Why Do So Many Companies Suck At Employee Experience?

It's wrong when companies focus on managing rather than leading people

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The combination of the pandemic and a hot job market produced a sea change in employer/employee dynamics. For the first time, employees across a wide range of sectors and roles have felt as powerful as their employers on the status of their jobs and careers. With job openings vastly outnumbering people willing to fill them, employers recognized the urgent need to create the kind of employee experience that would attract and, more importantly, retain employees – or risk losing them to competitors.

For some, i.e., those Most Admired Companies list regulars, these conditions may have led to some tactical shifts, but not the wholesale conversion to a more balanced power dynamic that most companies had to adopt if they were to meet their people goals. And what a conversion. Like never before, employers gave employees agency over how and where they work. They asked for input, not just on individuals' job responsibilities but on how things get done in the departments and business units. They solicited ideas for shaping policy and culture, and invited team members to contribute new solutions and processes. In other words, they have fostered the sense that employees are valued, recognized, and heard.

On the other side of the scale, many executives have embraced this more symbiotic relationship where both sides respect one another's needs and priorities. They understand the correlation between employee satisfaction and business impact and that, in creating a people-first culture, they are promoting employer brand and reputation, retention, recruitment, and overall company success.

Sadly, though, plenty were dragged kicking and screaming into this more balanced power dynamic. If the ever-looming recession does arrive, they'll joyfully trot back to their comfort zone of command and control, and the belief that businesses run better when the implicit message to employees is, "Do it my way or else."

That's why when it comes to ongoing employee experience, most companies, to be blunt, suck.

Shared Benefit for the Road Ahead

Chances are, you're at least partially surrounded by people who are looking forward to a nice recession so they can return to telling employees what's what. If you are, we're sorry – we feel your pain because we encounter the employer-dominance model all the time. What follows? Not surprisingly, a mixed employee experience at best.

But there are a few things you can do to try to remind your colleagues how well things have gone when both employer and employee have benefitted, or as we call it, Shared Benefit.

1. Package Your Data

If you succeeded in retaining high performers or simply kept turnover to a minimum, well done. There is a lot of research available on how much a company saves through employee retention – anywhere from one-third of an employee's salary to several times the salary if the person is in a key role with skills that competitors would very much like to have. There are other, less tangible benefits, too, such as keeping people who contribute to a positive culture or mentor next-gen employees and increase their value to the organization. Review, quantify and present your findings. If, like a lot of HR leaders, you're unsure of the accuracy or thoroughness of your data, deliver your best assumptions and be able to articulate why you arrived at the numbers you did.

Do the same with your employee engagement numbers. Even if you've experienced some quiet quitting, chances are if you have shown employees that they are valued, you'll have some positive data to share, too.

2. Correlate to Business Performance (again)

If you need to cite to colleagues yet another study that reinforces the notion that a people-centric culture leads to better business performance, McKinsey's Organizational Health Index consistently shows that the top quartile of business cultures post a return to shareholders 60 percent higher than median companies and 200 percent higher than those in the bottom quartile. If you revert to a command-and-control approach to leadership, do they expect better employee, and thus company, performance?

3. Remind Colleagues – Manage Things, Lead People

As author and leadership expert Stephen M.R. Covey reminds us, we manage things and lead people. Things need control and containment – think budgets, inventory, systems. People, on the other hand, rarely thrive when they're treated like tools or assets. "Command and Control is transactional—get the deal, finish the job, stop an undesirable behavior, and do it fast," says Covey. "That's the notion of efficiency shining through. Trust and Inspire is trans-formational—it focuses on building relationships; developing capabilities; enabling, empowering, and growing people. And the irony is that not only is this the far more enduring approach, but it's also actually the more efficient way to get things done as well. Remember this: *with people, **fast is slow, and slow is fast**.*"

4. Suggest a Framework for Some Top-Down Direction

In their book, ***Beyond Great*,** BCG Managing Director Jim Hemerling and his coauthors recommend organizations follow the Spotify method of leadership, which combines strong alignment with autonomy. It calls for leaders to build alignment by providing a clear purpose, future direction and objectives and milestones. Then, as leaders communicate these to their organizations, they allow for autonomy to get the job done. With a strong structure in place, leaders then need to create space for teams to execute on the how.

In essence, you're creating an opportunity for leaders to exercise some command and oversight while empowering teams to create solutions – a compromise, but a highly effective one.

5. And a Reminder –This Too Shall Pass

If all else fails, you can remind your control-loving colleagues that if we do have a recession and employees lose that sense of Shared Benefit, they'll comply with authoritarian leadership – for now. But just as they did when the worst of the pandemic subsided and frustrated workers headed for the exits, your valuable talent will watch and remember as they polish their resumes. And when the time is right, they'll find new places to work and your colleagues will be unhappy at having to spend so much of their precious time interviewing candidates, training new employees and doing their best to shore up customer relationships their former employees led so well.

As you've gathered by now, for us, poor employee experience stems from executives who are highly reluctant to empower employees to determine how best to meet goals and solve problems. Instead, they prefer maintaining a command-and-control approach to managing people as they would manage systems, processes and actions. There are other contributing factors, of course – poor communication and poor management project management, for instance. But all of these normally ensue when companies focus on managing rather than leading people.

These next 12 months will serve as a critical test as to whether more companies have learned from the Shared Benefit model of 2021 and most of 2022, and can continue to apply lessons from the model even as belts tighten. If your company is led by people more inclined to wield power than influence, we invite you to use the tips here and share your own.

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