Productivity



Engaged employees make it a point to show up to work and do more while they're there. As a result, Gallup research says that highly engaged business units may realize a 17% increase in productivity

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PRODUCTIVITY

For the purpose of this analysis, we've estimated a potential impact on productivity of 1-3% (1.5%) using revenue/employee as the measure of productivity.

Investing in your employee experience drives higher productivity through:

- Better alignment on goals and priorities
- Better employee performance

Increased discretionary effort

- More effective management
- Increased collaboration among teams and functions
- Greater accountability

In other words, your employees show up every day with a passion, purpose, and energy to get the job done.

Additionally, employee recognition and regular feedback are critical components of improved employee productivity. Values-based recognition and feedback should always tie back to a company's core values and priorities. Employees who feel their work has purpose and meaning and are provided with ongoing feedback are able to adjust and improve, resulting in greater engagement and higher productivity.



Customer Metrics



Research shows strong ties between employee engagement and a company's Customer Experience (CX). In a survey of over 5,000 U.S. companies, those with a CX significantly better than their competitors have employees who are 60% more engaged. The research also shows that when HR is involved substantially in CX, the organization is 50% more likely to be a CX leader.

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CUSTOMER METRICS

For the purpose of this analysis, we've estimated the potential to improve Customer Metrics to be 7-14%. This improvement results in a 1-3% (1.7%) increase in revenue.

The increase in revenue is based on:

INCREASE IN CUSTOMER RETENTION

Companies with an NPS in the upper quartile of their industry tend to have 5-10% higher retention on an absolute basis

INCREASE IN CUSTOMER EXPANSION REVENUE

Companies with higher NPS see a strong correlation to more expansion revenue, from 9-24%

LONDON SCHOOL OF ECONOMICS

research shows that an average NPS increase by 7 points correlates with a 1% growth in revenue





Customer Metrics



Investing in your employee experience drives a better CX through:

EMPLOYEE COMMUNICATIONS

Rich in safety, belonging, purpose, and positive feelings

ONBOARDING AND TRAINING

Vital emotional connections in the onboarding process and ongoing skill developments

PERFORMANCE AND MOTIVATION

Aligned goals and priorities with a focus on performance and accountability

AWARDS, CELEBRATIONS, INCENTIVES

A culture of celebration and appreciation that reinforce values and desired behaviors

EMPLOYEE VOICE PROGRAMS

A more frequent and in-depth understanding of what is working and what needs improvement

EFFECTIVE MANAGEMENT

Engaged leaders who effectively move beyond directing work to coaching and developing employees





Retention



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RETENTION

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888 ON-BOARDING

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LOST PRODUCTIVITYG

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ON-BOARDING COST

For the purpose of this analysis, we've estimated the potential to reduce employee turnover by 20-40% (31%) through a better employee experience.

In an insightful article on employee retention, Bersin by Deloitte outlined the factors a business should consider in calculating the "real cost" of losing an employee.

These costs include:

ONBOARDING

The costs associated with employee setup and orientation, including HR and management time

LOST PRODUCTIVITY

It may take a new employee one to two years to reach the productivity of an existing employee

CUSTOMER SERVICE

New employees may take longer to complete a task and may be often less adept at solving problems

TRAINING

Over two to three years, a business likely invests 10-20% of an employee's salary or more in training

CULTURAL IMPACT

Whenever someone leaves, others take time to ask why, and may become more disengaged and lose productivity

HIRING

The costs associated with advertising, interviewing, screening, and hiring

Sources

Forbes; "New Research Unlocks the Secret of Employee Recognition" LinkedIn, "Employee Retention Now a Big Issue: Why the Tide has Turned", 2013



Retention



The following assumptions were made as part of this analysis:

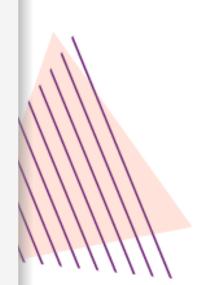
AVERAGE RATE 15% of 10-20% (15%) for turnover

AVERAGE HIRING COST 15% of 10-20% (15%) for first year salary/wages

AVERAGE HIRING COST of 20-75 days (37) to find a new employee

AVERAGE HIRING COST of 30-90 days (60) to ramp a new hire

EMPLOYEE VALUE 2.4 of 2-4 times (2.4) their annual salary/wages







Absenteeism

Absenteeism is defined as a chronic pattern of an employee missing work and is a common challenge for companies with a workforce that is not highly engaged. According to the Centers for Disease Control (CDC), productivity losses linked to absenteeism cost U.S. employers \$226 billion annually or \$1,685 per employee.

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ABSENTEEISM

For the purpose of this analysis, we've assumed an average cost of absenteeism of 3-9% (6%) based on the average value each employees provides to the company. We estimated the potential to reduce absenteeism by 5-10% (7.5%) through investments in a better employee experience

The cost of absenteeism comes from both direct and indirect sources. Direct costs are related to the lost productivity of the employee not being on the job, as well as bringing in a replacement or covering the absence with overtime.

Indirect costs are incurred by the company as overall productivity declines with absences. Often other employees may have to cover their duties, and managers have to spend time dealing with the impact of the absence.

The Employee Experience

As we explain in our Employee Experience Manifesto, the employee experience is based on four pillars. When all four are present, congratulations: Your workforce is inspired and aligned.







APPRECIATION



MEANINGFUL IMPACT



GROWTH

With one or more pillar missing, though, your company's alignment and inspiration become imbalanced, leading to a strained employee experience. Here are the four types of employee experience we see (and work with) at Kazoo:

THRIVING: High inspiration and high alignment. Workforce is engaged and productive

OFF COURSE: High inspiration, but low alignment. Workforce is engaged but not necessarily productive.

BARE MINIMUM: Low inspiration, but high alignment. Workforce is disengaged but productive.

SURVIVING: Low inspiration and low alignment. Workforce is disengaged and unproductive.

Not sure which your company is?

Find out with our Employee Experience Assessment

For the purposes of this analysis, we've estimated the potential economic impact on your company from investing in the employee experience using your current employee experience as a multiplier. These are the multipliers:

140% 120%

SURVIVING

BARE MINIMUM

110%

80%

OFF-COURSE

THRIVING

100%

NOT SURE

We believe companies flourish when their employees are both aligned and inspired. This only happens when employees find meaning and growth in the work itself, and when employees feel appreciated by and connected to their colleagues and company.

To achieve this, companies need to turn outdated approaches to performance management, recognition, and engagement on their heads. They need to adopt a new way that's continuous, manager- and employee-led, and people-first.

Helping people-first companies create amazing employee experiences.



HITACHI Inspire the Next





patagonia

We believe this vision is not just possible — it's critical to the future of work. And, it's made possible by Kazoo.

Get a Demo