2024
Current State of the Employee Experience

The Challenges of Today's
Employee Lifecycle

ORIGINAL
RESEARCH BY **Redpoint**

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Summary

A positive employee experience is key to attracting and retaining top talent. But what employees see, think, feel, and do throughout their lifecycle at an organization is also uniquely affected by the level and type of organizational volatility happening around them.

As many companies understand all too well, constant organizational flux has been a theme over the past several years. And though HR leaders work hard to be responsive to employees, they're often doing so amid sharp pivots in headcount, work policies, leadership, and more.

As HR leaders think about the employee experience within their organizations, they may also wonder how their efforts compare to other organizations:

- Who's doing a good job at this?
- Who is struggling?
- And what are the key employee experience strategies that can make a notable, positive difference throughout the employee lifecycle?

XS — (outside the dataset)

SM — 201-500 Employees

MD — 501-1000 Employees

LG — 101-2000 Employees
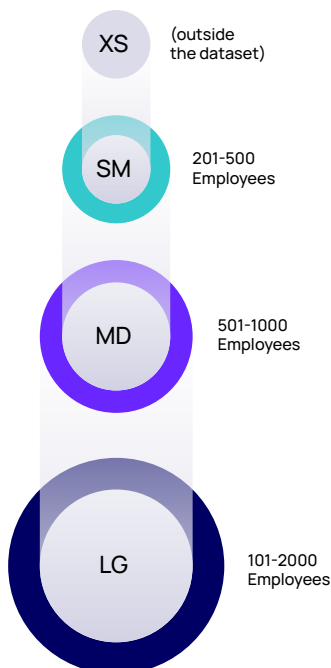
The research in this report was conducted by Redpoint, an independent research and analysis firm. It originates from surveys distributed to HR executives and directors at **small (201-500 employees)**, **midsized (501-1,000 employees)**, and **large (1,001-2,000 employees)** businesses in the U.S. The data we collected reiterates the importance of the employee experience, especially in the face of change, and gives HR leaders a framework for evaluating their own and others' efforts.

The goal is for HR leaders to apply the learnings from this research to improve the employee experience at their own organizations and come away with ideas for specific employee experience programs, employee retention and offboarding processes, data collection to inform strategies and tactics, and technology solutions that can help support these endeavors.

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Current State of the Employee Experience

Based on the Employee Net Promoter Score (eNPS) many surveyed companies received from their own employees, less than one-fifth of organizations — only around 17% — are excelling at the employee experience. While this result is concerning, it appears that organizational change might play a role in some of the struggle:

64%
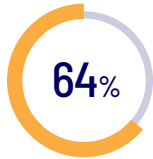
of HR leaders say their organization has **experienced change over the past year**.

74%
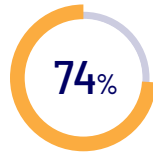
But 74% say the change has, for the most part, **positively impacted the employee experience**.

Compare that with **9%** who say recent volatility has had a negative impact on the employee experience and **18%** who say it's had no impact at all.

This data is interesting because, while employee experience ratings are low, HR leaders believe that the changes they are implementing — some of which may be creating some volatility in the short-run — are having a positive impact in the long-run. This could simply reflect the fact that change isn't enjoyable when it's happening, and it takes time for the results to come to fruition. But it could also mean there is a disconnect between how employees rate their own experience at an organization, and how HR leaders rate it.

n = 155, total n = 161, 6 missing
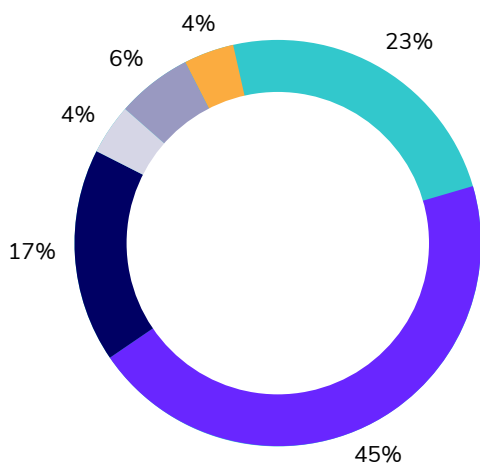
Figure 1: Less than one-fifth of organizations — only around 17% — are excelling at the employee experience.

—

Legend

- 80 or above - 17%
- 51 to 80 - 45%
- 31 to 50 - 23%
- 30 or under - 4%
- Do not collect NPS scores - 6%
- Don't know - 4%

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Regardless, it's clear that HR has a big job on its hands. They must ensure a positive employee experience no matter what happens within the organization. They need to recognize that while they may see some success with the changes that are being made, it still doesn't mean the overall employee experience will reflect that success right away. Change is a process, and HR leaders and employees naturally look at it through different lenses.

There are two areas within the employee experience framework that garner special attention when it comes to creating an uplift in employee experience: **employee retention and offboarding**.

Employee retention is a strong indicator of a positive employee experience since happy, engaged employees who have a positive experience at work are likely to stay in their jobs. But even in the best of circumstances, employee turnover can still be a problem.

Small companies use different methods to address retention and scheduling flexibility challenges than large companies. They also use different methods to measure employee fit — an important metric that has implications for both retention and the overall employee experience.

The offboarding process also informs the employee experience, revealing important insight through exit interviews and other processes that help HR leaders understand what's working about the employee experience and what isn't. Standardizing, updating, and speeding offboarding processes are important not only for creating a better exit experience but also for gathering the data needed to understand why existing employees might be dissatisfied and which retention tactics are working.

Yet, the ability of HR leaders and departments to manage change underpins every aspect of the employee experience.
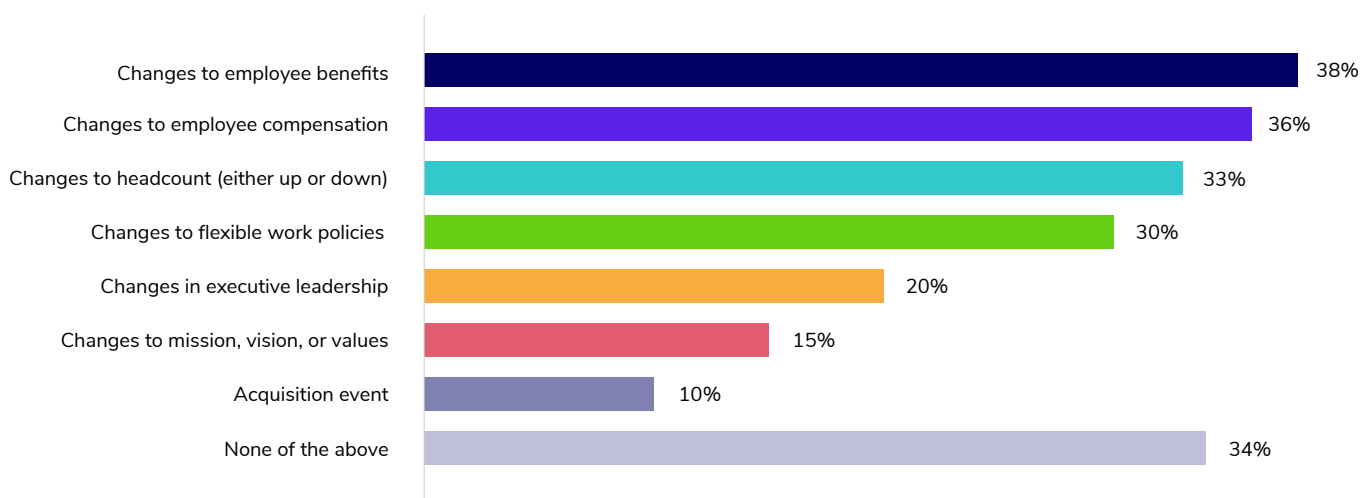
Employee
Retention
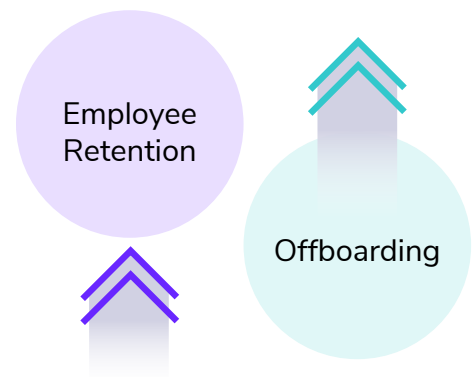
Offboarding

*Employee retention and offboarding are two major indicators of the employee experience, as **both help HR leaders understand what's working and what isn't**.*

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The Positive Impact of Organizational Change

Organizations across industries experience ups, downs, and disruptions that create ripple effects for employees. Adjustments to compensation and benefits, sudden increases or decreases in headcount, changes in how and where work gets done, acquisitions, and pivots to the mission or vision initiated by executive leadership can all impact the employee experience—often positively if the changes are welcome and needed, but .

Figure 2: In the past year, has your organization experienced any of the following?

Changes to employee benefits — 38%
Changes to employee compensation — 36%
Changes to headcount (either up or down) — 33%
Changes to flexible work policies — 30%
Changes in executive leadership — 20%
Changes to mission, vision, or values — 15%
Acquisition event — 10%
None of the above — 34%

n = 161

As we know by now, change is frequent, but it's even more common in larger organizations. Overall, larger companies report more change across the board than smaller companies, with 62% reporting changes to employee benefits and 52% reporting changes to employee headcount and leadership.

By comparison, mid-sized companies report a much lower frequency of change in these areas — 45% in employee benefits, 28% in headcount, and 23% in leadership. Small companies were even lower overall at 24%, 29%, and 8%, respectively.

> Overall, **larger companies report more organizational change** than smaller companies.

Though the majority of HR leaders (74%) report that change has a somewhat or very positive impact on the employee experience, change is more commonly positive for larger companies, whereas the smallest companies tend to report a negative (11%) or no (25%) impact from change.

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The reason for the difference may be that larger companies have the resources and flexibility to make various necessary changes they feel will be good for the organization overall. And they can support those decisions with a strategy for rolling out and managing the changes well. **But smaller companies may only be able to make one large change at a time — a change that's felt widely and intensely throughout the organization — while having fewer resources to manage it strategically.**

The majority of HR leaders (74%) report that change has a somewhat or very positive impact on the employee experience.

Here are some of the ways HR leaders are doing exactly this, in their own words:

"We encourage employees to participate in the change process, collect their opinions, and then strengthen employee training programs and career development."

"We use our employee survey to get a baseline and then put action plans in place to help people with change."

"We offer employees more flexible schedules and have increased staffing to meet or fill those needs. We've also started offering better benefits and have given raises."

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But sometimes HR leaders simply struggle to navigate change, no matter what.

"Our company isn't adept at managing change, just pushing forward to go faster."

"We have very little control, and it's hard to support employees through the changes."

However change is implemented, it's rarely easy. As changes within an organization accelerate or multiply, the burden on HR increases. They not only must help employees manage change as it's happening, but also ensure that it doesn't negatively impact the employee experience in the short-run or the long-run.

To understand how HR leaders can continue to improve the employee experience, even through volatility, let's look at some of the employee experience strategies organizations are using.

*As changes within an organization accelerate or multiply, **the burden on HR increases.***

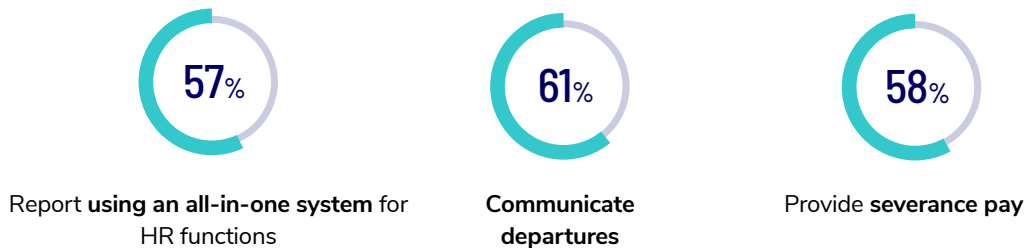primepay

Employee Experience Strategies

Organizations manage change to create a better employee experience in a number of different ways. Here are some of the most common strategies that came to light from this research:

EMPLOYEE COMMUNICATION AND FEEDBACK

Conducting meetings and surveys and gathering other employee feedback to ensure their voices are heard.

CHANGE MANGEMENT AND ADAPTATION

Managing changes within the company, helping employees adapt to new circumstances, and ensuring employees understand the reasons behind the changes.

COMPENSATION AND BENEFITS ENHANCEMENT

Increasing wages, offering better benefits packages, and ensuring fair compensation practices.

WORKPLACE ENVIRONMENT AND CULTURE IMPROVEMENT

Fostering a positive work environment, enhancing work-life balance, and improving employee involvement and satisfaction.

LEADERSHIP AND MANAGEMENT PRACTICES

Implementing new leadership approaches, managing transitions, and empowering employees through effective leadership.

EMPLOYEE RECOGNITION AND REWARDS

Recognizing employee efforts, boosting morale, and implementing recognition programs.

TRAINING AND DEVELOPMENT INITIATIVES

Providing training opportunities, skills development, and career advancement programs.

RECRUITMENT AND RETENTION STRATEGIES

Changing hiring processes, retaining talent, and enhancing employee benefits to improve retention rates

WORKFORCE OPTIMIZATION AND EFFICIENCY

Managing workforce changes, enhancing productivity, and ensuring efficient resource allocation.

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In addition, organizations with higher eNPS scores ranked higher on several notable employee experience maturity metrics.
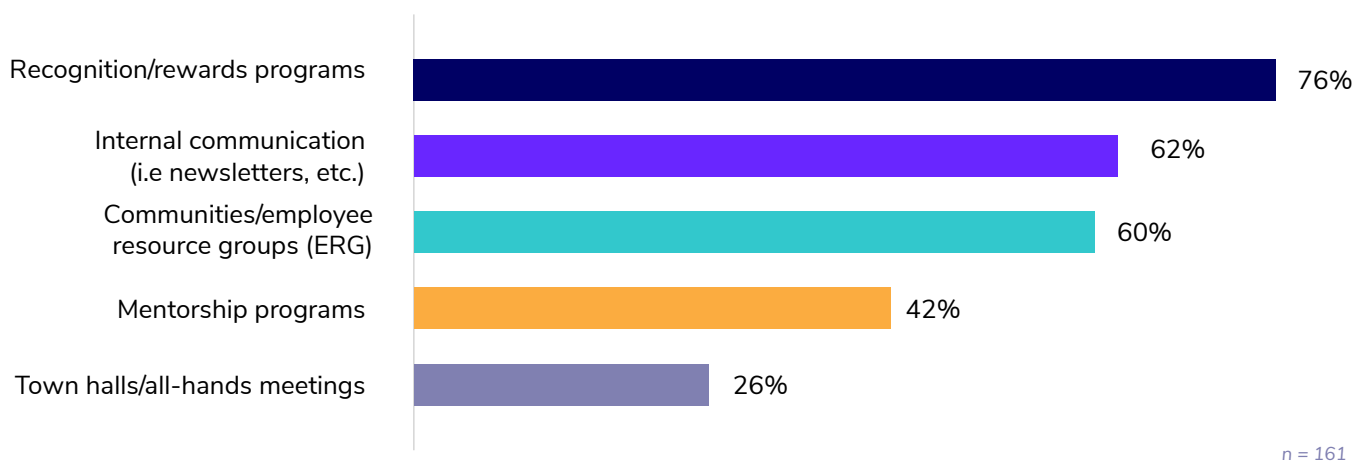
They are more likely to:

57% — Report **using an all-in-one system** for HR functions

61% — **Communicate departures**

58% — Provide **severance pay**

The impact of a positive employee experience can't be overstated, as various studies and experts show that a positive employee experience creates a more engaged and productive workforce.

As such, many organizations have implemented specific employee experience programs or tools in an effort to be responsive to employee needs, the most common of which are:

Figure 3: Which of the following exployee experience strategies have you employed?

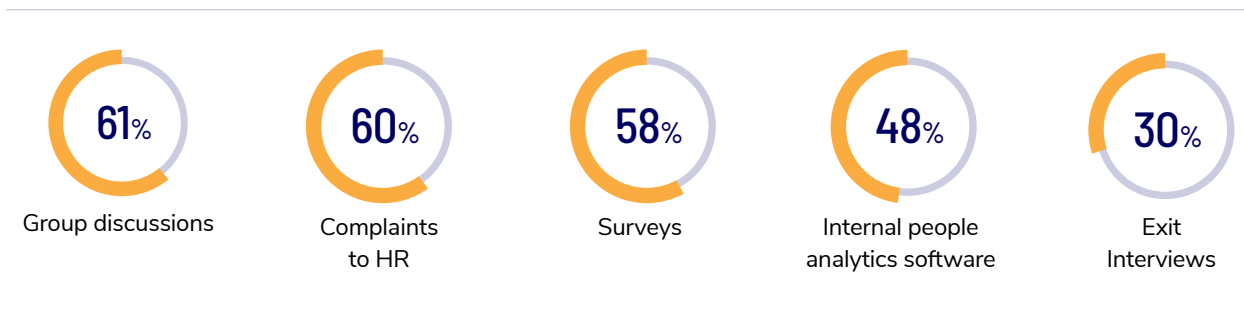| Strategy	Percentage
Recognition/rewards programs	76%
Internal communication (i.e newsletters, etc.)	62%
Communities/employee resource groups (ERG)	60%
Mentorship programs	42%
Town halls/all-hands meetings	26%

n = 161

Interestingly, company size doesn't seem to be a factor in what type of employee experience programs are used. No matter the size, all are most likely to use

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recognition and rewards (79%), **ERGs** (66%), and **internal communication** (62%) in their employee experience strategies.

*To measure employee experience and make improvements, **HR needs to first tap into employee opinions and insights**.*
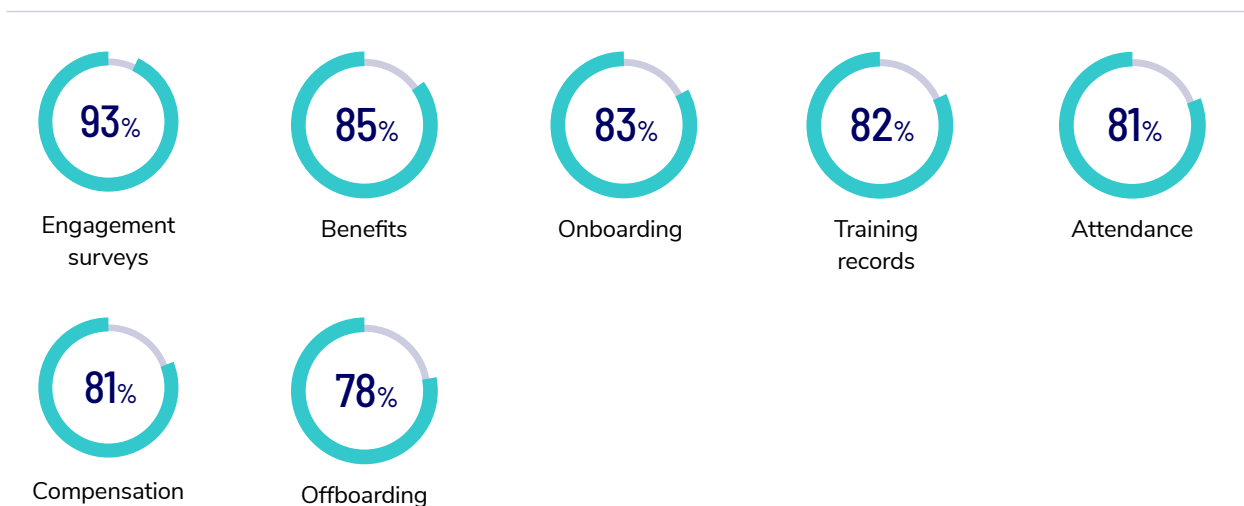
Of course, delivering an employee experience program doesn't necessarily mean anything on its own unless HR can measure its effectiveness and make iterative improvements. One of the best places to start is by inviting employees to share their opinions and insights.

HR leaders use the following ways to collect employee feedback and measure program effectiveness:

61%	60%	58%	48%	30%
Group discussions	Complaints to HR	Surveys	Internal people analytics software	Exit Interviews

HR leaders also want to **understand how company culture** impacts the employee experience, and they collect various data to identify any cultural weaknesses. The most useful are:

93%	85%	83%	82%	81%
Engagement surveys	Benefits	Onboarding	Training records	Attendance

81%	78%
Compensation	Offboarding

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As a whole, data collection is a valuable tool for organizations to gain deep insight into the employee experience. Fifty-three percent of HR leaders gather data at least quarterly to gain intelligence on how their company compares with others, and 46% do it to understand issues with company culture, such as pay equity.

> **53% of HR leaders gather data at least quarterly** *to understand how their company compares with others.*

Employees themselves are a great source of insight into the employee experience — especially through a metric like eNPS. But not every organization currently measures eNPS. Of those that don't, 100% rely instead on a structured analysis of exit interviews and other employee experience data they can then use to compare their company's employee experience to others.

While it is encouraging that these organizations have some kind of analysis in place, those that don't collect eNPS data or have low eNPS scores pay the price in low employee experience data maturity. They indicate they don't have enough time or resources to collect employee experience data and many of them use spreadsheets and have difficulties analyzing employee data. They are also more likely to see a negative impact from organizational change.

> *Organizations with an eNPS score of 51 or higher use* **multiple methods to collect data***, such as 1:1 evaluations, measurements of diversity, and leadership turnover.*

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On the flip side, the subset of organizations that track eNPS and have a score of 51 or higher are using multiple methods to collect data such as 1:1 evaluations, measurements of diversity, and leadership turnover.

They're also more likely to use (57%) an all-in-one technology system to manage their HR functions — an important indication of the value of connected HR systems that allow management to better implement, oversee, and understand changes and experiences across the organization.

n = 155
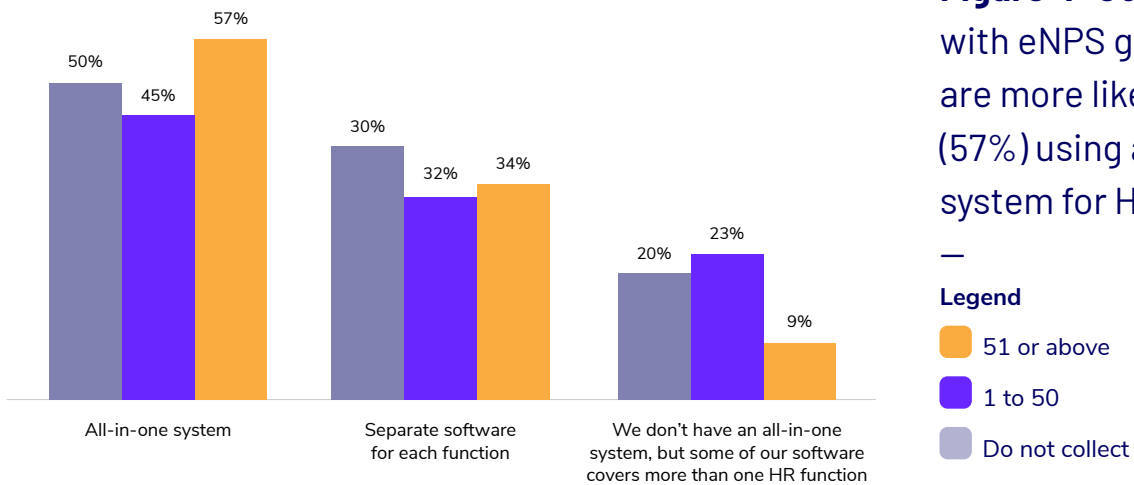
Figure 4: Companies with eNPS great than 50 are more likely to report (57%) using an all-in-one system for HR functions.

—

Legend

- 51 or above
- 1 to 50
- Do not collect

Bar chart data:

Category	Do not collect	1 to 50	51 or above
All-in-one system	50%	45%	57%
Separate software for each function	30%	32%	34%
We don't have an all-in-one system, but some of our software covers more than one HR function	20%	23%	9%

Connected HR systems *allow management to better implement, oversee, and understand changes and experiences across the organization.*

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Employee Retention: Strategies that Win

Though employee retention is an important result of a positive employee experience, it's still often subject to other factors that are outside the control of organizational leaders, such as external market forces like an economic downturn or the personal circumstances of the individual — e.g., getting a promotion or needing to live in a different location.
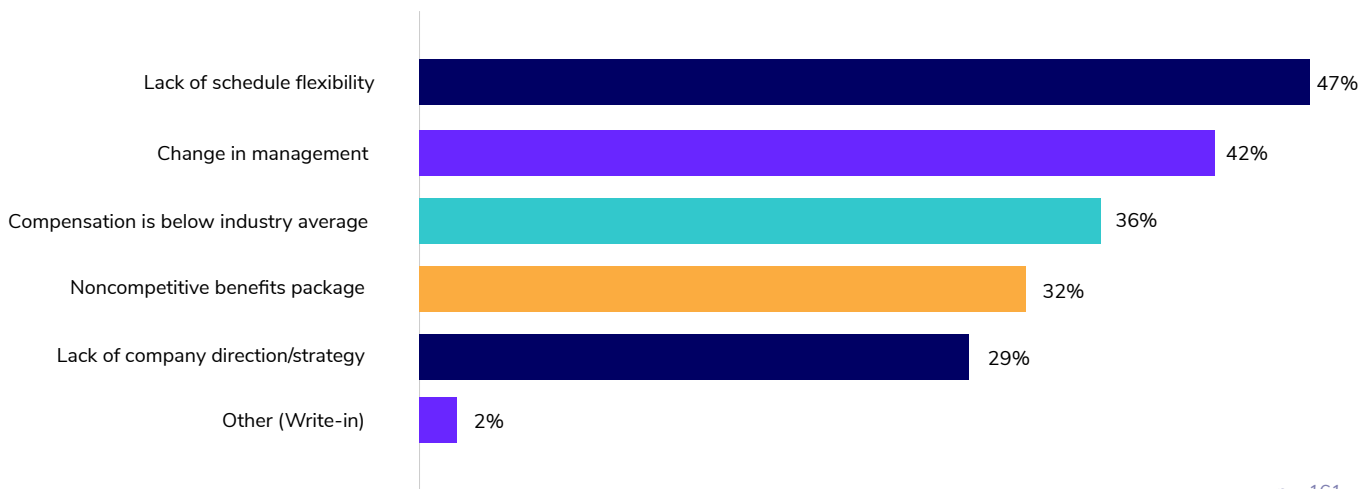
Internal factors also have an impact. Currently, HR leaders struggle with the following negative impacts on employee retention rates:
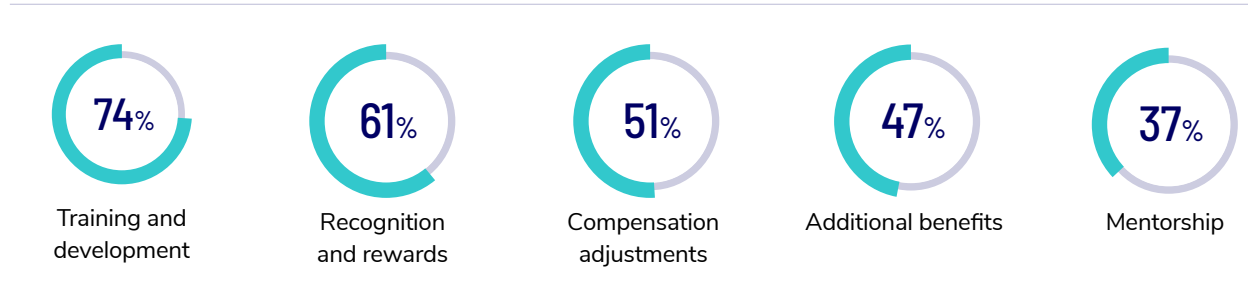
> 🔍 **KEY OBSERVATION**
>
> *Lack of flexibility, change in benefits, and compensation is below average are the greatest retention challenges.*

Figure 5: What are your biggest retention challenges?

Challenge	Percentage
Lack of schedule flexibility	47%
Change in management	42%
Compensation is below industry average	36%
Noncompetitive benefits package	32%
Lack of company direction/strategy	29%
Other (Write-in)	2%

n = 161

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HR leaders are making notable efforts to overcome both internal and external factors for retention. The strategies the HR leaders we surveyed use today include:

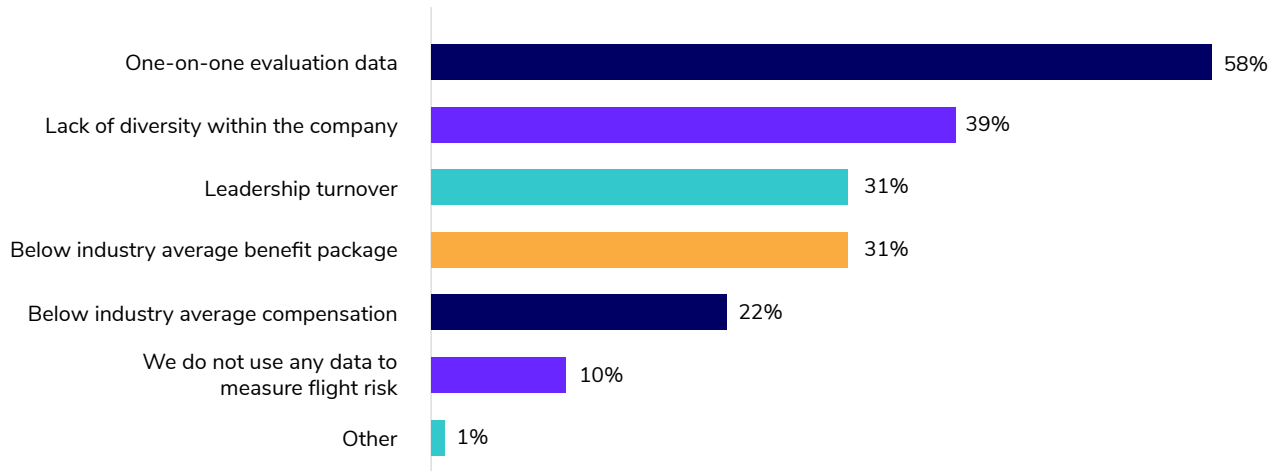| 74%	61%	51%	47%	37%
Training and development	Recognition and rewards	Compensation adjustments	Additional benefits	Mentorship

The smallest companies are more likely to deploy training and development (81%) to improve employee retention and least likely to deploy mentorship programs (25%), while the largest companies are most likely to deploy recognition and rewards programs (79%) to improve employee retention and least likely to deploy compensation adjustments (41%).

Figure 6: Organizations that track eNPS also tend to use the largest number of strategies to improve employee retention.

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Legend

■ 51 or above

■ 1 to 50

■ Do not collect
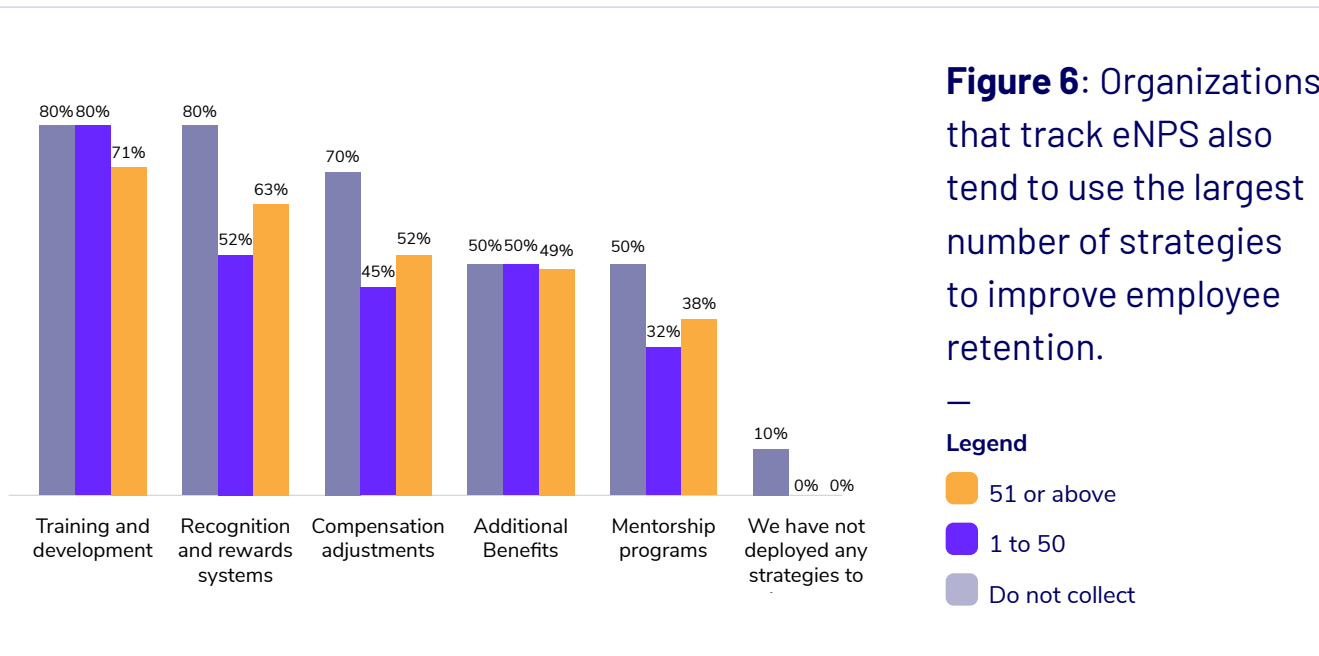
It's worth pointing out that the organizations that don't track eNPS at all rely the most on training and development (80%) and recognition and rewards (80%) to help retain employees, but fully 10% of them don't have any employee retention strategies in place.

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When HR leaders want to get ahead of retention concerns, they use the following data to measure flight risk — or the possibility that employees may leave the organization:

Figure 7: What data are you using to measure flight risk?

One-on-one evaluation data	58%
Lack of diversity within the company	39%
Leadership turnover	31%
Below industry average benefit package	31%
Below industry average compensation	22%
We do not use any data to measure flight risk	10%
Other	1%

n = 161

Ensuring good employee fit per role is another critical aspect of strong employee retention.

*When employees land in roles that are **too challenging** for them, **aren't challenging enough**, or **simply don't align with an employee's skills** or desired career path, it's more likely that they will leave the organization.*

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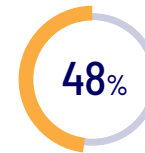**HR leaders measure employee fit in the following ways:**

53% — Confidence on the job

50% — Employee career path

48% — Employee ambition

48% — Goals met

44% — Promotions

39% — Compensation

34% — Taking initiative

The largest companies look to goals met (66%) and promotions (62%) as the biggest indicators of employee fit, while the smallest companies use confidence on the job (56%) and employee career path (53%) as their biggest indicators.

*Predictable, standardized offboarding processes **make it easier to gather accurate data about positive and negative experiences**, which can be used to **improve the lifecycle of existing employees**.*

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Offboarding:
A Prime Opportunity

Today, the majority of HR departments (94%) standardize their offboarding processes in some way to help them gather the employee experience information they're seeking:

- **42%** say their processes are very standardized: Every employee receives the same documents, processes, and exit surveys.

- **52%** say their processes are somewhat standardized: There is a mix of customized processes based on department and role and standardized documents and processes.

- **6%** say their processes are not standardized: All documents, processes, and interviews are customized to the person.

- **1%** don't have an offboarding process at all.

This reflects well on the businesses surveyed since predictable, standardized offboarding processes make it easier to gather accurate data about employees' positive and negative experiences, which can then be used to improve the lifecycle of existing employees.
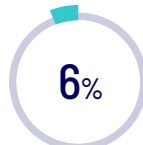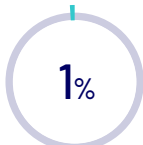
How standardized are your offboarding processes?

42% Very

52% Somewhat

6% Not at all

1% No offboarding processes at all

34%

43%

18%

5%

Hrs

0 1 2 3 4 5 6 7 8 9 10
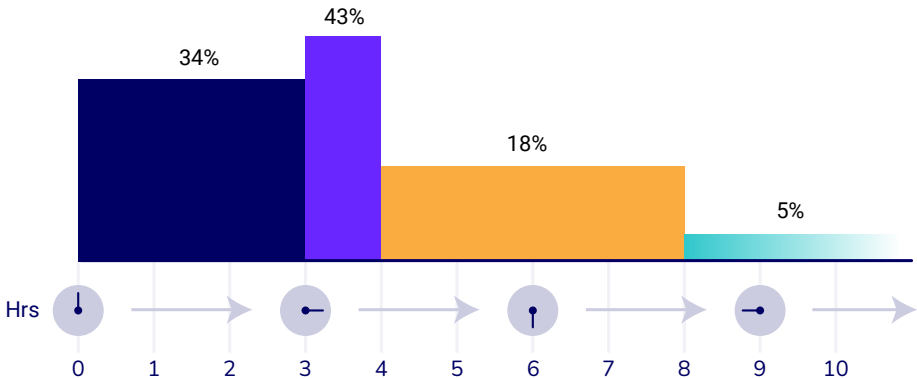
The average time it takes to offboard an employee

—

Legend

■ 0-3 hours (34%)

■ 3-4 hours (43%)

■ 4-8 hours (18%)

■ More than 8 hours (5%)

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Within the last year, 55% of HR leaders have updated their offboarding process, with the most common offboarding tactics, including:

- Communicating the departure with the remaining employees - 55%

- Conducting exit interviews - 54%

- Providing severance pay (if applicable) - 53%

- Preserving institutional knowledge - 42%

- Giving a gift or party - 40%

- Maintaining connections post-departure or offering an alumni program - 30%

One of the main offboarding tactics HR leaders use is the exit interview, which presents a key opportunity to better understand and improve the employee experience.

Of those surveyed, 64% conduct a structured analysis of exit interviews — meaning they identify common themes and use them to enhance the employee experience. Conversely, 36% conduct an informal analysis — meaning they use the feedback to inform planning but without formal processes.

__Within the last year,__ 55% of HR leaders have updated their offboarding process.

n = 87

64%

36%
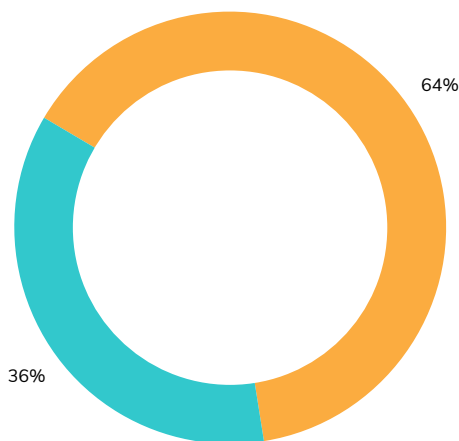
Figure 8: 64% report they use structured analysis of exit interview data to enhance employee experience.

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Legend

- Structured analysis and use (We identify common themes from exit interviews to enhance the employee experience) **(64%)**

- Informal analysis and usage (Feedback informs planning without formal processes) **(36%)**

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Figure 9: How has having a structural analysis impacted your organization?

It's helped us identify weaknesses in our culture (Pay Equity, DEIB, etc) — **80%**

It has provided valuable intelligence on how our company compares with other employers — **61%**

It has helped protect our brand (Glassdoor Reviews, etc) — **45%**

n = 49

The vast majority of HR leaders (80%) agree that conducting a structured analysis from exit interviews helps them identify cultural weaknesses in the organization. Those who use structured analysis are also most likely to do so to preserve institutional knowledge (54%) and provide severance pay (50%). And those same HR leaders have also updated their offboarding process either in the past year (74%) or within the past five years (55%).

In contrast, 100% of HR leaders who only conduct an informal analysis of the exit interview haven't updated their offboarding process in the last 10 years.

This data shows that conducting a structured analysis of the exit interview is more valuable than doing an informal analysis, and those who are likely to do so are taking additional steps to learn and improve.

80% of HR leaders agree that conducting a structured analysis from exit interviews helps them identify cultural weaknesses in the organization.

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*Companies with an eNPS score of 51 or higher are **more likely to have updated their offboarding process in the past year.***

As we noted earlier, overall, 55% of HR leaders have updated offboarding within the past year. A significant number (42%) have updated it within the last five years. And just 3% have updated offboarding within the last 10 years. Those who have updated offboarding only within the last 10 years also employ the fewest offboarding tactics.

Interestingly, companies with an eNPS score of 51 or higher are also more likely to have updated their offboarding process in the past year. This underscores the connection between staying current with offboarding processes and a high eNPS score. Putting processes in place to collect and use the data from departing employees may be a notable pathway to an improved employee experience overall.

In addition, companies that excel at the employee experience with a score of 51 or higher are more likely to communicate departures (61%) to the remaining employees and provide severance pay (58%).

One of the correlations between informal analysis, a lower (or no) eNPS score, and older offboarding processes is that some of the organizations that fall into these buckets may still be operating in a pre-pandemic mindset and haven't yet adapted to how technology, security, and employee and workplace concerns have evolved since then.

Any changes to benefits, work policies, and other factors require updates to the employee lifecycle — including offboarding. Some organizations have yet to recognize this or put updates in place, or may simply not have enough reliable data from all sides and perspectives they can use to make much-needed improvements to the employee experience.

Organizations with higher eNPS scores are more likely to...

57% Report **using an all-in-one system** for HR functions

61% **Communicate departures**

58% Provide **severance pay**

*Any changes to benefits, work policies, and other factors **require updates to the employee lifecycle** — including offboarding.*
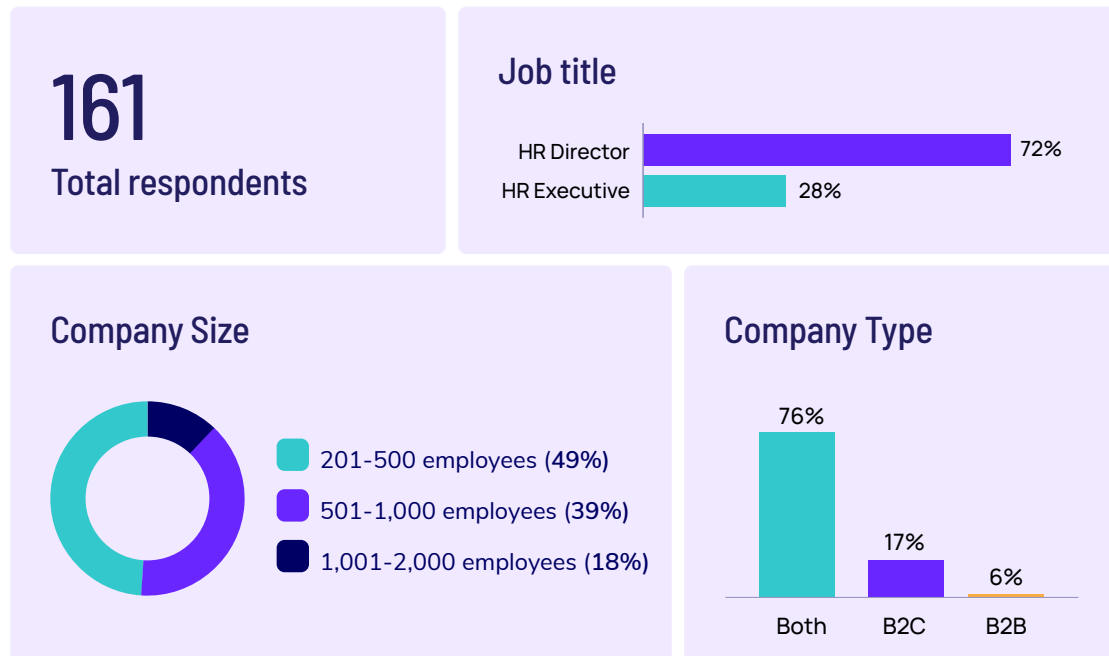
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A Way Forward

The importance of the employee experience is as strong as ever, especially after the upheaval of the last several years. As organizations continue to navigate change — whether the changes are perceived as positive or negative — HR leaders can better prioritize the employee experience no matter what's happening by providing programs or tools that respond to employee needs and measuring how employees feel about the programs to inform improvements.

Deliberately evaluating employee retention strategies and updating offboarding processes — as well as measuring the effects of both — can further help HR leaders stay on track and make critical decisions for the good of their workforce.

About the Research

The research for this report is based on a survey that was conducted by PrimePay and Redpoint in the U.S. in March 2024:

161
Total respondents

Job title

HR Director	72%
HR Executive	28%

Company Size

- 201-500 employees (**49%**)
- 501-1,000 employees (**39%**)
- 1,001-2,000 employees (**18%**)

Company Type

Both	B2C	B2B
76%	17%	6%

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