EMPLOYEE ENGAGEMENT

EMPLOYEE EXPERIENCE

A COMPARATIVE STUDY





Is Employee Experience the Future of Human Resources?

As everything about work changes, today's employers are being tasked with the job of attracting and retaining talent from a pool of workers who are increasingly mobile and remote. Innovative companies taking steps toward a new vision of the traditional role of human resources are paving the way for a more allencompassing concept known as the employee experience, which, much like the customer experience, aims to provide employees with positive touch points throughout all of their workplace interactions, something which has been proven to generate greater levels of enthusiasm, involvement, and employer brand commitment.

There's now solid evidence that the employee experience is fast becoming a full-blown phenomenon set to rival and reform longstanding approaches to the way organizations promote employee engagement. In the following pages, we will discuss some of the reasons behind this change, and we'll share some solid data quantifying the traction of the employee experience revolution. A Staffbase survey of LinkedIn members first conducted in May 2017 showed 3,011 people in companies with more than 200 employees who had either *employee engagement* or *employee experience* in their job titles. In 2017, there were more than two and a half times as many employees with *engagement* in their title versus those with the word *experience*. As of November 2019, the gap has closed to a mere 8% difference.



The Limits of Employee Engagement

Since the 1990s, organizations been preoccupied with the concept of employee engagement, which continues to drive an entire industry of study and analysis and have a massive influence on the way companies think about their employees. Yet, according to a 2016 Gallup poll, we're undergoing a worldwide employee engagement crisis.¹

It seems safe to conclude that measuring employee engagement isn't the same as improving it. Although employee experience and employee engagement are inextricably linked, it is abundantly clear that companies focused on engagement alone haven't completly understood the factors motivating it, employee experience chief among them.

1 http://www.gallup.com/businessjournal/188033/worldwide-employee-engagement-crisis.aspx

"While engagement is an important determinant of performance, performance is also affected by other factors—and sometimes those factors matter more than engagement."

"<u>The Dark Side of High Employee</u> <u>Engagement</u>," *Harvard Business Review*, August 16, 2016

The Rise of the Employee Experience

Certain forward-thinking companies have taken the lead in confronting the employee engagement crisis. Airbnb is perhaps the most well-known example, having in 2016 gone so far as to scrap their HR department in favor of one dedicated to the employee experience. While this change in practice has implications that are revolutionizing traditional people management thinking, one clear result can be seen in the proliferation of new job titles: Human Resource Managers becoming, for example, Chief Employment Experience Officers.

This obvious change provides an excellent opportunity to quantify the employee experience trend, simply by allowing for a comparative tally of professionals with *employee experience* in their job titles versus those still identified as working in *employee engagement*.

Staffbase examined these numbers from May 2017 to December 2018. What we discovered is that EX jobs are booming worldwide. "As I look ahead to the coming years, it's quite difficult to imagine a scenario in which an organization can thrive without focusing on employee experience."

—Jacob Morgan, *The Employee Experience Advantage*

EX Jobs Are Booming Worldwide

(Percentages represent rate of growth from 5/2017 to 11/2019)

Staffbase

Employee Engagement

Employee Experience

Australia



margins in India and the United Kingdom. However, the margin in the US, which favored *engagement* by a factor of 2.3 in May 2017, shrunk to just 1.2 by November 2019. In Australia, where *engagement* was favored by 1.5 in May of 2017, *experience* positions have now taken the lead, with a 2.1 advantage. Canada is the one country where *employee experience* had already gained significant traction in 2017, outweighing *employee engagement*, by nearly 11%. By November of 2019, that number had risen to 29.2%.

Employee Experience in the US

Employee Engagement

Focusing solely on the United States, more than twice as many professionals had *employee engagement* in their job titles as of May 2017, outnumbering *employee experience* 1,278 to 561. But by November 2019, the difference had decreased to less than a quarter: 2,398 to 1,866.

2,398 1,866 240% growth **Employee Experience** in number of EX jobs since May 2017

Employee Experience in Your Title Might Be Better for Your Career

Looking at career level in 2017, the differences were almost identical from entry to executive levels. The majority of Employee Experience workers were found at trend appears to be rising through the ranks, with the senior level, although they were still outnumbered by 9%.

At the managerial level, however, employee experience beat *employee engagement* by a margin of 11%. The *experience* employees at the director level holding a 14% to 13% advantage over *engagement*.





Company size seemed to have no real bearing on the difference in the two categories, with differences between 1% and 4%, although the type of company under scrutiny revealed some interesting contrasts: Nonprofits, educational institutions, and government agencies had no more than 11% of the total number of employees in either category (compared to a 54% to 51% experience/engagement split in publicly held companies), likely revealing that these institutions have been slow to adopt practices in either category.

EX: Where It's At

In 2017, San Francisco and New York were the top two locations for people with *employee experience* titles, counting 82 and 78 professionals respectively. By November 2019, those numbers had more than doubled to 216 and 230. These two cities are the clear employee experience capitals of the US.

New York

195% rise in people with *employee experience* in their job title in less than three years.



Employee Experience: The Future Is Now

From May 2017 to November 2019, employee experience professionals have grown in number by an astounding 240%. These numbers are a definite indication that the title of Employee Experience Manager is no longer just a trendy euphemism for someone doing the same old work of HR. Instead, they are the ones leading the way in using broad new strategies that make the difference by reimagining how people can work better, happier, and more productively fostering greater levels of employee engagement, enthusiasm, involvement, retention, and employer brand commitment.

Just one look at the top twenty companies on the Employee Experience Index² should be ample proof that employers taking steps to create positive physical, cultural, and technological environments for their employees are leading the way to a new understanding of the changing nature of work and how it relates to the ways we now live our lives.

² http://thefutureorganization.com/employee-experience-index/



The Staffbase Employee Experience Platform

Today's forward-thinking organizations care deeply about optimizing the employee experience in order to attract, retain, and engage the best talent, not to mention contributing to the bottom line.

Having face-to-face conversations with all of your people at all the critical moments is easy when you have 10 employees, but not when you have 10,000. The Staffbase employee experience platform provides a digital open door, making it easy to communicate with your people at scale and enabling targeted interactions that let you understand each employee's unique experience.

The Staffbase app makes the process of employee feedback personal by delivering measured insights to those who can make the biggest impact. Access to real-time, dynamic dashboards with actionable analytics lets managers make improvements to the experiences of the people with whom they work closest. By automatically surfacing insights, the app drives actions that produce outcomes—and it can even integrate the digital tools you use to carry them out.

Staffbase makes a world-class employee experience platform accessible to everyone throughout your organization. This is technology for today's workplace, used by leading organizations worldwide.



Today we announced the opening of our new offices and the rollout of the world's first Employee Experience Platform.

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Communication Makes the Difference

The Mobile App at the Heart of the Employee Experience









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GUIDE 2

The Return on Investment of an Employee App





- ✓ Reduce turnover by 25–65%
- ✓ Cut costs of social media efforts by 90%
- Reduce risk to save costs on annual illnesses and injuries by 31%
- Reduce revenue lost to change-related stress by 41.2%
- Boost revenue 5% per fifteen percent reduction in wasted time

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