

Seven Predictions on the Future of Engagement

Engagement has a rich horizon ahead of it—make sure you stay ahead of the pack.



Today, studies show that 80% of employees aren't engaged at work.¹ What could that look like in 5 or 10 years?

Throughout this series, we've shown you why employee engagement—propelled by several compounding megatrends such as hybrid working and COVID-19—can act as a huge success lever for organizations looking for a competitive advantage in a fast-moving environment. The verdict is in: businesses with the most engaged workforces are more resilient, future-proof, and higher performing than their competitors.

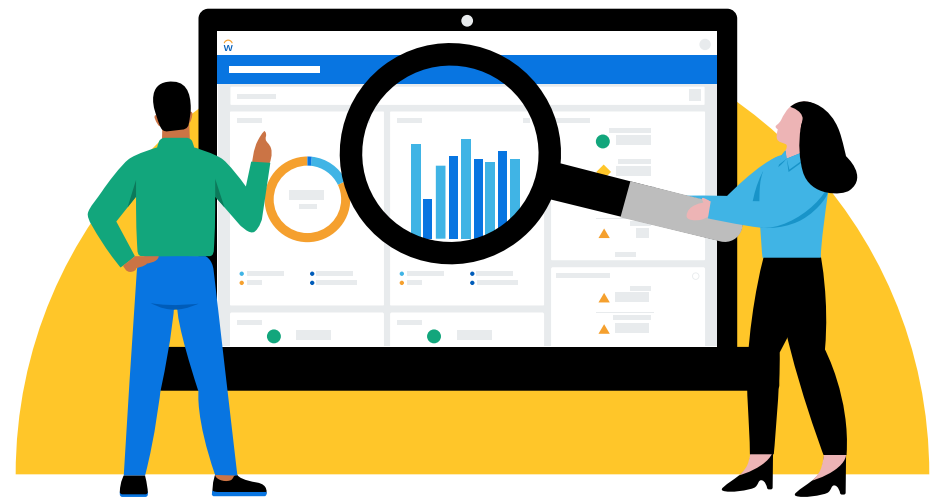
But we've also shown you how the many shortcomings of traditional employee experience (EX) make it difficult for most organizations to see results that match expectations. Luckily, if you've worked through the practical exercises in *The Transformational Employee Experience Workbook*, that won't describe your organization for much longer. Follow our guidance, and you'll be poised to realize your own transformative Engagement Edge—and the competitive advantage that comes with it.

But what comes next? That's what this book explores, sharing some of the critical EX dynamics we see evolving over the next 5 to 10 years.

The following seven predictions are extrapolations from data-led insight, high-level market trends, and hard-won experience. They aren't in chronological order, but they are entwined—and together, these predictions make up our vision for a possible future for engagement. As you'll see, they're based on real-world data and emerge from the tectonic shifts already happening in the engagement landscape.

That's why—whatever the future holds—the organizations in the best position to seize emerging opportunities are the ones already acting to transform engagement.

So, keep reading. How different could your future look?



¹ Gallup, "State of the Global Workplace: 2022 Report"; 2022.

Seven predictions for a brighter future for employee engagement.



Prediction 1

A sweeping mindset shift will embrace true employee centricity.

The discipline of employee experience seems to be mirroring almost exactly the evolution of customer experience (CX).

We saw CX go through a revolution in the 2000s, as forward-thinking organizations started exploring the power of data to personalize customer interactions. Fast-forward 10 years and lip service turned into the vast cross-discipline industrialization of data-driven digital advertising and customer relationships. CX earned a permanent seat at the strategic table.

Throughout this series, we've shown you how the same dynamic is unfolding right now in employee experience. Winning organizations have begun prioritizing EX as a major strategic initiative—and the results they've enjoyed have been outstanding.

For example, take TotallyMoney's 64% reduction in attrition, WASH's 100-point increase in eNPS, or KFC's 12% increase in engagement. Successes such as these ladder into your biggest business outcomes: Gallup research shows that organizations with a critical mass of engaged employees outperform their peers by 147% earnings per share.² (Read more in [The Engagement Edge in the Real World](#).)

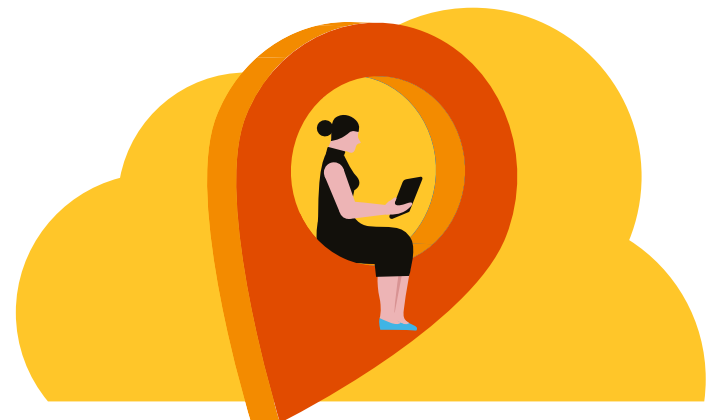
Like the early CX leaders 20 years ago, the first wave of EX winners are starting to emerge. Engagement front-runners are developing a reputation as excellent companies to work for, and as consistent top performers within their market.

For everyone else, it's vital to close the gap—and it's a big gap to close. Our 2021 report "The Great Regeneration: Turning the Tide on Employee Resignations" showed that 27% of employees' engagement scores signal that they're at risk of attrition.³

As we explored in [The Shortcomings of Old Approaches to the Employee Experience—and a Better Way](#), EX is at a tipping point. Too often, heavy investment didn't deliver quantifiable business impact—and many business leaders are realizing the urgent need for a new approach.

The growth trajectory for EX is likely much steeper than CX—perhaps 3 to 5 years, rather than a decade or more. Unparalleled turbulence accelerates the need for change and is unforgiving to slow movers. Today's pandemic is tomorrow's cost-of-living or climate crisis—when only uncertainty is certain, an engaged workforce is both the lynchpin of organizational resilience and a springboard to growth throughout instability.

As organizations continue to face complex, evolving challenges without respite, employee engagement will become the critical strategic force for growth. And like CX, the organizations that don't recognize this fact and fail to respond quickly are likely to fall behind.



² Gallup, "How Employee Engagement Drives Growth"; 2013.

³ Workday, "The Great Regeneration: Turning the Tide on Employee Resignations"; 2021.

Prediction 2

Technology evolution will empower hyper-personalization.

We've shown you throughout these books how far employee engagement has come—and Workday Peakon Employee Voice is at the crest of the wave. The core technologies we work with now already empower organizations to unlock extraordinary results by embracing a much more engaging and personal way of gathering employee feedback.

The direction of travel is clear: 68% of executives told Deloitte that their future workforce strategies will be more customized to individual needs.⁴ Our recent report “Employee Expectations 2022” shows how big an opportunity personalization is, highlighting how much employee expectations vary among different workforce demographics.⁵

But the technologies that fuel this momentum are still constantly evolving. And as they evolve, they open transformative new possibilities for hyper-personalization at unlimited scale.

Take machine learning. It is already transforming how we collect and present information so we can deliver a better feedback experience for employees, managers, and leaders alike.

Right now, machine learning makes it possible to ask the right people the right questions in the right way at the right time—a far more effective approach than traditional surveys. Machine learning can process input from employees and output intelligent focus areas for improvement, suggesting actions for managers to take and recommending relevant tools and training courses. With Workday Peakon Employee Voice, you can even ask questions based on individuals' previous responses, to provide deeper insights and empower more personal follow-up actions.



⁴ Deloitte, “The worker-employer relationship disrupted”; 2021.

⁵ Workday, “Employee Expectations Report 2022”; 2022.

But over the next few years, we will likely see a sharp spike in the sophistication of machine learning use cases—for instance, empowering a hyper-personalized look at employees by:

- Asking questions pertaining to an individual’s unique situation, such as a recent project setback or a promotion, increased absences, or a new family member
- Learning individual response patterns and maintaining the optimal rotation of questions to better track change while sustaining engagement
- Adapting questions specific to workforce segments to better understand employee expectations across the organization

Natural language processing (NLP) and semantic intelligence are also making quantum leaps. These technologies are already revolutionizing how we process employee feedback by interpreting responses based on the words and sentiment your people actually use, and then grouping, tracking, and highlighting issues. This already happens across many languages with seamless translation.

But over the following years, it’s likely that NLP and semantic processing will evolve to untangle and contextualize speech at scale in much more elaborate, human-like ways. Semantic processing can already identify company-specific language, terms, and topics to intelligently weave them throughout survey questions and interpret them in responses.

We’d also expect semantic search capabilities to become even more robust—empowering HR leaders to uncover richer, more nuanced insights across more tangential ideas, with data sets intelligently accommodating every language and even dialectical differences.

This evolution also mirrors the growth curve in customer experience. And once again, the ingredients are there for an even bigger, faster evolution within employee experience, because employee data is uniquely rich, accessible, and consistent.



Prediction 3

Employee feedback that's embedded into the flow of work.

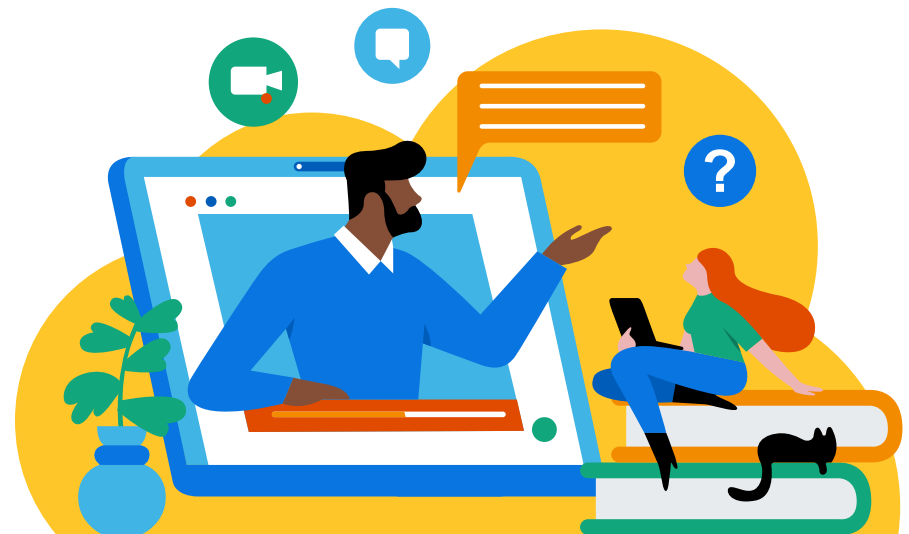
Our customers often stress how Workday Peakon Employee Voice has empowered them to build a truly continuous culture of engagement. For instance, the *"Total Economic Impact™" study* conducted by Forrester Consulting on behalf of Workday identified culture change as a major benefit to using our platform.⁶

That said, we don't believe today is the end point. Today's feedback experience is light-years more advanced than even a few years ago—but employees still engage with the process via a separate interface. Over the coming years, the next stage of hyper-personalization could see the feedback process assimilate completely into the flow of work.

We're already seeing many cloud tools integrate engagement systems organically within employees' moment-to-moment workflows—as with the recent Slack integration with Workday Peakon Employee Voice. This is a great example of embedding the feedback mechanism contextually within the native tools your people already use. As this evolution continues, feedback looks and feels like a natural extension of consumer-grade technologies, rather than a diversion to a separate—and often clunkier—specialized application.

Likewise, many engagement providers already talk about dynamic situational questioning—asking for feedback at key moments throughout someone's career, such as a promotion, a change of manager, or even a change in sentiment.

In order to ask for feedback at the moments that matter for each individual, your listening platform must integrate seamlessly across every system that houses employee data, and meet the employees' escalating UX expectations. As connectivity grows, the threshold for what's considered a "key moment" is lowered—empowering you to ask about all the small moments in someone's day that cumulatively make up the overall employee experience.



⁶ Forrester Consulting, "Total Economic Impact™" Study; 2020.

Imagine a question popping up when you're using Microsoft® Teams or Zoom that asks how you feel about the number of meetings you have, or what extra support you need as you submit a parental leave request, or if you feel recognized as you complete a project using your project management software.

In this scenario, the technology powering feedback remains the engine for change but becomes invisible to employees at the front end. Employee feedback becomes a seamless, intrinsic part of the workplace experience—truly woven into the fabric of your culture.

Not only does this continuous, integrated approach yield richer insights, but it also aligns with employees' growing expectations of consumer-grade workplace experiences. As our recent report "The Evolution of Employee Experience" puts it: "The future of EX is in creating consumer-grade, omni-channel experiences where employees no longer have to grapple with multiple applications or clunky interfaces. [...] The best employee experience is one that's scarcely noticed, where each employee feels that their needs are being met without resistance, and where any requests or tasks take place as part of their natural daily workflow."⁷

Over the coming years, we expect to see simple, flexible, convenient, personalized, and connected workplace technology become the new benchmark for employee experience—with employee feedback as the connective tissue.



⁷ Workday, "The Evolution of Employee Experience"; 2022.

Prediction 4

HR's role will continue to evolve.

Throughout this series, we've explored how far HR has already evolved over the past decade—and why it's so important that this journey continues.

In [The Engagement Edge](#) we talked about how HR leaders are crucial ambassadors for engagement transformation, working among senior leadership, line managers, and the workforce to galvanize positive change.

But we've also emphasized that, as organizations become truly people-first, there's a necessary break from the traditional model of HR ownership. In fact, we helped you start that journey in [The Transformational Employee Experience Workbook](#) with a practical toolkit to help increase involvement among critical stakeholders. As the engagement landscape continues to mature, we see this evolution accelerating—changing both how the wider C-suite engages with these traditionally HR-centric issues, and the role of HR itself.

As employee engagement gains recognition as a prominent business initiative, we'd expect to see more buy-in from the entire C-suite—not only by consensus, but also via the structures and processes needed to treat EX as a core business priority. HR is ideally placed as a strategic advisor for and steward of the wider engagement function, but accountability and participation are much more distributed.

As collecting and acting on feedback becomes continuous, automated, and embedded into the flow of work, HR will no longer be responsible for administering employee listening programs. Likewise, once HR leaders cross a threshold of critical support for strategic engagement, they can focus less on evangelizing change and more on refinement—finding more opportunities to add new value.

One such opportunity is data literacy. In [Closing the Acceleration Gap Toward Sustainable Digital Transformation](#), data skills emerge as a major factor that determines confidence in digital transformation. For example, among organizations that collect, store, process, and manage data effectively, 76% of their leaders believe they're well-equipped digitally to handle future crises. Among organizations lacking mature data skills, only 46% of their leaders say the same.⁸

HR can play a pivotal role here, as organizations harness increasingly huge volumes of employee data. It's not enough to simply gather data. HR must become the problem-solver, the interpreter, and the coach—as well as the guardian asking the right questions, conducting the right analysis, uncovering the right answers, and telling the right stories. Otherwise HR will become the gatekeeper, holding organizations back from realizing the true value of their employee data.



⁸ Workday, "Closing the Acceleration Gap"; 2022.

Prediction 5

A more trusting and democratic employee-employer relationship.

In these eBooks, we've talked often about the evolution of the employee-employer relationship away from the traditional tactical, transactional, and top-down psychological contract. Trust is the major lever for this change.

Gallup's research shows a three-fold increase in engagement among employees who trust their leaders⁹—because when employees know that their voice will be heard, you build trust and fuel engagement with the feedback process, which becomes a virtuous circle compounding into a more accountable, transparent, and equitable culture.

The looming question for many organizations is, How do you build trust? The answer is fluid. Today, organizations build a culture of trust through proven confidentiality. And this took time! Years ago, it was thought that employees would never put their faith in confidentiality, but that proved to be false. And that means two things.

First, the boundaries of employee trust are not absolute. They shift with the capacity of technology such as Workday Peakon Employee Voice to challenge established conceptions, support new models, and justify employees' trust through meaningful change.

Second, when employees feel safe they're naturally inclined toward openness. Confidentiality is key. But it's plausible that as trust and psychological safety grow between the employer and its employees, the market reaches a preference for a new kind of radical transparency.

That leads to a few fascinating questions. What if every employee felt safe enough to confide in their manager about anything? What if their first instinct when faced with a workplace issue, no matter how big or small, was to speak their truth without fear of reproach? What if the price of candor was empowerment instead of confidentiality?

This path implies a much more democratic power balance between the employees and the employer that operates from the basic assumption of good intent from all sides—that most employees try to do the right thing, and that most employers strive to create a healthy work environment.

This scenario also poses interesting questions around attribution. In a radically transparent engagement environment, it becomes possible to attribute workplace changes to feedback from individuals. This can be hugely reinforcing for psychological safety, as people learn that not only is it safe to express themselves, but also that what they share can lead to direct and immediate change.

⁹ Gallup, "Trust Is in Decline: Here's How to Rebuild It"; 2022.

Prediction 6

A community crowdsourcing acts to improve engagement for everyone.

From the employees' perspective, EX is inherently comparative. Subconsciously, your people continually compare their work experience to that offered by other companies. It's critical to understand what jobseekers and employees are looking for when they're making this comparison so you can build a company brand that attracts and retains the best talent.

Today, we're already seeing organizations, such as [Ricoh](#), harness the power of intelligent benchmarking to understand how their engagement scores stack up to similar companies. And not just similar in industry terms, but also by demographic factors such as age, location, seniority level, tenure, and department—avoiding misleading conclusions and allowing a true like-for-like comparison.

But what if benchmarking became possible, not only for engagement scores but for the recommended actions to improve those scores? What if managers could see the actions taken by other managers facing the same challenge, in a similar situation?

Right now, Workday Peakon Employee Voice suggests actions to take that are delivered by leading organizational psychologists, and generated automatically via machine learning—which already drives transformative results for customers. But over the next decade or so, perhaps the power of community could enable machine learning to supplement these recommendations with crowdsourced comparative insights—turning engagement into a rising tide that lifts everyone.



Prediction 7

True company-wide interconnectedness led by engagement.

Employee engagement doesn't exist in a vacuum. That's why throughout this series we've emphasized the need for engagement to be unshackled from HR ownership and become a true company-wide priority. As this evolves, engagement becomes less of an "initiative" and more of an intrinsic data source for how the organization operates.

As organizations become increasingly people focused, then the next step could be to weave engagement insights across seemingly disparate processes and operational areas. Our global survey of 1,150 senior executives discussed in *Closing the Acceleration Gap Toward Sustainable Digital Transformation* found that half of HR leaders are already focusing on leveraging positive employee experiences to accelerate transformation across the business.¹⁰

Engagement insights have the potential to transform not only strategic decision-making, but also every operational decision across the organization.

For example:

Financial planning.

Modern financial planning and analysis (FP&A) teams are bastions of business agility, trying to continuously anticipate future events using what-if scenarios and providing rolling financial forecasts that better reflect reality. Factoring engagement insights into these scenarios could provide critical context—both predicting the impact of hypothetical events on the employee experience, and understanding the impact of engagement on financial outcomes.

For instance, if the organization reacts to prolonged inflation by adjusting the salary budget, how might that impact employee burnout, engagement, and attrition—and how much could those consequences ultimately cost? With this enriching context, perhaps adjusting the salary budget isn't the right solution to inflation.



¹⁰ Gallup, "Trust Is in Decline: Here's How to Rebuild It"; 2022.

Strategic workforce planning.

Like FP&A teams, strategic workforce planners are concerned with increasing foresight to ensure the workforce has the right people in the right places to fulfill the organization's strategic objectives. Insights into employee engagement could highlight gaps or missed opportunities in headcount plans—or offer alternative solutions to workforce planning challenges, such as nurturing and developing internal candidates for leadership roles.

For example, say the organization has a hiring requirement for data scientists. Engagement insights could reveal that data science roles are a major attrition risk during their first three months of tenure, helping you understand what needs to happen alongside recruitment for a successful hire. Or employee insights might reveal that your junior data scientists are dissatisfied with their career development—suggesting an opportunity for training and development.

Performance management.

There are many parallels between employee feedback and performance management. Both have traditionally relied on an infrequent, top-down process. Both demand company-wide culture change to broaden accountability and participation. Both are major levers for business success that are terminally underused.

Those things indicate that performance management could learn much from the principles we've been talking about throughout this series. Continuous feedback could replace quarterly or annual performance reviews. A democratic, two-way approach could replace top-down, manager-led processes. New technology could empower continuous, company-wide participation and drive a culture of feedback. And employee insights could integrate with performance management insights, providing context for both. For instance, how does an employee's recent low scores for purpose correlate to their performance, or vice versa?



Five years from now, will you be a laggard or a leader?

When we started this journey, we introduced you to *The Engagement Edge*—the vast and compounding advantage you unlock when you systematically harness your people’s voices to transform the employee experience.

Throughout this series, we’ve shown you exactly why organizations with a high percentage of engaged employees outperform their peers. For example, the “Total Economic Impact™” study mentioned earlier estimated that Workday Peakon Employee Voice customers achieved a 244% return on investment, and a 10% reduction in voluntary staff turnover.¹¹

We’ve given you a step-by-step roadmap to realize these types of advantages, showing you how to dismantle barriers and craft the structures, processes, and culture that true transformation demands.

The predictions we’ve shared here might feel like big changes—but in the context of the huge strides you might already be making, none of these predictions are far-fetched. By taking the right steps now, you’ll be positioned to capitalize as new opportunities emerge—not only to become a better place to work, but to also outperform competitors against every metric that matters.

The truth is, the gap between people-first companies and the rest of the pack is already widening. As the engagement dynamics we’re already seeing now continue to swell, a wave is building that stands to carry the organizations riding it away from their peers.



¹¹ Forrester Consulting, “Total Economic Impact™” Study; 2020.

Where do you want to be?

Talk to us now to kick-start your own wave of transformation and carry your organization into the future with Workday Peakon Employee Voice.

Check out our big book of use cases and success stories [The Engagement Edge in the Real World](#) for inspiration from organizations like yours.

Or get started right now. [Talk to us about how Workday Peakon Employee Voice can help accelerate your EX transformation goals.](#)





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