EXPECTATIONS THAT MATCH: A KEY TO A POSITIVE EMPLOYEE EXPERIENCE

A qualitative study of employees' expectation alignment with management practises

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Abstract

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Keyword:	Employee experience, expectation alignment, Social Exchange Theory, Self-Determination Theory, the contract expectation triangle, brand contract, transactional contract, psychological contract.

Purpose: The purpose of the study is to conduct an exploratory, qualitative study to investigate *Employee Experience* from an academic perspective and explore how employees' and employer's expectations align in terms of their employment.

Theory: This study utilised two different theories, Social Exchange Theory (SET) and Self-Determination Theory (SDT). They were used to analyse our findings in relation to the concept of *Employee Experience*. SET is based on the foundation that every social interaction depends upon a reciprocal response in order to achieve a balanced relationship. The theory proved valuable in the analysis while taking a closer look at expectation alignment between employees and management. SDT highlights the importance of intrinsic motivation, which is created through a high degree of autonomy, competence and relatedness. This theory was vital when analysing employees' motivational inclinations.

Method: The study was conducted by utilizing qualitative research methodology. The empirical data is based on interviews of management, in-house and off-site employees who are working as consultants at the case company.

Result: Transparency, managerial support and trust are essential for employees, especially for off-site workers. Furthermore, we discovered that belongingness is also crucial to off-site employees since it aids them in building a strong connection with their employer, which in turn lead to enhanced intrinsic motivation. Also, the company had no previous knowledge about the concept of *Employee Experience*. However, they displayed many of the elements closely related to it. Our results pointed towards an overall alignment of expectations between employer and employees, in terms of learning & development, autonomy, and relatedness. Also, misalignment was identified in terms of unclear career opportunities, a different view on loyalty and onboarding of new consultants.

Foreword

We would like to extend a sincere thank you to our supervisor Freddy Hällstén who guided us along the way by giving valuable feedback, input and support. We would also like to send our gratitude to the company where we performed our study who provided us with all the necessary support to make this thesis possible. Additionally, we would like to thank all participants who took time out of their day to help us out. Last but not least, we would like to thank our course supervisor Bertil Rolandsson and our fellow students who have provided us with valuable feedback and encouragement.

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1. INTRODUCTION

1.1. Background

In our globalised, fast-paced society, employers are constantly in competition for the most skilled employees. Results from KPMG International (2014) report, which was based on a global survey of more than 350 HR professionals worldwide, showed that 59 percent of the interviewees reported that the concept of the *war for talent* had changed. Morgan (2017), in his book *Employee Experience Advantage*, analysed over 250 global organisations, such as Linkedin, Google, Facebook, and Airbnb. He emphasised that currently, companies are looking for not just employees, but for the best employees, which leads to a problem with both employee attraction and retention. In recent years, the world has enjoyed an economic upswing, leaving people to feel more confident in their own skills and opportunities which the job market can offer (Maylett & Wride, 2017). As a result, people are less afraid to change their jobs more frequently, which affects perception of loyalty between employer and employees (Maylett & Wride, 2017).

Moreover, Manpower Group Talent Shortage Survey (2015), based on results collected from more than 41000 hiring managers in 32 countries, showed that 38 percent of employers have difficulties hiring people (Morgan, 2017). For example, the latest report about IT & Telecommunication competence in Sweden showed that by 2022 Swedish IT and telecom industry will need 70000 more workers than today (IT&Telekomföretagens, 2017).

Another problem is skill uncertainty. Many professions, especially, the IT-industry, operates in a highly dynamic, fluid and constantly changing environment. It leads to a situation where companies have to hire people who are able to continually learn and update their skills, which makes it even tougher to keep and find such specialists (Morgan, 2017). Another challenge for companies is that *"everyone is competing for everyone",* e.g. a car manufacturing company Toyota competes for talent against a technology company Apple (Morgan, 2017).

Hence, the changes of the work settings make it critical for organisations to create a work environment that will give a reason for employees why they should *want* to work in the company, rather than why they *need* to work. Thus, it is critical to understand the concept of *Employee Experience* (EX), which is defined as employees' holistic perceptions of their relationship with the organisation (Plaskoff, 2017).

Starting in the early 90s, the employee engagement discipline emerged as a result of employee turnover, increased sick leave, and decreased efficiency, which negatively affected organisational functioning (Boxall & Purcell, 2016). In order to prevent negative consequences and corresponding costs, organisations started to focus more on employees (Kahn, 1990). However, recent studies have criticised employee engagement concept as *"short-term cosmetic changes"* or *"a short-term adrenalin shot"* which was unable to engage employees long-term (Morgan, 2017; Maylett & Wride, 2017). For example, according to a study conducted by Gallup, in the US alone, approximately 100 billion dollars are spent annually on employee engagement (Yohn, 2018). However, despite the dedication to employee engagement, only about 34 percent of employees in the US report that they are engaged at work (Harter, 2018). In addition, according to Harvard Business Review, disengaged employees are estimated to cost US companies roughly 500 billion dollars in lost revenue each year (Yohn, 2018). According to Morgan (2017), EX should not replace employee engagement, in fact they need to work together, and it should be viewed as a concept that creates employee engagement.

EX largely depends on perceptions and expectations, which is why it is critical for organisations to know their employees in order to create a positive EX (Maylett & Wride, 2017). It could be particularly challenging for consultancy organisations, whose employees are often located off-site, which prevents building a cohesive culture. Employees expect the company's values and norms to reflect their own, therefore, it is vital for organisations to establish expectations about the work-life experience (Maylett & Wride, 2017). Consequently, it does not matter how challenging the work is as long as conditions are clearly stated and in unison with employees' expectations (Maylett & Wride, 2017).

The concept of EX appeared a few years ago, and all previous literature in this area were conducted by consultants, HR managers and other specialists who are closely working with organisations. As presented above, the results indicated that to engage employees long-term, it is essential to create a positive EX. However, in academic literature, the research about EX is absent, which is why we are planning to do an exploratory qualitative study to test the concept. Particularly, we will utilise *the contract expectation triangle,* which consists of *brand,*

transactional and *psychological contract*, that helps to understand how employer-employee relationship shape (Maylett & Wride, 2017).

Furthermore, we will conduct our study in the IT consulting industry which is the most challenging in Sweden, in terms of employee recruitment and retention (IT&Telekomföretagens, 2017). However, the company where we will perform our research is not familiar with the EX concept. Nevertheless, we want to explore how the company works with EX related areas to investigate how the employer's expectations align with what employees' experience.

Additionally, we also want to identify relevant theories around the concept since it will help to contribute to EX theoretically. We are hoping that the findings of our research will facilitate other academic researchers to investigate this area.

1.2. Purpose and research questions

The purpose of the study is to conduct an exploratory, qualitative study to investigate *Employee Experience* from an academic perspective. Specifically, we want to focus on exploring relevant theories to the concept, and how the theories could contribute to EX, and vice versa. Moreover, we will utilise *the contract expectation triangle* to explore how employees' and employer's expectations align in terms of their employment.

To have a better understanding when reading, we want to clarify:

With *Employee Experience,* we mean that it is the sum of an employee's expectations and perceptions regarding their interactions with the organisation (Maylett & Wride, 2017).

By *in-house employees,* we mean permanent employees of the company who are located on the company side, and by *off-site employees*, we mean permanent employees of the company who are located on the client side.

We aim to study our purpose by answering the following research questions:

- How does the company's actions align with what employees' experience working at the company?
- How does the company work with *Employee Experience* related areas?
- In what way is the *Employee Experience* similar and different, for employees working in-house, compared to those working off-site?

In order to answer the questions, we aim to investigate the perceptions and expectations of both employees and managers, working at the company. In addition, we will explore the area of EX related to the *contract expectations triangle* and we will explore theories to support the findings theoretically. Also, we will explore similarities and differences in EX between in-house and off-site employees.

2. LITERATURE REVIEW

In this section, we will present previous research about Employee Experience and areas related to it. Specifically, we will focus on brand, transactional and psychological contracts that are part of the contract expectation triangle.

2.1. Employee engagement and employee experience

2.1.1. Employee engagement

Employee engagement has been thoroughly studied for many years. Several different perspectives stress the importance of creating a work environment that keep employees engaged and motivated in their work. For example, Kahn (1990), Rothbard (2001), Maslach (2001) studied meaningful work, safety, availability and wellbeing as antecedents to engagement. Over time, the values of organisations and employees have changed, and an engaged workforce has become more prevalent to create a competitive advantage. Furthermore, the shift from manufacturing to service work, where employees are directly involved with the customer, have caused the need for engagement to increase substantially (Boxell & Purcell, 2016).

In essence, the purpose of employee engagement is to create a motivated and engaged workforce that will, in turn, perform at a higher level. Utilizing Social Exchange Theory, an argument could be made of employee engagement relation to increased performance (Carter, Nesbit, Badham, Parker & Sung, 2018). If employees are provided with the tools to execute quality work, such as feedback, opportunities to develop and social and general support, they will feel encouraged to reciprocate with a better performance (Carter et al., 2018).

2.1.2. The debate over employee engagement

Although employee engagement has been both thoroughly studied and utilised in practice, some recent research suggests that it has fallen short of its mark (Morgan, 2017; Guest, 2015). Morgan (2017) implies that engagement is a short-term solution with no long-lasting effects. Guest (2015) also expresses concern regarding the longevity of the results, claiming that organisational engagement and work engagement operates in *"different worlds"*. Many companies only use

engagement as a branding opportunity by using annual surveys to measure their employees' wellbeing and thereby displaying a front of job satisfaction (Morgan, 2017). Even if companies create a desirable employee life cycle, it is highly likely that not all employees will be engaged since their expectations will not align with their employer's. Every individual has their unique norms and values which are connected to their expectations. To create a harmony of expectations, between individual and organisation, it is essential to focus on *Employee Experience* (Maylett & Wride, 2017).

2.2. Employee experience

The concept of *employee experience* is new, which has mostly been investigated by consulting companies, HR managers and other specialists that are working with practical business problems. It was divided into three essential elements of EX: (1) the overall employees' perception/expectation about their workplace; (2) environmental factors that shape EX and (3) the shift from customer experience to EX (Grover, 2016).

2.2.1. The overall employees' perception/expectation about their workplace

According to IBM Smart Workforce Institute (2016, p. 3), EX is *"a set of perceptions that employees have about their experiences at work in response to their interactions with the organisation"*. The IBM institute (2016) conducted a study which is based on the response of 23000 employees in 45 countries, showed five core dimension of EX index: (1) belonging - being part of the team/organisation; (2) purpose - meaningful work; (3) achievement - sense of a task's accomplishment; (4) happiness - pleasant feeling associated with work and (5) vigor - enthusiasm and excitement at work. They also identified two essential factors for creating a positive EX. The first factor is leadership that is playing an important role in setting the overall direction of the organisation, and the second essential factor is workplace practices that could be viewed from multiple levels: environment, work and person (IBM Smart Workforce Institute, 2016). When employees feel that they can trust in the organisation, their EX is on average 83 percent higher, and when they feel support from colleagues, EX is on average 77 percent higher. Moreover, the results of the study also showed that meaningful work, alignment with

organisational core values, feedback and recognition are associated with 80 percent more positive EX (IBM Smart Workforce Institute, 2016).

In order to build a positive EX that shape employee-employer relations, Maylett & Wride (2017), the authors of the book *The Employee Experience*, based on 24 million employee survey response from more than 400 organisations of all sizes and industries in over 70 countries, proposed a concept of *the contract expectation triangle*. The concept consists of *brand, transactional* and *psychological contracts* which are formed on different stages of employee life cycle and correspond to the quality of the overall EX (Figure 1).
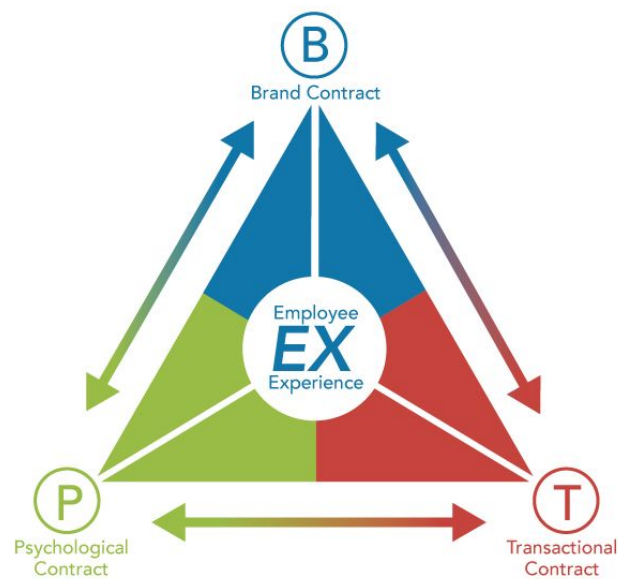
Figure 1. The contract expectation triangle (Maylett & Wride, 2017)

The *brand contract* refers to the public perception of anyone who is affiliated with the organisation, and their implied promises in relation to company values, norms and procedures. It is crucial as it develops expectations about the organisation of future employees before they even start working and additionally maintains expectations of current workers (Maylett & Wride, 2017). A *transactional contract* is an entity which has to be mutually accepted by the employer and employees. It needs to be explicit and intentional in regard to what is expected by an employee and the organisation (Maylett & Wride, 2017). A *psychological contract* is an unwritten and underlying assumption that shape expectations and obligations of an employee-employer relationship in terms of reciprocity (Maylett & Wride, 2017).

According to Maylett & Wride (2017), a positive EX is a result of how employees perceive their experiences and whether or not their expectations are met. Maylett & Wride (2017) suggested that *EX = Experiences + Expectations + Perceptions*.

Another study about EX, from Deloitte Insights (2017), which is based on 10000 respondents from 140 countries, also supported the importance to provide a holistic, end-to-end experience for employees. The findings that identified Deloitte Insights are similar to what IBM institute discovered. Deloitte Insights (2017) also emphasised that meaningful work, supportive management, positive work environment, growth opportunity and trust in management are important factors for a positive EX (Figure 2).

Simply Irresistible Organization™ model				
Meaningful work	**Supportive management**	**Positive work environment**	**Growth opportunity**	**Trust in leadership**
Autonomy	Clear and transparent goals	Flexible work environment	Training and support on the job	Mission and purpose
Select to fit	Coaching	Humanistic workplace	Facilitated talent mobility	Continuous investment in people
Small, empowered teams	Investment in development of managers	Culture of recognition	Self-directed, dynamic learning	Transparency and honesty
Time for slack	Agile performance management	Fair, inclusive, diverse work environment	High-impact learning culture	Inspiration
Cross-organization collaboration and communication				

Figure 2. Factors that contribute to positive employee experience (Deloitte Insights, 2017)

2.2.2. Environmental factors that shape Employee Experience

Morgan (2017) described three environments that are essential for designing a great EX: *physical, technological,* and *cultural environment*. *The physical environment*, according to the author, comprises 30 percent of the EX. It includes everything that surrounds an employee such as the atmosphere in the office, bringing visitors to work, flexibility, and alignment of organisational values (Morgan, 2017). *The technological environment* also contributes 30 percent to the EX and could be characterised as the environment that provides all the tools and technologies that are necessary for employees to perform their tasks. It includes modern and easy to use technological solutions that simplify the connection to everyone in an organisation, and help to perform their job (Morgan, 2017). *The cultural environment* contributes 40 percent to the EX. It is the aura of an organisation which shapes how the organisation is viewed in society, whether employees feel valued, have purposeful work, have an ability for learning & development, feel included, respectful, treated fairly in terms of compensation and benefits and have appropriate work-life balance (Morgan, 2017).

2.2.3. Customer Experience is Employee Experience

Many companies focus their efforts on customer experience (CX), and rightly so, customer satisfaction is, of course, essential. However, the very same attention should also be devoted to EX, after all, when employees are appreciated and well taken care of, they also perform at a much higher level which in turn affects the customers as well (Yohn, 2016; Maylett & Wride, 2017). In 2014 Sir Richard Branson said, *"[My] philosophy has always been, if you can put staff first, your customers second, and shareholders third, effectively, in the end, the shareholders do well, the customers do better, and your staff remains happy"* (Maylett & Wride, 2017). He was one of the first who understood that making employees happy and proud of their jobs will help companies to create a positive CX (Maylett & Wride, 2017). It is important to emphasise that EX is highly related to CX. Employees are the face of every organisation and are the people who have a day to day interactions with customers. If organisation manages to create a positive EX, it leads to higher levels of engagement of employees, which in the end provides better CX. As a

result, EX is vital for achieving organisational competitive advantage. In other words, *EX=CX* (Maylett & Wride, 2017). Moreover, CX is highly dependent on the company's distinctive brand values, and the same attributes are essential for EX. Companies should design and promote such norms and values that will help them to attract personnel that align with the priorities of their brands (Yohn, 2016).

EX approach also has limitations. As it was already mentioned, a new area requires more attention and research from the academic community to explore the concept. Also, nowadays, HR specialists and managers have lack of knowledge and understanding of how to create a positive EX, which keeps companies focused on *"point-in-time engagement"* (Deloitte Insights, 2017).

2.3. Brand contract

According to Maylett & Wride (2017), an organisation's brand contract is formed by public opinion and perceptions. More specifically, it is the sum of all implied promises, made by organisations to its customers and employees, or anyone else that come in contact with their brand. With digitalisation in full swing, corporate reputation has moved from being a set entity to a continually evolving process. Gonring (2008) described brand contract in terms of corporate identity, where inward/outward actions and opinions become the total of an organisation's brand reputation. Its name, logo and policies, are just some of the parameters that help mould stakeholders' image of an organisation. It is important to highlight that stakeholders' perceptions, in combination with these parameters, create a company's total brand image (Gonring, 2008). In other words, the brand contract is influenced by a series of factors, many of which are beyond the control of organisations. It will always be tough to control how people express themselves regarding a certain company. However, it is possible for companies to manage public rhetoric by being transparent and align their actions with the public image (Mayett & Wride, 2017). For an employee, an outline of the brand contract is created long before he or she even starts working. General perceptions, news, word of mouth etc., have already established an idea of what an organisation might offer, how it operates and what is to be expected (Mayett & Wride, 2017). However, when an employee finally starts working, perceptions are replaced by actual

experiences, putting the brand contract to the test. The level of alignment, between original expectations and perceptions, and actual one's actual experience, will affect the overall EX (Mayett & Wride, 2017).

2.3.1. Brand values and perceived fit

A brand is often mentioned in relation to the customer, what it offers and what kind of message it wants to project upon its target audience. However, there is a second type of brand, an employer brand, which is geared towards those that choose to work for, sell and promote that brand (Schumann, 2006). Employees do not only need to know how to sell a brand, e.g., during recruitment process, but they also need to align themselves with their values in order to be truly successful. King, Murillo & Lee (2017) emphasised the importance for employees to adopt organisational values within the hospitality industry. In a profession such as the service industry, employees' commitment to promoting the brand image is crucial for its success, making internal brand management (IBM) pivotal in delivering upon promised organisational values.

Organisational goals are often geared towards customer satisfaction. However, for such goals to come to fruition, an alignment of behaviour and attitudes, between brand and employee, needs to happen (King et al., 2017). Previous research on IBM has focused on brand citizenship behaviour, which is described as work role behaviour that is voluntary and not related to your assigned work tasks (King et al., 2017). In addition, such actions are not directly connected to any extrinsic reward system, monetary or otherwise, but is performed solely in the effort to enhance brand image (Xie, Peng & Huan, 2014). Xiong & King (2015) found that perceived fit, between individual values and organizational values, was positively correlated with brand citizenship behaviour. In addition, King et al. (2017) found support for their hypothesis that values acquired at work, geared towards altruistic and intrinsic rewards, would positively influence the perception of brand fit.

2.3.2. Brand identity

When the financial crisis hit in 2008, overnight, gross misconduct and abuse of power became the face of the financial sector. As a result, it created a necessity and an interest in the area of brand management. In order to repair damages and rebuild trust with stakeholders, managerial

efforts, in terms of brand management, could no longer only be geared towards customers, but employees also needed to be included in the process (Bravo, Buil, Chernatony & Martínez, 2017). Employees play a vital role in brand management as they are the face of every organisation. Quality of communication and knowledge, not to mention the level of commitment, are of course essential parameters that mould the perceptions of individuals (Bravo et al., 2017). In order for companies to have a positive brand perception, they need to focus their efforts on internal brand activities.

Brand identity is a concept that is tough to define, and it is described in several different ways (Bravo et al., 2017). Hughes & Ahearne (2010) emphasised that official membership in an organisation is not necessarily a precursor for brand identity, but alignment between one's own, and perceived organisational values, are much more critical. It could also be explained as a specific set of associations related to a brand to create and sustain a particular image (Buil, Catalán, & Martínez, 2016; Aaker, 1996). Previous research might differ slightly when it comes to its definition; however, most literature seems to agree that positive brand identity is a result in favourable employee opinions and experiences, and ultimately creates a sustainable competitive advantage (Bravo et al., 2017).

2.4. Psychological contract

Argyris (1960) first defined the concept of a psychological contract. He described the relationship between employees and organisation that are built on unwritten and subjective understanding between parties with respect to mutual expectations. Schein (1984) defined the term as an unwritten set of expectations operating between a group of employees, managers and others in the organisation. Schein's definition focuses on understanding the expectations of both employees' and employer's perspectives, not just one individual. Other scholars who have studied the concept of the psychological contract refers to it as *"an individual's beliefs regarding the terms of a reciprocal exchange agreement between that focal person and another party"* (Rousseau, 1989, p. 123). Herriot et al., (1997) and Rousseau, (1990) also referred to the contract as mutual expectations and obligations between employer and employee, which shape explicit and implicit promises and future behaviour in employment relationships. Rousseau's in her

research on psychological contract (2012) characterised the concept as expected obligations that an employee and employer begin to formulate even before the employee starts working at the company. Moreover, expectations are constantly evolving and shifting during employment relationships. Furthermore, Scholarios et al., (2008) and Rousseau (1989) described that psychological contract can still exist even if one of the parties is not aware that the other has expectations.

2.4.1. Transactional and relational types of psychological contract

The existing literature about transactional contract showed that it is part of psychological contract that contains of transactional, relational elements or both (e.g., Robinson, Kraatz, & Rousseau, 1994; Robinson & Morrison, 1995; Rousseau, 1995).

A transactional contract is an entity which is mutually accepted by both parties. It needs to be fully explicit and fully intentional in regards of what is expected. The contract should clearly state rules, objectives and expectations, outlining a framework of what is expected and promised to an employee and the organisation (Maylett & Wride, 2017). Transactional contract creates structure by setting rules, terms and conditions that help to define the operating terms of the relationships. In written or verbal form, the contract should explicitly define workplace relationships from policies to expectations. The transactional contract creates a foundation for engagement and positive EX by taking care of factors such as compensation and benefits, mutual expectations, vacation time, confidentiality. The contract by itself is enhancing satisfaction, but not engagement. However, the violation of the contract will be immediately noticed and have a negative impact on engagement (Maylett & Wride, 2017).

Other scholars described transactional contract in terms of a type of employment relations that are based on the principles of *quid pro quo* (Rousseau 1989, 1995; Rousseau and McLean Parks 1993). They specified that a transactional contract does not require personal involvement from the parties since it focuses on clearly defined, short-term agreements and economic exchanges. For example, a company which temporarily hires contractors to cover short needs of specific skills, reimburses them by providing a higher salary for their services (Rousseau, 1995).

In contrast, relational contract focuses on broad, open-ended, and long-term obligations. It is based on exchange of not only monetizable remuneration but also socioemotional elements such as loyalty and support (Morrison & Robinson, 1997). The relational contract is more based on social exchange relations between employee and employer that are not necessarily built on specific economic obligations (Cropanzano & Mitchell, 2005). Rousseau (1995), emphasised that the contract requires the investments by both parties that will increase their degree of mutual interdependence. Also, it could function in both written and unwritten terms, and, being dynamic, it can change during the contract lifetime (Rousseau, 1995).

2.4.2. Breach of psychological contract

Existing literature highlights two classical models of psychological contract breach. The first model was proposed by Morrison & Robinson (1997), who described the formation of the psychological contract. They define a contract breach as an employees' cognitive perception of receiving less than was promised by the organisation in a manner to their contribution. Morrison & Robinson (1997) reserved the term *psychological contract violation* as a reference to emotional experience that an employee forms when the company fails to maintain the psychological contract. More specifically, violation involves the combination of disappointment, frustration and anger emotion, and originates from the perception of being betrayed or mistreated and failure to receive what was expected and desired. Hence, a perceived contract breach could lead to violation depending on employees' perception of the breach.

The second model was proposed by Turnley & Feldman (1999), who studied discrepancy of the psychological contract breach. They described three conditions that lead to breach and violation. First, individuals develop their expectations based on the information they receive from the organisational representative. Second, originates from the organisational culture, values and norms that shape employees' beliefs about how the company will treat them and what to expect from it. The third concept is shaped by the individual idiosyncratic ways to process information and their ability to idealise how the organisation operates (Turnley & Feldman, 1999). Due to self-serving biases, it is common that individual perceptions and expectations develop in a way to benefit themselves (Shore & Tetrick, 1994).

Lambert, Edwards & Cable (2003) expanded the view of psychological contract breach concerning different employees' reaction to unfulfilled, fulfilled and overfulfilled relational and transactional promises. Coyle-Shapiro & Kessler (2000) suggested that employees positively associate overfulfillment of promises, while underfulfillment is associated negatively. However, Locke & Katz (1976) described that overfullfilment of promises for some individuals can provoke negative reactions since they might view it as overtaxing and inconsistency of their expectations. Further, the author also explained that the individual's pleasant (valued) or unpleasant reaction could depend on the final outcome. Montes & Irving (2008) described that transactional contract promises are easier to fulfil even if they are implicit, because in the mind of the employee, e.g., characteristic of payment is concrete and verifiable. In contrast, relational expectations are less concrete and depend on individual perceptions and judgments of what they deserved and received.

Moreover, perceptions of employee obligations can change over time because subjectivity of relational contract may affect employees' perceptions (Robinson, Kraatz & Rousseau, 1994). In support of this, Lambert et al.'s (2003) findings show that delivered expectations, in contrary to promises, have higher impact on employees' attitude and behavioural intentions. Furthermore, Locke et al. (1976) and Lambert et al. (2003) demonstrated that individuals were more satisfied when they received a higher level of inducements that was promised compared to those, who were promised and received a lower level of inducements.

Other research focused on explaining how psychological contract breach is negatively related to trust (e.g., Robinson, 1996; Rousseau, 1989). According to Robinson (1995) when an organisation violates a psychological contract, employees may feel that an organisation does not care about them and might not fulfil the rest of the obligations. Also, trust is critical for relational contract due to a higher level of uncertainty compared to transactional (Montes & Irving, 2008).

2.4.3. Formation of psychological contract

Currently, the research on the formation of the psychological contract is quite limited. Rousseau (2001) described five stages of contract formation. The first phase, *pre-employment*, provides a lens on how employees imagine their experience in the organisation and whether their

professional norms, ideologies, and societal beliefs will match with the potential employer (Rousseau, 2001). The next phase starts during the *recruitment process* that shapes exchange relationships between employer and employee and builds a perception of promises that parties have to fulfil during employment relationships (Rousseau, 2001). The third phase occurs during early *organisational socialisation* when parties continue interacting with each other and start learning about each other from different sources, such as colleagues, customers and managers. The next phase is called *later experiences* that, according to Rousseau (2001), needs fewer promises exchanges and less information seeking about each other. The final phase involves the *evaluation* of possible psychological contract breach (Rousseau, 2001).

De Vos, Buyens & Schalk, (2003); Robinson, Kraatz, & Rousseau, (1994) described the formation of psychological contract from a different perspective. The researchers found that it changes when transitions from pre-employment to post-employment phase because reciprocity increases during employment and also that individuals are biased in favour of themselves, which also affects psychological contract formation.

Maia & Bastos (2015) performed a study about four trajectories of psychological contract development among different groups of employees. The first trajectory is a *high match*, employees were highly committed at the beginning of employment and remain strong throughout the years. The second trajectory is *learning to love*, where employees had low commitment at the beginning of employment, but their commitment increased over the years. *Honeymoon hangover* is a third trajectory that represents a decrease of commitment that was initially strong. The final trajectory is *learning to hate*, employees had an ideological view about employment that dramatically decreased (Maia et al., 2015).

2.5. Conclusion for literature review

Previous literature has a few different ideas about what EX is. Morgan (2017), for example, described EX as a combination of three essential entities, *physical, technological,* and *cultural* environment. Deloitte Insights (2017) emphasised that meaningful work, supportive management, positive work environment, growth opportunity and trust in management are important factors of EX. Maylett & Wride (2017) described EX as the overall perception of the

working place and emphasised that it is essential to understand the three contract triangle to build a positive EX. All point of views has their merits, however, our research will focus on the latter, in an effort to explore how the three contracts might interact with a theoretical framework. Since EX is a new area, it lacks an empirical foundation, which is why we want to identify theories that could help to contribute to the concept of EX from a theoretical point of view.

3. THEORETICAL FRAMEWORK

To explore the concept of Employee Experience, it is essential to establish a theoretical framework of how social interactions between employer and employees are formed and what factors are critical for employee motivation. We believe that Social Exchange Theory will provide a good foundation to explain social-exchange interactions between the organisation and employees in terms of economic and interpersonal exchanges. Besides, Self-Determination Theory will provide additional insights on understanding of human motivation that is shaped by intrinsic motives such as curiosity, interest and values, and extrinsic motives such as reward system, and evaluation. The theory will help to understand how social factors facilitate an employee's sense of volition from a motivational point of view. The following theories will be presented in more detail below.

3.1. Social Exchange Theory

Utilising Social Exchange Theory (SET), we want to explore social interactions from multiple perspectives. Homans (1961) examined social behaviour as an exchange interaction between parties based on certain economic principles around rewards and costs. Homans (1961) emphasised that reward might have different value to different people. For example, a 5-dollar reward will be more appreciated by a homeless person compared to a millionaire. Costs, according to Homans (1961), is the value that an individual can give up, which alternatively can come as withdrawal from reward, or punishment. For example, the costs for exchange relationships could be not only economical, but also time, energy and skills that individual can put into doing something more rewarding. Summarising, Homans (1961) suggested the following formula to explain social exchange interactions: *profit = reward - cost*, which could be interpreted as in order to increase individual profit, either reward should be higher, or cost lower.

Blau (1964) expanded the importance of social context further. He argued that social exchange, in contrary to economic exchange, is not explicitly defined, but is rather up to personal discretion. Blau (1964) emphasised that trust in social exchange is a critical element. The individuals have to trust each other to be able to reciprocate. Consequently, the parties have to prove each other that they are trustworthy. For example, an organisation has to provide fair

treatment to initiate a social exchange relationship with an employee. Furthermore, the author described that when individuals are accomplishing their obligations, they demonstrate their trustworthiness to each other, gradually expanding mutual trust. The reciprocal obligations that incur are valued as symbols of good will, loyalty and support which positively influences their work attitude and contribution (Blau, 1964). In order to maintain the balance in the relationship, employees feel obligated to reciprocate appropriately (Blau, 1964). The rule of reciprocity plays a vital role in social exchange, even if repayment happens sometimes in the future. Also, Blau (1964) described that social rewards and benefits would depend on personal relationships between parties. Therefore, individuals would preferably choose to spend time with those, whose relationships could potentially be more rewarding (Blau, 1964).

Equity and distributive justice are an essential component in social exchange that helps parties to keep balance in relationships. Otherwise, an individual who puts more effort into relationships could feel resentment, and another could feel guilty (Cook & Yamagishi, 1983). Mitchell, Cropanzana, & Quisenberry (2012) highlighted two factors that influence the management of equity in relationships. The first factor is that the time for reciprocity depends on the importance of the relationships and the cost. Second factor that affects equity depends on relative availability of partners resources. The evaluation of equity is rather psychological factor that physical, and shapes individual's perception of fairness and thus the perception could differ between parties (Mitchell, et al., 2012). According to Homans (1961), distributive justice occurs in exchange relationship when the outcome proportionally depends on how much each party invested. Hence, if one of the parties feels injustice, it will provoke feelings of anger, betrayal, and will increase a chance that a person will avoid participating in the future (Homans, 1961).

Consequently, Mitchell, et al., (2012) described that reciprocal exchanges occur when people experience cost while providing a reward to their partners with expectation for receiving some kind of repayment in the future. As described earlier, if the reciprocal exchange does not happen, it will lead to negative consequences for relationships (Mitchell, et al., 2012).

3.1.1. Social Exchange Theory critique

Reviewing the literature, the main criticisms of Social Exchange Theory are closely tied to Homans' assumptions and propositions that all exchange relationships build on principal of rewards and costs. Redmond (2015) stated that relationships are built on more complex decision-making and rational principles, not only on finding the profit and comparing alternatives. Moreover, it could be difficult to measure the reward value because, firstly, the value of the reward depends on the interpretation and secondly, some rewards could exist only in symbolic or intangible form (Redmond, 2015). In addition, it would be difficult to apply the principle of social exchange when exchanges are restricted by roles and social structure. For example, individuals can have interactions and activities with other people without social exchanges in term of costs and rewards, but because of an accepted role. The theory is also criticised because of the oversimplification of human exchanges (Redmond, 2015). The author argued that the theory is reductionist and human interactions are more complicated and include other concepts such as power, motivation, social structure, context and time (Redmond, 2015).

3.2. Self-Determination Theory

Self-Determination Theory (SDT) highlights the role of contextual social conditions which either positively, or negatively, affect our innate self-motivation and psychological development. Depending on one's social surroundings, a person can be proactive and involved, or passive and alienating (Ryan, Deci, Fowler, Raymond, Seligman, Martin, Csikszentmihalyi & Mihaly, 2000). Our social environment plays a significant role in facilitating our inclination to be one or the other, as we are moulded through its functions, and during our development. In relation to SDT, certain factors have been tested in reference to if they enhance or counteract, self-regulation, well-being and intrinsic motivation (Ryan et al., 2000). The results have led to the establishment of three psychological needs, autonomy, relatedness and competence (Ryan et al., 2000). When these needs are satisfied, it will result in both heightened psychological health and self-motivation. However, if not all three are met, it will negatively affect one's motivation and well-being (Ryan et al., 2000).

SDT focus on people's resources within and how they shape personality development and self-regulatory behaviour (Ryan et al., 2000). The research is concentrated on one's innate ability to grow and built-in psychological needs, which in turn are what create the foundation of self-motivation and personality integration. The three psychological needs found to facilitate such behaviours appear to be necessary to maximise personal development, growth and integration, well-being and healthy social behaviour. Besides, SDT also encompasses research concerning behaviour which inhibits these innate propensities and negatively affects personal development and self-motivation (Ryan et al., 2000).

Intrinsic motivation resides naturally in most people and can be found in children from a very young age where they display active behaviour, curiosity and a desire to learn, without any external reward. However, in spite of humans' innate proclivities towards intrinsic motivation, it can be thwarted through antagonistic behaviour if not appropriately nourished (Ryan et al., 2000).

Cognitive Evaluation Theory (CET) is a sub-theory within SDT and deal with inconsistencies concerning variability within intrinsic motivation (Ryan et al., 2000). Its primary focus is the need for autonomy and competence and how an abundance, or lack thereof, can lead to increased or decreased intrinsic motivation. The theory states that things such as, communication, rewards and feedback which are geared towards enhancing competence will also increase intrinsic motivation. To specify, an absence of humiliating evaluations, helpful feedback and appropriate challenges, where are all found to enhance intrinsic motivation (Ryan et al., 2000). Additionally, according to CET, competence alone will not increase intrinsic motivation unless there is a perceived sense of autonomy. A sense of competence is not enough, and a person needs to perceive their behaviour as that of their choosing to positively affect intrinsic motivation (Ryan et al., 2000).

A majority of the research regarding the social environment's effect on intrinsic motivation have mainly focused on autonomy vs control, rather than competence. This argument originates from the claim that external rewards may inhibit intrinsic motivation (Ryan et al., 2000). Research suggests that not only tangible rewards may negatively affect intrinsic motivation, but also things such as threats, imposed deadlines and directives etc. The common

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denominator between the two is the perception of being out of one's control. As a result, a decreased sense of autonomy will lead to lower intrinsic motivation, whereas, choice, opportunities of self-development and attention to feelings, will enhance it (Ryan et al., 2000).

Although autonomy and competence showcase the most substantial empirical support, relatedness, however, also impact intrinsic motivation. SDT suggests that a nurturing and caring interpersonal setting over more extended periods will nourish intrinsic motivation through a sense of security and relatedness (Ryan et al., 2000). For example, children within a school setting, working on a stimulating task, under the tutelage of a teacher they experienced as disengaged and uninterested, displayed a low level of intrinsic motivation. Research such as this, suggests that a caring and warm environment may increase intrinsic motivation (Ryan et al., 2000).

In conclusion, the social environment can strengthen or weaken intrinsic motivation if the basic psychological needs are met, or not. However, it is essential to note that a person will only be intrinsically motivated if the activity in question holds intrinsic value to them (Ryan et al., 2000).

SDT also covers the aspect of non-intrinsic motivated actions in the form of extrinsic rewards (Ryan et al., 2000). However, we deemed this part of the theory to be of less value to our study and will therefore not elaborate further on it.

3.2.1 Self-Determination Theory critique

Some of the critique related to SDT has been directed towards the psychological need autonomy (Jones, 2014). Some argue that too much freedom is in fact detrimental and that it will decrease productivity. Structure is vital to people, and too little of it may have a negative effect on performance (Jones, 2014). For example, a teacher who focuses on autonomy and provides little to no rules or limits might struggle in keeping control of the classroom.

Another critique of the theory is that control, using extrinsic rewards, actually works (Jones, 2014). Most supporters of SDT tend to agree with such a statement, however, they also seem to be in consensus that such a positive effect will only last short-term. Extrinsic rewards may actually decrease intrinsic motivation over time (Jones, 2014).

4. RESEARCH METHODOLOGY

4.1. Choice of method

The study was conducted using qualitative research, which helps to *"interpret meanings, emotions, behaviours and/or perceptions"* and understand social reality *"from the inside out"* (Dahlberg & McCaig, 2010). The main goal of qualitative research is to look deeper and to uncover what lies underneath everyday life to disclose the reality (Woods, 1988). Accordingly, the method gave us the opportunity to explore new issues (Dahlberg & McCaig, 2010), specifically, we compared *Employee Experience* working as an in-house consultant, as opposed to working off-site. Moreover, we investigated how the company work with *Employee Experience* related areas, and how it aligned with what employees were experiencing working at the company.

However, the small size of sampling that is used for qualitative research is often criticised since it could affect the likelihood to find the same results in other groups (Dahlberg & McCaig, 2010). Unlike generalising of quantitative results, the norms of qualitative research help the researchers receive in-depth data, become involved within a subject, understand the issue through detailed analysis of participants' experiences, thoughts, and feelings (Dahlberg & McCaig, 2010; Silverman, 2010).

4.2. Research setting

The organisation under study was an IT consulting company in Sweden, which has been well established for many years and has thousands of employees worldwide. The research was conducted at the Gothenburg office that has a few hundred employees. We focused our research at the Gothenburg office in order to be able to conduct face-to-face interviews. The company works with a wide variety of national and international clients and has both in-house and off-site employees.

We chose our research setting due to that we had access to the company since one of the researchers were working at the company. We were aware that a close relationship with the case study company could affect the research. However, the researchers made an extra effort to try to

be as objective as possible during the process. Also, given the size of the company, we were able to have interviews with participants from other departments who the researchers did not know or worked together with. It helped to conduct interviews without involving personal relationships.

We initially presented several topics to an HR director that we thought would be interesting to research. The company was very open in their argument and stressed that it was essential that we chose a topic that was interesting to us as they thought all presented topics would provide value to them. However, they expressed their opinion on which one, they would benefit most and showed an interest in EX because they heard about it and wanted to know more about the concept. Hence, they were glad to let us conduct our thesis at their office.

4.3. Selection of participants

In order to select participants, purposeful and snowball sampling techniques were used. The purposeful sampling technique was chosen to recruit participants who could provide detailed and in-depth information to answer the research questions. Specifically, three groups of participants were selected: IT specialists who are working in-house, IT specialists who are working off-site, and managerial/administrative personnel. IT specialists were divided into two groups to investigate differences and similarities in their experience working in-house and off-site. The managerial/administrative personnel group was chosen to examine what the company was doing to create a positive EX and how it aligned with what employees' experienced. Additionally, a snowball sampling technique was used to recruit participants who were working off-site.

The access to participants was gained through a reciprocal exchange, meaning that the findings of the study will be presented to the company at the end of the research (Shenton & Hayter, 2004). Participants were offered to participate in the study two-three weeks prior to the initial interviews, and face-to-face interview invitations were sent via email. The initial thought was to have 6 participants from each group: in-house, off-site employees and managerial/administrative personnel.

Group in-house employees: 10 employees were asked in person to participate in the study, and 6 agreed to attend, but 4 out of 6 interviews were rescheduled. The reasons for interviews' rescheduling were overload at work or illness.

Group off-site employees: 12 employees were asked to participate in the study by email, and 9 employees agreed to participate. In the final days of conducting interviews, 1 participant asked to reschedule the meeting, and another employee agreed to participate as well, but we decided to cancel further interviews due to the saturation of data.

Group managerial/administrative personnel: 6 employees were asked about the participation, and all of them agreed to participate, but 1 interview from this group was cancelled due to sick leave.

Accordingly, 17 out of 20 scheduled interviews were conducted for the study, we claim that 17 interviews were enough to answer the research questions since after 10 interviews we could already identify some patterns and the remaining 7 interviews added more evidence.

To investigate the topic from different perspectives and provide diversity of the population for the study (Ritchie & Lewis, 2003). The participants were of different ages, ranging between 23 and 45 years old. Also, both men and women participated in the study, 4 females and 13 males. Tenure among participants varied between 2 months up to 19 years. The respondents also had different occupations: a software developer, a software tester, a project manager, a recruiter, and a marketing specialist.

4.4. Data collection

We performed 17 separate semi-structured interviews that were conducted in English. This approach was deemed appropriate since it allowed for some flexibility, both in terms of questions and answers (Edwards & Holland, 2013). In addition, seeing as EX is a relatively new area, where a very limited number of empirical studies have been performed, we deemed an explorative approach suitable as it is more fluid and enables researchers to pursue areas of interests that may arise along the way (Smith & Bowers-Brown, 2010). The interviews varied in length, but all were concluded within approximately 30-60 minutes. Our goal was to perform all interviews within the span of two weeks at the beginning of March. All interviews were performed on-site, despite that some of the participants worked off-site. An offer was extended to come to them, however, all prefered to meet on a company location.

Our first interview was conducted in a non-soundproof conference room, in close proximity to the office landscape. Sound clearly travelled and we feared that some participants might feel uncomfortable answering certain questions while others might be listening. As a result, we decided to move our remaining interviews to a more private room to ensure that our participants would feel safe and have the confidence to speak freely.

Prior to each interview, we asked all participants for their verbal consent to participate in our study by reading a prepared statement. We stated that the interview was to be recorded, anonymous and voluntary. We also explained that there was a possibility to withdraw at any time, that they could choose to not answer one, or any of the questions and that all data would be handled with care and only be used for the sole purpose of our study. In regard to the recording devices, we utilised two phones and two computers to assure good quality. Another reason for using multiple devices was to have backups if any, or several of them, were to malfunction.

Our set of questions varied slightly between our three groups, namely in-house and off-site employees (Appendix A), and managers/administrative personnel (Appendix B). Administrative personnel were asked a mix of the two (Appendices A&B). Questions regarding brand contract were derived from Appendix B, the remaining questions were from Appendix A. This was deemed suitable in relation to their roles and responsibilities. However, all three groups were asked the same demographic questions at the beginning of each interview. All participants were asked a set of, approximately, 30 questions connected to their expectation before and during their employment, and their overall experience working at the company. The questions were constructed in an attempt to keep them as open as possible (Charmaz, 2006). This was done to avoid guiding the participants in their answers.

4.5. Data analysis

After conducting all the interviews, we started to transcribe our audio files. In order to be efficient and to save time, we utilised software which performed a relatively rough first draft of the interviews. We then proceeded to overlook the transcriptions and correct any mistakes the software might have made due to the quality of the sound. When conducting our interviews, around number ten, we realised that we could anticipate our participants' answers. As a result,

we did not deem it necessary to transcribe them all. In the end, we transcribed 11 interviews, 4 in-house employees, 4 off-site employees and 3 managers/administrative personnel.

When coding, to keep a good structure, we utilised another software which allowed us to organise and compare our extensive set of data. Coding was performed carefully and meticulously where participants answers were grouped into categories. During coding, we initially identified 56 themes by using grounded theory approach, called 'coding incident to incident' (Charmaz, 2006). After conducting an initial coding, we compared interviews against one another, and also merged themes that had a similar context (Charmaz, 2006). When we had identified patterns and grouped them into 10 main categories, we located Social Exchange Theory and Self-Determination Theory which we thought would be useful in providing EX with a more theoretical foundation.

4.6. Reliability and validity

Reliability in a qualitative study is the way how the research data was collected, which helps to test the quality of the research (Golafshani, 2003). The quality concept is a crucial element of a qualitative study that helps to *"understand a situation that would otherwise be enigmatic or confusing"* (Eisner 1991, p. 58). In order to provide the right quality for our study, before conducting interviews, we rigorously discussed the interview guide, amongst ourselves and with our supervisor, to be sure that questions were relevant to answer our research questions, and that all participants understood them in the same way. Also, we constructed open-ended questions to minimise our biases and give an opportunity to participants to answer questions freely in order to uncover their views, concerns and experience. Besides, we can argue that we received enough data to answer research questions since, after the 10th interview, we felt that the data became *"saturated"* (Charmaz, 2006). Also, we transcribed 11 interviews fully and 6 interviews we used partly that provides reliable quality of the findings since during the data analysis new patterns stopped to emerge after coding of the 6th interviews.

According to Silverman (2010), in qualitative research validity is another word for truth which means that gaining findings and explanations accurately represent knowledge and understanding about the nature of social phenomena. Hence, to provide trustworthiness of the

research report, we conducted the study according to Ritchie & Lewis (2003) suggestions. Firstly, as described in section '4.3. Selection of participants', we invited a diverse group of participants to take part in the study. The environment for 16 out of 17 interviews was settled in order to give the participants the opportunity to feel safe to express their experience and thoughts. Moreover, all participants had an opportunity to clarify questions, elaborate their views or decline to answer questions. Additionally, we asked follow-up questions or asked to provide examples to reveal what lies beneath the surface. The data was recorded, transcribed and then coded by comparative analysis and discussion, which lead us to key findings of the study. In effort to reduce subjectivity and biases, our approach through the whole process were to handle the data with an open mind to increase the validity of the study (Ritchie & Lewis, 2003).

4.7. Ethical considerations

Our primary concern when performing the study was to consider the two pillars of modern research ethics: informed consent and anonymity (Smith, 2010). Prior to each interview, we read a prepared statement covering sub-areas of these two pillars.

At the beginning of every interview, we gave a quick briefing explaining which area of study we planned to focus on. Although no deception was involved, we decided not to share the research questions at the start, due to the possibility of guiding their answers. Instead, we suggested that we would give a more thorough explanation of the study in the final part of the interview. We also explained that participation was completely voluntary and that they could withdraw at any time. If they wished to not answer one, or any of the questions, we explained that this was within their right as well. In an effort to make them feel more comfortable, we also stated that there were no right or wrong answers, only their own thoughts, feelings and opinions regarding the questions. We clearly stated that although the interview would be recorded, the study would be anonymous. We explained that we would utilise multiple devices and that the recordings would be handled with care and deleted on the completion of our thesis. In addition, we also stated that the material would be used solely for our thesis and no other purpose. Finally, we explained that the thesis would be published on GUPEA if they wished to see the results. After stating the outline of the procedure, we asked for their verbal consent and if they were

willing to participate under those conditions. Only after they had given their consent, we proceeded with the interviews.

For our research, we also considered any possible physical and/or emotional harm that may befall our participants. Considering our topic, we deemed it unlikely that any type of harm would be an issue. However, we did recognise that an interview situation may cause stress and discomfort to some people (Smith, 2010). We, therefore, made an extra effort to be friendly and clearly state that there were no right or wrong answers, only their personal experiences and opinions.

4.8. Limitations

One of the limitations of our study is the sample size. We conducted 17 interviews which might be considered as not enough. However, after the 10th interview, there was a saturation of data, meaning that we did not receive any additional information, mostly it was data that was confirming what we had already discovered.

Another limitation could also be that we did not transcribe all interviews. As mentioned above, we transcribed 11 interviews, and we can argue that it is enough because no new themes appeared after we had coded 6 interviews. The other coded interviews were used to add more strength to our findings.

An area which is critical and limits our study is the lack of empirical studies about EX. As a result, we utilised previous literature mainly from consulting agencies and business-related resources. Our desire was to test the EX concept and specifically to explore if it could be applied to a more academic setting. Additionally, there were no theories that were used in terms of EX from an academic point of view.

Lastly, another limitation could be that one of the researchers worked at the company. However, as was described in section '4.2. Research setting', we conducted interviews with employees who we did not know or worked together with. Also, we tried to be as objective as possible.

5. FINDINGS

In this section, we will systematically present our empirical findings that we collected from the interview analysis. In order to answer the research questions, we will compare similarities and differences in Employee Experience between in-house and off-site employees. We will also present the findings from a managerial point of view and compare it with what employees' experience.

Moreover, we will use quotes from the interviews to support our findings. To provide anonymity for participants, we assigned a number for individuals according to their interview order such as in-house employee 1, off-site employee 2, manager 3, recruiter 4.

5.1. Management

5.1.1. Transparency and clear communication

From the interviews with management, we identified that transparency and clear communication are essential factors in people management. Management emphasised that transparency, integrity and openness is a part of the organisational values that they are following while building the work environment for employees. Moreover, they are always trying to be transparent in their promises, one of the managers even highlighted that *"...never say maybe or maybe later, only say no or yes. It is part of being clear because it could be confusing to employees when it is later" (Manager 3)*. Also, according to management, if they do not live up to their promises, they will lose the trust of their employees which could have negative consequences for the company, such as turnover. Another critical factor that we found that the creation of common rules and vision that was especially important in managing off-site teams since employees are not present at the company every day. For example, management organises frequent individual and group meetings for both in-house and off-site employees and use a lot of email and phone communication to keep in touch with their employees.

The majority of employees indicated that they believed that the company fulfilled all of their promises. Also, they believe that if the company is not able to fulfil any of their promises, employees will receive a clear explanation of why it will not happen.

I have not experienced that they have promised something or communicated something that they have not fulfilled and if they had to for some reason not being able to fulfil their promise. I guess that we would receive a very clear communication of why and when we will do something instead. (In-house employee 8)

5.1.2. Managerial trust

According to employees' comments, transparent communication increases trust in their managers, which helps employees to open up and have a more honest dialogue about issues at work and to find faster actions to improve the situation. Also, some of the employees mentioned that a relaxed relationship with management helps them to see their managers as another colleague with different responsibilities, which makes communication easier. Analysing the answers of off-site workers, we found that trust and managerial support is critical to them because employees feel that management from the parent company knows them better and employees can always come to their managers if something happens at the customer site.

If something happens off-site, you can just go to your boss immediately, and something will happen, and they take it seriously. I think that is really important. (Off-site employee 11)

It was also interesting to find that the off-site employees are making an extra effort to meet with their managers more often. It helps off-site employees to maintain a feeling of connection and also follow up on managerial expectations.

We do not work together but he/she is still my manager, and I want to have a connection, so he/she knows where I am at and what I feel about it, and what he/she feels. I think that's important. (Off-site employee 5)

From the perspective of management, they understand that it is critical to focus on employees, understand their needs and provide frequent feedback. The results from interviews show that management understands that they have to continually improve their leadership skills and build trusting relationships with employees so that employees feel that the company cares about them and helps them to develop both personally and professionally. Management thinks that proactive actions will increase employees' trust in their direct managers, and be more transparent, which will make people stay longer in the organisation. For example, management makes an extra effort to gather teams for meeting, lunches, workshops etc., and thereby establish a more effective line of communications.

We have a huge amount of focus on people, and if we have the best leadership in this city, people will probably stay longer. (Manager 3)

The managerial actions coincide with what employees' experience, the workers feel that good communication with their managers show them that the company cares about them and that they are being treated respectfully.

> I feel that I have respect and a good communication with my manager. That is what I think is the key part here. (Off-site employee 17)

5.2. Expectation gap and miscommunication

5.2.1. Unclear career opportunities

From the interviews, we learnt that management is organising personal meetings with each employee every three months where they discuss future career plans and follow up on expectations. The answers from the interviews differ among employees, about half stated that the quarterly meetings help them to understand what the company and management are expecting and that it aligns with their perception.

> The main focus of the meeting is to make it clear what are the company's expectations. And then you have the discussion with your manager, what can you personally do to align with this focus and what you personally value and so forth. I think these meetings are a good way to focus on that. (Off-site developer 17)

However, even though many of interviewees feel that the meetings are helping them to follow up on the company's expectations, they have problems with understanding what they should do to reach the next career step. Management consider the meetings as a useful instrument that help to establish long-term career goals, talk about the assignment, and also understand how the employees feel. However, from interviews with management, we also identified that the fact that the meetings are happening quite often, reduces the meetings importance for the parties. Moreover, we found that management is considering that the career path from junior to middle to senior are self-explanatory and they are not paying enough attention to make sure that employees understand what they should do to reach the next step.

Furthermore, analysing the answers about the issues that the employees might have at the company and also answers about turnover reasons, we found that unclear promotion opportunities are highly connected to the reason why some employees are leaving the company. Some of the respondents mentioned that employees might leave the organisation because they do

not feel that they are receiving the pay that they deserve, which they motivate with the fact that they started to work in the company on a junior position, and after some time a person started to perceive that their contribution is higher than their financial compensation. As one of the employees explained, yearly salary review is a centralised procedure that will not increase the salary to the level, which they perceive as deserved, and this means that the only way to increase the pay is to switch employer, even though the employee is happy with everything else. In-house employee 4 consider that *"more clear career steps would be beneficial for both the employees, because they will stay at the company longer since they will be happy to get the fair salary, and for the company because it is hard to recruit people and it is expensive when someone leaves especially when people are really talented and good".* Additionally, more of interviewees believe that usually, employees are working at the company either a few years or a very long time, the difference in tenure was explained as *"younger people are trying to increase their income as much as possible; usually it is the fastest way to switch employer" (Off-site employee 17)* or *"it is probably the sense of security if you stay longer, you are familiar with everything, and you really like the environment here." (Off-site employee 11)*

On the other hand, the management is considering that increased salary will not help to stop the turnover, they describe it as a short-term solution, meaning that the employee will want even higher salary after a while and will leave the company anyway.

> Of course, that is a failure; otherwise, they [employees] would have stayed. But of course, there is a limit as well, how high salary we can give to people and I do not think it helps, that may help temporarily, but then salary is a relative thing. After a while, you [employee] are used to that salary, and you [employee] want more. I do not think that is the real key about keeping people; it is something else. (Manager 2)

Looking at the answers from both employees and managers, we found misalignment of expectations between parties. The results show that employees do not feel that they are receiving a fair pay compared to their contribution. Management, however, do not believe that increased remuneration will improve turnover.

However, we found another essential pattern, some of the employees with longer tenure in the company understood that they need to be proactive and contribute apart from their direct responsibilities to receive a higher salary. Employees mentioned that by taking additional responsibility, focusing on self-development to become a better professional, or sharing

knowledge with others is always noticed and rewarded through financial compensation. The company is by no means forcing employees to do additional work, but employees who have value creating ideas are generally met with encouragement. However, it is up to each individual to choose if they want to be proactive and create value outside of their everyday responsibilities, and as a result, be compensated for it.

> In the early years, I had a period when I wanted to have a better income in relation to the work I did. There was a bit of a discussion regarding that, but then we solved that, and since then I think income has not been my main focus. I focused more on the learning part instead, on my own capabilities, and I feel I have been rewarded for it both when it comes to income and also attention and opportunities. It is my personal view on it, but it is expected that you will put in the effort to earn that salary as well. (Off-site employee 17)

5.2.2. Ambiguity among new consultants

In our interviews, we noticed that employees who came straight from university or held their first job as consultants displayed a higher degree of uncertainty and ambiguity. Some of them gave an impression of feeling unsure regarding how to behave while working off-site and how they might bring value to the company.

> I need a little bit more information, I feel. As a consultant, your task is to be at the client. I would like to know how I can bring even more value. (Off-site employee 5)

Those who had previously worked as consultants or/and had several years of experience within the company spoke with more ease in regard to new assignments and appeared to be more confident in how their performance at the customer might bring value to the company as a whole.

Some of the participants also mentioned that it came as a surprise that they would have to wait for an assignment after they started, or at least said they thought it would be a much faster process. Both management and recruitment stated that this was either a well-known factor and/or that it was communicated during the recruitment process.

> …my feeling is that we sit down, and we discuss those kinds of things. What kind of expectations we have and I usually say that being a consultant is when you sit at the customer site in a project. It is more or less being an employee at the customer. There is no difference really. (Manager 2)

The organisation appears to be of the opinion that expectations regarding assignment are clearly communicated while some of the employees seem a bit unsure on the matter. Once again, seniority and previous employment appear to play a big part here. We noticed that a majority answered many of our questions in relation to their experience at a previous employer. However, we discovered that those who had recently graduated and had little to no prior experience, have no previous knowledge to lean on.

Many of our participants also mentioned the stress that is associated with working as a consultant. Several mentioned tight deadlines and a big workload. Most claimed that they were well aware that they entered a high-paced field and that stressful elements of the job did not come as a surprise to them. However, those who had little to no previous experience displayed a higher concern regarding stress and if it would affect them in the long run.

> ...high pressure from stakeholders that we should, you know, develop more, get things done faster. So that is a huge part. I think the stress of that (Off-site employee 11).

However, most seemed to think that the stressful elements of the job had been clearly communicated to them before they started working.

5.2.3. Importance of a challenging assignment and external influences

During our research, we identified that both management and employees consider the assignment as the most essential part of their employment. It needs to be challenging and interesting, preferably using cutting edge technologies. In order to provide exciting assignments, management promises mobility which enables employees to choose and switch projects. From a managerial perspective, the mobility and freedom to choose assignment provides an opportunity for professional development. By changing assignment, developers can increase their knowledge, learn new technologies and solve different problems. Also, they can change an assignment if they do not feel interested in working there anymore. The consultants highly appreciate the opportunity to choose and change a project and freedom to learn and explore.

Moreover, management and recruitment specialists understand and take the labour market shortage situation in the Swedish IT industry very seriously. For instance, management

mentioned that the company had organised a marketing campaign to demonstrate the issues in the industry, that Sweden will need 70000 more developers by 2022.

> It is a big problem in the society. We need many more people in the industry, and we want to show that it is not only our problem, it is a big question for everyone. (Recruiter 9)

Hence, the company is aware that IT consultants are receiving many offers from other competitors, and they are trying to provide work conditions that will keep employees longer. However, as one of the recruiters said *"I think that if they get a lot of contacts and sooner or later they might get interested in and start listening to and if they get a good offer and it is a cool company, or they want to do something different, and they offer exactly that, they will change the job." (Recruiter 9)*

According to management, their employees are working on average 3,5 years longer, in comparison to other companies in the industry. Management view this as a good result of their work. They said that if an employee was leaving, usually a person goes to the client to continue developing the product, switching to a company that specialises in the specific field or modern start-up company, rather than to another consulting company.

> It is pretty rare that someone leaves because they are really dissatisfied. That is also frustrating. The salary was good, I did a good job, and you [employee] think the company is good and the assignment was good as well. "It just looks cool; it is a start-up, and I want to try that right now." The only thing I can do about that is to say good luck and come back when you are ready when you are done with the exploring. (Manager 3)

5.2.4. Loyalty

In our interviews, we also discovered a few interesting patterns regarding loyalty. There appeared to be a misalignment between management and employees in regard to what loyalty actually meant to them. Management had a tendency to describe loyalty as a concept of tenure. They stressed that loyalty is achieved through service over time and putting the company before the individual. However, many recognised the current state of the job market as a possible reason for staying less time at the same employer.

> I would say loyalty is very tricky today. In today's job market and also in today's society, there are very few people that join a company and stay there for 20, 30, 40 years. That is very unusual today. (Recruiter 9)

One of the managers even questioned the concept of loyalty and if you can expect the same type of loyalty today as 20 or 30 years ago.

> I do not know if there is something called a loyal employee anymore. Because loyalty refers you putting another person first hand all the time. I do not think people still do that anymore. Not when it comes to companies. (Manager 2)

The very same manager also continued to explain that he/she thought trust was a more important ingredient than loyalty. His/her belief was that loyalty to a company is much more fragile than trust in co-workers and management. He/she argued that breaking ties to a company is much easier than breaking a connection with people, built upon trust.

Employees, however, seemed to highlight their own performance in relation to the company as a measure of loyalty. Many also mentioned that sharing knowledge and helping others was a sign of loyalty.

> ...someone who is trying to do their best, trying to help other people instead of just thinking of themselves and [considering that] yeah, if I do get nothing out from this, then I will not do it. Because if you try to share your knowledge and help people, then you will probably get more back. (Off-site employee 10)

In addition, speaking in positive terms about the company outside of work was also frequently mentioned as a common denominator for loyalty. However, none of them mentioned the concept of time and most of them seemed to focus on their own output as a display of loyalty. One employee even said that he/she would still consider himself/herself a loyal employee even if he/she was talking with other companies in the pursuit of a better job as long as he/she was doing a good job at the current employer.

One thing that both management and employees emphasised in relation to loyalty was the importance of accepting responsibility. Putting effort into solving issues and not passing them off as outside your own realm of responsibility was highlighted by both sides.

> A loyal employee looks at how the company could do things better. If we do something that is good, how we can do even more of that? If we do something that is not good, how we could minimise that, or stop completely if it is possible? (Recruiter 9)

There seemed to be a consensus between management and employees that a loyal employee goes beyond their actual assignment.

> ...someone who shares the goal of the company and not just tries to advance their own agenda. But it is also thinking a bit about what I can do for the company. I think that is a loyal employee. (Off-site employee 11)

5.3. Company culture

5.3.1. Reciprocal exchanges between the employer and employees

When answering interview questions, management and recruitment specialists described the company as an entrepreneurial, innovative and continually evolving company. Hence, during the recruitment process, the company is trying to hire employees who are curious, lifelong learners, are not afraid to experiment and try new things. Furthermore, during employment, the company provides employees with opportunities for professional development, variety of projects and also promotes a creative environment so that employees feel encouraged to take initiatives and bring new ideas to the table.

> Since we are a very entrepreneurial company, we have an unwritten rule not to say "No". If someone presents you something, you should not say no directly because that will stop everything, and nothing will continue. I think that is a good rule in general. (Recruiter 9)

Moreover, from the interviews with management, we found that the company provides a high degree of autonomy, such as a flexible work schedule and self-governance which aligned with what employees perceived. Also, by enhancing employees' skills and expertise, the company expects that employees will perform at a higher level. In our findings, we identified that the company understands that the area of IT is constantly evolving. New technologies and approaches are frequently appearing, which is why it is critical to promote an educational culture and hire employees who are ready to learn new things and share their knowledge.

> We are encouraging employees to take own decisions and own ideas. If an employee works here, you can do basically whatever they want if a person can say why he/she wants to do it. If an employee has the skills and tools to do it, if an employee does not have all the skills, we can help she/he with the skills. (Manager 3)

Our findings show that employees appreciate the autonomy and support that they receive from the company, and in return they want to perform better since it will help the company to bring in more projects and keep the right reputation. Also, employees said that they understand that the ideas should be rational and bring some value for both parties. For example, one of the employees said, *"As a developer, I need to enhance my skills and do a good performance at a customer"*, and further the employee continues, *"If you want to do something, no one says no*

unless it is something ridiculous. If you can provide a value for what you are going to do, they usually say yes. It is a good thing if you want to do something else apart from your consulting work." (Off-site employee 10)

5.3.2. Caring and collaborative working environment

Management appears to understand that the employees are the heart of the organisation. Value is created through the work of consultants, who are located in-house or at one of the company's customers. As a result, they are their greatest asset and needs to be cared for.

> If we are going to be thinking customer first, we have to think employees first. Because that is what we are, we are a consultancy company. We do not have a product which we can make 100 percent perfect and put the customer first, we have to focus on ourselves. (Manager 3)

This indicates that management recognises that in order to make the customer a priority, they need to put their employees first, who are in daily contact with the customers. Management also stress the importance of knowledge sharing which appear to be one of the more vital parts of the organisation. The company creates financial value through employees sharing their knowledge and broadening their competencies because it helps employees to build a stronger skillset.

The employees also put a lot of emphasis on collaboration and highlight the importance of working together and helping each other to achieve common goals.

> When we do a project, we do mob programming [sessions]. One is writing [driving] and everybody else is just saying what they think they should write [navigating], and that is great because we get to work together to accomplish a goal. (Off-site employee 10)

From our interviews, it is clear that management has communicated their expectations regarding collaboration and the employees appear to understand and respond in a positive manner.

In our findings, management generally characterised the company's approach as people over business. They emphasised the well-being of their staff as priority number one and being a competitive company second.

> I would say that we are a company that wants things to be fair, we do not try to sacrifice people for business. (Manager 3)

One manager expressed his/her beliefs that if they care about their employees, the results will follow, *"If you are happy, if your group is happy and if everyone has good assignments, the results are going to be good" (Manager 3)*. For example, we found that the company is focusing on soft values such as autonomy, opportunity for learning, managerial support and frequent communication. Management's focus on its employees was reflected in the responses of the employees who described the company as a very caring employer. Many expressed similar feelings as the following statement, *"Well, it feels like they really care about their staff" (In-house employee 6)*. Other also described the company culture as *"warm", "friendly"* and *"welcoming"*.

The employees also expressed their belief that the company is trying to maximise their potential and provide them with a lot of support to do so. Some talked a lot about taking initiatives. The consensus seemed be, if you want to move forward, you need to be the one that is pushing that process. The company both encourage and provide a lot of opportunities for learning, and some of the employees seem to have realised that they are in charge of their own personal development. However, this was only clear to some.

> If you want to go somewhere, you are allowed to make the decision yourself, but you have to push it yourself... but, they let you grow if you want. (Off-site employee 5)

5.3.3. The company acts according to their values

Many employees expressed that they appreciate the corporate social responsibility (CSR) work that the company is doing, both in Sweden, and in other countries. The visibility of actions shows employees that they can trust the company, and that the company's actions are cohesive in relation to their values and promises. Furthermore, many employees said they are proud to work for a company who contribute to society in a positive manner. For some employees, it was even one of the main reasons why they decided to join the company.

> The company is very inclusive, and they show how they are working towards being inclusive, not only for females but also people all over the country. They have good programs, and they show me the data that they are doing something, not just talking about it. (Off-site employee 11)

Our findings show that the company is aware that the visibility of the CSR work aligns with their proactive actions, helps to increase the trust with employees. Additionally, it helps to attract young specialists who want to work for an employer that emphasise philanthropic

endeavours. They are also considering that by being an entrepreneurial company they have to constantly improve different problems and implement new approaches. Moreover, as management explained, when the company found a problem and promised to improve it, they have to deliver on their promises since it is essential to show that they are a responsible employer and follow through on their commitments.

> In many companies, there are a lot of fancy policy documents, but nothing real behind. Here, it is the other way around, beyond a lot of different things that we do, and they are the opposite of abstract, they are very clear. (Recruiter 9)

5.3.4. Sense of belonging

Both managers and employees stressed the importance of belongingness. Many used the expression *"feeling at home"* when they described their experience working at the company and emphasised their relation to co-workers and management as a pivotal factor. Management mentioned that a sense of belonging is probably related to connection with their co-workers and that a lack of connection might lead to turnover.

> I think if you have a lot of friends working in the same company, you want to work there. But if you do not know anyone, it is very easy to quit and go somewhere else. I think the feeling of belonging is important. (Manager 2)

This corresponds to what many of the off-site employees said, they often felt a stronger connection to the people working in their team rather than the company itself. However, there seemed to be a stronger connection to people working for the company, rather than other colleagues that were working at the customer.

> I think it is just that thing, you know, that they there are from [the company] and I mean you will meet up at different events and stuff like that. I think it is just some kind of psychological thing more or less. (Off-site employee 17)

There appeared to be a desire to know who consultants at the company were and who were not. One off-site employee even mentioned that he/she only recently discovered that one of his/her team members was also a consultant from the same company. He/she mentioned that he/she would have preferred to know that they were both working for the same company earlier. Statements such as these show that there is also a desire to belong to the company, not just to their co-workers. In addition, many expressed a sense of pride belonging to the company. A

seemingly insignificant, but telling and great example, was the choice of one employee to use the company's coffee cups even when working off-site.

Management work hard to make people, especially those working off-site, feel like they belong to the company and feel at home. They organise many events and meetings to make them feel more connected to both the team, and the company itself.

> I gather a group once or twice a month to bring everyone together, for a half day of activities… Me and my manager, we try to see our consultants as much as we can. I would say about four to five days a week; we have lunch with consultants. (Manager 3)

We found that collaboration is definitely a key element of the company's efforts to create a greater sense of belonging among employees. All managers speak of the power of collaboration and sharing knowledge to create an environment where employees feel enriched, have the feeling that they are learning and are moving forward. As a consulting company, working in IT, knowledge sharing is also viewed as an opportunity to create value.

> Quite often you learn a lot at your assignment, but not everything. I think that is why it is important to share knowledge and also maybe study on your spare time sometimes to just to be on track. (Manager 2)

Although collaboration is a business strategy to increase knowledge within the company, it is also utilised to create a greater sense of belonging among their employees. Management seems to realise that a weak connection with the company will lead to questions why they should stay a consultant, and not just work for the customer instead.

5.4. Conclusion of findings

Summarising our findings, we can determine that many employees appeared to be satisfied working at the company. This is an indication that the actions of management align with what employees' experience. Also, we found that management did not mention the concept of *Employee Experience*, but they are focusing on areas that are essential for creating a positive EX. Nevertheless, the findings showed that management is trying to create a positive work environment and we found an overall alignment of expectations between employer and employees, in terms of learning, autonomy, managerial trust and support. However, not all of their efforts align with employees' expectations. Specifically, the expectation gap was found in the creation of career development and ambiguity among those new to consultant work.

Transparency and clear communication were found to be critical in the formation of expectations, which in turn, form trustworthy relationships between employer and employees.

6. DISCUSSION

In this part, we will present our empirical findings using previous literature on EX, particularly we will use the contract expectation triangle (Maylett & Wride, 2017), which includes brand, transactional and psychological contracts. Our intention is to investigate Employee Experience from an academic perspective and explore how employees' and employer's expectations align in terms of their employment. We will also utilise two theories, Self-Determination Theory (SDT) and Social Exchange Theory (SET), to analyse our findings.

Comparing similarities and differences in EX between in-house and off-site employees, we will present data in the following way. When discussing similarities, we will write about employees in general, and only distinguish employees as in-house or off-site, when we discuss differences.

6.1. Building trusting relationships

Previous literature on EX indicated that trust in leadership is one of the more important factors in creating a positive EX (IBM Smart Workforce Institute, 2016; Deloitte Insights, 2017; Morgan, 2017; Maylett & Wride, 2017). Our findings suggest that trust in management was closely connected to the level of transparency in their communication and managerial support. According to Morrison & Robinson (1997) and Rousseau (1995), relational psychological contract is based on social emotional elements that is essential for building reciprocal trust in long-term obligations between manager and employees. Management appear to understand that it is critical to fulfill their promises, otherwise, unfulfilled expectations may lead to the loss of trust among employees. Research on psychological contract violation found that failure to keep promises will lead to employees feeling disappointed and betrayed, which could potentially damage their relationship with the organisation (Morrison & Robinson, 1997; Rousseau, 1989).

Moreover, according to Maylett & Wright (2017), an expectation gap has a negative impact on an employee's overall EX. Our findings suggested that the company is trying to prevent such negative effects through transparency, managerial support and trust in management. For example, management strives to achieve a direct and clear communication within each group

by organising frequent team and one on one meetings. These interactions help to establish and follow up on expectations set by the employer and employees. As a result, fulfilled expectations and understanding of what is expected of both management and employees facilitate a trusting relationship. These findings correspond to previous research about the psychological contract breach (Robinson et al., 1994; Lambert et al., 2003). They found that clear and frequent communication is critical since individuals' expectations and perceptions are always changing. Also, Lambert et al. (2003) stated that delivered expectations have a significant impact on employees' attitude and behavioural intentions that correspond to Robinson's (1995) findings that fulfilment of expectations increases trust in relationships.

Moreover, our findings indicated that a majority of the employees were familiar with the company's vision and rules which show an expectation alignment, in terms of the transactional contract (Maylett & Wride, 2017). To exemplify, the company is setting explicit expectations in regard to rules and regulations which are recognised and accepted by most of the employees.

6.1.1. Managing off-site employees

Our findings were supported by SET which states that trust between parties is pivotal for a reciprocal exchange that helps to reinforce and stabilise relationships (Blau, 1964). As was explored in our study, transparency, managerial support and trust in management are vital for employees, especially for off-site workers, since they displayed a greater need to have a close connection to their manager. This was most likely due to the nature of being a consultant, which requires higher mobility and constant changes. As a result, off-site employees feel they need a person they can rely on, and also know them at a more personal level. For example, off-site employees are making an extra effort to meet their managers as much as possible. It could be related to SET which states that individuals prefer to invest their time in relationships that they consider more rewarding (Blau, 1964).

Our research showed an overarching understanding of management in relation to support, trust and inclusion, and how they recognised it as an essential element to retain employees for a longer period of time. Also, inviting off-site employees to participate in team building activities with their off-site team aid in building closer relationships. Creating strong relationships among

co-workers are important as our findings suggested that it is more difficult leaving people than an organisation. The actions of the organisation appeared to be aligned with employees' expectations, which in return facilitate employees' willingness to invest their time and energy that correspond to SET (Blau, 1964).

To conclude, we found that transparency and managerial support are closely connected to trust in management. Employees considered a close connection to their manager and fulfilment of promises to be essential in building a stronger psychological connection. They appeared to be key elements in establishing and keeping trust between employee and employer. A trusting relationship is especially important for off-site workers because they have an even stronger need to build an emotional connection with the person whom they can rely on. Management keeping their promises align with the employees' expectations, as a result, their degree of trust is higher. In terms of EX, the fulfilment of explicit and implicit promises, regarding trust, support the formation of the psychological contract, which is a part of *the contract expectation triangle* (Maylett & Wride, 2017).

6.2. Clashing expectations of employer and employees

As stated in the chapter on previous literature about the transactional contract, which is one of the variables of *the contract expectation triangle* (Maylett & Wride, 2017)*,* the contract does not improve employees' engagement, but it is critical for their satisfaction. It states that the company should set explicit and intentional rules and terms that should be mutually accepted by both parties (Maylett & Wride, 2017). However, in our findings, we identified an expectation gap and miscommunication when it came to career opportunities. For example, the company is organising quarterly meetings to discuss current and long-term career plans. Despite frequent meetings, employees felt that they did not accurately understand how to reach the next career level. Furthermore, management showed no indication that there might be a misalignment in understanding career advancement. Our findings indicated that management thought that career steps from junior to senior are self-explanatory and did not pay enough attention to explaining it to employees. This could be interpreted as a transactional contract breach since the findings

show the apparent miscommunication between management and employees about career development (Lambert et al., 2003; Maylett & Wride, 2017).

Moreover, we identified a transactional contract breach between salary and contribution (Lambert et al., 2003; Maylett & Wride, 2017). Many of the employees indicated that they felt underpaid in relation to their performance. This breach seems to be related to reciprocity in SET (Blau, 1964; Homans, 1961; Mitchell et al., 2012). Homans (1961) suggested the following formula to explain social exchange interactions: *profit = reward - cost*. In our findings, employees felt that the cost (effort) was higher than the reward (salary). This breach in expectation alignment between employee and employer, according to our research, appeared to be one of the main reasons for leaving the company. As a result, in line with SET, employees who did not feel they were fairly compensated in relation to their output were more likely to quit (Homans, 1961; Mitchell et al., 2012).

However, we also discovered that management did not believe that an increase in salary would help to improve turnover long-term. Instead, management is trying to motivate employees through intrinsic motivation (Ryan et al., 2000). They are creating a positive collaborative culture where employees have flexibility in choosing the assignment which provide new opportunity for learning & development. This is in line with SDT, which highlights that competence, relatedness and autonomy are three essential needs that shape intrinsic motivation (Ryan et al., 2000).

Furthermore, we identified that an interesting and challenging assignment is one of the most important aspects for employees. Management recognises the importance of assignment among its employees and strive to provide as much mobility as possible. Actions such as these indicate an effort to increase autonomy, learning & development by offering a variety of projects within one company. Additional support to the managerial actions could be found in previous literature on EX which emphasised that soft values are more important, such as, belongingness, meaningful work, sense of a task's accomplishment, happiness and excitement at work (IBM Smart Workforce Institute, 2016; Morgan, 2017; Maylett & Wride, 2017). However, the fair treatment in terms of compensation and benefits is essential for employees as well (Morgan, 2017; Maylett & Wride, 2017). In addition, SET suggests that a successful social exchange is

based upon a balanced transaction, otherwise, feelings of injustice might emerge in one, or even both, actors (Mitchell et al., 2012). In our case, we found an expectation gap between employees and management when it comes to salary.

6.2.1. Work experience is crucial in understanding the role as a consultant

One important finding was that some of our participants, especially those that had worked in the company longer, had a greater understanding of how to increase their salary through being proactive and taking initiative. This corresponds to the actions of management, if an employee wants to create more value outside of their everyday responsibilities, management is usually positive and provides tools for the realisation and financial compensation. This type of exchange is likely to be beneficial for both parties, hence, it could be related to SET where a reciprocal relationship is important (Mitchell et al., 2012).

However, we identified that newly employed consultants did not express the same understanding regarding the subject. This could be explained by the different stages of psychological contract formation (Rousseau, 2001). It starts with *pre-employment* phase when employees are learning basic cultural behaviour and continues with *recruitment process* and *organisational socialisation* phases when employees have more understanding about what is expected of them and what kind of opportunities they can receive in the organisation (Rousseau, 2001). We consider that this might be an indication of unclear communication in the beginning of employment, considering that employees with less experience do not seem to realise the opportunity for financial and career growth.

Our research suggested another presence of unclear communication at the beginning of employment (Rousseau, 2001). Especially, employees without the experience of being a consultant had difficulties understanding what challenges they might encounter at work. On the other hand, management considered that employees understood the requirements of consultant work and did not find it to be an area of importance after the recruitment process. The findings indicated another example of transactional contract breach that negatively affect EX (Maylett & Wride 2017). Once again, we found that employees with previous consultancy experience or longer tenure at the company, displayed a greater understanding of difficulties and advantages of

being a consultant. Existing literature on EX describe it in a formula *EX = Experiences + Expectations + Perceptions* (Maylett & Wride 2017). Indicating that previous work experience, matched expectations and perception are essential for a positive EX. As was presented above, we believe that support for this statement was found in our study.

6.2.2. Different views on loyalty

From our findings, we also identified that the company and employees have different views of loyalty. Management determines loyalty in terms of tenure in the company. Employees, however, consider loyalty to be related to performance and supporting their colleagues rather than service over time. According to SET, mutual trust is essential for a reciprocal relationship which is earned through fulfilling obligations and promises (Blau, 1964). The findings show that the company is trying to create positive work conditions to increase intrinsic motivation with an expectation to prolong tenure (Ryan et al., 2000). In turn, employees feel more inclined to reciprocate through their perception of loyalty, for example, personal performance, supporting their colleagues and being a team player. According to Schein (1984), psychological contract is an unwritten set of expectations operating between employer and employees. Since psychological contract is implicit, it could exist even if one of the parties is not aware that the other has expectations (Scholarios et al., 2008; Rousseau 1989). To summarise, it appears that the two parties have different perspectives on loyalty since it was not explicitly discussed.

In conclusion, by using *the contract expectation triangle* framework (Maylett & Wride, 2017), we identified that despite positive actions from the company, there is still misalignment in employer-employee relations. The breach in psychological and transactional contracts negatively affect EX. One could even argue that such a gap of expectations might result in future resentment if they are not properly aligned.

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6.3. Different aspects of the organisational culture

6.3.1. Employees first

According to Maylett & Wright (2017), EX is a vital part of achieving higher customer satisfaction. In order to prioritise the customer, one must first consider the employees which is explained in the formula *EX=CX* (Maylett & Wright, 2017). Management repeatedly emphasises the importance of soft values**,** focusing on intrinsic motivation rather than extrinsic. An approach such as this relates to SDT where competence, relatedness and autonomy are important parameters in intrinsic motivation (Ryan et al., 2000). It is essential to meet all three psychological needs; one or two will not satisfy intrinsic motivation (Ryan et al., 2000). In our findings, we found that management encourages their employees to take initiative in self-development which promote autonomy and competence, and also that they are focusing on building a collaborative culture, including off-site workers as much as they can. The actions correspond to SDT which show that when employees feel competent, can relate to others and when they are feeling a sense of volition, they will be autonomously motivated (Ryan et al., 2000). As a result, positive consequences will follow. For example, we found that employees have the philanthropic desire to share their knowledge and help people whom they do not know well which in return, positively benefit not only the company, but other employees as well.

Also, SDT claims that when the reward is perceived as informational, it increases intrinsic motivation, compared to when the reward is perceived as controlling (Ryan et al., 2000). When management offer, instead of demand, opportunities for self-development, it increases employees' willingness to learn. In other words, having the option to choose and understanding the value of the outcome, encourage people to contribute. Besides, in response to the company's actions, employees want to advance their knowledge that will help them to be a better professional, which increases their productivity at the client and positively affect the company's reputation. This reciprocal relationship could be explained by SET (Mitchell et al., 2012).

6.3.2. Increased a sense of belonging for off-site employees

Additionally, we found a pattern analysing the answers of off-site workers that they have a stronger desire to belong to the company, which relate to interpersonal relations and trust in management. When working as a consultant, employees are obviously disconnected from their actual employer for the majority of the time. Management understands that they have to build connections with employees to increase a sense of belonging, which will help them to retain people. Not feeling like you belong may make someone more inclined to respond to external influences, e.g., competitors could offer extrinsic motivation, such as a higher salary. The sense of connection is essential to employees as it helps them to feel more affiliated with the company that lead to a stronger intrinsic motivation (Ryan et al., 2000). This is valuable as consultants need to continually be provided with a reason to stay a consultant rather than just seeking permanent employment at the customer instead.

Furthermore, we found that off-site employees are making an extra effort to associate themselves with the company by asking for more frequent meetings with their direct managers. Also, while being at the customer, they display attributes of the company to show that they belong to the organisation. For instance, while working at the customer, some of the off-site employees are using the company's cups, or other attributes to display their affiliation to the company. This type of behaviour also aids them in locating other co-workers from the company. The finding is in line with SDT that explains that people need to interact and connect with others (Ryan et al., 2000).

6.3.3. Focusing on aligning and displaying values

Analysing the data about the company culture, we saw connections to the third variable of *the contract expectation triangle* regarding brand contract (Maylett & Wride, 2017). The findings show that management emphasises the importance of hiring people with similar values as the organisation. It helps them to establish the right expectation about the workplace from the beginning and promote the organisational culture, which attracts specialists with similar views and attitudes. It aligns with previous literature about the brand contract which emphasises that by

creating the right public perception, it helps to attract and retain employees with corresponding values and norms (Maylett & Wride, 2017). To summarise, it leads to expectation alignment from the beginning which increases the chance for retention. As explored in our study, visibility of actions is crucial to strengthen the brand contract (Mayett & Wride, 2017). It ensures employees that the organisation is true to their word, which facilitate trust in both the organisation and in management (Brau, 1964). For example, many participants referred to the company's CSR work as a sign of fulfilling their promises which is visible to both potential and current employees.

In conclusion, we found many similarities between employees and management in regard to what might be expected of them in terms of their performance as employees. Both emphasised crucial elements such as learning, autonomy, working in teams, helping others and sharing knowledge. There appears to be an alignment between parties because the company is focusing on intrinsic motivation rather than extrinsic, while building the organisational culture (Ryan et al., 2000). The company culture emphasises intrinsic needs such as autonomy, competence and relatedness that are critical for a positive EX (Mayett & Wride, 2017; Deloitte Insights, 2017; Ryan et al., 2000).

Last but not least, we found that off-site workers have a stronger desire to be connected to the company, which could be explained by their role as consultants. The alignment of company and employee values that are part of the brand contract corresponds to the company's proactive actions during recruitment and employment (Mayett & Wride, 2017).

7. CONCLUSION

The purpose of the study was to conduct an exploratory, qualitative study to investigate Employee Experience from an academic perspective. Specifically, we focused on exploring relevant theories to the concept, and how the theories could contribute to EX, and vice versa. Moreover, we utilised the contract expectation triangle to explore how employees' and employer's expectations align in terms of their employment. From our research we made the following discoveries.

From our findings, we identified that the company appeared to have no previous knowledge about the concept of *Employee Experience*. Nevertheless, they did display several elements and actions closely related to it. Our results showed a general alignment of expectations between employer and employees in terms of learning, autonomy, managerial trust and support. Through clear and frequent communication, management is continuously following up on their expectations and are also establishing new ones (Mayett & Wride, 2017). These actions help employees to understand what is expected from them which positively affect their experience and performance (Mayett & Wride, 2017). On the other hand, the company understands that by providing this type of environment, employees will have a greater willingness to reciprocate, e.g., better performance on their assignments (Mitchell et al., 2012).

Despite of management's many positive and proactive actions, we still identified an expectation gap and miscommunication, regarding career opportunities and onboarding of new consultants. An improvement in these areas could be made by clarifying the responsibilities of new consultants and setting a better structure for career development. Moreover, financial remuneration was another area where employer and employees did not see eye to eye. Many employees felt that it was one of the main reasons for leaving, as they did not see an opportunity to receive a higher salary compared to their performance (Brau, 1964; Mitchell et al., 2012). As a result, people are leaving the company even though they are generally satisfied with their employment. However, management has a different view when it comes to salary. They do not want to compete with other competitors in terms of financial compensation. Instead, they provide a platform for learning & development, a higher degree of autonomy and create a sense of

community and family-like environment (Ryan et al., 2000). According to the concept of EX, setting clear expectations and focusing on transparency in their communication will aid in decreasing the expectation gap on salary (Maylett & Wride, 2017).

We identified that transparency, managerial support and trust in management are critical for employees and that it is especially vital for off-site workers. For employees working at the client, it is essential to build a trustworthy relationship with their managers because the relationship with their off-site manager usually has more of a business foundation. Hence, they need a person they can rely on and have their interest at heart. Although managerial support and trust are essential to in-house employees as well, working in-house naturally create such a relationship on its own. As a result, in comparison to off-site employees, in-house employees do not make an extra effort to build a relationship with their management.

Additionally, we explored that a sense of belongingness is crucial to off-site workers since it helps them to establish a connection with their employer which will ultimately lead to enhanced intrinsic motivation (Ryan et al., 2000). Moreover, belongingness creates a reason for an employee to remain a consultant, rather than seek permanent employment at the customer. Also, we found that off-site consultants have a desire to know other specialists from the main company, when working at the customer. It helps them to strengthen relatedness, provide extra support and build a friendship with co-workers (Ryan et al., 2000).

Exploring the EX concept, and using the *contract expectation triangle* framework, we found it helpful to identify expectation alignment in our participants' work experience (Maylett & Wride, 2017). For example, projecting and aligning expectations through public perception and during recruitment, will help to satisfy the *brand contract* (Maylett & Wride, 2017). If the communication about desired values and attitudes are clear from the start, it becomes more likely that future and current employees' expectations will coincide with the company's expectations. We identified a gap in the *transactional contract* in terms of salary and onboarding new consultants (Maylett & Wride, 2017). By being more explicit, in what is expected from employees, and what is offered by the employer, the company can likely decrease the expectation gap and miscommunication within these areas. Finally, the breach in *psychological*

contract regarding different views on loyalty could perhaps be avoided if management had a better understanding of what employees consider to be loyal behaviour (Maylett & Wride, 2017).

As mentioned previously, the company is not currently using the concept of EX, but we identified many similar elements of what the concept represents. For example, according to our results, we found that the company's activities in terms of providing mobility, opportunities for learning & development, creating a sense of belonging and building transparent, supportive and trusting relationships with management, coincide with what employees' experience. Having a high degree of alignment within these areas, between management and employees, could strengthen the three contracts and aid in creating a positive EX (Maylett & Wride, 2017). We believe that if the company was to gain more knowledge about the *EX concept* and the *contract expectation triangle* framework, it will help to be more efficient in people management (Maylett & Wride, 2017). Also, awareness about the importance of alignment, formation and changing of expectations, would help the company to gain a greater understanding of their employees' issues and improve their processes (Maylett & Wride, 2017).

7.1. Main Contributions

Exploring the area of Employee Experience, utilising the contract expectation triangle framework, Social Exchange Theory and Self-Determination Theory, we identified the following contributions.

First, by using the *contract expectation triangle,* we found that even if the company did not know about the EX concept it still used many elements related to the expectation triangle and understand the importance of maintaining a positive work environment (Maylett & Wride, 2017). EX is not grounded in academic literature, however, using theories and previous literature about the three contracts, we found empirical support for the concept. Essentially, an alignment of expectations between employer and employees are the foundation for EX (Maylett & Wride, 2017). This is closely related to social exchange interactions, which are based on trust and a balanced relationship (Blau, 1964). In our findings, in relation to the three contracts, we found theoretical support for this type of exchange. For any of the three contracts to exist in a successful manner, between the two parties, a reciprocal relationship needs to be established

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(Blau, 1964; Maylett & Wride, 2017). In addition, according to SET, trust facilitates social interactions, since the fulfilment of promises and expectations gradually expand mutual trust and demonstrate their trustworthiness to each other (Blau, 1964; Maylett & Wride, 2017). As was found in our research, visibility of actions from management, such as following the company's values, being transparent and fulfilling their promises, helped to build trusting relationships between employee and employer.

Moreover, we found that the company is focusing on using intrinsic motivation and creating a positive work environment through, e.g., meaningful work, supportive management, growth opportunities and trust in management (Ryan et al., 2000; Deloitte Insights, 2017). These elements were presented in Deloitte Insights (2017) model as the foundation that shapes EX. In our study, we found empirical support to their model, which indicate that EX is crucial in modern people management.

In order to maintain the balance in the relationship, we found that employees felt obligated to reciprocate appropriately for the positive actions of the company (Blau, 1964). To conclude, we identified that the EX concept shares similarities with SET and SDT, in terms of fulfilling psychological needs and establishing trusting and reciprocal relationships (Blau, 1964; Ryan et al., 2000; Maylett & Wride, 2017).

Second, we found empirical support for the formula that was presented by Maylett & Wride, (2017) *EX=CX*, which demonstrate that if a company cares about their employees, they are more likely to reciprocate to both company and customer. According to SET, to provide a balance in an employee-employer relationship, employees feel obligated to reciprocate in a positive manner (Blau, 1964). If employees feel their expectations are clearly stipulated and met, they also have a greater willingness to reciprocate (Blau, 1964; Mitchell et al., 2012). Such a finding might hold great value to SET as a theory (Blau, 1964; Mitchell et al., 2012).

The contribution to SET could be that a positive EX stimulates employees to perform at a higher level, which leads to customer satisfaction (Blau, 1964; Mitchell et al., 2012). In return, customers want to reciprocate towards the company which encourages the company to create an even better EX for the employees. It could be described as a reciprocal loop between employer, employees and customer.

Last but not least, in our findings regarding off-site employees, we identified some valuable aspects concerning their behaviour in relation to SDT. We found that off-site employees had a stronger desire to create a connection with their manager and the company as a whole. According to SDT, the role of contextual social conditions either positively, or negatively, affect our innate self-motivation and psychological development (Ryan et al., 2000). We believe that our findings could contribute to SDT because the context of working as a consultant appears to facilitate the need for intrinsic motivation, especially in terms of relatedness. It is essential for employees to feel connected to management and the main company since it makes them feel more secure and create a deeper connection with management.

7.2. Future research

During our study, we utilised SET and SDT to understand EX from a theoretical perspective. However, using only these two theories does limit the research since the topic is fairly unexplored. Hence, it requires more research and using other theories, such as Equity Theory, Expectancy Theory, and Leader-Member Exchange Theory which could also expand the concept of EX.

In our study, we found support for the model, *EX=CX*, suggested by Maylett & Wride (2017). A possibility for future research could be to further expand on how a positive EX affect customer satisfaction, and their loyalty towards the company.

Moreover, research about EX in other industries and different size companies could help to explore the concept further. In addition, to conduct research in a company that is currently using the concept would also be beneficial.

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APPENDICES

APPENDIX A: Interview guide for employees

Questions for in-house and off-site employees, and questions about psychological and transactional contracts for administrative personnel.

Demographic questions

1. How long have you worked at the company?
2. What is your role?
3. How old are you?
4. Are you working as an in-house or off-site employee?

The brand contract

1. Why did you choose to join the company?
2. Why do you choose to stay in this organisation?
3. How does your knowledge about the company, previous to your employment, align with your experience working at the company?
4. How would you describe the company as an employer?
5. What kind of personality will fit into the organisation?
6. How would you describe the culture at the company? Has it changed during your working experience?
7. How do your norms and values align with the place you are working? How does it affect your experience working at the company?

The psychological contract

1. How would you describe your experience working at the company?
2. How would you describe your experience working off-site? Compare with in-house at the company or at another company that you've worked for (for off-site employees).
3. Have your expectations and attitudes about the company changed during employment?
4. Do you understand what you should do to make the company successful?

5. What do you value most in terms of your employment?

6. Do you feel you are being treated respectfully and told the truth? Why?

7. What are your thoughts regarding promises made by the company, spoken and/or unspoken?

8. How do you see your future at the company?

9. Do you feel your work effort is in line with what you receive in return from the company? In what way?

10. How would you describe your first couple of months at the company?

11. In your estimation, how long do people work at the company? Why do you believe they leave?

The transactional contract

1. What are your thoughts regarding policies and regulations?

2. Are opportunities for career development clearly outlined?

3. Are communication with your manager regarding expectations clear and realistic?

4. Have you ever experienced that the company/management has not delivered on their promises? Can you give an example?

5. What are your thoughts regarding the reward system both financial and other such as an appreciation for your contribution?

Additional questions for employees who are working off-site

1. Did your expectations about the company change when you started to work at the customer?

2. Do you feel more connected to the company or the customer?

3. How would you compare your experience being the company's employee and customer's?

4. Do you feel that the company is trying to establish a relationship with you as an employee?

5. Do you feel connected more to the company team or off-site team?

6. How well do you know the company's team?

Extra questions for employees

1. What are some of the most common issues that employees have at the company?

2. In your opinion, what is a loyal employee?

3. Would you like to add anything else about your experience working at the company?

APPENDIX B: Interview guide for management

Questions for managers and questions about the brand contract for administrative personnel.

Demographic questions

1. How long have you worked at the company?
2. What is your role?
3. How old are you?
4. Are you managing the in-house or off-site employees?

The brand contract

1. Why would someone choose to join the company?
2. Why would an employee choose to stay at the company?
3. Taking your previous knowledge into consideration, is working at the company what you thought it would be?
4. What are the company doing to improve their employer brand?
5. How would you describe the company as an employer?
6. What kind of personality will fit into the organisation?
7. How would you describe the culture at the company? Has it changed during your work experience?
8. What did you know about the company before you started to work here? Have your previous knowledge about the company been confirmed during employment, in what way?

The psychological contract

1. Do you know what your employees value most in terms of their employment?
2. Do you believe that you are fully aware of their expectations and goals?
3. Do you think that employees know what is expected of them in order to make the company successful?
4. What are your thoughts regarding promises made by the company, spoken and/or unspoken?

5. What are some of the actions that the company are doing to establish trust and loyalty?

6. Do you feel that the effort you put in is in line with what you receive in return from the company? In what way?

7. How would you describe your first months at the company?

8. For how long do you think people work at the company? Why do you believe they are leaving?

9. How do you see your future with the company?

10. Are there any performance-based incentives?

The transactional contract

1. What are your thoughts regarding policies and regulations?

2. How are career opportunities communicated to employees?

3. Do you speak to employees about what is expected, are you clear and realistic in your expectations?

4. What is the company doing to manage employees working off-site? Is the approach different from those working in-house?

5. What are your thoughts regarding the reward system in terms of employees' contribution?

Extra questions for managers

1. What are some of the most common issues that employees have at the company?

2. In your opinion, what is a loyal employee?

3. Would you like to add anything else about your experience working at the company?