

Introducing Forrester's Employee Experience Index

Landscape: The Employee Experience Playbook

by David K. Johnson and Samuel Stern

February 14, 2019 | Updated: June 21, 2019

Why Read This Report

The debate about the importance of employee experience (EX) is moving into a new phase. It's no longer a question of whether EX is important. Now the debate is about which EX elements matter most. To answer that question, Forrester deployed a new survey to 13,800 global workforce employees in seven countries over two years, across several industries, including the public sector. We incorporated the latest insights from psychological and organizational behavior research into the survey. The findings, summarized in this report, will change the way CIOs, CMOs, and their organizations think about EX.

Key Takeaways

Great CX And Great EX Go Hand In Hand

Asking employees to contribute to great customer experiences also improves EX because it gives their work greater purpose. But great CX delivery requires employers to remove barriers and provide resources employees need.

Most Companies Ignore The Underlying Causes Of Good EX

The most common measure firms use to gauge EX is employee engagement, but engagement is not diagnostic of what makes good EX.

Balance Job Demands And Resources For Great EX

Too often, employees waste time using kludgy systems, following inefficient processes and outmoded rules to get work done. Balancing job resources with demands is the closest thing there is to an employee engagement silver bullet.

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Assessing EX Needs A New Approach

The streetlight effect is a common observational bias that happens when people only search for something where it's easiest to look.¹ Most common EX or employee engagement assessment approaches from firms like Gallup, IBM, Aon Hewitt, and others do just that, focusing on recognition, connection, and satisfaction. These familiar approaches are valid, but insufficient because they:

- › **Target the wrong outcomes.** EX improvement efforts often target improving a key metric, like retention, or improving employee net promoter scores to increase the chances that they will say nice things about their company online or recommend a job there to their friends. There's nothing wrong with that. But Forrester believes that it's better to create engaged, resourceful employees because they will work harder and smarter to win, serve, and retain customers.
- › **Focus on a handful of HR-led management practices.** Employee engagement surveys typically look at traditional people management factors such as the opportunity for growth, regular feedback about performance, connection with colleagues, and recognition.² Unfortunately, this ignores important factors that explain why or why not employees are able to make progress on their most important work tasks. Forrester believes that ignoring these productivity factors is a primary reason why employee engagement remains stubbornly low.
- › **Overlook gaps between job demands and job resources.** Balancing job resources with demands is the closest thing there is to an employee engagement silver bullet.³ Resources like emotional resilience or social support are critical for employees, but conventional engagement surveys neglect to ask about many of these resources. Furthermore, the increase in organizational and job complexity means that many leaders lack a clear view into the demands their employees face. That results in significant job resource gaps, leading to disengagement and burnout.
- › **Miss technology factors.** Employee engagement surveys don't analyze technology-related factors — partly because they are HR-led, and partly because the survey instruments date from before technology became as pervasive as it is in today's workplaces. How technology helps or hinders employees is both hard to see and often a significant source of frustration.

A Nuanced Understanding Of Daily Experiences And Emotions Is Required

To better understand EX, firms need data that describes the current experience from the employees' perspective. The factors that most shape perceptions of the experience relate to employees' daily work and connections with colleagues, their manager, and the purpose and value of the firm. To capture EX with a survey, it must uncover:

- › **Employees' emotions.** For humans to give the best of themselves, they must be in a good place emotionally. That means that survey questions must ask about factors like pride, energy, and commitment to growth.⁴ These represent the important emotional- and mental-state aspects of a positive EX and are reliable indicators of engagement.

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- › **How different EX factors affect employee outcomes.** Companies want to improve EX to bolster customer experience delivery, increase employee retention, and make their employer brand more appealing to help win the war for talent. An EX survey must link EX factors with these and other desired outcomes of better EX.
- › **Barriers and inhibitors to a better EX.** Many of the reasons for low employee performance are outside of the individual employees' control.⁵ A survey can highlight some of these barriers, like whether employees believe their organization provides an environment where they can be productive, or whether their organization is effective at helping them live its core values.
- › **Variation across industries, geographies, and levels of seniority.** Having more nuanced understanding helps executives identify other reasons for their EX performance, such as being in a heavily regulated industry. EX improvement plans will be different, depending on the industry, region, or size of the organization. And executives should be careful not to project their own rosy EX perceptions onto the rest of the employee base.

Forrester's EX Index: A Blueprint For Engaged Employees

Forrester's EX Index starts with what an engaged, energized employee looks like and works backward to identify which factors are either helping or hurting. It is inspired by organizational behavior research, backed by more than 30 years of peer-reviewed scientific inquiry, as well as Forrester's own research to identify the indicators of employee engagement, burnout, motivation, creativity, productivity, and technology and how they relate to outcomes for both employee and business, such as customer experience. The analysis is based on a detailed survey of 13,800 information workers in seven countries. We also worked with vendors and practitioners to validate our approach. The results provide a clear understanding of the factors that most affect EX and how they relate to business outcomes, such as customer experience.

An Engaged Employee Is Emotionally Well, With Deep Inner Resources

Engagement results from a complex mix of factors that play out between an employee and their environment. Emotion is the main governor of engagement.⁶ Organizational behavior scientists use a tool called the Utrecht Work Engagement Scale to capture how employees feel about themselves and their work. So we did too. The model includes personal resources like resilience, self-efficacy, optimism, flexibility, and self-development. By testing for these, plus a proprietary set of additional factors, we have a clear picture of what an engaged employee looks like, as well as the organizational and technology factors that contribute the most to this engagement. These employees:

- › **Feel safe.** Safety is a foundational human need and vital for engagement.⁷ Psychological safety at work means feeling comfortable being vulnerable or taking risks in front of colleagues. Psychological safety is critical for innovation and team productivity, and it supports higher levels of employee engagement.⁸ For example, the most productive teams at Google are not

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the most talented. In an exhaustive study, Google found that its highest-performing teams were characterized by having “psychological safety.”⁹ In addition to safety, job satisfaction and an employee’s level of enthusiasm for the work are strong predictors of engagement.

- › **Are energized.** Energy is another critical element for engagement. Many things affect employees’ energy levels, including sleep, diet, resilience, and the nature of the work they do, such as time spent in meetings or working with customers. Macy’s used a workplace analytics tool to analyze the amount of time people were spending in meetings and took steps to reduce it, freeing up their time and energy for more productive, engaging work.¹⁰ And, a recent study showed that employees who get enough sleep are better able to cope with job stressors, such as mistreatment from customers.¹¹
- › **Want to grow.** Engaged employees spend more time than their colleagues trying to improve their work performance through learning and deliberate development. Employees with this growth mindset are more likely to seek coaching and feedback and develop work productivity skills such as time management or task prioritization. Studies show that a growth mindset inclines people to perceive setbacks as an inherent part of the learning process that signals a need for more effective strategies. This leads to studying the strategies of better performers and undertaking difficult tasks on which learning (and the chance of failure) is possible.¹²

Three Factors Lead To Engaged, Resourceful Employees

Improving EX starts with defining what success looks like. You can target key outcomes such as improving retention or the likelihood that employees will leave a positive review for your company online. But if you aim instead to create engaged, resourceful employees, it will improve business performance across a wider range of outcomes because they will work harder and with more energy to win, serve, and retain customers. Out of the 75 factors we included in our analysis, 18 emerged as significant predictors of engagement, and they fall loosely into three categories (see Figure 1):

- › **Empowerment: knowing what’s most important with the latitude and support to do it.** Empowerment is the most important of the three factors for predicting employee engagement because it creates the psychological conditions for job satisfaction, work effort, and creativity (see Figure 2). Empowerment factors are granted to employees by their leaders. Examples of empowerment include: autonomy, recognition, knowing what is expected of them and how their work contributes to the company’s success, and having an environment where they can be productive.
- › **Inspiration: believing in the core mission and values and having a voice.** Simon Sinek said: “Customers will never love a company until the employees love it first.” Accordingly, our analysis revealed that a belief in the core mission and values of the company and having managers who live the values are strong predictors of employee engagement. Being able to provide feedback to company leaders, believing that the company is forward looking and innovative, and that it operates ethically are also strong predictors. The inspiration factors are important because they are linked psychologically with a willingness to make greater personal investments in organizational goals.¹³

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- › **Enablement: having the technology and resources to get important work done.** Forrester's survey is the first to look extensively at how resources — including technology — affect employee engagement. The enablement factors are important especially in knowledge work because technology and access to task critical information are vital for maintaining engagement.¹⁴ Our study includes many technology-related factors to better equip leaders with the evidence they need to prioritize investments and become more employee-centric.

FIGURE 1 Empowerment, Inspiration, And Enablement Combine To Create Purpose Workers

The Employee Experience Index



Empower

- Freedom to decide how best to do their job
- Recent opportunities to advance
- Clarity about how their work contributes to company success
- Recent praise from their manager for good work
- Clarity about what's expected of them at work
- Good environment for being productive



Inspire

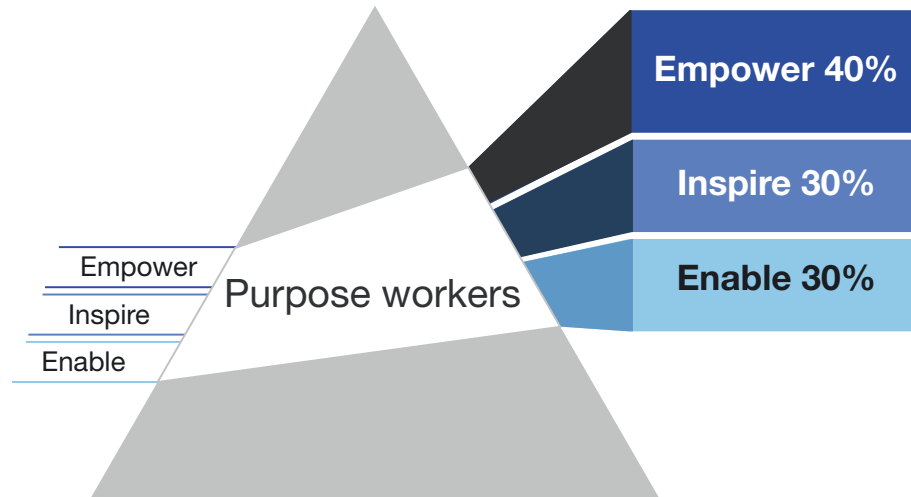
- Manager who lives the company's values
- Belief in the core mission and values of the company
- Ability to easily provide feedback to leadership
- Belief that the company is forward looking and innovative
- Belief that the company helps employees live its values
- Belief that the company operates ethically



Enable

- Belief that their IT department helps them be productive
- Sufficient training on the technology they use
- Technology that helps them work on what's important
- Technology that lets them easily collaborate
- Easy access to the information they need
- Belief that they have the right technology and equipment

FIGURE 2 The Importance Of Empowerment, Inspiration, And Enablement In Creating More Purpose Workers



Use The EX Index Factors To Identify EX Opportunities

For executives tasked with improving the EX at their organizations, the data in Forrester's EX Index helps prioritize where to make improvements. Review the 18 statements across our three factors (see Figure 3). Then, look at your EX for:

- › **Barriers to employee empowerment.** To start, identify barriers — both real and perceived — that prevent employees from concentrating on their most important work tasks. Leaders don't have to identify these barriers themselves; employees can tell you about many of them. Next, empower those same employees to remove the barriers themselves. Metro Bank in the UK has its “kill every stupid rule” policy, which encourages both employees and customers to look for “stupid rules” and recommend them for elimination.¹⁵
- › **Disconnects between employees and the organization's values.** Employees want their work to have meaning and will battle through barriers and hurdles if they believe the ends justify the fight. While the distribution of employees willing to write reviews is not representative, looking at the reviews left on sites like Glassdoor or kununu does provide a sense of whether employees feel connected to the values. Companies should also borrow from firms like Saskatchewan Government Insurance and Crowe Horwath, which have identified key behaviors and activities for different departments that make it easier for employees to see the connection between the work and the larger purpose of the firm.¹⁶
- › **Impediments to employee productivity.** Consider implementing tools and/or processes that help identify productivity killers and help employees take control of their daily activities and progress. Macy's “Time Is Money” campaign leverages Microsoft's Workplace Analytics software to increase

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focus time for employees by 4 hours per week. The solution can sense when employees' calendars are filling up with meetings and nudge them to block off time for focus.¹⁷ Essentially, the retailer is using one piece of software to keep another one in check.

FIGURE 3 Craft Your EX Improvement Action Plan

Empower	
Employee Index statement	Questions to ask yourself
I have a lot of freedom to decide how best to do my job.	Do we grant employees autonomy to figure out what is not defined in their roles/responsibilities? Can we point to examples of employees making decisions about how to do their work?
I have had the opportunity to advance at work in the last six months.	Do we conduct regular career path conversations with employees? Short of promotion, have we identified other ways that employees can "level up" that would feel to them like they're making progress?
It is clear to me how my work contributes to my company's overall success.	Have we explicitly stated how each role in the company connects to the way we provide value? Have we connected specific employee behaviors and activities to their larger impact?
My boss has given me recognition or praise for doing good work in the past month.	Do we provide tools, time, or coaching to managers about how to give recognition and praise? Do we capture and share success stories and examples?
I know what is expected of me at work.	Does each job have clear roles/responsibilities?
My company does a good job of providing an environment where I can be productive.	Have we cleared distractions that prevent employees from focusing on important work? Do organizational norms permit employees to manage distractions or colleagues' ability to interrupt them?

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FIGURE 3 Craft Your EX Improvement Action Plan (Cont.)

Inspire	
EX improvement action planning	Questions to ask yourself
My manager lives my company's values.	Do we know what percentage of our managers could meet this standard? Can we highlight specific ways that managers could live the values?
I believe in the core mission and values of my company.	Do employees know what our core mission/values are? Do employees believe that we act in accordance with our mission and values?
I can easily provide feedback to my company's leadership.	Do we have a clear mechanism for how employees can give feedback to management?
My company is forward looking and innovative.	Do we engage our employees in our innovation processes?
My company helps employees live its core values.	Do we take steps to help employees live our values?
I believe my company operates ethically.	Have we fostered an environment where our employees trust they will be treated fairly?

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FIGURE 3 Craft Your EX Improvement Action Plan (Cont.)

Enable	
Employee Index statement	Questions to ask yourself
My company's IT department is focused on helping make me productive.	Do employees believe the technology they use helps them get things done?
The training I received on the technology that I need to use my job was sufficient.	Is the training we provide highly rated by employees? Do we see evidence that employees who have completed the training are more likely to use their technology?
I can easily access the information and/or sources of information I need to do my job.	Do employees use systems to answer questions rather than asking colleagues?
The technology I use daily lets me work on what I consider to be the most important part of my job.	Does our technology have settings that permit offline use?
I have the right technology/equipment needed to do my job.	Does our company have a bring-your-own-device policy?
I have the technology to easily collaborate with my colleagues when I need to.	Is cross-department or role collaboration common?

Recommendations

Kickstart Your EX Transformation

Insight without action is worthless. Firms must convert knowledge of underlying factors gained from the EX Index into tangible programs to improve EX. Otherwise, employees will grow restless or cynical that anything can or will be done. To take action:

- › **Conduct bright spots analysis.** Look at existing pockets of good EX or existing EX factors that your company is strong in. Build on those as a starting point. Google used bright spots analysis to examine why some of its people managers consistently improved the people that worked for them, while others did not. They identified eight best practice behaviors that they built into a new curriculum of manager training (see Figure 4). The best part: They asked the bright spot managers to deliver the training to their peers, so that they could share the nuance of *how* they were better coaches.
- › **Map employees' daily journeys.** To truly clear the impediments that employees face, companies must diagnose the root causes that prevent progress on important tasks. One way to do this is to map employee daily journeys, those core work tasks that employees perform every day. For

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example, when the CX team at Australian Post mapped the process employees went through to change a customer's address, they discovered that it took a shocking 160 clicks to complete.¹⁸ This kind of over-complication, magnified over multiple instances of the same journey, or across many different journeys, degrades EX.

- › **Solicit employee feedback about how else to improve EX.** Employees are eager to tell you what else they need — either in the form of barriers removed or resources provided — for the EX to improve. The honest commitment by companies to seeking, analyzing, and acting on this feedback goes a long way with employees as a signal of intent. It is also a source of insights that senior leaders would never be aware of without employees sharing them. To get started, firms should add the statements from Forrester's EX Index survey to their existing employee surveys or create a new survey instrument to collect this data from employees.

FIGURE 4 Eight Common Attributes Exhibited By Top-Scoring Managers At Google

Eight common attributes exhibited by top-scoring managers at Google

1.	Be a good coach.
2.	Empower the team, and do not micromanage.
3.	Express interest and concern for team member success and personal well-being.
4.	Be very productive and results-oriented.
5.	Be a good communicator; listen and share information.
6.	Help the team with career development.
7.	Have a clear vision and strategy for the team.
8.	Have important technical skills that help advise the team.

Source: Google

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Endnotes

- ¹ The streetlamp effect has been written about in literature since at least 1926. For the purposes of this paper however, the most useful example due to the excellent context around it is from Abraham Kaplan. Source: Abraham Kaplan, *The Conduct of Inquiry*, Transaction Publishers, 1998.
- ² In our research for this report, we reviewed the following among others. Source: "State of the American Workplace," Gallup, February 2017 (<https://news.gallup.com/reports/178514/state-american-workplace.aspx>); "The Employee Experience Index," IBM (<https://www.ibm.com/downloads/cas/QDAVJA5E>); "Rewriting the rules for the digital age: 2017 Deloitte Global Human Capital Trends," Deloitte University Press, February 27, 2017 (<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/central-europe/ce-global-human-capital-trends.pdf>); and "2017 Trends in Global Employee Engagement report," Aon Hewitt Australia, January 1, 2017 (<https://www.aonhewitt.com.au/Home/Resources/Reports-and-research/2017-Trends-in-Global-Employee-Engagement-report>).
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- ¹⁰ Source: Research interview with Microsoft and "People Analytics," Microsoft (<https://www.microsoft.com/en-us/transformation/human-resources/people-analytics>).
- ¹¹ Source: Yihao Liu, Yifan Song, Jaclyn Koopmann, Mo Wang, Chu-Hsiang (Daisy) Chang, and Junqi Shi, "Eating Your Feelings? Testing a Model of Employees' Work-Related Stressors, Sleep Quality, and Unhealthy Eating," *Journal of Applied Psychology*, 2017.
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- ¹³ Source: Bruce Louis Rich, Jeffrey A. Lepine, and Eean R. Crawford, "Job Engagement: Antecedents and Effects on Job Performance," *Academy of Management Journal*, Vol. 53, 2010.
- ¹⁴ Source: Wilmar B. Schaufeli, "Applying the Job Demands-Resources model: A 'how to' guide to measuring and tackling work engagement and burnout," *Organizational Dynamics*, Vol. 46, 2017.
- ¹⁵ Source: Adam Gale, "Why Metro Bank's Vernon Hill isn't afraid of Lloyds, Barclays or blockchain," *Management Today*, April 24, 2018 (<http://www.managementtoday.co.uk/why-metro-banks-vernon-hill-isnt-afraid-lloyds-barclays-blockchain/entrepreneurs/article/1416276#RorGhGls7ce6LyGk.99>).
- ¹⁶ Specific behaviors and activities help employees confidently connect what they do to the larger value it creates for the company. See the Forrester report "[Remove Barriers And Add Enablers For A Customer-Centric Culture.](#)"
- ¹⁷ Source: "People Analytics," Microsoft (<https://www.microsoft.com/en-us/transformation/human-resources/people-analytics>).
- ¹⁸ Mapping employee journeys and conducting direct observation of employees work uncover root causes of experience issues. See the Forrester report "[Mapping The Employee Journey.](#)"

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