Defining Employee Experience as an Antecedent Indicator for Employee Productivity

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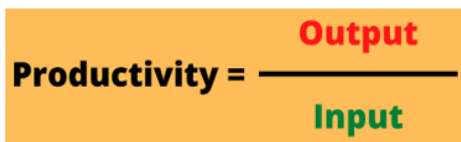[1,2]*Student, Department of Management, BITS Pilani, Pilani, India*

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Abstract: **Measuring employee productivity in today's workplaces is difficult. The traditional definition of productivity does not consider the qualitative aspect of work which has become increasingly important in today's world. We need another measurable construct that can act as an alternative mode of measuring productivity and become a valid indicator for organizations to gain some insights into productivity. In this paper, we define employee experience and attempt to propose this as an antecedent indicator of employee productivity and propose several measures that make up this indicator. We establish the relationship between these measures and employee productivity and suggest scales for these measures that can be used to measure employee experience.**

Keywords: **Burnout, Employee engagement, Employee experience, Job satisfaction, Productivity, Recognition.**

1. Introduction- What is productivity?

In 1911, Fredrick Winslow Taylor proposed the idea of 'scientific management' and defined productivity by measurable variables and these variables could be optimized to produce more output with the same inputs. He defined productivity using a simple ratio:

Fig. 1. Productivity equation

Reliably measuring employee productivity has become quite sophisticated in contemporary times. For the organizations in the current age, productivity is very hard to measure since a specific definition of output or input that is measurable in terms of units does not exist.

The output quality is as important as output quantity in the workplace today. A definition of output that measurably depicts its qualitative and quantitative aspects does not exist.

In today's workplaces, it is hard to define the task or the input in measurable terms since jobs are sophisticated and cannot be defined using a set of variables. Also, it is worth mentioning that all tasks do not create the same amount of value for an organization. Peter Drucker highlighted this problem in his article titled 'Knowledge Worker Productivity - The Biggest Challenge' by asking the important question - "What is the task?" [1]. This is the employee productivity puzzle that we would be attempting to solve by the means of this paper.

2. Employee Experience

Employee experience is defined as the sum of the interactions and perceptions that employees have regarding their work, their relationships, and the opportunities for growth within their organization [2]. This is going to be the definition of employee experience that we are going to follow. IBM defines employee experience as "A set of perceptions that employees have about their experiences at work in response to their interactions with the organization." [3]

In today's organizations, there is a shift from focusing narrowly on employee engagement and culture to developing the entire employee experience and consolidating all the workplace and management practices that impact people. Deloitte conducted an employer survey where nearly 80 percent of executives rated employee experience very important or important. A similar survey conducted by LinkedIn for HR professionals found out that around 96 percent of HR professionals believe that employee experience is going to be an important factor in the future of human resources [4]. According to Deloitte, five factors that contribute to a positive employee experience are meaningful work; supportive management; positive work environment; growth opportunities and trust in leadership [5].

Fig. 2. Employee experience mind map

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We define four measures to comprise the indicator employee experience - employee engagement, burnout, job satisfaction and recognition. We do this keeping in mind the definition of employee experience stated before, as well as the individual definitions of the measures.

IBM has found in their research that positive employee experience is linked to better work performance and more discretionary effort from an employee as positive employee experiences result in twice the level of discretionary effort compared to employees with non-positive employee experience [6]. Deloitte has stated that "High-performing companies have found ways to enrich the employee experience, leading to purposeful, productive, meaningful work." [7]

We will now look at the various measures comprising employee experience and their relationship with productivity to establish a relationship with employee experience and productivity and then proceed to elaborate a way to use the employee experience indicator.

3. Employee Engagement

Employee engagement, also called work engagement, has been defined by Arnold Bakker as follows: "Engagement is a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption. Rather than a momentary and specific state, engagement refers to a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour." [8]

Vigour is defined by high levels of energy and resilience, willingness to put in effort in work, and persistence. Dedication is defined as being deeply involved in work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is defined as being concentrated and engrossed in one's work, whereby time passes quickly.

As we can see, dedication is characterized by the perception that one has about their work, whereas vigour and absorption also affect this perception. Some aspects of employee experience are affected by the perception that one has about their work. Hence, we can say that employee engagement can be used to characterize some aspects of employee experience.

A study confirms this by a statistical analysis, where it was concluded that employee engagement and employee experience have a close, positive relationship [9].

Employee engagement has a positive impact on employee productivity, and hence we can conclude that they share a positive relationship [10]. Highly engaged employees are more productive and lead to more favourable business outcomes, whereas disengaged employees are less productive and lead to unfavourable business outcomes.

A study by Gallup concluded that teams with high employee engagement rates are 21 percent more productive than those with low engagement [11]. Similar results were found for organizations, and they state that organizations with higher employee engagement have 17 percent higher productivity [12]. According to McKinsey Global Institute, productivity improves by 20-25% in organizations with engaged employees and these organizations are 8% more productive on a daily basis [13].

Researchers have argued that engaged employees are characterized by absorption, vigour and dedication which increases their productivity [14].

In addition to general work performance indicators, researchers have also depicted the impact of engagement on innovativeness, active learning behaviour, knowledge sharing, and adaptability. This practically means that employee engagement results in the growth of the organization, its revenue, its net income, and employment [15].

For the definition that we are using, employee engagement can be measured using the Utrecht Work Engagement Scale (UWES), which is the most widely accepted and used scale for measuring employee engagement.

4. Burnout

Burnout is defined as a psychological syndrome characterized by emotional exhaustion, depersonalization and reduced personal fulfilment [16]. Emotional exhaustion is defined as a psychological state of depletion of emotional resources. Depersonalization is defined as the development of negative feelings and cynical attitudes towards work and the people associated with it. Reduced personal fulfilment is characterized by a tendency to evaluate oneself negatively with respect to work and the people associated with it. [16]

Burnout harms an employee's health, personal and professional relationships, workplace productivity as well as career development [17]. A Gallup study of 7500 full-time employees found that around 23% of employees feel burnt out very often at work and 44% feel burnt out sometimes [18]. Since burnout has a negative impact on the interactions that employees have with their work and relationships, we can similarly conclude that burnout also has a negative relationship with employee experience.

Job burnout has a negative relationship with productivity which means that increased job burnout leads to lower productivity [19]. This is very clearly seen in cases of toxic workplaces, where job burnout negatively affects the level of productivity [20]. A Gallup survey found that employees with high levels of burnout are less likely to discuss their goals with their managers and 63 percent more likely to take sick leave [18]. Burnout is an issue of utmost importance for organizations today, and they want to reduce burnout to prevent issues like reduced productivity or absenteeism [21].

For the definition that we are using, burnout can be measured using the Maslach Burnout Inventory (MBI) survey, which is the most widely accepted scale for measuring burnout [22].

5. Job Satisfaction

Job satisfaction is characterized by a positive emotional state and is developed through evaluative judgments, affective

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experiences at work and beliefs about jobs [23], [24]. It is composed of five dimensions and can be measured by measuring the employee's satisfaction with these dimensions - supervision, coworkers, pay, promotional opportunities, and the work itself [25].

The relation between job satisfaction and employee experience is a positive one, i.e. increasing job satisfaction will have a positive impact on employee experience and reducing it will have a negative impact [26]. This can also be concluded by the definition of job satisfaction where a high degree of job satisfaction is characterized by a positive emotional state, which is also a characteristic of good employee experience.

Job satisfaction is positively related to productivity which implies that more job satisfaction leads to higher productivity and low job satisfaction leads to lower productivity [27]. This result has also been confirmed by researchers in various industries like the Iranian petrochemical industry [28] as well as the Sri Lankan apparel industry [29]. Also, it has been found that a higher level of job satisfaction is negatively related to total productivity-related costs, as it leads to lower productivity-related costs [30].

Job satisfaction can be measured using the job descriptive index (JDI) which is a 72-item instrument for measuring the five dimensions of job satisfaction: supervision, coworkers, pay, promotional opportunities, and the work itself [31].

6. Employee Recognition

Employee recognition is defined by Brun and Dugas as - "Recognition is first and foremost a constructive response. It is also a judgment made about a person's contribution, reflecting not just work performance but also personal dedication and engagement. Recognition is engaged in on a regular or ad hoc basis, and expressed formally or informally, individually or collectively, privately or publicly, and monetarily or non-monetarily. Finally, for its beneficiary, recognition represents a reward experienced primarily at the symbolic level, but may also take on emotional, practical or financial value." [32]

Employee recognition is a form of interaction that an employee has with elements of the workplace like coworkers and leaders. Therefore, based on the definition of employee experience, one can conclude that employee recognition has a relationship with employee experience [32]. In a survey conducted by SHRM in 2015, it was found that HR professionals agreed that their employee recognition programs had a positive impact on employee engagement, increased employee happiness, added humanity to the workplace and improved employee relationships [33]. Thus, we can conclude that employee recognition has a positive relationship with employee experience.

Employee recognition is positively related to employee productivity which means that employee recognition can boost productivity and increase satisfaction [34]. A study shows that 78 percent of employees indicate that it is very important for them to be recognized by their manager, and 84 percent of

managers concluded that providing non-monetary recognition as a reward has increased performance. Further, 91 percent of managers conclude that recognizing employees helps motivate them [35]. Gostick and Elton surveyed more than 200,000 employees in 2007, and they concluded that if employee recognition is conducted properly, it will lead to higher profitability as well as higher levels of customer service and also improve employee engagement and satisfaction [35].

Employee recognition can be measured using the shortened recognition survey proposed by Michael Cannon, which measures recognition based on the definition stated above. Recognition can be treated as a single higher-order factor facilitating brief measurement [36].

7. Discussion

We have defined employee experience as an indicator consisting of four measures. Employee engagement has been shown to be linked to productivity in a positive relationship. Job satisfaction has been shown to be linked to productivity in a positive relationship. Employee recognition has been shown to be linked to productivity in a positive relationship. Burnout has been shown to be linked to productivity in a negative relationship. Similar results have also been shown for the relationship between all these measures and employee experience. These results are summarised in the table below.

Table 1

Relationship Table	Employee Experience	Employee Productivity
Job Satisfaction	[+ve]	[+ve]
Employee Recognition	[+ve]	[+ve]
Employee Engagement	[+ve]	[+ve]
Burnout	[-ve]	[-ve]

Employee experience, as defined in the context of this paper, is shown to be mirroring employee productivity across all the four measures. We have previously seen other researchers state their conclusions about employee experience and productivity using survey data and theoretical arguments [2][7]. We will be concluding that employee experience as defined by these four measures, is positively related to employee productivity and is an antecedent indicator of employee productivity.

We have outlined scales that can be used for the measurement of these four measures, i.e., for the measurement of employee experience. Once these have been measured using the scales identified and we have obtained the results, we can proceed to deriving insights about employee productivity based on these results. We will be classifying these four measures into binary states - high and low, and defining configurations of employee experience based on these states. We will also be using measurements of these four measures of employee experience and directly link it to the measurement of employee productivity.

Assuming one of the two states - High [1,0] and Low [0,1] for all of these measures, we can create a configuration table which can help us identify the configuration of employee productivity. See below:

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Table 2

Configuration Table	High [X]	Low [Y]
Job Satisfaction [+]	1	
Employee Recognition [+]		1
Employee Engagement [+]	1	
Burnout [-]	1	
Productivity	1	1

Here job satisfaction is in the high state [1,0], employee recognition is in the low state [0,1], employee engagement is in the high state [1,0], and burnout is in the high state [1,0].

Since the first three have a positive relationship with productivity, their states are added whereas since burnout has a negative relationship, its state is subtracted to obtain the configuration of productivity [1,1]. Performing these calculations for various permutations of states of the four measures of employee experience, we can identify five possible configurations of employee productivity.

Table 3

X	Y	Productivity
3	-1	Maximum
2	0	High
1	1	Moderate
0	2	Low
-1	3	Minimum

A. Maximum Employee Productivity

Table 4

Configuration Table	High [X]	Low [Y]
Job Satisfaction [+]	1	
Employee Recognition [+]	1	
Employee Engagement [+]	1	
Burnout [-]		1
Productivity	3	-1

The employee experience configuration depicted by [3,-1] is the configuration of maximum productivity since the negative measure is in a low state and the three positive measures are in a high state. There is only a single configuration of the states of the four measures which leads to a configuration of maximum productivity.

B. High Employee Productivity

Table 5

Configuration Table	High [X]	Low [Y]
Job Satisfaction [+]	1	
Employee Recognition [+]	1	
Employee Engagement [+]	1	
Burnout [-]	1	
Productivity	2	0

The employee experience configuration depicted by [2,0] is a configuration of high productivity since the three positive measures are in a high state but the negative measure is also in a high state. This configuration can also be attained if burnout (the negative measure) along with any other positive measure is in a low state and the other positive measures are in a high state.

So there are four configurations of the states of the four measures which leads to a configuration of high productivity.

C. Moderate Employee Productivity

Table 6

Configuration Table	High [X]	Low [Y]
Job Satisfaction [+]	1	
Employee Recognition [+]		1
Employee Engagement [+]	1	
Burnout [-]	1	
Productivity	1	1

The employee experience configuration depicted by [1,1] is a configuration of balanced productivity since the two positive measures are in a high state but the negative measure is also in a high state along with a positive measure in a low state. This configuration can be attained if the negative measure remains in a high state along with two other positive measures, but the third positive measure is in a low state. We will have three such configurations. This configuration can also be attained if the negative measure is in a low state along with two other positive measures, but the third positive measure is in a high state. We will again have three such configurations. So there are a total of six configurations of the states of the four measures which leads to a configuration of high productivity.

D. Low Employee Productivity

Table 7

Configuration Table	High [X]	Low [Y]
Job Satisfaction [+]	1	
Employee Recognition [+]		1
Employee Engagement [+]		1
Burnout [-]	1	
Productivity	0	2

The employee experience configuration depicted by [0,2] is a configuration of low productivity since the negative measure along with a positive measure is in a high state and the other positive measures are in a low state. There are three such configurations. We can also get a [0,2] configuration if all four measures are in a low state. So there are four configurations of the states of the four measures which leads to a configuration of high productivity.

E. Minimum Employee Productivity

Table 8

Configuration Table	High [X]	Low [Y]
Job Satisfaction [+]		1
Employee Recognition [+]		1
Employee Engagement [+]		1
Burnout [-]	1	
Productivity	-1	3

The employee experience configuration depicted by [-1,3] is the configuration of minimum productivity since the negative measure is in a high state and the three positive measures are in a low state. There is only a single configuration of the states of the four measures which leads to a configuration of maximum productivity.

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8. Conclusion

We have defined employee experience as an indicator consisting of four measures - employee engagement, employee recognition, job satisfaction and burnout. We have elaborately explored the relationship that these measures have with employee experience as well as established the relationship that they have with employee productivity. We have shown based on existing research and our theoretical arguments that employee experience, as defined by these four measures, can be used as an indicator for measuring employee productivity. We have explored various scales available for the measurement of the four measures and have also proposed a process to derive insights about employee productivity using the four measures and the two states of those measures. We have shown how to construct a configuration table which can be used to depict and understand the results of measurements of the four measures while extrapolating it to employee productivity.

In this paper, we have not explored various possible quantitative applications of the employee experience indicators like developing a unique multi-item scale for its measurement. We have also not explored various other scales for measuring the four measures and their theoretical as well as numerical impact on the employee experience indicator. These avenues can be explored in future research and researchers are encouraged to take these up.

The objective of this paper was to establish the potential for use of employee experience as an indicator for employee productivity and to encourage researchers to further explore the relationship between these two concepts. We hope that future researchers are able to build on these ideas and demonstrate the utility of employee experience for the organizations of the future.

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