



# Nine Employee Experience Solutions Enterprises Need – Is Surviving the Recession Enough?

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# Introduction

Enterprises that were hoping to catch a breath after the COVID-19-induced economic slowdown have been taken aback by an impending recession. As recessionary pressures rise, enterprises will have to make some tough choices – including strategic investments and surgical cuts – to survive the storm.

While there is a rapid change in the employee-employer dynamic due to the recession, the impact is quite contained. The recent disruptions in where, when, and how the workforce operates have created an interesting impasse between employers and employees. To survive a recession in the short term and scale new heights in the long term, an engaged and productive workforce is a key factor – Employee Experience (EX) has never been more important than now.

In this viewpoint, we examine the current economic downturn, its impact on employee expectations and experience, enterprise priorities when tackling these uncertainties and expectations, and nine EX solutions that can help enterprises achieve their objectives in a volatile environment. We also recommend a roadmap for enterprises as they choose and implement the best suited EX solution to achieve their goals.

## The impact of economic uncertainty on enterprise talent strategy

### The global economic slowdown

Following the pandemic, factors such as wage stagnation, pent-up employee dissatisfaction, limited career advancement, and changing expectations around work resulted in employees resigning en masse, or the Great Resignation. Globally, HR managers scrambled to curb attrition, recruit the right talent, and, notably, improve employee experience. They also started filling up their talent pipelines to account for possible attrition and lower productivity levels, which, in certain cases, led to over-hiring.

However, the economy was still not looking up. The US Fed interest rate hike impacted every aspect of the economy, from corporate revenue and consumer spending to financial markets. Geopolitical tensions due to the Russia-Ukraine war did not help matters either. The inversion of the treasury yield curve pointed to the shrinking economy and a possible recession.

The market correction that one sees playing out today is a result of the previous over-hiring and the current economic downturn. With the global economy on the verge of a recession, enterprises are starting to become defensive. Tech giants such as Microsoft, Google, Meta, Amazon, and Cisco have laid off employees in a bid to “right-size,” and many small and midsize employers are following suit.

### The impact on talent strategy

The UK announced a recession in November 2022, while current indicators suggest that a recession in the US may be pushed to late 2023 and it could be milder than originally anticipated. Historically, a recession marks a change in the employer-employee power dynamic, with the employer having an upper hand. However, the constrained labor market is likely to exert a lower-than-expected recessionary pressure on employees. In fact, how employers react during this difficult phase will indicate their degree of employee-centricity. Laying off employees may help firms relieve their financial pressures in the short term, but it may cost them far more in the long term in terms of their brand reputation and existing employee morale.

Once the situation stabilizes, employees who felt undervalued during the recession will leave, driving up recruiting costs. In such a situation, retaining becomes the new recruiting, as retaining costs are typically much lower than recruiting and training costs. We believe that the best option for enterprises during and after a recession is to retain their talent by making them feel appreciated and providing them an excellent employee experience.

Tech giants such as Microsoft, Google, Meta, Amazon, and Cisco have laid off employees in a bid to “right-size,” and many small and midsize employers are following suit.

The Everest Group Key Issues Study counts upskilling the existing talent pool and focusing on culture and employee experience among the top priorities for talent managers in 2023, as Exhibit 1 depicts.

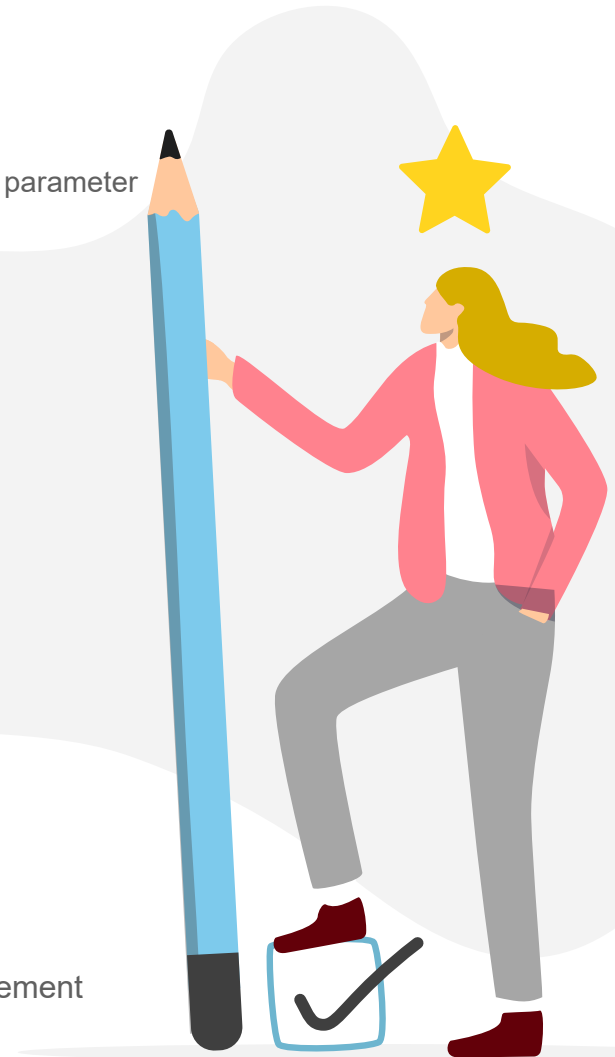
## EXHIBIT 1

### Top talent priorities in 2023

Source: Everest Group 2023 Key Issues Study

Rankings based on the percentage of respondents selecting a parameter as a key priority

- 1 Upskilling the existing talent pool
- 2 Focusing on culture and employee experiences
- 3 Recruiting more aggressively
- 4 Adopting alternative talent models, e.g., contingent and gig workforce
- 5 Leveraging digital technologies for talent management



## Enterprise priorities during an economic downturn

Traditionally, enterprises have adopted reactive measures to manage the impact of an economic downturn. While these measures do help in the short term, enterprises need to consider the bigger picture to ensure that they thrive during and after the recession. This approach requires a more open mindset with long-term business goals in mind.

It must also be noted that enterprises can have multiple competing priorities related to cost, processes, and people. While enterprises that focus on the short term cut costs, optimize processes, and keep employees informed to survive the recession, enterprises that focus on innovation in processes and people management can generate better value in the long term, as the table below illustrates.

# Enterprise priorities

Source: Everest Group (2023)



TRADITIONAL PRIORITIES

FORWARD-THINKING PRIORITIES

## Survive

- A recession can curb sales, profits, and credit access and even trigger bankruptcies – all of which prompt enterprises to manage costs as their first reactionary measure
- Hiring freezes, layoffs, and discontinuation or a pause on expensive programs can help cut costs quickly in the short term, especially if there is an unexpected and significant impact on the business



## Guard

- Businesses must be careful when cutting costs to ensure they do not neglect the value side of their operations
- Laying off resources can be counterproductive in certain cases; enterprises should instead consider restructuring their workforce to leverage high-quality talent
- Before discontinuing any HR program, enterprises should conduct an impact vs. investment analysis and prioritize investments based on the results
- The aim should be to generate value, preserve what is important, and make cuts only to dispensable components of the HR value chain

## Optimize

- Recessions require businesses to leverage a smaller number of employees more efficiently
- This focus involves eliminating bottlenecks and automating processes, which typically generate a higher return on investment and reduce costs



## Evolve

- While automating processes can help enterprises to manage efficiencies, innovating can help enterprises scale up, even during a recession
- Enterprises should consider bringing in innovative programs that help change processes for the better while simultaneously cutting costs
- Enterprises should think out of the box to create opportunities out of challenges, akin to the introduction of remote work during the pandemic

## Communicate

- Frequent and transparent communications are required during uncertain times to present a clear picture of the organization's direction and strategy to employees
- It is also necessary to keep employees informed of policies and any modifications, especially those related to compensation and well-being



## Thrive

- Talent could be the tipping factor to thriving during a recession. Productive and engaged talent can support enterprises, and, thus, companies should make dedicated efforts to engage their employees
- Enterprises can engage their employees by running EX programs, which offer both tangible and intangible benefits

From a workforce perspective, enterprises will want to cut costs, improve efficiencies, and communicate effectively during a recession. However, EX solutions can help them go one step further to realize their business goals – to generate value, innovate processes, and engage employees so as to come out stronger on the other side of the recession.

## Identifying the right EX solution for enterprise priorities




Employee experience is the culmination of all interactions that an employee has with different elements of an organization – its technology, environment, and culture – which shape the employee’s behavior toward the organization and the job.

Exhibit 2 depicts the elements impacting EX.

### EXHIBIT 2

#### Elements impacting EX

Source: Everest Group (2023)

 Organization and culture	 Environment	 Technology
<ul style="list-style-type: none"> <li>• Mission, vision, and strategy</li> <li>• Policies and processes</li> <li>• Management support</li> <li>• Transparency and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Physical work environment (e.g., workplace, collaboration area)</li> <li>• Social work environment (e.g., peer and manager daily interactions)</li> </ul>	<ul style="list-style-type: none"> <li>• Core HR technologies</li> <li>• Experience suites</li> <li>• Ancillary technologies</li> <li>• Tools used for daily work</li> </ul>

#### Everest Group take

To identify the right solution to fulfill business objectives across organization and culture, environment, and technology, an enterprise must evaluate the different EX solutions that are available, examine their value propositions and benefits, and conduct an impact-investment analysis.

Below we categorize various EX solutions across three forward-thinking priorities during a recession – guard, evolve, and thrive.

### EXHIBIT 3

#### Categorizing EX solutions across enterprise priorities during a recession

Source: Everest Group (2023)



#### **Guard** – generate value

EX tech that supports strategic decision-making and/or value generation while simultaneously cutting costs

- Digital Adoption Platforms (DAPs)
- Internal talent marketplaces
- People analytics platforms



#### **Evolve** – innovate processes

EX tech that offers innovative capabilities to improve the maturity of processes and optimize costs

- DAPs
- Financial Wellness Solutions (FWS)
- Remote workforce management
- Internal talent marketplaces



#### **Thrive** – engage employees

EX tech that enables employee engagement and productivity (includes employee benefits)

- DAPs
- Employee Experience Management (EXM) platforms
- FWS
- Employee health and wellness platforms
- Learning Experience Platforms (LXPs)
- Rewards and Recognition (R&R) platforms

## Nine EX solutions that you should know about

We have identified nine EX solutions that enterprises should look at, evaluate, and leverage to maximize their business goals. Below we take a closer look at these solutions and their benefits in the face of a looming recession.



## 1. DAPs

### Overview

DAPs are overlay solutions designed to facilitate the seamless adoption and learning of underlying applications. They offer various features to help users complete and learn processes, as well as offer contextual help, company information, and the ability to gather user feedback. By reducing the time invested in understanding a new application, DAPs help improve employee productivity, as well as provide personalized content and improved products.

### Notable benefits during a recession

- Reduce support tickets and training time and effort, thereby reducing costs
- Help make strategic decisions based on insights into the adoption and use of digital assets; help cut costs on unused licenses and shelfware
- Simplify work and the adoption of new applications and processes for distributed and remote teams, thereby improving processes and employee engagement

### Key takeaway

Historically, economic downturns have been marked by accelerated disruption in the form of digitalization. As DAPs facilitate quick and easy adoption of new applications or processes, they can be especially useful during a recession. In particular, enterprises will likely prefer intuitive DAPs with shorter implementation periods and improved cost-effectiveness during an economic slowdown.

### Notable providers



## 2. EXM platforms

### Overview

EXM is defined as the process of capturing, understanding, and managing the experiences of employees throughout the employee life cycle. EXM platforms offer capabilities that allow enterprises to listen, understand, and act through capabilities such as employee voice strategy planning, pulse and feedback survey design and administration, industry data benchmarking, and dashboarding and analytics. These capabilities enable key stakeholders to gain an in-depth understanding of employee voice, draw insights, and support decision-making to improve employee engagement.

### Notable benefits during a recession

- Improve employee morale by keeping them engaged
- Address any challenge in the initial stage through continuous listening
- Crowdfund innovative ideas from employees to support continuous improvements during the recession

### Key takeaway

EXM platforms can substantially improve not only employee, but also customer experience. Active listening and understanding of employee feedback about customer sentiment during a volatile business environment can help enterprises make better product and service delivery decisions.

### Notable providers



### 3. LXPs

#### Overview

LXPs are user-centric learning software that consolidate content from diverse sources and provide a personalized learning experience to users. LXPs offer features such as customized learning, multiple integrations, social and collaborative learning, skill mapping, content sourcing and discovery, user-generated content, and analytics and insights. They help organizations streamline employee onboarding, enhance skills and knowledge, ensure attendance for compliance trainings, and instruct customers and extended enterprises.

#### Notable benefits during a recession

- Reduce the overall cost of training through e-learning programs
- Improve employee retention by providing continuous learning opportunities and keeping employees engaged and motivated
- Reduce the time-to-competency by supporting employees to learn more quickly and on the job

#### Key takeaway

While the top-down approach of learning management systems has worked well in the past, LXPs are better suited to fulfill employee expectations from L&D in a dynamic world. An agile and engaged workforce can be the key to thriving during and after the recession.

#### Notable providers



### 4. R&R platforms

#### Overview

R&R platforms allow enterprises to offer effective and meaningful employee recognition through peer-to-peer recognition, manager-to-peer recognition, service/milestone awards, safety awards, spot recognition, social newsfeed, manager and administration control, reporting and analytics dashboards, redemption portals and rewards catalogues to motivate and engage employees, improve retention, boost morale, and recognize and reward performers.

#### Notable benefits during a recession

- Motivate and engage employees, which drives up productivity
- Retain top talent, thereby reducing turnover rates
- Offer monetary awards in a staggered or delayed manner while ensuring continuous recognition by aligning R&R to performance

#### Key takeaway

Recessions pose financial constraints, but employee engagement does not always have to be expensive to be meaningful. Recognizing high performers, even in a non-monetary manner, can promote productivity and stability, particularly during stressful times.

#### Notable providers



## 5. FWS

### Overview

Financial wellness solutions are platforms that allow employers to offer holistic financial well-being solutions to their employees through tools for Earned Wage Access (EWA), financial education, budgeting, and goal setting and automated savings, among others. These solutions help alleviate financial concerns, improve financial status, and reduce related stress, thereby allowing employees to focus on their work more comfortably.

### Notable benefits during a recession

- Provide much-needed liquidity to employees in the form of earned wages to absorb financial exigencies
- Reduce financial stress during uncertain times
- Attract and retain talent in high-turnover industries such as retail and hospitality

### Key takeaway

Typically, enterprises are reluctant to provide EWA or financial wellness solutions due to cash flow issues, concerns around implementation and change management, and the misconception that such solutions will create extra workload for payroll teams. However, we believe that EWA solutions that are vendor-funded, provide consultative advice to support implementation and change management, and automate payments and reconciliations can actually lend a helping hand to enterprises during the recession.

### Notable providers



## 6. Internal talent marketplaces

### Overview

Internal talent marketplaces allow enterprises to tap into the hidden potential of their employees by providing a platform for reskilling and upskilling, pursuing new or varied opportunities within and outside their current levels, and owning their career trajectories. These solutions enable workforce agility by offering capabilities across various components of the talent value chain, such as skill mapping, job matching, job application and redeployment, career pathing, and L&D integrations. These solutions help HR managers reduce recruiting costs, support enterprise L&D goals, improve transparency and communication, and offer analytics for strategic decision-making.

### Notable benefits during a recession

- Allow easy internal restructuring during difficult times, allowing for quicker value generation and pertinent decision-making
- Expedite upskilling and make it more relevant through courses and on-the-job training
- Empower and engage employees, thereby improving productivity

### Key takeaway

Holistic solutions that offer a strong mix of technology-based, coaching-led mobility and a focus on career agility can improve the efficacy of internal talent marketplaces. We also believe that enterprises with a larger talent pool and mobility use cases stand to gain more from these solutions.

### Notable providers



## 7. People analytics platforms

### Overview

People analytics platforms ingest data from various HR and business systems to provide actionable insights and a single source of data about the workforce to HR and people managers. These platforms offer capabilities such as low code operation, self-service options, multiple visualization techniques, and data democratization to help HR unlock the power of data and make evidence-based people decisions, which impact the overall talent strategy.

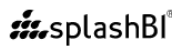
### Notable benefits during a recession

- Automate data collection and analysis, reducing costs and avoiding manual data-entry errors
- Provide actionable insights for strategic decision-making and optimize workforce planning
- Improve the efficacy of HR initiatives through targeted actions via the insights gleaned

### Key takeaway

People analytics platforms are powerful tools – not only do they collate every piece of data about an organization's biggest costs and assets, their talent – but they also generate meaningful insights to help address HR challenges. As these challenges get more complex, enterprises will look for platforms that can synthesize data to support anticipatory strategies through diagnostic, predictive, and prescriptive analytics.

### Notable providers



## 8. Remote workforce management platforms

### Overview

Remote workforce management platforms allow enterprises to effectively monitor and lead remote employees in an efficient manner. Such platforms feature a combination of tools that enable communication, meetings, storage and file-sharing, tracking, and project management. Through these platforms, enterprises can provide flexibility to employees, while ensuring that productivity and work-life balance are not impacted.

### Notable benefits during a recession

- Eliminate team isolation and promote team culture to keep remote employees engaged
- Minimize miscommunication as these platforms offer multiple modes for various types of communication
- Overcome time zone-related issues and ensure timely delivery through asynchronous communication tools or file-sharing options

### Key takeaway

As recessionary pressures increase, enterprises may look to reduce operational costs by shifting to a hybrid or completely remote model. Employees also prefer such models and are, at times, willing to take a pay-cut to avail the flexibility of working from anywhere. Thus, remote workforce management platforms that offer intuitive interfaces for employees and team managers and easy integrations with existing HR software are expected to gain strong traction in the market.

### Notable providers



## 9. Employee health and wellness platforms

### Overview

Enterprise-provided complementary health and wellness platforms actively support the physical, mental, and emotional well-being of employees to prevent burnout. They offer customized guidance, appointment booking support, online and in-person wellness coaching, health assessments, and integrations with fitness devices. Additionally, they can help team managers monitor employee well-being by providing real-time insights.

### Notable benefits during a recession

- Reduce absenteeism, ensuring minimum impact to business continuity
- Improve employee engagement
- Reduce stress and improve overall well-being

### Key takeaway

While health and wellness platforms can offer real benefits to employees, their efficacy is determined by their adoption and active use. Many a times, employees are unaware of the benefit and do not know how to use it either. Enterprises would prefer platforms that possess features such as gamification and team challenges on top of an excellent user interface to maximize participation.

### Notable providers



While there are many EX solutions available in the market, each enterprise EX journey will be different. Hence, every enterprise must chart its distinct roadmap based on the resources available and current priorities.

In the next section, we present a step-by-step guide on how enterprises can leverage EX solutions during economic uncertainty.

Investing in talent is critical, and leveraging EX solutions as an enabler can put enterprises ahead of their competitors once a volatile situation stabilizes.

## A roadmap for enterprises

Although a discretionary and non-revenue-generating investment, employee experience can create value in many tangible and intangible ways for an enterprise. We believe that investing in talent is critical, and leveraging EX solutions as an enabler can put enterprises ahead of their competitors once a volatile situation stabilizes. As they consider such investments, enterprises would do well to follow the roadmap below to maximize RoI and outcomes.



**Assess your financial situation and business priorities:** First, enterprises should take stock of their financial situation to decide on the course of action. They must then determine their priorities, which would depend on finances at their disposal and the leadership's vision, focus, and strategy



**Identify the right EX solution that matches your priorities:** After ascertaining their business priorities, enterprises should evaluate the different EX solutions they can leverage to address these priorities. Each EX solution can support multiple business priorities (please refer to the previous section), and enterprises should understand the benefits of each to identify the best fit for their organizations



**Prioritize EX solutions:** Once enterprises have shortlisted the EX solutions that address their priorities, they should conduct a cost-benefit analysis for each. They should take into consideration not only the RoI for each solution, but also the sunk costs and stickiness for solutions they already leverage. By thus prioritizing EX solutions, enterprises can ensure a sound decision-making framework



**Invest in the most suitable EX solution quickly:** In the face of a looming recession, enterprises that want to maximize the impact from EX solutions must act swiftly. When the recession hits, it is likely for such initiatives to be put on hold as enterprises scramble to address other pressing concerns, depriving them of the opportunity to ensure timely implementation, manage change, and reap desired benefits



**Monitor the efficacy of EX solutions and develop a continuous improvement plan:** After implementing EX solutions, enterprises must determine trackable metrics for each to ascertain their efficacy. Such metrics could pertain to adoption, performance, employee satisfaction, or active usage. Enterprises must also make modifications, where needed, to improve their EX strategies, including ensuring leadership encouragement and an appropriate governance mechanism to maximize the RoI from such solutions



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