

The Employee Experience

How to Attract Talent,
Retain Top Performers,
and Drive Results

Tracy Maylett, EdD, and
Matthew Wride, JD

FOREWORD BY Kerry Patterson,
Coauthor of *The New York Times* Bestseller,
Crucial Conversations

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To our families, our valued partners, friends, and the DecisionWise team—you make our Experience *magic*.

Foreword

When you ask employees how they approach their jobs, just over half of them say that they put in the least amount of work possible without getting fired. If this statistic is true, odds are the guy who recently assembled your grandfather's pacemaker didn't really care. One can only hope that surly pacemaker guy is actually part of the other half who are engaged in their work.

Until you understand who is putting in a full and smart effort each day—from producing pacemakers to driving Disney's Jungle Boat (you try telling the same dumb jokes twenty times a day)—you don't know where to focus your leadership attention. Who is fully engaged, but not in serving their customers—instead, they're engaged in serving themselves? Consider the artists who design shampoo and conditioner labels. They work hard to produce a product that will win all kinds of art awards. Of course, that means they use small, grey fonts (they're considered artsy and all the rage). Now, nobody over fifty who has the temerity to remove their glasses before entering the shower, can see the labels. Oh well, it's just shampoo and conditioner. But what if the stakes were higher?

As you look behind the engagement headlines, you're compelled to ask why so many people care so little about their work—or their customers. But you already know the answer, don't you? It's those darn Gen-Xers, Millennials, and other narcissists who are taking celebratory photos of themselves every time they chug a large soft drink or stand in front of a waterfall. When will people like that ever think about serving customers?

Perhaps we should look at this through a different lens. Maybe it's not because of their age, and they weren't simply born under the wrong star. It's not because they're selfish and lazy. There are dozens of factors that turn a job into, well, a job—and not a dream. If researchers could find those forces, and learn how to change them, leaders could move from complaining about low engagement to measuring and changing the experience. And, with a rise in employee engagement, so rises the customer experience.

That's just what Tracy Maylett and Matthew Wride did. They plowed through tens of thousands of cases and millions of data points, figured out what actually tips the scale of engagement, and are now sharing what you can do to attract and retain top performing employees by building the right employee experience for your organization.

Good for them. For me, I'm taking away two things from this. First, based upon the marvelous research and catchy writing they displayed, Maylett and Wride were fully engaged in writing this book. It's truly a work of passion. Second, I'm hoping that, when the day arrives, they can tell me the name of a fully engaged person who should build my pacemaker.

—Kerry Patterson
Coauthor of the *New York Times* bestseller
*Crucial Conversations: Tools for Talking
When Stakes Are High*
January 2017

Introduction

Engagement is a fundamental human need. It is a power that resides in most people, waiting to be unlocked. People want to be engaged in what they do. If employers build the foundation, employees will do the rest.

—FROM *MAGIC: FIVE KEYS TO UNLOCK
THE POWER OF EMPLOYEE ENGAGEMENT*

The idea of handing a stranger the keys to the front door of your home sounds a little fishy. Even with a quick email introduction, renting out your apartment on the Internet for a few days to some guy you've never met challenges common sense. But it's an even greater stretch to set up an entire company based on the idea that you could entice millions of people to rent out their private abodes to strangers. But that's exactly what "sharing economy" superstar Airbnb did, becoming the largest lodging provider on the planet and earning it the title of *Inc.* magazine's "Company of the Year."

Admirable as this new, disruptive business model is, it's not why we have a big man-crush on the company. We admire Airbnb because it's the first high-profile unicorn—and one of the first companies, period—to create the position of chief employee experience officer.

The exact title is global head of employee experience, but you get the gist. Since that time, we've noticed a number of business cards claiming similar titles. Creating such a position legitimizes the growing importance of the Employee Experience, or EX, to organizational success. Not just in a corporate setting, mind you, but in healthcare, academia, the nonprofit sector, and even professional sports.

If you hail from the command-and-control, "All that our employees should expect from us is a paycheck!" school of business, you might be tempted to dismiss chief employee experience officer as a glorified title for the person in charge of Hawaiian Shirt Fridays and foosball tournaments. That would be a mistake. As reported by *Forbes*:

At Airbnb we are focused on bringing to life our mission of creating a world where you can #belonganywhere, by creating

memorable workplace experiences which span all aspects of how we relate to employees.¹

That thinking reflects the new reality of which many organizational leaders are just becoming aware. The long-sought “secret sauce” of rising profits, stellar customer satisfaction, and sustainable growth has one key ingredient: an outstanding EX. For decades, executives and managers have sweated in their corporate kitchens, trying to cook up profits and growth by blending together every imaginable ingredient of the organizational recipe.

They’ve radically redesigned products and rolled out one innovation after another. They’ve implemented extensive survey and customer satisfaction measurement systems, mined data for possible insights, and reached out to customers with terabytes of personalized messages and offers. They’ve slashed costs and waved around discounts. And, with a few exceptions, most of those efforts have died an expensive death—and taken a few careers to the grave with them.

Meanwhile, other organizations (including a few we’ll highlight in this book) chug along quietly, building transformational workforces, and surpassing their goals year after year because they understand something that’s just now becoming evident to their less successful counterparts:

Every important business outcome lies downstream from the experience and engagement of the people who make the organization go.

This is a bold claim, and we stand by every word. Time and time again, we have found that every business outcome has its root in an individual or a group of people. This observation has led us to realize that success does not begin with a spreadsheet, a slogan, or even a piece of game-changing technology. Success begins and ends with human beings.

That’s what the EX is about: creating an operating environment that inspires your people to do great things.

EMPLOYEE ENGAGEMENT

With all due respect, we picked up on this concept a while ago. Our firm, DecisionWise, has been leading the “employee engagement” charge for years. Our database of tens of millions of employee survey responses

shows an unmistakable correlation between how deeply employees are engaged in their work and everything from retention to revenue growth to customer satisfaction scores.

The secret is out . . . in some organizations. That's a good thing, because the workforce is changing faster than at any time in history. Until very recently, and despite plenty of evidence to the contrary, most employers clung to the outdated view of employees as interchangeable parts of a business machine. Some have even stopped referring to people by their names and have started calling them "assets" or "human capital." That's not necessarily a bad thing (at least they're starting to understand and see value in the human component of business), but it does tend to highlight the impersonal manner in which organizations see these "assets."

Ego? Stubbornness? It doesn't matter. What matters is that fewer and fewer workers are yoking themselves to the old employee model. They're driving for Uber. They're using tools like Upwork and Thumbtack to become freelancers. They're earning spending money on TaskRabbit and paying the bills with what they make renting out their houses on VRBO (or Airbnb). They're hitting sites like AngelList and Indeed to find open jobs at the hottest startups. They have options they've never had before.

These trends lead us to another important observation:

Because success starts with talented people, your most important role as a leader is to give them a reason to join your cause, a reason to stay, and a reason to engage.

Don't just take our word for it. Consider what *The Future of Work* author Jacob Morgan wrote in *Forbes*:

Decades ago nobody cared about the employee experience because all of the power was in the hands of employers. . . . (P)ower has now shifted into the hands of employees.²

That's the sound of a microphone dropping. It's also your call to action. Are you ready to challenge the conventional wisdom about what makes an organization great? To stop wasting millions on what doesn't work and do what does—and in the process, create and enjoy your own EX more than you ever thought possible? Good. Keep reading.

ENGAGEMENT MAGIC®

In 2014, we published *MAGIC: Five Keys to Unlock the Power of Employee Engagement*. It was a popular and successful book about our five-part approach to creating engagement in any organization, which goes by the acronym MAGIC:

- Meaning
- Autonomy
- Growth
- Impact
- Connection

In that book, we wrote a great deal about the theory and methodology of employee engagement. While it was important to establish the way in which engagement can be fostered within organizations, we also realized that for our next book we needed to take readers to a different level: We needed to tell them how to create MAGIC within their companies, schools, hospitals, or nonprofits.

The reason is that employee engagement has never been something leaders can create by decree. You don't roll in a few arcade games, start onsite Pilates classes, hand out environmentally friendly employee handbooks, and announce, "Hey, everybody! We are now an engaged company!" Engagement grows organically from a fertile soil of culture, purposeful work, respect, and trust. As a leader, you can introduce initiatives designed to promote meaning, autonomy, and more in the workplace (and we'll spotlight some organizations that have done exactly that). But whether the seeds of engagement take root is out of your hands.

In approaching *The Employee Experience*, we saw that while we had told organizations *what* MAGIC was, we needed to tell them *how* to make MAGIC happen and *how* to create that authentic engagement that drives success. But by what means? Remember, engagement is a choice. Organizational leaders don't decide if engagement happens; employees do.

It occurred to us that while we couldn't offer a simple, plug-and-play engagement how-to system, we could teach executives, managers, supervisors, department heads, and directors the HR equivalent of tilling the

soil, fertilizing, weeding, and watering—creating the right conditions under which engagement can, and will, flourish. So that’s what we’ve done.

BEYOND ENGAGEMENT MAGIC

Since releasing *MAGIC*, we’ve been knee-deep in additional extensive research, including adding over 10 million responses to the 14 million responses already in our massive employee survey database. That’s a lot of data. When we took a closer look at that data, we saw a clear pattern: The most engaged organizations were those where leaders took the greatest care to manage employee expectations and build trust. Even if work was demanding or times were hard, employees always felt like they were dealt with honestly, openly, and respectfully. Values and expectations were aligned. Accusations of broken promises or hypocrisy were rare, if they occurred at all. There was a “band of brothers” feeling that didn’t exist in other, less successful organizations. These organizations flourished.

That insight led to this book. In order to engineer an organization infused with *MAGIC*, you have to create an environment in which employees feel comfortable investing in your mission. That’s a risk, and they’ll only take it if they believe the organization will fulfill the expectations that were created when they signed on, in keeping with past promises and shared values.

The Employee Experience is our user’s manual for creating an environment where *MAGIC* will thrive. In it, we reveal the three critical components of a superlative EX:

1. Expectation Alignment
2. The Three Contracts
3. Trust

We also reveal how they work and why. These are the key ingredients of a great EX, and when you have them in place, engagement will inevitably follow.

One more thing: From time to time, we’ve pulled out our old university mortarboards, blown off the dust, and gotten our academic on. You

can see us go full nerd in the sidebars called “Egghead Alerts,” a popular feature from our last book that we’ve repeated here. In Egghead Alerts, we’ll get into exhaustive (and possibly, exhausting) detail on industrial-organizational psychology concepts that we feel relate to the topic at hand. If that stuff interests you, take a minute to read them. If not, skip them. We won’t know. No harm, no foul.

OUR GOALS

We’re tired of watching organizations hemorrhage talented people while wasting resources on employee satisfaction measures that just aren’t that important. We’re sick of seeing companies spend billions on marketing, Big Data, and other means of winning customer love and loyalty while ignoring what makes a great Customer Experience (CX): the EX. It’s time for all that to change.

Relying on plenty of real-world examples and lots of our own data, we explain the three components of a transformative EX in detail. In the process, we’re going to reveal a powerful, hidden behavioral and psychological dimension to your organization that few people know about, and show you how to master it. When you understand Expectation Alignment (EA), the Contracts, and Trust, and when you possess the tools to shape and use them with intention, you’ll create a culture in which a superlative EX can take root. Do that, and MAGIC flourishes and takes care of itself—as do retention, customer satisfaction, profitability, and growth.

We have one overarching goal: stronger organizations. That means better companies, teams, hospitals, schools, churches, communities, teams, volunteer organizations . . . you name it. Regardless of the scope of the organization, we want our readers to enjoy success. Not just financial success, but category-redefining, sustainable, innovative, best-company-on-the-block success. We want you to become experts in the Employee Experience and drive a new era in which employees are not simply easily replaceable labor but partners in creating something extraordinary. When you look at the organizations we feature in these chapters, you’ll see that’s precisely what some have done. They have redefined how they think about expectations and trust, what they owe their employees, and what their employees owe them.

Frankly, our goal is to give you an unfair advantage over your competition: attracting, keeping, and growing people who make your organization better and your customers happier.

Enough prelude. Let's get busy.

—Tracy Maylett, Ed.D.

Matthew Wride, J.D.

Utah, USA

Acronyms

Throughout this book, we will use a number of acronyms and abbreviations. We've included some of these below to give you a head start.

CX: Customer Experience

EA: Expectation Alignment

EAD: Expectation Alignment Dysfunction

ELC: Employee Life Cycle

EVP: Employee Value Proposition

EX: Employee Experience

HR: Human Resources

MAGIC: Meaning, Autonomy, Growth, Impact, Connection

MOT: Moment of Truth

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PART

Great Expectations

CHAPTER 1

You're Digging in the Wrong Place

Everyone thinks of changing the world, but no one thinks of changing himself.

—LEO TOLSTOY

The customer. It's any person or group receiving a service from an individual or organization. If you run a company, it's the person buying your T-shirts, pizza, or software. In healthcare, it's the patient. In education, it's the student. The customer in a not-for-profit may be the child in a remote village who receives food and medical care. In any case, the customer is the reason every organization exists—the reason people have a job to come to. So why are so many organizations (and people) doing such a terrible job giving the customer a wonderful experience?

We're not talking about *you*, of course. Or maybe we are. Because most organizations have the same problem: They are desperate to win their customers' loyalty and affection, but don't know how to do it. Bribery with discounts doesn't work. Innovation doesn't work, because their competitors just out-innovate them. So they spend fortunes and waste years fishing for something that does work—and usually fail.

Still, a comparatively few organizations are getting it right. They win their customers' loyalty and affection. They build brands that seem impervious to harm. What's their secret? It's right in front of them, and it's right in front of you, too. It's your *employees*. They are the secret to thrilled customers who boost profits, provide referrals, and who keep coming back. The trouble is, you're probably not treating your employees as though this were true. We're going to show you how to change that and, in the process, change everything.

But first, it's time for a gratuitous pop culture reference.