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TOP OF MIND

Understanding Employee Experience: The Role of Leaders

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Overview

Leaders have a tremendous impact on shaping employee experience at an organization. Bad managers decrease morale, deplete employees' trust, and hurt business performance—as the saying goes, "People leave managers, not organizations." Conversely, top-performing managers act as coaches and mentors, partnering with employees to achieve business objectives and helping employees consistently develop and improve. These leaders create and reinforce a culture of learning by serving as role models for continued employee development.

It may not be easy, but creating a culture and mindset of actively involved leadership results in positive returns on multiple levels. Our research shows that companies with mature leadership models report 37 percent higher revenue per employee, a 65 percent increase in innovation, and a tenfold increase in selecting future leaders.[1] This article explores the vital role leaders play in developing an engaged workforce and compelling worker experiences.

In This Article

- ⊘ Why leaders need to be actively involved in the professional development of employees

- ⊘ The importance of empowering employees to advance and make an impact on the organization

- ⊘ How to leverage transparency and feedback to drive better employee experience

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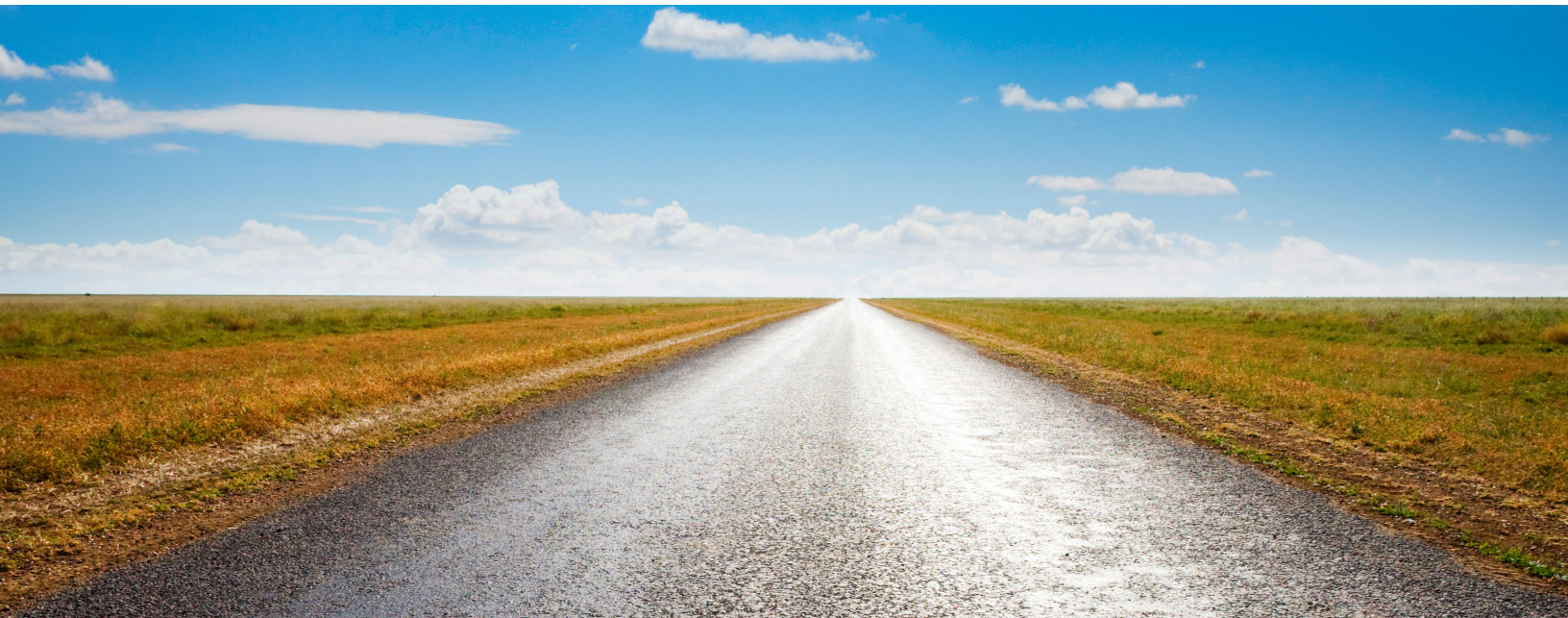
Creating a Culture of Leadership and Learning

Strong leaders oversee and are actively engaged in the training and development of their employees. A leader-led culture of learning across the entire organization is a big step forward from the increasingly outdated approach in which training and mentoring were handed off to HR—implying that employee development was someone else's responsibility.

Today, leaders need to communicate routinely with employees about opportunities for learning and development, potential career paths, and resources that the organization can offer.[2] By coaching, mentoring, and putting decisions in context, leaders can embed learning into the flow of work. This sends a clear message that leaders value employees and want to see them reach their potential. In short, when leaders invest their time and attention in development, employees feel valued and have better experiences with the organization.

> **KEY POINT:** When leaders invest their time and attention in development, employees feel valued and have a better experience at and are more engaged with the organization.

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1   *High-Impact Leadership: The Leadership Maturity Model*, Bersin, Deloitte Consulting LLP / Andrea Derler, PhD, 2016.
2   *Creating a Culture of Leadership and Learning: Building the Case*, Bersin, Deloitte Consulting LLP / Stacia Sherman Garr, Janet Clarey, Candace Atamanik, and Andrea Derler, PhD, 2017.

At Equinix, Executives Train the Next Generation of Leaders

Equinix, a company that operates data centers around the world, runs a leadership development program for high-potential employees. Much of the program's success is owed to senior leaders and executives who are directly involved in creating memorable experiences for employees. Throughout the three-month program, Equinix executives run sessions, teach workshops, and present case studies of real-world problems that business units face. Leaders use learning moments to help conceptualize employee development. At the completion of the program, teams of employees present potential business solutions to leaders and board members (thus far, about 10 of these solutions have been implemented). Overall, integrating employees and leaders into the program ties it directly to the organization's strategy and real-world operating environment and reinforces the company's learning culture.[3]

Empowering Employees with Greater Autonomy

Given how fast business is changing, it is no longer possible for leaders to stay ahead of their employees regarding actual tasks and decisions. Moreover, it is no longer necessary. Instead, top-performing leaders push decision-making authority down to the most appropriate level. Employees are more engaged when they can affect business results. Quite literally, their contributions *matter*. Millennial employees already crave this kind of autonomy, but it is relevant for all generations in the workforce.

Organizations are also starting to grant decision-making authority to employees. Rather than establishing traditional hierarchies, some organizations are creating team-based, matrix-type structures that allow employees to collaborate more easily. Under these structures, cross-functional teams come together to work on specific projects, then break apart and regroup into new teams to take on the next challenge when the projects are done. In this approach, leaders set overarching parameters and objectives and design decision-making processes for the project, but empower the teams themselves to influence how the work gets done.[4]

KEY POINT: Some organizations are creating matrix-type structures that allow employees to collaborate more easily.

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3   *Equinix Uses Its High-Potential Program to Help Future Leaders Thrive in a Global, Competitive World*, Bersin, Deloitte Consulting LLP / Andrea Derler, PhD, 2018.
4   *High-Impact Leadership: The New Leadership Maturity Model*, Bersin, Deloitte Consulting LLP / Andrea Derler, PhD, and Christina Rasieleski, 2016.

Fostering Trust and Transparency

Leaders at top-performing organizations foster trust and transparency. As employees become more autonomous, they require a clear line of sight as to how their individual (or team) contributions help the organization execute its strategy. Organizations that provide this kind of transparency show they trust their employees and support their success—leading to better employee experience.[5]

Leaders at such organizations actively seek feedback and want to hear the unvarnished truth. Delivering that feedback in person can be tough for some employees, so some organizations rely on technology—for example, mobile apps allow team members to provide quick, anonymous feedback to a manager about a meeting. By seeking this kind of feedback, setting up systems that enable it, and listening to and learning from what they hear, leaders drive higher employee engagement, better business performance, and enhanced employee experience. When employees experience trust, purpose, autonomy, and mastery, they reach a point of passion that makes them truly impactful.

Trust in public sector institutions is fading, and the private sector is increasingly filling a leadership gap in society. According to a 2018 study by Edelman, 52 percent of people worldwide trust businesses "to do what is right," compared to just 43 percent for governments.[6] Employees expect companies to help address gender and income inequality, environmental sustainability, and other social issues. By taking the lead in these areas, a company's senior leadership can provide meaning to their employees and thus create better work experiences.

KEY POINT: When employees experience trust, purpose, autonomy, and mastery, they reach a point of passion that makes them truly impactful.

Reflection

Employees work *at* organizations, but they work *for* leaders. The right leadership approach has a huge influence on employee experience, and that influence can be either negative or positive. By creating a culture of leadership and learning, building trust and transparency, and giving employees greater autonomy that allows them to be more impactful, leaders can help their people develop, ensure meaningful employee experience, and generate better performance across the organization. ▪

5   *Creating a Systemic Relationship with Talent: Putting Employees at the Center of the Talent Experience*, Bersin, Deloitte Consulting LLP / Stacia Sherman Garr and Emily Sanders, 2017.

6   *2018 Edelman Trust Barometer*, Edelman / Tonia E. Ries, David M. Bersoff, PhD, Sarah Adkins, Cody Armstrong, and Jamis Bruening, 2018, https://cms.edelman.com/sites/default/files/2018-01/2018%20Edelman%20Trust%20Barometer%20Global%20Report.pdf.

⊙ Key Takeaways

- Leaders have a substantial influence on employee experience at an organization.

- Top leaders understand that the old command-and-control model is no longer relevant given the pace of change at businesses.

- A culture of leadership and learning improves employee experience because it shows that the organization is investing the time and resources needed to help employees develop and grow.

- Leaders empower employees by giving them autonomy and the ability to make decisions that have a meaningful impact on results.

- Trust and transparency contribute to employee experience by allowing people to focus on business objectives and their own development as employees.

- Committed leadership allows employees to develop passion for their work and have a positive impact on the organization.

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Jeff integrates rigorous research approaches with more than 15 years of experience leading HR functions to generate actionable knowledge. Prior to joining Bersin, Jeff was head of human capital for a public policy consulting firm based in Maryland, and a faculty member in human resources development in Morocco. Jeff holds an MS in OD and strategic HR from Johns Hopkins University, and a doctor of education in human and organizational learning from The George Washington University.

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