

# Align HR With Employee Needs To Improve Employee Experience: A Spotlight On Organizations In Latin America

# Executive Summary

Gone are the days when human capital could be managed as a cost center. Today, the savvy leader understands that people are critical to business success and that investing in your workforce — their satisfaction, wellbeing, and happiness — will pay dividends. This means that employee experience (EX) — that is, employees' collective perceptions of their ongoing interactions with the organization, related to the one-off and cumulative effects of interactions with their employer's customers, leaders, teams, processes, policies, technology, tools, and work environment — must become a priority.

SAP SuccessFactors, Qualtrics, and EY commissioned Forrester Consulting to conduct two surveys in Latin America — one with HR decision-makers and one with employees — to explore two core questions:

1. What is the connection between EX and business value?
2. How aligned are HR and employees when it comes to EX?

We found that although both groups understand the power of good EX to produce employee and business benefits, there are several fundamental gaps between the two groups. Organizations must overcome these gaps if they want to succeed going forward.

# Good EX Creates Employee Wins For Latin American Firms

**75%**

Attracting talent



**68%**

Improved retention



**57%**

Workforce agility



HR leaders report positive change to:

Employees note positive impacts to:\*

**75%**

Quality of work



**83%**

Employee productivity



**65%**

Employee engagement



# Customer And Business Outcomes Improve As Well

**78%**

Revenue



HR decision-makers in Latin America say that good EX leads to improved:

**79%**

Customer satisfaction



**75%**

Organizational agility



And 72% of employees say EX positively impacts their ability to provide good customer experiences.\*



**69%**

Customer acquisition and retention



# Trouble Looms On The Horizon

Despite the critical importance of good EX, many Latin American organizations still struggle. There is a fundamental disconnect not just between HR and employees, but within HR departments themselves. Within two years:

**69%**

of HR leaders say EX will be one of the most important factors impacting business success.

**BUT JUST**

**49%**

of HR leaders expect their organizations to deliver excellent EX.

**AND ONLY**

**13%**

of employees expect to receive excellent EX.\*

Base: 100 HR decision-makers at companies in Mexico and Brazil

\*Base: 100 full-time employees at companies in Mexico and Brazil

Source: A commissioned study conducted by Forrester Consulting on behalf of SAP SuccessFactors, Qualtrics, and EY, July 2020

# Latin American HR Leaders Don't Always Listen To Or Prioritize Employee Needs

What is causing this problem? Listening to employees is fundamentally important for HR teams to craft excellent EX. Unfortunately, few organizations have the necessary processes or tools in place to collect that feedback.

And even when they manage to collect this critical data, HR will often deprioritize employee needs. When setting EX strategy, HR leaders tend to prioritize business goals, external market factors, and brand reputation over the needs of their workforce.

**ONLY 5%**

of HR managers say employee needs are their #1 priority when setting EX strategy.

Few organizations have listening programs. Only:



**50%**

have a voice-of-the-employee feedback program.



**42%**

explore ways to capture employee interactions not currently being tracked.



**26%**

conduct an ongoing employee engagement survey (at least quarterly).

# As A Result, There Is A Gap Between HR And Employees On The Drivers Of Good EX



- ✓ Creating a positive culture
- ✓ Clear communication
- ✓ Employee technology

# Positive Culture Is Key To Employees, But HR Struggles

Misalignment between HR and employees naturally leads to dissatisfaction. There is a 12-point gap between how satisfied Latin American employees are with this culture work and how important they think it is.

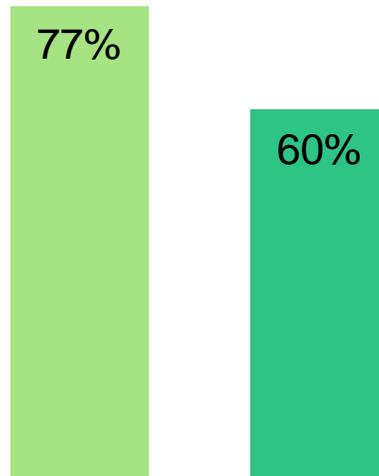
## Employees



**34%**

Not fully satisfied with their organization's culture

“How important is creating and sustaining a positive culture to good EX?”



Employees\* HR leaders

## HR managers

**50%**

Struggle to create a positive organizational culture that aligns with corporate values



**23%**

Track cultural strength KPIs

# Communication Could Use A Boost

Employees in Latin America value clear and effective communication above almost all else, more so than employees in any other region we surveyed for this research. Although HR managers understand this — 86% say communication from managers and senior leadership is important — they struggle to operationalize it. Few decision-makers prioritize creating the structure necessary to support successful communication, leaving many employees dissatisfied.



**82%**  
of employees say clear communication from managers and senior leaders is important to EX.\*

**BUT ONLY 68%**  
are satisfied with management's communication.\*



**30%**  
of HR managers find their organization's lack of an executive communication mechanism problematic for improving EX.

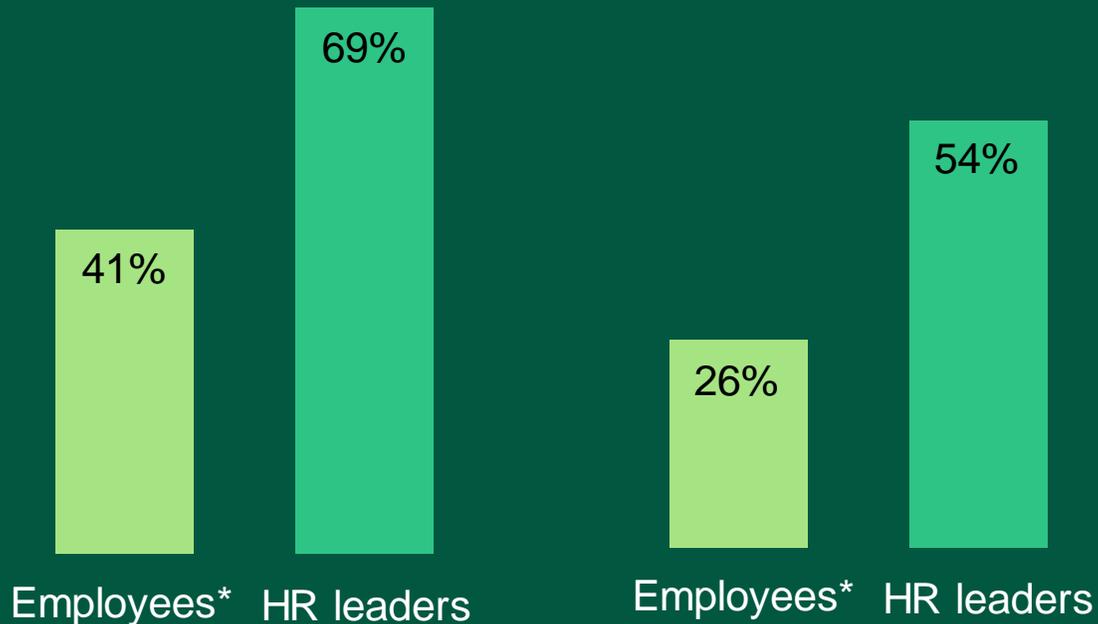


**ONLY 12%**  
list a robust internal communications structure as a top HR initiative.

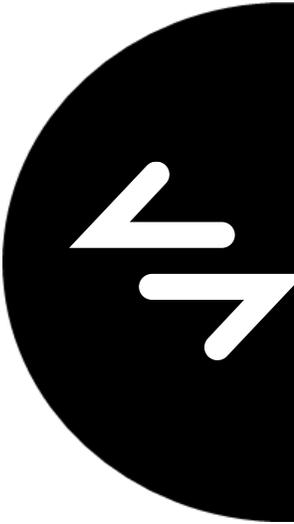
# Technology Has A Few Blind Spots

“The technology is easy to use.”

“All applications and data that employees need are accessible on desktop and mobile.”



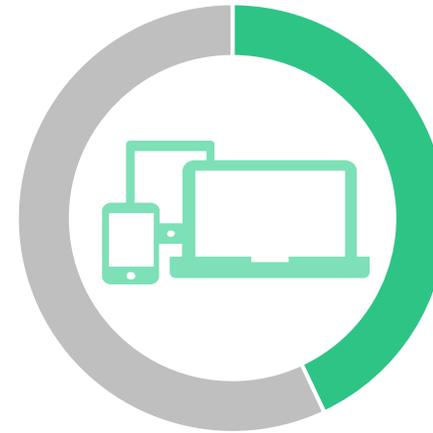
Employees and HR managers show some significant misalignment when it comes to technology. Most notably, HR wildly overestimates the accessibility, mobility, and usability of provided tools. This is a warning sign for enabling a remote workforce.



**75%** of HR leaders find enabling a productive remote workforce challenging.

# HR Should Be Paying More Attention To Technology Overall

Forrester has consistently found that a productive employee is an engaged employee, and technology is one of the more critical aspects to ensuring productivity. Firms that fail to consider the impact of their technology choices on EX will struggle.

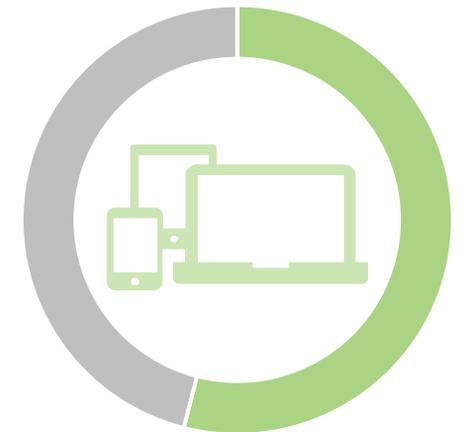


JUST  
**43%**

of HR decision-makers consider the impact on EX when making technology decisions.

YET  
**54%**

of employees say the technology they use day-to-day is becoming an increasingly more important factor impacting their experience at work.\*



Base: 100 HR decision-makers at companies in Mexico and Brazil

\*Base: 100 full-time employees at companies in Mexico and Brazil

Source: A commissioned study conducted by Forrester Consulting on behalf of SAP SuccessFactors, Qualtrics, and EY, July 2020

# You Can Close The Gap, But You Need To Act Now

No discussion of EX is complete without a nod to the massive change in work brought about by the COVID-19 pandemic. And while companies and employees alike struggled to find their way in a time of unprecedented change, the biggest — and perhaps most important — change for HR teams came in a renewed focus on EX.

The shift to remote work won't immediately disappear with a successful vaccine, nor will employees' desire for a more flexible and balanced work life. And to keep up, organizations must shift with their employees' changing needs.

This study provides the data and insights you can use to improve your own organization's EX program, starting with the following recommendations.

# Key Recommendations



**Set values that include empathy, transparency, and human-centered design.** Core values help others outside your EX program understand what you stand for, and they help those involved understand what matters most when taking actions. A culture of transparency establishes trust, and it helps employees understand their role in contributing to the company. To drive an overall culture of transparency, leaders and managers must be transparent themselves and teach employees to give constructive feedback. Human-centered design is an expression of empathy. And this empathy is necessary when creating conditions that reflect employees' desire to remain engaged in their work so that they can succeed. Anything less would mean disengagement and failure. Studies show that engagement peaks when employees can make daily progress in the work they know matters most, so creating a work environment that fosters engagement is the key.



**Get leadership on board with EX, and use this data to do it.** Our research with organizations that have successful EX initiatives reveals that leadership support is critical. You can influence leaders with research and data. Use Forrester's published EX Index research, and the data within this study, to help earn leadership buy-in by showing that EX investments improve employee engagement. Our research shows that firms with engaged employees enjoy 80% higher customer satisfaction and half the employee turnover, which are both nontrivial results. And that engagement leads directly to higher revenue growth and profitability of the business.

# Key Recommendations



**Define an employee-listening strategy to guide your efforts.** For most organizations, technology purchasing decisions are often deliberately made without employee input. Instead, they are based on primary concerns of cost, manageability, and security. Change the script by involving employees in this process. It doesn't take much to survey, or better yet, interview employees about what's important to them. Use that data to make the case for better options and act. Actions should be customized and tailored to a specific group of employees. The result will be higher adoption and utilization.



**Be patient: Results take time, but the payoff is worth it.** Fundamentally changing your organizational culture to one driven by employee experience is not something that happens overnight. Culture takes time to build. Firms should not lose sight of the fact, though, that you can and will experience little wins as you work toward larger goals. Ensure you are tracking these incremental benefits while being in it for the long haul. And remember that investments in effective HR technology provide valuable data to drive meaningful change, leading to substantial benefits to the business, across both top and bottom lines.

# Methodology

In this study, Forrester conducted an online survey of 100 HR and human capital management decision-makers in Mexico and Brazil to evaluate the connection between EX and long-term business value. Forrester also conducted an employee study with 100 full-time employees, aged 18 to 65, from the same countries. HR and employee respondents came from a range of industries and company sizes. All survey participants were offered an incentive as a thank you for time spent on the survey. The studies began in June 2020 and were completed in July 2020.

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