

Evolution of the Concept Employee Experience Management: A Detailed Study

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Abstract:

Approach of the organizations relating to their employees must be reframed. A new way of thinking about human resource management is demanded by the new multigenerational work place. People management practices must be rebuilt by the experimental organization in accommodating multi-generational workplace. A very different approach can be produced by putting employees total experience at the center, beyond increasing perks or funifying the workplace to engaging the employees in the workplace. The idea of keeping employee experience as a central theme in strategy making has a positive impact on business performance in many ways. Exploring the concept of employee experience in the current HR context is the main purpose of this article. Top management in association with the new HR approach to set the tone and stage for a positive employee experience, not only increases employee satisfaction and productivity but also engages the multi-generational workforce, competitive advantage and sustainable growth. The scope for the further study could include quantitative testing of the developed design in addition to looking more in depth of the antecedents and consequences of a positive employee experience.

Key words: Employee Experience, Multi-Generational Workplace, Business Performance, Productivity, Positive Employee Experience

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I. Introduction:

Human resources is experiencing a massive shift. For years, organizations have relied on a single annual engagement survey to collect feedback from employees. These surveys have become a ritual for many companies, and a lucrative industry has sprung up around them. But after all these years, 81% of companies running engagement programs aren't enhancing or maximizing them. And the field of HR is catching on.

Jobs are evolving from a "get a paycheck" culture to a culture where employees want more from their work than a salary. Companies want that, too. In this market, winning companies like Google, LinkedIn, Apple, and Adobe have shifted their investment away from sporadic engagement programs onto a more holistic approach. These companies have realized it's time to stop looking at end results (engagement) and time to start looking at the day-to-day activities that will lead to the results they want—the overall Employee Experience¹. "Employee Engagement is one among the four key HR trends, as there is a Shift from Employee Engagement to Employee Experience".

In recent times employee first approach has gained more popularity. More dividends into the company account have experienced by the organizations, who believe in the popularity of the employee first approach. More likely employees put extra efforts to set the stake holders and the company in the first position, when they have share in the company profits. The constant change in today's workplace is witnessing the transition from physical space to digital realm. The efforts of the organization in recognizing the role of technology not only in automating the work but also in enhancing the employee experience are increasing.

The term employee experience is a sum of all interactions occurring between employees and the organization (Morgan, 2017). Three things influence these interactions namely, the physical space that employee uses every day, the culture of the organization and the tools and technology provided by the employer. Clear and straight forward relationship with the organization and employer is maintained by the employee decades ago. In the utility era workplace is covered with simple bare-boon tools, desk, chair, phone, computer and cubicles. The idea of hard work, optimal utilization of humans with repeatable actions are seen in production phase. The notion of hard work into smart work is changed in the era of engagement. How and why employees work for the organizations are focused more during this era. The idea of employee engagement is contributed by both practitioners and academicians. practitioners and academicians also confirmed that engaged employees are more productive, committed to the organization and stay happy and healthy. Many works convinced the researchers that the terms engagement and experience can be interchangeable. However, practitioners argue that, these two terms are not the same, but they can work together. Infact employee experience creates an engaged workforce.

Today's business environment is marked by several difficult challenges which need to be addressed by companies in order to successfully compete. First of all, the environment is continuously changing and is marked by increased volatility, uncertainty, complexity and ambiguity, known under the acronym VUCA. (Ulrich et al., 2017, ch. 1) Secondly, right now, there are up to four generations simultaneously at the workplace: Baby Boomers, Generation X, Generation Y and increasingly also members of Generation Z. Each generation has different needs, expectations and motivational drivers at the workplace which poses a huge challenge to leaders, managers and HR. (Grubb, 2016, pp. 3–11) Thirdly, the ongoing shift to

a service and knowledge economy increases the importance of talented, competent and skilled employees. This in turn exacerbates the war for talent even more. (Plaskoff, 2017, p. 136) Fourthly, the speed of digital transformation and new technologies created a gap between employee’s skills and the business requirements of their roles, which leads to digitalization and technologies to be another challenge. According to Ulrich et al. (2017, ch. 1) company leaders struggle most with HR-related topics when responding to these current challenges in the business environment. Their major challenges are to employ talented people, ensure effective leadership, manage change or transform the company culture. Thereby, these leaders recognize that Human Resource Management is highly critical to success and can decide over business success or failure, which makes it a strategic factor. One possible approach to fulfil the role of a strategic partner and addressing the external and internal challenges is the approach of Employee Experience. Employee Experience can possibly provide strategic solutions to today’s business challenges and therefore is currently much discussed.

Need for the Study:

“The world has changed. We now live in a global economy. Organizations are facing a more competitive environment as the advantages created by advances in technology, systems design, and communications have been fully leveraged by most companies. Competition for the best talent has also increased as employees have become more mobile and less loyal to their employers. But the best companies know that their employees drive their success and that by focusing on the employee experience management, a company can create a thriving organization that attracts and retains the best talent in order to out-perform the competition”.

“The growing influence of millennials and the increasing transparency catalyzed by the digitalization age, employees are expecting a more engaging and enjoyable work experience. This new focus will drive leaders to examine their employee journey map and optimize it much as customer experience teams do for customer journeys. As a result HR will continuously experiment with technology in the market such as pulse feedback tools, employee wellness apps, modern communication and productivity tools that will help facilitate the understanding and development of the employee experience. Hence it will be an exciting time to undertake a study on Employee Experience Practices in Indian IT Industry”.

Statement of the Problem:

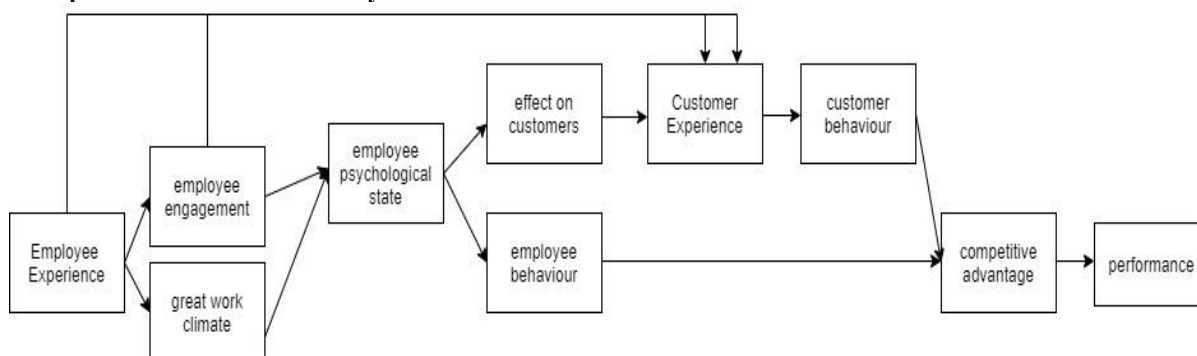
According to a global study by the research and advisory firm Gartner, in 2019 companies spent an average of \$2,420 per person on efforts to enhance the employee experience. To cite few examples flexible work policies, workplace redesigns, and learning and development opportunities are typically included in such initiatives. Organizations when they meet their workers’ experience expectations, the researchers found, boost in effort, productivity, and retention. Although these investments incrementally improve employee satisfaction and employee engagement, the cost to continue to meet employees’ ever-growing expectations is unsustainable. Also the ROI from such initiatives is disappointing: Only 13% of employees in the study reported being fully satisfied with their experience. 21% says meeting the expectations, 20% says partially meeting the expectations and 46% says not meeting the expectations. Caroline Walsh, a vice president in Gartner’s human resources practice says that Simply investing in these programs is not enough. The gap between the practice and theory of employee experience requires well researched strong historical understanding. Even though the topic Employee Experience gained notable attention in practice and by consultancies, the discussion in academia is not fundamentally established yet, hence only provides little information, insights and findings about the topic.

II. Research Methodology:

To examine the above questions, researcher consider the integrative literature review method because it is widely accepted method for summarizing research works around a concept (Chermack&Passmore, 2005) and also generates new knowledge about an emerging topic (Torraco,2005,p.356).

Employee experience is an emerging topic to be studied in different phases to understand and conceptualize. In the first phase, the study tries to review the available literature from all the relevant disciplines to define the term employee experience by identifying its core facets. In the second phase, the study critically reviews the empirical works conducted by consultants to list out the key drivers of positive employee experience. Further, the study tries to capture the influence of positive employee experience on key outcomes in the third phase. Finally, the last phase of the study proposes an employee experience design that highlights the core elements and sub-capabilities involved in it. The entire process is carried out based on secondary data gathered through survey reports and practitioner works.

Conceptual Framework of the Study:



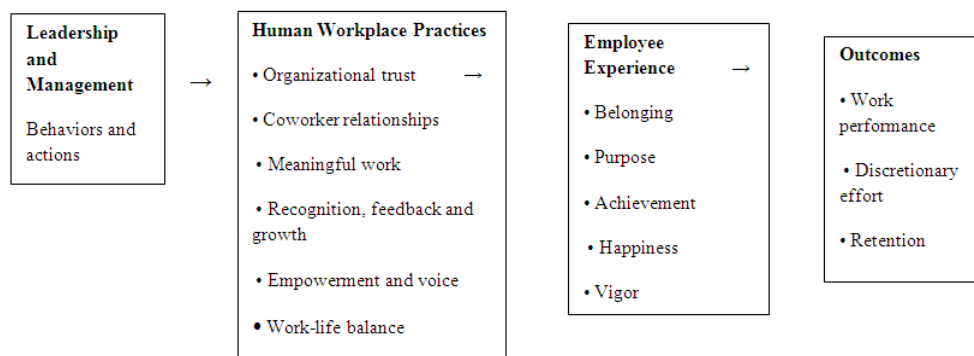
III. Literature Review:

Ideal Employee Experience Design in Today's Workplace

The concept of employee experience has been considered to be way ahead of employee engagement practices in the organisations, leading towards a purposive direction to achieve the highest level of employee engagement through an ultimate experience provided by the organization to its workforce. Employee experience was theorized based on customer experience management, which begins at the heart of an organization (Harris, 2007). Similar to the shift in the idea of marketing concepts from customer satisfaction to overall customer experience, organizations have to restructure the HR strategies and activities to enhance the overall employee experience. 'Experience' as a delivery model was first operationalized in the service industry and outcomes accounted led to rise in sales and financial performance. As a consequence, the service economy has been transformed into 'attention economy', emphasizing on creating customer experience through marketing strategies that grabbed their attention (Davenport & Beck, 2002), 'entertainment economy' focusing on creating unique experience through entertainment (Wolf, 1999), 'emotion economy' that aimed at creating an emotional connect with target customers to create a unique experience for them (Gobé & Zyman, 2001), and ultimately an 'experience economy' (Pine & Gilmore, 1999; Schmitt, 1999). Experiences are considered to be inherently personal, an outcome of one's feelings, belief, cognitive perception and emotions about inwardly directed external stimuli (Belk, 1975; Gardner, 1985; Hirschman & Holbrook, 1982; Zuckerman, 1971). Experiences that are targeted towards the actualization of specific needs or emotions result in higher loyalty and stronger bonding (Davenport & Beck, 2002; Gobé & Zyman, 2001; Pine & Gilmore, 1998, 1999; Reichheld, 1996; Schmitt, 1999). This is not only true for the customers but also to the employees. According to the Deloitte report 2017, earlier research in the fields of HR&OB, Industrial relations, psychology, psychometric and statistical—the notion of positive employee experience has become a new contract between employer and employee (Deloitte Global Human Capital Trends, 2017). The notion of employee experience is defined as—'A set of perceptions that employees have about their experiences at work in response to their interactions with the organization' (IBM and Globoforce, 2016, p.3). HR strategies like providing enriching workspaces, employee benefits, career planning and development, rewards and reinforcements and other employee engagement strategies facilitate in providing enduring experiences to the employees, resulting in an emotional bonding and stronger psychological contract formed between them. This ultimately results in higher motivation, job satisfaction, performance and retention. Employee experience can be defined as—the feelings, perceptions and emotions that an employee experiences through their involvement in work and with in the organizational environment, which provides them positive reinforcement to develop, contribute, engage and retain with in the organization for good.

Framework of drivers and outcomes of employee experience at work

A study undertaken by IBM Smarter workforce institute and Global human research institute has designed the following framework



Key Drivers of Employee Experience:

The holistic approach of employee experience helps the organizations to identify better workplace practices which in turn drives to the better and excellent customer experience by highlighting on their real needs. The notion of employee experience raises a question to the companies as to how companies can make sure about building strong customer experience without considering their internal customers as valuable resources. In practical Schmitt in the year 2003 stated that organizations fail to offer outstanding employee experience to their internal stake holders due to lack of clarity and unfamiliarity in identifying the employee's experiential needs and desires (pp.219). A study by Plaskoff (2017) summarized that employee experience is different from HRM and proposed six guiding principles on which organizations can build better employee experience—first, deeply understand employees and their needs; embrace expansive and holistic thinking; make the intangibles tangible; insist on radical participation; iterate and experiment; and finally trust and appreciate the process (pp.138-140).

IBM Smarter Workforce institute in their study (2017), the Employee Experience Index, a new global measure of a human workplace and its impact, mentioned the following Employee Experience Index measures:

1. Belonging – feeling part of a team, group or organization
2. Purpose – understanding why one's work matters
3. Achievement – a sense of accomplishment in the work that is done
4. Happiness – the pleasant feeling arising in and around work
5. Vigor – the presence of energy, enthusiasm and excitement at work

IBM Smarter Workforce institute in their study (2018), *The Financial Impact of a Positive Employee Experience*, stated that, human workplace is primarily characterized by opportunities for Meaningful work, Empowerment and voice, Feedback, recognition, and growth, Coworker relationships, Organizational trust and Work-life balance. Senior leadership and managers play crucial roles in creating many of those opportunities and ultimately ensuring a positive and supportive work environment. It is also mentioned that there is positive relationship between the employee experience and organizational financial outcomes. Specifically, it has found that organizations providing a positive employee experience outperform their cohorts three-fold for ROA and two-fold for ROS. These findings point to the importance of the employee experience in driving organizational efficiency and as an emerging source of sustained competitive advantage. Urmila Itam and Nitu Ghosh (2020) in their study *employee experience management: A new paradigm shift in HR thinking*, specified the following as drivers of employee experience.

1. Employees experiential needs and desires
2. Embrace holistic thinking
3. Radical participation
4. Experiment and iterate
5. Trust and appreciate the process
6. Make intangible experiences visible tangibly
7. Better workplace practices
8. Leadership and management practices

Katzmayr Miriam (2020), *Employee Experience as a New Strategic Approach to People Management to Enhance Competitiveness*, stated that as long as companies do not feel this need, the concept of Employee Experience is not able to unleash its full potential. Nevertheless, when companies recognise this demand due to external and internal pressure and proceed to consequently pursue an employee centric strategy by making Employee Experience the number one priority, they can develop their employees in a direction where the probability of them acting as a source of competitive advantage is incredibly high.

IV. Discussion and Conclusion:

While operating in a rewarding environment Employees appreciate being empowered and heard. Employee experience is the ultimate level of fulfilment that an employee can feel and derive from their interactions with work and work environment in the organization. It would invariably lead to the highest level of engagement, empowerment and commitment that an organization can ever think about leading to employee delight and customer delight. The purpose of this paper has been to explore the association between various drivers which help in enhancing the Employee experience at the workplace. More positive employee experiences are linked to better performance, extra effort at work, and lower turnover intentions. Key organizational practices that drive more positive employee experiences: organizational trust; coworker relationships; meaningful work; recognition, feedback and growth; empowerment and voice; and work-life balance. Successfully creating an outstanding Employee Experience provides several advantages, not only for the employees but also on the firm-level. Thus, it has potential to advance the total of human capital which in turn could represent a source of competitive advantage. Among them are improved profitability, employee engagement, customer satisfaction, employer brand, innovation and stock price. Authority and Empowerment, Collaboration, Communication, Corporate Social Responsibility, Customer Focus, Ethics, Growth and Development, Innovation, Living the values, Managing Change, Pay & Benefits, Performance & Accountability, Psychological Safety, Recognition, Resources, Respect, Role Fit, Safety, Strategic Alignment, Survey Follow up, Training, Trust in Leadership, Trust in Manager, Work-Life Balance and Work Process are the key drivers of employee experience. Furthermore, a positive Employee Experience improves the work environment and might enable a company to become an Employer of Choice.

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