

RESEARCH REPORT

Unlock the potential of employee experience in lean times



Employee experience creates more than happy workers — a lot more

Who would have thought that today — more than three years after COVID first struck — that the global economy, the world of work, and life in general would be as uncertain, challenging, and stressful now as it was then?

Who would have guessed that so many companies would need to be trying so hard just to grow and stay competitive, and be struggling so hard to find ways to increase productivity and performance to make that happen?

Yet, here we are. Nearly every day, we read about companies of all sizes and in all industries cutting costs, reducing payroll, and asking their people still on board to do more with less. And stress levels? We all know they're through the roof. For employees, the bottom line of all of this is increased friction in the workplace, causing more of the workforce to feel disengaged and quit. According to accepted research, this, in turn, is costing companies up to two times an exiting employee's salary, considering lost productivity and the cost of hiring, onboarding, and training the new person.

And who's been asked to save the day? HR and managers. In nearly every industry, they're the ones

under increased pressure to drive greater performance and keep top performers in their seats.

What's the answer? Of course, no one has a silver bullet that will change the course of every business everywhere. But, there is one critical element of work and the workplace that every company can focus on to meet those two goals: improve performance and retain high-performers. It's the employee experience (EX).

Yes, we realize the concept of EX has been around for a while, traveling more or less in sync with the conversations about the pros and cons of allowing employees whose roles have traditionally been considered desk-based and office-bound to work remotely instead, at least some of the time. But, attention to EX moved to center stage when the pandemic suddenly threw the entire traditional concepts of the world of work and work-life balance into turmoil. Out of nowhere, or so it seemed, every business leader's inbox was overflowing with blog posts, podcasts, and pitches from work tech vendors discussing why you needed to improve EX if you hoped to hire and retain top performers and protect the image of the employer brand.

Then we came out of the pandemic, and guess what? Well, we're even more concerned about doing more with less and stemming the tides of resignations, quiet quitting, and presenteeism.

Yes, more companies than before are concerned about employee mental health and have begun offering programs to support mental wellness. But, we also saw the trend of “quiet quitting” — employees leaving the workforce or opting for reduced roles. At the same time, as Wall Street Journal columnist Rachel Feintzeig put it, a new generation of workers, more invested in their personal lives, is seeking environments that foster work-life balance. And all the while, we continue navigating through uncertain economic waters — living with the threat of being pulled under by currents we can’t see or control.

All of which leaves business leaders shaking their heads and, when thinking about EX, saying, “But what’s the real impact on the bottom line?”

Now, we can answer that question.

New data from a survey from Workleap Officevibe shows that investing in creating a good employee experience pays meaningful dividends. Based on responses from 1,160 business leaders across eleven industries, leaders at High EX Investment Organizations — companies that invest “adequate resources in creating a good employee experience” — believe in the connection between EX and business outcomes.

Let’s define “High EX Investment Organization”

For this research, we defined a High EX Investment Organization as one where the survey participant agreed with the statements that 1) their organization is adequately investing in improving EX, and 2) they perceive their employee experience is significantly better than low investment respondents across all four pillars of EX that our survey asked about.

THOSE FOUR ASPECTS OF EX ARE EMPLOYEE FEELINGS OF:

1 STABILITY

2 RECIPROCITY

3 PURPOSE

4 HOPE

This report will define each of those elements, their impact on EX and performance, and the difference between High EX Investment and Low EX Investment organizations toward their importance for the business.

Low EX Investment Organizations, by comparison, trail in their perception of organizational investing in all four EX pillars and lag in supporting all 10 measurements of organizational sentiment that this survey used to reflect a positive EX attitude (for example, “training leaders to provide meaningful feedback” and “teams have strong, open communication with managers”).

Leaders in High EX Investment Organizations — those adequately investing in improving EX — follow the data that optimal EX tools can deliver, build robust employee experience strategies, and track EX progress with diverse KPIs that tie directly to bottom-line results.

In short, the faith of these leaders in EX is rewarded: Organizations that invest well in EX see better performance, a more positive operational outlook, and stronger employee satisfaction. All of that leads to:



Strong EX ROI



Sunnier KPIs



Greater confidence in and application of their EX data

High EX Investment Organizations see significant EX ROI

Leaders at High EX Investment Organizations have a significantly more positive perception of their organizations than leaders at other organizations. This favorable perception is especially true compared to leaders at Low EX Investment Organizations, including feeling their companies have open communication between employees and managers.

When asked to respond to statements related to 10 commonly held positive outcomes of a good EX, respondents at High EX Investment Organizations were roughly 1.5X more likely to have a positive feeling every time, compared with leaders at Low EX Investment Organizations.

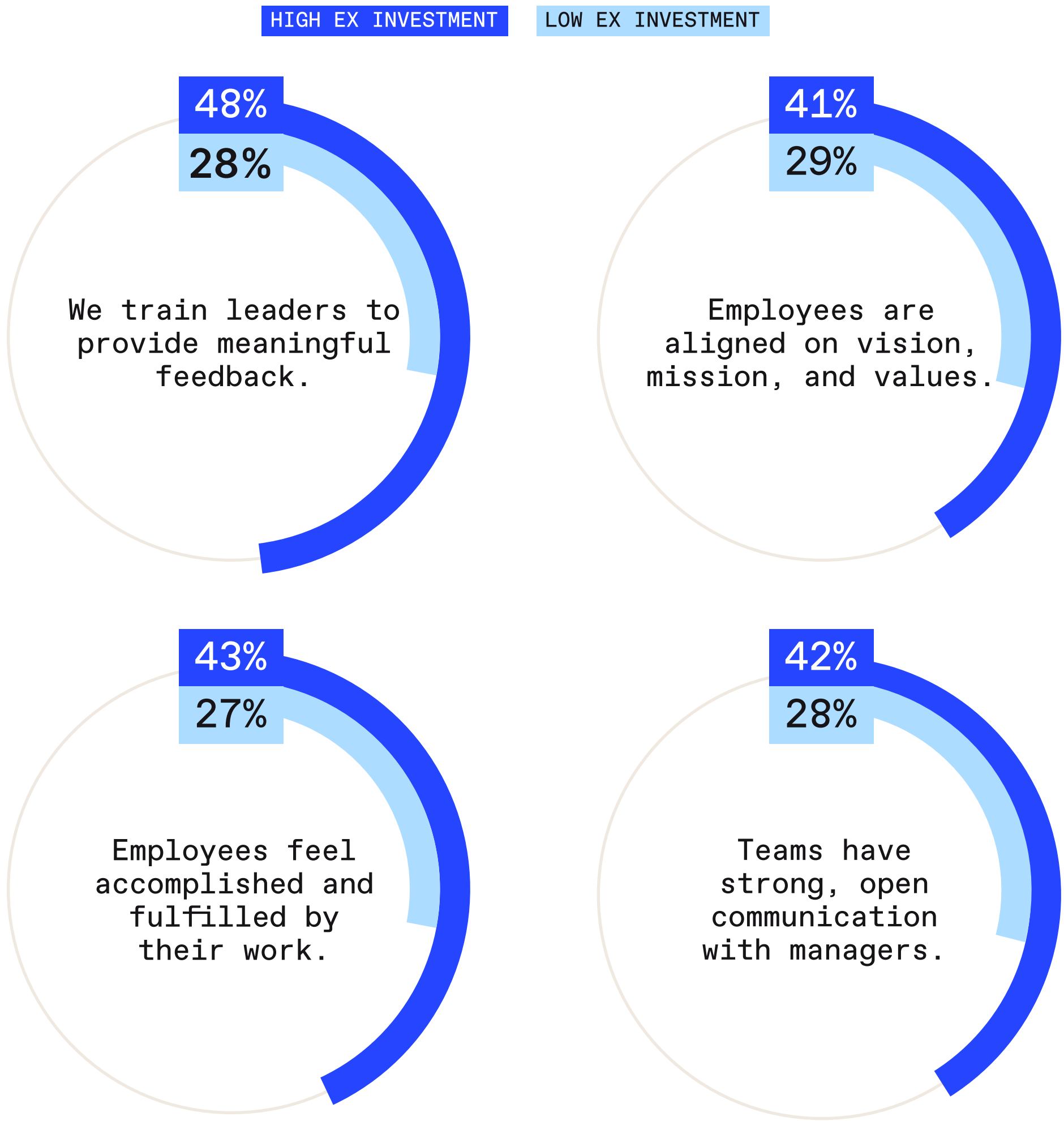
High EX leaders also tended to believe more strongly that employees overall feel positive about the company in ways that directly relate to EX — ways that research has shown positively impact not only employee performance and engagement but also business performance.

1.5x

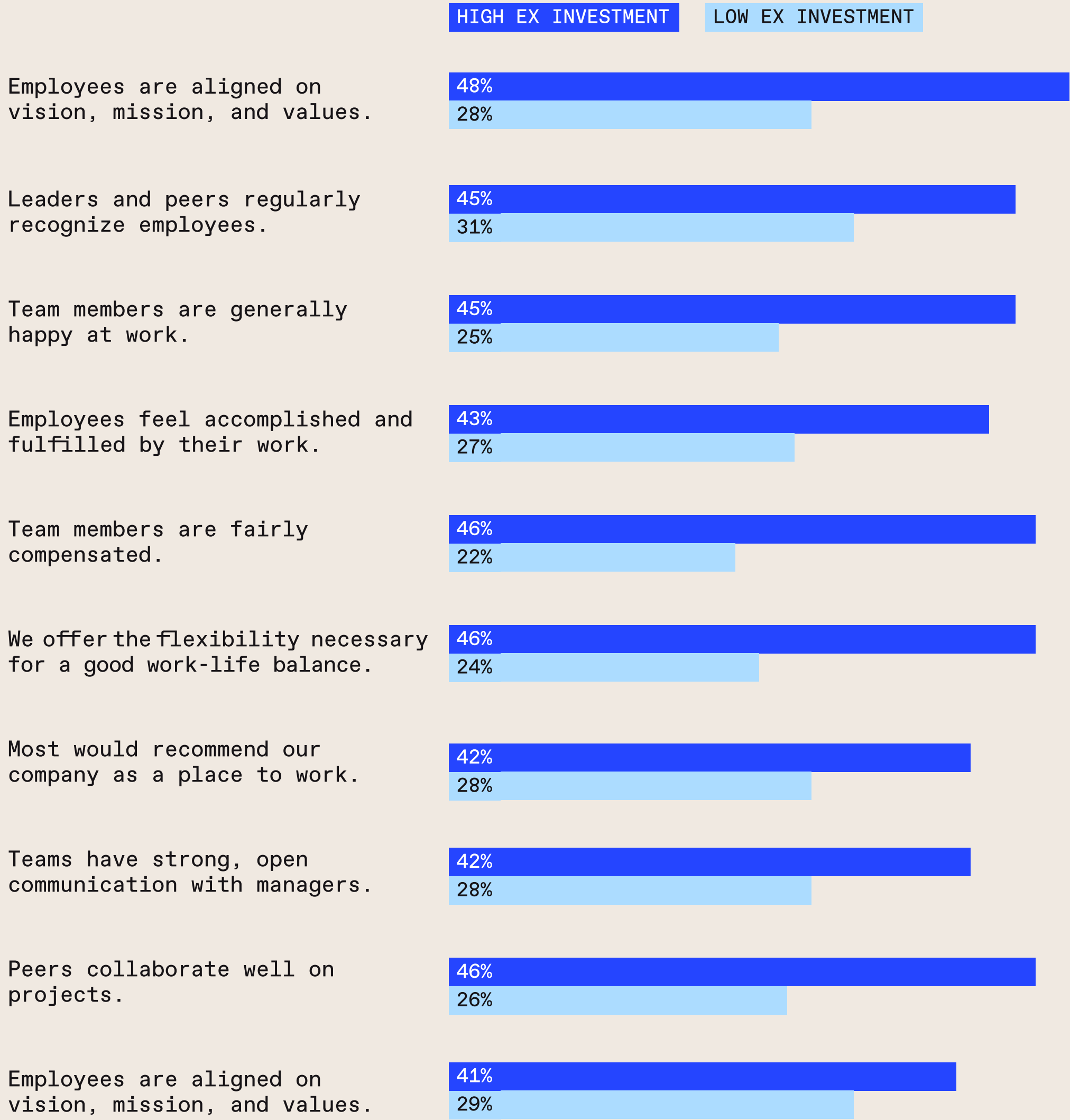
“Respondents at High EX Investment Organizations were roughly 1.5X more likely to have a positive feeling every time, compared with leaders at Low EX Investment Organizations.”



Four examples of how investing in EX increases positive company perceptions



“This very much describes my organization...”



Investing in EX drives better EX where it matters most

Let's take a step back and talk briefly about what EX is and how we define it. EX includes all the interactions between an employee and their employer throughout their relationship. It includes everything that occurs from the first time a candidate visits the career page of a company's website all the way through to the end of their employment with that company.

In many cases, EX may go even further: former employees who continue to receive benefits from the company or retain ongoing relationships with the company through former coworkers or on a contract or gig basis.

However, EX can be boiled down to a handful of overarching facets of the employer-employee relationship. Some researchers agree with the early studies of EX work by Jacob Morgan. His 2017 book, "[The Employee Experience Advantage](#)," he said EX is determined by how employees feel about three broad aspects of work: space (the workplace), technology (the tools any employee works with), and culture (the organization's attitudes, opinions, and beliefs).

A very recent study published in [Harvard Business Review](#) argues five factors are most important in creating a better employee experience: mutual trust, C-suite accountability, alignment of employee values and company vision, recognizing success, and seamless technology.

This survey asked business leaders about their perception of EX based on a set of four pillars that tie to all of those listed above and have gained traction among researchers. They are, in fact, the four foundations of a safe, healthy, long-lasting, and productive relationship, whether in life or at work:

1 STABILITY

2 RECIPROCITY

3 PURPOSE

4 HOPE



When applied to the workplace or to attitudes and beliefs about one's employer, here's how those four pillars play out:

Respondents among High EX Investment Organizations report significantly better results across all four of those pillars of employee experience.



DEFINING THE PILLARS

HOW EMPLOYEES FEEL

HIGH EX INVESTMENT

LOW EX INVESTMENT

1

STABILITY

Employees are confident in the immediate sustainability of work with their employer; they know they'll have a job to come to tomorrow, in the next year, and most likely beyond that.

"Employment at my organization is stable with no imminent plans for layoffs."

66%

33%

2

RECIPROCITY

Employees feel they have strong professional relationships based on mutual care and respect, among employees, among employees and managers, and with leadership.

"Employees and managers at my organization have a relationship of mutual trust and respect."

62%

42%

3

PURPOSE

Employees feel validated that their work has meaning and is fulfilling; they feel their work matters in a bigger picture.

"Employees at my organization feel they contribute meaningfully to business goals."

67%

40%

4

HOPE

Employees have a positive outlook of their careers and future within the context of their organization, beyond just knowing they'll have a job to come to.

"Employees at my organization are generally optimistic about the future of their career."

67%

41%

This matters because research has proven that greater EX results in six clear business advantages:

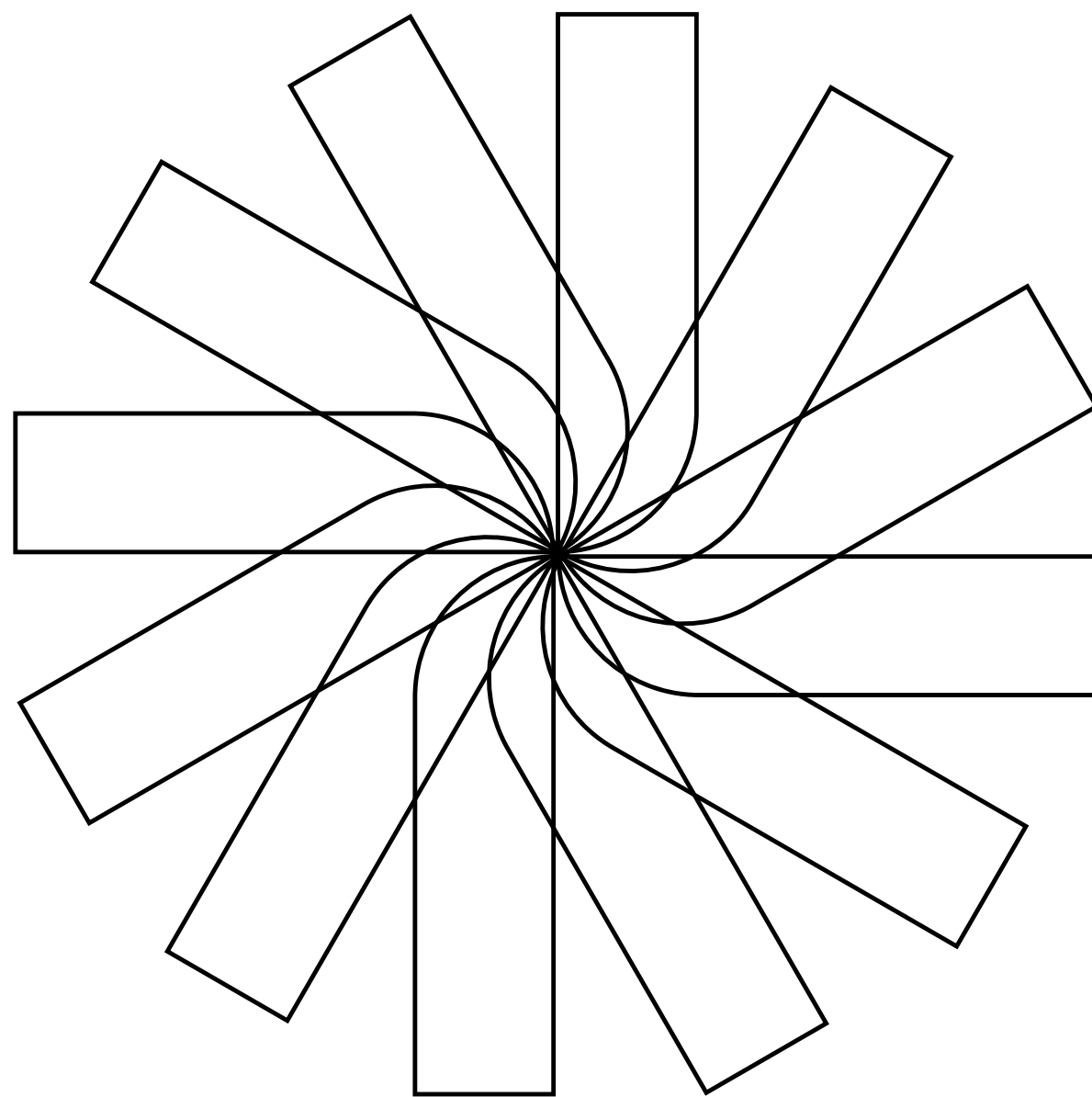
- ✓ **Lower turnover**
Because people are empowered and have a satisfying workplace. The American Psychological Association reports that very few employees would leave an organization if they felt that the leadership was fully invested in their experience, and 89% would recommend their workplace to others.
- ✓ **Higher job performance**
Because employees who know they're valued work harder, even without managerial supervision. A study by the Social Market Foundation found that happy employees are 20% more productive than negative ones. IBM research found that the staff among EX leaders (those at what we call High EX Investment Organizations) put out 95% effort when left to their own devices, while those at EX laggard organizations put out just 55%.
- ✓ **Increased employee engagement**
Because, as Gallup has found, better employee experience leads to greater employee engagement. More telling are the findings from the Temkin Group: Companies with employees who are "considerably more engaged" than at their peer companies have "stronger financial performances and better customer experience."

- ✓ **Better customer experience**
Because research proves that when employees are happy, customers are also happy, and the companies perform much better. MIT research has shown that businesses in the top quartile on EX have double the customer loyalty of companies in the bottom quartile.
- ✓ **Increased innovation**
because companies with higher EX scores are empowered to innovate and want to contribute to the greater good of the company. MIT found that in EX-leading organizations, employees innovated twice as often as employees in EX-lagging businesses.
- ✓ **Greater revenue and profits**
as a result of all five areas of measurement listed above. Gallup reports that disengaged employees, for example, can cost companies between \$450 and \$550 billion dollars a year. More to the point, Accenture found that EX leaders beat out the average S&P by 122%.

To the point of this report, each of those six measurements of positive EX rolls up to the four pillars investigated in our survey: stability, reciprocity, purpose, and hope.



High EX Investment Organizations enjoy **sunnier** **KPIs**



High EX Investment Organizations saw significantly better performance over the past year in all key performance indicators that this survey investigated, compared against their lower-investment peers. The same was true comparing companies that invested more in EX against the companies overall.

The differences between High EX Investment Organizations and others were particularly apparent in these six areas that directly affect employee and business performance:

EMPLOYEE ENGAGEMENT

SETTING EMPLOYEE DEVELOPMENT GOALS

EMPLOYEE FEEDBACK

RECOGNITION

PRODUCTIVITY

CUSTOMER SATISFACTION

45%

On average, High EX Investment Organizations were 45% more likely to have seen improvement in all KPIs this past year.

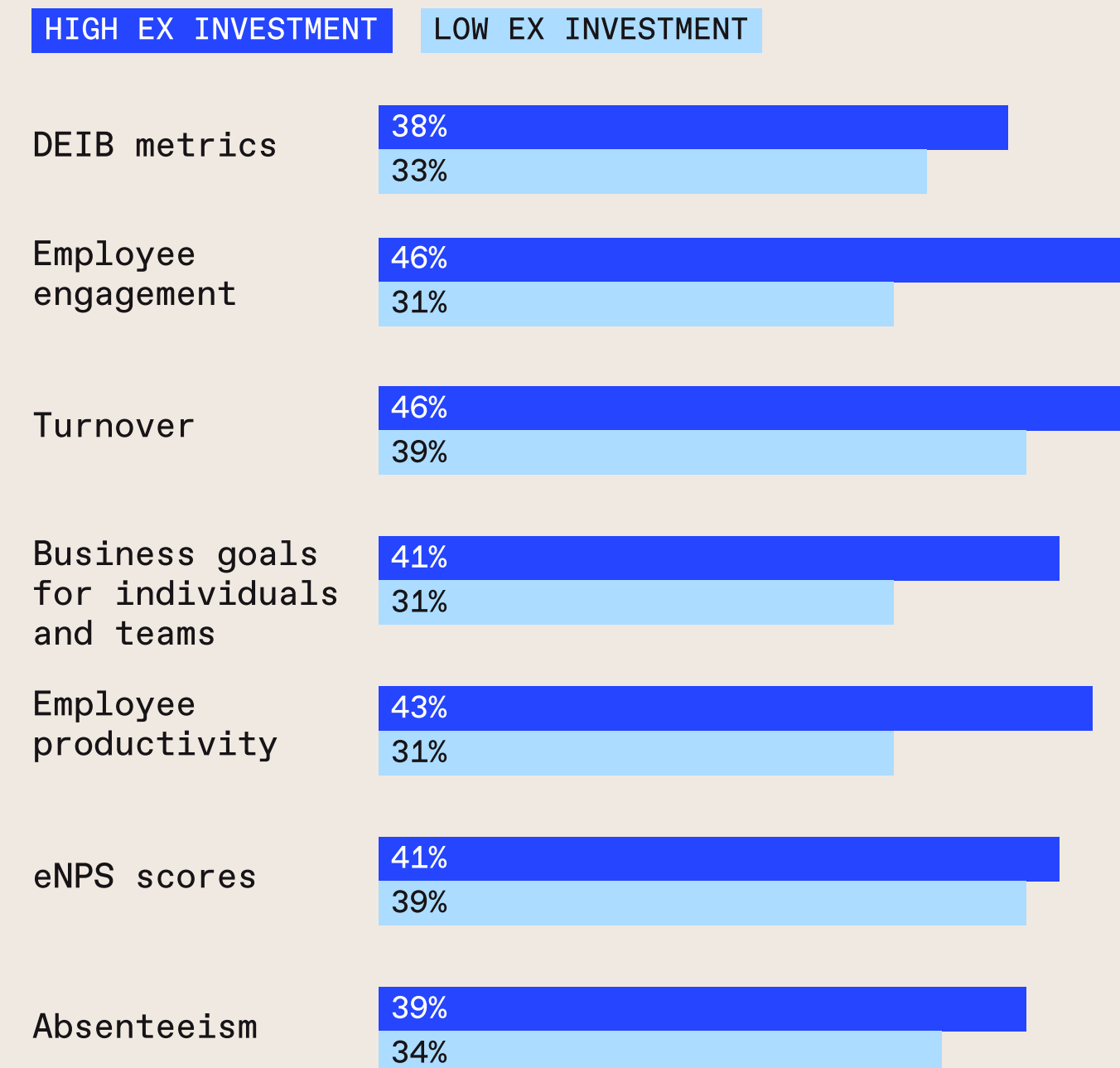
Low EX Investment Organizations especially fell behind in:

- Employee development goals
- Employee feedback
- Employee recognition
- Customer satisfaction

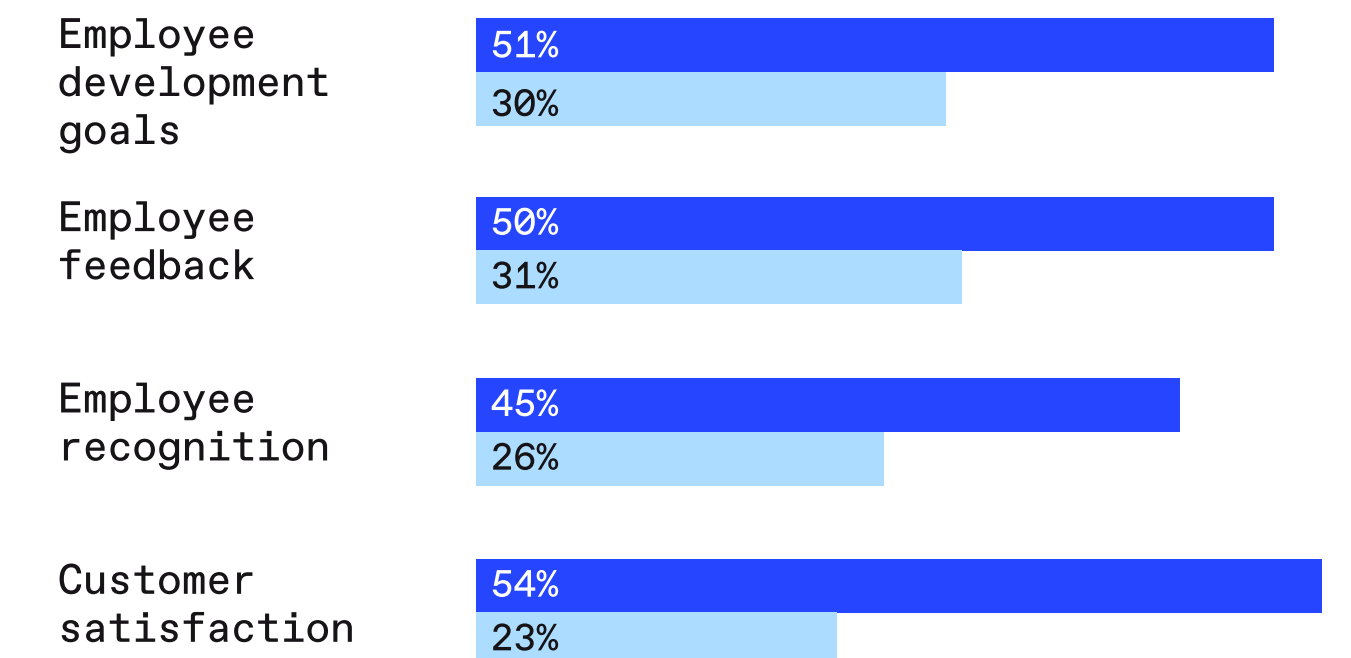
All of these areas — plus others highlighted in the previous section of this report — directly impact employee engagement, productivity, and customer experience. That means they also draw a direct line to the company's bottom line and KPIs.

Respondents among High EX Investment Organizations are much more likely to report improved KPIs in every area measured.

Respondents who agreed or strongly agreed the stated KPI improved over the past year



Areas with the most extreme differences between high investment and low investment



Low EX
Investment
Organizations
collect **more**
data — but
have **less**
confidence in it

In what appears at first to be an anomaly in our research, when compared with their better-performing and more EX-invested counterparts, Low EX Investment Organizations:

1. Track nearly the same amount of KPIs
2. Place nearly the same emphasis on them
3. Employ more methods of data collection

How Many KPIs Do You Regularly Track*

2.9

HIGH EX INVESTMENT

2.8

LOW EX INVESTMENT

*From among a list of 12 performance indicators presented in this survey

Overall Perception of Impact of EX on Business Success

(percent that agrees EX has a significant impact)

62%

HIGH EX INVESTMENT

37%

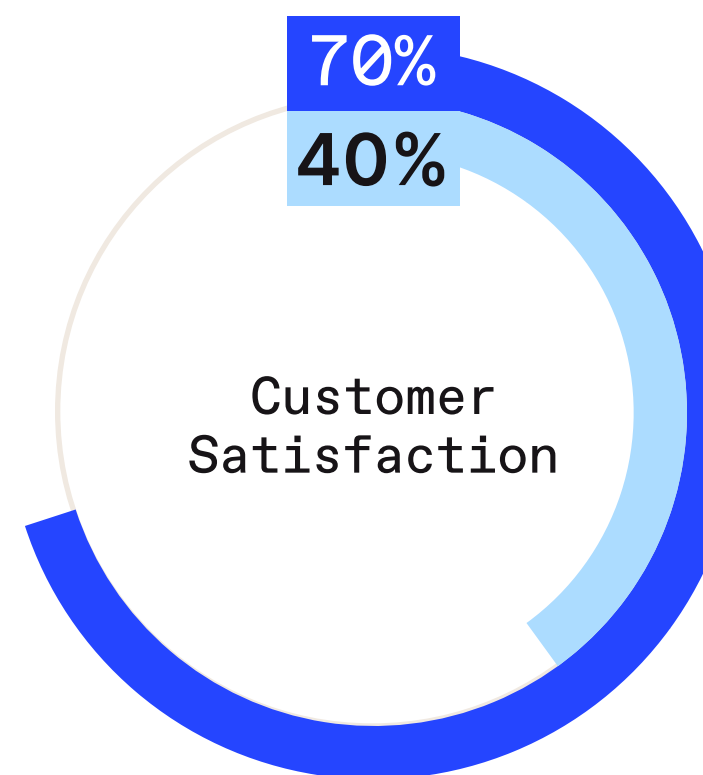
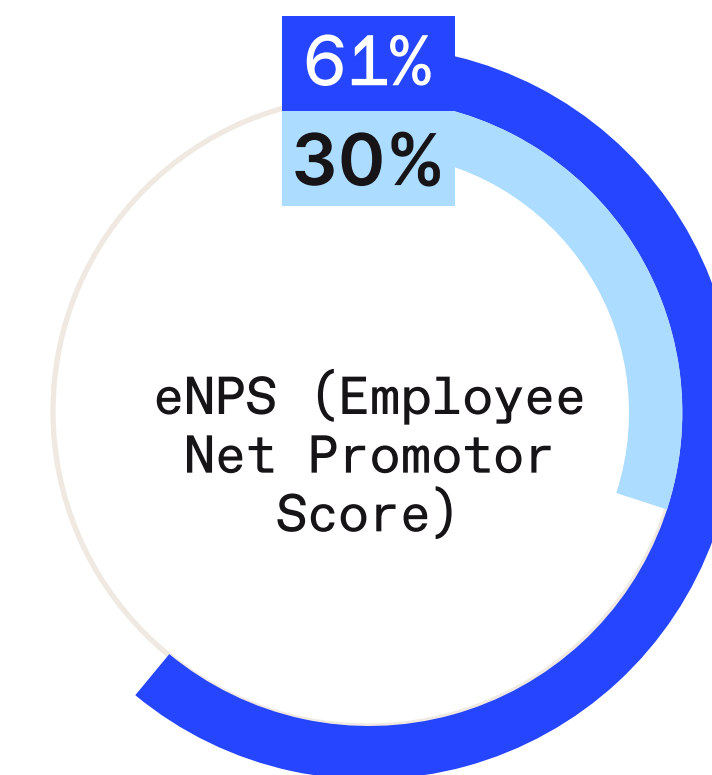
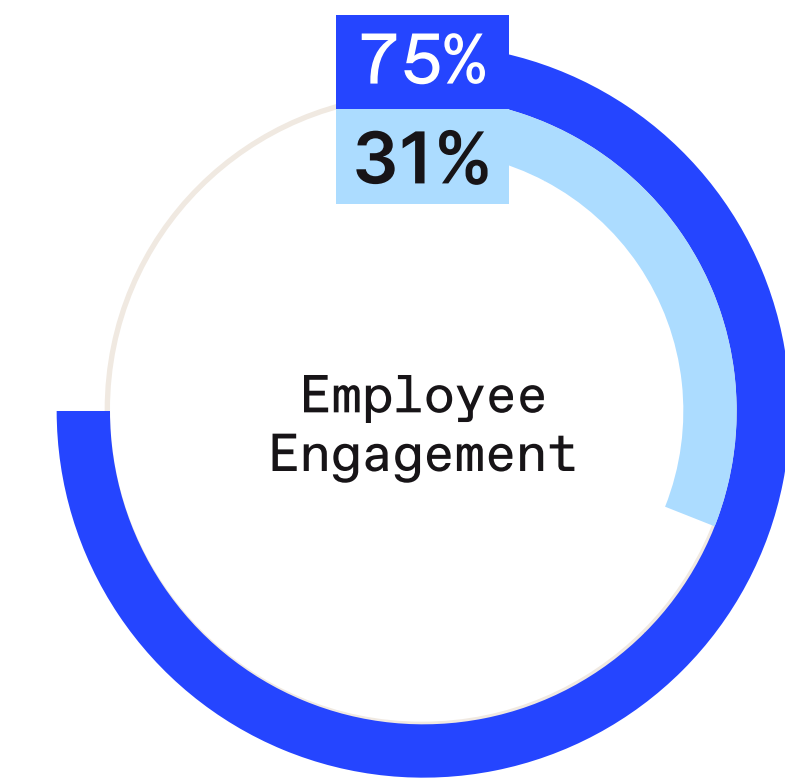
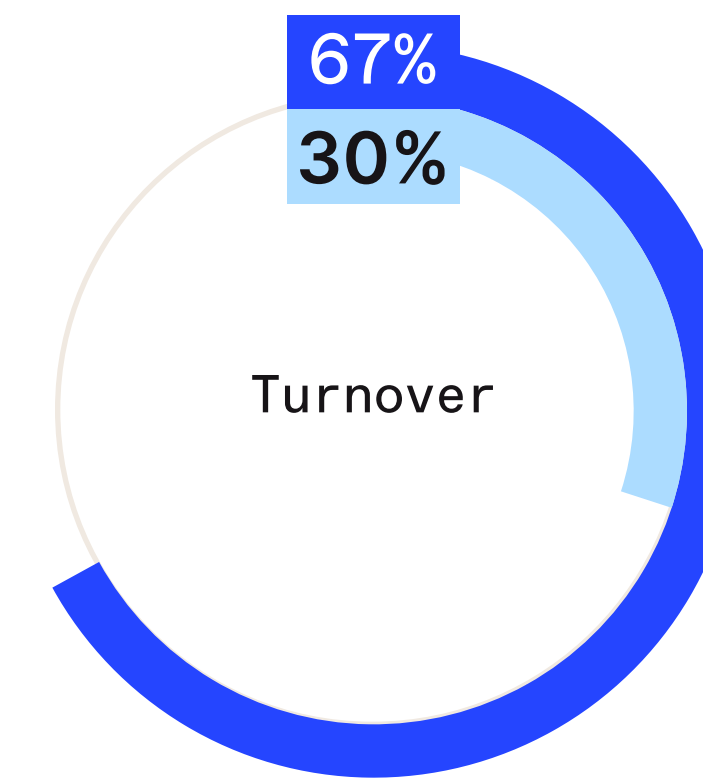
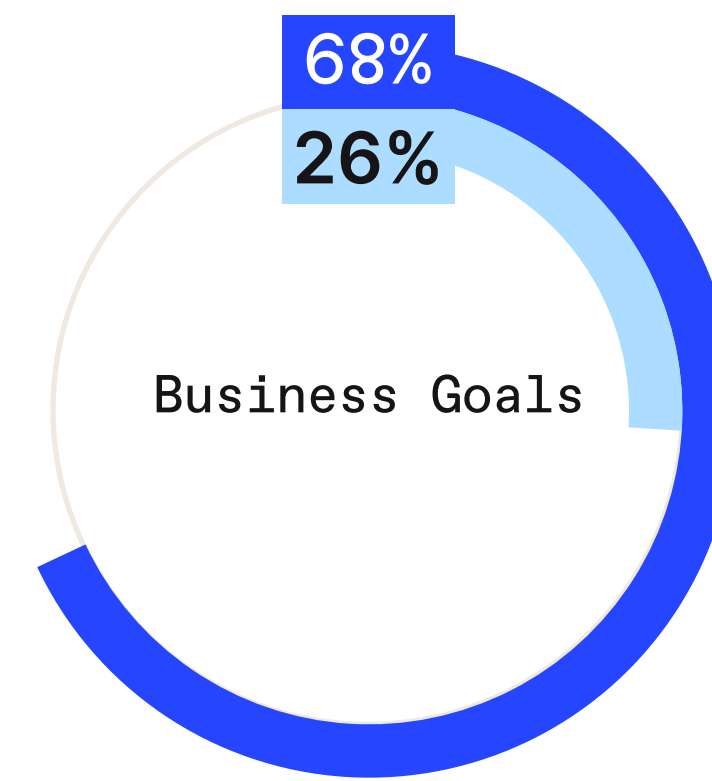
LOW EX INVESTMENT

Despite this apparent similar emphasis on tracking KPIs, Low EX Investment Organizations have significantly less confidence about whether these metrics indicate business success.

The difference in confidence around performance indicators between High and Low EX Investment Organizations was particularly acute in six areas.

In five of these areas in particular, High EX Investment Organizations showed greater confidence (they strongly agreed or somewhat agreed that the KPI is a “significant indicator of our overall business success”).

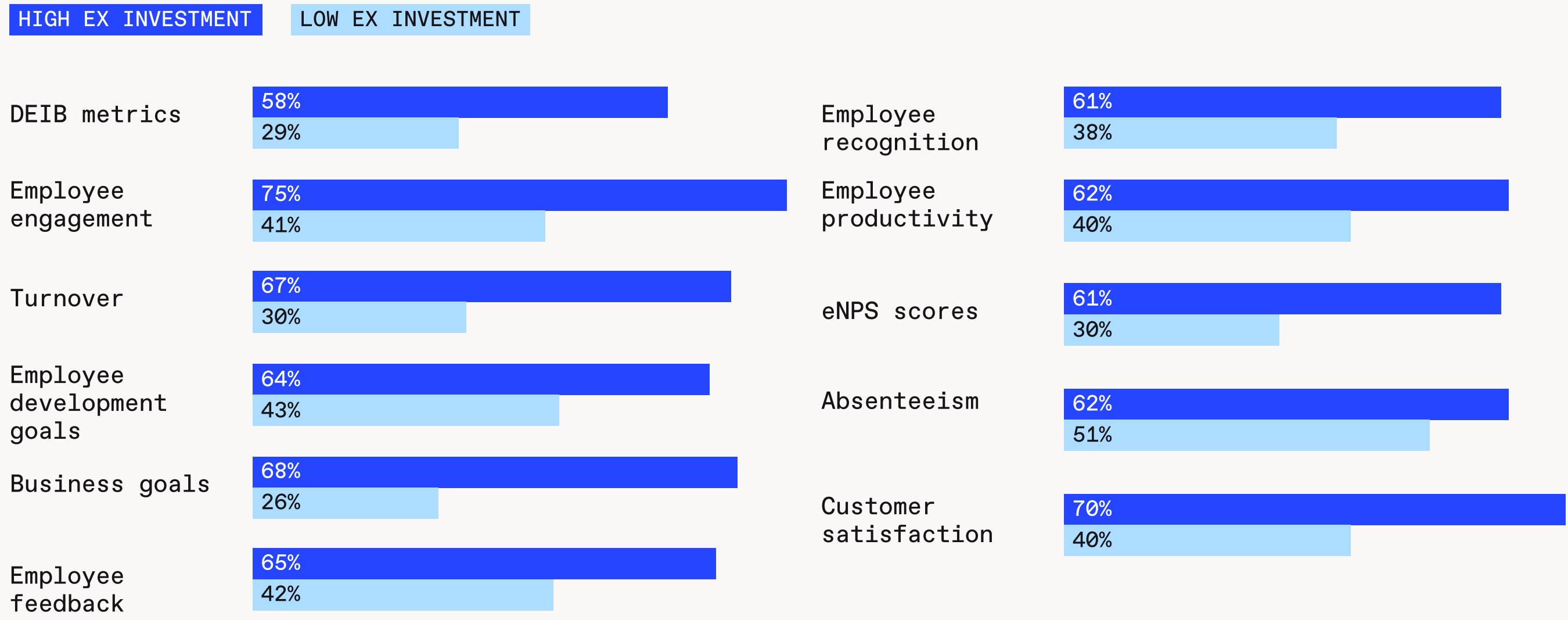
HIGH EX INVESTMENT LOW EX INVESTMENT



In only one metric — **employee productivity** — do Lower EX Investment Organizations place greater confidence in applying it as an indicator of company success (40% vs. 34%, or a 14 percentage point difference). Further research is needed to understand the reason or reasons for this apparent outlier. But, one explanation might be that compared with their Higher EX counterparts, Lower EX Investment Organizations place too much importance on the day-to-day or “bottom-line” outcome of EX (a mindset of get-the-job-done), possibly overlooking the bigger picture of broader or longer-term outcomes of EX.

Difference when asked “To what extent do you agree or disagree with the following statements? _____ is a significant indicator of our overall business success.”

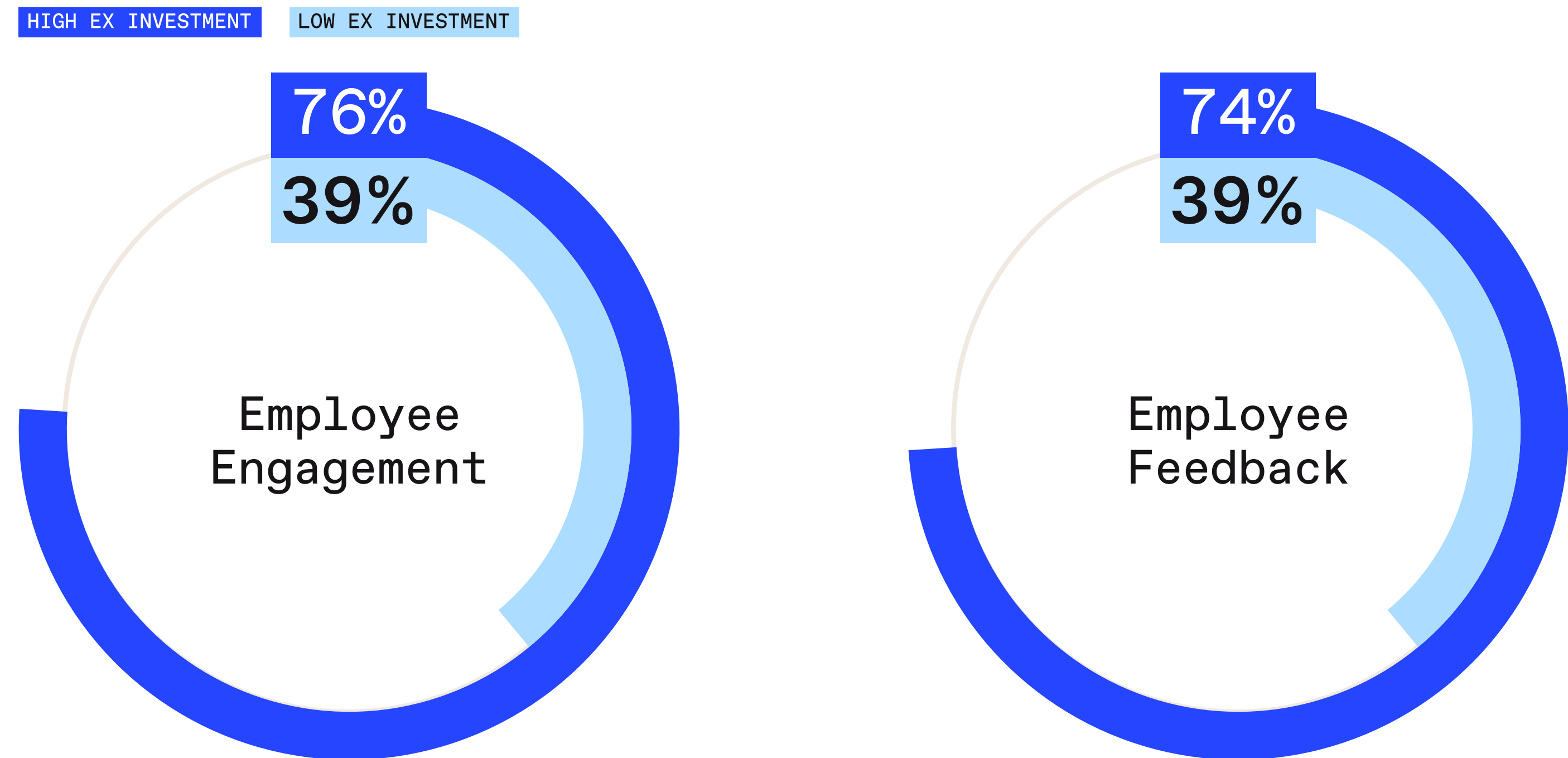
Respondents who agreed or strongly agreed



Confidence in the business impact of EX also **diverged**

Not surprisingly, Low EX Investment Organizations also have far less confidence about the impact EX can have on indicators of business performance.

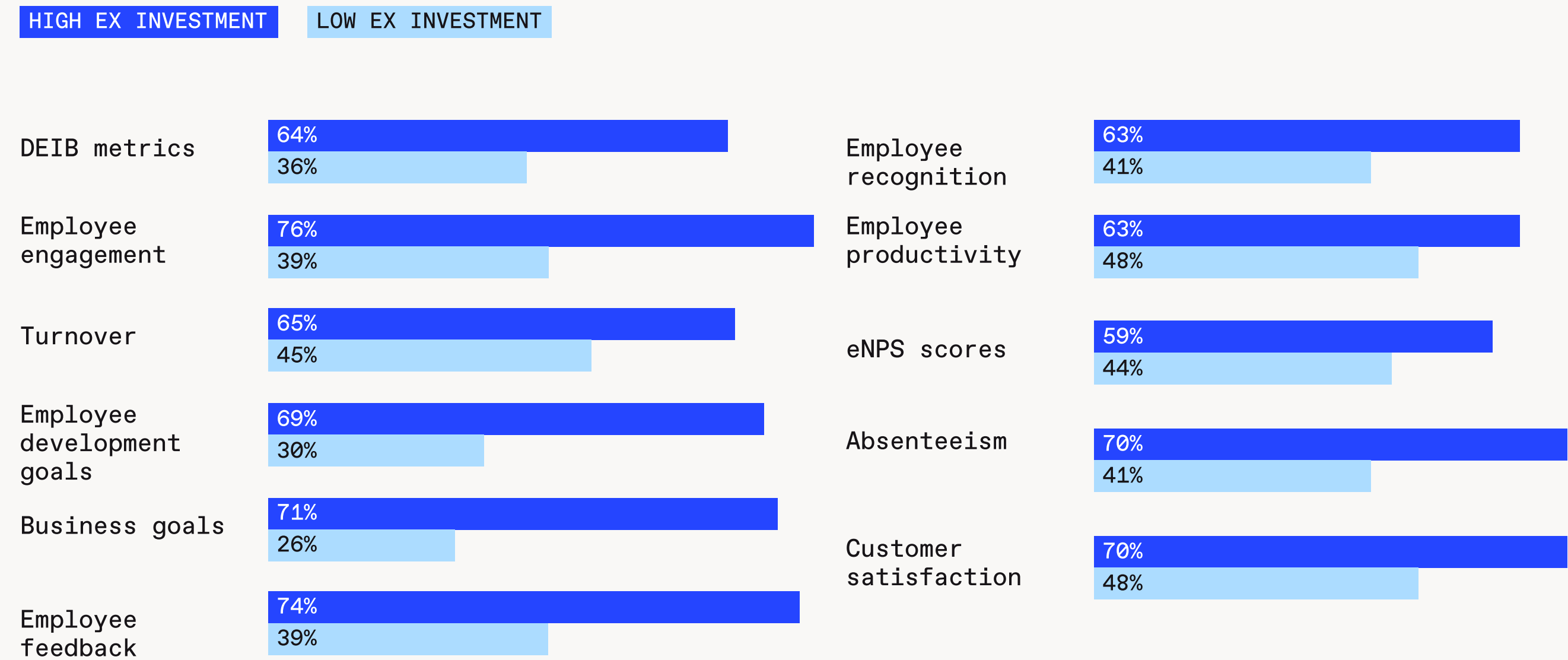
The two groups differed on all 11 indicators related to the impact of EX on business performance. But, they were most widely divided on the potential result of EX on employee engagement and employee feedback:





Difference when asked “To what extent do you agree or disagree with the following statement? Employee experience has a significant impact on _____.”

Respondents who agreed or strongly agreed

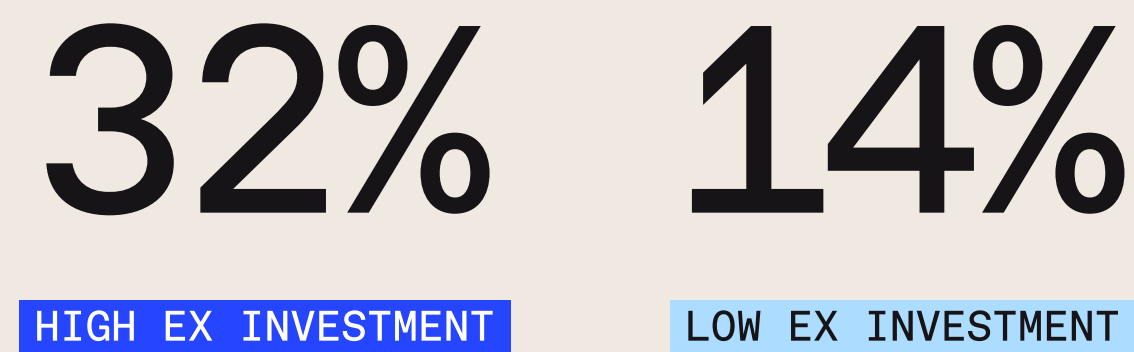


Companies with less investment in EX also have less confidence in their data — and collect more of it

Critically, Low EX Investment Organizations are significantly less confident than their peers when asked whether their methods capture accurate data. Low EX Investment Organizations are also less confident that their methods capture clear and accurate data around EX.

Respondents on average who said their data-capturing methods are “very effective.”

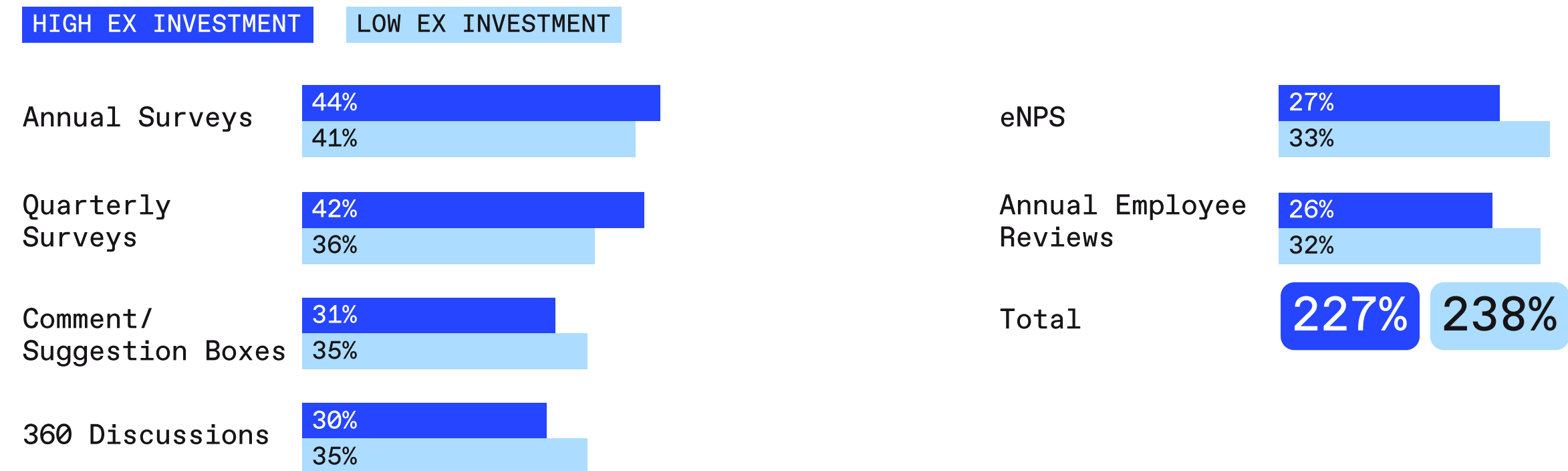
(percent that agrees EX has a significant impact)



However, Low EX Investment Organizations also appear to fall victim to the misconceptions that more data is better data, or more data can make up for lacking data certainty.

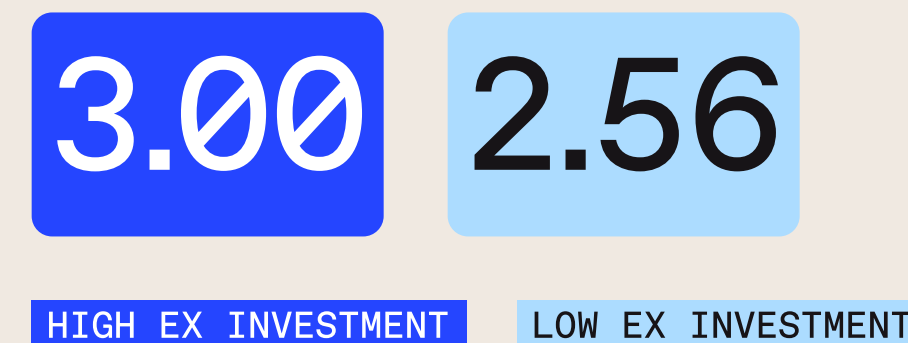
Low EX Investment Organizations field more data-collection methods overall than do their better-performing or higher-invested counterparts.

Which methods do you use to collect data on employee experience?



Average Confidence

Overall, how effective are these methods at capturing clear and accurate data on employee experience?





What's it all mean, anyway?

Regardless of their level of investment in EX or their leadership's attitudes toward the potential impact of EX on KPIs, we know that organizations are generally capable of collecting data. In this survey, the average respondent is collecting more data than we have seen in recent years, and they're using many more and much more diverse methods to do it. This is true regardless of their technology and level of investment in EX or programs related to EX.

However, being able to collect data doesn't make an organization capable of translating it into actionable insights or strategies. Collection capabilities don't necessarily translate into confidence in the collected data.

Our survey found that many organizations, particularly those falling behind in investing resources into creating a good EX, have data quantity but need more data quality and clarity. It's less clear, however, whether the problem is that the data these organizations collect is inaccurate, or whether their lack of data quality and clarity has a direct bearing on key performance indicators and business objectives.

What is clear, and what this research shows, is that leaders can make a very strong case for the ROI of these two critical activities:

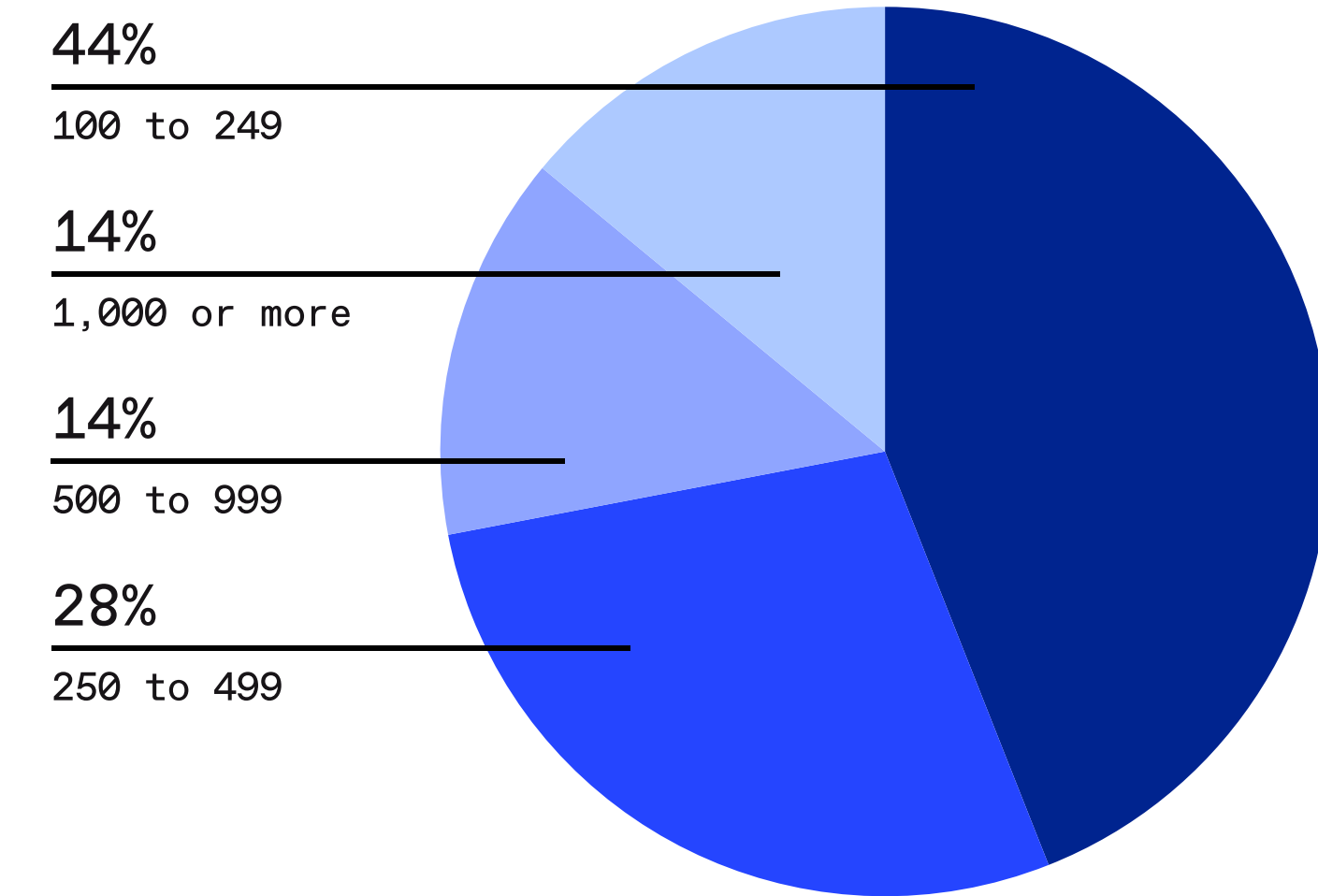
-  Collecting quality EX data with the right tools
-  Supporting people leaders to be able to use those data insights to design HR strategies that create value for the organization

These two important strategies are most likely to result in an EX impact on business metrics seen by leaders at High EX Investment Organizations. Leaning into these approaches to improve EX will help organizations stay ahead of the competition, hire, and keep top performers — all when HR and managers continue to work in a pressure-cooker environment, being tasked to do more with less, increase productivity, and boost employee retention.

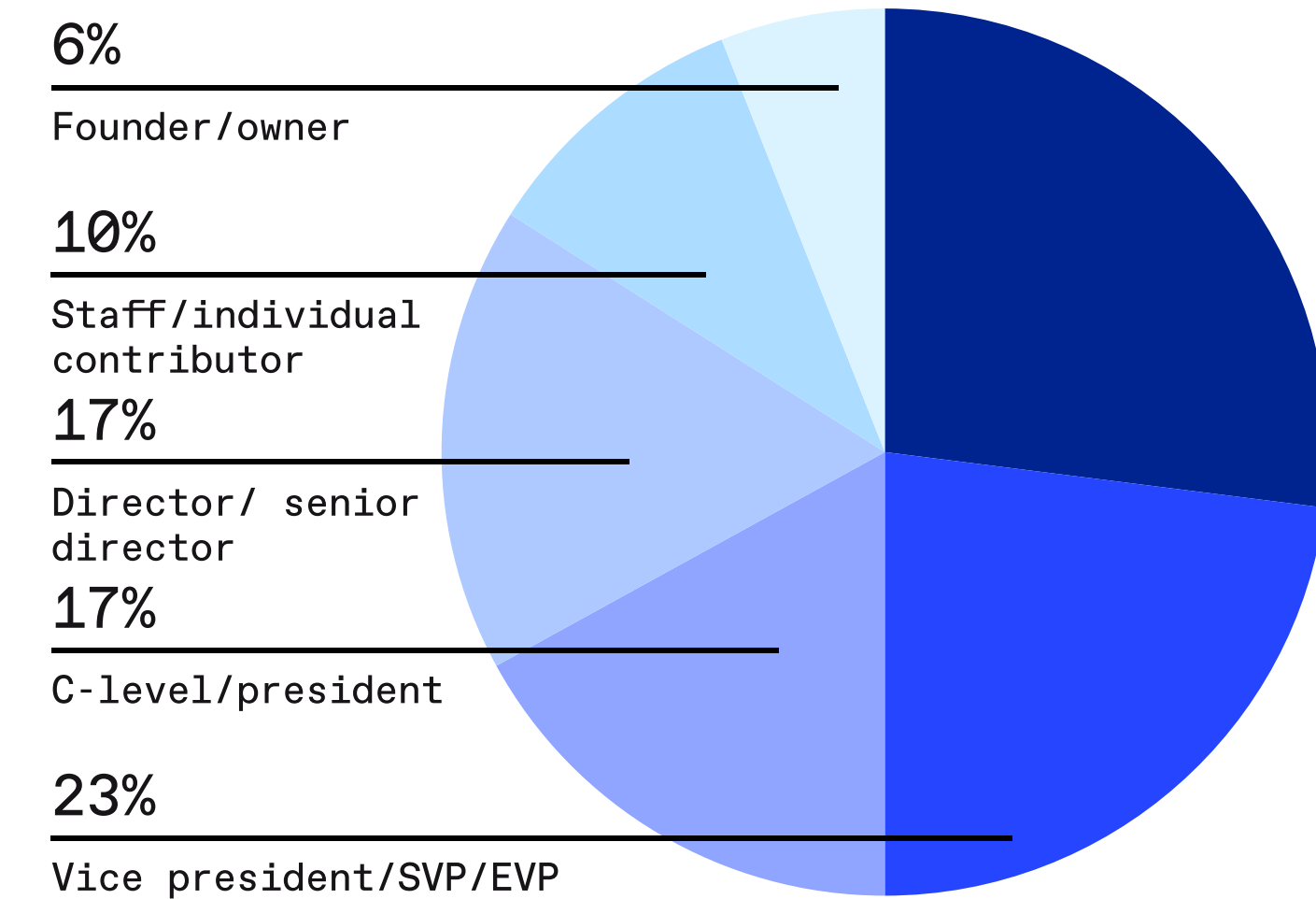
About the study

This survey collected the responses of 1,160 leaders who are directly involved in evaluating and managing solutions for employee engagement and experience at their organizations. Respondents represented 11 industries and a diverse range of functions, including executive management, human resources, workflow management, and employee success.

Organization size was distributed fairly evenly, but with a larger share seen among businesses with 100-249 employees (percent of survey respondents):

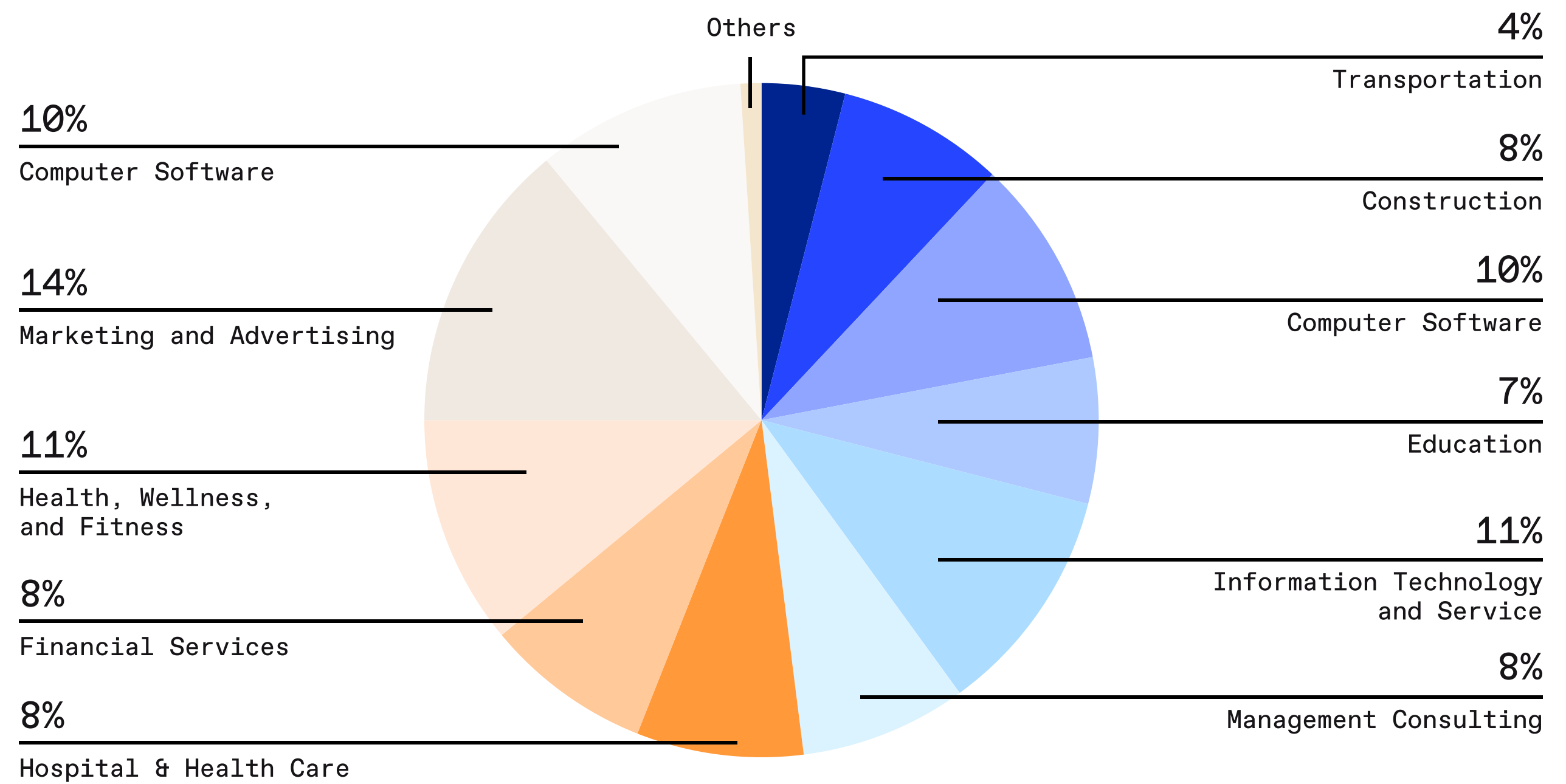


Roles of survey respondents were also distributed fairly evenly, but with a higher share of managers/supervisors and vice presidents (percent of respondents):



Functional areas among survey respondents were evenly distributed — between 17% and 22% of respondents in each of the seven categories, with only a slightly higher concentration (24%) of those having executive management functions.

Industry representation was very even across survey respondents. Each of the 11 identified industries accounted for between 7% and 11% of respondents. An outlier was Marketing and Advertising, which accounted for 14%. Only about 2% stated they were in an industry other than what was listed in the survey.





About Workleap Officevibe

Workleap Officevibe is an intuitive employee engagement and performance software. It equips HR leaders and managers with tools to boost employee retention and productivity. Use pulse surveys to measure 10 key engagement drivers and prioritize high-impact initiatives in times of “doing more with less”. Engage employees with meaningful recognition that reinforces values aligned with your company’s culture. Unlock ongoing talent development with a flexible performance cycle builder and regular performance checkpoints. Part of the Workleap family, Officevibe is trusted by over 20,000 customers worldwide. Learn more about Officevibe at workleap.com/officevibe/

About The Starr Conspiracy

In today’s rapidly changing world of work, you need a partner that gets it. The Starr Conspiracy is an Experience Agency that creates defining moments across the CX spectrum, including brand, marketing, sales, product, and customer success. For over 20 years, our analysts, consultants, and marketers have been at the heart of the Work Tech industry, building some of the world’s greatest brands that are transforming the workplace. When you work with us, you see the value faster as we co-create better experiences for employees, customers, and shareholders. The Starr Conspiracy is headquartered in Fort Worth, Texas, and is online at thestarrconspiracy.com.