



How leaders can fuel an elevated employee experience

2023

Introduction

Employee experience (EX) is **informed by six core relational attributes** that an employee interacts with: the **work they do**, the **places** they work, the **diverse people they work with**, the **technology** they use, the **organisation** they work for, and their personal **well-being and inclusion**. EX may have become a mainstream focus, but organisations are still struggling to capitalise on the benefits. Deloitte's **Employee Experience and Emerging Technology team** use human-centred design to understand the voice of the employee and ensure it is put at the heart of any organisational transformation. To attract and retain employees in a competitive and unpredictable market, employers need to think, design, and deliver experiences that are 'human'.

In recent history, the world has been in a constant state of flux, driven by volatile markets, geopolitical crises, and cultural shifts. This has compelled organisations to adapt rapidly and change the way they operate. We now work in a 'boundaryless world', where work isn't defined by 'jobs', the workplace isn't a specific 'place', and the expectations of the workforce have changed.¹ Recent research indicates that employees are becoming increasingly frustrated with the slow reaction of organisations and their leaders to enacting change. In Deloitte's Global Human Capitals trends report from 2023, only **23% of respondents** believed that their organisation's leaders currently have the **capabilities necessary to manage** in a disrupted, boundaryless world.¹ When employees don't believe that their leaders can lead them through change, they are less likely to be engaged and motivated in their work, which in turn negatively impacts their organisation's performance. The negative impact this has on employee experience results in a loss of business value. Therefore, there is a clear need for organisations and their leaders to create an environment that attracts and retains employees.

Increasingly, employees expect their leaders to be more than bosses who focus primarily on business outputs. They want empathetic, transparent, accountable, and purpose-driven leaders who prioritise their team's well-being and development. To attract and retain employees - organisations require people to become leaders (not just a 'boss') who can achieve the fine balance between creating a positive employee experience and achieving business outcomes. In the 2023 Deloitte Global Human Capital Trends report, respondents anticipated that in the next 2-4 years, leaders that can challenge the status quo and drive new ways of working will have one of the most important roles to play in the organisation.¹ It can be challenging to do it all - manage team performance, align with company values, have tough conversations, etc. - but if done correctly, it will pay dividends.

Why are leaders of paramount importance in elevating the employee experience?

Deloitte defines a leader as “anyone who mobilises workers to get work done, whether those individuals have or don’t have formal reporting relationships and whether those individuals sit inside or outside the organisation”.¹ Leaders ensure the smooth functioning and success of an organisation. They provide vision and direction, make decisions, inspire, motivate, build relationships, and manage change. In the context of this point of view (POV), we define the role of leader and line manager as following:

- **Leader** – A person who inspires and motivates others to achieve a common goal. Typically seen as visionary and charismatic, in a position of influence and with an ability to build relationships and attract followers.
- **Line manager** – Responsible for the day-to-day management of a team or group of employees. Typically, responsible for setting goals, assigning tasks, and providing feedback.

The roles of leader and line manager may be combined, but while all line managers can be leaders, all leaders are not necessarily line managers. For the purposes of this POV, we will be discussing how leaders are vital to employee experiences, whether they are acting as line managers or not. When referring to the line manager role specifically, this will be noted.

Leaders have the power to create a positive and supportive work environment where employees feel engaged, productive, and happy. Leaders set the tone for the organisation. Equally, line managers also play a key role in the employee experience, with **57%** of employees saying that they would **leave their jobs for a better manager**.²

Leaders have a direct impact on some aspects of employee experience (e.g., their well-being and inclusion, organisation culture), but there are also factors that are outside their control (e.g., personal life events). Research shows that leaders account for at **least 70%** of the **variance in employee engagement scores**.³ Leaders who are successful in creating a positive employee experience are the ones who can focus on the controllable factors and demonstrate an understanding of the uncontrollable ones that contribute towards the company’s EX ambitions.



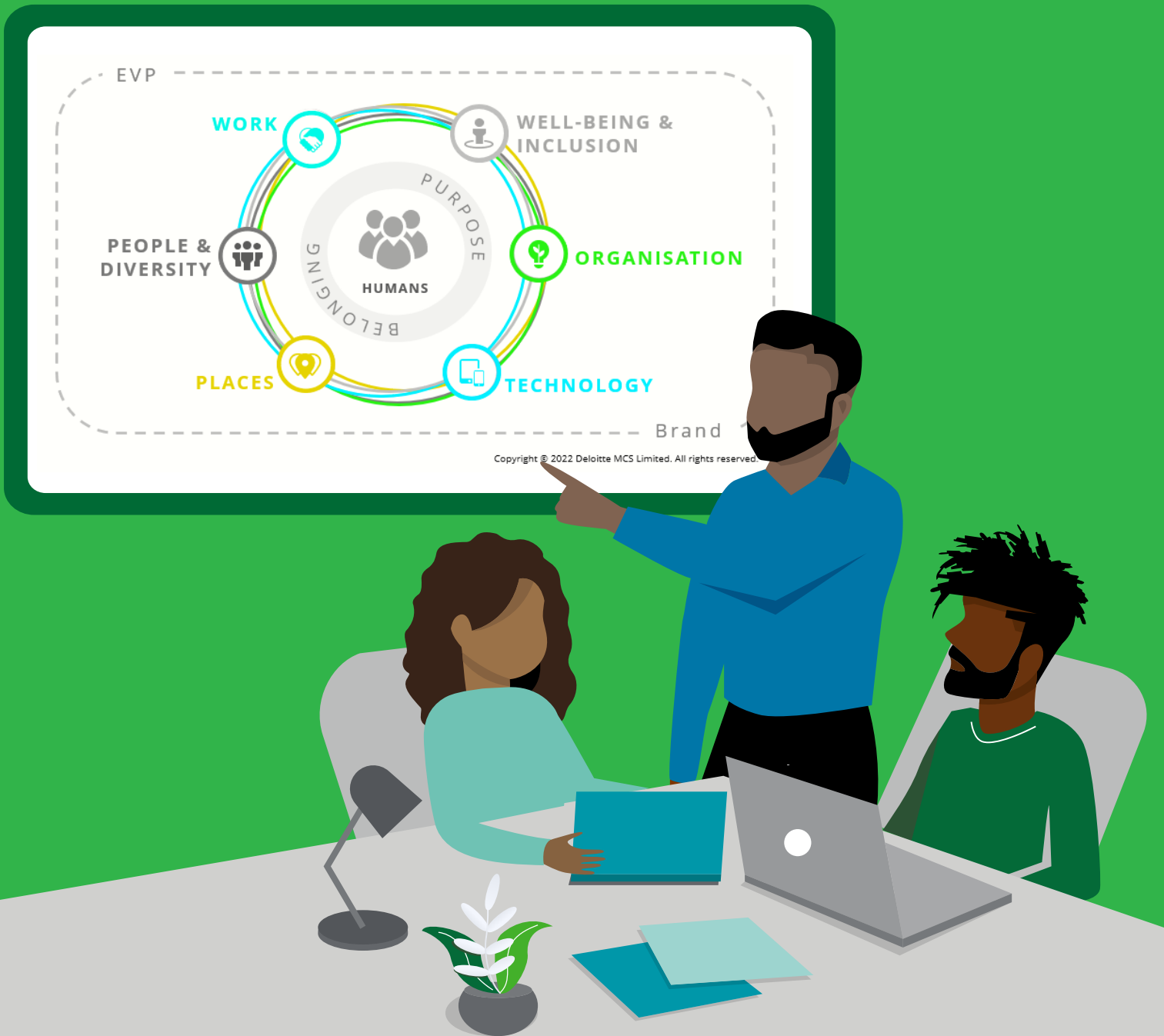
“Become the kind of leader that people would follow voluntarily; even if you had no title or position.”

- Brian Tracy
(Leadership Thought Leader and Author)



To improve employees' experiences, we recommend that leaders and line managers focus on the moments that matter most to employees across the experience elements (shown in the image below) that can be influenced.

This POV will focus on **3 of the 6 relational attributes** that influence EX; **Wellbeing and Inclusion, People and Diversity, and Organisation.**



How can leaders influence culture through their People and Diverse teams?

Having a clear purpose and creating a sense of belonging is essential to any organisation's success. Research shows that **52% of purpose-driven companies** experience over **10% more growth** compared with **42% of non-purpose-driven companies**.⁴

The ability to maintain a sense of purpose and belonging is important throughout any employee lifecycle. It's particularly poignant in a good onboarding process at the beginning of the employee journey, providing new hires with a positive experience from the time they sign their employment contract. Most employees (79%) agreed that over the next 12-18 months, **fostering a sense of belonging** in the workplace was important to their organisation's **success and drives performance**.⁵ There are simple things that can make new joiners feel welcome and have a positive impact on their experience, such as organising a team introduction and providing opportunities to get to know colleagues. However, there is a limit to what leaders can do without a structured onboarding programme. Research has found that employees who go through a structured onboarding programme are **69% more likely to remain** with the organisation for **up to 3 years** and will reach **total productivity 34% faster**.⁶



Case study - Wrike

An online project management service provider has taken conscious steps to make new employees feel engaged on their first day with the company. It aims to create a sense of belonging for new hires from Day 1 by decorating their desk to make it stand out (for example, with balloons and a welcome kit). This initiative not only makes the new hire feel special and seen, but signals to existing employees that there is someone new on the team so they can introduce themselves. All employees are invited into the kitchen on the new hire's first day for a "Welcome Breakfast."⁷

Once an employee is embedded within an organisation, leaders play a critical role in creating an environment that empowers and motivates their teams to perform at their best while continuing to develop and grow. Organisations and leaders being able to effectively communicate with teams and individuals is key to creating a better work environment. Gallup research shows that employers need to communicate a clear plan of action when changes impact an employee's work, otherwise employees will be left not knowing what is expected of them.⁸ Employees need to feel confident that their day-to-day roles have a purpose. It's equally important for them to feel valued and be able to make an impact at work. These are moments where not only leaders, but line managers play a critical role in defining the lived experience of their team by providing support, clarity, and facilitating open discussions.

Organisations are also responsible for creating a work environment that caters to all employees through a unified organisational purpose. Organisations can leverage their purpose-driven approach to set them apart from their competitors by highlighting the unique benefits they bring to their customers, employees, and wider society. The power of an organisation's purpose is critical to defining an exceptional Employee Value Proposition (EVP), (i.e., Why would someone join and stay in the organisation?). This can create a compelling narrative for employees and prospective hires alike.

Once a sense of purpose is created, how can it be maintained through a focus on Well-being and Inclusion?

Recent research by Deloitte has found that leadership behaviour (at all levels, from direct supervisor to the C-suite) is one of the main factors affecting well-being in today's work environment. Respondents in the survey reported that micro- or under-management, a lack of recognition, and a lack of empathy and psychological safety are the most detrimental leadership behaviours that affect the well-being of employees.⁹

Leaders play a vital role in making employees feel safe, valued, and supported, by encouraging open discussions about well-being and mental health. Only one-third of workers (33%) say that they would "always" or "often" share information about well-being with their leaders.⁹ A powerful – but simple – tool for supporting employees at an individual and team level is through 'My Manuals'. This involves asking each team member to write out a one page 'My Manual' that lists things such as their preferred ways of working (e.g., from home vs in office, preferred schedule), commitments outside work, important considerations (e.g., neurodiversity), and any additional support that they may require, that they are happy to share.¹⁰ The benefits of 'My Manuals' are threefold:

- Encouraging employees to voice things they might otherwise not feel comfortable mentioning
- Creating an open dialogue within teams to communicate needs/preferences, as well as helping to identify individuals who may need additional support
- Bringing the team together for better collaboration and delivery of work



Case study - Ways of Working

Deloitte UK introduced a 'Ways of Working' framework as a starting point for conversations about inclusion, well-being, and preferred ways of working, to improve inclusion and collaboration within teams. Individuals create a 'My Manual', outlining how they prefer to work and what they want others in their team to know about. A 'My Team' manual brings together the views of individuals into the team context to agree collectively on an inclusive approach that works best for everyone (e.g., when, and how to run regular meetings). Employees and leaders revisit these regularly over time.¹⁰

Leaders can't do this on their own. How can organisations support leaders to be successful?

Although leaders are the face of the organisation, they must work within a defined framework. Organisations have the responsibility to define the boundaries within which leaders operate, encouraging role models.

When organisations implement new ways to enhance the employee experience, it's important to evaluate their impact and effectiveness. A holistic employee listening approach can help organisations to continuously understand and iteratively improve the employee experience. **54%** of line managers say that their **senior leadership is out of touch** with employees, and **74%** say they **don't have the influence or resources** to make changes on behalf of their teams.¹¹ By creating an EX measurement strategy that regularly captures the feedback of all employees (full-time, part-time, freelancers, gig employee and alumni etc.) across the employee lifecycle, leaders can better implement the mechanisms required to make necessary changes and improvements. Real-time data can enable leaders to continuously understand and react in a timely manner to areas impacting employees' experience. This will help organisations to understand if the investment made in enhancing employee experience is in the right place and is achieving the EX ambitions set (ultimately leading to the desired outcome and Return on Investment).



Organisations can do this by;

- **Providing the right tools and resources:** This includes access to training, data, and insights to develop an understanding of the needs of their employees and how to create a positive experience for them. Establish guidelines and an approach to encourage and reward leaders who invest in upskilling their team.
- **Creating a culture of trust and empowerment:** This means giving leaders the freedom to make decisions, take calculated risks, and make mistakes to learn, as well as the authority to act on behalf of their employees.
- **Hold leaders accountable:** Organisations need to hold leaders accountable for improving the employee experience. This means setting clear expectations and providing regular feedback, incorporating it into performance review metrics, and supporting leaders when they fall short.
- **Upskilling:** Leadership skills development should be a priority. This means identifying skills gaps and providing leaders with the time and resources they need to learn new skills to become better leaders.

Within this defined framework and in a supportive environment, leaders and line managers are able to;

- **Create an open and honest environment** where employees feel comfortable sharing their ideas and concerns.
- Embed and **encourage well-being** and inclusion, by role modelling desired behaviours (e.g., switching off completely from work when on holiday, etc.).
- Provide **opportunities for employees to learn new skills** and take on new challenges. Offer training, mentoring, and stretch assignments that help employees to develop. Provide regular feedback and coaching to help employees achieve their goals.
- **Celebrate successes:** When employees do a good job, recognise and celebrate their successes to show them that their hard work is appreciated and that they are valued members of the team. Demonstrate recognition and provide regular feedback, whether through formal performance evaluations or informal praise and encouragement.

In summary

All organisations should start or realign their focus on employee experience by creating a human-centred approach to enhancing it.

This is achieved by;

- Starting at the top, gaining strong buy in from senior leaders and defining a vision for employee experience that aligns to the overall business strategy.
- Understanding what matters most to employees through listening and regular engagement, putting changes into effect based on that feedback, and measuring impact.
- Championing an open culture of trust and empowerment for leaders, line managers, and employees.

When leaders prioritise how they can elevate the employee experience, they help to create a workplace where employees are happy, engaged, and productive. This can lead to benefits for the organisation, including increased profitability, lower employee turnover, and improved employee satisfaction. By building meaningful connections, listening, acting in response to employees' needs, and caring for them, leaders can help to create an organisation that has an enviable employer brand.



”

It can be challenging to do it all – manage team performance, align with company values, have tough conversations, etc. – but if done correctly, it will pay dividends.

Authors

Richard Evans leads Deloitte UK's Employee Experience and Emerging Technology. He specialises within complex technology-enabled change programmes in Human Capital Management and HR Information Systems Strategy. He has extensive experience in both strategic and delivery focussed roles. He has performed a variety of HR transformation engagements including multiple full project lifecycles for global clients across many industry groups.

Natasha Rizk is Deloitte UK's Employee Experience Lead. She specialises in supporting clients to design unique, holistic and differentiating experiences for their workforce. She collaborates with organisations to adopt an employee-centric mindset throughout their transformation journey, going beyond technology to increase employee loyalty, positively impact customer outcomes and unlock productivity. Her career spans both time in industry and consulting, during which she has supported global, cross-industry clients with complex transformational programmes.

Lottie Rugeroni is a Senior Manager in the Employee Experience & Emerging Technology practice, with experience on a wide variety of HR/People Transformation projects, focusing on employee experience. She has a core focus on human-centred design methodologies to ensure that employees are listened to and brought on the transformational journey.

Naina Sabherwal is a Manager in the Deloitte UK's Employee Experience and Emerging Technology practice, where she helps clients assess, strategise, design, and implement employee experience-led solutions for clients. Her passion for enhancing the human experience, coupled with her diverse experience in Human Resources Transformation projects, constantly propels her to deliver true business value for clients.

Jamie Rawlinson is a Consultant in the Deloitte UK's Employee Experience and Emerging Technology practice, where he supports clients to design, deliver and implement unique end-to-end experiences for their employees to drive positive business outcomes and unlock productivity. He has a passion to enhance the human experience through employee engagement, HR technology transformation, and designing for the future of work.

Ella Cairns is an Analyst in the Deloitte UK's Employee Experience and Emerging Technology practice and has experience helping clients elevate their employee experience cross-industry. She has specific expertise in how EX can be enhanced in the end-to-end talent acquisition process.

References

1. Deloitte Consulting LLP (2023) [2023 Global human capital trends | Deloitte Insights](#)
2. Glassdoor (2021) [5 Ways to Retain Your Top Performers](#)
3. Gallup (2008) [Managers Account for 70% of Variance in Employee Engagement](#)
4. Forbes (2021) [The Power Of Purpose And Why It Matters Now](#)
5. Deloitte Consulting LLP (2020) [Creating a culture of belonging | Deloitte Insights](#)
6. LinkedIn (2023) [The Power of Effective Onboarding and Personal Development in Employee Engagement](#)
7. Talent Lyft (2019) [6 Awesome Employee Onboarding Examples](#)
8. Gallup (2020) [COVID-19: What Employees Need From Leadership Right Now \(gallup.com\)](#)
9. Deloitte (2022) [The C-suite and workplace wellness | Deloitte Insights](#)
10. Deloitte Consulting LLP (2023) [Having inclusive conversations about Ways of Working](#)
11. Microsoft (2022) [Work Trend Index Annual Report: Great Expectations: Making Hybrid Work Work](#)



This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte, its affiliates, and related entities shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Designed by CoRe Creative Services. RITM1531444.