

The State of Employee Engagement and Experience 2020

Today's employees seek
belonging, inspiration, and
growth



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Executive Summary

Things have sped up in the workplace. This is due to a range of issues such as the raging war for talent, the quest for better business performance, and the kind of technological advancements that change the way we do business, often to a disruptive extent. Amid this turbulent landscape, many employees are burned out, disengaged and struggling for work-life balance. All these factors require us to take a fresh look at how people experience work.

To gain a deeper understanding of how employee engagement and experience interact, HR.com conducted a survey-based research study. The areas we investigate in this study include:

- The factors that differentiate employee experience from employee engagement
- Attitudes and perceptions employees have about their current workplace experiences from HR's perspective
- The most crucial attributes associated with an increase in the quality of employee experience
- The HR/Talent Management systems that appear to have the greatest impact on enhancing the quality of employee experience
- The top organizational barriers to creating a more positive employee experience
- Where functional accountability for creating and nurturing employee experience lie in the organizations
- Key metrics or indicators used to gauge the quality of experiences
- How organizations making progress with experience initiatives differ from those doing less well

About this Survey

The State of Employee/ Human Experience ran from November 2019 to January 2020.

We gathered 273 full and partial responses from HR professionals from virtually every industry. Participants are from organizations of various sizes, ranging from under 500 employees to more than 20,000. Participants are from all over the world but primarily located in North America, especially the United States.

The majority of respondents come from organizations that we have labelled midsized (100-999 employees) and large (1000+ employees).

Below are major findings from the research

A little less than half say employee experience is good in their organizations. Just 47% of HR professionals feel the same way about employee experience.

Employee experience is “owned” by multiple stakeholders. When asked who has responsibility for employee experience, more than half say senior leadership, HR, immediate supervisors and employees themselves. Our view is that employee interactions touch multiple stakeholders, all of whom must take a high degree of ownership.

Sense of belonging and work inspiration are the two most positive employee feelings about work. Just over 60% agree/strongly agree they have both a sense of belonging and are inspired by their work. These are two key indicators of the quality of experiences. However, only 48% feel their employees are empowered.

The ability to grow and a positive work culture top the list of factors positively impacting employee experience. About half of HR professionals indicate that personal growth and a culture free of toxic behaviors are essential to creating positive experiences. These two factors are followed closely by trust. Every interaction a leader has with their team and other constituents shapes both positive and negative experiences.

Defining Employee Experience

The following definition was used for the purpose of this survey and study:

"The overall experience that employees have with their employers. This experience is influenced by every interaction employees have with their organizations, from their first contact as a potential recruit to their final interactions with the organization, whether as an employee or former employee."

Learning initiatives are critical to a more positive employee experience. Employees are the beneficiaries of their organizations' talent systems, so those systems can play a key role in driving better experiences. When asked which systems impact employee experience, the top three are career development, learning and development (L&D), and manager/leadership development. All three can support an employee's desire to grow.

Budget constraints and lack of senior leadership support are the most prevalent organizational barriers to better employee experiences. Sixty-percent indicate that a limited budget gets in the way of designing better experiences, and 48% indicate that lack of senior support is a key barrier. On one hand, both are critical ingredients to a successful experience redesign initiative. On the other hand, our research suggests these two factors often appear as top HR "excuses" for a failure to succeed in many areas. At the end of the day, it's part of HR's job to convince leaders of the importance of the employee experience.

A variety of metrics are used to gauge employee experience. Just over 70% of HR professionals identify retention and turnover data as the top indicators of employee experience. Other common indicators include exit/stay interviews (52%) and employee feedback (47%), respectively. More attention needs to be paid to lead indicators such as belonging, sense of purpose, and the effectiveness of talent management systems.



As organizations grow in size, everyone begins to feel like a number. The connectivity and vibration of being human is getting lost. HR is not looking at EQ. They are too focused on process, software and technology and not enough on people

~ **Juan Luis Betancourt**,
CEO, Humantelligence



There is a high cost of workplace loneliness, of employers not feeling connected to their organization. People need to feel connected not only with the work they do but with others in any environment, anywhere in the world. That is what human experience is all about.

~ **Theresa Harkins-Schulz**,
Senior VP, Customer Experience,
Inspirus/Sodexo



A Snapshot of Employee Engagement and Experience

The presumed relationship between employee engagement and business performance is not a new theory. The origins of employee engagement, for example, date to the early 90's. Since then, engagement has become an established concept and practice in most organizations. An impressive volume of research continues to show a link between high workforce engagement and a host of other HR and business metrics.

Despite our collective efforts to ratchet up engagement, however, progress has been alarmingly slow. Our *State of Employee Engagement 2019*¹ study found, for example, that only 44% of HR professionals agree their employees give a discretionary effort at work. Many believe that, to make true progress in the areas of engagement and performance, it's important to look past previous paradigms at the entire experience of people within a business context. This study takes that broader view with an eye to determining the state of employee engagement and experience in today's organizations (see page 4 for how we have defined employee experience).



¹ HR.com. (2019). *The State of Employee Engagement in 2019*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/hrcom-employee-engagement-may-2019-research_jwb9ckus.html

Rating Employee Experience Today

Finding: Only about half (47%) of HR professionals say employee experiences are good or excellent in their organizations

Respondents were asked to rate the employee experiences in their organizations. A little fewer than half (47%) assign a rating of good or excellent in their organizations, while another 37% give their organizations a grade of “average” when it comes to employee experience.

On one hand, these findings are encouraging because so many organizations believe employee experience is literally above average in their organizations. Whether some HR professionals are overly optimistic or not, the data does suggest a large proportion have a good feeling about employee experience in their organizations.

On the other hand, only 11% of HR professionals rate employee experience as “excellent,” suggesting HR professionals envision their organizations doing better in this area than they currently are.



Employee Experience Ownership

Finding: Employee experiences are a shared responsibility

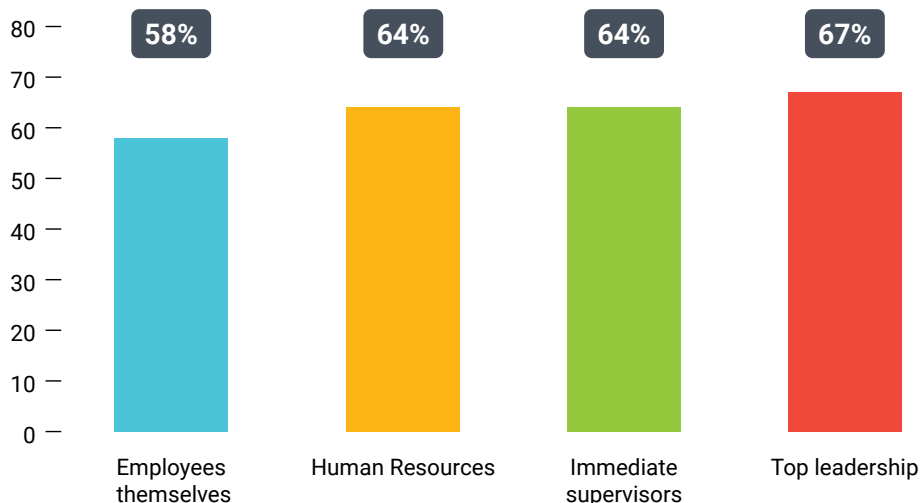
There are many organizational initiatives that are owned by a single role or function. But ownership of employee experience will fail unless it is viewed as a cross-functional endeavor. Employees need to be viewed as the end recipients of experiences. There are many actions they can take on an individual level to improve their workplace experience and should also be at the center of any experience-improvement effort. As we will share in a later finding, HR is a major player in designing and implementing talent systems that can bolster everyday employee experiences. Multiple functional players such as Information Technology (IT) and Facilities will also impact experiences.

Above all, senior leaders need to be both committed and involved from Day One. In the figure below, it is clear that our respondents support our premise. As HR professionals, they feel that the ownership for employee experience should be shared with all major stakeholders. Top leadership, HR, and immediate supervisors are selected most frequently by over 60%. And over half indicate that employees themselves must also take responsibility for their own experiences.



Survey Question: To what degree are the following groups responsible for the employee experience in your organization?

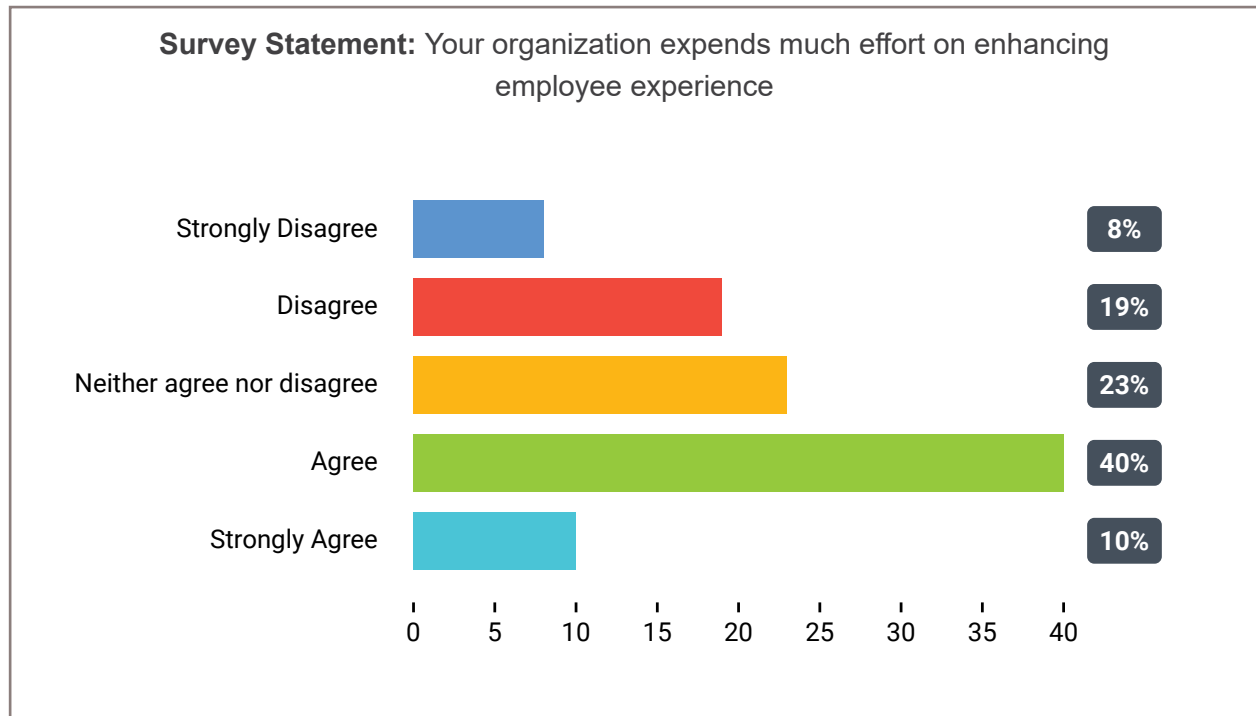
Percent high/very high



Factors Hindering or Facilitating Improved Experiences

Finding: Only half of organizations expend much effort on enhancing employee experience

We believe that improving employee experience requires a conscious and sustained effort by businesses. However, only half of respondents agree or strongly agree that their organizations invest "much effort" in this area. To bolster employee experience, organizations should consider the many ways that employees interact with organizational systems, policies and other people.



Finding: The ability to grow is viewed as the top issue affecting employee experience

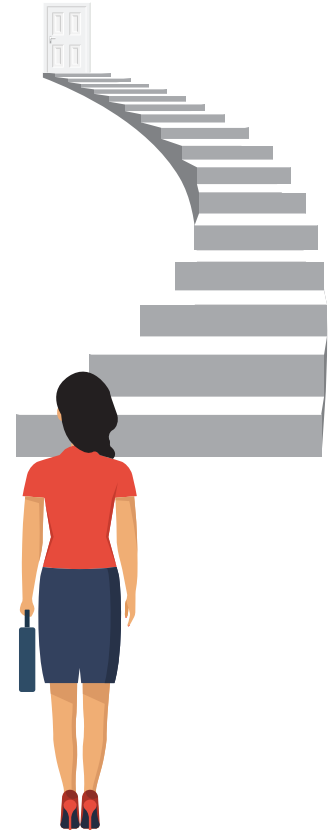
When asked to indicate the top four issues impacting employee experience, half (51%) of HR professionals pointed to the ability to grow within the organization as the most important. This requires organizations to prioritize continual learning as part of their corporate culture. This type of culture provides formal and informal learning opportunities for both current and future jobs, and clear career paths are available for every employee.

Unfortunately, relatively few organizations have strong career development programs. In fact, only about a quarter of organizations have top-notch career development programs, according to HR.com's [Accelerating Career Development](#)² report. That same report also found that only 30% of HR professionals agree or strongly agree that their employees were satisfied with career development.

The three other most widely cited factors affecting employee experience are:

- a positive culture with no or few toxic behaviors,
- trust in leaders, and
- having a voice that's listened to.

These are also areas of concern for many organizations. Another HR.com report, [Preventing Toxic Workplaces](#)³, found that only about half (48%) of HR professionals agree that their organization is “positive and non-toxic,” whereas 54% agree that negative stress is prevalent in their workplaces. What's more, a recent HR.com study of culture—[Creating Great Corporate Cultures](#)⁴—found only one in three HR professionals feel they do a good job at managing their culture.



² HR.com. (2018). *Accelerating Career Development*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/bamboohr-accelerating-career-development-jun2018_jixw5fv0.html

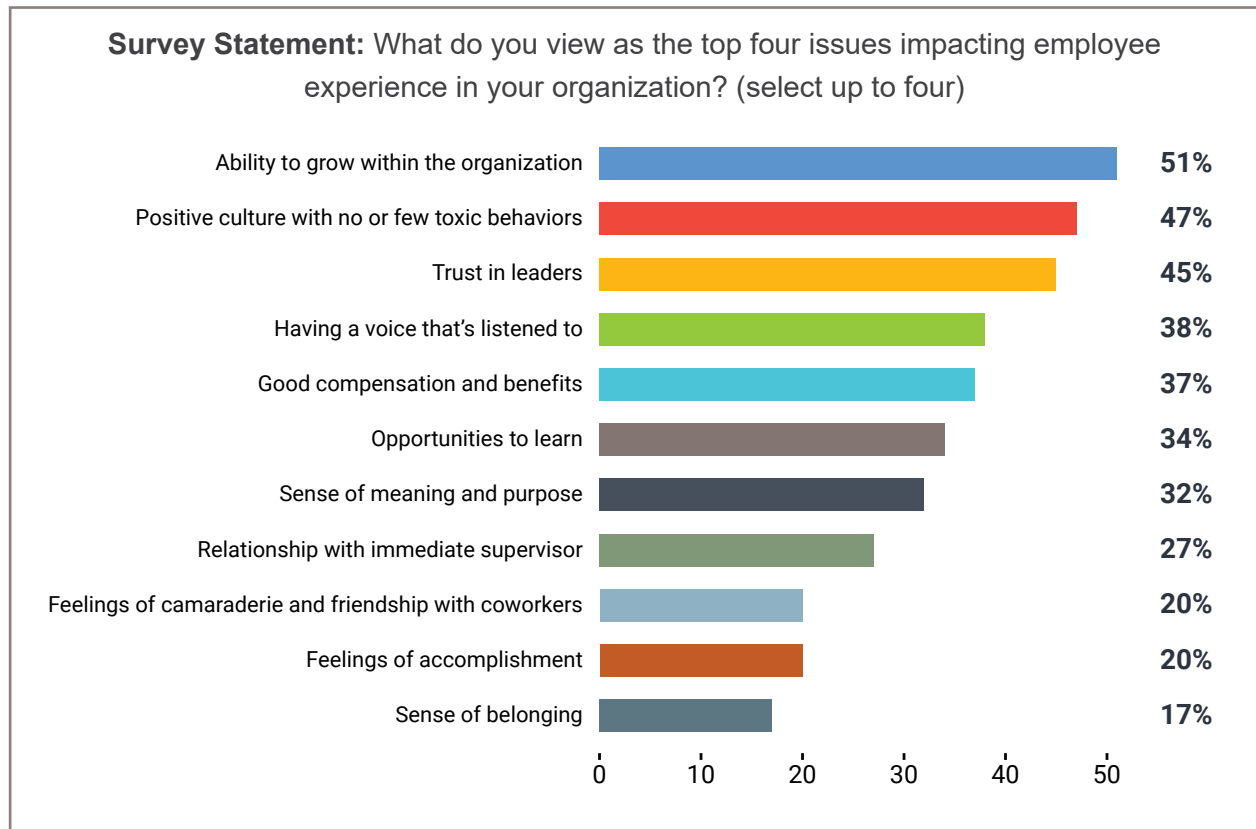
³ HR.com. (2019). *Preventing Toxic Workplaces*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/hrcom-preventing-toxic-workplaces-2019-research_k2nrdqt2.html?s=bdGihAwbTdOGrQqS

⁴ HR.com. (2019). *Creating Great Corporate Cultures*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/hrcom-corporate-culture-sep-2019-research_k0ed1mv9.html

Trust in leadership is also linked to cultural problems. Another HR.com study, [The State of Employee Engagement](#),⁵ found that 81% consider trust in leaders to be the most important factor impacting employee engagement, followed closely by an employee's immediate relationship with their supervisor. However, only 29% of all HR professionals say their organizations have leaders who prioritize engagement.

The fourth most highly rated factor—having a voice that’s listened to—may be another area of concern in today’s organizations. HR.com’s research on engagement shows that many of today’s leaders tend to lack good employee listening skills.

These top four issues do not mean the other ones in the figure below are unimportant. Respondents were asked to choose only the top four. We believe that everyone plays a key role in maximizing employee experience.



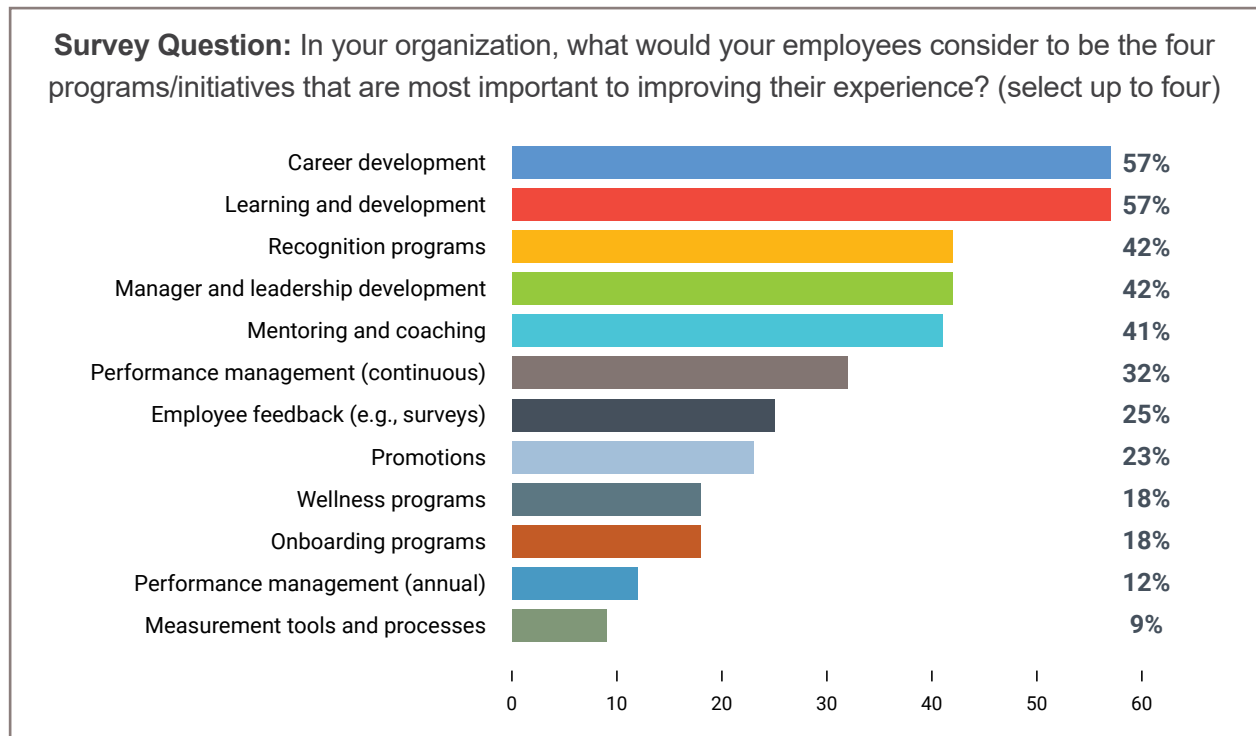
⁵ HR.com. (2019). *The State of Employee Engagement in 2019*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/hrcom-employee-engagement-may-2019-research_jwb9ckus.html

Finding: Again, career growth and learning stand out as initiatives important for improving employee experience

We also asked HR professionals to put themselves in the shoes of their employees, asking them what programs are most likely to improve experience. Again, career development floats to the top of the list along with the related issue of learning and development, both at 57%.

Recognition programs as well as leadership development are the next two most critical issues. Leadership development is, of course, an experience enhancer for leaders themselves. But leaders interact with multiple stakeholders every day. And, the quality of these interactions will cumulatively impact the perception stakeholders have of your organization.

Unfortunately, as noted before, most organizations do not excel in the areas of career development or leadership effectiveness. These are areas in which HR must play a role, boosting the success of such initiatives. HR plays a key role in designing and implementing talent systems that affect employees throughout their entire careers. From onboarding to retirement, and everything in between, these systems are powerful shapers of employee experience.

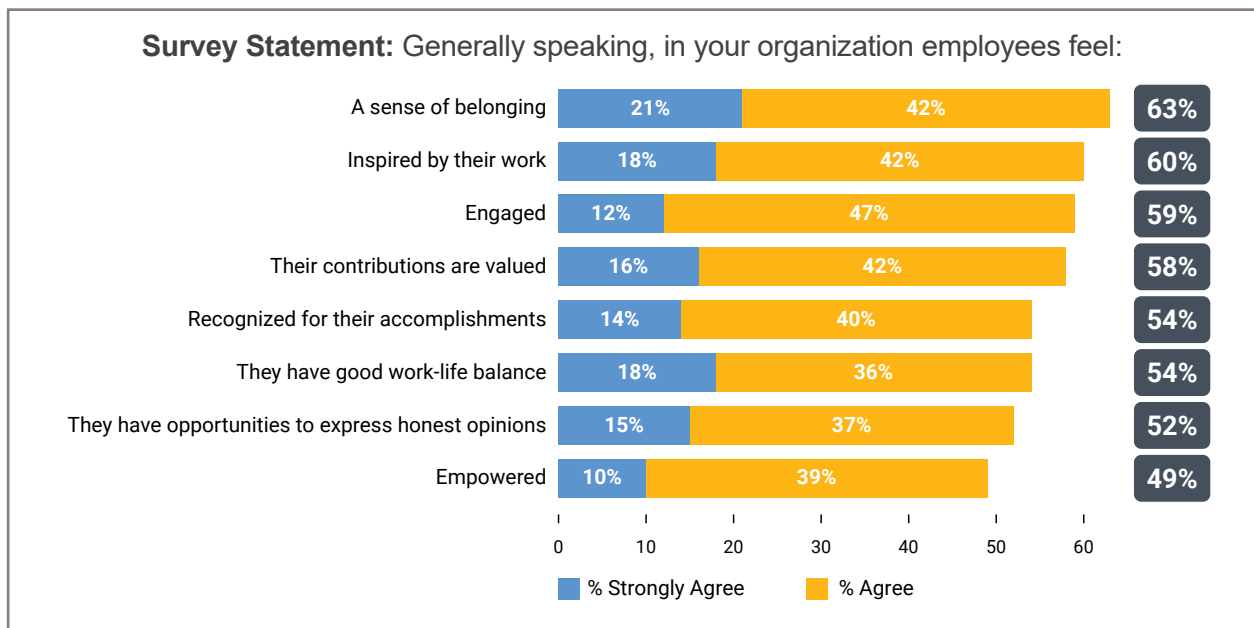


Finding: Most say their employees feel a sense of belonging, but only around half say employees feel empowered

We identified eight macro factors that are associated with better experiences. Respondents were asked to indicate, on a five-point scale, the degree to which each factor represents their employees' feelings. HR professionals were most likely to agree or strongly agree that employees have a "sense of belonging" and are "inspired by work," at 63% and 60%, respectively. Although we view these findings as encouraging, we should note that relatively few—21% and 18%, respectively—strongly agree their employees share those feelings.

We believe most employees want to feel they belong and are inspired at work. They yearn for their work to be more than just a job, and some companies want this sense of employee inspiration to influence customers as well. For example, Jet Blue states its purpose is to "inspire humanity both in the air and on the ground."

An area of greater concern is a lack of empowerment in many organizations. Just 49% agree that employees feel empowered. This is especially critical in today's networked, flatter organizations. Employees' access to information in real time often puts them in a better position to make everyday decisions than their leaders. A lack of empowerment sends a very strong message to employees that "we don't trust you."



Finding: Budget constraints and leadership support are the top two barriers to improving employee experience

Sixty-percent of responding HR professionals consider a lack of budget to be the biggest barrier to improving employee experience. Another 48% choose insufficient support from senior management.



There are two sides to these findings. Undoubtedly, both barriers are real as competing priorities vie for resources and leadership attention. Improving workplace experiences can take considerable effort and is not the easiest of concepts for senior managers to wrap their heads around. On the other hand, additional HR.com research finds that HR professionals often cite these same two factors as the primary barriers to their success. So, are these genuine barriers or standard excuses? The truth likely lies in between. Note that about a quarter of respondents say that there is a “lack of good ways to measure it.” After all, it is a very broad concept, and taking the measure of employee experience can indeed be difficult.

One piece of good news is that few say that there’s “no clear business case for it.” Most seem to believe that there’s a solid business case to be made for boosting employee experience.

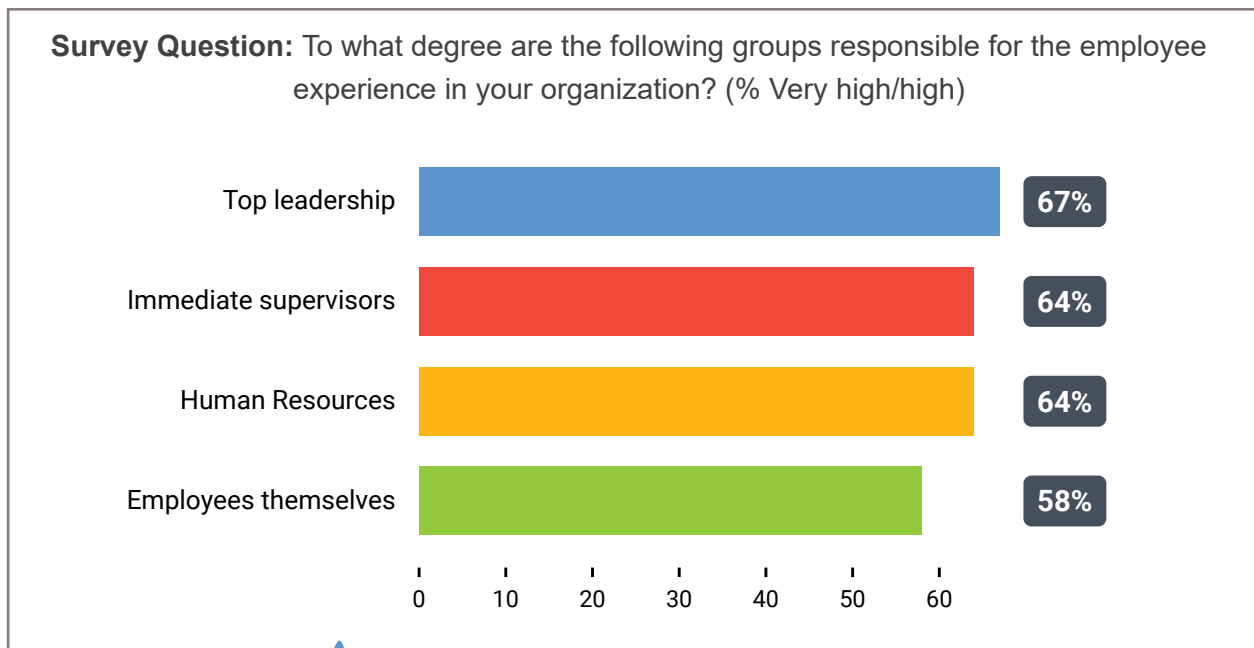


Finding: Top leaders are most widely viewed as having a high level of responsibility for employee experience

About two-thirds of respondents (67%) view top leadership as having a high level of responsibility for employee experience. This makes sense since they tend to have the greatest control over the establishment of overall policies, practices, norms, and work environment.

However, respondents are nearly as likely to choose immediate supervisors and Human Resources as having a high level of responsibility for experience (64% each). Immediate supervisors exert more direct control over the experiences of employees, and HR professionals are largely responsible for experience-shaping issues such as compensation, benefits, L&D, wellness programs and more.

Fewer believe that employees themselves are highly responsible (58%), but it's clear that many respondents see more than one group as highly responsible for experience. In short, HR professionals often view experience-enhancement as a shared responsibility.



In every case, over half of HR professionals view these groups as responsible for employee experience

Differences Between Engagement and Experience

Finding: Most see clear differences between what constitutes employee engagement and employee experience

Well over half of respondents associate two statements with engagement: “employees’ willingness to give their best at work” and “employees’ commitment to the organization and its objectives.” We agree that, out of the four statements we asked about, these two are most correctly associated with engagement.

The other two statements—the “sum of employee interactions with and feeling about their employers” and “all the encounters that employees have at work with colleagues, leaders, customers and others”—are much more associated with employee experience. Again, we agree with this assessment.

But would HR professionals be as able to reach these conclusions without the prompts from the questions? We are not so sure. After all, these two concepts are related. Both employee experience and engagement can be viewed as essential ingredients to organizational success. Being engaged or disengaged is one aspect of the employee experience, and is influenced by factors such as development, culture and leadership.

Some might argue that the approaches are different. Engagement initiatives are often conceived as top-down. The organization measures several engagement facets, then works on fixing the problem areas.

In contrast, experience-enhancement initiatives start by identifying all the critical touch points an employee has with systems and other people during a typical career and then works closely with employees to optimize each of these touch points. Although boosting employee experience can become a top management goal, making experiences better is not done *to* employees. Rather, it must be guided *by* employees.

Survey Question: Of the items below, which do you associate with employee experience and which do you associate with employee engagement? (select whichever one you think best applies)



Measuring Employee Experience

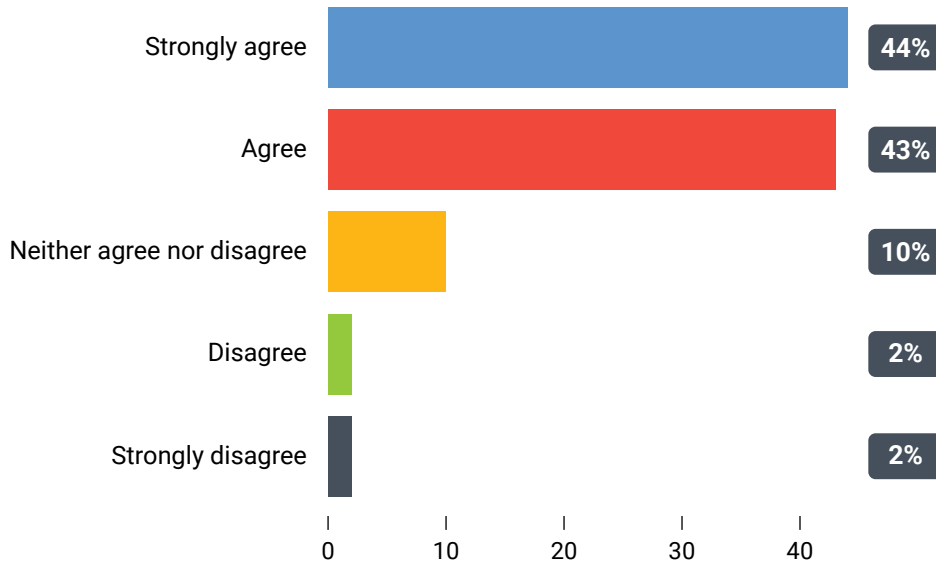
Finding: Most agree that better experiences start with better measurement

The large majority (87%) of HR professionals agree that measurement is key to improving employee experience. Considering metrics helps those responsible for improving experience to zero in on the most troubling gaps and to capitalize on areas of strength.

But this doesn't mean that they know the best ways of measuring experience. After all, as noted earlier, about a quarter of respondents report that a lack of good measurement is a barrier to improving experiences.



Survey statement: Being able to measure employee experience is essential to being able to improve it:



Finding: Turnover and retention rates are the most prevalent indicators of employee experience

So, how are organizations measuring—or at least trying to measure—experience?

Seventy-one percent select “turnover and retention rates” as an indicator of employee experience, and 52% use “exit and stay interviews.” Other indicators selected by more than 30% of respondents include employee feedback, customer service, performance/productivity data, and absenteeism.

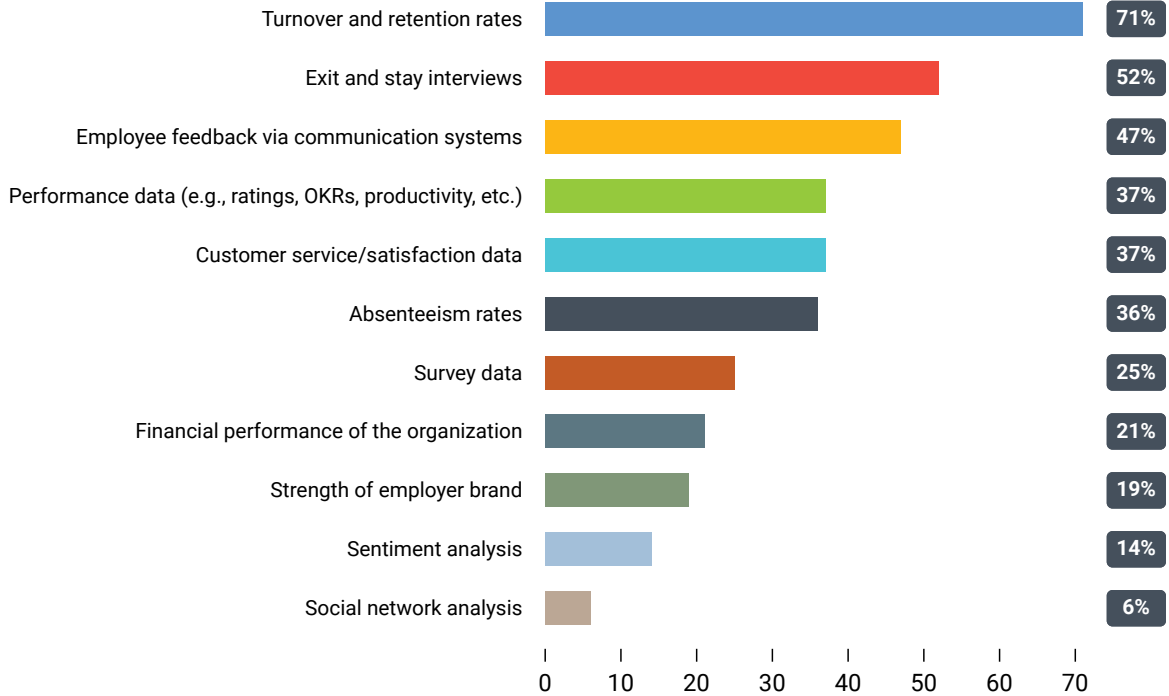
Many of these are, of course, lagging indicators. While not unimportant, they are only able to paint a partial picture. For example, what are the specific aspects of employee experience that might be driving high turnover? Poor leadership? Insufficient rewards? Little opportunity for advancement?

We believe that organizations should try to develop leading indicators as well, metrics that are more proactive than reactive. The regular gathering and analysis of employee feedback can be viewed as a more proactive strategy, along with performance and survey data. Sentiment analysis, which examines text via email and other communications, identifies and extracts subjective information and can be used to gauge experience, but it is used by few organizations.

In addition, companies can take a close look at every HR system to see how it positively or negatively impacts experience. For example, one organization shared a story that their selection process was so onerous that many attractive candidates were going elsewhere (first impressions are lasting ones).

HR professionals are fairly optimistic about the future of experience metrics, with 44% feeling there will be better ways of measuring experiences over the next three years.

Survey Question: What do you view as the top four measurable indicators of the employee experience in your organization? (select up four)



Differences Between Experience Leaders and Laggards

For this report, we conducted various analyses to gain insights into which practices are most widely used by organizations that successfully manage employee experience. We divided our sample into two groups:

Experience leaders: These represent respondents who indicate their organization is good or excellent at managing employee experience.

Experience laggards: These represent respondents who indicate their organization is average, below average, or poor at managing employee experience.

We highlight what the experience leader group does differently than the experience laggard group. These findings are correlational so we cannot conclusively say that any given practice leads to better results, but we think the findings are suggestive about what might enhance human and employee experience.

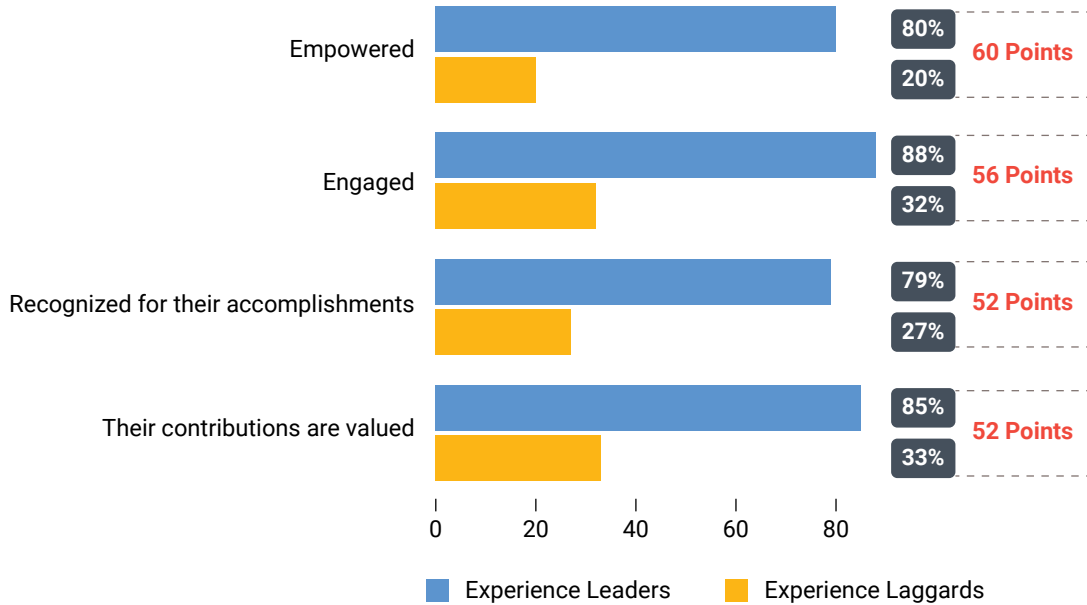
Finding: Employees among experience leaders are far more likely to feel empowered and engaged

Organizations that report high levels of employee experience are far more likely to report that their employees have stronger positive feelings in all eight categories. The largest percentage point differences are in the areas of employee empowerment and engagement. Whereas 88% of experience leaders say employees are engaged, the same is true for just 32% of laggards. Similarly, whereas 80% of experience leaders say employees are empowered, the same is true for just 20% of laggards.

Experience leaders not only have much more engaged and empowered employees, those employees are also more likely to be recognized and feel their contributions are valued. We think it's likely that employees at experience leader organizations are more likely to be empowered to make important decisions and are then recognized for their accomplishments, leading to better engagement and an enhanced overall experience.

Survey statement: Generally speaking, employees in your organization employees feel:

Percent Agree/Strongly



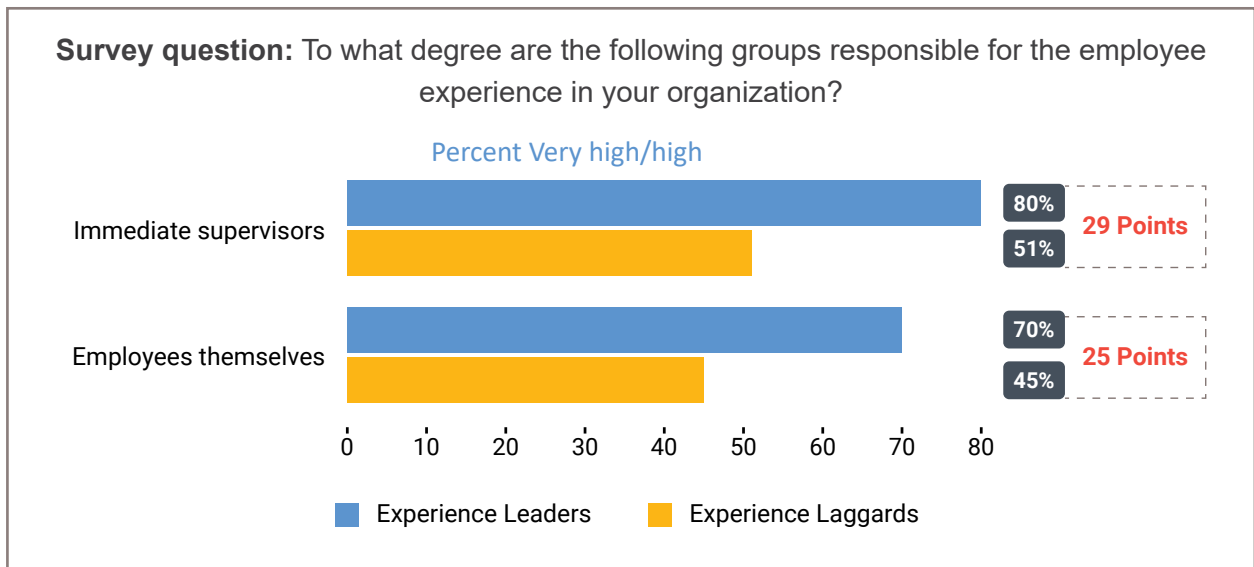
Finding: Experience leaders are more likely to share responsibility for employee experience

Compared to experience laggards, experience leaders are more likely to assign responsibility to all four of the groups provided in the survey question: top leaders, immediate supervisors, HR, and employees themselves.

However, the largest differences were in two areas: immediate supervisors (29 percentage point difference) and employees themselves (25 percentage point difference). Why do experience laggards assign so much less responsibility to immediate supervisors? After all, previous research has often found that immediate supervisors are crucial to employee engagement.

Perhaps many experience laggard companies consider immediate supervisors in charge of scheduling, performance improvement, and meeting goals rather than enhancing employee experience. Laggards more likely to say that top leaders and HR are responsible for employee experience, whereas experience leaders are most likely to say immediate supervisors are responsible (followed closely by top leaders).

We believe that successful ownership of experiences needs to be shared with employees as well. After all, employees have a huge impact on one another’s experiences in the workplace, and culture helps mediate those relationships. More than with many other workplace initiatives, employees must play a central role as they are the primary “consumers” of their experiences.



Finding: Experience leaders are more likely to view learning opportunities as key to employee experience

Leaders and laggards are similar to one another in terms of their views of the top issues impacting employee experience, but there is one area that stands out as a difference: “opportunities to learn.” Experience leaders seem to place an emphasis on giving employees chances to learn new things. This can, of course, make a difference in experience. In many ways, humans are programmed to enjoy learning from the time they are born. Without such internal motivation, it would be difficult for people to master anything as difficult as human language. So, providing opportunities to learn can be viewed as one of the most important keys to the employee experience.

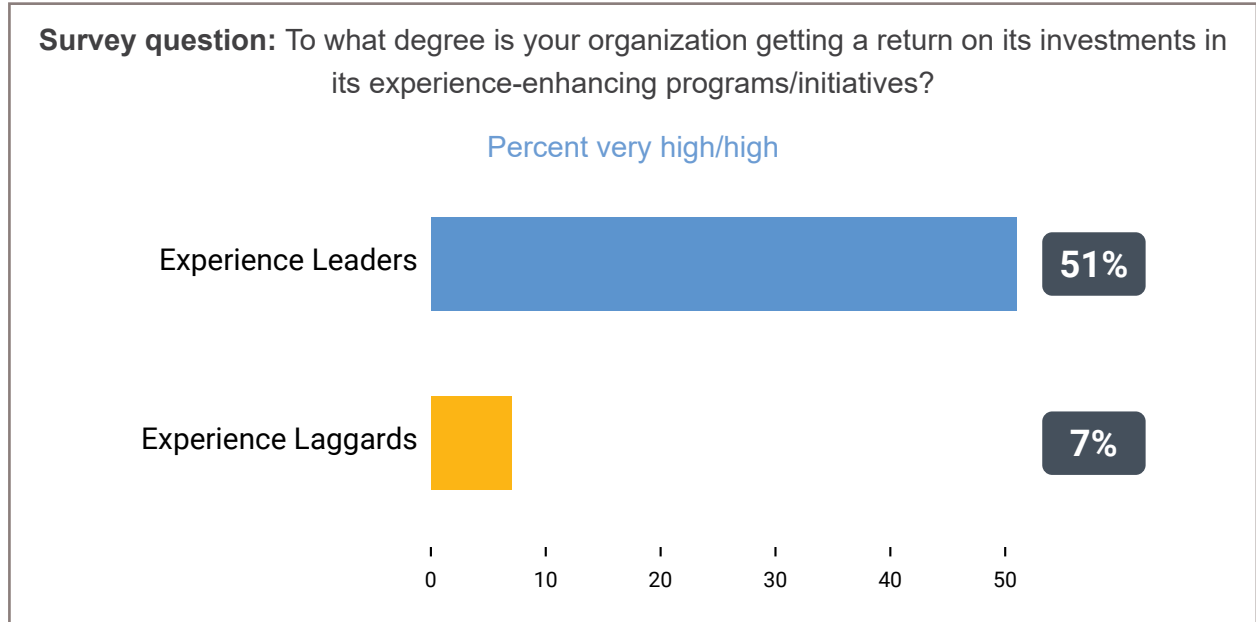


Survey question: What do you view as the top issues impacting employee experience in your organization?

Top Five Issues Impacting Employee Experience in Your Organization		
Rank	Experience Leaders	Experience Laggards
1	Ability to grow within the organization	Ability to grow within the organization
2	Positive culture with no or few toxic behaviors	Positive culture with no or few toxic behaviors
3	Opportunities to learn	Trust in leaders
4	Good compensation and benefits	Good compensation and benefits
5	Trust in leaders	Having a voice that’s listened to

Finding: Experience leaders are much more likely to report ROI based on their investments in experience-enhancing programs

The experience leader groups report far higher payoffs from their experience-enhancement efforts. About half (51%) indicate they enjoy a high or very high ROI from their experience enhancements. This drops to just 7% for the laggard group! What's more, the "rich" expect to get richer in the near future. Fully 74% of the leader group expects experiences to improve over the next three years, compared to 47% for the laggard group.





Key Takeaways

Following are various strategies and practices that may help HR professionals and others increase the quality of human and employee experience in their organizations.

1

Drive from top, own from bottom

As with most major organizational efforts, some employee experiences must be driven by top leaders from multiple functions. The senior team must be 100% behind efforts to enhance experiences and believe those efforts will lead to a competitive advantage. Yet, no one single function can be entirely responsible for such efforts. Boosting employee experience requires the active involvement of multiple functional leaders, such as HR, IT, facility management, and more. However, employees need to be front and center in any experience redesign effort as they are really both the “judge and jury” of any redesign initiatives.

2

Ensure your talent management systems are enriching, not damaging, to employee experiences

In HR.com’s [The DNA of Human Capital](#)⁶ report, we summarized findings on a number of major talent systems, from recruiting to career management. In general, most HR professionals do not consider these systems to be highly effective. Yet, it is employee interactions with these systems that help shape their experiences. All too often, these systems are designed for efficiency, compliance issues, and to meet the needs of senior management. HR professionals should look at how these systems can provide a better employee experience.

⁶ HR.com. (2019). The DNA of Human Capital. Retrieved from https://www.hr.com/en/resources/research/dna_of_human_capital/

3

Measurement matters

Robust and periodic metrics are critical for both pinpointing specific areas that need to be improved and for measuring progress over time. In fact, 87% of respondents indicate that measurement is key to improving employee experience. We also found, however, that lagging indicators predominate in this area. Organizations should try to develop leading indicators as well, such as the regular gathering and examination of employee feedback, survey data and sentiment analysis.

4

Make sure leaders know how to shape and nurture positive experiences

There is some truth to the saying “no one leaves a job; they leave a boss.” Every moment a leader spends with employees can make a critical difference in their perception of an experience. Great leadership is not easy because it could take a dozen positive interactions to make up for one bad one. Of course, leaders require skills related to coaching, empathy, collaboration, and a host of other areas. But they should also be able to help employees find meaning in their work, connect individual values to those of the organization, and create a sense of purpose.



About Glint

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