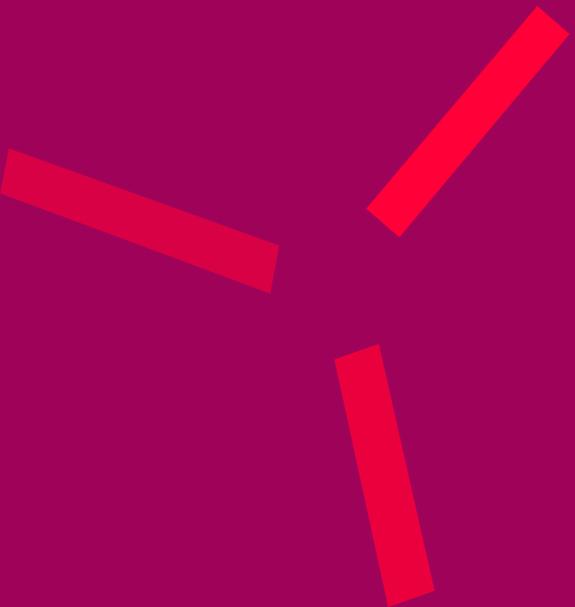




A deep dive into digital HR and employee experience





Based on the survey 'The Future of Work and People in Europe 2020 – HR, Fluid as Hula-Hoop Shaking'

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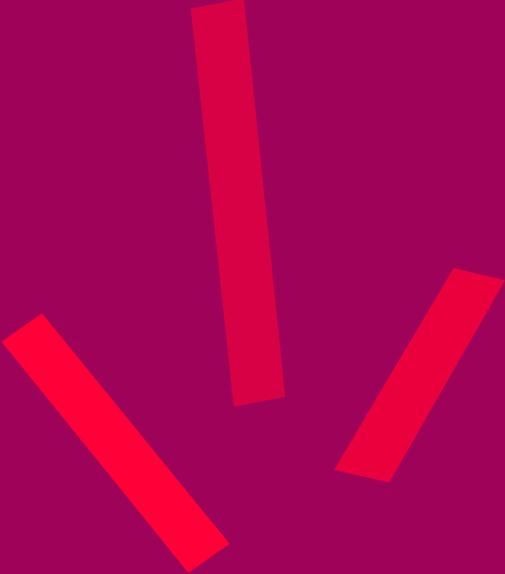
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The promising outlook of new digital technologies and the need for an increased focus on employee experience are part of just about every list of HR trends published in the last 5 years. So, the importance of both domains is nothing new. What is new is the urgency that COVID-19 has created. Digital HR and an employee-centred mindset are no longer optional if you wish to thrive in the 'never normal'. Moreover, both domains are heavily intertwined: a workplace with lots of digital and mobile options is exactly what employees want.

This notion immediately raises some questions. Just how digitally mature are companies today? Are they satisfied with the way things are going or are they planning new projects? And do employees really get the attention they deserve?

Through an extensive online survey conducted in June 2020, SD Worx reached a total of 3,000 companies spread across 11 European countries. The goal: unravelling possible HR challenges by finding answers to the questions above.

In this ebook, we sum up the most noteworthy findings on digital HR and employee experience. For similar analyses on payroll, outsourcing and workforce management, we invite you to download the other ebooks in this series.

Digital HR in a world of uncertainty

Every company should practice hula-hoop shaking, with a fine balance between stability and flexibility. For digital HR, this means implementing stable, frictionless tools as well as tailor-made digital solutions to finetune your own way of working. This chapter assesses just how well that balance is already established in European companies.

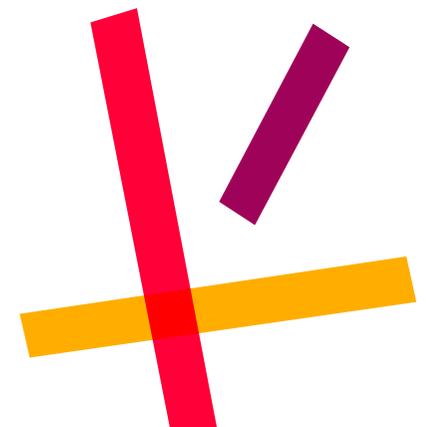


In search of the digitally mature

Who has reached high levels of digital maturity in HR and who still mainly relies on manual work? To separate the wheat from the chaff, we asked entrepreneurs and HR professionals to score themselves in 3 domains:

- Automation/integration of HR and payroll processes/systems
- HR reporting and analytics
- Digital HR tools

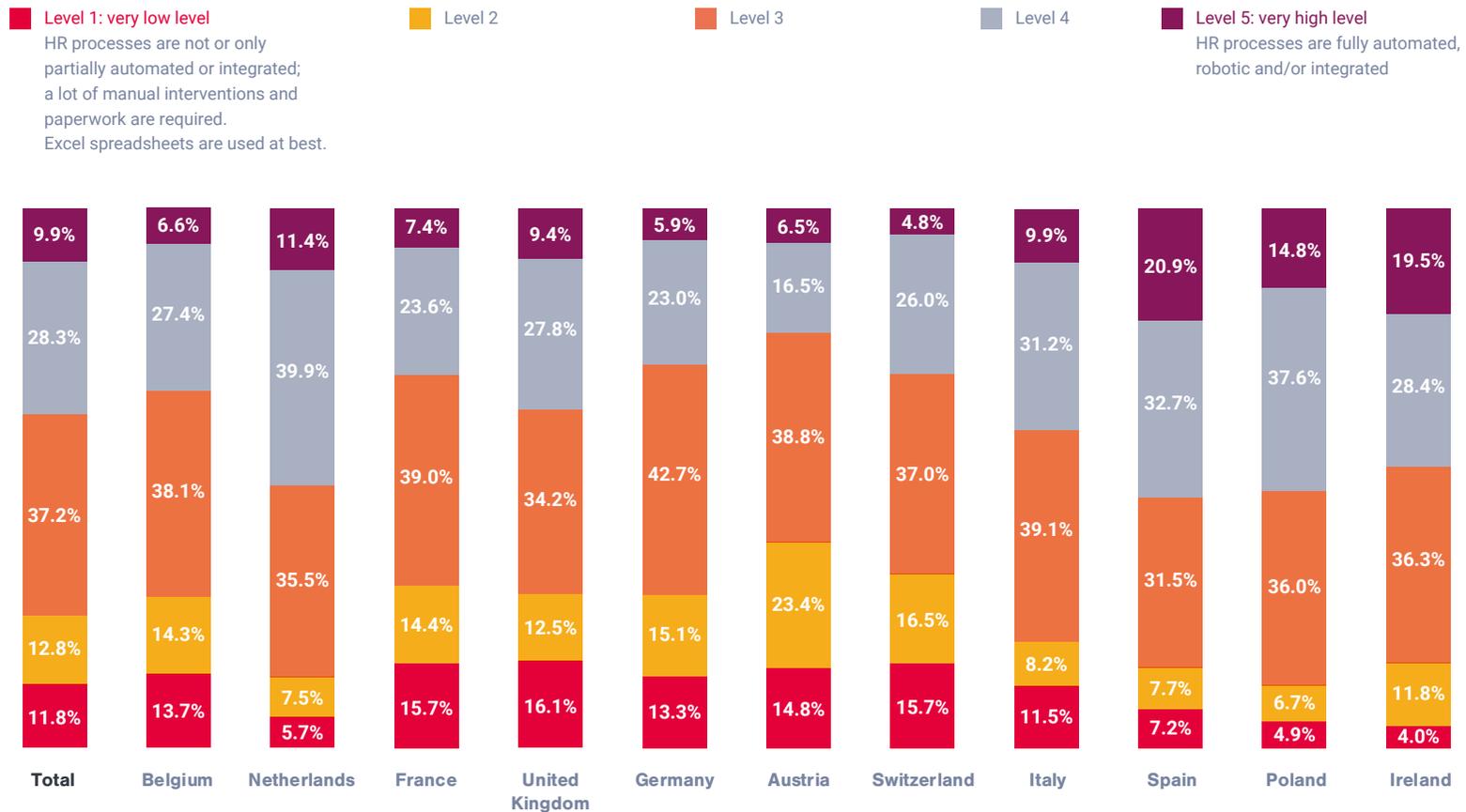
This is what we discovered.



#1 HR and payroll processes and systems

With just under 10% of all polled companies claiming that their HR and payroll processes and systems are fully automated, robotic and/or integrated, it's fair to say that there's still a lot of room for optimisation. Only Spain, Poland, Ireland and the Netherlands enjoy above-average levels of digital maturity in this domain.

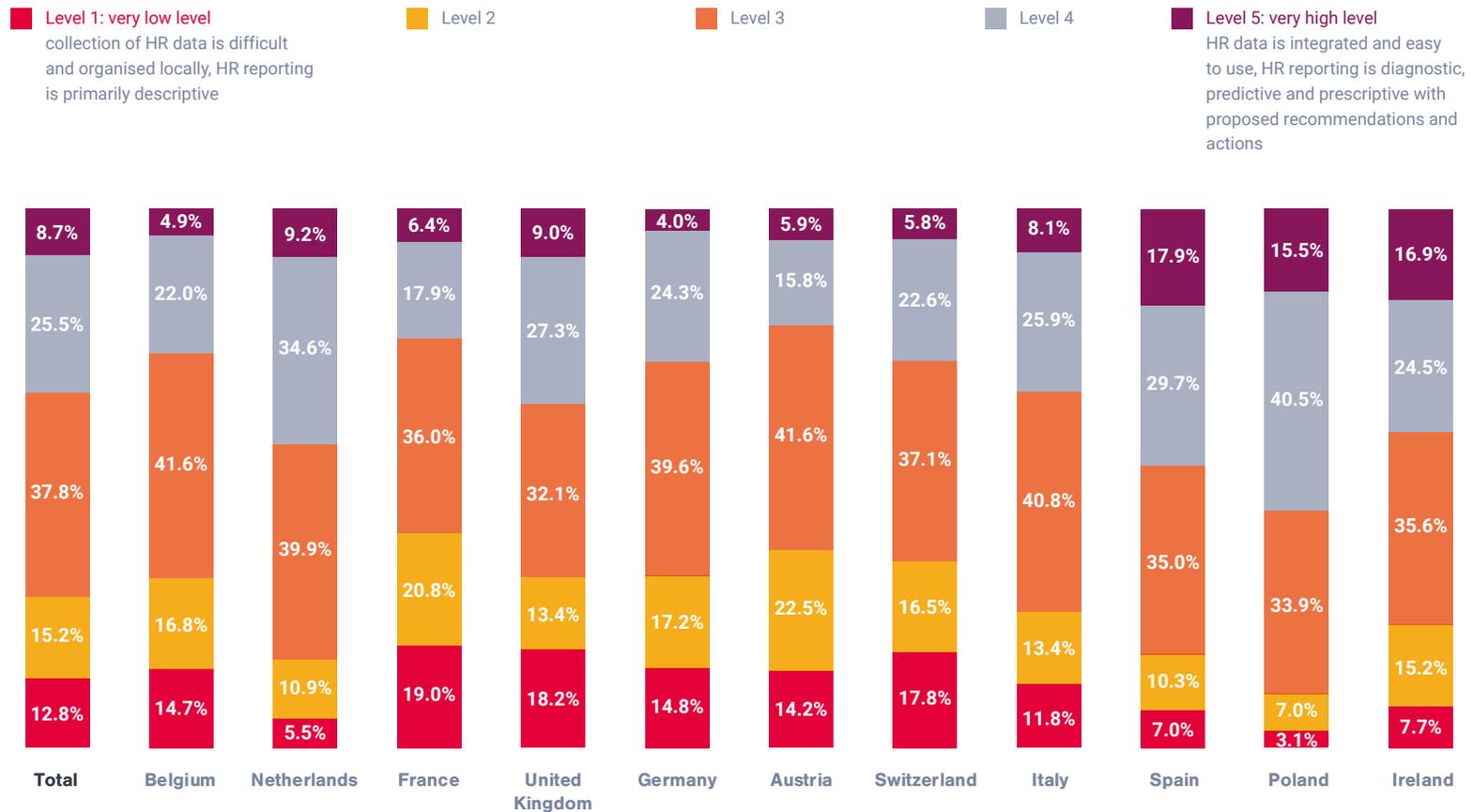
To what extent are your HR & payroll processes and systems automated?



#2 HR reporting and analytics

When it comes to the processing of HR data, the picture is even more worrying. Nearly 1 in 5 French, British and Swiss companies admit that the collection of HR data is complicated, and their HR reporting is merely descriptive (score 1). Again, the same countries seem to be best of class (scores 4 and 5), with Poland leading the charts.

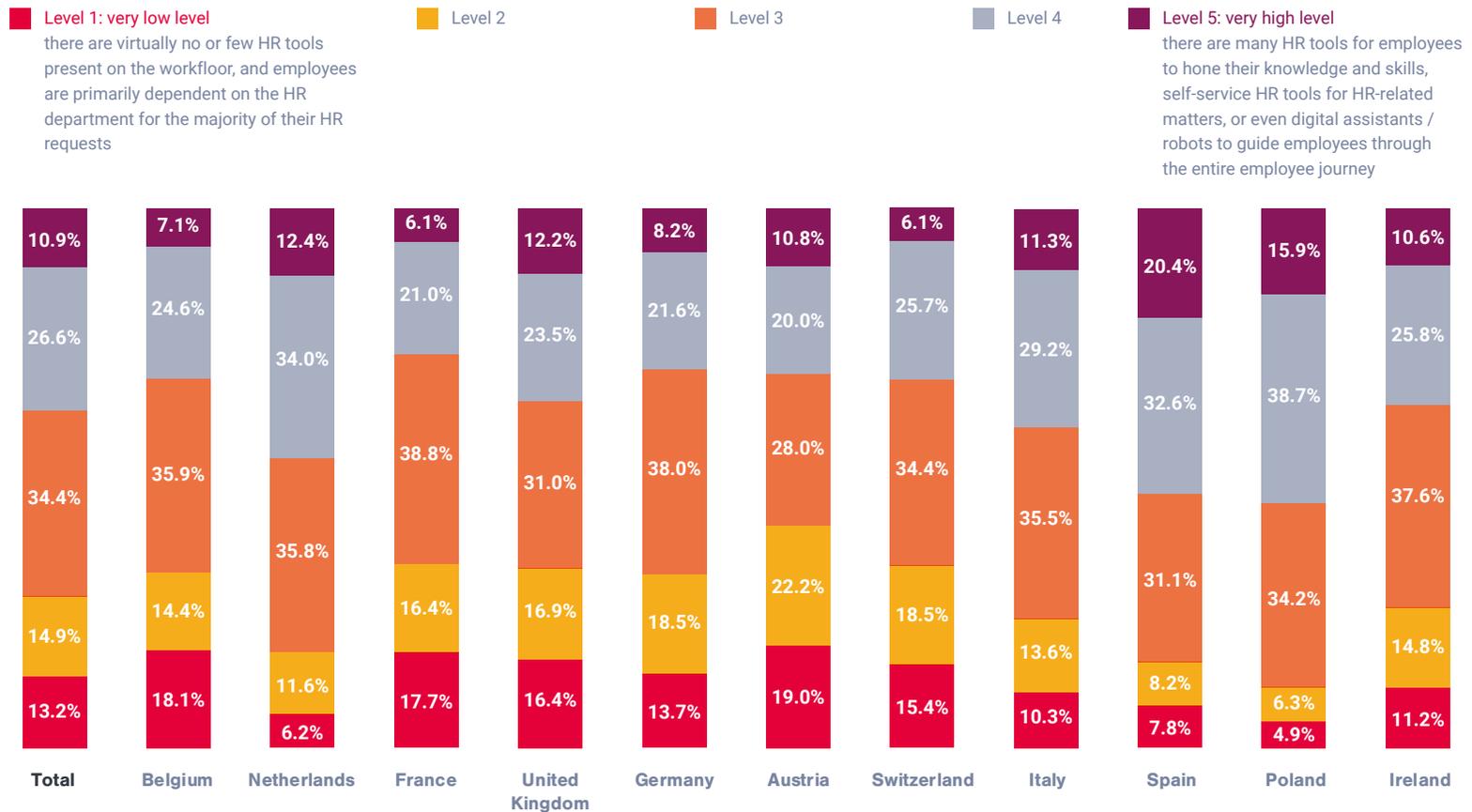
How mature is your company regarding HR reporting & analytics?



#3 Digital HR tools

Digital HR assistance for employees, including self-service tools, is most common in Poland, Spain and the Netherlands. Other countries are trailing far behind. For example, over 30% of Austrian, Swiss, French, Belgian, British and German companies have no or few digital HR tools (scores 1 and 2) in place to boost efficiency and employee satisfaction.

How mature is your company regarding digital HR tools for employees?



To summarise, European companies struggle to connect with digital HR. About 37% of them claim to have reached a high level of digital maturity in HR, a similar share reports a rather moderate level and 27% urgently need to step things up on this front.

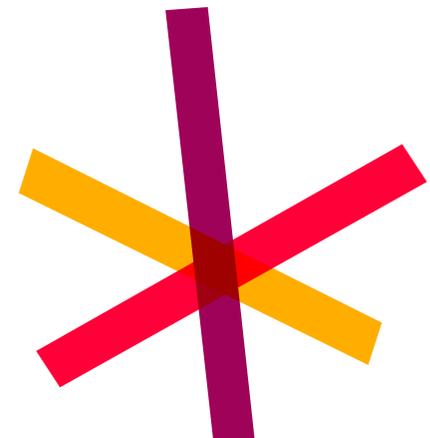
Austria and France in particular underperform in digital HR, but Belgium and Germany are doing only slightly better. This is remarkable, because all these countries score high on the **Digital Economy and Society Index (DESI) 2020** of the European Commission, while strong digital HR countries like Poland and Italy have under-average DESI scores.

A last noteworthy observation is the high level of digital maturity in large companies (with more than 250 employees). For example, half of those companies rate their automation levels for digital HR tools to be high or very high, while only 3 in 10 companies with fewer than 100 employees dare to say the same.



“Our survey shows that mainly SMEs can still take big leaps in digital HR. So, investing in the integration of emerging technologies can be an effective way for those companies to gain a competitive edge in the attraction and retention of talent, resulting in long-term savings.”

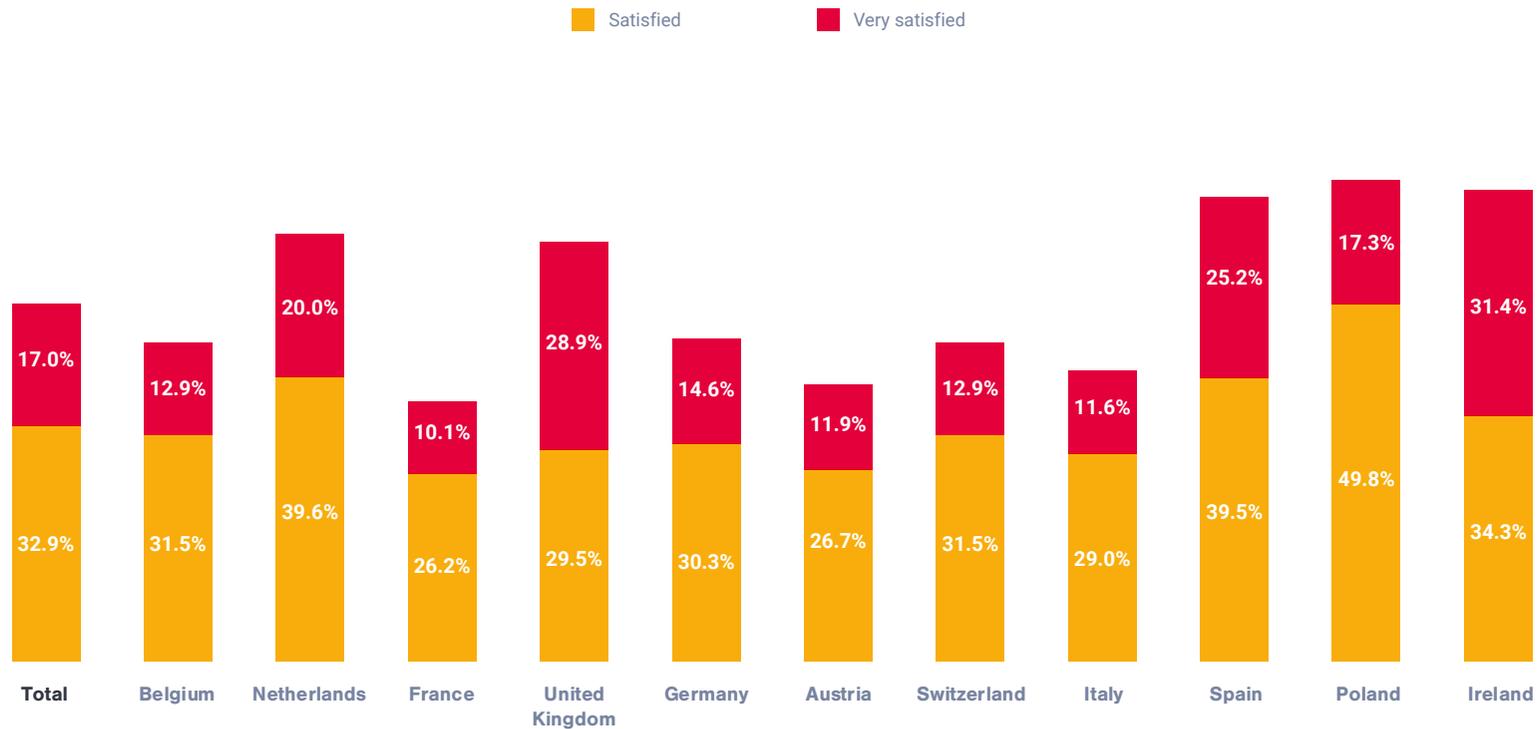
Huub Paffen, Business Process Manager at SD Worx



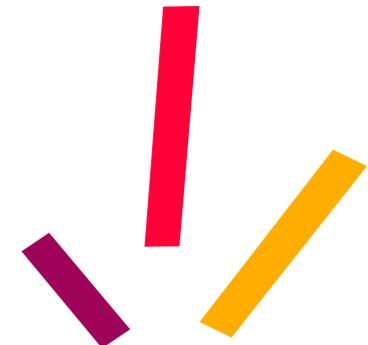
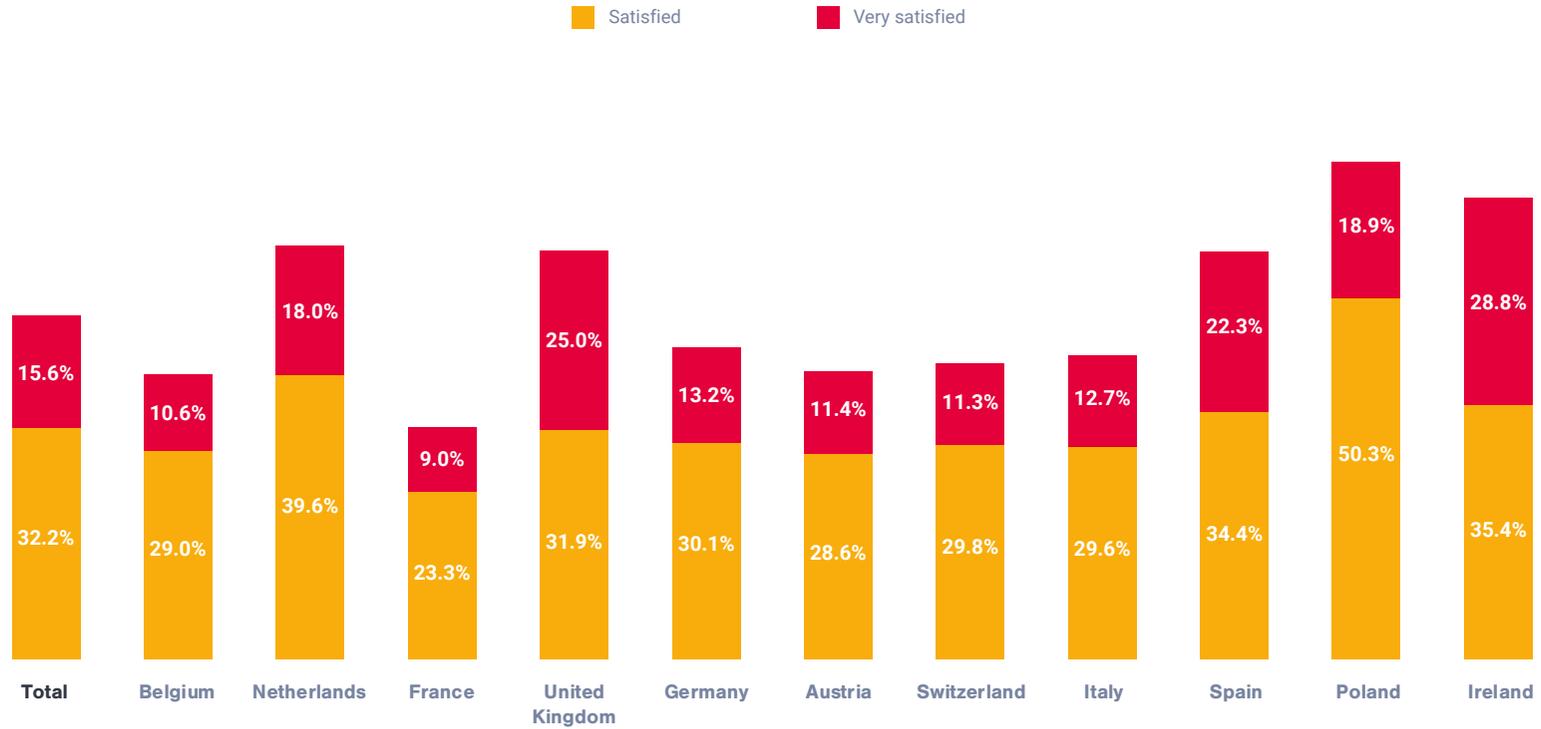
Peace of mind is for the happy few

The limited digital maturity of many HR departments is not entirely reflected in companies' satisfaction with their digital HR efforts. It appears that about half of all polled companies are just fine with the way their digital HR is organised.

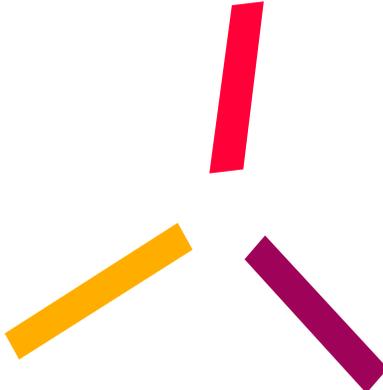
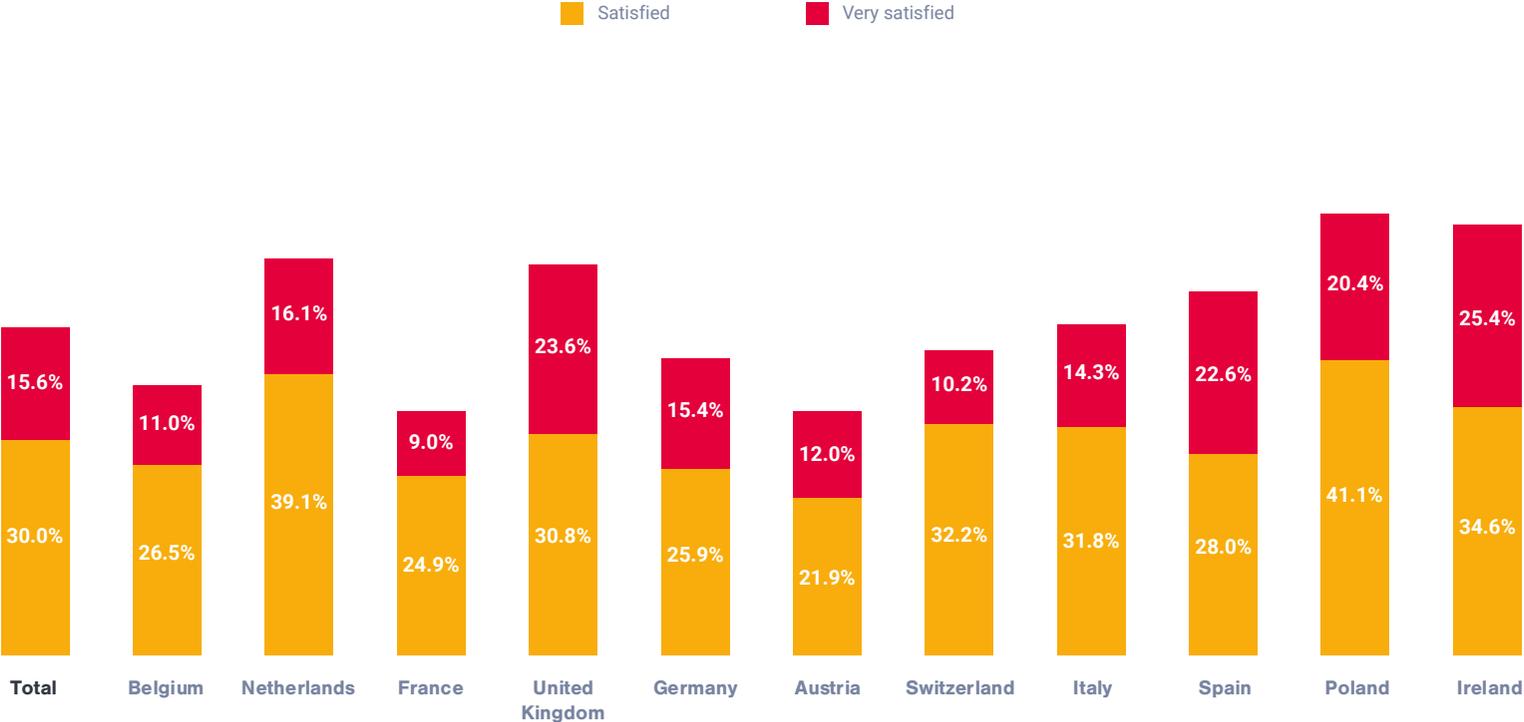
How satisfied are you with the automation of HR & payroll processes?



How satisfied are you with the HR reporting and analytics in your company ?



How satisfied are you with the digital HR tools for employees in your company?



Top 5 countries with highest satisfaction levels in digital HR



Poland



Ireland



Spain



the Netherlands



the UK

Although these figures paint a more positive picture, we shouldn't cheer just yet. Even in the leading countries, the number of (somewhat to very) unsatisfied organisations, represented by scores 1-3, is still high: between 30% and 50%. In France – furthest behind in automating HR – that figure goes up to 66%.

Moreover, the contrast between the 5 digital leaders and the other countries is startling. In Belgium, France, Germany, Austria, Switzerland and Italy, complete digital peace of mind is only for the happy few. In those countries only 12.3% (on average) of the companies are very satisfied with the automation levels of their HR and payroll processes, with similar figures for HR reporting and analytics (11.4%), and digital HR tools (12%).

Digital isn't top of mind (yet)

During the first months of the coronavirus pandemic, HR process automation and digital transformation weren't considered very urgent. Together, European companies placed these objectives among the 5 least-important HR tasks.



In June 2020, only 20% of European companies thought it was very important to automate or digitally transform HR.

So, is digital HR doomed to remain a nice-to-have instead of a must-have? Something we'll only pursue when we have the time and means? Not exactly. The majority of polled organisations have projects in place or plan to launch projects within the next 12 months to tackle HR process automation (51.2%) or digital transformation (51.7%). In other words: although digital HR seems undervalued at first sight, there's something bubbling behind the scenes.

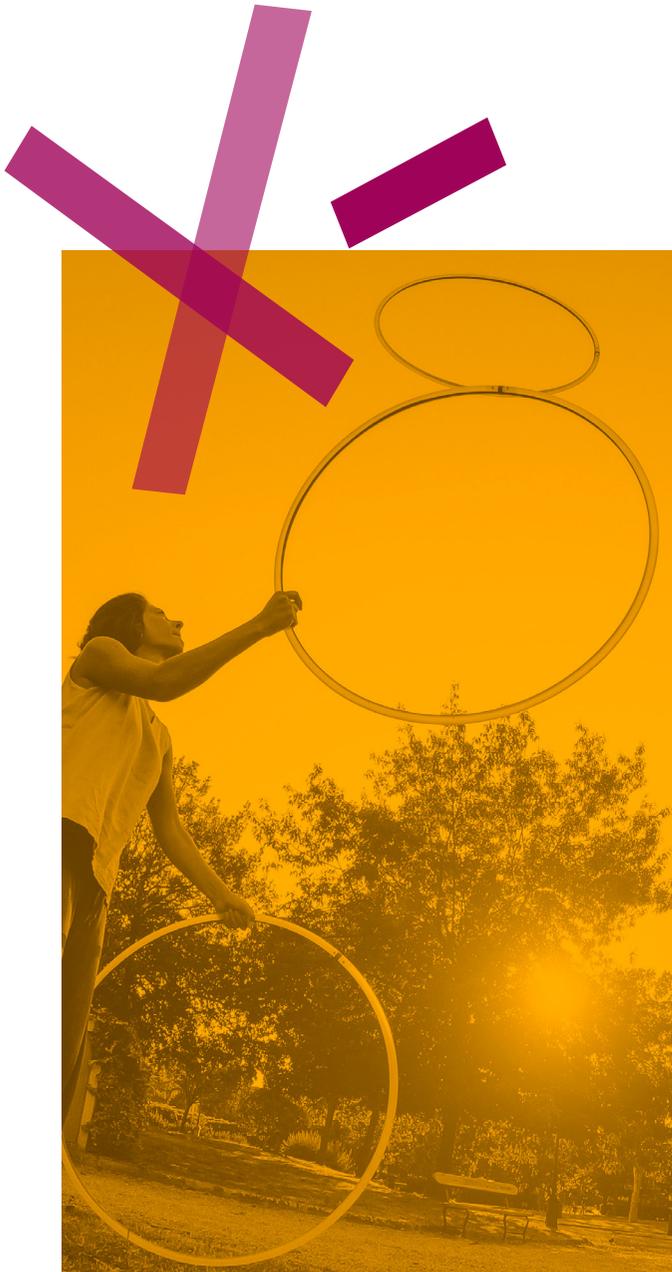
Combining this more promising outlook with the HR tasks that companies wish to mostly or entirely outsource in the future, we can conclude that many employers are counting on third parties to help them boost their digital maturity levels.



Top 3 HR tasks companies wish to mostly or entirely outsource

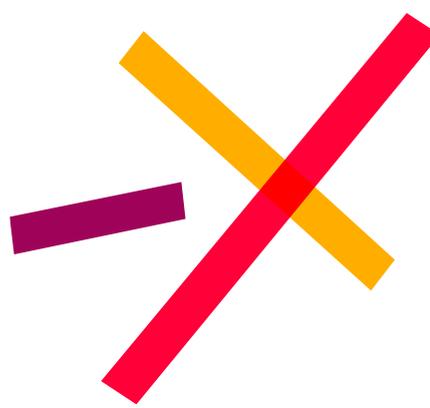


Payroll and HR services providers with the right experience, expertise, technology and tools are seen as a means to accelerate digital maturity in times of COVID-19. They allow for companies to focus on HR tasks they'd rather handle in-house, such as employee experience and well-being.



“Thanks to an innovative digital platform, our employees benefit from lots of functionalities. They can easily register time, upload sick notes, revise their vacation days and enter data on bike use and carpooling, among other things. The cherry on top: SD Worx made sure all this information is flawlessly transferred to our payroll engine, resulting in reduced workloads and correct payslips.”

Filip Peeters, HR director at Nike European Logistics Campus



Sparks by SD Worx

Technologies like artificial intelligence and machine learning have the potential to reduce a company's expenses, while making their processes more data-driven and efficient at the same time. Just think about the variety of digital HR tools that can guide employees through the key aspects of their employee journey, from adapting personal data to requesting sick leave. Good to know: having digital day-to-day operations will give you more time to focus on your core responsibilities.

However, obtaining digital maturity is not just a daunting technological task, it's a people challenge too. Employers need to boost data literacy among their teams. They need to carefully assess which solutions could best benefit their employees. They need to communicate transparently about future changes

and give their staff a voice to boost support, since digital HR has the biggest positive impacts when it's a joint effort.

A seasoned HR and payroll partner can help companies achieve both the technological and people goals. For example, document management, payroll automation, digital assistants for employees, and smart talent management are just some of the areas in which SD Worx can make a difference. Extra bonus: digitising your workplace could greatly benefit the employee experience in your company.

Revitalising the employee experience

Every company should practice hula-hoop shaking, with a fine balance between stability and flexibility. For employee experience, this means compromising between peace of mind for all in times of uncertainty and the need for individualised experiences. This chapter assesses how European companies are dealing with this two-sided task.

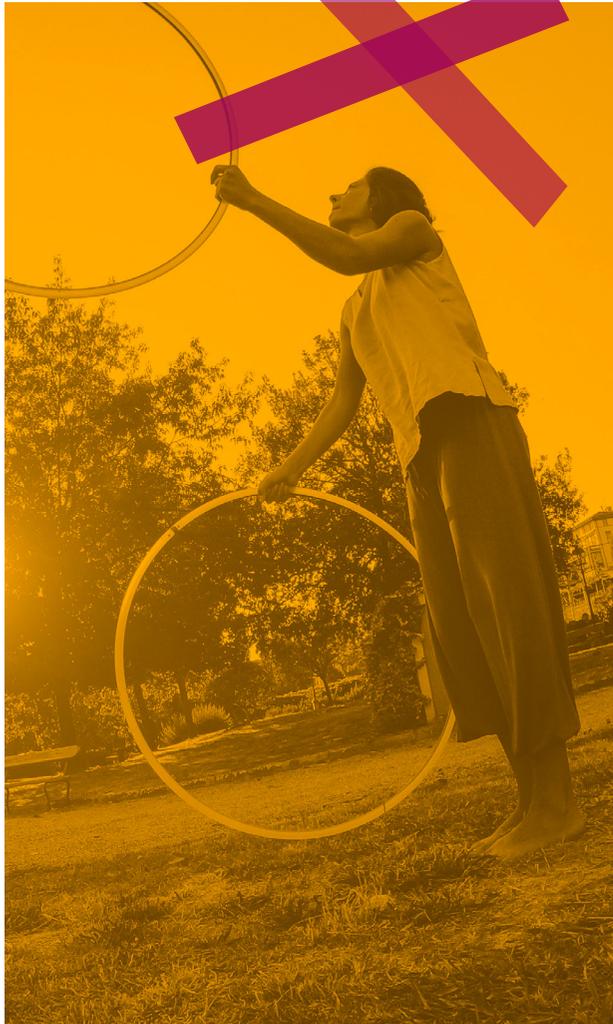


Employees at centre stage

Employee experience is often used as a catch-all term for most things related to being employed. And true, it covers a number of different elements, from workplace happiness and physical safety to development and empowerment. But in the end, it all comes down to this: turning every touch point between your employee and your organisation into a chance to grow closer.

COVID-19 has changed this landscape. Not

only has it altered the type and frequency of touch points, it has forced HR professionals and entrepreneurs to rethink their employee experience strategies. For example, the reskilling and upskilling of workforces is crucial for companies to stay on top, digital experiences are becoming mainstream, work-life balances have been thrown off – well – balance, and safeguarding the physical integrity of employees requires a whole new set of measures.

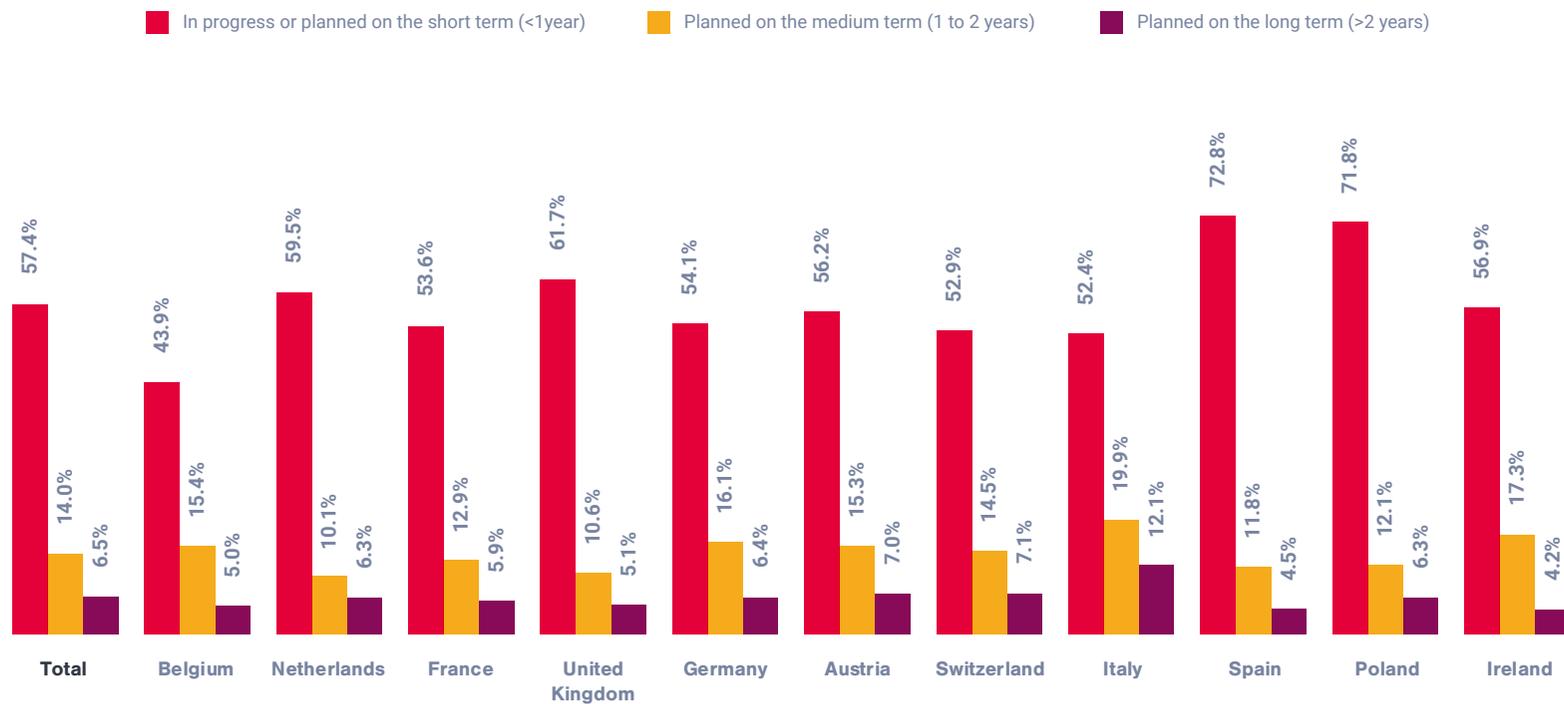


“During the first COVID-19 peak, our employees could consult with internal and external experts in our Escape Room to discuss psychosocial matters. We also organised webinars on healthy diets, sleeping patterns, stress prevention and staying fit. And together with the local authorities, we organised child-care during Easter holidays. Afterwards, we pinpointed ‘lessons learned’ in multiple workshops. It is important that we grow as a team, especially when crisis strikes.”

Dirk Van de Velde, HR Director at Hospital Az Damiaan

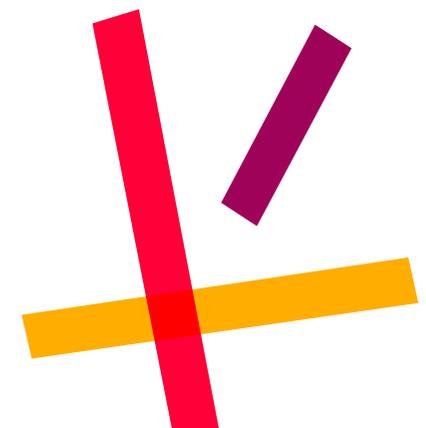
So, how many European companies have launched initiatives to bond with their employees? As it turns out, quite a lot.

Do you have or plan projects to facilitate and guarantee an optimal employee experience?



Overall, about 57% of the polled companies are actively trying to improve the employee experience, either with running projects or with projects to be carried out within the next 12 months. Another 20% have mid- or long-term plans in place to tackle this issue.

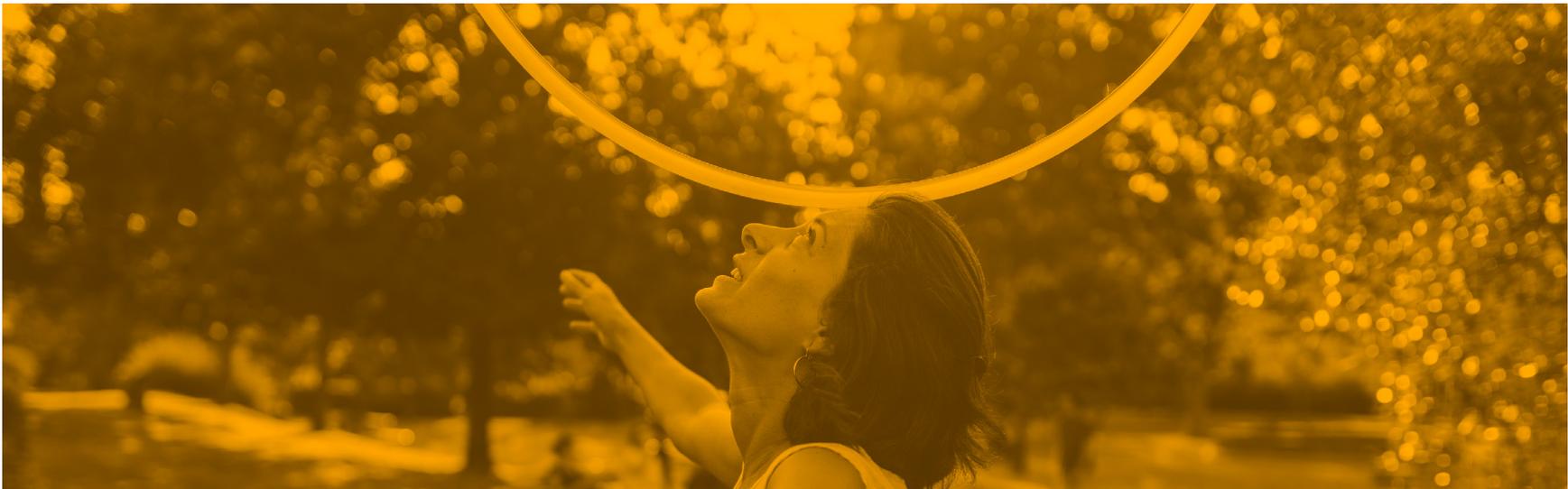
We do, however, notice some international differences. In Spain and Poland, about 9 in 10 companies are revising or will revise their strategies regarding employee experience. On the other end of the spectrum, we find countries like France and Belgium. Belgian companies in particular score well below average on this topic: a stunning 35.6% – over 1 in 3! – have no intention of changing their current approach.



Another difference is the one between large and small companies. Large enterprises (>1,000 employees) show greater decisiveness when it comes to improving the employee experience. About 65% of them have running or soon-to-launch projects, whereas the figure for small companies (<100 employees) is 55%. About 3 in 10 small companies (28.9%) have no plans to revise their employee experience strategies – double the number of large enterprises (14.6%) that are holding off.

“As soon as more companies get the organisational fallout of the ongoing pandemic under control, we hope to see even more projects emerge to strengthen the employer-employee relationship. Thriving beyond the crisis will have to be a team effort.”

Fiona McKee, HR Director at SD Worx



Key indicators: from physical safety to learning

As stated before, employee experience consists of various HR domains. Let's take a look at 5 of them:

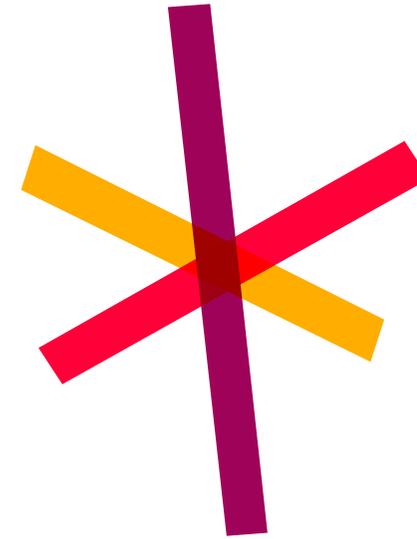
#1 HR service to employees

After payroll, this is the number one priority for HR today, according to 3,000 European companies. Employees should be able to easily and quickly find answers to their queries. A solution could be to adopt self-service tools or digital assistants as part of an automated process. This releases HR from a lot of tedious work and empowers employees. On average, 34% of European companies have access to adequate digital HR tools. About 28% have only limited digital solutions or none at all, and 38% are somewhere in between.

Due to the pandemic, companies have seen an increase in possible questions from their employees. These might sound familiar:

- Can I transfer my holidays to next year?
- What are the rules on teleworking?
- What do I do when my child shows symptoms of COVID-19?
- Which corona measures do I need to take into account at work?

The result is that companies are taking action to improve their employee-facing HR services, including the integration of new digital HR tools. A more digital approach would also meet employees' demands. Today, most employees (35%-40%) still have no choice but to pass by the HR department to get answers to their questions, while the majority would love to see their HR queries handled by digital solutions.



61.9%

Share of companies that consider HR service to employees (very) important going forward



64.8%

Share of companies with projects in place or planned in the short term



Leading countries in terms of running and planned projects:



Spain



Poland



Italy



the Netherlands



Ireland

#2 Motivation of employees

As more and more employees are working from home, motivation becomes a tricky topic. Most managers had never steered a team at a distance before COVID-19 and are presented with new challenges like management by objectives and

digital collaboration. Not every manager has the right skills for this, while many companies still fail to stay connected with their teleworkers. Again, this leads to a large number of companies rolling out new projects. The goal: to increase employee motivation.

63.4%

Share of companies that consider employee motivation (very) important going forward



62.7%

Share of companies with projects in place or planned in the short term



Leading countries in terms of running and planned projects:



Poland



Italy



Spain



the Netherlands



Ireland

#3 Work-life balance

Employees on furlough, working from home or in revamped workplaces often experience a dramatic shift in their work-life balance. For example, a lot of people have exchanged their colleagues for their kids, partners and pets,

and their clean desks for their kitchen tables. Employer flexibility is crucial in this context, but not all employers can already offer this much-needed flexibility.

58.2%

Share of companies that consider work-life balance (very) important going forward



58.1%

Share of companies with projects in place or planned in the short term



Leading countries in terms of running and planned projects:



Poland



Spain



Italy



the UK



Ireland

#4 Well-being

If nothing else, the COVID-19 pandemic is a health crisis. Therefore, it is obvious that companies must focus on physical well-being by implementing social distancing rules, hygienic interventions and other measures. Also, the

mental and emotional well-being of employees is included in this HR duty. After all, managing grievances from employees and paving the way for workplace happiness is part of the job as well.

59.7%

Share of companies that consider well-being (very) important going forward



58.8%

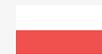
Share of companies with projects in place or planned in the short term



Leading countries in terms of running and planned projects:



Spain



Poland



Italy



Ireland



the UK

#5 Learning

With many employees on temporary unemployment or affected by corporate reorganisations, an increasing number of employers realise that reskilling and upskilling have become cornerstones of sustainable

employability. These processes allow organisations to boost internal mobility, avoid skill gaps and act with agility whenever changes occur, now and beyond COVID-19.

58.9%

Share of companies that consider learning (very) important going forward



58.8%

Share of companies with projects in place or planned in the short term



Leading countries in terms of running and planned projects:

 Poland

 Spain

 Italy

 Ireland

 the Netherlands



Sparks by SD Worx

Most companies are doing an excellent job of addressing their employees' basic needs during the ongoing COVID-19 crisis. However, those needs are rapidly evolving, calling for a more sophisticated approach as organisations regain control of the situation. HR professionals and entrepreneurs have to find ways to create company-wide strategies, while at the same time catering to the new needs and demands of individual employees.

Resources are often limited, but improving the employee experience with low-cost

initiatives is – believe it or not – an option. For example, creating a culture of honesty, transparency and open communication, where employees feel heard and listened to, is free. Increasing flexibility and autonomy on a tight budget? Sure. Implementing talent management or digital self-service tools? The benefits probably outweigh the costs.

In our survey, it has become abundantly clear that employers are deeply concerned about their employees. Now, the challenge is to translate that interest into effective

measures – measures that establish both a stable framework and fluidly connect with individual employees. If you'd like a little push to get started, SD Worx is all ears.



Conclusion

What used to be nice extras – digital HR projects and employee experience initiatives – are suddenly at the very heart of today's HR strategies. In that sense, COVID-19 has been a real wake-up call. In the current business climate, no company can afford to ignore the added value that digital transformation brings to the table, nor can they look away from changing employee needs if they intend to attract and retain the best talent. And more often than not, both objectives are clearly linked since digital HR is a trigger for an improved employee experience.

The good news? Various figures in our multi-country survey show that employee-centered HR domains are gaining momentum. A year from now, about 6 in 10 European companies will have implemented new projects to improve the customer experience. About half of companies will have done the same for digital transformation and HR process automation.

The more worrying news? Many companies need to accelerate from the back of the pack. Dividing their energy and resources over an increasing number of priorities may be too demanding. The alternative, not doing anything at all, is an even less-appealing prospect.

A possible way out is to have a seasoned HR and payroll partner by your side. They might have the right experience, expertise, technology and tools to quickly support your aspirations – enabling your business and HR team to keep various hula hoops in the air without losing your balance.

Want to know how you can optimise digital HR in your organisation and boost your employee engagement?

Contact us [here](#) for more information, or [here](#) if you are based in UK.

