Today’s business landscape is constantly changing. The workplace we know now is unlike what it was just a few years ago, and many of its current characteristics are far different from what they were in decades past. As the workplace has changed, so too have its employees. Now, perhaps more than ever before, the workforce spans multiple generations, each of which has their own set of preferences and priorities.

As HR professionals, adapting to the needs of the multigenerational workforce and finding ways to create a compelling employee experience for each group can benefit our organizations. In cultivating a more positive experience, we can develop an environment in which employees have better opportunities to thrive. One effective way to do so is looking at the work experience through the employee’s perspective.

In this guide, we’ll discuss why it’s so critical to address the changing workforce, as well as what you can do as a practitioner to improve the employee experience in your organization. Specifically, we’ll cover:

- the external factors influencing the workforce
- how organizations can respond to these factors
- the importance of an individualized employee value proposition
- how to curate a career experience
- options for transforming talent processes, and
- specific ways to start improving your employee experience now.

We'll begin with an overview of how external factors impact the employee experience.
External Factors Impacting the Employee Experience

You’re likely already familiar with many of the external factors which play a role in shaping your employees’ experience. Here’s a brief recap of some of the leading external components impacting the workforce today:

- **Globalization**: Now, more so than ever before, companies must accommodate for a global workforce and be mindful of factors such as cultural sensitivity and local practices.

- **Talent Scarcity**: While there may not be a lack of available talent in general, in many industries there is a lack of workers with specific skill sets.

- **Evolving Workforce Dynamics**: Seniors are working longer, and with an influx of Millennials in the workforce, there is a significant number of multigenerational employees working side-by-side.

- **Rapid Technological Change**: Artificial Intelligence is changing work processes, and organizations are becoming increasingly impacted by social media.

- **Shifting Employee Rewards**: Social unrest has led to minimum wage pressure, and with unsustainable healthcare trends and declines in pension plans, rewards are moving in a new direction.

The Different Generations

In addition to the factors listed above, the different generations themselves also play a role in how the workforce is evolving. Within any organization, you may expect to find the following age groups:

- **Silents**: Born between 1928 and 1945, this generation is known for its company loyalty, as many of these employees aimed to stay with the same organization throughout the entirety of their careers. Today, this generation makes up just 2% of the workforce.

- **Baby Boomers**: Like Silents, Baby Boomers have a reputation for company loyalty. This group makes up 29% of the workforce and was born between 1946 and 1964. Employees in this category are also known for their idealism and the “live to work” mindset.
Gen X: Unlike Baby Boomers, Gen Xers are more likely to adopt the “work to live” mentality. These employees were born between 1965 and 1980 and make up the second-largest generation in the workforce, coming in at 34%.

Millennials: Born between 1981 and 1997, Millennials now make up the largest age group in the workforce (35%) and have developed a reputation of wanting to create their own careers from which they can derive a meaningful purpose.

Noteworthy Generational Trends
One interesting trend worth noting among these age groups is that the younger an employee is, the greater their desire for exercising a level of control over their benefit options. For instance, just 48% of Baby Boomers want to increase or reduce the value of some of their benefits, while 59% of Gen Xers and 70% of Millennials felt the same.

Additionally, the benefits preferences vary among these generations. While base pay, retirement plans, and healthcare benefits are the most important factors for Baby Boomers and Gen Xers, career opportunities hold the spot for the second-most important aspect of employment for Millennials. Paid time off is also less important to Millennials than a flexible schedule, unlike earlier generations. As such, HR professionals must make adjustments to transform the value proposition so it’s less “one-size-fits-all” and instead directed towards the individual employee’s unique needs.

Another important difference among young employees is their willingness to leave an organization. While Millennials rated their workplace higher than other generations, consider senior management trustworthy, and feel there are ample growth opportunities available, they were also more likely than any other generation to consider leaving their company. This phenomenon is known as the “Happy But Leaving” trend, in which company loyalty is no longer the norm. In other words, Millennial employees may be comfortable, but they’re also less likely to stay.

We’ll discuss how organizations are responding to these trends in the next section.
How Organizations Can Respond

In general, organizations can make the employee experience more compelling by shifting their generic employee value proposition to a more individualized proposition. Employers can also focus on curating compelling careers by communicating to employees their long-term growth potential within the company. In doing so, they may be able to shift the employee mindset away from the “here and now” towards a precise picture of what their future would look like should they stay with their employer. Additionally, employers can further cultivate a positive employee experience by improving HR processes along the way.

Projected Changes

Here is a look at how some key aspects of the employee experience may change in the coming years:

- **Value Proposition**: While the employee value proposition of yesterday was standardized, it will become much more individualized moving forward.

- **Emotional Connection**: This aspect of work was less important to previous generations, but because younger workers seek meaning in their work lives, an emotional connection is becoming more important.

- **Employee Relations**: Whereas this aspect was traditionally authoritative, younger and more independent workers create a need for more participatory employee relations.

- **Talent Strategy**: Employers historically had more of a reactive talent strategy, but with an increasing emphasis on performance management, retention, and recruitment initiatives, proactive approaches are now the norm.

- **Development**: Today’s employees seek experiential development opportunities, versus the traditional classroom styles of learning.

- **HR Processes**: While HR processes used to be more siloed, they are becoming increasingly streamlined.

- **Compensation Distribution**: Compensation will likely continue to be more performance-driven, versus shared, in coming years.

- **HR Communication**: As with many aspects of the workplace, HR communication is moving in the direction of increased transparency.
Creating a Stronger Emotional Connection

One of the most important components of crafting a compelling employee experience is creating an emotional connection with your associates. According to an HRsoft poll, the majority of employers surveyed (89%) acknowledge that establishing an emotional connection is important to their employee value proposition.

While aspects such as work/life balance, compensation, and benefits allow employees to feel contractually connected with their employer, an emotional link can facilitate pride, affinity, and purpose, which are invaluable for keeping teams engaged. Ultimately, HR professionals must balance these elements – both contractual and emotional – for a robust employee experience.
The Importance of an Individualized Value Proposition

An individualized value proposition provides the organization with multiple lenses through which they can evaluate programs. It can also help you understand how emotional connections can differ by persona, thereby confirming the “one-size-fits-all” approach does not, in fact, fit everybody. Finally, it can give you a direction for crafting an employee value proposition that provides something for everyone.

You might think developing individualized value propositions would be intensive in terms of administrative work. Yet, the goal is not to create a different proposition for every single employee; instead, you can create sample profiles or personas to appeal to different groups.

Organizing personas by age group may not provide you with enough detail. For instance, within the Millennial age group, you may have single individuals, employees with families, and so forth. As such, analyzing generations alone won’t always provide sufficient information for designing an individualized rewards system.

Instead, you can look at similar characteristics, such as whether an employee has young children or is approaching retirement, to create a more comprehensive employee experience. For instance, an employee with grown children won’t benefit from childcare programs, but an employee planning to expand their family might be interested in these options.

While each organization’s workforce differs, here are a few sample personas you can use as a guide:

- **Starters**: live paycheck to paycheck
- **Suburban Realists**: could be single parents who also have a second job
- **Long-term Team Loyals**: team leaders
- **Strivers**: high performers
- **Managerial core**: management staff whose sights are set on retirement

When coming up with personas to categorize your workforce, consider each group’s defining needs, interests, possible spending habits and/or wealth, emotions, and communication preferences.

After you’ve identified your personas, you can then create a targeted action plan tailored to each group. For the “Strivers” category described above, for instance, you might want to use focused, simple communications to discuss financial and tax optimization guidance, including 401(k) options. You might also tailor your plan design so it fosters lateral mobility, which will also aid in clarifying promotion expectations.
Curating A Career Experience

As we’ve briefly mentioned already, one aspect of connecting with the multiple generations in your workforce is establishing a career experience. Helping your top performers see that they have potential to pursue a future-focused and prosperous career with your company can improve their experience. You can achieve this by implementing a career framework.

Utilizing components like career management, succession planning, performance management, and rewards to craft a strategic framework can allow employees to see the value of staying with your organization. Roughly 65% of organizations recently surveyed by Mercer have an existing career framework or intend to implement one in the future.

It’s also a good idea to communicate the value of lateral career opportunities to employees. Regardless of their generation, many associates still maintain the notion that career development should follow a vertical progression, but in reality, most of today’s career trajectories also require some horizontal steps. Development will continue to be a priority for organizations, but it’s useful to encourage employees to acquire skills that will help them move laterally – not just vertically – in their careers for a more well-rounded experience.

One other consideration to be mindful of is the fact that your development plans should support your company’s overall talent strategy. For instance, the majority of Mercer surveyed companies (82%) focus on developing and promoting from within. If your goal is to build talent instead of buying it, you must make sure you grant employees access to necessary resources to foster their career growth. Since just a quarter of employees from Mercer’s survey feel their company is doing enough to keep their skills relevant, it’s clear there’s often a disconnect between the organization’s goals and its people in the area of career development.
Transforming Talent Processes

Another way to drive efficiencies for both managers and employees and thus improve their experience is to implement more efficient talent management processes. In fact, 85% of organizations in Mercer survey believe that their talent management needs an overhaul, and only 4% of employees feel that their organization’s HR processes could be considered state-of-the-art.

Since managers seek processes requiring minimal time and effort and employees expect consumer-grade, technology-enabled interactions, organizations can benefit by implementing more modernized talent management processes.

When considering talent management practices, some questions that often arise are: What about performance management? Are ratings a good thing, or do they need to be replaced?

While the answer ultimately varies depending on each company’s culture and strategic objectives, many organizations still plan to continue using pay for performance models coupled with annual ratings. In fact, 73% of respondents polled by HRsoft say their companies do not intend to oust performance ratings within the next two years. Although some companies are experimenting with ways to decouple pay and performance, many others feel that reviews are the safest and most sensible way to justify pay decisions. In other words, without a defensible process or form of documentation, there’s really no way to rationalize why one employee might make more than another.

Having said that, performance ratings do not have to be the sole form of talent management used in your organization. In fact, because younger workers seek more timely feedback, encouraging more frequent performance-related exchanges between managers and their direct reports could help improve the employee experience. One of the pitfalls of annual ratings is that employees may feel robbed of the opportunity to continuously and proactively improve their performance. Past models only addressed employees’ performance from the year to date, but new feedback mechanisms can facilitate ongoing manager/employee communication, thus allowing the employee to improve continuously.
How to Recraft the 
Employee Experience

What can you do as a practitioner to improve the employee experience? Once again, we must use different perspectives. From the employer’s point of view, concerns surrounding the employee experience might include compensation, benefits, careers, and a work/life balance. Yet, employees often think in terms of questions like: What’s my value in my role today? Is my company protecting my financial security? What’s my future value here, and does this organization enhance my quality of life?

Additional Perspectives

In addition to the employee and employer perspectives, there are two additional lenses through which you should look at your employee experience: the external perspective and the cost perspective. The external perspective asks: How well does the company compete in terms of employee experience, including rewards? And, are there any competing rewards practices the company may wish to adopt?

Using a cost perspective, you’ll always want to ensure that your programs support your desired strategy, and that they’re both currently affordable and sustainable over the longer term.

Using Data to Your Advantage

Companies are increasingly using big data to make many of their hiring, pay, and other important decisions, and it can also be used to your advantage for making informed decisions to improve the employee experience. While polling employees is one way to collect data, there’s often a difference between qualitative data (what employees say they’ll do), versus quantitative data (what they actually do). Striking a healthy balance between
the two is integral to forming a better employee experience.

One way to collect quantitative data from employees is to analyze HRIS trends. For instance, employees may be less likely to leave the organization if they’ve recently received excellent performance ratings, promotions, or significant base pay growth may. Conversely, if their growth opportunities are limited, they may become more likely to leave. Thus, it’s critical to measure and track any trends and to define a set of principles to help you in developing a decision-making framework.

Employee Communication

In addition to tailoring your programs to create the most impactful employee experience for each type of worker in your company, you must also make sure your communication tactics follow suit. In other words, communications should also offer personal and relevant information. If you have an HR portal, it should be accessible from any device or place, and it should offer customized information tailored to each individual. Your communications should also include options for self-engaged career mapping. Every bit of information you share must be authentic and accurate.
Summary: What You Can Do, Starting Now

We’ve discussed many ways to improve the employee experience throughout this guide. Here’s a quick recap on what you can begin doing right away to make your employees more engaged and connected in your workplace:

- Consider the employee experience through different personas, including (but not limited to) generational groups. This will help you in crafting individualized employee value propositions.

- Think in terms of your desired outcomes: which retention, engagement, and performance results do you hope to achieve by improving the employee experience? Use these goals to guide you when making any changes to your programs and communications.

- Leverage your career development framework across all HR programs.

- Enhance the employee experience by providing ample development opportunities. Don’t forget to help employees explore lateral shifts, as well as vertical promotions.

- Measure important data points, and use them to make holistic decisions within your HR programs.

- Continue using performance evaluations, but consider how you might better engage employees on an ongoing basis with more frequent feedback.

- Make communications transparent, targeted, and individualized regarding rewards and HR data.

By taking these steps, you can craft a more personalized employee experience. In doing so, you may help employees better understand the unique value of employment your organization provides, which in turn could also allow them to envision a long future with your company. These tactics will also create an opportunity for your employees to become more emotionally connected with their work and the overall organization, thereby helping each generation of workers find greater meaning in their employee experience.
**Resources**

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