



Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Evolving an engaging work experience

Building foundations and creating distinction



Contents

| | |
|--|----|
| <i>Three stages of work experience progression</i> | 3 |
| <i>Using work experience progression to reframe your engagement efforts</i> | 8 |
| <i>Case 1: Sustaining a motivating future vision</i> | 9 |
| <i>Case 2: Building an impactful growth and development work environment</i> | 11 |
| <i>Case 3: Building a highly innovative culture</i> | 13 |
| <i>Work experience obstacles: Overcoming limits on performance</i> | 16 |
| <i>Business impact: Bringing together all the aspects of a distinctive work experience</i> | 19 |
| <i>Conclusion</i> | 21 |

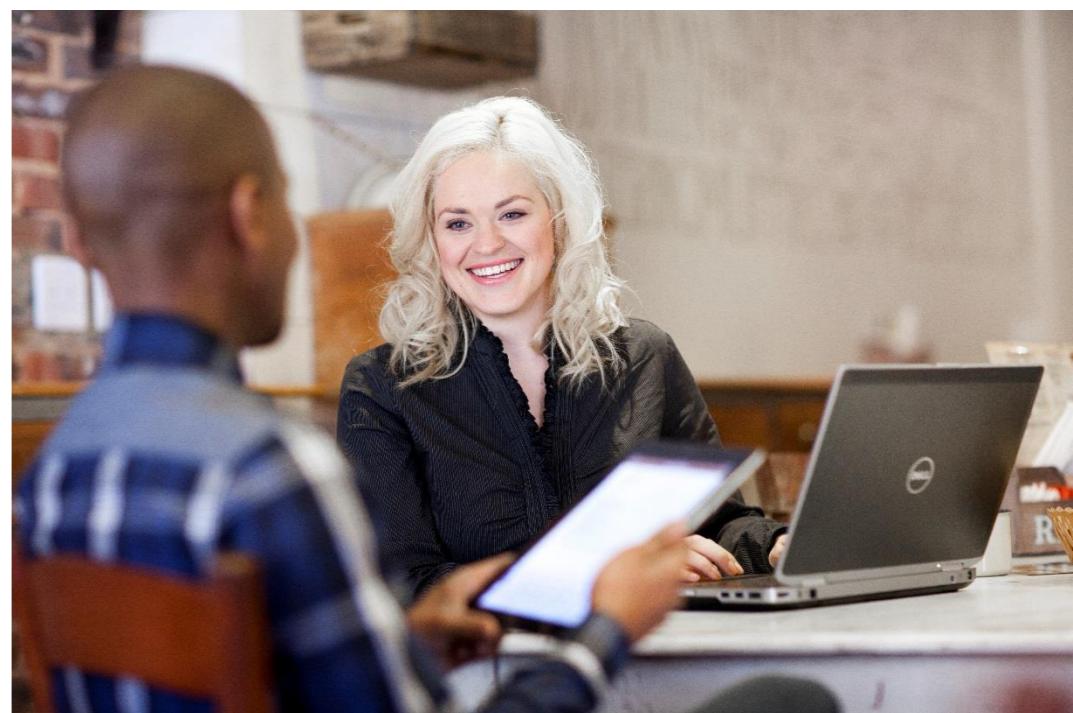
Organizations in ever-increasing numbers are striving to create a work experience that motivates employees, aligns these resources to business goals, and measures the impact of these efforts. Over the past two decades, employee engagement has served as a measure of work experience and consistently been shown to be related to increased employee retention, workplace safety, performance, quality, customer satisfaction, sales results, and financial growth.

Even as employee engagement has gained prominence as a human resource and business strategy, skeptics remain, questioning whether engagement truly drives business performance. This is likely grounded in a narrow perception of engagement as just a number, or something that's simply switched "on."

In contrast, believers in engagement have found that focusing on creating an engaging work environment has provided value and return. Some organizations become stuck, content that the given level of engagement is enough, while others want to more fully realize their return on engagement, but are uncertain about how to take things to the next level.

Skeptics ask, "What besides engagement should we focus on?" Believers wonder, "Where do we go from here?" The answer lies in the reality that fully activated employee engagement is a reflection of a far broader, fluid work experience paradigm. Both skeptics and believers should focus on how they can continue to grow and evolve the work experience from foundational to distinctive, building on the engagement created along the way.

Research from PwC's 2017 Employee Engagement Landscape Study provides insight and direction for skeptics and believers alike. For skeptics, our results reinforce the need to see engagement as a reflection of the work experience and an enabler of business growth, not as an end in itself. For believers, we identify ways to build on past achievement to arrive at greater heights in innovation and sustainable, long-term business performance. In both cases, we are switching the focus on engagement from being just a measure or outcome to being part of an ongoing progression of the employee work experience.



Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Three stages of work experience progression

It's important to remember that engagement is not just a number or measure. Although engagement surveys and other measures often represent engagement as a number, it's ultimately a reflection and outcome of the work experience itself. Creating engagement is really about the experiences and interactions people have on the job that influence their perceptions of their work environment, ideally in a way that motivates them and directs their actions toward supporting business goals. Thus, when the objective is to create a more engaged workforce, the focus should be on what changes in the work experience can help create engagement.

The evolution of the work experience follows three stages: **foundational, developing, and distinctive** (see Figure 1 on page 5). It's important that organizations address issues and opportunities at the foundational level before introducing and driving more advanced, or distinctive, behaviors. This will increase the likelihood that these advanced behaviors can be supported and sustained. If your organization tends to experience starts and stops on some behaviors (e.g., showing gains and presence one year, and then losses and absence the next) it could indicate that the foundational elements are not in place.

More advanced work experiences provide a greater variety, sophistication, and depth in behaviors and processes. As a result, the environment creates more committed, aligned, and engaged employees (i.e., more Champions). Our work with clients tells us that not all aspects of the work experience will be equally important to all organizations; the priorities for the business will help inform what aspects of the work experience need attention and where you should put in the most effort to further develop that work experience. For example, some organizations are more invested in building a culture of open dialogue and creating new things, whereas others may put more emphases on process excellence and process improvement. The first group may have measures and processes that support people coming together, encouraging exchange of ideas, and recognizing innovations, whereas the second may focus on training on process, finding opportunities to increase efficiency, and recognizing achievement of quality goals. Enriching the behaviors and processes from those that are common across organizations to those that are tied more uniquely to your business goals is what we call work experience progression.

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Three stages of work experience progression

Understanding the progression of the work experience can help organizations avoid stagnancy in creating an engaging and productive work environment. Understanding how the work experiences evolve from stage to stage helps companies focus on the right level of behaviors and actions and can invigorate engagement activities.



Foundational

Foundational elements, which are fairly consistent across organizations, need to be solidly in place for further development to be sustainable. These are often basics such as good communication, awareness and understanding, and clear standards. For example, if leaders want people to wholly own and internalize the organization's strategy and vision, good communication and understanding are crucial. When foundational elements are in place, it's more likely that an organization will have successful elements at the next two stages.



Developing

Developing elements help advance the work experience. Though many of the activities and behaviors remain somewhat similar from one organization to another, differences emerge in the way organizations execute on these elements. Developing elements build upon foundational elements and help shape the next step for the organization's ultimate work experience goals.

For example, if good communication is a foundational

element, and the goal is to have employees internalize the organizational vision in their day-to-day work, the developing elements will reflect what is needed to get to that end state. This could entail discussing the vision as a team and considering how it relates to employees' work. Or it could call upon managers and leaders to act as role models and demonstrate how they incorporate the vision into their work. Or it could be about encouraging ideas that help support the vision at all levels of the organization. These activities form the pathway to deeper ownership and personalization of the vision.



Distinctive

Distinctive elements of the work experience are the processes and behaviors the organization wants to use to differentiate itself from other organizations. Where foundational elements may be fairly common across organizations, and developing elements might be similar but executed differently, the focus for distinctive elements varies from one organization to another. For one organization, the pathway to strong communication may involve internalizing values and strategy. For another, it may be creating an innovative culture. And for another, it may be helping to create real-time feedback and coaching.

High performing organizations define what makes their work experience different from others in terms of distinctive behaviors, such as personal ownership of vision. Even two organizations that have a similar end goal (e.g., real-time coaching and feedback), each may define what this looks like differently.

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

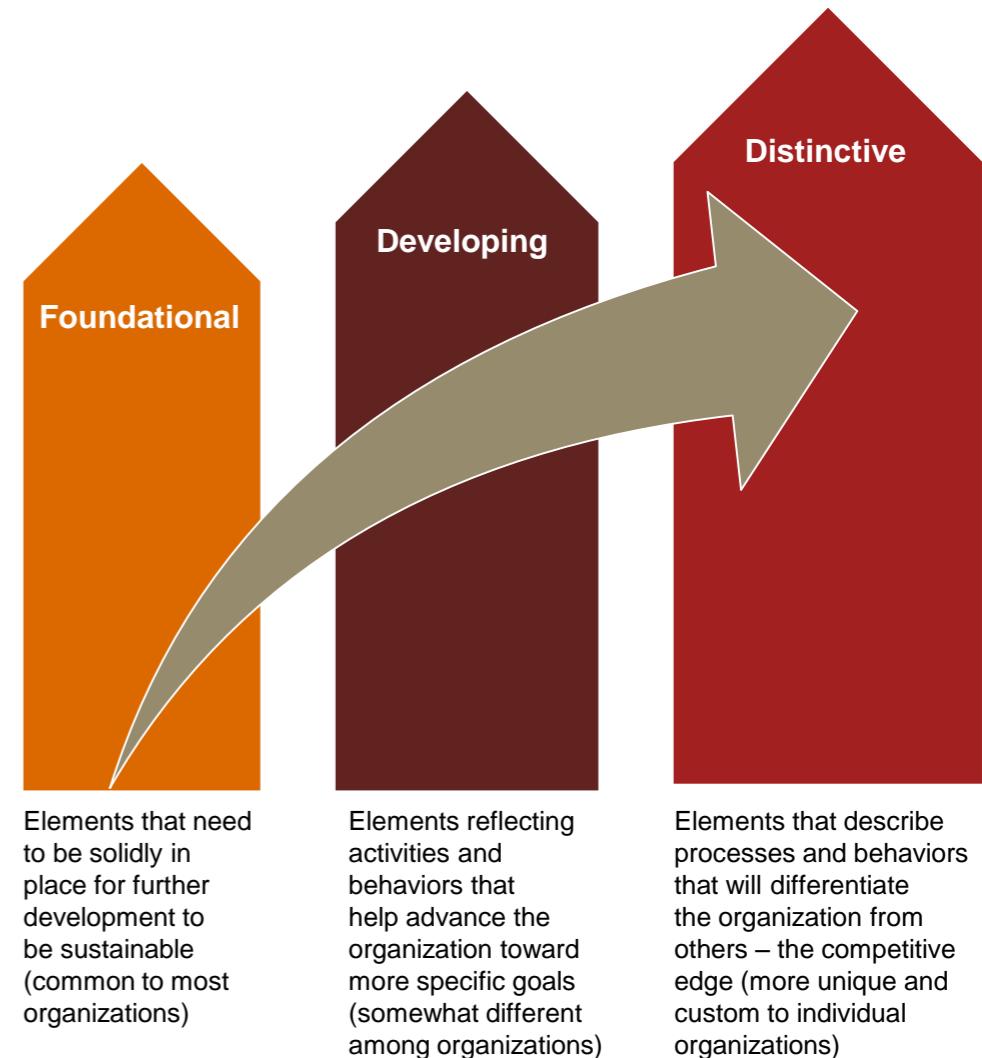
Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Three stages of work experience progression

It's typically more challenging for organizations to attain and sustain mastery of distinctive behaviors. Even when lower level (foundational and developing) elements are in place, more focus and effort is often needed to make distinctive elements a lasting part of the work experience. Assuring that the organization is focusing on the most relevant issues and goals, understanding who is accountable for the actions and elements to reach these goals, and consistently enacting those elements once implemented can help to wholly integrate these elements into the work experience.

Figure 1. Levels of work experience progression



Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Three stages of work experience progression



The Foundational Company

- Discusses engagement/work experience, but not a defined strategy
- Tends to do well on engagement basics related to role clarity, fair treatment, and job satisfaction
- Can do better at connecting people to broader strategy and vision (tends to be tactical/job focused)
- Leaders not as visible or as strong at communicating
- Not as likely to be doing research to connect HR strategies to business performance
- Tends to be more average relative to other organizations in terms of engagement, retention, and business outcomes



The Developing Company

- Has developed a defined strategy for engagement or EVP, but not fully implemented
- Tends to have regular employee surveys or feedback processes
- Introduces new activities and processes designed to improve work experience, but ownership of actions not always well defined
- Does a good job of listening and involving employees
- Leaders visible, earning higher trust and confidence
- May still define activities/practices based on what other companies are doing, rather than creating own path
- Tends to be above average on engagement, retention, and business outcomes



The Distinctive Company

- Leaders see strong interconnection between reaching business goals and employees' work experience
- Regular employee survey and feedback mechanisms, along with strong action response and follow up
- Continuously looking to build on what it has achieved—always evolving
- Regularly act on employee ideas and feedback—very strong connection between performance and reward
- People feel personal connection to leaders, are excited to enact vision, and can see a future at the organization
- High levels of consistency in the work experience across organization
- Often seen as industry leaders in terms of engagement and business performance

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Three stages of work experience progression

The parable of progression

The professor and the glass jar parable illustrates the progression of the engaging work experience:

A professor walks into his class and places a large glass jar on the table in front of the class. He tells the class that they will fill up the jar as much as possible. He produces some large rocks. After challenging the class to determine how many rocks it will take to fill the jar, he places several into the jar. The rocks stack on top of one another up to the mouth of the jar. He asks the class, “Is the jar full?” The students see that there is no more room for another rock and respond, “Yes” the jar is full.

The professor then takes out a sack of smaller stones and begins to pour them into the jar. The class watches as the stones fill in among the gaps around the larger rocks in the jar. After the last stone reaches the top of the jar, he asks his class, “Is the jar full?” Many agree that the jar is full. They don’t see a lot of space in the jar for new stones, and feel confident in their answer.

Next, the professor brings out a bag of sand. The professor carefully pours the sand into the jar and the class sees how the sand can fill in even smaller cracks and gaps among the large rocks and smaller stones. The sand comes to the top of the jar. Once again, the professor challenges the class, asking, “Is the jar full?” Although some of the students believe that the jar is now full, a few of them have their doubts. Perhaps there is still something more?

And indeed, the professor takes a pitcher of water and pours it over the sand.

Just as the jar continues to accommodate the rocks, stones, sand, and water, so too can an organization’s efforts to create an engaging work environment accommodate further evolution and enhancement. But it all has to start with the rocks—your foundation. From there, you can work to fill in the gaps and continue to develop and become distinctive.

Evolving the work experience in this way helps confirm that you have the right programs and processes in place as you begin to bring the work experience to a higher level.

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Using work experience progression to reframe your engagement efforts

Work experience progression helps address two critical needs of the employee engagement process that skeptics may find lacking. First, focusing on progression shapes the engagement journey into meaningful steps. Many organizations find the path toward creating higher levels of engagement to be unclear. Although they may be given drivers of engagement (a list of factors that are known to create stronger levels of engagement), they still want to know, “What do I do first” and, “How does working on X for engagement really help deliver Y on business performance?” The three stages of progression help identify where to begin and where to go next.

Progression also helps make the end goal (e.g., engagement, strategic initiatives, or key business outcomes) for the organization more experiential and tangible than just a score. Organizations begin to really consider (a) what a highly engaged/high performing work experience would look like at their company and what their distinctive goals are, and (b) how this experience would translate into business performance. This helps organizations to return to defining the experience, rather than just focusing on engagement or performance in the abstract. With this defined, it becomes easier to create the needed action and direction.

To illustrate how you can use the progression approach to support your business goals, we have established three cases that use work experience progression in different ways. These cases are examples to provide tangible ways organizations can think about progression and apply it to their own engagement journeys.

How progression elements were defined in the study

High performing companies are those organizations that have been identified in other sources (e.g., Fortune’s Great Place to Work and Most Admired Companies lists) as having a notably positive work environments, as well as strong business performance or potential. Our research confirmed that individuals from these organizations were notably higher on engagement and perceptions of business performance than individuals from non-high performing companies.

Foundational elements were defined as having relatively consistent scores (lower variability) across respondents and scores relatively close to the average of those working in high performing companies. This reflects that these areas are somewhat easier to achieve. As one might expect, these items align to basic aspects of the work experience: role clarity, being treated with respect, and having a job suited to one’s skills and abilities.

Developing elements were identified as having more variability in scores across respondents with somewhat elevated unfavorable and neutral responses, and as having scores a bit further from the average score for high performing organizations. These items are more descriptive of processes that build upon the foundational elements, such as listening to employee suggestions, being recognized for accomplishments, providing opportunities to develop skills, and creating confidence and trust with managers and leaders.

Distinctive elements had a higher degree of variability in scores with a greater proportion of unfavorable responses and larger differences, compared to the average score for high performing companies. Examples include a strong link between pay and performance, managers making a personal investment in one’s growth and development, responding to and using employee input, and understanding the unique contribution individuals bring to the organization.

Case 1: Sustaining a motivating future vision

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Leaders who create a vision of the future in a way that motivates employees is among the most common and strongest drivers of engagement across regions and industries.

Although many organizations struggle to improve on this measure, high performing organizations generally have high scores on this behavior. On average, 74% of employees in high performing organizations agree that their leaders provide this motivational vision, compared to just 49% of employees at non-high performing organizations. Lower performing entities also have a much higher unfavorable rating, at 24%, compared to high performing organizations, at 9% unfavorable. This helps to identify the motivating vision behavior as a distinctive element.

Given this, foundational and developing elements related to motivating vision should then make the difference in terms of whether organizations can attain and maintain this particular distinctive element. The progression model

produces two foundational elements and several developing elements that can create and support a work experience where people are motivated by the future vision for the organization (see Figure 2).

The organization has to begin with the foundational elements that create a work experience in which people feel they're treated with respect and dignity, and where division leaders and senior leaders communicate appropriate information to all employees. If people don't feel that they're being treated well, they'll be far less motivated and less likely to support the organization. Similarly, if leaders fail to communicate effectively, they will likely face a significant challenge in getting employee trust and alignment to support the strategy and vision leaders have for the organization (represented by the developing elements).

Figure 2. Progression model predicting motivating future vision



Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Case 1: Sustaining a motivating future vision

Developing elements build on the foundations of communication and respect. They boost employee confidence in leadership decisions and raise awareness of the direction for their business unit and the organization overall. Motivating vision, supported by open communication and dialogue, enables employees to share ideas and feel they are being heard. These communications can help people develop a stronger identification with the organization's core values. When these are in place, employees will be more likely to embrace and be motivated by the vision the leaders put forth (the distinctive element).

To illustrate this, Table 1 shows the percent favorable score for Leadership providing a motivating future vision, given varying scores on the associated foundational and developing elements discussed earlier. When scores on both the foundational and developing elements are unfavorable (in the bottom left of the chart), it is extremely challenging to achieve a motivating vision of the future. The average percent favorable for Leadership communicating a motivating vision is 1%. When the foundational and developing elements are in the average

range (respondents neither agreed nor disagreed with the statement), we see some improvement in the ability to provide a motivating vision of the future, with a percent favorable score of 45%. However, when the foundational and developing elements have highly favorable scores, we see a significant increase in Leadership being able to communicate and sustain a motivating vision of the future, at 97%.

This pattern of results underscores that there is a progression that needs to happen in the work experience if higher order behaviors and processes are to take hold. Low performance on the foundational elements limits the impact that developing elements can have. Similarly, without strong developing elements in place, high performance on the distinctive element is restricted.

In this case, there is a pathway for organizations to grow their ability to motivate employees: Build on the basics of communication and respect; increase confidence, trust, and open dialogue; and create an environment where leaders motivate based on a future vision.

Table 1. Impact of foundation and developing elements performance on ratings of motivating vision

| Developing elements | Rating of Leadership communicating a motivating future (% Favorable) | | |
|---------------------|--|---------|------------------|
| | Highly favorable | Average | Unfavorable |
| Highly favorable | -- | 89% | 97% |
| Average | 25% | 45% | 73% |
| Unfavorable | 1% | 2% | -- |
| | Unfavorable | Average | Highly favorable |
| | Foundational elements | | |

Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Case 2: Building an impactful growth and development work environment

In the first case, we started by focusing on a distinctive element and outlined the progression steps required to reach those higher-order goals. Here, we'll examine the different directions in which an organization can go, given a strong set of foundational elements, specifically for growth and development opportunities at an organization.

As seen in Figure 3, foundational elements for growth and development begin with training to do a quality job; organizations provide some guidance and support on what is needed to do a job well, at minimum. Looking at the work experience progression, the next level (developing) includes more broad-based development, encompassing employees' current job and expanding their capability and potential for future roles. This is largely reliant on training, such as opportunities to:

- Learn new skills

Figure 3: Progression elements for stemming from receiving training to do one's job



Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Case 2: Building an impactful growth and development work environment

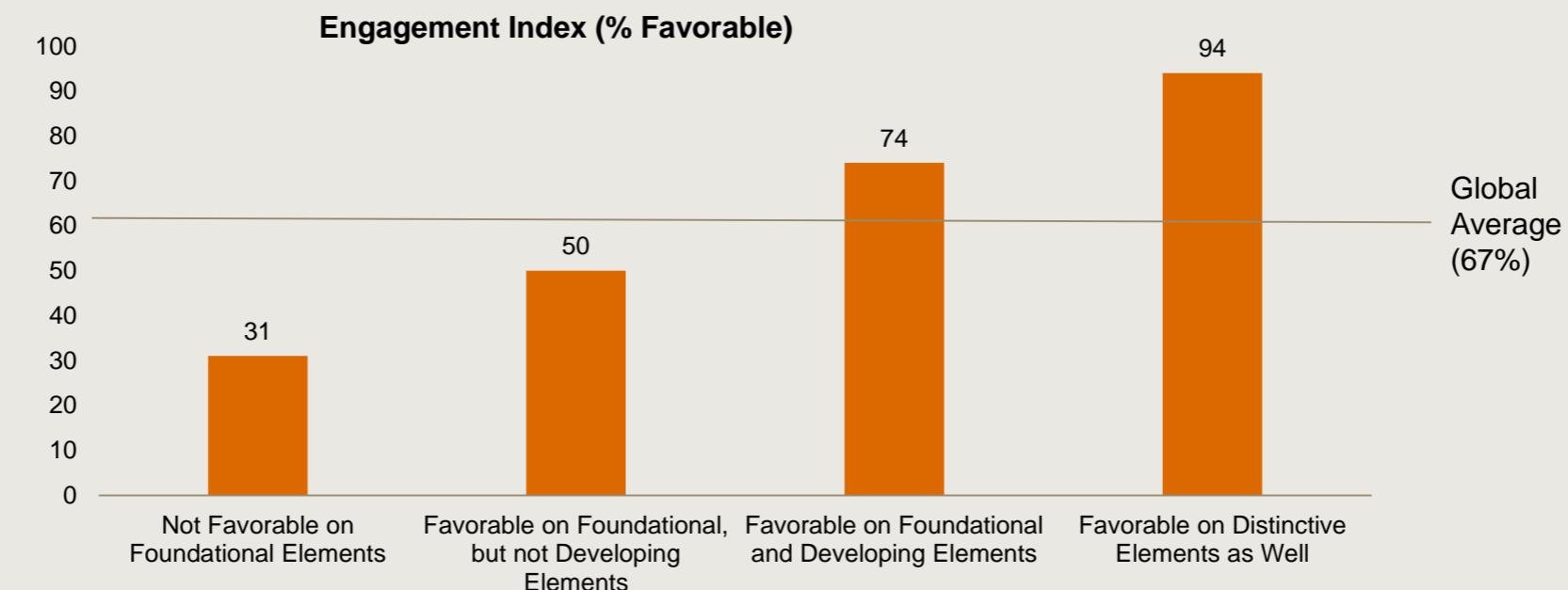
Figure 4 shows the impact on engagement levels as the growth and development work experience evolves using this progression. When the foundational elements are not strong (non-favorable response to having training to do job effectively), engagement index performance is weak (31% favorable). Having stronger foundational elements provides a notable boost to engagement, but is still in the below average range (50%, compared to the global average of 67%). Only when most or all of the developing elements are in place do we see engagement jump above average (74% engagement).

By successfully following the progression and implementing distinctive elements, organizations can achieve exceptionally high levels of engagement (engagement index of 94%).

Note that it is possible, although rare in the study, that someone may endorse distinctive growth and development elements without endorsing the foundational or developing growth and development elements. This occurred in only 0.5% of cases examined. It is also rare to see developing elements without the foundational elements in place. This occurred in about 4% of cases examined. It is unlikely that these circumstances would be sustained over time without some support eventually put in place from the lower level elements.

This case illustrates that organizations that build on their foundational elements and master increasingly challenging elements of growth and development can then reap the benefits of those efforts—and drive higher levels of engagement.

Figure 4. Impact of growth & development progression on engagement levels



Case 3: Building a highly innovative culture

Contents

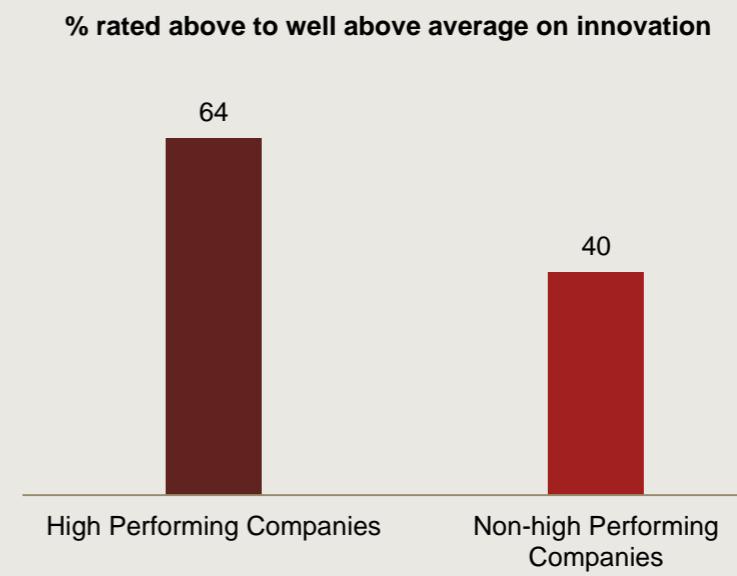
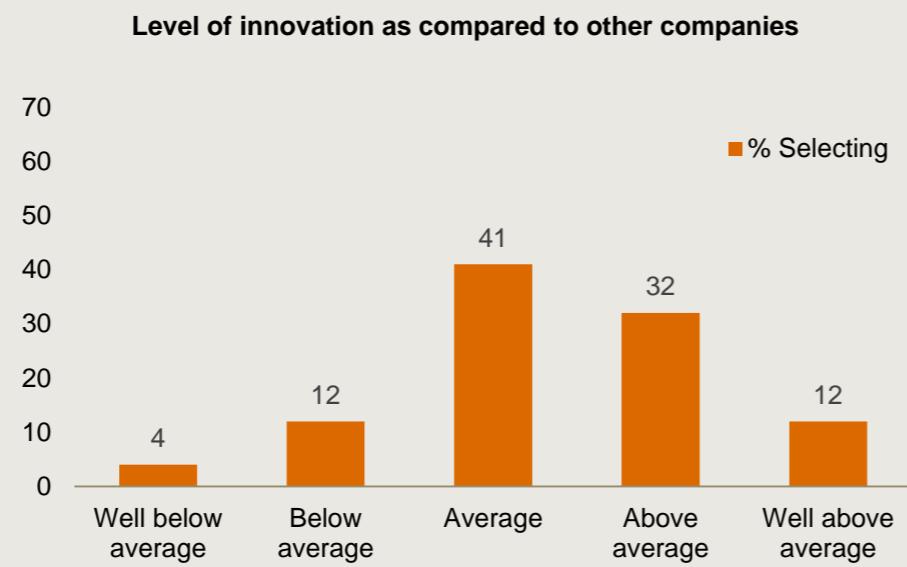
| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

The first two cases focus on traditional engagement drivers and how to sustain and build on those drivers. In this third case, we look at how work environment progression can help an organization understand how it can influence a performance outcome. We examine moving from an average level of innovation to becoming truly differentiated or distinctly innovative.

As part of this year's Employee Engagement Landscape Study, we asked respondents to rate how well they felt their organizations were innovating relative to others, ranging from well below average to well above average. In this case, we

focused on respondents who indicated "average" or "above average" on these ratings. Figure 5 shows the distribution of ratings and compares how high performing companies and non-high performing companies rate innovation. On the right side of Figure 5, we can see that High Performing companies (where we would expect stronger innovation performance) have notably higher ratings on innovation than Non-high Performing companies. Though some self-reporting bias might exist, 64% of High Performing companies rated innovation above or well above average, compared to only 40% of Non-high Performing companies.

Figure 5. Innovation performance ratings



Case 3: Building a highly innovative culture

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

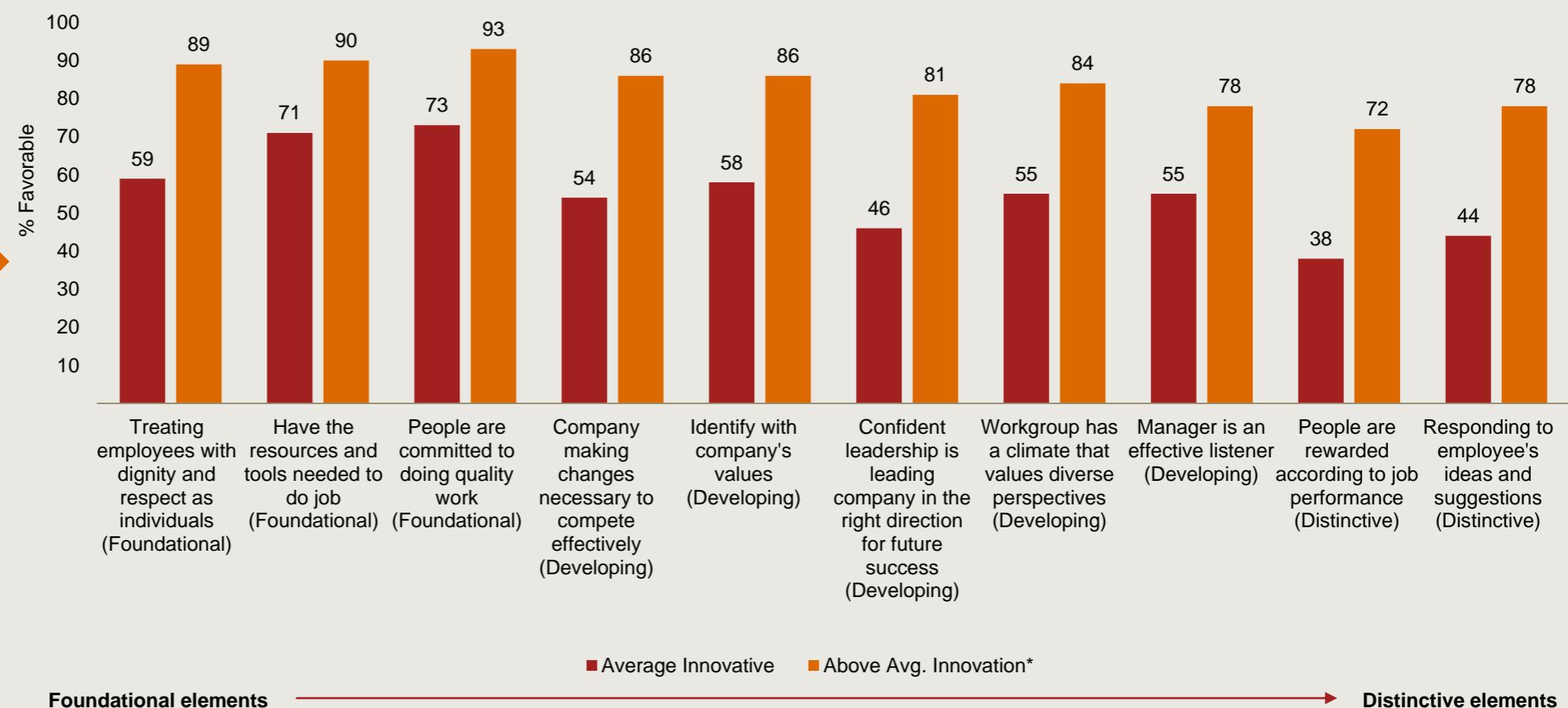
Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Next we looked to define those elements, from foundational to distinctive, that could move an organization from average levels of innovation performance to above average. We statistically identified which elements measured in the study best predicted whether an organization's work environment would be more (or less) innovative.

Figure 6 shows the foundational, developing, and distinctive elements that best predict average performance on innovation and above average performance. Scores for these items can predict accurately (about 73% of the time) whether a group was average or above average on engagement. This is significantly higher than chance, or 50%. We then used the progression model to identify each predictor as being a foundational, developing, or distinctive element.

Figure 6. Top predictors for differentiating average and above average innovation performance



* Includes organizations rated as "above average" or "well above average" on innovation

Case 3: Building a highly innovative culture

Contents

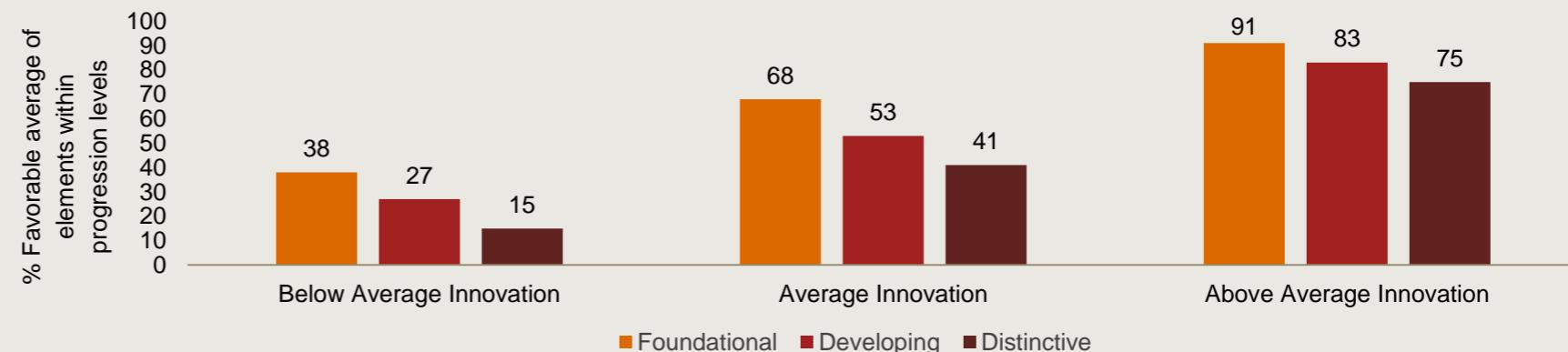
| | |
|---|-----------|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Following the progression from left to right, we see that the foundational elements for an innovative culture include treating employees with dignity and respect as individuals, providing the resources and tools to do the job, and having a commitment to doing quality work. If people are not respected as individuals, it's unlikely the organization would turn to them for their ideas and thoughts. If tools and resources are limited, it would be difficult for people to implement ideas and changes.

Building on the foundation, the developing elements begin to reflect aspects of the business strategy and values. Confidence in the direction in which the company is going can help inspire employees to contribute in a way that supports the strategy. Developing elements also show a need for openness to ideas within one's team (diversity of thought) and managers who are skilled at listening to employees. Absent this, the organization is likely to see limited free exchange of ideas, which in turn would limit potential for innovation.

At the distinctive level, we find that highly innovative cultures are more likely to listen and encourage diversity of ideas. They are also better at putting those ideas into practice. These organizations excel at rewarding people for job performance. Within the context of innovation, that means if people are making innovative contributions, they are being recognized and rewarded for those contributions, positively reinforcing

Figure 7.
Progression
element
performance
on ratings of
innovation
performance



the behavior. The desired behaviors are then more likely to be repeated and they become instilled as standard practices and part of the culture.

This pattern is shown in Figure 7, where those working in organizations with below average innovation levels (on the left) struggle to meet even a reasonable level of performance on foundational elements. Organizations that are average at innovation are far better on the foundational elements, but still weak on the distinctive elements.

Organizations that are above average at innovation show notably high levels of performance, especially on foundational and developing elements, and are also quite strong on the distinctive elements.

Although there are other potential pathways organizations can take to produce a highly innovative culture, this kind of work environment breakout afforded by the progression model can better clarify what managers and leaders should be doing to create and support the desired outcome. It becomes more clear what antecedents are needed and who can best own those behaviors, resulting in the kind of environment that supports the desired strategic goal. In other words, we get more precision and direction that is more likely to result in achieving and maintaining the desired goal.

Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Work experience obstacles: Overcoming limits on performance

Some organizations may find they need a boost on their progression path from a foundational to a distinctive work experience. Our research and work with clients has shown that an important part of the Activated Engagement Framework involves removing obstacles. We refer to obstacles as events and processes that create a drain on people's engagement. These obstacles are also part of the work experience, but instead of contributing toward a positive experience, they detract from it. They derail the impact the work experience progression efforts can have on business outcomes. In other words, the more obstacles to performance in the work experience, the less effective engagement will be in influencing business outcomes.

As part of the Employee Engagement Landscape Study, we asked participants to select up to five obstacles that may be disrupting their day-to-day work performance. The top obstacles reported by employees globally are shown in Table 2.

The most common obstacle was doing work for others that is not part of the job (selected by 33% of respondents). This was followed by being in meetings unnecessarily, and paperwork (24% and 23% of respondents, respectively). Only 7% indicated there were no obstacles to their work.

Table 2. Most common work performance obstacles

| Obstacle | Percent selecting |
|--|-------------------|
| Doing work for others that is not part of my job | 33% |
| Being included in meetings unnecessarily | 24% |
| Paperwork (e.g., reports) | 23% |
| Lack of clear priorities | 21% |
| Lack of clarity about the decision making process | 21% |
| Inadequate staffing levels | 20% |
| Poor, inefficient, or broken processes | 19% |
| Unproductive teammates | 19% |
| Unclear roles and responsibilities | 17% |
| Too many meetings | 17% |
| Constantly changing deadlines | 17% |
| Lack of information | 16% |
| Internal projects outside of primary job function | 15% |
| Too many procedures and policies | 14% |
| Repetitive or irrelevant emails | 14% |
| Out-of-date or malfunctioning technology | 14% |
| Lack of established procedures and policies | 13% |
| Lack of supervisor support | 13% |
| New products or processes instituted without adequate preparation | 12% |
| Responding to crises | 10% |
| Inadequate professional development | 9% |
| Unclear instructions related to your work tasks | 8% |
| Uncomfortable or distracting work environment | 8% |
| Micromanagement | 7% |
| Other | 1% |
| There are no issues that distract me from achieving my work-related goals | 7% |

Contents

| | |
|---|-----------|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Work experience obstacles: Overcoming limits on performance

The study indicates obstacles are present to some degree, regardless of engagement or an organization's performance level. We examined the prevalence of obstacles at the different stages of work environment progression to determine if removing obstacles earlier in the progression can elevate performance at the developing and distinctive levels of the progression.

We chose an element from each stage of the progression model related to customer satisfaction, as shown on the horizontal axis of Figure 8. We then grouped respondents based on their scores across each level of the progression, as shown by the vertical bars. The height of the bars indicates the percent of respondents who indicated there are obstacles present in their daily work experience. The varying heights within each obstacle group indicate that the obstacles require resolution at different stages of the progression.

We found four obstacles that were consistently present for each of the three progression elements:

- Unclear roles and responsibilities
- Lack of clarity about decision making processes
- Poor/broken processes
- Lack of supervisor support



Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

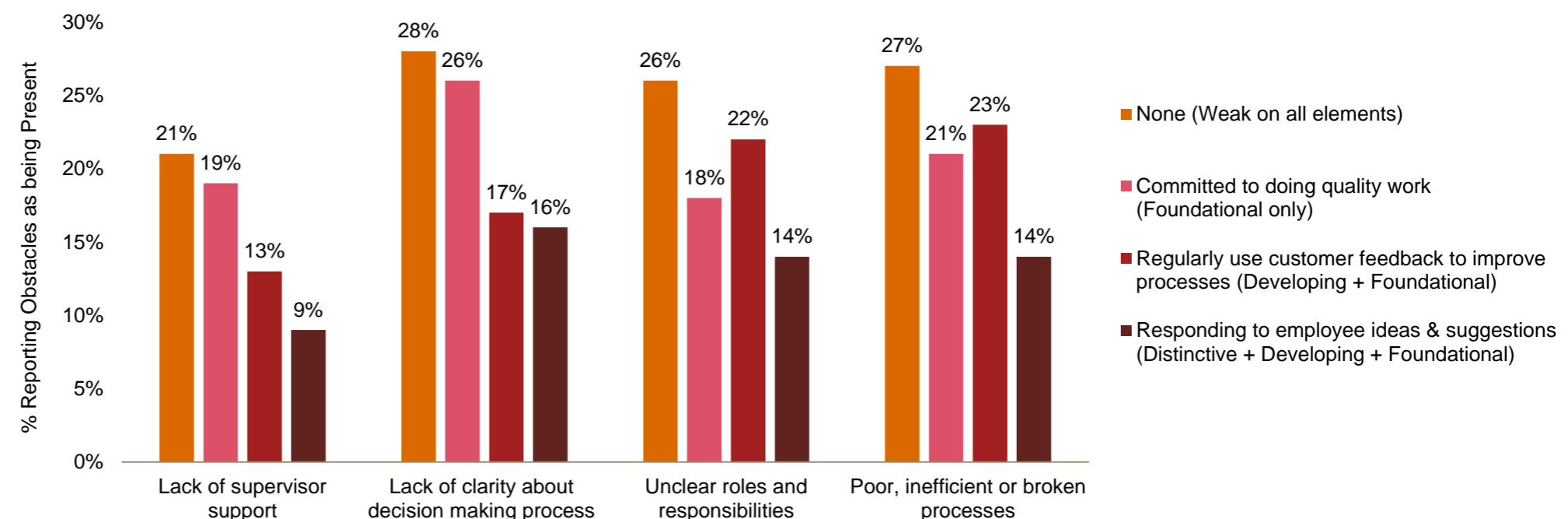
Conclusion 21

Work experience obstacles: Overcoming limits on performance

When none of the elements (foundational, developing, or distinctive) are met, the proportion of reported obstacles is the highest (leftmost bar). From there, different obstacles are resolved at different levels of the progression. Specifically, the percent of respondents indicating that obstacles are present is relatively higher when lack of clarity in decision making processes and lack of supervisor support have only the foundational element met (second bar from the left). The respondents indicating that obstacles are present drops

significantly when the developing and distinctive elements are present (third bar from the left). This suggests that the obstacles need to be mitigated in order for the organization to move forward. In other words, you may be able show a commitment to doing quality work (amid decision making uncertainty or lack of supervisory support), but in order to begin using customer feedback to make decisions, these obstacles need to be resolved.

Figure 8. Interaction between progression elements and obstacles to customer satisfaction



As demonstrated, work experience progression is not only limited by the elements that are present at each stage, but also by what obstacles limit the impact of those elements as they are implemented. An organization should focus on which work experience elements (or if preferred, drivers of engagement) to improve and determine who is best to take action on those elements. Furthermore, there should be awareness of what obstacles are present and need to be resolved to promote that the actions taken will yield the greatest success.

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21



Business impact: Bringing together all the aspects of a distinctive work experience

As we return to the Activated Engagement framework, we have already established that implementing the right progression of drivers of engagement, while lessening the obstacles employees face, will lead to higher levels of engagement and a positive work experience. Now, we can add the additional layer of how to positively impact business performance.

To validate the impact, we looked at three business outcomes:

- Financial performance
- Customer satisfaction
- Innovation level

We asked respondents to rate their organization on each outcome from “below average” to “well above average.” We then compared levels of performance for each outcome to the “wholeness” of their work experience. We defined “wholeness” based on favorable scores across all stages of the progression (not just distinctive element achievement) and the percentage of respondents indicating the presence of obstacles.

Contents

Three stages of work experience progression 3

Using work experience progression to reframe your engagement efforts 8

Case 1: Sustaining a motivating future vision 9

Case 2: Building an impactful growth and development work environment 11

Case 3: Building a highly innovative culture 13

Work experience obstacles: Overcoming limits on performance 16

Business impact: Bringing together all the aspects of a distinctive work experience 19

Conclusion 21

Business impact: Bringing together all the aspects of a distinctive work experience

As shown in Figure 9, we found four degrees of wholeness:

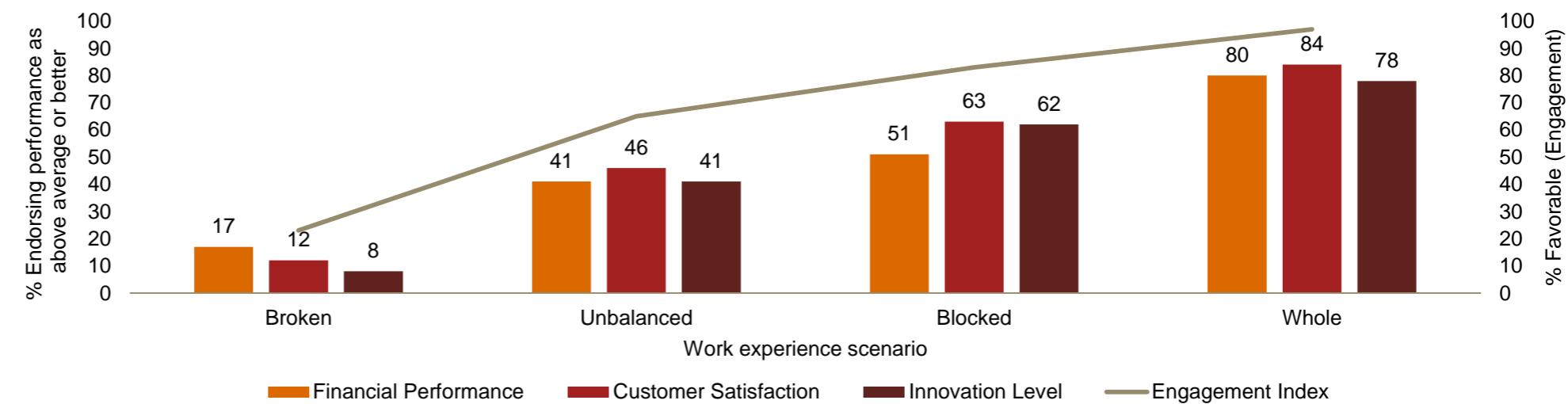
- “Broken” situations where all progression elements are lower performing, and where there is a higher prevalence of obstacles.
- “Unbalanced” situations where the performance on foundational and developing elements are weaker than distinctive elements, suggesting that distinctive elements may not be sustainable.
- “Blocked” situations where foundational and developing elements may be in place, but there are many obstacles interfering with performance.
- “Whole” situations where each level of progression is met, and obstacles are minimized.

On the left side of the chart, Broken and Unbalanced situations underperform on the outcomes (fewer respondents indicated that the organization is performing above average). Compared to Broken, Unbalanced have better ratings on business outcomes, but even with higher performance levels on the developing or distinctive elements, the lack of a strong performance on foundational elements holds them back from attaining the higher levels of performance that we see in Blocked and Whole.

Stronger business outcomes are achieved when all three levels of work experience are established (Blocked). But clearly the obstacles cited are limiting the potential strength of these outcomes. It is only when all three levels of progression are achieved, and obstacles are overcome, that we see consistently high levels of performance on business outcome measures.

For reference, the engagement level for each group is shown as an overlay and follows a similar increase across the four degrees of wholeness.

Figure 9. Work experience progression scenarios and business outcomes



Conclusion

Contents

| | |
|--|----|
| <i>Three stages of work experience progression</i> | 3 |
| <i>Using work experience progression to reframe your engagement efforts</i> | 8 |
| <i>Case 1: Sustaining a motivating future vision</i> | 9 |
| <i>Case 2: Building an impactful growth and development work environment</i> | 11 |
| <i>Case 3: Building a highly innovative culture</i> | 13 |
| <i>Work experience obstacles: Overcoming limits on performance</i> | 16 |
| <i>Business impact: Bringing together all the aspects of a distinctive work experience</i> | 19 |
| <i>Conclusion</i> | 21 |

Engagement is a powerful tool that can enable organizations to align employees and drive business outcomes. As our Employee Engagement Landscape Study results show, organizations can achieve distinction, innovation, and other outcomes by creating a work experience that touches on each component of the Activated Engagement Framework and develops over time.

Organizations can build on foundations and make the experience truly distinctive. They should define and mitigate obstacles that can impede progress. And business outcomes should be measurable so that the impact can be shown.

The work experience progression will differ by organization, based on the unique, distinctive goals and objectives of each entity. The best, most relevant path for one organization may not make sense for another. The work experience that evolves should be a reflection of the goals and processes of the organization it serves. From Foundation to Distinction, the work experience has the potential to evolve as the definitive aspect of the organization's culture and identity, actively driving business outcomes.



Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Conclusion

Survey methodology and demographic summary

A random selection of full-time employees over the age of 18, working in organizations with 200 or more employees globally were asked to complete a survey of 77 items, reflecting PwC's Activated Engagement Framework, along with a number of key demographic details.

There were a total of 7,310 respondents, most of which ($n = 1,588$) were from the United States (by design). Representative samples for Asia Pacific, Europe, and Latin America working populations were attained; we also incorporated a Canada sample to represent not only the United States, but North America. Global results were weighted so that all four regions were equally represented in the scores.

- Respondents were equally distributed across a variety of company sizes and industries (Table A1 and A2).
- About 13% of respondents were among companies that were identified as being "high performers" (e.g., members of Fortune's Best Place to Work or Most Admired Companies list).
- 33% have been employed at the same company for 10 or more years, and 24% have been employed for five-to-10 years.
- About 23% had less than three years of tenure.
- Almost half (48%) reported being individual contributors (not directly responsible for managing others).

- About 36% indicated they were supervisors/managers (responsible for managing others, but not managing other managers).
- The remaining 16% reported being at the Director level or above (Table A3).
- 48% of the respondents could be classified as "Millennial" generation ($<=36$ years of age), 35% as "Generation X" (37 to 51 years of age), and 17% as "Baby Boomers" (over 51 years of age)
- Males were somewhat more represented (59%) than were females (41%) in the sample this year.

Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |

Conclusion

21

Conclusion

Table A1. How many people work at your company?

| | Frequency | Percent |
|-------------------------------------|-----------|---------|
| 200 to 499 employees globally | 1171 | 16.0 |
| 500 to 999 employees globally | 1244 | 17.0 |
| 1,000 to 1,999 employees globally | 999 | 13.7 |
| 2,000 to 4,999 employees globally | 1093 | 15.0 |
| 5,000 to 9,999 employees globally | 896 | 12.3 |
| 10,000 to 49,999 employees globally | 851 | 11.6 |
| 50,000 or more employees globally | 1056 | 14.4 |

Table A3. What is your job level?

| | Frequency | Percent |
|---|-----------|---------|
| Individual contributor (no direct management of others) | 3538 | 48.4 |
| Supervisors/Manager (manage others, but do not manage other supervisors or managers) | 2607 | 35.7 |
| Director/Sr. Manager/Department Head (manage other managers, but not on senior leadership team) | 844 | 11.5 |
| Vice President (manage other directors/sr. managers) | 124 | 1.7 |
| Executive leadership/CEO/COO/President (top level leadership team within your organization) | 197 | 2.7 |



Table A2. What is your company's primary industry?

| | Frequency | Percent |
|---|-----------|---------|
| Engineering/Manufacturing | 828 | 11.3 |
| Technology | 799 | 10.9 |
| Public Sector (e.g., Federal, State, and other government agencies) | 698 | 9.5 |
| Education/Universities | 556 | 7.6 |
| Healthcare/Hospital (including nursing homes, hospice, retirement care) | 539 | 7.4 |
| Pharmaceuticals/Life Sciences | 510 | 7.0 |
| Retail and Leisure | 454 | 6.2 |
| Professional Services | 359 | 4.9 |
| Financial Services - Banking | 232 | 3.2 |
| Utilities | 221 | 3.0 |
| Consumer Packaged Goods | 201 | 2.7 |
| Communications/Media | 153 | 2.1 |
| Chemicals | 132 | 1.8 |
| Insurance - Health | 89 | 1.2 |
| Aerospace & Defense | 87 | 1.2 |
| Financial Services - Asset | 77 | 1.1 |
| Management/Other Finance | | |
| Financial Services - Other | 77 | 1.1 |
| Insurance - Non-Health | 55 | .8 |
| Insurance - Other | 36 | .5 |
| Airlines | 21 | .3 |
| Hospitality | 21 | .3 |
| Oil & Gas | 15 | .2 |
| Other (please describe) | 1150 | 15.7 |

Contents

| | |
|---|----|
| Three stages of work experience progression | 3 |
| Using work experience progression to reframe your engagement efforts | 8 |
| Case 1: Sustaining a motivating future vision | 9 |
| Case 2: Building an impactful growth and development work environment | 11 |
| Case 3: Building a highly innovative culture | 13 |
| Work experience obstacles: Overcoming limits on performance | 16 |
| Business impact: Bringing together all the aspects of a distinctive work experience | 19 |
| Conclusion | 21 |

Conclusion

About PwC people analytics

Don't just collect data. Generate insight.

There's a quiet revolution taking place in human resources and talent development departments around the world. Faced with a growing need for meaningful insights into the workforce, companies are beginning to recognize the tremendous, untapped potential in what they already know, and what they could know, about their own workforce. It's called "people analytics," and it's changing the way companies think about everything from attracting and developing talent to employee engagement and retaining talent.

PwC is a global leader in People Analytics because we go beyond simple data reporting and surveying. We are a full-service people analytics provider, with a thorough understanding of the specific workforce issues faced by companies in your industry. We offer a broad range of services, from Saratoga benchmarking to advanced analytics to comprehensive workforce surveying. PwC can also work with you to build a workforce analytics capability that allows you to do more with your data, including Big-Data for HR. We help you to take the guesswork out of your most important workforce decisions, supporting your efforts to improve operational and financial results.

And as part of PwC's People and Organization practice, we bring together an unmatched combination of 11,000 people with industry, business, talent, strategy, HR, analytics, and technology expertise in one team across 138 countries. Together, we build tailored people and organization solutions with a deep understanding of our clients' uniqueness and grounded in rigorous analysis and data-driven insight to create lasting, differentiated value.

We are PwC, your full-service People Analytics provider.

www.pwc.com/people-analytics

To have a deeper discussion, please contact:

Jeffrey Jolton, Ph.D.

(703) 610-7562

jeffrey.a.jolton@pwc.com

Robert Tate

(408) 817-5896

robert.tate@pwc.com

Nik Shah

(703) 918-1208

nik.shah@pwc.com