

# The Rise of HX: Human Experience

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An ExperienceFutures.org Report

# Shaping Social Impact Through Digital Business

Human Experience (HX) is an emerging discipline incorporating Customer Experience (CX), Employee Experience (EX), and Human-Centered Design principles. The shift to HX has been vital in helping organizations shape their social impact goals, internal processes, and DEI programs to ensure that leveraging technology use is geared toward the needs of both internal and external users.

In today's evolving business landscape, corporate social responsibility and social impact have become core aspects of corporate strategy, protecting and creating value for stakeholders. Yet, failure to align business and social goals with digital offerings means organizations cannot meet the needs of individuals or their communities. A Deloitte survey found that 56% of people want their digital experiences to be more "human,"<sup>1</sup> however, only five of the 25 Fortune 500 researched companies had a program or initiative in place to make their digital products and services more personalized.<sup>2</sup>



**Failure to align business and social goals with digital offerings, means organizations cannot meet the needs of individuals or their communities.**

Organizations have historically designed experiences to suit the needs of a narrow group of users rather than the individual user. This has led to widespread bias and inequality in digital products and services, as many organizations continue to design digital products for users without obtaining data or insights, relying predominantly on their own personal experiences.

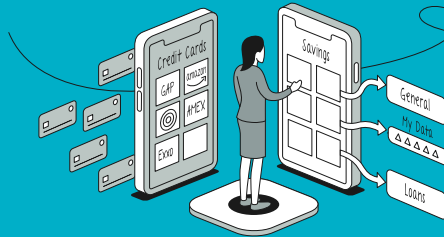
<sup>1</sup> <https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/offerings/offering-20200730-being-human.pdf>

<sup>2</sup> Study of 25 Fortune 500 companies' Digital Equity programs, Sept. 2021, by Experience Futures.

<sup>3</sup> <https://www.mckinsey.com/business-functions/mckinsey-design/our-insights/the-business-value-of-design>

## Human Centered Design

Discover  
Understand  
Create  
Implement



Experience  
Futures.org

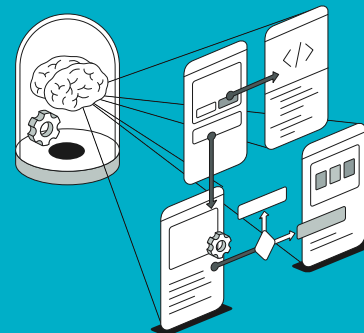


## Customer Experience

Information transparency  
Delightful Experiences  
Accessibility  
Problem Solving  
Customer Loyalty  
Usability



**HX** People  
Business  
Technology  
Design  
**Human Experience**



## Employee Experience

Supportive Environment  
Purpose-Driven Business  
Equitable Growth


Human Experience (HX) is an emerging discipline that incorporates Customer Experience (CX), Employee Experience (EX), and Human-Centered Design principles. The shift to HX is vital to help organizations shape their social impact goals, internal processes, and DEI programs to make sure that leveraging and using technology is geared toward the needs of all internal and external users.

Numerous companies have adopted human-centered design (HCD) approaches and frameworks that provide complete prototypes and clear implementation plans that connect digital experience to individual needs. A McKinsey study showed that a human-centered approach yielded 32% higher revenue and a 56% higher total return to shareholders than traditional business models.<sup>3</sup> In the last decade, companies that promote design-led strategies have outperformed the S&P 500 by 211%.<sup>4</sup>

However, HCD remains a fragmented approach to holistic human experience, failing to give equal weight to CX) and EX. Often siloed, HCD is rarely adopted in a way that builds sustainable digital offerings that meet the needs of all its stakeholders.

# Connecting Purpose to Products and Services

Companies no longer view social impact as a financial trade-off but rather as a business strategy that secures better results. Fortune Global 500 companies spend as much as \$20 billion annually<sup>5</sup> on corporate social responsibility, and yet, there is a noticeable gap between inclusive and accessible digital experiences. Ultimately, how organizations prioritize adoption of HX determines the sustainability of their social impact goals, as well as providing a better reason for employees, customers, and investors to choose them over their competitors.

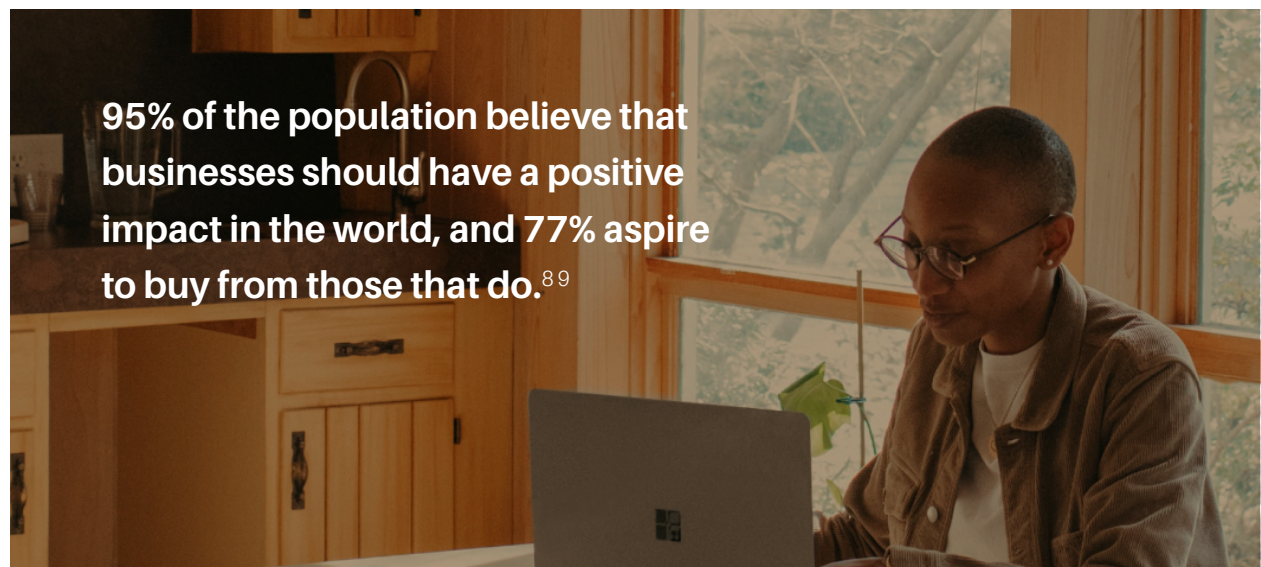


**Most organizations haven't changed either their designs or technologies to accommodate diverse users and deliver on the unique needs of core and underserved users**

<sup>4</sup> <https://www.dmi.org/page/DesignValue/The-Value-of-Design-.htm>

<sup>5</sup> <https://hbr.org/2018/01/stop-talking-about-how-csr-helps-your-bottom-line>

In recent decades, both technology and software industries have undergone a radical shift, reshaping the way technology is developed and used — resulting in a higher standard of expectation for user experiences. Enterprise platforms are becoming more consumerized, and software organizations are focusing on the individual, their needs and wants, and on delivering solutions and technologies that make sense to them. Since 2020, organizations have dramatically increased their investments in digital, while the number and breadth of digital users has likewise grown dramatically.<sup>6</sup> Yet, most organizations haven't changed either their designs or technologies to accommodate diverse users and deliver on the unique needs of core and underserved users.



90% of companies on the S&P 500 index, compared to only 20% in 2011<sup>7</sup> have developed social impact programs and added environmental, social, and governance (ESG) statements to their annual reports. However, how these programs are funded and managed rarely connect to the digital products and services organizations create. While these programs focus on issues like income and gender inequality, and healthcare disparities, they neglect how these same issues impact customers and employees in digital spaces. This is a risky position for organizations, especially when 95% of the population believe that businesses should have a positive impact in the world, and 77% aspire to buy from those that do.<sup>8,9</sup> To enable an inclusive digital transformation, leaders, designers, and innovators must consider the needs, abilities, and challenges of all individuals who use their systems. Their effort to address inequality and inclusivity in their social impact programs must extend to digital products, processes, and designs.

<sup>6</sup> <https://www.bcg.com/publications/2020/the-importance-of-human-centered-design>

<sup>7</sup> <https://reportadviser.com/news/90-of-sp-500-index-companies-publish-sustainability-responsibility-reports-in-2019/>

<sup>8</sup> [https://www.porternovelli.com/wp-content/uploads/2021/01/02\\_Porter-Novelli-Tracker-Wave-X-Employee-Perspectives-on-Responsible-Leadership-During-Crisis.pdf](https://www.porternovelli.com/wp-content/uploads/2021/01/02_Porter-Novelli-Tracker-Wave-X-Employee-Perspectives-on-Responsible-Leadership-During-Crisis.pdf)

<sup>9</sup> <https://www.aflac.com/docs/about-aflac/csr-survey-assets/2019-aflac-csr-infographic-and-survey.pdf>



# Prioritizing Human Needs in Digital Transformation

While leaders recognize the importance of business success creating shared value that also benefits society, companies struggle with execution, which consequently leave holes in their social impact programs, especially within the digital space.<sup>10</sup> Most social impact initiatives are the result of public relations, investor demands, or legal mandates. These efforts are often funded and operated separately to that of the core business, making these a cost vs revenue center.

McKinsey reports that global sustainable investment has grown 68% since 2014, reaching over \$30 trillion.<sup>11</sup> Scrutiny from consumers, governments, activists, employees and even investors has accelerated the growth of corporate ESG functions. Yet, to ensure this growth and long-term sustainability, business executives must integrate digital products and design into their social impact programs.

Failing to integrate sustainability, inclusion, and social agendas into digital product and service design, perpetuates inequalities, biases, and divisions. To truly develop a social impact program that checks every box from sustainability to diversity, equity, and inclusion to corporate citizenship — leaders must keep the complexity of human interaction and experiences in mind as they create digital solutions that aren't just advanced but also readily acceptable.<sup>12</sup>

Jeff Kavanaugh of Infosys commented,



*"This year's research revealed a significant shift – no longer are enterprises sitting, waiting, and watching from the outside as others embrace digital. The most successful firms now see value in the relationship between digital technologies and the people they serve. The companies best prepared to enter the post-pandemic era have already realized that technology itself isn't a differentiator, but a commitment to people and purpose."*<sup>13</sup>

<sup>10</sup> <https://www.cio.com/article/191562/how-cios-can-lead-human-centered-change-in-any-organization.html>

<sup>11</sup> <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/five-ways-that-esg-creates-value>

<sup>12</sup> <https://www.bcg.com/publications/2020/the-importance-of-human-centered-design>

<sup>13</sup> <https://aithority.com/it-and-devops/infosys-digital-radar-2022-finds-technology-adoption-alone-no-longer-the-key-to-unlocking-success-and-profits/>

# HX is the Future of Work

Disruptive forces in technology and social impact have changed the nature of internal and external stakeholder relationships, shifting power and allowing opportunity to widen the gap in the digital divide. While most businesses are just realizing the importance of making designs and technologies accessible to all, some are making significant moves to transform into human-centered organizations. Through investments, acquisitions, education and organizational restructuring, leaders are committing to a human experience-led business ecosystem. According to Deloitte Digital, companies that focus on HX are twice as likely to outperform their peers in revenue growth.<sup>14</sup>

To close the gap in corporate social impact programs, it is necessary to consider the impact of technology on employee wellbeing, including workplace culture, work/life integration, digital experiences, and mental health. For instance, flexibility expectations among employees have changed with the move to remote work. 67% of employees say they have increased expectations of flexibility, while 55% say it will influence their decision to stay at their present jobs.<sup>15</sup> There is a clear business case and correlation between the HX and business results for organizations that successfully transform customer and employee experiences into human experiences.

In recent years, employees' digital needs have outranked every other factor to become the most important aspect of their work facilities. Yet, only 42% of companies are restructuring their processes to utilize more digital and mobile tools, while only 51% of those are managing it effectively.<sup>16</sup> When leaders align their business to human needs and experiences and execute with authenticity and empathy, they foster empowerment, engagement, and happiness within their workforce. This augments key performance indicators (KPIs), such as net promoter scores (NPS) and creates more effective internal processes like sales and HR. In 2014, the third-largest communications company worldwide, Publicis Groupe acquired HX-integrated marketing agency, Hawkeye.<sup>17</sup> This acquisition reflects the company's intention to merge data with a human-centered approach, driving business transformation. W. Joe DeMiero, CEO at Hawkeye, pointed out that, "The ability to sense and respond to human needs is the future of our industry." Given the increased demand for human experience in business transformation, Hawkeye also grew its team size by 300%, across 20 offices in seven time zones.<sup>18</sup>

<sup>14</sup> <https://www.deloittedigital.com/us/en/blog-list/2019/we-re-only-human-exploring-and-quantifying-the-human-experience.html>

<sup>15</sup> <https://www.gartner.com/smarterwithgartner/are-you-a-hybrid-workforce-champion-or-a-laggard/>

<sup>16</sup> <https://www.prnewswire.com/news-releases/randstad-us-research-reveals-the-digitally-driven-dna-of-job-satisfaction-300679960.html>

<sup>17</sup> <https://www.adbrands.net/archive/us/publicis-north-america-p.htm>

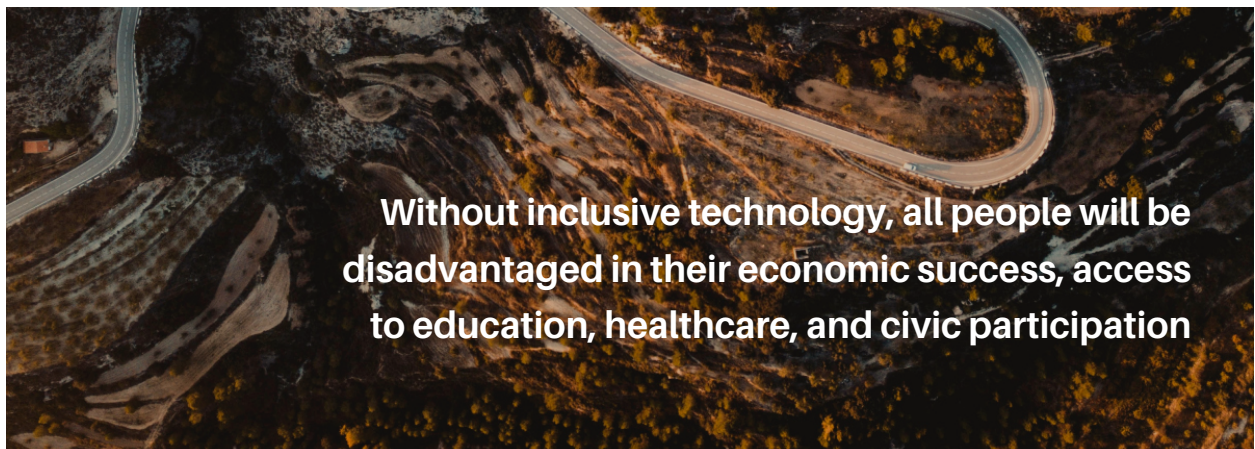
<sup>18</sup> <https://www.prnewswire.com/news-releases/data-is-great-but-humans-are-better-hawkeyes-executives-lead-with-empathy-301278278>

# HX Connects Sustainability Goals and Technology

For leaders, creating a human-centered experience amidst the disruptive forces of technology and ESG has become critical. Global spending on digital transformation is expected to total \$1.8 trillion in 2022 - an increase of 17.6% over 2021.<sup>19</sup> As enterprises continue to shift traditional customer and employee-facing efforts to digital, managers and executives face increasing pressure to bring human-centered practices to the lifecycle of all digital products, processes and experiences.

Technology adoption alone does not generate financial benefit or positive social impact for companies; it is their ability to use that technology that will help them achieve their primary objective. The integration of digital technology increases effectiveness by 81% when ESG and DEI commitments are combined with technology adoption, compared to 33% when companies focus exclusively on technology.<sup>20</sup>

Factoring in diversity, equity, and inclusion always leads to better business outcomes. Principal Analyst and Founder of tech advisory firm Constellation Research, Ray Wang, says, "ESG measures will increasingly grow to influence and eventually change the metrics that measure transformation success, especially when consistently demonstrated through engagements with stakeholders across the board."<sup>21</sup>



**Without inclusive technology, all people will be disadvantaged in their economic success, access to education, healthcare, and civic participation**

<sup>19</sup> <https://www.idc.com/getdoc.jsp?containerId=prUS49114722>

<sup>20</sup> <https://www.infosys.com/navigate-your-next/research/digital-radar-report.html>

<sup>21</sup> <https://www.infosys.com/navigate-your-next/research/digital-radar-report.html>



The pace of digital transformation continues to accelerate across all sectors, including healthcare, education, and law. Without inclusive technology, all people will be disadvantaged in their economic success, access to education, healthcare, and civic participation. The result will be a greater cost for society at large and a continued exclusion of specific groups of people.

Creating an organization centered on the human experience is the most critical differentiator and source of competitive advantage, regardless of advances in technology or new business models. Business leaders have the opportunity to promote accountability and enhance transparency on the path toward successful transformation — prioritizing a human-centered approach to change isn't just ethical, it is crucial to scaling social impact.



ExperienceFutures.org (XF) is creating a world where every single person can seamlessly interact with the digital tools that power their lives. Our mission is to accelerate the intersection of design and emerging technology to help bridge the digital experience divide. Our nonprofit initiatives center on publishing papers and technology that bring human solutions to digital privilege in user experience. We also provide design and technology consulting to help organizations align their digital products and services with social impact goals.

### **Mission**

To accelerate the intersection of human experiences and emerging technologies to help bridge the digital divide.

### **Vision**

We envision a world where every single person can seamlessly interact with the digital experiences that power our lives.

For inquiries, citations, or collaborations, please contact:

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