

Skills4Retail
Building sustainable growth

Leadership in the Experience Economy

Workshop 5: Employee Experience

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Objectives

The Objectives of this workshop is to understand the importance of the Employee Experience and the part that it plays in Leadership in the Experience Economy

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What is Employee Experience (EX)?

- Employee Experience (EX) refers to the overall journey an employee has with an organisation, encompassing every interaction from recruitment and onboarding to daily work, development, and exit

- It includes physical, cultural, and technological aspects of the workplace that shape how employees perceive their job and organisation

- A strong EX strategy focuses on improving engagement, satisfaction, and performance by aligning employee needs with business goals

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The Link Between EX and CX in the Experience Economy

- Companies that invest in EX see better CX outcomes, such as increased customer satisfaction, loyalty, and brand advocacy—demonstrating that employee and customer experiences are deeply interconnected



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Discussion Activity - Employee Experience Group Discussion

- See Handout



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The Link Between EX and CX in the Experience Economy



Employee Experience as a Strategic Differentiator

- A strong Employee Experience attracts and retains top talent, giving organisations a competitive edge in a tight labour market
- Companies that prioritize EX foster higher engagement and productivity, leading to better business performance and innovation
- Differentiating through EX builds a strong employer brand, aligning workforce culture with customer expectations and enhancing overall organisational reputation

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Why Change is Constant in CX

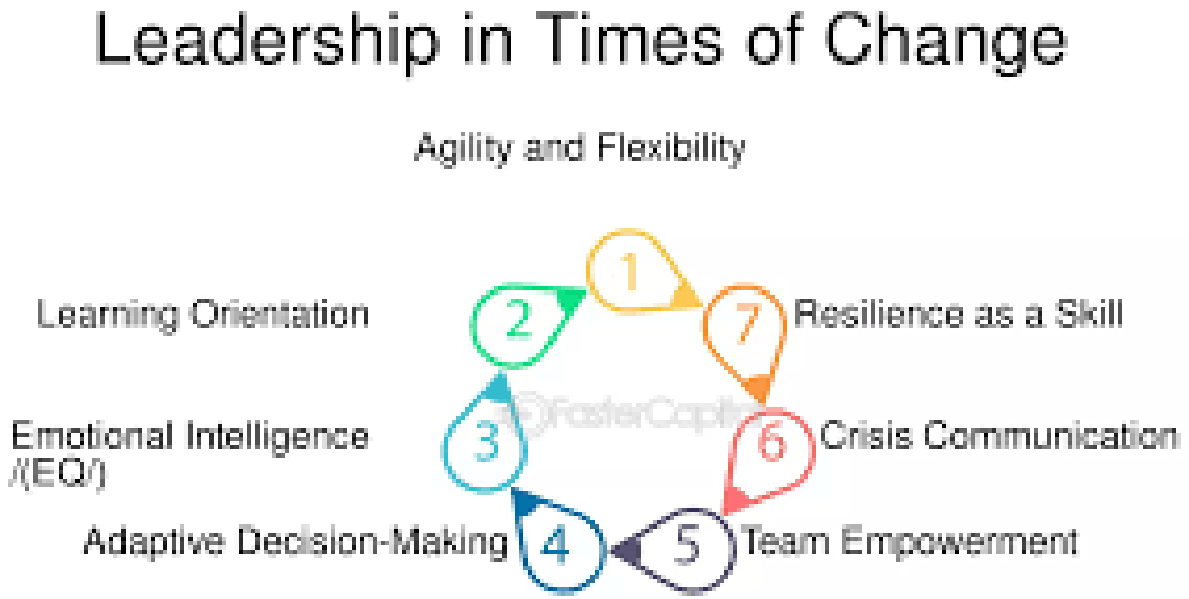
- Change is constant in customer experience because customer expectations, technologies, and market dynamics are always evolving, requiring businesses to continuously adapt in order to stay relevant, competitive, and valued by their customers

- When an organisation undergoes change the employee experience plays a critical role in whether that change is successful

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Leadership in Times of Change – Why Style Matters

- In times of change, leadership becomes a critical success factor



Situational Leadership: Matching Style to Context

- Situational Leadership is a flexible, adaptive leadership model that emphasis the need to adjust leadership style based on the situation



Transformational vs. Transactional Leadership

- Two foundational approaches with distinct mindsets, goals, and methods
- Understanding the difference helps leaders choose the right approach for their team, context, and business objectives

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Transactional Leadership	Transformational Leadership
Extrinsic Motivation	Intrinsic Motivation
Routine changes	Major organisational changes
Rewards based	Inspiration & Motivation
Planning & Budget	Vision & Direction
Motivated by self-interest	Motivated by vision
Short term thinking	Long term thinking

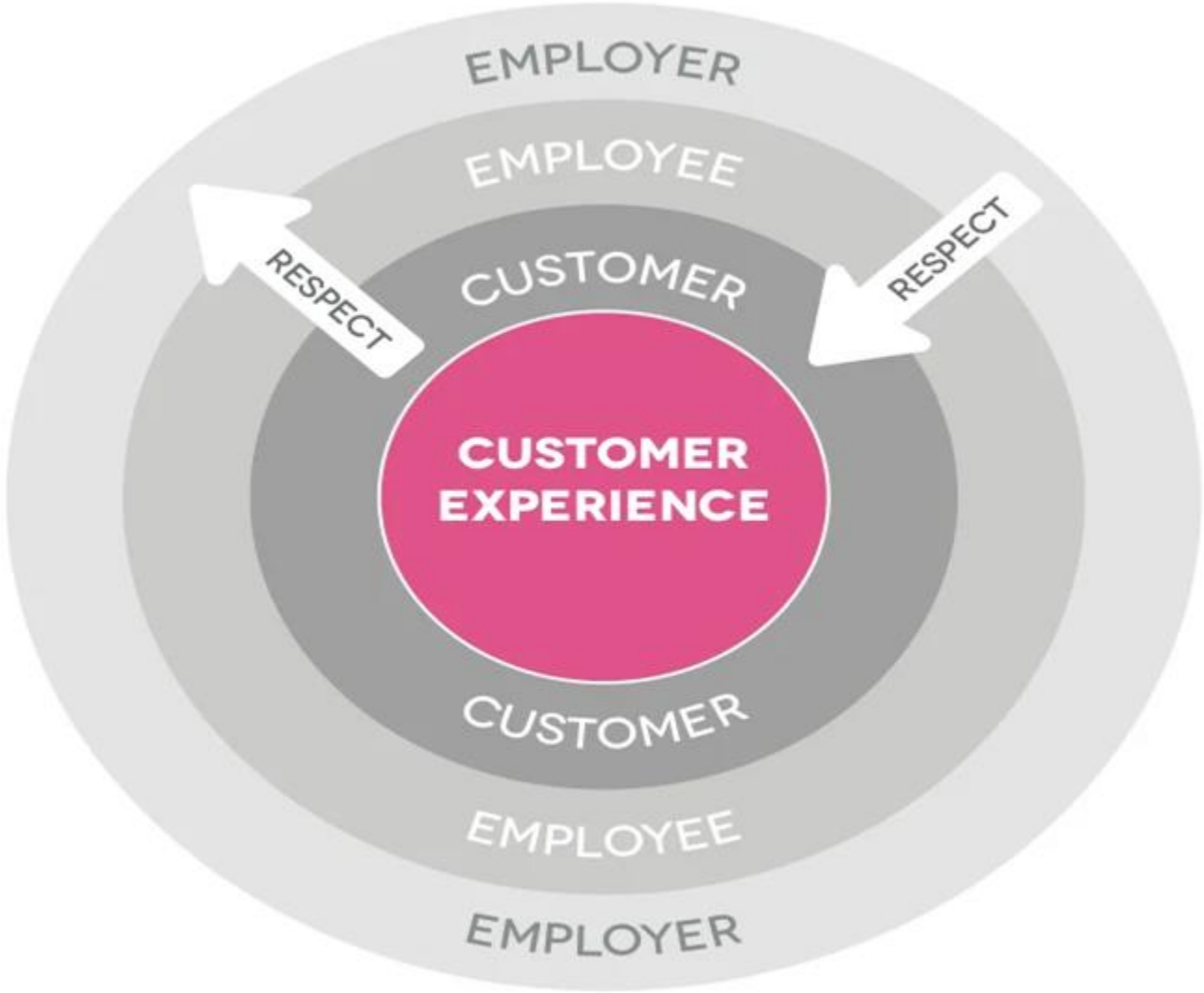
Defining a Positive Staff Experience

- A positive staff experience refers to the overall emotional, psychological, and practical satisfaction employees derive from their work environment, relationships, tools, and culture—ultimately enabling them to thrive and perform at their best



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The Ripple Effect: Happy Employees = Happy Customers



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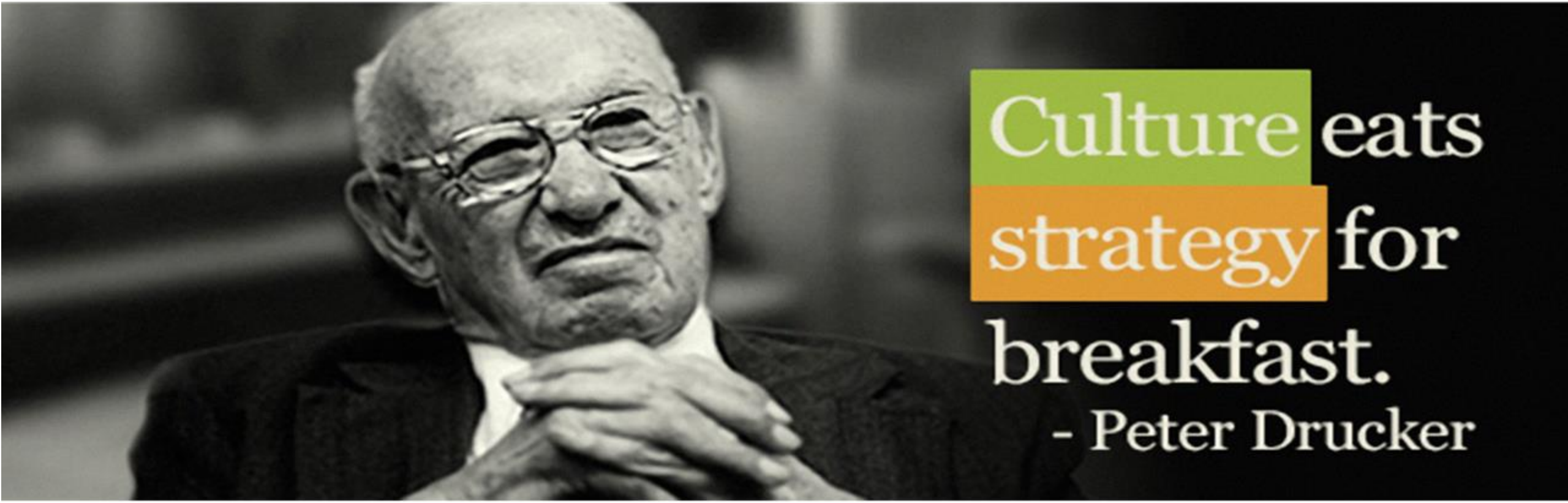
Internal Customer Service: A Culture of Support

- Creating a safe place physically and emotionally for the team
- Creating a clear vision with aligned values that everyone understands
- Employee wellbeing



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‘Culture Eats Strategy for Breakfast’ – Why Culture Matters



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Examples of Internal Customer Service Best Practice

- Creating a clear vision with aligned values that everyone understands
- Training and education opportunities to help with talent attraction and retention
- Recognition and reward systems that motivate and sustain high performance
- The link between psychological safety and innovation in service delivery

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Psychological Safety: What It Is and Why It Matters

- Psychological safety is a shared belief that a team or workplace is safe for interpersonal risk-taking — where individuals feel comfortable speaking up, asking questions, admitting mistakes, or offering ideas without fear of embarrassment, rejection, or punishment

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Physical Safety: The Foundation of Trust

- Creating a climate of trust, respect, and openness where learning and innovation can thrive

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Inclusive Workplaces: Respect and Belonging

- An inclusive workplace is one where everyone — regardless of their background, identity, or role — feels respected, heard, and empowered to contribute. At the heart of inclusion are two essential human needs: respect and belonging



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Why a Clear Vision Matters for Employees

- A clear vision in the workplace serves as a guiding compass — helping employees understand where the organisation is going and how their work contributes to that journey. When vision is well-communicated and meaningful, it becomes a powerful motivator and unifier

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Aligning Values with Daily Behaviour

- Organisational values are only meaningful when they shape everyday actions and decisions. Aligning values with daily behaviour creates a culture of authenticity, trust, and consistency — where what you say matches what you do

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Communication is Key: Vision Must Be Lived, Not Just Framed

- A company's vision statement isn't just a set of words on a wall or website — it's a living promise that should shape decisions, behaviors, and culture every single day. If vision is only framed, not lived, it becomes meaningless

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Activity - Group Discussion - The Importance of a Clear Vision

- See notes on discussion

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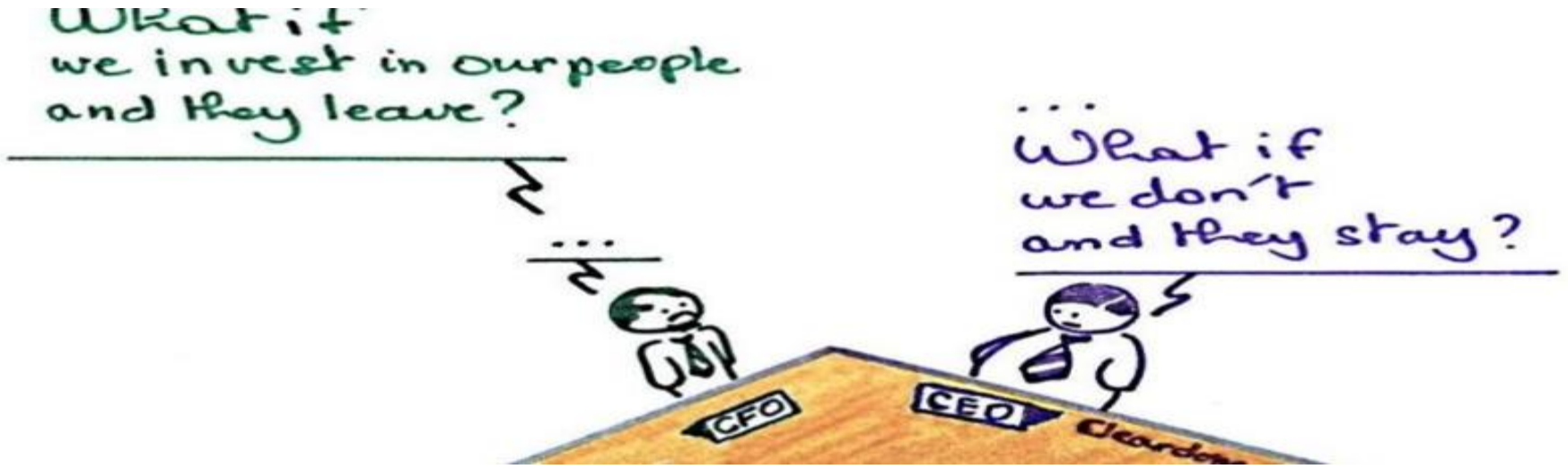
Talent Development = CX Investment

- Training and education opportunities to help with talent attraction and retention
- Creating clear employee pathways for staff who wish to progress
- Looking at alternatives to qualifications - Apprenticeships, Micro-Credentials etc
- Lifelong learning

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Investing in People

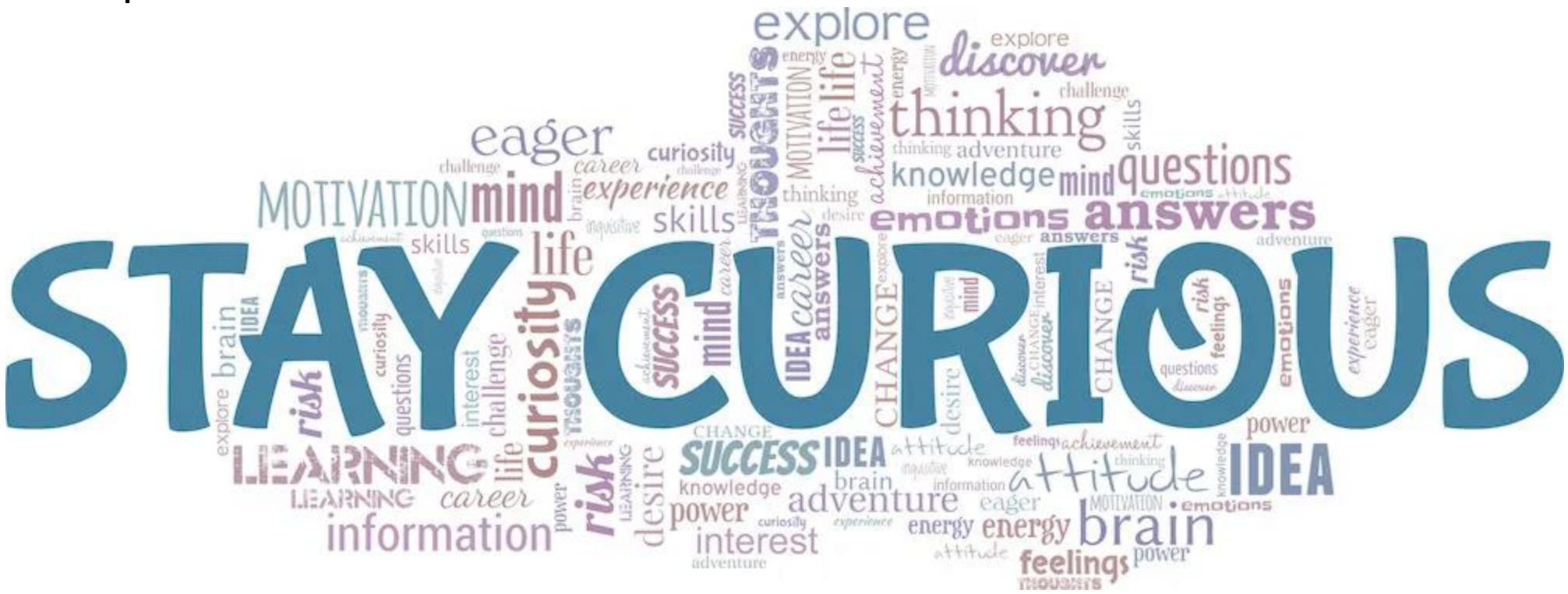
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The Learning Culture: Curiosity as a Core Value

- In a fast-changing world, organisations that embrace curiosity as a core value build a learning culture — one where growth, innovation, and adaptability are not just encouraged, but expected



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Upskilling for the Experience Economy

- In the Experience Economy, where customers value memorable, meaningful interactions over just products or services, organisations must upskill their people to deliver emotional, human-centered experiences that set brands apart

- Particular Emphasis should be placed on Human Skills

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Human Skills 2025

HUMAN SKILLS INSTITUTE

Interpersonal and Communication

Community Building and Social Impact
Compassion
Connecting through Storytelling
Cross-Cultural Understanding
Diversity, Equality, Belonging and Inclusion
Effective Communication
Emotional Intelligence
Empathy
Having Difficult Conversations
Teamwork and Collaboration

Leadership and Self-Management

Accountability
Empowerment
Resilience
Self-Motivation and Discipline
Stress Management
Time Management
Vision and Values Creation
Wellness in the Workplace
Work-Life Balance

Specialised Knowledge

Digital Integrity
Ethical Judgment and Integrity
Sustainability Awareness

Innovation and Creativity

Adaptability
Creative Problem Solving Decision Making
Design Thinking
Entrepreneurial Mindset
Growth Mindset
Innovation in Business Models

Activity - Human Skills

- In a group - select 8 Human Skills from the matrix above that you feel would be most relevant to the retail sector. Be prepared to explain why you decided on your choice

Discuss for 10 minutes and feedback

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Examples of Innovative Learning Practices

1. Microlearning via Mobile Apps

- What it is: Short, focused learning modules delivered through mobile platforms.
- Why it works: Retail staff often have limited time; microlearning allows them to access quick tips, product updates, or customer service techniques during breaks or downtime.
- Example: A fashion retailer uses a gamified app where staff earn badges for completing quick modules on new arrivals and upselling techniques.

2. VR and AR Training Simulations

- What it is: Virtual or augmented reality scenarios that simulate real-world customer interactions or in-store operations.
- Why it works: Safe, immersive environments to practice skills like conflict resolution, merchandising, or store safety.
- Example: A global supermarket chain uses VR headsets to train new hires on inventory management and handling difficult customers.

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Examples of Innovative Learning Practices

3. Peer-to-Peer Learning Communities

- What it is: Staff-led communities or forums where team members share experiences, solutions, and best practices
- Why it works: Encourages collaboration, real-world learning, and promotes a culture of shared ownership in development
- Example: A beauty retailer hosts monthly “Learning Lounges” where employees present how they handled a tough customer or improved sales

4. AI-Powered Personalised Learning Paths

- What it is: Learning platforms that adapt content based on individual performance, learning style, and job role
- Why it works: Delivers relevant content without overwhelming the learner, increasing completion rates and knowledge retention
- Example: A department store chain uses an AI learning assistant that recommends courses and practice quizzes based on a salesperson’s KPIs

Examples of Innovative Learning Practices

5. Experience-Based Learning Projects

- What it is: Real-time projects or customer-focused challenges embedded into day-to-day work
- Why it works: Encourages critical thinking, accountability, and innovation while reinforcing on-the-job learning
- Example: A sports retailer gives teams monthly CX challenges e.g., reduce returns or increase NPS and rewards innovative approaches shared in team huddles

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Employee Wellbeing and CX Performance

- Employee wellbeing is a cornerstone of high-performing customer experience (CX). When employees feel valued, supported, and psychologically safe, they are more likely to bring energy, empathy, and authenticity to customer interactions. Research consistently shows that organisations with strong wellbeing strategies experience lower absenteeism, higher engagement, and improved service delivery. A culture that prioritises wellbeing fosters trust, reduces burnout, and enables employees to stay emotionally regulated—even under pressure. This emotional resilience is critical in customer-facing roles, where the ability to handle complex or difficult interactions with professionalism and care directly impacts CX outcomes

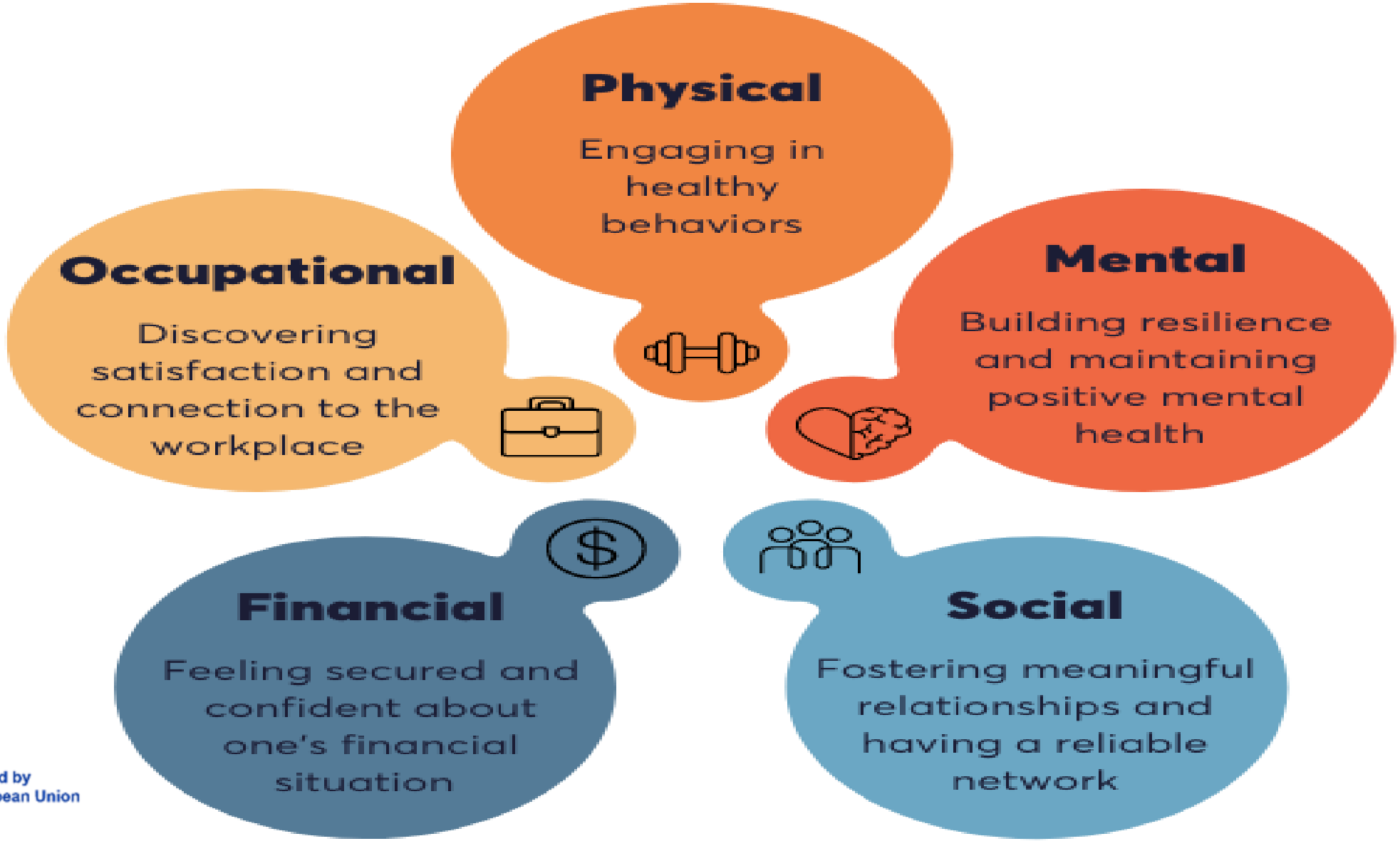
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Employee Wellbeing and CX Performance

- Moreover, wellbeing and CX are deeply interconnected through the employee experience. Employees who feel listened to, empowered, and purpose-driven are more inclined to go beyond transactional service and deliver emotionally resonant experiences. Whether it’s solving a problem creatively, building rapport, or embodying brand values, these human touches are what elevate CX from satisfactory to exceptional. Investing in wellbeing initiatives—such as flexible working, mental health support, regular feedback, and recognition—not only enhances retention but creates a workforce that is motivated to deliver consistent, memorable, and customer-centric service. In short, when employees thrive, customers feel it

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5 Dimensions of Wellbeing at Work



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5 Dimensions of Wellbeing at Work

- Physical Wellbeing

  This includes maintaining good health through proper ergonomics, access to fitness or movement opportunities, healthy nutrition, rest, and safe working conditions. It also involves managing fatigue and promoting regular health check-ups or wellness initiatives
- Emotional and Mental Wellbeing

  Emotional wellbeing refers to psychological safety, stress management, and mental health support. It includes having access to resources like counselling or Employee Assistance Programmes (EAPs), a culture of openness about mental health, and leaders who role-model emotional intelligence

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5 Dimensions of Wellbeing at Work

- Social Wellbeing

  Positive relationships at work—both peer-to-peer and with leadership—contribute to a sense of belonging, collaboration, and support. This dimension focuses on creating inclusive, respectful, and connected workplace environments that promote teamwork and reduce isolation
- Financial Wellbeing

  This involves fair and transparent compensation, job security, access to financial planning resources, and support for managing personal finances. Financial stress is a leading cause of anxiety, so helping employees feel secure and informed is key to overall wellbeing

5 Dimensions of Wellbeing at Work

- Career and Purpose Wellbeing

  Feeling a sense of purpose, growth, and development at work contributes to long-term satisfaction and engagement. This includes having clear goals, access to learning and development, regular feedback, and alignment between personal values and the organisation's mission



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Manager's Role in Supporting Mental Health

- Managers play a pivotal role in supporting mental health in the workplace by creating an environment where openness, empathy, and psychological safety are part of everyday culture. Their influence shapes how comfortable team members feel about discussing challenges, seeking support, or disclosing mental health concerns without fear of stigma or negative consequences. By checking in regularly, modelling healthy work-life boundaries, and recognising signs of stress or burnout, managers can intervene early and direct employees to appropriate resource

- Equally important is a manager's ability to lead with emotional intelligence—listening actively, responding with compassion, and making reasonable adjustments when needed. Providing clarity on expectations, giving constructive feedback, and acknowledging achievements also reduce anxiety and build confidence. When managers are trained and supported to prioritise mental wellbeing, they not only strengthen individual resilience but also help foster a healthier, more engaged and productive workplace culture

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Recognition That Resonates: More Than Just Bonuses



Recognition That Resonates: More Than Just Bonuses

- True recognition in the modern workplace goes far beyond monetary rewards or annual bonuses—it's about making people feel genuinely seen, valued, and connected to purpose. When leaders take the time to acknowledge individual contributions in meaningful, personal ways—through a handwritten note, public appreciation, or aligning praise with someone's core values—it fosters a culture of belonging and intrinsic motivation. Recognition that resonates taps into human emotion and builds trust, reinforcing not just performance but the behaviours and attitudes that drive long-term success. In the experience economy, it's not the size of the reward, but the sincerity of the recognition that leaves a lasting impact

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Comparing Intrinsic and Extrinsic Motivation in the Workplace

	INTRINSIC	EXTRINSIC
Motivation Source	Internal (natural drive)	External (cultivated)
Reason for Action	We enjoy it	We have to
If the Trigger Stops	Motivation remains	Motivation fades
Response to Pressure	Low engagement, less risk-taking	Short-term boost, long-term stress
Response to Rewards	Strengthens long-term drive	Can create dependency
Source of Enjoyment	The task itself	The reward received
Emotional Impact	Creates fulfillment	Can lead to stress or reliance
Commitment Level	High – self-sustaining	Temporary – needs reinforcement
Best for	Creativity, long-term growth	Quick results, routine tasks
Maintenance Level	Low – thrives without extra incentives	High – requires continuous rewards

IKEA - A best in class employee experience

1. Values-Led Culture

- Staff empowered to lead at all levels
- Clear, lived values: togetherness, simplicity, inclusion

2. Inclusive & Equitable Workplace

- Equal pay policies, gender neutrality
- Refugee hiring programmes and cultural flexibility

3. Growth & Internal Mobility

- 80% of leadership roles filled internally

4. Wellbeing & Flexibility

- Mental health support, flexible schedules
- “Better Life at Home” initiative supports personal wellbeing

5. Empowerment & Belonging

- Store-level autonomy and safe-to-fail innovation
- *Tack!* bonus system and peer recognition culture

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Activity:
Designing a Peer-to-Peer Recognition Scheme for Employee Experience

- You are tasked with designing a peer-to-peer recognition scheme in your workplace

- In your group - list 5 criteria that you would use to select the person most deserving of recognition for enhancing the employee experience

10 minute discussion - 10 minute feedback

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How Safety Fosters Innovation and Ideas

- When individuals know they won’t be punished for speaking up or making mistakes, they unleash creativity and bold thinking

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Does including staff in workplace decisions and giving empowerment have an impact on their level of engagement?



Employee
Empowerment

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Activity: Practical Steps to Build a Safe-to-Speak Culture

- Innovation in Retail as well as the need of employees to be heard, requires a ‘Safe-to-Speak’ culture
- In a group discuss, outline at least 5 practical steps you feel are required to build such a culture
- As present, aspirational and future leaders, design the outline of this ‘Safe-to-Speak’ culture

10 minutes discussion

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Recap: 8 Levers of a Strong Employee Experience

- Purpose and Meaning – Employees understand how their work contributes to the organisation's mission and feel a sense of personal fulfillment
- Leadership and Trust – Leaders are transparent, trustworthy, and supportive, fostering a safe and empowering environment
- Culture and Values – A shared set of values and a positive culture that reflects respect, inclusion, and authenticity
- Communication and Feedback – Open, two-way communication channels and regular, constructive feedback loops

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Recap: 8 Levers of a Strong Employee Experience

- Workplace Environment – A physical and digital workplace that supports wellbeing, collaboration, and productivity
- Learning and Growth – Opportunities for continuous learning, career progression, and skills development
- Recognition and Reward – Timely, meaningful recognition and fair compensation that reflect employee contributions
- Work-Life Integration – Flexible work arrangements and support systems that respect employees' lives outside of work. Consideration for physical and mental wellbeing

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Your Action Plan: What Will You Do Differently?

- Write down a short Action Plan of what you will do differently following this workshop in terms of Employee Experience

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Key Takeaways

- Employee Experience is linked to Customer Experience
- Transformational V Transactional Leadership
- The Ripple Effect
- Lifelong Learning
- Recognition
- Levers of Strong Employee Experience

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Reading & Resources

What is Employee Experience and why does it matter?

https://www.betterup.com/blog/employee-experience

How to promote wellbeing and tackle the causes of work-related mental health in the workplace.

https://www.mind.org.uk/media-a/4662/resource3_howtopromotewellbeingfinal.pdf

Why is lifelong learning important in the workplace?

https://efectio.com/en/why-is-lifelong-learning-important-in-the-workplace/

Employee Experience Design in Retail – Case Studies

https://www.renascence.io/journal/employee-experience-ex-design-in-retail-examples-case-studies

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Thank you

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