

THE RISE OF HXM: REDEFINING THE EXPERIENCE



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FROM HUMAN RESOURCES TO HUMAN EXPERIENCES

Today's HR leaders are under pressure as never before to transform their organizations through people and drive business value. At the same time, they see a profound evolution in how HR can deliver that change.

HR leaders have long understood the value derived from Human Capital Management (HCM). Indeed, research from Korn Ferry has shown that human capital is 2.33x more valuable than physical capital. From an ROI perspective, organizations that have improved the discretionary energy of their people, have also realized a 2x average increase in EBITDA as a result.

However, HCM is not necessarily optimized to meet employee expectations or fully unleash their potential. The reason for this lies in HCM's very nature: a non-people-centric, top-down, series of HR processes and systems that views people as assets. HCM is fundamentally transaction-focused, and neither its systems nor processes have ever been really designed to capture, evaluate, or act on employee experiences or expectations and empower people—the very things that can be a deciding factor in the extent to which employees choose to unleash their discretionary energy and drive organizational performance.

*Human capital is **2.33x** more valuable than physical capital.*

*Organizations realize **2x** average increase in EBITDA from improving the discretionary energy of people.*



HCM vs. HXM

Human Experience Management (HXM), by contrast, represents the next-step evolution of HCM.

While HCM isn't going away and will remain both valid and valuable, HXM reflects the need for organizations to go beyond simply facilitating transactions and instead genuinely reinvent employee experiences. And that starts with creating meaningful, individualized end-to-end experiences—whether they are for candidates, new hires, employees, managers, or HR leaders.

Even as companies fight to survive, compete, and thrive in highly volatile times attracting, retaining, and leveraging the right talent has never been more important. And for that reason, the Employee Experience (EX)—a crucial part of HXM—has now moved front and center.

***HCM's** drawbacks are a focus on operational HR data (e.g., employee turnover statistics)—it asks “what is happening,” not “why is it happening.”*

***HXM** focuses not only on understanding the “what” and the “why,” - but also on addressing them through the employee experience.*



EX AS THE MEANS TO DELIVERING HXM

Human Experience Management (HXM) is fundamentally about gathering data and information on human interactions in the workplace—and using that capability to gain insights and connect people to an organization’s purpose, to the skills required, and to give an organization feedback in how to accelerate organizational performance.

While platforms are enablers to gathering that data, what comes from that HXM data, is not only the intelligence derived from that data alone—but the ability to connect (the intelligence gained) the factors around human motivation, awareness, consciousness, decision-making and leadership behaviors—that confer true insights and let organizations behave better, and make intrinsically better decisions that accelerate business and financial performance.

And this is why the Employee Experience (EX) is so important. Put simply, EX is not only the core, guiding principle behind HXM—it is also the means by which organizations can deliver it.

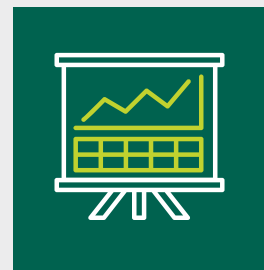


EMPLOYEE ENGAGEMENT MEANS BUSINESS SUCCESS

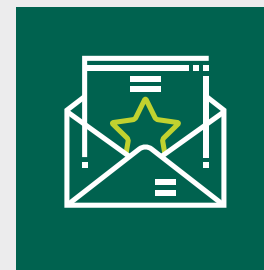
Engagement leads to better business outcomes:



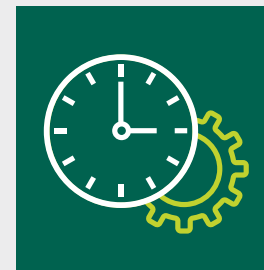
PROFIT



REVENUE
GROWTH



CUSTOMER
SATISFACTION



PRODUCTIVITY



INNOVATION



EMPLOYEE
RETENTION

But

30%



OF WORKERS GLOBALLY ARE
NEITHER ENGAGED OR ENABLED

INVESTING IN THE EMPLOYEE EXPERIENCE PAYS OFF

Korn Ferry research confirms that employee engagement (a key subset of EX) is a consistent leading indicator of organizational health and sustainable performance.

Organizations with high levels of employee engagement tend to perform better than competitors in terms of innovation, productivity, customer satisfaction, and financial results. In comparison, employees who feel frustrated, discouraged, or undervalued represent a real threat to the business—whether through increased costs related to employee turnover, loss of intellectual capital, or the negativity a disengaged employee can spread throughout the wider team.

Net Profit

2x

Greater than those in the lower quartile.

Revenue Growth

2.5x

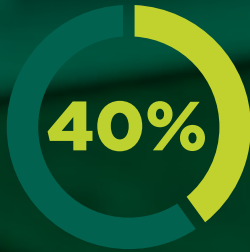
Greater than those in the lower quartile.



Customer satisfaction is 12% higher than average.



Productivity is 18% higher than those in the lower quartile.



Employee turnover is 40% lower than those in the lower quartile.

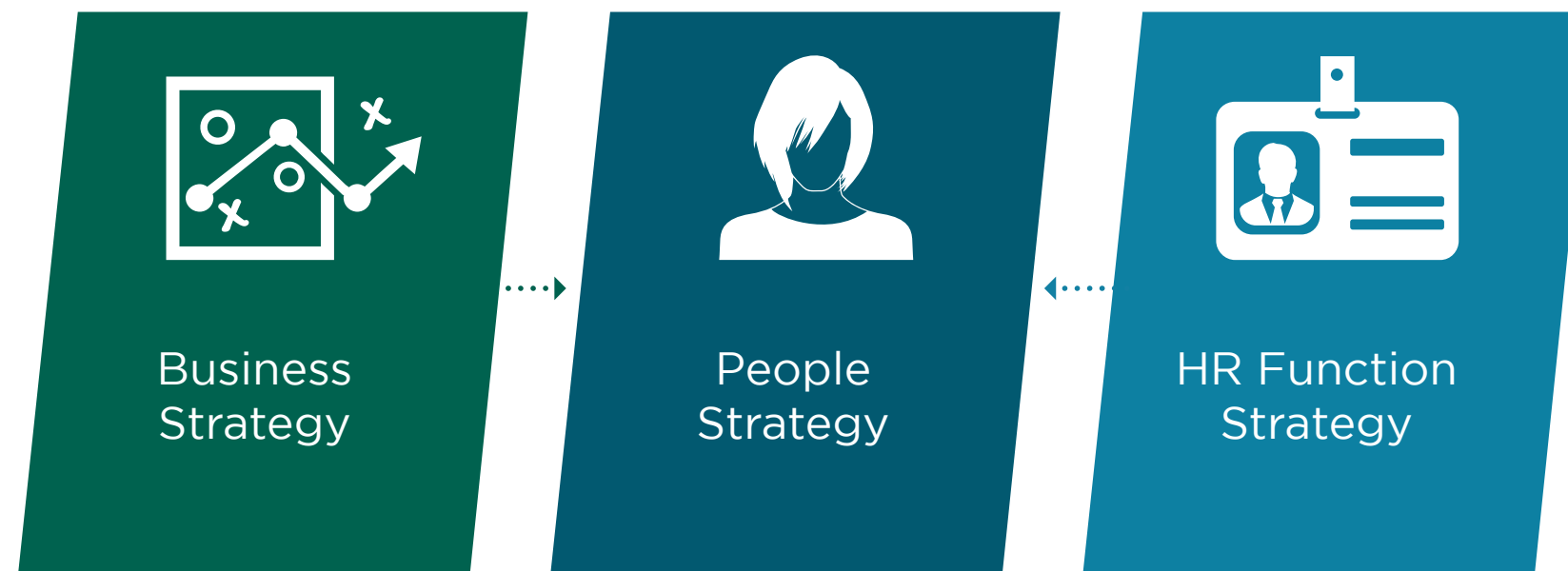


PUTTING PEOPLE FIRST: A KEY PART OF YOUR STRATEGY

Now more than ever, it is crucial to create an environment where employees can excel, remain engaged, and be a place where they absolutely want to stay and work.

Designing a great employee experience is more than just rewards and benefits. To find, attract and retain the right talent, your first priority should be understanding your employees' needs and wants. To get it right, your people strategy must come first.

Now is the time to prioritize your people. Employee Experience is a journey, and everyone (not just HR) must be involved in creating it.



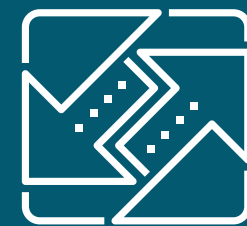
DESIGN THE RIGHT EMPLOYEE EXPERIENCE

Creating a powerful employee experience means looking beyond the employee life cycle and thinking more broadly about how it feels to work at the organization.

AN EMPLOYEE EXPERIENCE SHOULD:



Balance the needs of the organization with the wants and needs of employees.



Be aligned to the priorities of the people strategy.



Be credible to current and prospective employees.



Be meaningful to employees and a driver of career decisions.



THE POWER OF A PARTNERSHIP

Korn Ferry and SAP® SuccessFactors® have partnered to combine the industry's most informed talent and organizational strategy solutions with the world's leading HXM platforms to design and deploy award-winning employee listening programs for business.

Only Korn Ferry—in partnership with SAP SuccessFactors—can collect and display real-time employee feedback, identify and analyze the talent and organizational levers linked to operational metrics, and provide award-winning advisory services to improve your business's results.



Korn Ferry:

Helps organizations design and implement innovative EX programs that drive alignment and change.

SAP Qualtrics:

The world's leading EX survey technology platform. Infinitely scalable and built to deal with complexity.

SAP SuccessFactors:

World-class, market-leading HR platform to gather HR operational data—which is the practical effect of what employee sentiment translates into.

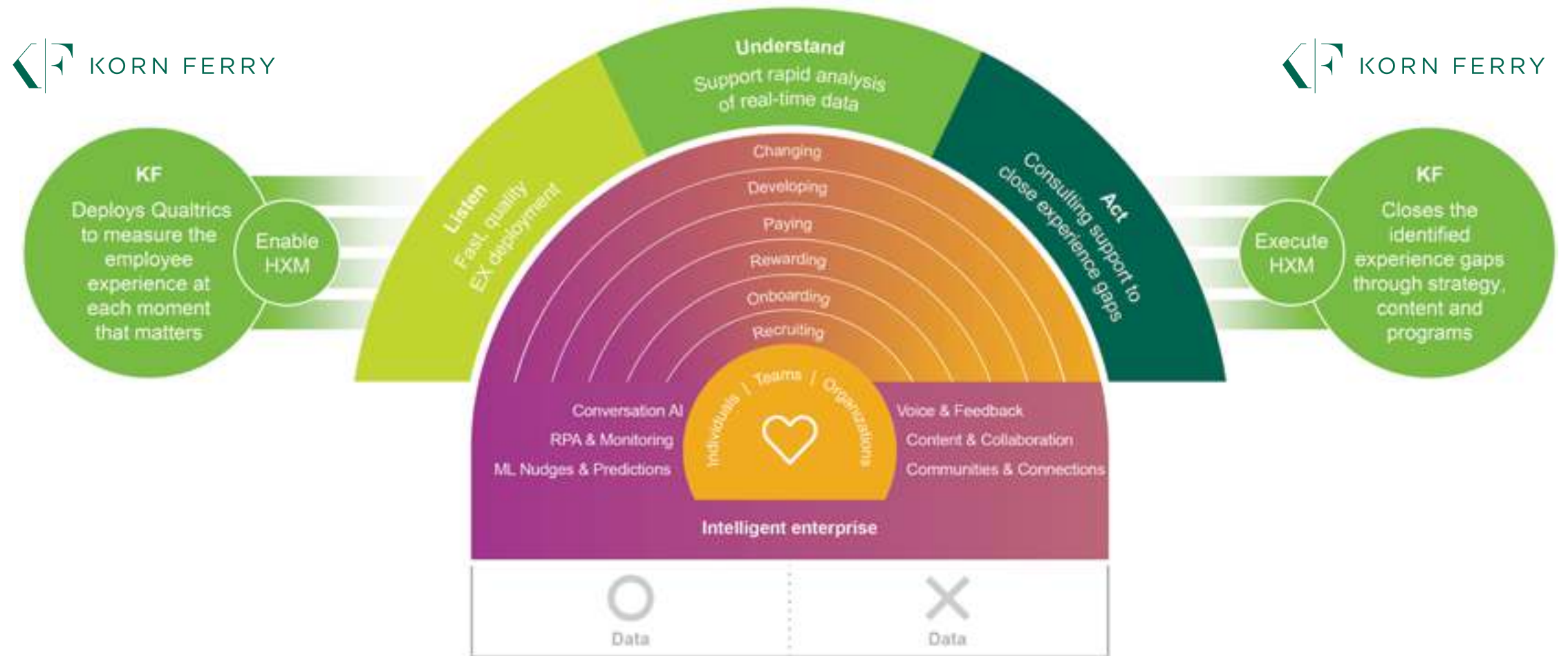


HOW WE WORK TOGETHER

Our unique partnership enables the delivery of EX as a means to enabling and delivering HXM.

SAP QUALTRICS

SAP SUCCESSFACTORS





WE CAN HELP

We help organizations design and implement innovative EX programs that drive alignment and change.

SCIENCE

More than 250 dedicated survey research professionals globally

Analytical services to link survey results with real-world performance metrics

SCOPE

Unrivaled database of external normative benchmarks

Best-in-class digital survey tools for data collection and self-service reporting

SCALE

Extensive advisory services to support action and change

Over 40 years of survey research experience and client partnerships

Talk to an expert at [kornferry.com/listen](https://www.kornferry.com/listen)