As organizations shift to digital-first and hybrid ways of working, their focus on employee experience is leading to improved customer experience, profitability, and business outcomes.

**Why Linking Customer Experience to Employee Experience Drives Bottom-Line Value**

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**Introduction**

Organizations have long focused on using technology to improve customer experiences to drive bottom-line revenue. However, they rarely made the same differentiating investments in supporting employees. Many organizations have turned their focus to employee experience (EX) as the challenges of finding, attracting, and keeping top talent have had a direct impact on business growth. In IDC’s *Future Enterprise Resiliency and Spending Survey, Wave 6* (July 2021), 85% of line-of-business and IT leaders agreed that an improved employee experience and higher employee engagement translate to better customer experience (CX), higher customer satisfaction, and higher revenue for their organization. In fact, 62% said that there is a defined causal relationship between EX and CX and that the impact has been large or significant and measurable (source: IDC’s *Future Enterprise Resiliency and Spending Survey, Wave 11*, December 2022; n = 840). Over half (58%) indicated that customer satisfaction is a key metric in evaluating employee productivity.

EX is more critical than ever to the delivery of successful customer experiences, which means organizations need to invest in improving the employee experience. Though employee expectations for "consumer-like" mobile-first, personalized, and self-service experiences have increasingly become accepted work practice, the speed and scale of the current shift are unprecedented. Companies have had to invest in their employees to enable them to work in new digital-first ways to meet evolving client requirements.

For example, patients long accustomed to online shopping have found themselves "shopping" online for doctors who in turn have had to master the mechanics of telemedicine. Hospitals themselves have had to rapidly provide secure collaboration tools, adapted billing, and integrated business systems to accommodate new de facto telehealth models. Some shifts were evolutionary (mobile submission of expenses employing the same general process as the paper form).
Others were initially more revolutionary (fully automated remote onboarding) but have become de facto standard practice. In all cases, these shifts have driven the need for a more nuanced and instrumented connection between service consumption and service delivery.

From an IT perspective, shoring up EX has evolved from stopgap reactive support for remote work to proactive design of intelligent hybrid digital workspaces. These are digital environments that allow employees to connect seamlessly and securely with the resources they need, whether they are working remotely or at their worksite. Critical resources may include automated IT services and support as well as collaboration and communication tools that are integrated with other business applications or multiple vendor platforms. Resources also include end-user device management and desktop virtualization as organizations struggle to rapidly onboard talent and return productivity to pre-pandemic levels. The demand for these digital-first services is driven by the shift in consumer behavior and by technology applications. A case in point is that of customers using multiple channels looking for support, whether from a call center or medical triage service.

Remote and hybrid work models are here to stay. In fact, 37% of respondents pointed to remote and hybrid work models as being part of accepted work practices, according to IDC’s Future Enterprise Resiliency and Spending Survey, Wave 11 (December 2022). To leverage these work models, organizations must invest in technologies and services to support intelligent digital workspaces, cloud-managed and cloud-based connectivity/devices and services, and automation. But there is more. IDC predicts that by 2025, 65% of G2000 companies will consider online presence to be at parity with "in real life" experiences across their engaged workforce. The road ahead to more hybrid ways of working has added a level of complexity. The advances made in developing and implementing integrated systems that enable remote employees to seamlessly address customer and business requirements will be insufficient to meet the requirements of a future hybrid workforce.

There are other challenges to improving EX. IDC research shows that 39% of organizational leaders surveyed pointed to lack of IT support as the biggest IT challenge to supporting remote/hybrid workers, followed by lack of secure remote access to data, applications, and content (38%), and tech consistency to employees (34%).

Also, 37% of IT organizations worldwide are investing in responsive IT support to ensure productive work practices and improved employee experience.

The current democratized experience of ubiquitously remote workers represents an idyllic but unsustainable mode of working that will eventually evolve to more consistent hybrid work models. Many organizations are preparing for workers to return to reinvented offices. While loath to give up some of the productivity gains of large-scale remote work models, they are resolute in reintroducing in-person meetings, events, and other activities to preserve company culture, drive innovation, and balance productivity with creativity. The confluence of rising consumer expectations and employee expectations for comparable digital experiences has set the stage for new approaches to considering, measuring, and linking employee experiences with customer experiences.
Definitions

Technology parity: This is the requirement that all workers have secure access to the resources required to do their jobs, no matter their preferred device or whether they are local, remote, in the field, or switching between locations.

Experience parity: Experience parity takes technology parity a step further, ensuring that all workers have the same consistent experience. Security protocols should be the same, no matter where the individual logs in from. Network and computing resources should also be equivalent.

Experience-level agreements (XLAs): These agreements put the employee (and the customer) at the center of service performance, ensuring that all service interactions and touch points are considered when defining whether the service meets the agreed-upon performance level. XLAs measure business outcomes from the end-user perspective, determining whether services were available or performed to a certain degree. Unlike traditional service-level agreements (SLAs), XLAs are focused on outcomes over outputs and rewards for good services over penalties for failure to deliver.

Experience-level agreement as a service: XLA as a service measures the user experience — for example, ensuring that every new hire is equipped with the right devices, software, and access. By focusing on employee satisfaction and customer experience, XLA as a service enables organizations to understand whether their managed IT services are delivering seamless experiences or falling short of expectations and outcomes.

Benefits of Investing in Improving the Employee Experience

New customer engagement models mirror the richness and complexity of the technologies needed to sustainably support them. By offering employees the option of using an intelligent digital workspace that lets them work from any location and across many devices, organizations reap the benefits of:

» Access to a broader and more highly qualified talent pool
» Retention of top talent and improved brand equity
» Ability to offer continuous development guidance into the flow of work

Employees have the flexibility to manage their work to meet desired outcomes, adjusting where and how they work holistically. Technical support for this includes:

» Frictionless and secure access to applications, data across business systems, and collaborators across time zones
» Omni-channel access across devices to work securely and seamlessly
» Integrated in-application user experiences that diminish or eliminate context switching between applications
» Increased automation and greater productivity

Employers have improved IT support, productivity, and insight into dynamics between EX and CX, including:

» Automated onboarding, provisioning, and support for new and existing employees
Increased insight and decreased downtime via self-healing and other artificial intelligence (AI)-enabled self-learning systems

Greater productivity with workflow automation

Ability to correlate improved employee engagement and efficiency with customer satisfaction

**Workplace Trends**

IDC predicts that by 2024, 55% of C-suite teams at global enterprises will use intelligent space and capacity planning technology to reinvent office locations for gathering, collaborating, and learning.

According to IDC’s *Future of Work Global Survey* (April 2022), the top drivers across all geographies for work transformation were increased employee productivity (43%), cost savings (38%), and improved customer experience (35%). However, in North America, the top driver was improved employee experience (41%) ahead of even customer experience (38%). In sum, EX and CX dovetail as critical priorities. This relationship relies heavily on ensuring that employees have the right technical expertise and engagement skills. To have successful client engagement, employees must also be able to authentically represent the corporate culture to which they belong as brand ambassadors — no easy feat when hybrid work arrangements challenge organizations to sustain and grow corporate values around client value.

IDC research shows an emerging linkage between EX and CX in terms of evolving employee productivity metrics, further underscoring the importance of investing in employee experience. In IDC's *Future of Work Global Survey*, (April 2022), 48% of IT leaders indicated that customer satisfaction is a key metric in evaluating employee productivity, which is highest when strong EX programs are in place. IDC research on employer investments in EX shows that organizations with the most mature EX programs have employees who are invested in better business outcomes providing better CX. These employees are:

- 35x more likely to feel part of one team driving business results
- 12x more likely to feel very committed with a deep sense of purpose and connection to their work
- 2x more likely to feel that their employer communicates with them well

Understanding this relationship, organizations are changing productivity metrics to focus on more holistic measures that go beyond task measurement to include customer satisfaction, teaming, and Agile metrics. Traditional SLAs are now joined by XLAs, which focus on outcomes over outputs and added value over process. Quality and customer satisfaction are still the top measures of employee productivity but are being joined by more employee-centric measures. In the United States, organizational leaders reported using improved skills levels (54%), teaming behaviors (49%), and Agile metrics (34%) as employee productivity measures, according to IDC’s *Future Enterprise Resiliency and Spending Survey, Wave 6* (July 2021).

Investment in work transformation is increasingly driven by a cohort of executives led by the CEO and coordinated by the CIO, COO, CHRO, and CFO. This collaboration is critical to ensuring needed cross-functional support and awareness to align employee and client requirements. Employee experience now extends well beyond the four walls of the cube or the contact center to myriad locations that require new means of enabling and securing remote work. Hybrid work arrangements add greater complexity with requirements to ensure physical workplaces are safe and configured to facilitate secure collaboration between onsite and remote employees.
To address changing work models, organizations have accelerated their initiatives to move employee-facing applications to the cloud and adopted desktop virtualization to better manage their distributed employee base. This shift has eliminated many of the friction points for IT support of employees. Increased use of digital adoption platforms for employees and clients alike has reduced help desk support calls, the need for discrete technical training, and underused applications. In parallel, organizations are also coming to terms with the need for greater empathic leadership to support not only democratized access to technology but also more flexible policies that empower employees to focus on delivering business outcomes on their own terms.

Unfortunately, broadscale IT support for the development and maintenance of systems supporting this digital transformation is at risk itself. IDC predicts that DX-related IT skill shortages will affect 90% of organizations by 2025, costing over $6.5 trillion globally through that period due to delayed product releases, reduced customer satisfaction, and loss of business. This is a significant exposure that requires intensified support for hybrid work models that enable both internal upskilling of current IT teams and the creation of exceptional work experiences to attract new talent.

For an enterprise to maintain company culture, it must deliver equitable employee experiences for distributed workers. According to IDC’s Future Enterprise Resiliency and Spending Survey, Wave 11 (December 2022), 34% of organizations indicated that "employee experience as a driver of business growth and innovation will remain a top priority." When asked by IDC about what impact improving EX has had on CX, 28% of organizations highlighted that there is a defined causal relationship between EX and CX and the impact of some specific efforts can be quantified.

Another 17% highlighted that the impact of EX on CX is measurable and identified a direct impact on the company's bottom line.

**Considering Kyndryl**

Kyndryl has six large global practices: Cloud; Core Enterprise and zCloud; Applications, Data, and AI; Security and Resiliency; Network and Edge; and Digital Workplace. These practices are supported by Kyndryl Consult, the company's business outcomes-based consulting group; Kyndryl Vital, the open and collaborative method Kyndryl uses to solve complex real-world business problems; and Kyndryl Bridge, an open integration platform that delivers IT solutions based on data-driven insights and expertise. The combination offers end users the promise of an uninterrupted path between a digital business and the technology that delivers it.

Kyndryl's Digital Workplace offerings, Bridge and Vital, focus on enhancing the employee experience to enable more secure and flexible hybrid work models. In the context of the broader Kyndryl portfolio, Digital Workplace is well positioned to provide holistic technology support for hybrid work models.

At its core, Digital Workplace strives to provide more of a consumer experience to employees. This includes intelligent digital workspace capabilities that offer secure and holistic cloud-based access to data, applications, infrastructure, and people critical to getting work done. It also offers analytics, AI, and automation for proactive and predictive support and device management to enable employees to work more effectively.
Kyndryl Digital Workplace offerings include:

» **Consult Services:** Kyndryl Consult provides strategy, implementation, and migration services that span the employee digital experience including device management, IT support, workplace virtualization, and the full power and capabilities of Microsoft 365.

» **IT Support:** Kyndryl provides omni-channel support services that are focused on delivering an exceptional employee experience to help keep workers engaged and productive. Kyndryl is a leader in integrating cognitive capabilities and automation to fix things before they break, and if a problem does occur, Kyndryl resolves it quickly.

» **Collaboration Services:** Kyndryl, a Microsoft Solution Partner, helps enterprises build and manage their workplace experience ecosystem. Using its deep expertise in Microsoft 365 and the Teams platform, the company takes a data-driven approach to create a holistic employee experience. Kyndryl provides services for the end-to-end life cycle of the collaborative workplace, including next-generation devices, implementation of apps and integrations, and services for ongoing support and management.

» **Device Management and Life Cycle:** This service is engineered to provide a single management method for all end-user devices, all operating systems, and all ownership models. It offers light enrollment, customizable security profile and policies, and dynamic configuration with end-to-end managed services for device updates, app management, and access to Enterprise App Store and self-support utilities.

» **Workplace Virtualization:** Kyndryl provides a fully managed desktop virtualization service that offers employees cloud-based access to business applications via a secure hosted desktop solution. It offers rapid desktop provisioning and deployment for a wide range of devices, built-in security backup and recovery, and analytics to support improved end-user experiences. The company partners with Microsoft for Azure Virtual Desktop (AVD) and Windows 365; Citrix Desktop as a Service (DaaS) and Citrix Virtual Apps and Desktops; and VMware Horizon and Horizon cloud and collaboration.

» **Contact Center as a Service (CCaaS):** Kyndryl's CCaaS provides a state-of-the-art omni-channel contact center solution and helps modernize business operations, empower contact center employees, and deliver superior customer experiences. Value-added services, including strategic consulting, workflow orchestration, cognitive services, and digital experience management (DEM), can be integrated into the CCaaS solution.

Kyndryl's digital workplace strategy focuses on offering strategy, implementation, management, and support services to address the growing support requirements for hybrid work models. Globally and across industries, companies are searching for solutions to improve both the employee experience and the customer experience.

Key elements of this strategy include:

» Delivering an integrated, continuously optimized, and secure workplace ecosystem

» Harnessing data for analytical insights for proactive and predictive support and device management

» Creating a holistic user experience as the catalyst for driving business outcomes
**Challenges**

Many vendors are focused on developing workspace plays, each coming from a slightly different entry point but all competing to define both the space and the value of their respective offerings. To differentiate itself, Kyndryl will need to leverage its strong technical services heritage and develop clear branding around hybrid work offerings and support.

**Conclusion**

The connection between EX and CX will only continue to mature as most industries and sectors move to digital. The rapid shift to hybrid work models that enable employees to work from any location on any device and in any time zone is driving widescale adoption of digital technologies that make this possible. IDC projects that in keeping with this momentum, the market for intelligent digital workspace technologies that support employee experiences will grow at a 23% CAGR from 2019 to 2024 as demand for these technologies increases.

Beyond technical investments, organizational transparency, trust, and open communications from employers are equally essential to building a strong employee experience. These are built via programs that focus on employee well-being, recognition, and support for diversity, equity, and inclusion (DE&I). In a world of rapidly changing job requirements, organizations also need to focus on developing employee career pathways through skilling initiatives as part of the policies, practices, and technologies designed to help employees and, ultimately, customers be successful.

Kyndryl will be well positioned to take on the challenge of meeting market demand for workplace transformation based on the robustness of its workplace management portfolio, partnerships, and broader company offerings. Enabling enduring hybrid work models will not be easy, but it will be essential to driving more resilient business models of the future.

**About the Analyst**

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Amy Loomis is Research Vice President for IDC’s worldwide Future of Work market research service. In this role, Ms. Loomis covers the growing influence of technologies such as artificial intelligence, data analytics, robotics, augmented and virtual reality, and intelligent process automation in changing the nature of work. Her research looks at how these technologies influence workers’ skills and behaviors, organizational culture, and worker experience and how the workspace itself is enabling the future enterprise.
MESSAGE FROM THE SPONSOR

Kyndryl’s global experts put the employee at the center of the hybrid workplace using proactive experience management and predictive support for devices and applications. We take a holistic, measurable, and data-driven approach that helps to seamlessly integrate digital touchpoints and simplify workflows to improve business outcomes.

Our people, and leading technology can help measure and improve the employee experience across each digital touchpoint – including procurement, devices, apps, management, and support -- to help co-create with you an integrated, seamless, employee experience. Our patented technology and open platform help predict and proactively address application and technology issues. We focus on the employee journey, adoption, and the culture change requirements of your hybrid workplace to help ensure high levels of productivity and engagement for your employees. Get a modern hybrid workplace with the ability to continuously optimize and deliver a consumer-like, secure, employee experience at scale. Learn more: https://www.kyndryl.com/us/en/services/digital-workplace