

Designing Employee Experience:

Design of Emotional Experiences as a
Source for Strategic Competitive Advantage

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There is a crisis in the midst of many organizations today. Business statistics evidence an alarming trend. Organizations are full of detached, ready-to-exit employees ranging from top-level executives to front line employees. There is a growing chasm between employees and the organizations they work for. Organizations have evolved to control and suppress emotion. Further, management practice has over rationalized the workplace, leaving little socially acceptable expression of emotion. This has led to the creation of the current problem state inside organizations.

Judith Bardwick (2007) in her book, *One Foot Out the Door*, defines the current state for many employees. The corporate mindset that views employees as costs rather than assets has had a tremendously negative and long lasting impact. Bardwick's research shows that as many as two-thirds of American employees are either actively looking for a new job or merely going through the motions in their jobs. She points out that whereas they may be showing up for work, they have already quit. Their hearts and minds aren't with them. These people are afflicted with a condition that Bardwick calls a Psychological Recession. This is defined as an emotional state in which people feel extremely vulnerable to economic hardship, leading to a skeptical view of the present and an even bleaker view of the future. This perspective reinforces people's perception of the world as a risky place in which they have little or no control. (Bardwick, 2007) When employee experience is framed in this context, what hope do organizations have for competitive advantage?

Many people report going to mundane jobs where they don't feel valued and have little opportunity for growth. Employees today are finding workplaces impersonal and disconnected. Commonly they work in environments that have been downsized, outsourced and merged with other organizations, a consequence of the growth strategy of many organizations. Has the drive for greater profits and the corporate attitude of "do more with less", rung employees of their will to excel and be creative in the workplace? As higher production requirements with tighter deadlines increase, employee's needs of meaningful connection and being valued have been overlooked to achieve organizational goals. In this era of cutback

downsizing, employees feel they have little promise of promotion, and therefore have no real sense of ownership over their work. When employees don't feel valued and appreciated, they don't push themselves toward excellence.

Organizations have learned that design and branding can be used to create emotional connections with customers resulting in increased customer loyalty and satisfaction. It has become the de facto standard to design customer experiences that engage emotions to build customer relationships with organizations, products and services. What would happen if an organization turned these practices inward to become employee facing? In doing so can an organization benefit from strategically designing employee experience inclusive of an emotional dimension? Can they have the same expectations of achieving similar results as seen with customers, namely trust, loyalty and satisfaction? How can organization's design emotional connections with its employees? This paper examines how can design and design thinking can provide potential answers to address the growing chasm between organizations and employees.

As we move into the twenty first century, multiple dimensions of organizational experience are changing. This coincides with the change seen in design and design thinking. Similar changes in experience and management are underway at the same time. These activities can be combined to focus on the design of human centered interactions inside organizations. This paper will examine the components of this transformation and design's role in shaping emotional employee experience. Closer examination of evolving role of management, design, service and experience will provide important perspectives needed to designing for emotional employee experience.

Finally, how can organizations leverage the design of meaningful employee experience is examined. The resource-based view is considered as a strategy for organizations wishing to utilize the competitive

advantage an aligned employee experience can provide. Can the positive outcomes of an aligned workforce become a core competency and part of an organization's resource based strategy model to create sustainable competitive advantage?

Changes in Management Practice

To understand how we arrived in today's over rationalized organizations, it is valuable to examine how modern management has evolved. The industrial revolution and the emergence of large organizations promoted rationality to become the dominant administrative paradigm. (Ashford & Humphrey, 1997) Max Weber (1968, cited in Ashford & Humphrey, 1997) first described the principle of 'rational-legacy bureaucracy'. He stated that as bureaucracy progresses, *"the more it is 'dehumanized,' the more completely it succeeds in eliminating from official business love, hatred and all purely personal, irrational, and emotional elements which escape calculation."* In, *The social problems of an industrial civilization*, Elton Mayo (1945) contends that the workplace has evolved to favor rationality, machinery and processes at the cost of employee concerns and emotionality. Increased industrialization combined with evolving management theory that focused on the greatest extraction of energy and productivity from employees, stripped emotion from the workplace.

In 1776, Scottish political-economist, Adam Smith published *The Wealth of Nations*. Adams is the first to record and discuss the concept of "division of labor". Division of labor created a new way to complete complex tasks, by breaking the task into simpler tasks and assigning them to specialists who typically perform that only task. This led to increased productivity for organizations, but the result on the workforce was detrimental. It led to boredom and a breakdown of a worker's contribution as a whole, thereby decreasing the worker's perception of his value to the organization. The specialization of tasks led to workers having fewer skill sets and diminished interest in the tasks they were to perform. Karl Marx further delved into the ramifications of this advancement. He called the resulting consequences, *a process*

of alienation. Marx wrote, “with this division of labor, the worker is depressed spiritually and physically to the condition of a machine”. (Hatch, 1997) Mayo also focuses on the changes in social culture that have influenced the modern workplace. Having lost the social aspect of apprenticeship, communication skills and the ability to work well with others has been diminished. Mayo states,

“We have in fact passed beyond that stage of human organization in which effective communication and collaboration were secured by established routines of relationship...

We live in a constant flux of personal associations, as of technical procedures”

Widely viewed as the father of modern rationalistic management, Frederic Taylor proposed applying scientific methods to discover the most efficient ways increase output of manual forms of labor. This approach, referred to as Scientific Management has had a significant impact on emotionality in the workplace. Taylor introduced the concept of the piece-rate incentive system where the amount workers were paid was based on the amount of work in a give period. This system allowed management to define the tasks workers performed and specified how they should do the tasks. This method shifted the control of work from the craftsmen to management. Supervision is introduced to monitor output and Taylor introduces differential pay for performance.

This was the first system that began to erode worker solidarity. (Hatch, 1997) It can be said that Taylor was responsible for removing the human side of management. Through his scientific examination of workplace performance, rigid thinking and domination, employees were left with reduced opportunity to think for themselves with less opportunity to achieve job satisfaction. Taylor, in his one-sided, rational approach to management has completely ignored the emotional and psychological needs of the worker. By far his most tragic and lasting legacy was the fracture of trust and cooperation between workers and management. (Hatch, 1997)

Taylor can be credited as a promoter of rationalization in organizations. His techniques laid the foundation for today's management control systems. (Hatch, 1997) Whether you view Taylor's work as a way to make organizations more rational or a way to highlight the value of rationality in the organization, it is evident that Taylor legitimizes rational management as a control agent. The legacy of Taylor can be felt in organizations today. Overwhelmingly modern management today still values rational thoughts and behaviors to the exclusion of the irrational, or emotional.

Further evidence to explain today's over-rationalized workplace can be seen in the evolution of control over employee behavior. Early industrial organizations were plagued with out of control behaviors, most commonly, fighting, drinking, and gaming. (Mastenbroek, 2000) In the beginning of the industrial revolution, there was no understanding of appropriate emotional expression in the workplace. Owners of industry fought back with management practices that featured strict discipline and coercion to force compliance to organizational rules. Mastenbroek (2000) speculates about the long-term impact and emotional cost of the methods employed by early capitalists to instill workplace order:

“Our first industrialist such as Wedgwood (McKendrick, 1961) and Regout (van Iterson, 1992) still testify through the spoken and the written word to the need to control violence, bouts of hard drinking, verbal abuse, raving, obscene language and sexual intercourse in their factories. Have our offices and factories now become graveyards of emotional tranquility and neutrality? The explanation for this disregarding of emotions lies perhaps in the risk we feel when we let go even a little. It has taken us centuries to reach the current level of trust in ourselves and others. The rationalization of interaction in our modern organizations makes us handle emotions irrationally. They are gone, disappeared into the periphery of eccentrics, the helpless, cultural minorities and the maladjusted; whom we sometimes treat heartlessly because they express what we are trying to keep down in ourselves”

Today, work environments are socially disconnected as predicted by Mayo. Organizations have evolved to employ management practices built on strict control intended to manage employees and meet organizational goals. A serious consequence of this legacy is seen in today's organizations. They are full of employees who don't feel connected to or valued by these organizations. The over whelming rationalization of industry has strongly shaped the emotional landscape of modern day organizations. Twentieth century thinking can be viewed as having an imbalanced perspective on human behavior, favoring the rational that excludes consideration for the emotional needs of individuals. Edward De Bono identifies the impact of this imbalanced thinking on today's society.

“We have advanced in science and a technology but not much in human behavior. The thinking of the last millennium has been concerned with ‘what is’. This is the thinking of analysis, criticism and argument. What we have not sufficiently developed is the thinking concerned with ‘what can be’ (creating value). This is thinking that is creative and constructive. This is thinking that seeks to solve conflicts and problems by designing a way forward. The emphasis is on design, not judgment and the only way we can move forward and make use of the opportunities offered by science and technology is by adopting this new thinking.” (De Bono (1999) cited in Press & Cooper, 2003)

Change in Design and Design Thinking

The industrialization of the twentieth century framed design as a process driven practice to create tangible output for organizations. The perception of designers as makers of artifacts remains the dominant perception in industry. Familiar with design practices such as graphic and digital design, organizations have primarily viewed design as applied processes to an organization's communications and products. However, design and design thinking are evolving as our economy moves from design of tangibles, (products and goods) to the design of intangibles. (services, experiences and interactions) Herbert Simon (1969) in, *The Sciences of the Artificial*, discusses design and its application across society.

“The intellectual activity that produces material artifacts is no different fundamentally from the one that prescribes remedies for a sick patient or the one that devises a new sales plan for a company or a social welfare policy for a state. Design, so construed, is the core of all professional training: it is the principal market that distinguishes the professions from the sciences.” (Simon, 1969)

How can design become the core of management of organizations? Richard Buchanan, in his essay, *Management and Design: Interaction Pathways in Organizational Life*, postulates that design has a higher offering to bring to organizations. He they can benefit from adopting design on a higher conceptual plane.

“...managing as designing challenges us to think of the services and activities of an organization, and indeed the organization itself, as consciously conceived and directed products in human culture. The question is, how can design help us along that path. Are there concepts and methods of design that can concretely affect the way we shape and develop our organizations?” (Buchanan, 2004)

Buchanan suggests examining interaction design for ideas about managing as designing as a potential resource to help build organizations. Interaction design emerged in the 1980's and addressed the challenges of human interaction with computers and digital information systems. Interaction design was responsible for making technology accessible and easy to use for the average consumer. A similar transformation of organizational systems and management is what is seen in the idea of managing as designing. (Buchanan, 2004) As organizations become more complex there is an increased need to focus and clarify their operation for all stakeholders. Interaction design could offer an approach for the strategic discipline of management. (Buchanan, 2004) At its foundation it's about how people relate to other people and how products and experiences mediate those relationships. Buchanan goes on to specify that it doesn't matter if it's a document, an artifact, a computer or computer program, a service, a business

activity, or an organizational environment. All of these things are open to design thinking whose aim is to facilitating relationships between people to reach specific goals and objectives. (Buchanan 2004)

Design has evolved to differentiate offerings through human-centered innovation to create stronger emotional connections with users. (Suri 2004) This expansion is frequently due to technology, but it's also a result of a growing confidence in human-centered design. Organizations understand it's important to engage their customers on a deeper level, beyond that of an interaction with an artifact. The push for business strategies to seek competitive advantage through more integrated offerings has resulted in closer examination of all customer touch points and how they can be optimized. The remit of design is longer limited to influencing how something looks, but expanded to address the experience people have as they live their lives. Design has the ability to positively influence the quality of interactions that affect people's perceptions of the organizations offering them.

This evolution has created new demands of the design profession. Design is now asked to consider interactions with people's experience in mind, which calls for greater understanding of the end user. Because these experiences occur over time and space richer experiences are needed. The design of this new work calls upon multiple disciplines, each bringing a unique perspective. (service, experience, interaction, and human-centered design)

No longer solely focused on customers, design is also uniquely positioned to address the experience of employees inside organizations. Press & Cooper (2003) share this perspective; they suggest that design is evolving, moving from the idea of design of tangible items towards intangible. They identify this evolution as Human Centered design. They define it as design thinking applied to human interaction scenarios. Tucker Viemeister, vice president of Razorfish Design has an interesting take on how design is changing. He states, "In the future designers are going to be more like psychiatrists: people who help

others do what they want rather than tell them what to do”. Mike Press and Rachel Cooper in the Design Experience, (2003) discuss the changing role of designers today.

“A theme we keep returning to is that the designer is not just a creator of objects, but is an enabler of experiences – and it is this idea of experience that should be the starting point and focus of design. “A focus on experience-the sensations, feelings, desires, aspirations and social relations that arise through our interactions with the designed world – inevitably strengthens the ‘humanness’ within design... The history of design in the 20th century could be characterized as pursuing the art of the possible. It is our hope that design in the new century pursues the art of the relevant and meaningful, in other words, that it more fully meets the needs of the people it purports to serve.”

Design is being recognized for its ability to facilitate between multiple stakeholders, to turn its problem-solving aptitude towards empathetic detection and creation of human interaction experiences. Designers possess the skills to innovate, solve problems and bring a creative perspective to a multitude of areas. They possess the ability to envision a future scenario, and undergo the steps to achieve it. With these tools inherent to their being; designers are in a prime position turn their skills to any area that would benefit from design thinking. (Press & Cooper, 2003) This evolution of design seeks to create meaningful solutions for human interaction will have wide implications for the future. Design is uniquely positioned to address the experience of employees inside organizations.

The Design of Emotion and the Emotionality of Design

There are two theories to explain how we make emotional connections with design, the action approach and the experience approach. These two processes compliment each other. (Chupick, 2004) The action theory states that our emotions are hardwired into the deepest, instinctual part of our brain. This theory focuses on the modern brain’s control over the old reptilian brain and how it serves as a gatekeeper. It

processes signals we receive and therefore turning the emotional experience into a background perception. The content of the mind takes priority over the body, and the body is directed to react by the emotional reactions of the brain “*One can argue that in the Action mode, feelings are the shadow of cognition. When the pattern of ideas is coherent, then there is a feeling of calm or pleasure. When the ideas do not fit together harmoniously, there is the experience of tension.*” (Chupick, 2004) A richer dimension can be seen when considering the experience model. It holds that the experience of emotion is tied to distinctive and personally meaningful episodes we encounter. Individuals create a “database” of emotional experience that is built up as we encounter new things. These emotions can be evoked when we encounter people and events that symbolically duplicate or approximate our earlier formative events. (Chupick, 2004)

When design is considered in the social context, it potentially embodies multiple layers of meaning. (Kreitler and Kreitler, 1972, cited in Chipuck, 2004) Design can evoke emotion through the experience model. This is called reintegration, where a single quality brings back the whole experience of an event stored in our emotional database. The important point is that a cue is provided, it provokes our senses, perhaps by taste, smell or sight, but it recalls a rich emotional experience from an earlier experience. Designers possess the ability to create experiences that cue an individual’s emotional experience.

People give meaning to their lives through experience. Before we are consumers or employees we are first and foremost a unique being with unique longings, needs and motives. This is the fundamental objective of the design of experience; to create meaningful events that *evoke* emotional reactions in individuals. Pine and Gilmore (1999) make the distinction that the *work* of experience perishes upon its performance, however, the *value* of the experience lingers in the memory of any individual who was engaged by the event. According to Pine, an experience is a distinguishing economic advantage for which one can ask a price premium. As we consider designing for employee experience, one organizational

benefit is reflected in the desirability of the experience. When organizations gain the reputation for being good places to work, top talent is attracted providing organizations a wider and increased quality of selection for an employee base.

Empathic Research

An important research tool for developing the emotional component of design is empathic research. It is not about finding out what individuals want, but to understand them on a deeper level and learn what motivates them. Its goal is to bring designers to understand customers at an emotional level, knowing what they think and feel. This helps designers uncover latent needs and understand what makes them 'tick'. (Voss & Zomerdijk, 2007)

IDEO promotes empathic research over typical market research. They make the claim that whereas with market research you might study 100 people to learn one thing, with empathic research you might study 10 people that match the customer profile and learn 100 things. However, IDEO does not promote empathic research over market research, acknowledging that each brings important insights. Market research has long been confused with design tools. Sadly, managers have misused market research as a way to select design outcomes. IDEO stipulates the main reason why market research and focus groups are not design tools is that they are only able to address explicit user needs. Successful design has to come from the discovery of latent user needs, and empathic research does this.

Change in Experience Design

As first described by Pine and Gilmore (1999), experiences are a fourth economic offering, coming after commoditization, goods and services. They distinguish experiences as distinct from services as services are from goods. As they explain, the origins of experience can be found in the heart of entertainment, a trip to Disneyworld being chief amongst this type of experience. They describe an experience as a period

of time that an individual purchases to enjoy a memorable event that a company stages. An important aspect of an experience is that it will engage the consumer in a personal way. Diller, Shedroff and Rhea (2006) simply describe experience as “the sensation of change”, meaning that an experience is any process we are aware of and involved with, as it happens.

Boswijk, *et. al.*, (2007) suggest that a new generation of the experience economy is underway. They stipulate that experience has evolved to have deeper significance for individuals. They define experience as, “*an immediate, relatively isolated occurrence with a complex of emotions that make an impression and represent a certain value for the individual within the context of a specific situation.*” More than being memorable as Pine and Gilmore explained, experience must be *emotionally meaningful* for individuals. They point to the work of Prahalad and Ramaswamy (2004) who see a radically changing role for consumers in their relationships with organizations. Consumers now seek interactions that go beyond the type of experiences described by Pine and Gilmore. “*There is a need to enter into a personal interaction with the company for the creation of a value proposition that is meaningful to and specific for the individual consumer.*” (Boswijk, *et. al.*, 2007) Consumers want experiences that are worthwhile to them, as judged by their personal value systems, and the experience of co-creating is the basis for a unique value proposition for consumers. (Boswijk, *et. al.*, 2007)

The same is true for employees. They seek emotionally meaningful interactions with organizations. The organization serves as an important source for social and emotional resources, such as respect and caring, as well as tangible benefits, such as wages and benefits. Being regarded highly by the organization helps to meet employees’ emotional needs for approval, esteem, and affiliation. Positive valuation by the organization also provides an indication that increased effort will be acknowledged and rewarded. This in turn makes employees take a more active interest in how the organization regards them. Employees have an expectation to find meaningful and interesting work within their organizations. They arrive with a view

of the organization as humanistic, in that it will evoke emotional interactions such as care and support. (Levinson (1965) cited in Eisenberger *et al.*, 1986) An organization’s offerings must personally engage their customers and employees with meaning and significance. This concept has long been seen in design. It has always been the domain of designers to create solutions that emotionally connect with those they are designing. Experience also evokes our emotions beginning with our biological and sensory perceptions. Through our senses we gather impressions of people, events and things around us. These emotions inform, lead to and create our meaningful experiences. Boskik *et al.*, (2007) describe the process of experiencing in the following stages.

Sensory Perception, see, smell, feel, hear, taste	Emotion	Experience	Meaningful Experience	Giving meaning
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The Rising Importance of Service and Service Design

Service offerings in both the UK and the USA are dramatically on the rise. The UK services sector accounts for over 70% of production income and almost 80% of employment (United Kingdom National Accounts, 2004), and in the U.S. they represent more than 75% of the economy. The strongest impressions of a services brand come from the service encounter, and every interaction affects the image. (Zeithaml and Bitner, (1996) cited in Chernatony *et al.*, 2005).

The service interactions organizations design provide an important foundation for employee experience design. Aaker (2000) explains,

“The people of an organization, especially in a firm with a heavy service component, provide the basis for the corporate brand image. If they appear engaged, interested in customers, empowered, responsive, and competent, the corporate brand will tend to engender greater respect, liking, and ultimately loyalty”.

It is clear the employee experience impacts the delivery of services for an organization. If an organization's employees are emotionally disconnected, the likelihood that they will be able to engage and connect with customers is greatly diminished.

The Design of Services

Philip Kotler (1991) defines a service as 'any activity or benefit that one party can give to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.' When considering the design of services, there are industry adopted processes and aspects that are considered and evaluated. In its potential state, a service can be described in hypothetical terms or what is called a "blueprint". According to Shostack (1982), in "*How to design services*" there are three necessary elements to service blueprint:

1. The blueprint must show time dimensions in diagrammatic form, since the service takes place over time.
2. Must identify all main functions, and sub functions of the service.
3. Must precisely define the tolerance of the model, i.e., the degree of variation from the blueprints standards that can be allowed in execution without affecting the consumer's perception or overall quality and timeliness.

The service blueprint is a way to describe, in small detail, the various stages of the delivery of the service. It must be designed to describe both the consumer activities and parallel activities. It will show everything the customer does and how they interact. The blueprint can be created at any stage of the design process, and can be an important source used to identify potential problems and benefits in executing the service. Blueprints should always incorporate a time line, enabling the determination of parallel stages, concurrencies, total time and cost. In other disciplines it might be referred to as a project schedule, project or process plan or a process map. (Hollins, 2007)

Service designers are striving to go beyond the traditional types of innovation, by employing design methodologies perfected over the years. The aim is to uncover new ways to create value for customers. IDEO uses tools such as scenario building, bodystorming, customer journey mapping, and video prototyping to create innovative services. When creating services, they believe that it's important to bring different specialist to the table. Some of these specialists come from areas such as human factors, interior architecture, cognitive psychology, improvisational drama, technology specialists, and software design. These practices are just as valuable and relevant when designing for employee experience.

Designing for Experiential Services

Service design and experience design collide to create what is referred to as 'experiential services'. Pullman and Gross (2004) define experience design as an approach to create emotional connection with guests or customers through careful planning of tangible and intangible events. Chris Voss of the London business school defines experiential services as, "services where the focus is on the experience of the customer when interacting with the organization, rather than just the functional benefits following from products and services delivered".

In a London Business School study, Voss (2007) examines eight design agencies and consultancies and nine successful experiential service providers to understand better the design of experiences. He found that experiential services are often designed as a customer journey, rather than as a single product or transaction. The service is seen as the journey, happening over time and consisting of multiple touch points. These touch points need to be carefully designed and managed. The research showed that innovation takes place at each touch point as well as the overall journey itself. (Voss & Zomerdijk, 2007) When designing for employee experience, the employee journey should be defined in much the same manner. The employee journey stops only when an employee leaves an organization, so therefore it must be cultivated on an on going basis.

Employees Are an Organization's First Customer

Internal marketing theory positions the employee as an additional customer of the organization. This theory considers jobs within the organization as 'products' and its goal is to market those jobs to employees, therefore treating them as a customer of the organization. In this manner, organizations view employees as an additional market they must research and understand. Taking this concept a step further, this author contends that the employee should be the first customer of the organization. When an organization doesn't align its activities with employees as their foundational customer and stakeholder, the output based on employee activities is weakened and can never reach full competitive strength.

An important benefit is gained when considering employees as the first customer of the organization. The old paradigm of rationalistic management control, characterized by a parent-child relationship, is changed. When employees are viewed as a customer, a new relationship paradigm is created. The grip of control of an overly rational workplace is replaced with a more benevolent relationship that moves the employee closer to the role of partner with the organization.

Designing for Service and Employee Experience—What's the connection?

When the processes and aims of providing a service are examined against the aims of creating optimal employee experience, similar correlations can be seen. When viewing the employee as a customer of the organization, providing meaningful employee experience can be considered a 'service' for employees. The aim is to understand and meet the physical as well as the emotional needs of employees. Designing this service is an intangible process, like the design of any other service. Services and Employee Experience can be compared:

- Services can be both tangible and intangible.
- Service happens over time and place

- It can involve artifacts and other things including communication, environment and behaviors.
- Whichever form it takes it must be consistent, easy to use and have strategic alliance

Compare this to Employee Experience:

- Employee Experience has both tangible and intangible aspects
- Employee Experience happens over time and space
- It involves artifacts of the organization (its brand) and focuses on communication, the workplace environment and employee behavior. One of its aims is to strategically align employees with the strategic goals of the organization.

From this comparison the conclusion can be drawn that Employee Experience is an important ‘experiential service’ of the organization for employees, the first customer of the organization.

The Business Case for Designing Employee Experience

Many strategists today claim that organizational capabilities represent the last truly sustainable source of competitive advantage for organizations. Until recently, there were many sources in which companies could develop and maintain sources of competitive advantage. This decrease of sources can be attributed to the economic shift from the production of goods. Future sources of sustainable competitive advantage will be found in an organizations ability to achieve strategic objectives. James Clifton chairman and CEO of the Gallup organization argues that what is really needed now are people who understand the critical importance of “intangibles” because it is the intangibles, not tangible assets like capital or physical facilities that create value through innovative and innovation for organizations. (Bardwick, 2007)

Strategy models typically focus on an organization’s external competitive environment. The resource-based view for strategic advantage considers an organizations internal environment, in terms of its resources and capabilities, as being better suited to creating competitive advantage than the external environment. Key to this strategy is identifying a resource that is evaluated by fulfilling criteria in four

critical areas, the resource must be: Valuable, Rare, Inimitable (not be easily copied) and Non-Substitutable by your competitors.

Important connections between the resource-based view and designing for employee experience can be identified. In that this strategy sees resources and capabilities as the principle source of competitive advantage, it may be seen as placing human resources in a central position to realize this. Human Resources have long been considered a suitable resource for the resource-based view. Barney (1991) includes “human capital resources” as one of his three resource categories. Most arguments for human resources as a strategic resource identify the cognitive ability of an organization’s employees. (Wright, *et.al.*, 2004) It is argued that the higher cognitive level of human resources, the higher output and advantage an organization will possess. As we have seen in historical perspectives of experience and management, this omits the emotional and relationship interaction of human resources.

Wright *et. al.*, (2004) also identify human resources as a source for competitive advantage. They suggest that through culture and norms, human capital resources may be melded together to create a synergistic culture where individuals work co-operatively inline with an organization’s goals. They further explain that an organization’s history and culture are impossible or at least too expensive for competitors to duplicate. Wright (2004) refers to the “social complexity” of the relationships inside an organization as a source for competitive advantage stating the social complexity can only result from human interactions.

An important and seldom used resource for competitive advantage is to leverage the organizational strengths that are characteristic of an emotionally connected and aligned workforce. The design of human interactions considers the emotional experience of employees as a potential source resource for competitive advantage. In order to create connection with employees, design thinking, service design, experience design and empathic research methods should be used to gain insight and understanding of

employee's unmet latent needs. Organizations must return to the view that its employees should be considered assets versus costs. By recognizing that creating value with employees is the first step to creating value with customers and combining it with its organizational offerings, organizations can recognize a competitive advantage that is valuable, rare, inimitable and non-substitutable.

In Conclusion

There are serious financial consequences of a disengaged work force. In a British study of employees, Gallup reported that only 19% of the workforce was engaged in their job. Employees who worked just hard enough to keep their jobs accounted for 61% and 20% were so disengaged that given the opportunity they would hurt the organization. (Bardwick 2007) From these numbers it can be stated that 80% of British employees are checked out. The same study estimated that actively disengaged employees cost the British economy between £37.2 and 38.9 billion due to high turnover, low retention rates, high absenteeism and low performance and or productivity levels. (Bardwick, 2007)

Organizations cannot continue to follow the command and control management practices of old, or they risk continued dire financial consequences. Towers Perrin researchers found that engaged employees display two important traits: they think about their work, and they are very focused on the customer. The towers perrin report also documents the financial impact. Companies with engaged employees tend to exceed their industry's annual average growth in revenue by at least one percentage point. (Bardwick, 2007)

The shift in marketplace economy will demand that CEOs optimize every aspect of their organizations. They must understand the softer side of employee experience and trust the subjective nature of emotions and the difference they can make to create an aligned organization. Design is uniquely positioned to offer organizations important tools and perspectives needed to create an Employee experience inclusive of the

emotional dimension. It has the ability to facilitate between all stakeholders of the organization, and turn its problem solving aptitude towards closing the chasm between employees and employers today. Design seeks to create meaningful solutions for human interaction and employee experience. And as Press and Cooper (2003) predicted, in doing so it will have wide implications for the future.

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