

An organization's commitment to having a complete set of service-profit analytics at the decision-making table is vital to productivity and performance improvement and will determine its long-term organizational success. This holds true regardless of industry sector.

This article sets out how effective employee engagement can be achieved to fulfill the promise of the people-service-profit connection. It draws upon a for-profit case study of a growing dealer network organization who discovered compelling data from an employee engagement survey. Decisive insights which helped them to better engage their employees and give them a real say and a real stake in the company – which in turn lead to solutions which systemically improved the customer experience.

What this article demonstrates is that data from an employee engagement survey is not a nice-to-have but an essential ingredient that forward-leaning executives will have to take seriously if they seek to identify breakthrough solutions, or seek continuous improvement in business processes beyond business as usual. Particularly, during times when competition is keen and budgets are tight.



AVENUE CALGARY

This article sets out three areas of good practice which lead to a better alignment of the employers', employees' and the customers' interests – a win-win-win outcome.

The challenge

Gardiner Ltd (pseudonym to protect client confidentiality) is a multiple-location regional dealer network with more than 2,300 employees. Senior leadership's ambition was to scale the brand nationally. Rapid growth in people, systems and facilities placed stress on the founding customer-centric core values which had supported early success. Had the pursuit of profit had taken precedence over customer service? In order to achieve the business's growth objectives, the leaders recognized that they would need to improve customer satisfaction. This would require significant changes to ways of working for all employees in order to implement more efficient processes and improve levels of service.

In search of 'why'

Armed with mystery shop results and tasked with improving the customer experience a matrix of managers had been working this gnarly issue for nearly two years. Based on industry experience and "gut feeling" they undertook corrective action to upgrade hiring and reaffirm customer service expectations and standards enterprise-wide.

"What everyone in a company does can be reduced to one of two functions: to serve the customer or serve someone who does." – W. Edwards Deming

Employers want employees who will do their best work and to go the extra mile for customers during those 'million moments of truth' when no one is looking. Employees want jobs that are worth while and that inspire them. Top-performing organizations increasingly recognize how critical it is to make transparent all audit points of the service-profit chain:

To Improve Customer Experience, Improve Employee Engagement.



PEXELS

higher service, quality, and productivity, leads to...
 higher customer satisfaction, which leads to...
 increased sales (repeat business -referrals), which leads to...
 higher levels of profit, which leads to...
 higher stakeholder returns (e.g., stock price).

Beyond a customer satisfaction survey, net promoter scores and a mystery shopper program, it is also critical to collect and analyze employee engagement data – often the missing link in addressing weakness in the people-service-profit chain.

It is only by understanding customers through the experience of the organization's first customer – its employees – can the root cause of customer dissatisfaction be positively identified and confidently addressed. Engaged employees can help identify efficiencies and suggest ways to improve service. Engaging the workforce in the process of service improvement and explaining why it is necessary means they are more likely to be committed to helping the organization achieve it.

Still, the latest round of mystery shop data, just like previous rounds showed no encouraging improvement trend. Everyone on the task force was in agreement about what the data was showing, yet confidence in understanding why it was happening and how to fix it was low. The challenge remained: why are we inconsistent at delivering a positive customer experience and how are we going to improve it?

The missing link

In frustration and under mounting pressure from senior leadership the task force looked to their mystery shop partner for fresh ideas. The use of an employee engagement survey tool was introduced. The reason being to eliminate the 'blind spot' in the people-service-profit chain by soliciting employee input on the issue of customer dissatisfaction and listening to their take on why it was happening. A robust debate ensued about which type of feedback is more valuable: customer satisfaction (mystery shopping) or employee engagement? Some contended that it is customers, not employees, who have the final say as to whether a company is delivering something of value. That there is a risk that employees may believe they are delivering a special service experience when, in fact, they are not. And that unless employees are creating customer value that also helps the company succeed, it's just wasted energy. Therefore, feedback from the customer about the service experience is important.

On the other hand, others stated that there's no real debate about whether employees who are really committed to their jobs, like their bosses and feel appreciated will work harder and be more productive.

That this makes employee feedback and employee engagement equally important. During the back and forth consensus was building that measuring both customer satisfaction (mystery shopping) and employee engagement are important and equally valuable to understand how to improve customer satisfaction. That to deliver on a promise of customers first – the managers must focus on both customer and employee feedback. And that both employees and the customers have to be engaged, at the same time, to position the business for sustainable success.

Listening to the missing voices

A decision to conduct an employee engagement survey is best summed up by Gardiner's Vice President of Operations: "Our initial approach to improvement was based on limited customer chain data with manager focused input for improvement. This was clearly not working. Our strategy needed to include our people in the process of improvement. We need to gain their understanding and buy-in as we know the positive impact this can have on the quality of the service delivered and customer satisfaction. We now acknowledge the strong correlation between customer satisfaction and employee engagement levels."

Employee engagement was measured using a survey which included several open-ended questions about what enabled and hindered creating a positive customer experience. The survey generated a cornucopia of insights, yet one piercing theme was repeated throughout the data: many stated in different ways that senior leadership would rather focus on sales to drive more profit than on providing quality customer service. Employees reported they felt pressure to close a sale and move on to the next, rather than be fully present to create a positive customer experience. The profit and loss statement confirmed that bad customer service had pushed customers away, effectively driving profits down. The company's focus on efficiency had undermined service quality.

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The solution

Agreement was reached to find a better balance between the pursuit of profit and a delivering great service experiences. Managers discussed the results with their teams and action plans were developed. These actions then formed part of the manager's performance management objectives. Below are the three areas of good practice which illuminated the path to more engaged employees, higher customer satisfaction and improved profitability:

- Senior leadership become the champion of the customer experience.
Executives embraced 'creating a positive customer experience' as a cultural value and rationale for 'this is how we do business.' This became the core of their philosophy of managing the employee-customer relationship in a respectful, effective and sustainable way, and not as a calculated tactic to increase profitability. They reaffirmed commitment to invite employee ideas and include these ideas for improvement.
- Front line managers become empowered improve the customer experience.
Managers at all levels need to be empowered to engage employees. Site managers were trained and provided additional time and resources to engage, inspire and channel the energies of their team to improve the customer experience. Emerging best practices are shared on the company's intranet, and a team recognition program has been instituted.
- Employees engaged and given voice.
Employees appreciated seeing managers listening to and acting on their survey responses. More employees now report that they play an important role in the business, and that they are recognized and valued for their contribution to create positive customer experiences.

Summary

Top-performing organizations know that employee engagement is important to creating positive customer experiences. As former Campbell's Soup CEO, Doug Conant, once said, "To win in the marketplace, you must first win in the workplace."

Effectively involving and engaging workforces in transforming service delivery can help to identify savings and efficiencies, and also improve the quality of service by drawing on the insight of those delivering the service on a daily basis.

-Engaged employees care more, perform better and stay longer. Engaged employees go the extra mile for customers who remain loyal and refer others. Highly engaged workplaces grow faster, adapt quicker, and continually innovate.

Profits will follow when your managers and employees are engaged and empowered and supported to treat their customer's right.



Robert Ebers
Founder
WorkPlaceStars. USA

Results

Putting the voice of employee input at the heart of the improvement strategy enabled changes to ways of working which improved service delivery. Within the first 24 months, the organization achieved:

- 42% improvement in aggregate mystery shop scores.
- 90% of customers surveyed consider staff to be more enthusiastic and committed than those of competitors.
- 32 per cent increase in customer satisfaction service delivery.
- 15% increase in profitability.