

A woman with brown hair tied back, wearing a grey sweater, sitting in a yellow chair and looking off to the side.

EXPOSED

A man with a beard and glasses, wearing an orange button-down shirt, looking slightly to the side.

How Good (or Bad) is
Your **Employee Experience**



In a global labor market where top talent retention remains a foremost concern for employers, perhaps it's not surprising the "TRAP" has become increasingly commonplace.

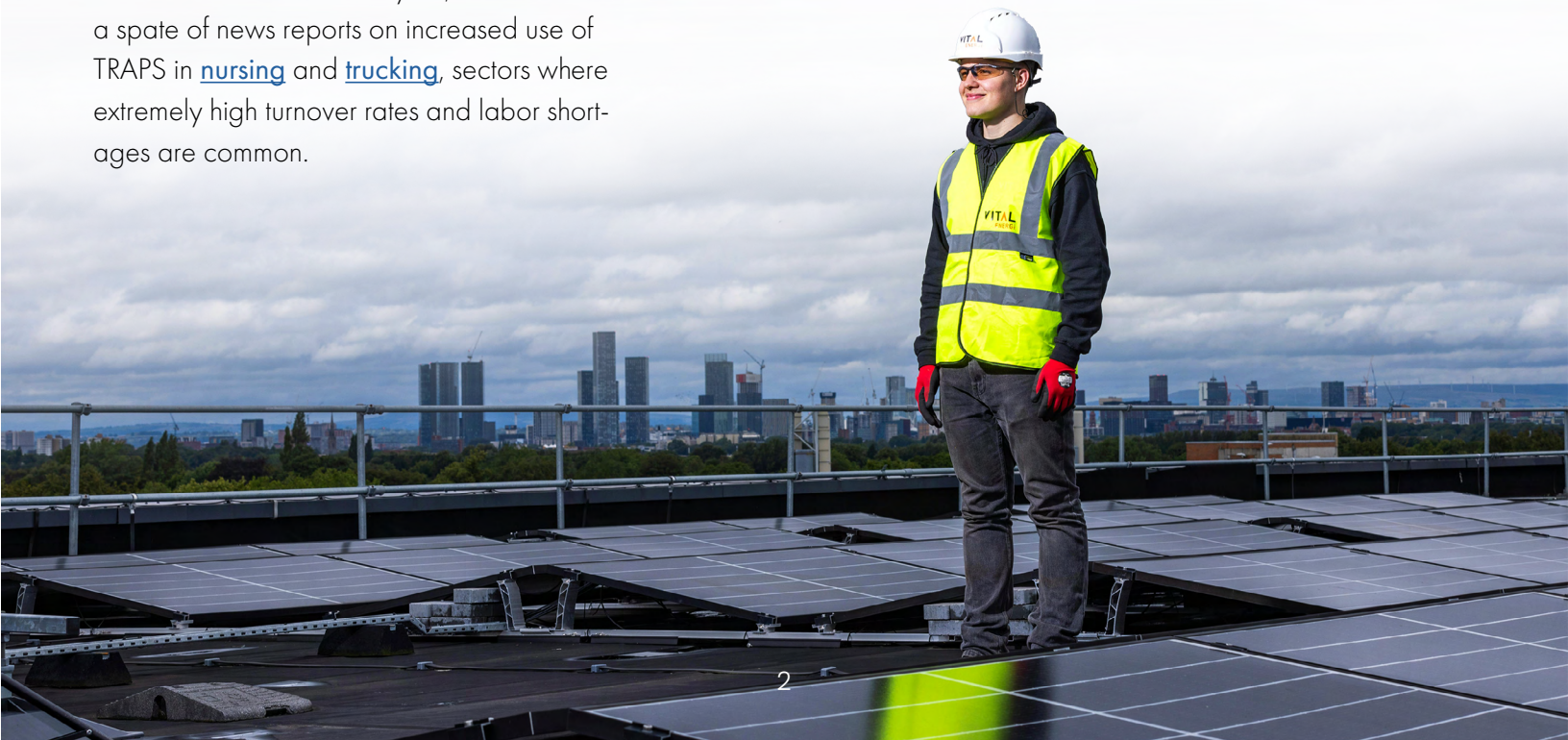
Training Repayment Agreement Provisions—often referenced by the acronym TRAP—describes the practice of demanding candidates sign an agreement pledging to repay training and onboarding costs if they leave before a specified date. [Research](#) suggests this type of contract is normally presented late in the interview process as a condition of employment. In other words, no TRAP, no job.

How many employers are using this strategy? An often-cited 2020 study by the Cornell University Survey Research Institute found that 10% of American workers were covered by some sort of TRAP. Just this year, there has been a spate of news reports on increased use of TRAPS in [nursing](#) and [trucking](#), sectors where extremely high turnover rates and labor shortages are common.

The increase in their application has certainly drawn the attention of regulators.

In June 2022, the US Consumer Financial Protection Bureau opened an investigation into the [legality](#) of what it referred to as "employer driven debt." In January 2023, the Federal Trade Commission [proposed new rules](#) that would limit employer use of non-compete provisions, including some training repayment contracts.

Beyond the debate over their legality, TRAPS can be seen as a symptom of the stubborn talent retention problem which remains even though the Great Resignation has mostly passed.



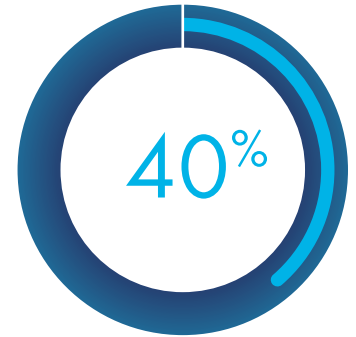


US [labor force data](#) confirms we are now more than a year past the peak of the voluntary separation trend and—largely because of high inflation and interest rates—hiring has slowed and layoffs have picked up. Even so, the desire to change jobs remains quite high. Globally, employee surveys show up to **40%** of all workers still harbor a desire for a different job with a different organization. Faced with a scenario like this—where the urge to quit remains high and the tools to encourage retention seem limited—what is an employer to do?

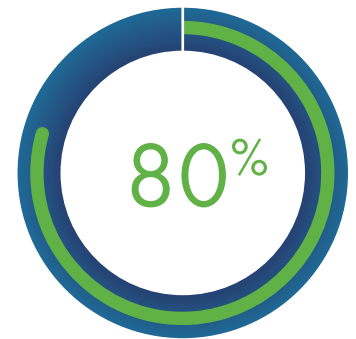
Well, you could offer your employees more money. The Great Resignation was driven in part by the lure of significantly higher salaries. However, while bigger paychecks served as an effective recruiting tool, they didn't do much for retention. [Research](#) from

2022 – the most active year for voluntary separations – confirmed that many Americans regretted quitting for a bigger paycheck. The World Economic Forum similarly [found](#) that 42% of Americans who switched jobs during the Great Resignation discovered “their new job hasn't lived up to expectations.” And that trend seems to have gained momentum: [2023 surveys](#) found that as many as 80% of Great Resignation participants regret leaving their jobs, and more than two-thirds actually wanted to return to their old jobs.

To attract, engage, and retain talent, employers need to be much more thoughtful of the value they provide to employees. They must take a more holistic approach, where all aspects of an employee's working life are acknowledged and addressed directly.



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of Great Resignation participants regret leaving their jobs



THE DAWNING OF THE AGE OF EX

Human resource professionals have known for a very long time that to retain top talent, employers need to look beyond staples like salary or benefits, and focus on the entirety of an employee's experience. The enormous costs of low engagement and high turnover are incentive enough to seek a formula to better engage and retain their best people.

The troubling reality, however, is that employers have been trying to find the perfect formula for engagement and retention for a very, very long time.

Our first formal attempts to define this formula started with the "Employee Value Proposition," a term coined in a [McKinsey staff paper](#) in 1988. EVP was an attempt to capture all of the value an organization provides to its employees, and what the organization expects in return.

In the ensuing years, there has been a steady march toward broadening the definition of EVP.

In the Harvard Business Review, leadership development thought leaders Amy Edmondson and Mark Mortensen [urged employers](#) to think beyond short-term material offerings (salaries, health benefits, physical office space, office equipment, flexible schedules) to longer-term benefits which are needed for both individual and organization to thrive.

Employers, the authors wrote, need to focus more on a portfolio which "improves hiring and retention and shifts the focus of leaders and workers alike from what they want in the moment to what they need to build a thriving and sustainable future for the organization and for themselves."

As the focus shifted more to retention and engagement, the term "EX" (employee experience) started to take hold.

Leadership development consultant and author [Josh Bersin](#) said that by 2021, EX had become "a crusade" among those looking for ways to make employees more engaged and productive. Bersin defined EX as a "company-wide initiative to help employees stay productive, healthy, engaged and on track... And it deals with all of the day-to-day issues employees experience at work."

Other attempts at EX definitions continued to add additional elements.

Psychologists Gigi Sutton and Mark Griffin described the EX as the sum total of a job applicant's expectations of a role as well as their interactions and impressions while in the role. [Gallup](#) took a less linear approach and divided the EX journey according to the elements that create a foundation for it as well as the ones that accelerate it.



EX LEADERSHIP MODELSM

Ultimately, the EX journey refers to the sum total of all of the touchpoints and interactions an employee has with people, systems, processes, technologies, and the physical or virtual work environment. In addition, when employees say their EX is positive, we consistently find these four elements play a critical role:

Growth & Belonging

When employees see how their development ties to organizational culture and values, their commitment strengthens

Belonging & Environment

When employees feel belonging and experience a work environment that supports their work, their performance strengthens



Growth & Relationships

When employees experience supportive relationships that contribute to their growth, their trust strengthens

Relationships & Environment

When employees experience relationships that actively support them to be effective at work, their accountability strengthens

This model is a servicemark of CLG (dba ALULA).

Of the points above, several are dependent on one role in particular: the employee's direct supervisor. That begs the question: How important are leaders to the EX equation overall?



LEADERS CAN MAKE OR BREAK EX

We know that leaders, particularly line managers, play a major role in determining whether employees feel valued and connected to a greater organizational vision. Leaders are also a major factor in whether employees receive the development and growth opportunities they want and need. Finally, they also play a critical role in driving overall engagement, an essential ingredient in retention.

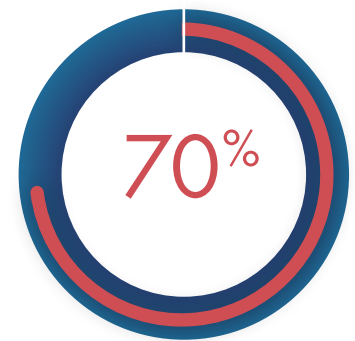
Gallup, in its landmark State of the American Manager [study](#), found that managers account for 70% of the variance in employee engagement scores across all business units. In other words, great managers cultivate engagement, which in turn boosts retention; bad managers disengage employees, who are more likely to leave.

This is hardly a startling revelation. The leadership development industry has long connected great leaders with a long list of positive talent outcomes. However, what continues to be an alarming revelation is the extent to which leaders are not willing or able to play an active role in engagement and retention.

In 2021, when the Great Resignation was arguably the number one concern for human resources professionals, Gallup [surveyed](#) voluntarily exiting employees and found that 52% felt “their manager or organization could have done something to prevent them from leaving their jobs.”

Gallup had harsh words for organizations that stood by and let their best people leave: “The best leaders don’t wait for signs of trouble: They take preventative action to keep their talented people.”

Fortunately, for those organizations and leaders who accept the EX challenge, there is no limit to the positive outcomes.



Managers account for 70% of the variance in employee engagement





THE EX PAYOFF:

UNTOLD RICHES AWAIT ORGANIZATIONS AND LEADERS WHO BUY IN

As employers, academics, and consultants have begun to think more about EX, they have also expanded the ways of measuring its impact on business success, recruitment, and retention. With virtually no exceptions, the consensus is that—when done right—EX is good for the bottom line, regardless of what metric you’re using.

Some of the research has examined organizations which have high ratings in both CX (customer experience) and EX. The “happy employees make happy customers” philos-

ophy has been around for a long time. Yet, never before have we had more opportunities to measure and analyze the extent to which that is true.

Glassdoor—the digital platform that collects millions of reviews and insights from employees and former employees about their employers—conducted a large global survey of workers in some of the world’s biggest employers, which attempted to ask the question “can companies achieve great customer satisfaction without also investing in employees?”



Glassdoor's employee survey results were then compared against the American Customer Satisfaction Index, which regularly surveys hundreds of thousands of US consumers on a wide range of products and services. Glassdoor focused on 293 large employers across 13 industries. The results, [published](#) in 2019 in the Harvard Business Review, were unequivocal.

"There is a strong statistical link between employee well-being reported on Glassdoor and customer satisfaction among a large sample of some of the largest companies today," the HBR article stated. "A happier workforce is clearly associated with companies' ability to deliver better customer satisfaction."

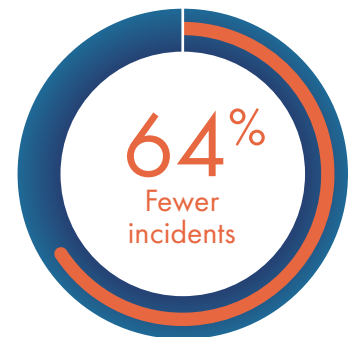
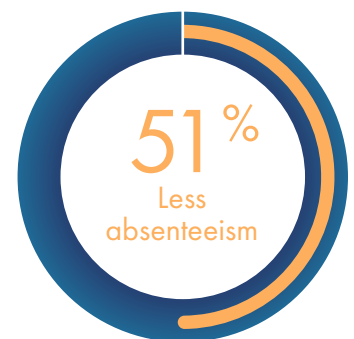
Other research has focused on the impact that investments in EX have on talent metrics like absenteeism, productivity, safety, and retention.

In a [global survey](#) of employees and business leaders, Gallup found that organizations which made deliberate efforts and investments to make employees feel valued had 51% less absenteeism, 64% fewer safety incidents, and a 29% increase in the quality of the work being produced. Gartner, in [a similar study](#), found that organizations which deliver a top-notch EX can decrease annual employee turnover by up to 70%.

EX is the gateway to better outcomes and performance. However, the biggest hurdle standing in the way of building a better overall EX is a lack of insight into the experience your leaders are creating right now. Are your leaders giving employees what they need to thrive, or are they eroding the employee experience with negative, even toxic behaviors?

The only way to find out where your leaders fit into EX is to take a long, hard look at your organization and its leadership culture.

Organizations which made deliberate efforts and investments to make employees feel valued had:





TAKING A CLOSE LOOK AT YOUR EX STRATEGY TODAY: THE EX STRATEGIC PRIORITY CHECKLIST

Building the right EX for your people and organization is no easy task and takes time. Before you can start building, you must know what you have in place now, and where your biggest opportunities are. While organizations continue to put a lot of emphasis on the HR-owned elements of EX, we want to specifically highlight to what extent you are leveraging leaders at all levels to own and shape EX.

The following questions will help you determine whether you have made EX a strategic priority, if leaders have ownership over the execution of EX, if leaders have the right competencies, and if you are overseeing/measuring progress and setbacks in the delivery of EX.

1 Have you made EX an organization-wide, strategic business priority?

- **Are your senior leaders aligned and committed to the importance of EX as a strategic priority?** The top of the house must be unequivocal in emphasizing the need for a better EX, as well as their own role and commitment in achieving positive EX outcomes.
- **Have you clearly defined what positive impact you are looking to drive with your EX strategy and initiatives?** Organizations with successful EX strategies are very clear about how various separate efforts align to drive larger business outcomes like retention, engagement, performance, and customer impact.
- **Have you allocated sufficient resources to your EX strategy to cover design and deployment?** Moving your organizational culture to be more EX-centric requires ongoing engagement efforts that address all components of EX. It is critical to dedicate sufficient resources to not only launch EX initiatives but ensure they actually have the intended impact over time.
- **Does your EX strategy align with your vision, mission, and values?** In organizations that do EX well, EX functions as an extension of the organizational culture and purpose. In other words, organizations show up for their employees in the ways they say they will.



THE EX STRATEGIC PRIORITY CHECKLIST

2 Do your leaders understand and own their role in EX execution and impact?

- Do your leaders have a clear picture of what good EX looks like and a plan to lead EX in their areas? Given that employee perceptions around feeling valued, engagement, and performance ability are so strongly related to their interactions with their people leader, it is critical for any EX strategy to specify how leaders can support and own EX in their area.
- Do you have a process for readying leaders to support EX implementation? Supporting HR-lead initiatives and projects is one important aspect of EX. However, it is just as important to continuously strengthen leaders' abilities to show up effectively in leading their direct reports and teams with the broader EX strategy in mind. Ensure leaders have the chance to develop those skills and are supported in implementation.
- Are you holding leaders accountable for progress on EX? Leaders need to know the aspects of EX which they are influencing and know how those measures are trending.
- Is a process in place to capture ongoing feedback? To effectively support EX, leaders need to have formal and informal ways to capture feedback on how things are going, celebrate wins, and identify how to remove barriers.

3 Are you making the impact of your EX strategy and initiatives visible?

- Do you have a process in place to capture, escalate, and make visible to the organization both small and big wins around EX? For example, are you consistently checking how the organization and leaders are doing in shaping the four elements of positive EX (belonging, relationships, environment, growth)? Communicating visible progress around EX initiatives is critical to keeping momentum going. Engaging leaders in the process to highlight wins can be even more powerful in shaping an overall culture.
- Does the organization dedicate time to reviewing and discussing progress on EX at the most senior levels? It's one thing to commit and align around a strategy and resources, it's another to stay the course. Continuing to make EX a part of senior leadership conversations helps ensure EX remains front and center.
- Are you honest and transparent about existing gaps in your EX strategy and what needs to be done to close those gaps? Deploying an EX strategy and reaping the benefits takes time. Mistakes are going to happen along the way, or you may be forced to start small and build from there. Make sure you are open about the EX development opportunities, rather than pretending they may not exist.



CONCLUSION

Acknowledging that things need to improve will always be the first step in delivering a better, more effective EX. But after there is a consensus around need, it will be incumbent on HR and senior leaders to help the organization take a long hard look at the state of leadership culture. The vast majority of our experiences at work—as well as the overall culture which either supports or hinders a positive EX—are shaped by the ongoing commitments and actions of leaders.

Many organizations will address their EX deficits with broad lists of principles or mission statements which are largely aspirational in nature. The problem with just enunciating the principles of EX is that front line employees will start instantly comparing what they are hearing with what they are experiencing. If there is a conflict, then there is a very good chance engagement and retention will become increasingly worse.

Others may focus exclusively on highly specific HR-led initiatives that are important but don't address the overall cultural aspects of driving a positive EX. They may be reactive in nature and focused more on short-term impact.

Ultimately, your culture and your leaders will make or break the EX for your employees.

The good news is those organizations which make a significant investment in a comprehensive EX strategy—with a focus on culture and leadership capability development—will see dividends for years to come.



ABOUT THE AUTHOR

Danielle Hochstein, Ph.D.

Dr. Danielle Hochstein is a seasoned Senior Principal with a wealth of consulting experience spanning diverse industries globally. Specializing in Executive Coaching, leadership team alignment, performance improvement, and change implementation, she has successfully navigated challenges in consumer goods, health insurance, manufacturing, biotech, and more. Fluent in English and German, Dr. Hochstein's expertise extends to Europe, North America, and the Far East.

As a thought leader in shaping positive Employee Experiences (EX), Dr. Hochstein focuses on the nuanced interactions between leaders and their teams. Her passion lies in guiding leaders to create environments that foster engagement and enhance retention. Dr. Hochstein specifically delves into the impactful ways leaders shape the employee experience to drive organizational success.



ABOUT ALULA

ALULA is a management consultancy that helps organizations and the people that fuel them achieve their full potential by unlocking the right behaviors and uplifting performance.

We believe that the most important asset of any organization is its people. When people are engaged, motivated, and working towards common goals, they can achieve great things. But too often, organizations are held back by outdated behaviors and mindsets.

That's where ALULA comes in. We help organizations unlock the critical few behaviors that have the biggest impact on achieving results. We do this by working with leaders and teams to identify the behaviors that need to change, and then developing and implementing a plan to make those changes stick.

We believe that when people are working at their best, they can do amazing things. And we're here to help make that happen.

