

# KINETIC™

YOUR BEST OPTIONS IN MOTION



**Employee Plus Customer Engagement  
= 240% Greater Business Results**

## 240% Better Business Results!

Sometimes it's better to start with a big punch line to get people interested. Well, hopefully you are one of those people! I have written extensively on the subject of customer experience but felt it was important to highlight an often neglected aspect of a successful customer-centric organisation: **the employees.**

This paper was triggered by the Gallup's research findings released in January 2014 confirming research already undertaken by other organisations in the past. The two notable research findings come from Harvard Business School in 2005 and the Gallup research today. The Harvard Business School found that companies that had both employees and customers highly engaged were 340% financially successful than the baseline. The survey undertaken was of 2,000 large and medium sized enterprises.

The Gallup organisation claims they have reviewed over 25 million employee responses covering 140 different countries since they began researching employee engagement levels in 2008. Their sample size is definitely larger and provides greater weight in terms of empirical evidence.

Their bottom line conclusion is that the combination of getting **employee and customer engagement right leads to companies generating 240% greater business related outcomes than the base line.**

The evidence from the research in this field is convincing and any business leader would surely need to pay close attention to the findings identified by two notable Gallup reports:

1. **State of the American Workplace Report 2013 : Employee Engagement Insights**  
(<http://www.gallup.com/strategicconsulting/163007/state-american-workplace.aspx>)
2. **State of the World Workplace Report 2013: Employee Engagement Insights**  
(<http://www.gallup.com/strategicconsulting/164735/state-global-workplace.aspx>)

An extract from the report highlights:

*When Gallup researchers studied the effects of combining customer and employee engagement, they found that in workgroups with engaged employees serving engaged customers, the result was more than the sum of its parts. When organisations successfully engage their customers and their employees, **they experience a 240% boost in performance-related business outcomes compared with an organization with neither engaged employees nor engaged customers.***

*Organisations that only maximize one or the other can experience growth in the short run, but they will not be able to sustain it over the medium- to long-term horizons unless they align engagement with their employees and customers.<sup>1</sup>*

## Interesting Insights about Engaged Employees

The research reports provide some interesting insights into the state of employee engagement levels on a global basis and the financial impact on companies. Some of the interesting ones in the report are as follows:

1. Disengaged employees are costing companies more than they realise. The Gallup research highlights in their findings that disengaged employees have 50% more accidents at work and 41% more quality defects than the top 25% of engaged employees. They also have higher absenteeism. When you add lower productivity into the equation the Gallup report estimates this is costing the US alone **approximately \$450-\$550 billion per year.**
2. US companies that averaged 9.3 engaged employees for every disengaged employee in 2010-2011 experienced a **147% higher earnings per share (EPS) compared to the competition**

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<sup>1</sup> Page 55. State of the American Workplace Report 2013: Employee Engagement Insight Report. Gallup.

3. The US has the highest number of engaged employees (30%), followed by Australia and NZ (24%).
4. The global average of engaged employees is only 13%
5. The region with **the highest active disengaged employees in the world is the Middle East and North Africa (MENA)**
6. Engagement levels amongst **front line staff-workers** such as call centre agents- has actually fallen and is among the **lowest in any occupation.**
4. **Organisations focus on employee weaknesses instead of strengths.** Companies that focus on employee weaknesses and have performance management programs focused on penalising employees who are weak in certain areas rather than focusing on encouraging and rewarding them for their strengths don't achieve their growth potential.
5. **Accountability and performance are not aligned to the company's mission.** Individual and team performance need to be aligned to the company's goals. Often employee engagement is not embedded into the overall performance criteria.

### What is Hindering Companies from Achieving Growth & Higher Engagement Levels?

According to the research undertaken by the Gallup organisation there are some key reasons why companies are unable to achieve the desired employee engagement levels with their employees. The key reasons are as follows:

1. **They select the wrong people.** Simply put companies that don't know what type of people are suited for their type of environment end up with the wrong type of people in their organisations. A cultural mismatch is often the case.
2. **Managers do not empower employees to make a difference in their roles.** Employees that feel they lack control in their roles and unable to make a difference are unlikely to embrace the company philosophy and "go the extra mile" for the company.
3. **Strategy and leadership are not properly communicated.** Leaders fail to properly articulate how the company vision is linked to their efforts and the company achieving its mission. This leads to low engagement levels.
6. **Communication and knowledge management are not consistent.** Companies that do not regularly communicate to employees their value, the importance of engagement, and how to improve through best practices on a regular basis throughout the year do not create the learning environment required to foster growth and higher engagement levels.
7. **Development and ongoing learning is not readily available.** Companies need to invest in their people and provide adequate learning opportunities. An investment needs to be made in people to improve skills, develop people, and have well defined programs to lead to greater employee engagement.

### From Customer Engagement to Brand Ambassadors

The link from highly engaged employees to brand ambassadors is not a given. Companies need to undertake a number of key initiatives to ensure engaged employees deliver an exceptional customer experience. Some of the key actions they can take are:

1. Acknowledge all employees in the company play an important role in effecting the customer experience.

2. Ensure your brand identity is clear and consistent. Make sure you invest in communicating the brand values and your brand promise to all employees.
3. Regularly communicate your brand values to employees in simple ways
4. Use simple tools to communicate the brand values and their relevance in various departments.
5. Regularly evaluate and assess your employees' understanding of your brand values and the promise to your customers.
6. Ensure every employee understands how they impact your customers regardless of the department.
7. Recognise employees who display your brand values in a public forum.
8. Regularly ask employees for their opinions on how to improve the customer experience.

### **Customer Experience Transformation Projects – Mistakes Made**

There are a number of companies currently undertaking or considering engaging in customer experience transformation projects. Their intention is to improve the customer experience to increase their company's position over their competitors. Unfortunately many of these transformation projects will ultimately fail.

The issue with these projects is they will spend a significant proportion of time focused solely on the customer experience itself without understanding the inherent problems within the company itself. Focusing on changing internal processes without first understanding the existing company culture, how their employees feel, and their engagement levels is to ignore the root cause of a problem.

Employees are the lifeblood of any business and changing processes without first examining employee engagement is a fundamentally flawed

approach to transforming customer experience in a sustainable and rewarding manner.

To avoid the mistake of tackling customer issues head-on by trying to fix customer processes that are not working, the better approach is to examine employee engagement first and remedy the issues preventing employees from delivering on the brand promises your company makes to customers.

Tackling employee engagement may seem secondary in a customer experience transformation project but it is the best approach to lead to longer-term rewards.

Employees are the key to sustainable points of difference you may be seeking in customer experience. Establishing an environment that fosters and rewards employees for their efforts in delivering exceptional customer experiences is the path to a successful transformation project.

Creating effective employee brand ambassadors can lead to customer experiences that are typical of high performing, and highly profitable organisations.

### **Where to Next?**

Kinetic BPO is committed to accelerating customer experiences for organisations. We have a proven track record and extensive experience in delivering on our customer promise.

We provide a range of services from full outsourcing of front or back office through to consultancy and training.

We service markets all over the world with a particular focus on emerging markets.

Feel free to contact us to learn how we can assist your company.

**If you would like to know more about how we can help you improve your customer experiences then contact us at:**

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