



## FROM HUMAN RESOURCES TO HUMAN EXPERIENCES

never before to transform their organizations through people and drive business value.
At the same time, they see a profound evolution in how HR can deliver that change.

Today's HR leaders are under pressure as

HR leaders have long understood the value derived from Human Capital Management (HCM). Indeed, research from Korn Ferry has shown that human capital is 2.33x more valuable than physical capital. From an ROI perspective, organizations that have improved the discretionary energy of their people, have also realized a 2x average increase in EBITDA as a result.

However, HCM is not necessarily optimized to meet employee expectations or fully unleash their potential. The reason for this lies in HCM's very nature: a non-people-centric, top-down, series of HR processes and systems that views people as assets. HCM is fundamentally transaction-focused, and neither its systems nor processes have ever been really designed to capture, evaluate, or act on employee experiences or expectations and empower people—the very things that can be a deciding factor in the extent to which employees choose to unleash their discretionary energy and drive organizational performance.

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Organizations realize 2x average increase in EBIDTA from improving the discretionary energy of people.



## HCM VS. HXM

Human Experience Management (HXM), by contrast, represents the next-step evolution of HCM.

While HCM isn't going away and will remain both valid and valuable, HXM reflects the need for organizations to go beyond simply facilitating transactions and instead genuinely reinvent employee experiences. And that starts with creating meaningful, individualized end-to-end experiences — whether they are for candidates, new hires, employees, managers, or HR leaders.

Even as companies fight to survive, compete, and thrive in highly volatile times attracting, retaining, and leveraging the right talent has never been more important. And for that reason, the Employee Experience (EX)—a crucial part of HXM—has now moved front and center.



**HCM's** drawbacks are a focus on operational HR data (e.g. employee turnover statistics)—it asks "what is happening," not "why is it happening."

**HXM** focuses not only on understanding the "what" and the "why,"—but also on addressing them through the employee experience.





## EX AS THE MEANS TO DELIVERING HXM

Human Experience Management (HXM) is fundamentally about gathering data and information on human interactions in the workplace—and using that capability to gain insights and connect people to an organization's purpose, to the skills required, and to give an organization feedback in how to accelerate organizational performance.

While platforms are enablers to gathering that data, what comes from that HXM data, is not only the intelligence derived from that data alone—but the ability to connect (the intelligence gained) the factors around human motivation, awareness, consciousness, decision-making and leadership behaviors—that confer true insights and letorganizations behave better, and make intrinsically better decisions that accelerate business and financial performance.

And this is why the Employee Experience (EX) is so important. Put simply, EX is not only the core, guiding principle behind HXM—it is also the means by which organizations can deliver it.

