

What Is Employee Experience and How Is It Different From Engagement?

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Like many things in life, it can be easier to first understand what is employee experience in relation to what it isn't.

Employee experience isn't a fancy perk like a flexible work policy. Employee experience isn't a benefits package full of attractive options for employees. Employee experience isn't an office with an open floor plan designed to promote more communication and collaboration. It is not any of those things in isolation, and yet it can encompass them all.

So what is employee experience?

Employee experience (sometimes shortened to just "EX") is an emerging business specialization focused on tracing how employees think and feel during every single touchpoint of their journey through the company. The end goal for employee experience experts (often but not always HR professionals) is to use that information to create positive and empowering employee-centric experiences every step of the way.

And yes, every step means *every* step, from before employees are formally employees to after they've become alumni of the organization. Recruiting, onboarding, training, talent development, performance feedback, advancement. Each stage cannot be ignored because the sum total of these experiences sets employees up for the successes that make them genuinely want to come to work.

Even retirement matters. Employee alumni can go on to become powerful advocates if they felt the company valued employee experience, providing employers a much needed competitive advantage for attracting top talent in the current skills shortage.

At first glance, mapping out each of these elements might feel equal parts ambitious and naive. But for decades now business leaders have applied the same rigorous focus towards understanding a different journey: the customer experience. No shortage of time, effort, and capital has been spent on things like focus groups, market research, and customer satisfaction surveys to determine how consumers think and feel about companies.

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What would happen if business leaders turned that focus inward?

A lot according to Jacob Morgan, one of the early champions of employee experience. In his book The Employee Experience Advantage, Morgan researched the efforts of organizations dedicated to improving employee experience. If the title of his book didn't clue you in, companies that go through this exercise have a distinct advantage over those that don't in several areas.

To give a few highlights, the best companies at EX were regularly featured on lists by Glassdoor, LinkedIn, Forbes, and Fast Company for being more in-demand, innovative, and a "best place to work." To back these claims up, Morgan found that on the whole these companies were four times more profitable and had twice the average revenue of less "experiential" competitors. They are also on average 25% smaller in size, which he says "suggests higher levels of productivity and innovation."

To tie it all together, he found that these companies were also listed twice as often in the American Customer Satisfaction Index, lending credence to the expression that the employee experience defines customer experience

But where, you might be wondering, does employee engagement come into play? After all, you can just as easily find data positioning employee engagement as the key differentiating factor in the customer experience.

In 2016, the Temkin Group found that companies creating successful customer experiences had one and a half times as many engaged employees than those that didn't. So in order to produce those results, does engagement need to be a separate focus from employee experience? Just what is employee experience in relation to employee engagement?

Engagement's limits help us understand employee experience

Business leaders are talking about employee engagement today because it's the latest in a long line of labels used to describe employee motivation and performance.

HOW DO WE DESCRIBE HUMAN MOTIVATION AND PERFORMANCE?



In the early 20th century, a more product-centric and industrial era, the focus was on making employees more efficient at creating goods and performing services. The focus shifted towards terms like morale, satisfaction, and commitment as more humane understandings of labor developed throughout the later 20th century. Notably, every single one of these metrics is still in use today in some fashion, signifying their value has not been lost in this progression.

When we finally arrived at the label of “employee engagement” in the 21st century, what made it different was that it more directly acknowledged that employees’ emotions and well-being impact their ability to “give it their all.” As our CEO Mark Sawyer observes, the path to long-lasting workplace engagement lies in fostering five core emotions: Trust, Altruism, Happiness, Belonging, and Achievement.

But employee engagement is also a tangible metric and KPI for many HR practitioners and other enterprise professionals. It is seldom measured without the explicit mandate that its “owners,” as it were, are responsible for raising scores and keeping them high (at least right now).

Here is where it can be easy to lose the forest for the trees. In pursuit of raising those scores, the emotional side of engagement gets lost. As Morgan notes for SHRM, business leaders tend to disregard these conditions in their engagement strategies, opting instead for short-term solutions to long-term problems.

“Unfortunately, employee engagement has become an adrenaline shot that most organizations use to temporarily boost scores,” Morgan writes. “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.”

Morgan notes that these practices are not without value, just that they fall short in their intended purpose for both employees and the organization. The issue comes from implementing these initiatives as ad-hoc fixes in an outdated organizational framework, rather than thinking about how they can work in concert to create a cohesive, employee-centric experience.

Forbes contributor Denise Lee Yohn notes this is the key distinguishing factor between engagement and employee experience. "Employee engagement—that is, employees' commitment to your company and their jobs—is the end goal while EX is the means to that end," she writes.

Engaged employees is what leaders want, but building a great employee experience is how they'll get them there. And if you're careful to avoid the pitfalls that Morgan discusses of leaning on one too many quick fixes, engagement can ostensibly be a measure of how well your employee experience efforts are doing. After all, nearly every ounce of research and conventional wisdom we have on engagement tells us engaged employees do not come out of environments where their experiences are exclusively negative.

Ultimately, though, there will always be elements of employee experience that cannot be contained in a single metric, or even measured at all. The most vital difference between engagement and employee experience is that the latter is holistic in nature. As Bonfyre's own Director of Employee Experience Rob Seay observes, employee experience does not stay contained at work.

"Most people talk about engagement within the walls of their company, but don't look much further beyond that," Seay says. "Employee experience crosses that threshold."

The memories and feelings employees have of their experiences with the company follow them home. They live with them long after they've left the company. In many ways, employee experience is every bit as important in defining a company's legacy as any deliberate culture-shaping actions taken by leaders. What experience do you want employees to have? 🔥