



WHITE PAPER

Why Employee Joy is Essential to Unlock Value from Generative AI

June 2024

By Deborah Lovich, Matthew Scharpnick, Julie Bedard, Matthew Kropp, and Karen Lellouche Tordjman

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Why Employee Joy is Essential to Unlock Value from Generative AI

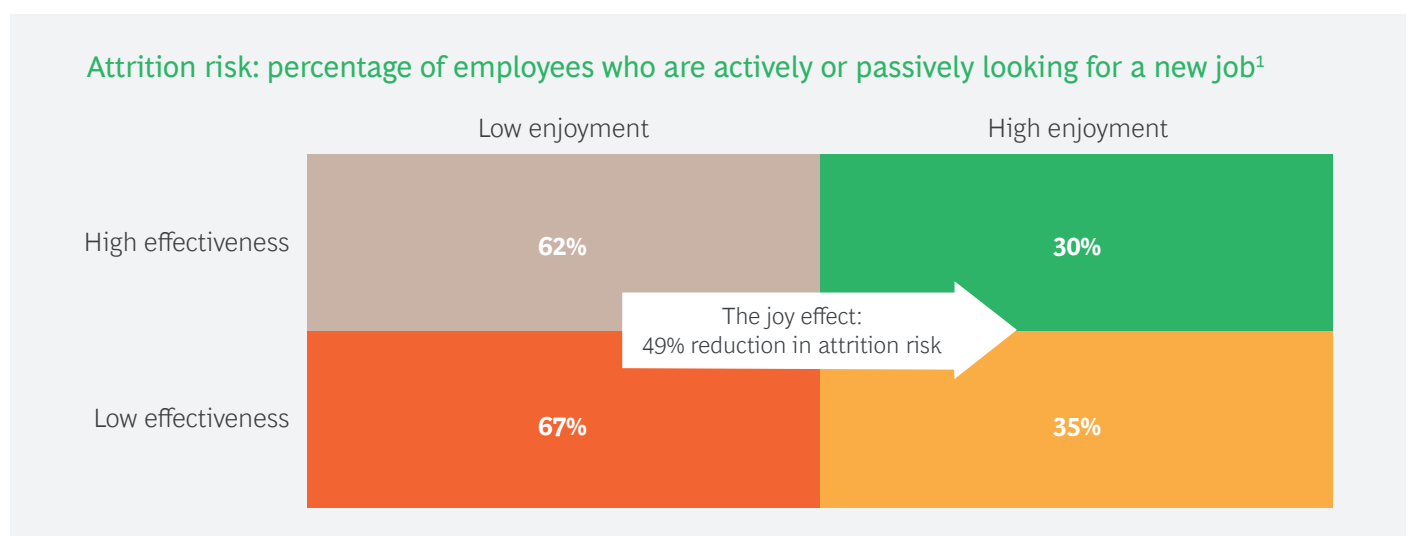
Since ChatGPT was released, organizations have been racing to implement generative AI in the workplace. Our research tells us that the pursuit of productivity has been the sole focus of almost 70% of GenAI efforts, and not one of the more than 60 CTOs/CIOs surveyed listed people impact as a top priority. While recognition of the people issue is growing, it is not nearly at the level it should be on CTO/CIOs agendas. Why? It overlooks the challenges most organizations are facing in retaining talent and creates an adoption and upskilling gap preventing companies from realizing value from GenAI while unintentionally communicating to employees that the robots are coming for their jobs.

Not only has the ratio of the number of open jobs to the number of job seekers in most countries been growing over the past two decades — meaning that there are more jobs out there than people looking for jobs — but research from the BCG Henderson Institute shows that nearly half (45%) of office-based workers globally are considering new job opportunities.

This same research tells us that when companies make efforts to improve efficiency, there is very little concomitant improvement in employee retention. Yet, when employees enjoy their work they are 48% less likely to consider switching jobs than their colleagues who do not enjoy their work (Exhibit 1). While it may be intuitive that employees who enjoy their work are less likely to quit, consider how often corporate transformation efforts truly set increasing employee joy as a goal alongside efficiency and effectiveness and how often they take the time to truly understand which parts of day-to-day work drive joy and which drive toil (the opposite of joy).

This brings us to a pivotal observation: joy in and at work isn't just about an annual engagement survey — it's a powerful and daily driver of retention, efficiency, and, as a result, organizational success. So all organizations should be rethinking their workflows to create better employee satisfaction alongside effectiveness and productivity.

Exhibit 1 - Enjoying work can cut the risk of attrition by half



Sources: The BCG Henderson Institute's "Making Work Work" survey, conducted in the fall of 2023 (n = 1,008); BCG analysis.

Note: High joy and effectiveness includes individuals with an above average score in the category; low joy and effectiveness includes individuals with a below average score in the category.

¹Respondents were asked "In your current work model, how effective do you think you are at your job?" "In your current work model, how much do you enjoy your job?" "Are you looking for a new job?"

This is where GenAI stands out as a critical tool.

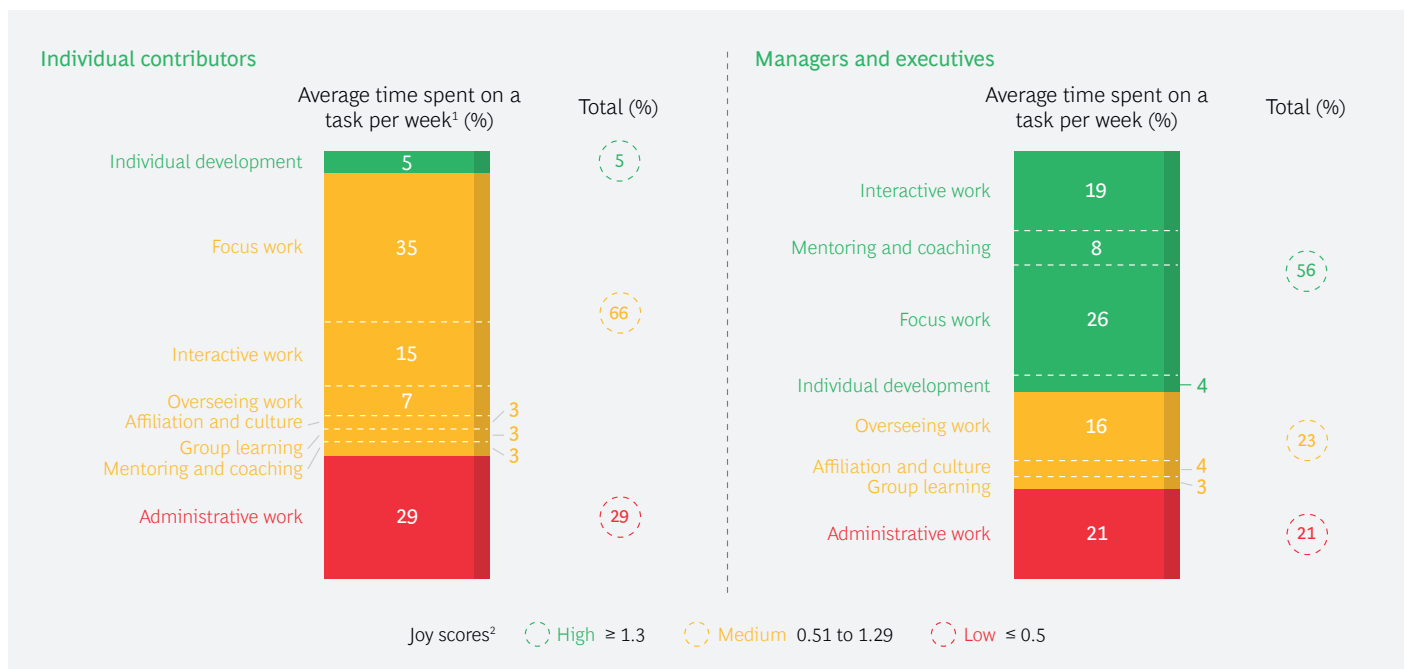
GenAI is not just a technological upgrade; it's a transformative force that reshapes the daily workflows of employees. Beyond accelerating routine tasks, GenAI offers a suite of tools that enhance effectiveness, productivity, and creativity. It serves as an on-the-go coach, offering real-time feedback and access to an expansive corpus of knowledge, ensuring informed decision-making and continuous learning.

Moreover, the rise of AI agents enables autonomous task completion, further streamlining operations. By empowering frontline employees to create new applications and deploy these AI agents, GenAI offers the potential for a major redesign of how work gets done.

But the potential to reimagine work has also brought with it a mix of anticipation and anxiety among employees. Some rightfully worry about the reliability of GenAI-created outputs; some worry about their loss of mastery as they need to acquire new skills; some harbor concerns that AI could replace them; and some worry that even if they are able to learn new skills and keep their jobs, the increased productivity expectations will fall squarely on them. All these concerns lead to resistance — or even opposition — to GenAI-driven transformation efforts. This is a significant roadblock on the path to realizing the full potential of GenAI in elevating employee experiences and value delivery.

However, when deployed as a tool to alleviate toil, e.g. mundane administrative tasks and foster a culture of innovation and collaboration, GenAI can change the narrative. It can reduce the tediousness of administrative chores, and allow employees to focus on more engaging and enjoyable aspects of their jobs. In fact the same BCG research referenced above shows that employees spend an average of a day and a half a week on low joy/high toil admin tasks (Exhibit 2). This is exactly where GenAI automation can give this time back to more productive and fulfilling work. The same research shows the highest joy activity is individual development, but employees spend little time on it. Again GenAI can help here by bringing just-in-time, personalized coaching into the workflow to enhance employee joy.

Exhibit 2 - There is significant opportunity to increase joy, especially for individual contributors



Sources: The BCG Henderson Institute's "Making Work Work" survey, conducted in the fall of 2023 (n = 1,008); BCG analysis.

¹Time spent based on calculating mean answers to the question, "What proportion (%) of your time was spent on each category last week?"

²Task enjoyment based on responses to the prompt, "In your current work model, please rate how much you enjoy performing the following tasks." Responses are scored on a scale of -3 to 3 and averaged for each activity.

Designing a plan to maximize efficiency, effectiveness, and employee joy and minimize toil in daily work requires a nuanced approach to implementing GenAI. To navigate this important journey of reimagining work, BCG has developed the ADORE framework, a comprehensive approach to diagnose the sources of employee toil and joy, aiming to foster an environment that creates more satisfied, effective, and productive employees who will be better poised to serve customers and deliver value.

The ADORE Framework

Patterned on efficiency design frameworks such as the Lean Six Sigma DMAIC, the ADORE framework is a simple design process to thoughtfully redesign work with GenAI at the core (Exhibit 3). Start by picking a process, workflow, or even a representative day in the life of a worker. Follow the five steps to arrive at a design for a new process that is more efficient, with less toil and more joy.

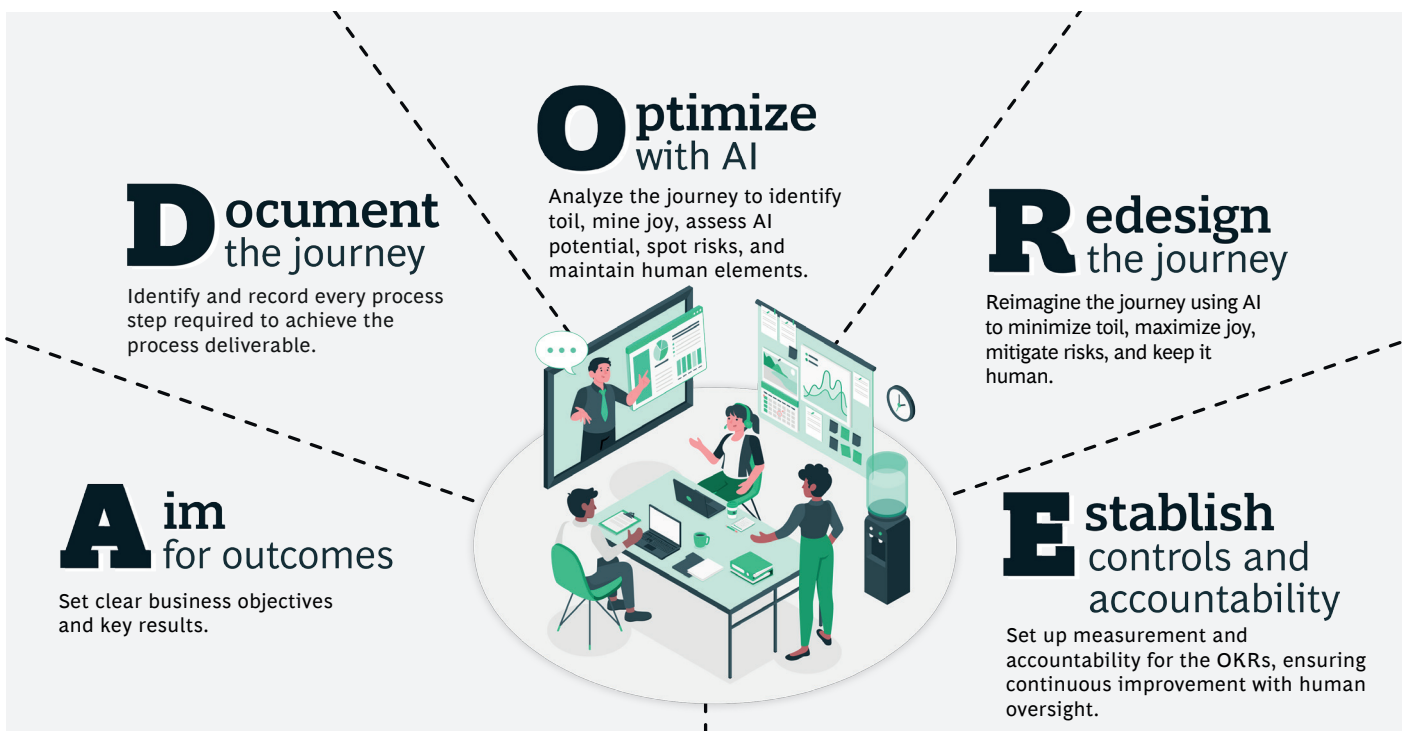
[A]im for outcomes: set clear efficiency, effectiveness, and talent objectives and key results

- Clear organizational objectives are needed in any GenAI-driven process redesign. What cost savings, productivity gains, employee joy, customer satisfaction, and/or revenue lift is this effort going to drive? Without a clear business outcome goal, organizations tend to focus on tools for tools' sake instead of making the real changes needed.
- For example, a leading cybersecurity firm set the goal of using GenAI to dramatically reduce call center costs while improving customer experiences.

[D]ocument the journey: map and record every process step required to achieve the process deliverable

- Understand the current state of affairs by looking at the steps in a journey, mapping the process in detail. What happens first? What is the next step? And the next? Note what tools, human activities, and artifacts are needed at each step.

Exhibit 3 - Our approach to redesigning processes to facilitate GenAI



Source: BCG analysis

- For example, a large tech company had us examine the detailed workflow of its support engineers, mapping out and documenting all the processes, tools, and key interactions with customers to give us a better understanding of the skills and roles that constitute its current state. By also documenting the sources of joy in day-to-day work as well as the sources of toil, we could overcome the initial resistance by some employees, concerned AI was being brought in to replace them. Instead, they were able to see how GenAI could take away the parts of their work they dislike the most.
- This highlights the importance of setting the right strategy and supporting narrative around these transformations from the start — particularly the need to emphasize how GenAI is intended to improve the enjoyment and effectiveness of work and include that in the documentation.

[O]ptimize with AI: analyze the journey to identify toil, mine joy, assess AI potential, spot risks, and maintain human elements

- For each step in the journey, ask: Is this this work toilsome for the employee? If so, can it be automated? Which steps create enjoyment for the employees? Where do we need to keep the process human to mitigate risk, or inject diverse thinking, or give humans productive struggle so that they learn and build or maintain skills?
- We worked with an insurance company to see which elements of the underwriting process could be automated with GenAI, and which human activities were essential to maintain for joy, learning, and risk management. We found that laborious document collection and synthesis was a great fit to hand off to the technology, and in doing so we could better equip underwriters with data to achieve increased throughput, shortened cycle times, and reduced bias. Empowering the underwriters to make better decisions while removing less desirable aspects of their workflow increased effectiveness while avoiding potential risk factors, such as concerns that AI could make unexplainable or incorrect underwriting decisions.

[R]edesign the journey: reimagine the end-to-end journey using AI to improve effectiveness, efficiency, and creativity and minimize toil, maximize joy, mitigate risks, and keep the human parts human

- Here we reimagine and design a future workflow that maximizes the capabilities of GenAI and reorients work toward more meaningful and satisfying activities.
- For example, in redesigning a marketing workflow, we may see that first drafts of creative copy and image generation are unsatisfying busywork that can be outsourced to GenAI. Work is then handed off to creative teams who bring a unique POV and understanding of the deeper objectives of and environment in which the work is done. Crafting a clever creative direction that appeals to specific groups and understands cultural moments and nuances can benefit from uniquely human capabilities. Then AI once again may play a role in personalizing content for a variety of geographies and for tracking the results of a campaign.

[E]stablish controls and accountability: set up measurement and accountability for the objectives and key results (OKRs), ensuring continuous improvement with human oversight

- Don't forget to measure the outcome you originally set out to achieve. But also measure key indicators along the way that will show if you are making progress toward that outcome. Are your users onboarding? Are they using the new tool frequently? Is their process effectively changing? And set up accountability to course-correct if the metrics are not developing as planned.

- At a software company we helped implement GenAI pilots for coding. As part of the process, we implemented a detailed measurement program to run alongside the coding tool and set up a control room with well-respected software developers who knew the code base and the culture of the organization. We met weekly to guide the pilot decisions — which teams got access to the tool next, how to introduce micro-training in high-value use cases, what leadership support did various teams need. It was these actions that allowed the team to double adoption rates for new teams introduced to the tools. It also allowed the company to take a step back and reduce the number of tools offered in order to ensure teams were realizing the desired value from GenAI.

As organizations inch closer to embracing a GenAI-driven transformation, the journey's success hinges on the human as well as the technical elements. For C-suite executives, this means putting a premium on rethinking work to make it more enjoyable alongside the pursuit of efficiency and effectiveness. And like those who put employees first, they will find that joy and results are not at odds, but rather mutually reinforcing outcomes. Now is the time to make that future happen and embark jointly on this exciting journey.

About the Authors

Deborah Lovich is a Managing Director & Senior Partner in the Boston office and leads the firm's work on people strategy. Debbie has spent the last 15 years of her nearly 30-year consulting career on driving leadership and culture changes with her clients who span industries and countries. Since the onset of COVID-19, Debbie has been leading BCG's thinking on the future of work. She believes organizations must use this unique moment to fundamentally rethink what work is. She has also applied her expertise internally at BCG, where she led the development and rollout of the firm's global predictability, teaming, and open communication (PTO) program, an initiative implemented to improve BCG's culture and employee work-life balance. Debbie is also a bi-weekly Forbes contributor.

Matthew Scharpnick is an Associate Director with BCG X, specializing in AI. He has conducted digital transformation and new venture builds in healthcare, insurance, the social sector, government, and energy. Matt has upskilled and built strategies for a number of Generative AI transformations and focuses primarily on Gen AI digital product builds, design, and people transformations.

Julie Bedard is a Managing Director & Partner and is core member of the People & Organization practice at Boston Consulting Group. She has significant expertise in organizational transformation, digital transformation, talent strategies and Human Resources working across industries. A significant portion of her recent work has been in Industrial Goods. She previously was an Ambassador and a Recruiting Director in the Boston office. Julie received her MBA from the Kellogg School of Management at Northwestern University, and her BS from Duke University in Economics.

Matthew Kropp is a core member of the Marketing, Sales & Pricing, Social Impact, and Technology, Media & Telecommunications practices at Boston Consulting Group. He focuses on leveraging generative AI (Gen AI) to create competitive advantage for clients across industries, and driving growth for SaaS companies through pricing strategy. Before joining the firm, Matt spent nine years as an entrepreneur building and running several technology consulting firms, a medical informatics software company, and a digital freight marketplace. He has served on the boards of Transplant Connect, a SaaS platform managing EMRs for 80% of organs transplanted in the US, and North Bridge Academy, a non-profit independent school in Marin County dedicated to teaching students with dyslexia.

Karen Lellouche Tordjman has over two decades of experience at Boston Consulting Group. She currently heads BCG's global customer experience initiatives, driving the transformation of customer experience strategies with an emphasis on digital customer journeys, e-commerce, omnichannel solutions, loyalty programs, and the enhancement of customer satisfaction and measurement. She is committed to fostering a culture of customer centrality. In her role at BCG X, the firm's tech build and design unit, Karen serves as a global leader for CX for Growth, a domain dedicated to creating world-class end-to-end customer journeys to boost top-line growth. Karen is a BCG Henderson Institute fellow, and a core member of the firm's Marketing, Sales & Pricing and Industrial Goods practices. In addition, she spearheads the automotive sales and marketing work within the Industrial Goods practice. Karen was recently honored as one of The Consulting Report's Top 25 Marketing and Sales Consultants and Leaders, securing the top position on the list for 2023.

