience varies widely, yet is paramount to performance.

Bersin and Deloitte

Define EX as the sum of all the touchpoints an employee has with their employer, from the time of being a candidate to becoming an alumnus or alumnae. *Source: Deloite, 2018*

McKinsey & Company

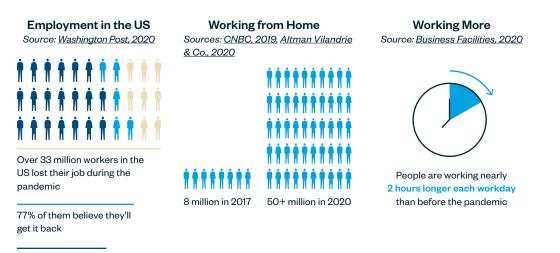
Refers to EX as companies and their people working together to create personalized, authentic experiences that ignite passion and tap into purpose to strengthen individual, team, and company performance. *Source: McKinsey & Company, 2018*

Jacob Morgan

This best-selling author and futurist describes EX as the combination of the cultural, physical, and technological environment of the workplace. *Source: <u>Forbes, 2016</u>*

Enter 2020 and COVID-19

The term "disruptor" doesn't do justice to the recent shake-up in employee experience.

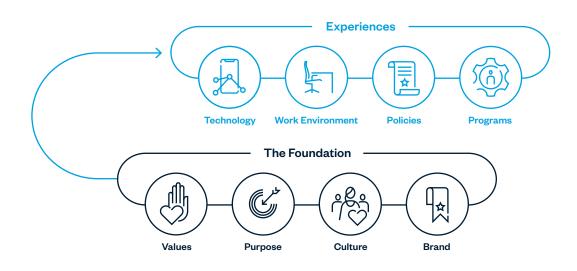


Yet, economists predict about 60% of workers will return to their pre-pandemic job

A variety of external factors have caused people to experience more distress than before the pandemic. The rapid changes in the ways in which we live, work, and connect with one another have deeply impacted us. The actions organizations take now are shaping all facets of EX long after we emerge from this crisis.

How Do Organizations Create Their EX?

The foundation for an EX framework stems from the values, mission or purpose, and characteristics of culture that are unique to your organization. These elements manifest into physical components such as policies, programs, technology tools, and the workplace itself. In essence, organizations establish the framework for their desired EX by identifying its foundation (values, purpose, culture, and brand) and work to create the experiences (technology, work environment, policies, and programs) that align.



Employee engagement is the measurement of employee perception and behaviors at work. Employee engagement measures EX and serves as both an outcome and a driver.



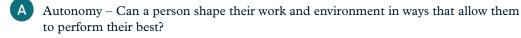
Source: LinkedIn, 2020

The Foundation

While every organization must solve for their unique EX, key factors have been shown to contribute to a positive employee experience. There are a variety of engagement tools to choose from, many of which are utilizing the <u>ISO 30414 standard</u> as a guide. At Haworth, we leverage the <u>ENGAGEMENT MAGIC</u>[®] framework from <u>DecisionWise</u> as criteria to measure employee engagement, which informs how we can evolve our EX.

ENGAGEMENT MAGIC® encompasses five key areas for engaging people:

Meaning – Is a person's job inspiring to them?



G Growth – How is a person learning, being stretched, and challenged?

Impact – Are people leaving work each day feeling a sense of worthwhile accomplishment?

Connection – Do people feel like they are an integral part of the organization?

At Haworth, we use feedback from ENGAGEMENT MAGIC[®] to inform our EX and layer that with Our Values, a focus on trust, and prioritizing well-being.



Our Values

First drafted by Chairman Emeritus Dick Haworth in 1975, <u>Our Values</u> are seeded in the concept of creating shared value, rooted in design thinking, and define our business behavior across our global community of members.



Trust

<u>Trust is essential</u> to every team. Our goal is to ensure Haworth members feel safe with each other to share ideas, be bold in owning both strengths and weaknesses, take risks, support one another, and have a little fun along the way. Continuously reinforcing our mission and vision alongside ongoing, transparent communication is a particularly critical component to our EX—especially now—as trust is important for everyone during times of rapid change and uncertainty.



Well-Being

<u>Well-being</u> is an enduring state of the whole person—including emotional comfort, physical wellness, and cognitive performance. It's an interconnected system. When a person feels strong emotionally, they tend to manage the stressors of everyday life and recover more quickly. Additionally, physical activity has been shown to reduce depression and boost the brain's dopamine, norepinephrine, and serotonin levels—all of which affect focus and attention. Particularly in 2020, the stressors of everyday life have significantly compounded. Supporting people's well-being has been at the forefront of our EX as we strive to provide a safe workplace for our members and share our knowledge with customers.

An organization's values, purpose, engagement drivers, and culture form the foundation for its employee experience. How this foundation manifests visually via technology tools and workplace design leads to the physical elements of EX. Employees look to their physical experiences to be authentic to the organization. And, by aligning the foundation of EX with physical experiences, organizations can craft holistic solutions that also support the desired customer experience and overall brand strategy.

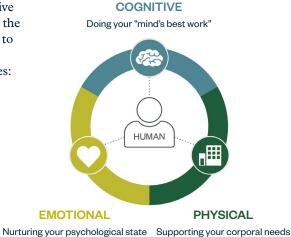
Haworth Values

- We listen to our Customers.
- We rely on our Members.
- We honor Integrity.
- We embrace Continuous Learning.
- We lead with Design.
- We create Value.
- We work to make the World better.

The Physical Environment

Your workplace has a significant impact on the effectiveness of your people. A well-designed work environment connects to the foundation of your EX and serves as a tool to help people do great work. Haworth has adopted the concept of <u>Affordances</u>, which we've been studying for over 20 years, to help identify the characteristics of a workspace that help people do their best work.

Haworth has developed a comprehensive Affordances Framework that identifies the space-related elements that contribute to human performance. It is divided into three distinct but interrelated categories:



The concept of affordances was developed by psychologist James Gibson, who noted how an object communicates its purpose and offers possibilities for action. Consider, for example, the affordances of a doorknob. None of us would teach our toddler how to use one because at that age we'd prefer they didn't know. However, children learn quickly on their own because the doorknob's shape, location, and configuration make the affordances so strong.



By tailoring workspaces to the specific needs of your people, your work environment can serve as an asset to EX. Your workplace can help employees get work done efficiently, collaboratively, and offer the ability to focus when needed. Workplaces can influence employee <u>happiness</u> and <u>nudge</u> people to move, focus, and connect.

Technology tools come alongside the workplace as the second key physical element of EX. As employees embrace advanced technology tools in their personal lives, the expectations for employers to deliver a great employee experience through technology continues to rise. People seek organizations that offer the latest technology to continue advancing in their career, to <u>collaborate</u>, and to do great work—from quality customer service to innovative product solutions to cutting-edge digital experiences. It's important to have a clear understanding of how people use technology in their jobs, and what they need and want from those tools. Otherwise, their overall experience can suffer.

Technology has transformed the learning and upskilling process drastically. Employees are curious about new technology and want to invest in learning. Calculating the return on investment in technology not only involves process efficiencies or cost reductions, but also data related to employee attraction and retention, which is more difficult to quantify.

Navigating Post-Pandemic EX

The overall employee experience, including the foundation (values, purpose, culture, and brand) and physical elements (workplace and technology), is key to talent attraction, engagement, and retention, creating a distinct competitive advantage for your organization.

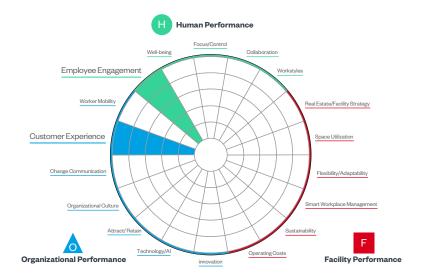
What's Next in Examining Employee Experience?

We'll explore key questions leaders are asking:

- What can leaders do to support organizational culture as teams balance working remotely and in the workplace?
- How can employers support the mental health of people during this time of rapid change and uncertainty?

Learn More About Connecting EX with Workspace Design

Haworth provides <u>Organic Workspaces</u> that align people and space for optimal performance. Our Global Research & Ideation team studies the changing nature of work, using proven methodologies and tools to support customers. We use the <u>Business Fingerprint</u> tool to help prioritize an organization's business objectives in the context of their workspace. "Defining EX in the New Workplace," part of the "Examining Employee Experience" series, addresses Employee Engagement and Customer Experience.



Contact

Visit us at <u>haworth.com</u> or work with your local <u>Haworth representative</u> today to learn more.

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