



3 Things to Know About Employee Experience

By Jacob Morgan

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Employee experience is the latest trend taking over the world of HR. In fact, we've even seen new roles emerge around this trend, such as global chief employee experience officer or head of employee experience. But is this just a short-lived change in job titles and descriptions or is there something deeper going on here? My latest book, *The Employee Experience Advantage: How to Win the War for Talent by Giving Employees the Workspaces they Want, the Tools they Need, and a Culture they Can Celebrate* (<https://thefutureorganization.com/books/>) (Wiley, 2017), analyzes more than 250 global organizations to determine how they create environments that make people genuinely want to show up to work.

Here are the three things you need to know about employee experience:

Experience and Engagement Are Not the Same Thing

Over the past few decades, organizations have made considerable investments in employee engagement programs, yet scores remain at their lowest levels. Something doesn't make sense here. Unfortunately, employee engagement has become an adrenaline shot that most organizations use to temporarily boost scores. Usually, this is done in the form of perks such as free food, a new floor plan design and perhaps a work-from-home program. While these things are great, they don't achieve the intended results for either employees or the organization. Employee experience, on the other hand, involves a complete redesign of the organization that puts employees at the center. In other words, instead of trying to force people to fit into outdated workplace practices, organizations must redesign their workplace practices to fit with their people.

Experience Is a Combination of Three Factors

The good news is that there are only three things that shape all employee experiences at every organization around the world:

Culture

We have all heard of corporate culture and the many ways to describe it. Some say it's what happens when the manager leaves the room. Others say culture stems from the values, attitudes, practices and mission of the organization. Still others say culture is controlled by the CEO and other executives. Regardless of what you believe culture is or where it comes from, it is clear that culture is about feeling. It's the "vibe" you get when you walk in the door, and it's the mood and the tone that the workplace sets. It's the leadership style, the sense of purpose your employees feel, the organizational structure and the people that make up your organization. It's not written and it's not stated, yet it is one of the most important elements of creating and designing the employee experience. Typically, corporate culture is what energizes or drains us, motivates or discourages us, and empowers or suffocates us. We all experience the corporate culture of our organizations every single day, whether it be positive or negative.

Technology

The technological environment of the organization refers to the tools employees use to get work done. This includes everything from the internal social network to the mobile devices that employees have access to. This also includes any apps, software, e-learning tools, and user experience and design elements that impact how employees use these various tools. Technology is the central nervous system of an organization, and most concepts and themes related to the future of work are not possible without technology. Creating a great cultural environment requires having tools that focus on employees' needs instead of business requirements and making sure the tools are consumer grade.

Physical workspace

The physical workspace is the one we can see, touch, taste and smell. It's the art on the walls; the office floor plan; the demographics of the people we work with (old, young, diverse and so forth); and any physical perks workers might get, such as catered meals in a beautiful cafeteria, an onsite gym, or a lounge area where employees can unwind. Workplace flexibility, autonomy and access to multiple workspaces are variables that affect this environment.

Experience Brings Return on Investment—Lots of It

I analyzed business performance to see if there is a significant financial return for experiential organizations (those that scored highest in culture, technology and physical workspace). It turns out there is. Only 6 percent of the organizations I analyzed can be classified as experiential, but when compared to nonexperiential enterprises, they have four times higher average profits, two times higher average revenues, 40 percent lower turnover and 24 percent smaller head count. Their stock prices also outperformed the S&P 500 and the Nasdaq.

I absolutely believe that employee experience is the next big area of investment for organizations around the world and that the business impact is crystal clear.

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