

## CHAPTER 1

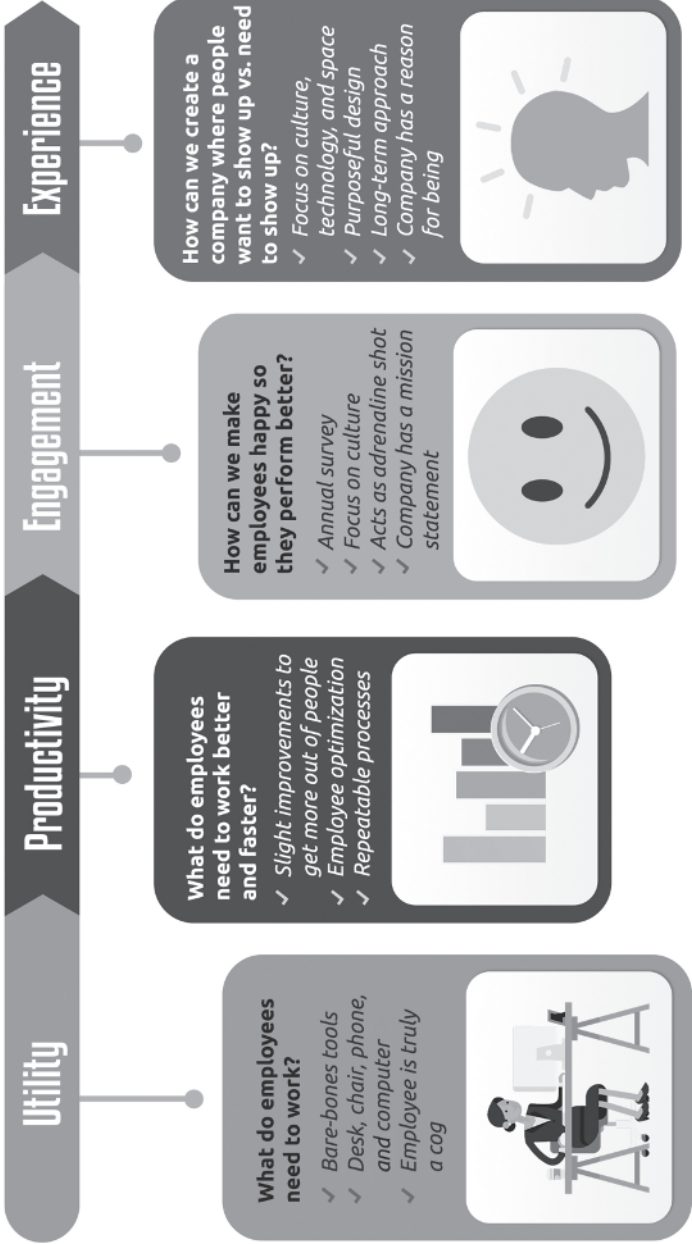
# Defining Employee Experience

### UTILITY

Decades ago the relationship we had with our employers was pretty straightforward. Employers had jobs they needed to fill; we had bills to pay, things we wanted to buy, and certain skills we could offer, so we tried to get that open job. This basic relationship also meant that work was always about utility, that is, the bare-bones, essential tools and resources that an employer can provide employees to get their jobs done (see Figure 1.1). Today that is typically a computer, desk, cubicle, and phone. In the past this may have been a desk, pen, notepad, and phone, or perhaps just a hammer and nails. That was it. Can you imagine if someone were to bring up health and wellness programs, catered meals, bringing dogs to the office, or flexible work efforts in the past? Give me a break! They would be laughed at and the employee most likely fired on the spot! These things are all relatively new phenomena that are now only starting to gain global attention and investment. Granted, there are still plenty of organizations out there that are still stuck in the utility world.

### PRODUCTIVITY

After the utility era came the productivity era. This is where folks like Frederick Winslow Taylor and Henri Fayol pioneered methods and



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**FIGURE 1.1 Evolution of Employee Experience**

approaches to optimize how employees worked. Managers literally used stopwatches to time how long it would take employees to complete a task to shave off a few seconds here and there. It was analogous to trying to get a sprinter or swimmer to improve his or her lap time. All of this was designed to improve productivity and output while emphasizing repeatable processes, such as the famous factory assembly line. Unfortunately at the time, we didn't have robots and automation to do these jobs (which they would have been perfect for), so instead we used humans. Today, we finally have the technology capable to do the jobs they were designed for, and the humans who were simply acting as placeholders are now in trouble. Robots aren't taking jobs away from humans; it's the humans who took the jobs away from robots. As with the utility era, there also wasn't much focus on creating an organization where the employee truly wanted to be. Productivity was simply utility on steroids!

## ENGAGEMENT

Next came engagement, a radically new concept where we saw the collective business world say, "Hey, maybe we should pay more attention to employees and what they care about and value instead of just trying to extract more from them." And thus, the era of engagement (or enlightenment) was born. This was actually quite a revolutionary approach that shifted some of the focus away from how the organization can benefit and extract more value from employees to focusing on what the organization can do to benefit the employees and understand how and why they work. The more engaged an employee is, the better! This is where we stopped and where we have been for the past two or three decades. There have been all sorts of studies that have shown engaged employees are more productive, stay at the company longer, and are generally healthier and happier.

I'll admit that when I first started writing this book, I was convinced that employee experience and engagement were at odds with each other. I mistakenly believed that experience must replace engagement. In fact

there were thousands of words originally devoted to that very rationale that I had to scrap from this book. I've since changed my tune. Employee experience doesn't need to replace engagement. The two can actually work together, and in fact, they have to. Instead I view employee experience as something that creates engaged employees but focuses on the cultural, technological, and physical design of the organization to do that. Still, our current definitions and understanding of employee engagement need to evolve before that can happen. Many of the questions and frameworks used to explore engagement haven't changed since they were first introduced into the business world, which creates some challenges.

## EMPLOYEE EXPERIENCE

Let's say you buy an old car at a junkyard and then spend thousands of dollars on new paint, upholstery, rims, and interior upgrades. Even though the car will look beautiful, it will still drive like the same car you brought home from the junkyard. If you want to improve how the car performs, then you need to replace the engine. Organizations around the world are investing considerable resources into things such as corporate culture programs, office redesigns, employee engagement initiatives, and well-being strategies. Unfortunately these things make the organization look better but have little impact on how it actually performs.

Many organizations today use *employee engagement* and *employee experience* interchangeably without any distinguishable difference, which is incorrect. Employee engagement has been all about short-term cosmetic changes that organizations have been trying to make to improve how they work. If this approach doesn't work for a car, then it certainly won't work for an organization.

If employee engagement is the short-term adrenaline shot, then employee experience is the long-term redesign of the organization. It's the focus on the engine instead of on the paint and upholstery. Chances are you've heard of the term *customer experience*, which is typically defined as "the relationship that a customer has with a brand." Most people reading that would say, "Well, of course that's what it is. Isn't that

obvious?” Yes it is, which is why I think it’s really a meaningless definition that provides no context or direction for what that actually looks like. This is why I wanted to avoid simply defining *employee experience* as “the relationship between an employee and the organization.” That doesn’t help anyone or provide any value, and as with the customer experience, it’s rather obvious. So then what is employee experience?

There are a few ways we must look at this. The first is through the eyes of the employee, the second is through the eyes of the organization, and the third is the overlap between the two. When reading through these you may decide to lean toward the side of the employee or the organization, but since two parties are involved, it is in both the employee’s and the organization’s best interest if we view employee experience as something that is created and affected by both.

For the people who are a part of your organization, their experience is simply the reality of what it’s like to work there. From the perspective of the organization, employee experience is what is designed and created for employees, or put another way, it’s what the organization believes the employee reality should be like. This, of course, is a challenge and one we see in our everyday lives. Have you ever said or done something to a loved one or friend that was well intentioned yet was perceived as being rude or disrespectful? This is the same scenario we see play out between organizations and employees all the time. Just because the organization does something doesn’t mean the employees perceive it in the intended way. Naturally this causes problems not just in our personal lives but also at work.

You may have seen *The Truman Show*, a film about a man who is living in a world that was designed for him by an organization. His entire perceived world was constructed from a massive stage, and although he didn’t realize it, every action and event that took place was planned. Regardless of how hard the organization tried to keep Truman from leaving the world that was created for him, he eventually did break free. In some ways this is how our organizations operate. They tell us when we can work, what tools we should use, what to wear, when we can get promoted or learn something new, whom we can talk to, and when we can eat or take breaks. Not only that but they also control the environments

we work in and pretty much anything and everything else that happens within the walls of the organization. As an employee you have virtually no say in what happens for around 8 to 10 hours of your day. Although our organizations aren't exactly Truman-izing our lives, there are parallels that can be drawn here. So where does that leave us?

The ideal scenario is the overlap between the employee's reality and the organization's design of that employee reality. In other words, the organization designs or does something, and the employees perceive it in the intended way. This is possible because as you will see in the following chapters, employees actually help shape their experiences instead of simply having them designed by the organization (aka the Truman approach).

Taking that viewpoint, one can define employee experience as "the intersection of employee expectations, needs, and wants and the organizational design of those expectations, needs, and wants." You can see this in Figure 1.2 below.



**FIGURE 1.2 Employee Experience Design**

However, what resonates more with people is saying “designing an organization where people want to show up by focusing on the cultural, technological, and physical environments.” Phrasing it this way essentially encapsulates the entire relationship and journey that an employee experiences while interacting with an organization, but it also breaks it down a bit into three distinct environments, which makes it easier to understand than saying, “Employee experience is everything.”

One crucial thing to keep in mind is that employee experiences can't be created unless the organization knows its employees. The word *organization* is broadly used as a way to represent executives, managers, and the collective workforce. If you've ever booked a trip through a travel agent, you know that he or she spends an extensive amount of time getting to know who you are. That way he or she can plan a trip for you that is sure to give you a memorable experience. In the same way that travel agents truly know who their customers are, the organization must truly know who its workforce is. As you will see later in this book, that means not only leveraging people analytics but also having a team of leaders who have the capacity and the desire to connect with people on a truly individual and human level.

Experience is also subjective because human beings have emotions, different perceptions, attitudes, and behaviors. If we all behaved the same way and thought the same way, then it would be quite easy for organizations to design perfect employee experiences all the time for everyone. Of course, this is not the case. Does this mean that organizations should simply give up? Clearly not. As you will see in this book, employee experiences are made up of a specific set of environments and variables, and the leading organizations have invested considerable time and resources into making sure they are implemented properly. Every organization in the world has employees who have their own experiences. Whether you help create them or not, they still exist. Employee experience is simply too important and too key of a business differentiator simply to be left up to chance.

As I mentioned earlier, though, this employee experience design process isn't just done for employees; it's done with them. That's a very

important point to keep in mind because many organizations get stuck in the *design for* mentality, which kills their efforts.

The majority of this book will explore how to design and create employee experiences by building what I call the Experiential Organization. Let's define what this actually means:

An Experiential Organization (ExpO) is one that has been (re)designed to truly know its people and has mastered the art and science of creating a place where people want, not need, to show up to work. The Experiential Organization does this by creating a Reason for Being and by focusing on the physical, technological, and cultural environments.

From here on out we will take a deep dive into what these environments are, the variables that shape them, and how to go about creating an Experiential Organization that outperforms the competition.