

TRENDICATORS WHITE PAPER

A Practitioner Guide to Employee Experience

A framework for
defining, measuring
& optimizing employee
experience to improve
business outcomes

By Jack Wiley, Ph.D.



TRENDICATORS
HR Research & Insights by Engage2Excel™

INTRODUCTION

We live in a world that is increasingly driven by experiences. People no longer buy products and services—they buy experiences. Employees view their jobs from this same experiential perspective. When employers don't provide the experiences employees want most, the employees disengage, under-produce and seek employment elsewhere.

Companies understand that delivering more meaningful customer experiences is the key to market differentiation and a massive amount of data is generated daily to help better define, measure and optimize these experiences.

Employers are also beginning to realize that the experiences they create for employees—from the factory floor to the front lines of customer interaction—determine the extra level of effort required to outperform competitors. However, the term Employee Experience is new—there is confusion around what it means, how it is different from Employee Engagement and HR's role in influencing it.

As is often the case with new terms in any discipline, analysts and marketers of new technology platforms have been quick to embrace and propagate Employee Experience as the next big thing in HR. This has led some to believe that Employee Experience is related to platforms that help make interactions more positive by providing easier access to, for example, recognition and rewards programs, training and career development opportunities, and perks and wellness programs.

While technology certainly plays a role in facilitating better employee experiences, the substance, context and relevance of those experiences is what differentiates one employer from another. In other words, you can't buy a better Employee Experience. You need to create it.

This white paper provides a framework for HR leaders to use in defining, measuring and optimizing Employee Experience to improve business outcomes.

Written by employee engagement expert Jack Wiley, this white paper provides important insights you can use to enhance the day-to-day experiences of employees and improve the discretionary effort required to create better experiences for customers.



About the Author

Jack Wiley, Ph.D., is an author, consultant, researcher and instructor.

For over three decades, he has focused on two big research questions: what employees most want and what organizational factors best promote employee engagement, performance confidence and business success.

What is Employee Experience?



The shift to concern for Employee Experience (EX) is rooted in a transition taking place in organizations from treating humans as assets or “capital” to treating them as human beings, forcing organizations to understand their employees and how best to design solutions around their needs (Nelson & Doman, 2017). Traditionally, HR has addressed issues such as employee engagement, culture, rewards and learning and career development as separate, independent programs. The employee, however, sees the picture differently and looks at everything that happens at work as an integrated experience. This integrated view increasingly leads to employees demanding a holistic, end-to-end, recruitment to retirement experience from their employers (Berson et al., 2017).

Distinguishing employee experience from engagement

It is important to note the differentiation between EX and employee engagement. Employee engagement can be thought of as the end goal, while EX is the means to that end (Yohn, 2018). EX and employee engagement are built differently. EX is built on Design Thinking, where organizations watch and observe and continually ask employees open-ended questions about their experiences. Design Thinking places the issues of employees at the center of the problem-solving processes and analyzes issues and solutions from the employee point of view, not the organization’s (Nelson & Doman, 2017). Too many companies only pay attention to the results from annual employee engagement surveys and do not proactively design and manage EX to produce better engagement (Yohn, 2018).

Popular definitions of employee experience

A commonly used definition across research and within organizations is the definition and conceptualization of EX developed by Jacob Morgan, author of “The Employee Experience Advantage.” This conceptualization of EX centers around the three things he believes shape experiences in every organization around the world: culture, technology and physical workspace. He argues that culture is one of the most important elements in creating and designing the employee



Employee Engagement is an end goal, while Employee Experience is the means to that end.

WHAT IS EMPLOYEE EXPERIENCE?

experience, as it is what energizes or drains employees, empowers or suffocates them and is experienced every single day. Technology is the central nervous system of the organization and most concepts related to the future of work are not possible without technology. Creating a great technological environment requires having tools that focus on employees' needs instead of business requirements. Finally, the physical workspace, such as the floor plan, demographics of the employees and any physical perks such as an onsite gym, contribute to the EX. Workplace flexibility, autonomy and access to multiple workspaces are variables that affect the environment. Together, these three elements create the EX (Morgan, 2017).

Management consulting firm McKinsey and Company defines EX as “companies and their people working together to create personalized, authentic experiences that ignite passion and tap into purpose to strengthen individual, team and company performance” (Dhingra, Emmett, & Samadani, 2018). Others have defined EX as “the culmination of countless experiences gleaned over time” (Grover, 2018) and “the day-to-day moments that matter to employees” (Arnold, 2018).

While the above authors and organizations offer specific definitions of EX, KennedyFitch describes an overview of components of definitions across organizations. KennedyFitch launched a global study to understand how companies are approaching the EX. Data were collected from over 250 companies throughout the world. Their research revealed that while there are some common elements in defining EX, the definition varies from company to company, as each culture and business context is unique. Some organizations are looking holistically at the workforce and everyone who interacts with the company—from recruits to alumni. However, most definitions talk about holistic end-to-end employee journeys and designing the best possible experiences for employees. The main point of most companies' definitions is that the organization is designing experiences around the employee rather than making employees fit the organization. Many also mention providing experiences that would increase innovation, development and performance and improve the EX (Nelson & Doman, 2017).



Author Jacob Morgan believes three things shape EX: culture, technology and physical workspace.



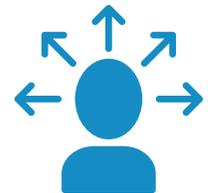
KennedyFitch found that the definition of EX varies from company to company, as each culture and business context is unique.

WHAT IS EMPLOYEE EXPERIENCE?

Conclusion

In sum, EX can be defined as a holistic view of employees' perceptions of the workplace. Employees' perceptions are influenced by their experiences, from recruitment to retirement (Berson et al., 2017).

In order to understand the EX, organizations have to focus on employees' needs and how to design optimal solutions around them (Nelson & Doman, 2017). This idea is different from other theories, in that the EX is focused on designing experiences from the perspective of employees rather than forcing employees to fit into the organization. Many factors affect the EX, including leadership, organizational structure and teams, career development, learning opportunities, diversity, employment brand and HR services (Arnold, 2018).



EX is focused on designing experiences from the perspective of employees rather than forcing employees to fit into the organization.

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PART 2

RESPECT: A Framework for Measuring EX



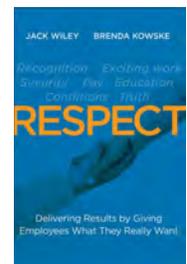
What is RESPECT?

The RESPECT framework, published in “RESPECT” by Jack Wiley and Brenda Kowske in 2012, is a taxonomy of what employees most want from their organizations, comprised of seven key dimensions. The seven dimensions are: Recognition, Exciting Work, Security, Pay, Education and Career Growth, Conditions and Truth, the first letters of which create the acronym RESPECT. Recognition can be briefly described as a pat on the back from managers and the organization at large; Exciting Work as a job that’s interesting, challenging and fun; Security as confidence that solid work and a well-managed organization lead to job security; Pay as fair compensation for a day’s work; Education and Career Growth as opportunities to develop skills and a career; Work Conditions as a workplace that is comfortable physically and socially and well-equipped; and Truth as having frank, honest and transparent leaders.

These seven dimensions represent the crux of the employee experience. RESPECT means a job that offers employees something they enjoy doing and a chance to shine. Employees are looking for stability and security (financially and otherwise) and a clear path for their occupational futures. They want the truth—to know what is going on so they can make the best decisions for themselves and their families. They want an organization that offers employees the whole package and as a result, employees will work harder, stay longer and help the organization outperform its competitors.

The RESPECT Index

Perhaps the most useful aspect of the RESPECT survey instrument is the RESPECT Index. This index offers a shorter, yet still comprehensive, alternative to the full RESPECT survey. The RESPECT Index uses only seven questions and is ideal for clients looking for a robust measurement while utilizing a limited number of items. One item from each of the seven RESPECT dimensions was selected to build the RESPECT Index. These seven items (see sidebar next page) were identified using statistical analyses.



“RESPECT: Delivering Results by Giving Employees What They Really Want,” by Jack Wiley and Brenda Kowske (2012, Josey-Bass)

Recognition
for a job well done

Exciting
work

Security
of employment

Pay
that’s competitive with
other companies

Education
and career growth

Conditions
at work that are physically
and socially comfortable

Truth
and transparency
from leadership



A FRAMEWORK FOR MEASURING EX

RESPECT Accurately Reflects EX

Overall, there is sufficient evidence to suggest that RESPECT should be considered a legitimate framework for EX. All seven of the RESPECT dimensions are represented throughout the EX literature and accurately reflect the construct as a whole. The following paragraphs describe how the RESPECT framework captures EX through its dimensions and items.

RESPECT clearly covers the idea that EX is a set of perceptions that employees have about their experiences at work in response to their interactions with the organization. This is done through all of the RESPECT items collecting employee perceptions about the things employees most want from their organization. As previously mentioned, many factors affect the EX, including leadership and management, the structure of the organization, teams, career development, learning opportunities, diversity and inclusion, employment brand and HR services (Arnold, 2018).

These factors are reflected in the RESPECT Index via: items asking about the sense of purpose employees feel (Exciting Work dimension), teams (Conditions dimension) and career development (Education and Career Growth dimension).

Another key part of the EX is that organizations have to focus on employees' needs and how to design optimal solutions around them (Nelson & Doman, 2017). The components of this are measured through the RESPECT Index via: Recognition (valuing employees' contributions), Exciting Work (feelings of personal accomplishment), Security (job security), Pay (being paid fairly for the work being done), Education and Career Growth (being provided opportunities for growth and development), Conditions (feeling part of a team) and Truth (open and honest communication). Finally, EX looks holistically at the workforce and everyone who interacts with the company (Nelson & Doman, 2017). The RESPECT Index touches on this by measuring perceptions of most individuals who make up the traditional workforce, including the coworkers, managers and senior management.

RESPECT Index Components

The following components summarize what employees want most, as represented in the RESPECT Index:

Valuing my contributions (R)

Work is fulfilling (E)

Promising future for me (S)

Fair pay (P)

Help in developing my skills (E)

Feeling of being part of a team (C)

Open, honest communication (T)

A FRAMEWORK FOR MEASURING EX

The Need for Effective Measurement

One of the challenges long faced by HR organizations is the need to demonstrate the impact of HR-related investments. Much of the current activity in EX investment focuses on making employee interactions more positive through pulse surveys, wellness programs, perks and self-service tools, to name a few.

Although these tools provide useful inputs for improving employee experiences, they lack the rigor, scientific validity and benchmarking data of a formal employee engagement survey. Such rigor, supported by decades of peer-reviewed research, is essential in order to provide your leadership team with the statistically relevant insights they need to drive action plans and enact organization-wide change.

RESPECT as a Framework for Measuring EX

When the RESPECT Framework was created in 1985, it was born out of Design Thinking. The goal of this research program was to understand what employees most valued from their employer. We did not have pre-conceived notions as to what employees would tell us. As it turned out, 98% of their responses could be categorized into the seven constructs that form the RESPECT taxonomy. This taxonomy illustrates the essence of design thinking—it focuses on the needs of employees and provides solutions organizations need for maximum retention and engagement. Surprisingly, over the past three decades, the items that employees value most have not changed.

The Importance of Understanding EX from Pre-Hire to Retirement

Record low employment levels and the importance of retirees as brand ambassadors and returning workers make end-to-end initiatives, from recruitment to retirement, important components of any comprehensive EX initiative. However, a fundamental problem with the term Employee Experience is the label “Employee,” which doesn’t encapsulate all of the other workforce personas such as job seekers, candidates, freelancers and gig workers and alumni or retirees. The RESPECT framework and ongoing national survey research conducted to support normative data takes these personas into account.



Scientifically valid survey tools are required to provide your leadership team with the statistically relevant insights they need to drive action plans and enact organization-wide change.

How Can Organizations Optimize EX?



Your organization, culture and goals are unique. Just as your company strives to create unique customer experiences that differentiate it from competitors, unique EX can differentiate your organization as an employer of choice in today's talent marketplace. This section presents insights you can use to improve EX and produce a measurable impact on business outcomes. These recommendations are firmly rooted in the research collected over the past three decades about what employees really want.

10 RECOMMENDATIONS FOR IMPROVING EX

1. Implement a total recognition and rewards system. A holistic recognition and rewards strategy includes recognition for career milestones (onboarding, years of service and retirement) and performance-based recognition programs that promote desired behaviors and organizational values. An effective strategy also includes training for managers on the art of giving recognition that's personalized, meaningful and memorable.



2. Establish criteria and clear policies for "formal" recognition programs.

Recognition programs should impact all employees in the same manner. Employees will be acutely aware if they are not being evaluated against the same standards or criteria as their colleagues. Formal recognition programs should be stated clearly and concisely as policy.



3. Communicate the organization's mission and strategic direction. When employees clearly understand their organization's strategic direction or value their organization's mission, they are more likely to identify and contribute more of themselves to their work. It should be clear to employees how their roles assist in attaining organizational goals.



4. Embrace diversity. Organizations that are open and accepting towards diverse individuals are likely to have lower turnover rates due to minority individuals feeling more comfortable in the workplace. It is essential that diversity is embraced starting with top leaders and running throughout all levels of the organization.



HOW CAN ORGANIZATIONS OPTIMIZE EX?

5. Encourage cooperation, not competition. Employees working in a cooperative, team-focused environment feel more comfortable in their roles. When there is heavy competition in the organization, office politics and a lack of cooperation can lower performance. Encourage management to use teams to complete large projects.



6. Conduct market research. Ensure employees are paid fairly by assessing the alignment between the market rate of pay and your organization's rate of pay for all positions. During conversations about pay, communicate what the market salary is for the role in question and how your organization compares.



7. Utilize systems to track and manage education and career growth. A plan for the organization's education and career growth must be created, progress should be tracked and monitored, and the system should be reviewed frequently to assess its effectiveness. Learning management systems that allow the organization to create, administer, document, deliver and track educational courses or training programs contribute to organizational success.



8. Create a culture that fosters teamwork and cooperation. To create a culture of teamwork, executives should communicate the clear expectation that teamwork and cooperation are expected. Executives should model teamwork in their interactions with each other and the rest of the organization, and teamwork should be rewarded and recognized throughout all levels of the organization.



9. Recognize that workplace safety starts at the top. For safety programs to be effective in reducing workplace accidents and injuries, employees must believe that management is committed to improving safety. There should be clear safety goals and objectives (along with measurements) for every manager, supervisor and employee. Once training is completed, it is important to monitor compliance.



10. Communicate a consistent message regarding the direction of the organization. Clearly and consistently communicate the current state of the organization and the direction it is headed. It is important that this information is made widely available to all employees and reinforced through various media.



It is quite likely that your organization already has programs in place to address many, if not all, of the initiatives discussed above. However, over time, such programs become outdated or fall out of importance. Use this list of recommendations as a checklist for re-evaluating and re-energizing your EX initiatives on a regular basis.

Engage2Excel helps organizations create unique candidate and employee experiences from pre-hire to retirement. We understand what employees really want, because we look at the entire employee lifecycle through a scientific lens. We conduct original surveys, validate best practices from our client base of 2,700+ organizations and rely on over three decades of groundbreaking research by our chief scientific officer, Jack Wiley, Ph.D.

Engage2Excel's industry-leading solutions for recruitment, employee recognition and engagement surveys are tailored to each client's unique business objectives and are designed to help clients increase competitive advantage and improve bottom-line results.

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