Joining the dots.

To develop a strategic employee engagement program that improves how your business performs, you need to connect it to your customers. This report tells you how to do it.
Engaging employees and winning with customers go hand in hand. So I’m happy to introduce this report, designed to help you discover and manage the connections in your organization. A special thank you goes out to our contributors for sharing their perspectives and experiences. If you would like to join the discussion, please contact me with your questions, challenges, and success stories. Enjoy!

Mark

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Joining the dots.

If you want to build a strategic employee engagement program – one that everyone in your organization buys into, and that helps your business to perform in the long term – then this report is for you.

Now more than ever, the way to do this is to link your engagement program to the customer. That means connecting what your employees say with what your customers say, then using what you find to engage and enable your people so they can give your customers a great experience.

The World’s Most Admired Companies (WMAC) understand this. Our annual research with FORTUNE magazine shows that 71 percent of WMAC executives rate their company highly for linking employee and customer engagement. And of the people who use the findings to inform their engagement strategies, 84 percent say it’s strengthened customer relationships.

By contrast, our own poll of 400 engagement professionals found that only 31 percent had attempted to analyze the link between engagement and the customer experience in their company. And only 11 percent of those had managed to use the results to drive positive change.

THIS REPORT AIMS TO CLOSE THAT GAP.

In it, we bring together the opinions of 400 engagement professionals, our experience working with clients around the world and real-life examples from global organizations that are already reaping the benefits of a joined-up approach. And we use this knowledge to:

- help you understand the link between the employee and the customer experience, and why you should drive that link in your organization
- share five steps for linking up your data to demonstrate the impact that engagement is having on the customer and the business – in a tangible way that everyone will buy in to
- help you use your findings to create a practical, customer-focused employee engagement program that works for your organization.
Why has the customer experience become so important?

In today’s globalized, hyper-competitive world, customers are more demanding than ever.

Digital technology has created an explosion of choice, as well as endless ways to compare and rate your products and services. As a result, today’s customers know not just what they want, but when, how and where they want it. And that includes a different kind of service at different times.

Your people are at the heart of delivering that genuine, personalized experience – wherever they are in your organization. And if you can engage and enable them to anticipate what the customers will want next, not just what they want now, your business will have a real competitive advantage.

Of course, that’s not easy. This new kind of customer experience requires a new set of skills, behaviors and values: things like emotional intelligence, empathy and communication skills; collaboration, creativity and innovation. To breed these in your organization, you need to embed a laser-like focus on the customer at every level, and in every region or country around the world.

Engaging with the issues

We recently asked 400 engagement professionals why they’re interested in linking their employee and customer data. Here’s what they said.

- I want my engagement program to link more closely to business strategy (35%)
- I need to increase employee engagement levels (30%)
- I want to build the business case for my engagement program and get buy-in from my leaders (23%)
- I need to understand how we can improve the customer experience (12%)
Why make customers the focus of your engagement program?

Engaged and enabled employees have a positive impact on how your business performs. (See Engaged and enabled employees: the secret of a great customer experience on page 6). Yet according to our latest data, less than half of employees globally are both engaged and enabled.

So it’s not surprising that 87 percent of the business and HR leaders who took part in the Deloitte Global Human Capital Trends 2015 survey said that improving engagement was their top priority. But more than half said they were struggling to do so.

Making the customer the focus of your engagement program will help you to meet that challenge head-on. We know from our research that there’s a clear connection between employee engagement and customer satisfaction and loyalty. And we also know that these factors ultimately translate into higher sales. So if, like two-thirds of respondents in the Deloitte survey, you’re currently updating your engagement strategy, then putting the customer at its heart makes good business sense.

But there’s a second side to this coin. If your people feel that your customers are happy – and if they themselves believe in the organization and what it’s trying to do – they’ll feel more confident about the long-term prospects of your organization. And that in turn will make them more engaged. It’s a virtuous circle.

“Clients do not come first. Employees come first. If you take care of your employees they will take care of the clients.”

Richard Branson,
CEO, Virgin Group

Case in point: the Post Office

By linking branch scores from the organization’s voice of the customer program to data from its employee engagement survey, the UK Post Office has discovered that branches that are in the top 10 percent for sales performance have consistently higher levels of engagement and enablement than branches in the bottom 10 percent.
Engaged and enabled employees: the secret of a great customer experience

Our research shows that 74 percent of employees think that their organization is committed to the customer. But good intentions alone won’t deliver the level of service that businesses strive for – or that today’s customers expect.

For your customers to have a better experience, you’ll need an engaged workforce that’s motivated to go above and beyond for the customer, supported by a work environment that enables them to do so.

Engaging your employees is about being clear about the direction the organization’s going in, as well as the individual’s role within it; giving them respect, recognition and development opportunities; and focusing on quality and the customer.

Enabling your employees is about equipping them with what they need to be effective. It involves matching people with the roles that take best advantage of what they offer; giving them the tools, resources and freedom to do the job; and removing any barriers that are stopping them from performing.

To find out more about how these factors work together to improve business performance, visit www.haygroup.com/insight.

“The market moves very fast, and customers have a lot of options. To meet their expectations, we have to be quick. Our people are critical to that. If we engage and enable them, they’ll be able to meet our customers’ needs quickly – and anticipate future ones.”

Raja Al-Khatib, group program director for customer experience excellence, Vodafone

And the biggest barrier is...

In a recent poll of 400 engagement professionals, we asked: which barriers are you facing in connecting your employee and customer data? Here’s what they told us.

- Data is held in different parts of the business and difficult to access (29%)
- We don’t know where to start in making links (30%)
- We’re struggling to get buy-in from the right people internally (17%)
- We’ve linked our data but aren’t sure what the results tell us (15%)
- We’re clear on the results but don’t know how to make change happen (9%)

The following five steps will help you to overcome these barriers.
Five steps to joining your employee and customer data.

Integrating the way you manage employee and customer feedback will allow you to see which elements of the employee experience are having the biggest impact on the customer. Which means that if you want to improve the customer experience, you’ll know which levers to pull. Here’s how to do it.

Step 1
Work out what data you have available.

Many organizations – especially large, complex ones – hold data in many places and formats. And working out where all the information lives, let alone who owns it, can be difficult.

Start with the obvious: the annual survey you run to measure employee engagement. This is a key feedback channel in most organizations, and with good reason: it gives you a comprehensive picture of the work environment and employees’ experiences.

The second key channel is your customer satisfaction survey (if you have one). This may form part of a wider Voice of the Customer program or be a standalone initiative. Either way, it’s likely to be the responsibility of your customer insight or customer experience team.

In an ideal world, the questions in one survey would link to those in the other. But we recognize that many organizations aren’t there yet.

A useful interim measure is to make sure that your employee engagement survey is asking the right questions: ones that reflect the strategic direction of your organization and how you plan to win and keep customers.

But to create a richer picture of what both customers and employees think, try to gather feedback from as many channels as possible, and on a regular basis. Start by writing down the internal and external channels you know about, and who’s responsible for them. Who owns the anecdotal feedback the business gets from the frontline, for example? What about service failure data, or customer complaints?

Then get in touch with those people so you can discuss what information they hold that could be useful – and how to collate it. This will also help you to define who you should be working with to gather the data on an ongoing basis.
How do you build teams that are responsive, flexible and able to spot potential issues before your customers do?

For Alliance Data, which provides marketing, loyalty and credit solutions for big-name clients, the answer has been to merge the teams responsible for employee engagement, customer satisfaction, operational reporting, data and analytics into one department – part of a larger customer care division.

The move has helped to close the circle between customer and employee feedback. But it’s also allowed the business to find out which elements of employee engagement have the biggest impact on the customer experience. And that in turn has helped it to create an impactful, customer-focused engagement program.

The customer doesn’t always know best.

A key factor to emerge has been the importance of communication – and not from the leadership to the front line, but the other way around.

‘If you only look at data, or the voice of the customer, you could get a disconnect – because the customer doesn’t always know the best solution for the situation they’re in,’ says Lance Beck, regional vice-president, western customer care facilities. ‘We find that our associates have that unique perspective.’

But to identify problems before they appear – and be part of the solution – associates need to feel engaged and empowered. By giving them the authority to share their views, anticipate issues and create solutions, the company is creating an environment where engagement can flourish.

Collecting feedback.

‘We use a combination of formal and informal channels to get our associates to talk to us,’ says Lance. ‘The annual associate engagement survey is an important tool: it helps us to determine our strategic direction, make decisions and measure progress over time.

‘On top of that, we create channels that allow for a more ongoing dialogue – such as our monthly focus groups with leaders – so people can help us find solutions to the issues we may be having.

‘We then take what associates are saying and validate it with the responses we’re getting from our customer satisfaction surveys, as well as the information we’re mining through our analytics technology. And we come up with a strategy that really works.

‘It’s all part of how we make sure that we get the customer experience right across our diverse customer base.’
Step 2
Bring the data together.

This part can be challenging for many organizations. Essentially, you’re trying to build and maintain a new project team, consisting of you and your colleagues who look after employee engagement, members of the customer insight team and possibly people from HR and internal communications. And you’re trying to build a common sense of ownership among those people for improving your customer experience.

That means breaking down silos and building trust. And for that, you need some good tools. These tips will help you to develop partnerships that work.

- **Define why you should collaborate and get your leaders’ support.** Work with your colleagues in customer insight and internal communications to come up with a short and punchy business case for why you should be working together: to help your people create the best customer experience, for the overall benefit of your business. Then present it to your leaders to get their buy-in.
- **Set out who’s responsible for doing what.** To build trust, you need to be clear about roles and responsibilities from the outset. Nominate people to own elements of the work you’re doing, and give them the tools and freedom to act – both on their own and with others.
- **Get some quick wins in the bank.** People can be cynical or nervous about new partnerships. To build confidence in your overall purpose, aim for some quick, tangible victories. And share the credit for them evenly.
- **Understand and respect each other.** Taking the time to create a shared language, and to educate each other in your methods for collecting data, will build respect. You can add to this by appreciating how the distinctive skills of each person and team will help you to achieve your goal.
- **Put time aside for the partnership.** To do any of the above, you’ll need to invest time and effort. Work with your leaders to create the space within your roles to do this, and schedule regular meetings to build relationships and make decisions.
- **Have people standing in the wings.** If turnover among your partners is high, you’ll lose ground. Make sure you map the points of contact between your teams and build a succession plan for each one.

Step 3
Analyze the data and look for connections.

This is where you start to see which engagement and enablement factors are having the biggest impact on the customer experience.

Clearly, this is easiest if you can make like-for-like comparisons – for example, by comparing employee engagement scores with customer satisfaction scores across large numbers of stores, locations or customer-facing teams. But many organizations don’t have this luxury.

If yours is one of them, you’ll need to be a bit creative, and look for less obvious links.

Step 4
Monitor the link over time.

Linking your employee to your customer data can give you a great snapshot of the connection between employee and customer experiences at a particular point in time. But it’s when you look at that link over a longer period that a richer and more useful story emerges.

We worked with one retailer to look at three sets of data – employee engagement levels, customer satisfaction and sales growth in various stores – over three years. The link between the first two was clear: when engagement went up, customer satisfaction soon followed. But it typically took a couple of quarters for that higher customer satisfaction to translate into higher sales.

We’ve seen this “lag effect” a lot in our work with clients. It’s why we put so much emphasis on keeping the relationships and data-gathering processes going for the long-term benefit of the business. An initial study will give you enough information to develop a theory for what you think is going on in your organization; it’s only by testing that theory over time that you can see the full picture of how the employee experience influences the customer one – and what that means for your bottom line.
Step 5
Put your findings to work.

Joining the data has allowed you to identify which aspects of the employee experience have the biggest influence on your customers. And that means that you know where to focus your engagement efforts to support the strategic aims of your business.

Now’s the time to present your findings back to the business. But you can’t do this by just handing over the data. You need to turn it into a story that explains what the results mean for everyone in the organization; one that they can relate to and “own”.

By showing why engagement matters in such a tangible way, you’ll be able to make the case for investing in either a more comprehensive linkage study, or in a more customer-focused engagement program.

The activities you include in that program (and how you measure them) will depend on what your analysis told you. But at least some of the common engagement and enablement factors to have emerged from our work with clients should apply to you. See Making it happen on page 13.

“The same customers will want different kinds of interaction at different times. Assessing that on the spot and flexing the experience you give them, requires intuition, emotional intelligence and communication skills.”

Jo Causon, chief executive of the UK’s Institute of Customer Service (ICS)
Start small.

Here are four things you can think about doing now.

Are you excited by the benefits of linking your employee and customer programs, but intimidated by the prospect of making it work in your organization? Don’t worry. We know from experience that small steps can make a big impact.

1. Look at the eight aspects of work environments that commonly have a direct effect on customers (See Making it happen on page 13). Are there any quick wins you could roll out in your organization? You don’t even need to gather any data – just base your action steps on what you already know or believe makes an impact on the experiences of your customers. If you do collect data, test your assumptions by tracking scores in these areas over time.

2. Add a simple question to your employee survey that will give you some relevant information: for example, ‘Do you have what you need to deliver for the customer?’ Then study the results for where your enablement scores are particularly low or high. If they’re low, ask people what barriers they’re facing and if can you do anything to remove them. If they’re high, find out why – and share it with the wider organization.

3. Look at the surveys you’re asking your customers and employees to complete. Do they include questions that relate to the eight areas? If so, you can analyze both sets of results to work out where you’re doing well and where you need to improve. If not, solicit some feedback from employees on how they see your organization delivering for customers in key service areas, and compare that with information direct from your customers (see Mapping your results in a matrix on the next page for more details). You could add questions to an annual employee survey to get this information, or conduct a separate pulse survey (perhaps with a sample of employees).

4. Line up engagement scores and customer satisfaction scores for particular markets, teams or business units – even if the number of data points is small. Map the results in a matrix like the one below. Are there areas where both engagement and customer satisfaction are high? If so, what are people doing differently in those areas? Once you’ve identified the secrets of their success, share them as best practice across the rest of the organization.
Mapping your results in a matrix

Some organizations map their results in a matrix. By doing so you can isolate service elements that employees and customers perceive similarly, whether positively (a clear area of strength) or negatively (a clear area for improvement). You’re also likely to find instances where employees are more favorable than customers. If this occurs, it can signal a potential blind spot, perhaps due to a lack of employee awareness of customer views.

There may also be cases where customers are more favorable than employees. In this situation, you’ll want to investigate further. Sometimes, where service levels are evolving, improvements may be felt by customers before they are recognized by employees. Alternatively, it may be that employees are worried about a service element that is not as important to customers and not a cause of much concern to them.

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<tr>
<th>Employee satisfaction</th>
<th>High</th>
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<tr>
<td>High</td>
<td>Clear area of strength</td>
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<tr>
<td>Low</td>
<td>Clear area for improvement</td>
<td>Blind spot</td>
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A crystal-clear connection at Swarovski

Swarovski is proof that for large organizations, it can pay off to start small.

The company – which manufactures crystals, gemstones and created stones, as well as jewelry, accessories and lighting – already had a program in place to engage and enable people to deliver. But by linking customer and employee feedback, the engagement team has been able to show that where its people feel more engaged and enabled, customer satisfaction is higher. And that’s allowed it to make the business case for building a more strategic engagement program: one that reflects Swarovski’s core objective of embedding customer-centricity across the organization.

‘We compared engagement and key customer feedback data in just a few key markets,’ explains Alberto Platz, vice president of global talent acquisition and engagement. ‘And that was enough to show that there’s a clear connection between engagement and customer satisfaction.

‘It’s also given us the buy-in to carry out a broader and more detailed study into what factors are driving the link, and which areas of the employee experience we should be focusing on.’

Alberto understands that to strengthen his case further, he needs to carry on collecting and analyzing the data over time - and using the results to drive change.

‘We need to translate what we learn from employee and customer data into actions that will engage and enable our people to deliver the best customer experience,’ he says. ‘And we need to carry on working with Korn Ferry Hay Group to make sure our employee engagement survey is strategic, by incorporating questions that reflect key performance measures for our business.’

All of this takes hard work and passion, says Alberto. ‘It’s one thing having an engaged, customer-centric workforce. But as engagement professionals trying to sell engagement and enablement to a complex organization, we need to show that we’re passionate and engaged ourselves. Otherwise we won’t get our message across.’
Making it happen.

Carrying out your own analysis will help you identify which internal levers to pull if you want to improve the experience you give your customers. Every organization is unique, so the aspects of the employee experience that will improve the customer one will be unique, too. But we know from the work we’ve done with clients that some factors appear consistently. We’ve shared eight of those factors here – four that engage and four that enable. Over the next few pages, you’ll find practical actions you can take to improve each.

### Engaging your people

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<td>1</td>
<td><strong>Clarity.</strong> Is your organization clear about who its customers are, what they need and how you can help them?</td>
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<tr>
<td>2</td>
<td><strong>Customer focus.</strong> How do you put your employees in your customers’ shoes so they can understand them better?</td>
</tr>
<tr>
<td>3</td>
<td><strong>Recognition.</strong> Do your leaders and managers regularly and openly appreciate customer focus and positive results?</td>
</tr>
<tr>
<td>4</td>
<td><strong>Inclusiveness.</strong> Does your workforce reflect the make-up and mindset of your customer base, so it can better serve its needs?</td>
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### Enabling your people

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<td>5</td>
<td><strong>Development.</strong> Do your people have access to the coaching and training that will give them the skills to meet and anticipate customer needs?</td>
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<td>6</td>
<td><strong>Empowerment.</strong> Do your people have the ability and authority to use their initiative for the benefit of your customers?</td>
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<td>7</td>
<td><strong>Collaboration.</strong> Do you encourage and enable your people to work together to create a seamless experience for customers – both in and outside the business?</td>
</tr>
<tr>
<td>8</td>
<td><strong>Simplicity.</strong> Do your policies and procedures make it as easy as possible for people to meet and anticipate customer needs?</td>
</tr>
</tbody>
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1 Clarity.

Is your organization clear about who its customers are, what they need and how you can help them?

Making it happen.

- **Know your customers.**
  An excellent customer experience begins with a strong understanding of your customers. Work with your customer insight team to define customer profiles in your target market. Make sure you understand the variety of segments you’re trying to reach, and their different priorities and needs. Then work with your learning and development team to understand what behaviors your employees need in order to deliver the customer promise.

- **Define the customer for every employee.**
  Use job descriptions to set out who the customer is for every role in the company. Which customer does each role support? Is that customer internal or external? How does each role ultimately affect customer satisfaction?

To establish a baseline, pick 10 job descriptions for roles across your business and ask if they define the customer. If they don’t, take them to the head of the relevant business area, as well as to HR, and ask them to weave the customer in.

- **Stress-test your customer promise with your people.**
  If you have a customer value proposition (CVP) or a customer promise, do your employees relate to the values it expresses? To find out, gather feedback to understand what energizes your employees and keeps them committed. What do they value most about working for your company? What’s your unique selling point as an employer? How does that map to your promise to your customers? Identify what’s missing and look for long-term solutions as well as quick wins.

- **Show your people that your CVP matters.**
  Sit down with your internal communications team to find creative and bold ways to bring home what your organization does for customers. Work with your internal communications team to make sure that company initiatives and employee communications emphasize that the customer is at the heart of everything you do. As a first step, look back at the last three all-employee communications you received: do they mention the customer?

  Make your people understand the connection between a great customer experience and the company growing and prospering. Forge links with your colleagues in external communications as well as customer insight to get access to stories, quotes and newspaper articles that show where it’s working. Ask your internal communications colleagues to help you translate this analysis into something that will inspire and engage your people. And do it often.

- **Make managers responsible for embedding your customer promise.**
  Are your leaders and managers at all levels clear about your promise to customers and the behaviors their teams need to deliver it? If not, they’ll need your support.

  Start by working with HR to hold focus groups with some managers. Ask them what they need in order to talk confidently about the CVP, and how each person in the team contributes to it. Then work with your internal communications team to create a simple, jargon-free toolkit with clear messages and advice. Supplement it with workshops to show that you’re taking this seriously and expect managers to deliver.

- **Gather and share customer feedback regularly – good and bad.**
  Sharing what your customers are saying helps everyone in your organization to understand how current customer experiences relate to the CVP. Work closely with your customer insight team to gather and share feedback regularly and quickly. And keep reviewing that working relationship to check that:
  - you’re getting enough data, and often
  - you’re giving managers enough information about customer satisfaction levels, both business-wide and in their own area, unit or store
  - you’re working with customer insight and internal communications to share it with managers, in a clear, engaging and timely way
  - managers are regularly reviewing the feedback (they’re opening emails and clicking through to the intranet, for example)
  - they’re acting on it (you can easily test this by asking a random sample of people to tell you a recent piece of customer feedback).
2 Customer focus.

How do you put your employees in your customers’ shoes so they can understand them better?

Making it happen.

- **Give your employees the experience of being a customer.**
  
  If your employees understand the experience a customer has with your company, they’re better placed to know how to improve it. So look for ways to put employees in your customers’ shoes by providing them with your company’s products and services.

  Make a list of where this is already happening in your organization and other places where you could offer it. Start with a small, low-cost trial and measure the results.

- **Give employees the opportunity to interact directly with customers.**
  
  Put non-customer-facing employees in front of the customer – for example, as part of inductions and training programs or during busy periods. Start small – for example, with HR team members – before rolling the scheme out more widely once the benefits become clear.

- **Get your senior executives in front of customers and the frontline.**
  
  For a strong focus on your customers, everyone in your organization needs exposure to them – from the bottom to the very top. Consider how you can bring customers into senior decision-making processes. And make time for managers in head office roles to visit local branches or units for informal visits that include shadowing a frontline colleague, or doing a customer-facing role. Again, the secret is to start small. Assess where it would be easiest for a test team to slot in. Then ask for volunteers to work on the frontline one day a week for a month.

  Make sure you get good qualitative and quantitative feedback for any pilot scheme you run. It’ll help you build a business case for expanding the scheme across the organization.

- **Involve your employees in finding solutions.**
  
  Look at the channels you have for reaching – and hearing from – your employees. Are there enough opportunities for them to share customer feedback, and suggest what they’d do to make improvements?

  If not, think about how you could encourage this bottom-up feedback. For example, you could use your employee survey to ask what one thing your people would change to improve the customer experience. Or you could encourage managers to put time aside to gather feedback from their teams – either as part of their weekly team meeting or by dedicating one meeting per month to thinking about the customer. Make it easy for managers to communicate this back up by giving them a template to use.

### The spirit of competition

One multinational telecoms company had great success with involving employees. It ran a major internal competition that put people into teams and asked them to come up with ideas to produce better customer service, save costs and so on. The company judged the ideas over a number of rounds, during which teams pitched their ideas to a panel of senior managers – and finally, the Board.

The company then recognized the finalists internally, which helped motivate people to get involved. Buy-in from the top also helped to make the competition a success: the CEO and his team committed budget and resource from the outset.

The event was highly effective at bringing out existing knowledge and putting it to good use. Several winning ideas came from long-standing frontline workers who knew that very slight tweaks – which the company may otherwise have overlooked – could have a big impact on the customer experience.
Sending the right messages at the Post Office

Aidan Alston, talent and diversity manager for UK mail retailer the Post Office, has the challenging task of engaging and enabling employees who are as diverse as their customers. With help from Korn Ferry Hay Group, Aidan’s been able to identify focus areas for his engagement program that will help employees to make a bigger impact on their customers. And it’s anything but a one-size-fits-all approach. He and his team have thought about how to reach everyone from executives in the head office to local branch managers and customer service assistants.

Here, Aidan shares five practical tips for engaging and enabling a diverse workforce.

1 Make small but symbolic changes that put the customer front of mind.

‘By renaming our head office our “Customer Support Center”, we showed that everyone is working towards the same goal. We also have screens showing live data in the Customer Support Center, such as customer impact scores and sales. And there’s a fully functioning Post Office, where we can test-run products before we launch them.’

2 Build understanding and share knowledge for the good of the customer.

‘Every Christmas, our entire workforce goes into local branches for around a week. It builds an understanding of what frontline colleagues experience, and helps to build a rapport between people in very different roles.

‘We also run a program that identifies the people who deliver the best customer experience and employs them to go and share best practice with other branches. It’s improved sales by 23 percent.’

3 Encourage your people to understand the customer – and empower them to act.

‘We encourage our local branch managers to go to town meetings and sit on local forums, and we leave it up to them to decide how to manage their branch. So if they want to stay open 24 hours a day for the customer, they can.

‘It helps that the Board leads by example, by taking advice from the Post Office Advisory Council – a group of people from business and the community – on how to give customers the best possible experience.’

4 Build a customer focus into your people processes.

‘One of our behaviors is “wowing the customer”. So whenever we interview someone, we look for examples of how they’ve gone the extra mile to do this.

‘We build this focus into our performance management, too. We measure all of our people for customer impact and base our bonuses on customer satisfaction scores.’

5 Make sure information travels both ways.

‘Once a week, the branches open half an hour later so we can feed in customer scores and business results. We also do a daily email to the business, which outlines what our competitors are up to.

‘But because we want our communication to be two-way, we also hold monthly forums for the people who best understand our customers: the local branch managers and the people who run our sub-post offices. They meet our product teams to discuss how we can make things as easy as possible for our customers. We then feed this into our product design.’
3 Recognition.

Do your leaders and managers regularly and openly appreciate customer focus and positive results?

Making it happen.

- **Put the customer at the heart of your performance management process.**
  
  Sit down with your HR colleagues and customer insight team to review your performance management model. Do the behaviors you expect of your people, and the way you measure success, reflect your business and customer strategy/CVP? Does the whole process encourage employees to deliver the customer experience you want? Do managers know what good looks like when it comes to the customer experience?

  If not, work out – and build in – the behaviors that will allow people to deliver your customer promise. Include customer satisfaction measures in your balanced scorecards and performance reviews, to show that you see it as crucial to the success of your business.

  Managers are crucial to making your performance management process a success. As well as applying the model effectively with their teams, they need to role-model the behaviors themselves. So make sure your competency model for managers includes an explicit statement for how you expect them to act. If it doesn’t, work with your colleagues in leadership and training to design a leadership model around the behaviors you want.

- **Share examples of great customer service.**
  
  Showcase stories about individuals and teams going above and beyond for your customers. You can publish these examples on your company intranet site, or share them in team meetings.

  To do that, you’ll need to equip managers to gather and share stories, quickly and easily. Sit down with your internal communications team to review your recognition mechanisms. If they exist, are managers using them? If uptake is low, create a simple toolkit. This could include recognition templates – to help managers recognize the right behaviors – and information on practical next steps.

- **Encourage peer-to-peer recognition.**
  
  Praise from colleagues can be a powerful motivator. Include a peer-to-peer component in your recognition program, so colleagues can nominate each other for taking initiative for the benefit of customers.

  Again, the key is to keep it simple. Create an email template that people can fill in quickly and send, and create a space on your intranet where they can submit names. Or put physical recognition boxes in locations that might not have internet access, such as manufacturing plants or stores.

- **Shout from the top.**

  Encourage your senior leaders to regularly update employees on business performance and customer satisfaction during team and company meetings. This is another chance to celebrate successes and thank colleagues who’ve made a difference – and it allows leaders to role-model recognition.

  You can help your senior leaders do this by sharing the findings of your analysis with them on a regular basis – in a format that’s ready to use. Try to involve the Board, too – for example, by posting a short film on the intranet of the CEO saying thank you and picking out individuals or teams for a special mention.

76 percent of WMAC executives say performance measures in their organization encourage a focus on customer loyalty, compared to just 30 percent of executives in peer companies.
4 Inclusiveness.

Does your workforce reflect the make-up and mindset of your customer base, so it can better serve its needs?

Making it happen.

- **Hire with your customer base in mind.**
  Does your recruitment strategy target people with the range of skills, personalities and attitudes needed to understand and serve your different customer segments? When you’re hiring, do you involve relevant customer-facing employees in the job-scoping process? And do your job adverts make clear the sort of person who will fit the role?

  As a first step, work with your recruitment team to review the last five job openings and the advertisements that accompanied them. Find out if customer-facing employees were involved in defining the role and what it needs – and if so, to what extent. Think about how they could have played a bigger part, and how you could incorporate these ideas into your future recruitment. Then look at the advertisements to see how clear they were about the kind of person who’d fit the role – and brainstorm ways to improve them.

- **Use a sample of your best customer-focused employees to help assess and select the right candidates.**
  Robust assessment and selection processes will help you hire the right customer-focused people. And expertly designed and properly managed assessment centers will help you to identify candidates with the skills, values and mindset you need to create the customer experience you want.

  Involving a sample of your best customer-focused employees in both the assessment center sessions and interviews is important. Look at those five recent openings again: how many times was someone with the skillset involved or present? Did HR build in that person’s feedback, and if so, how? How can you make this standard practice?

> “Everyone contributes to the experience of the paying customer. And everybody in an organization is a customer of somebody else. That’s why a service ethos is crucial across the whole business. And why the skills that underpin it are as important for non customer-facing employees as frontline employees.”

Jo Causon, chief executive of the UK’s Institute of Customer Service (ICS)
Joining the dots.

“At Merck, we believe that if people are engaged, they’re more likely to contribute ideas for new ways of doing things, as well as to feed back customer perspectives that will help us to do things better. That’s true of researchers and plant workers as much as customer-facing employees”

Carolyn Hill-Fotouhi, associate director of workforce analytics, Merck
5 Development.

Do your people have access to the coaching and training that will give them the skills to meet and anticipate customer needs?

Making it happen.

- **Ask your people what they need.**
  Talk to your learning and development colleagues about the possibility of creating an online forum where employees can put forward training needs and ideas about how to meet them.

  Use your employee survey to ask this question too. Then break down the results by employee groups to understand where the issues are. Sit down with the relevant groups so they can tell you more about the problems, then work with your learning and development team to try and resolve them. (We call this a “training-needs analysis”.)

- **Equip your people to keep up with (and get ahead of) your customers.**
  Start by working with the relevant colleagues to review your current training and development program, along with any initiatives for developing customer excellence, such as an academy or internal university. Is the content up to date? Do the programs train and develop your people to recognize customers’ needs, and tailor the service they provide accordingly? Does it teach them the right mix of behaviors, values and competencies – problem-solving, emotional intelligence, communication skills, creativity and innovation – they’ll need in order to give your customers the personalized, genuine experience they want?

  Taking a flexible approach – for example, by offering more on-the-job training, mentoring or buddy schemes – will allow you to adapt more quickly. Use your feedback channels to collate examples of people who are going the extra mile to deliver for the customer, then approach them about being involved in a mentoring scheme. Make sure you emphasize the benefits they’ll get from it and measure the impact of the scheme through qualitative and quantitative feedback and data.

  Thinking small, simple and practical, and using customer feedback to create bite-size training, will also help. A first step might be to get your managers to share a weekly ‘top tip’ with their teams that’s linked to the latest customer feedback you’ve circulated around the organization.

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**Alliance Data: customer service with style**

For Alliance Data, provider of marketing, loyalty and credit solutions, having the right people in its customer-facing roles is key. And that doesn’t just mean people who give a great customer experience. It means people who do it with some personality.

‘Developing the right culture for customer care is critical to success, but it has to be genuine, with the right people in place, and the right expertise,’ says Lance Beck, regional vice-president, western customer care facilities. ‘We put a lot of value in creating that human connection with our customers. And while we certainly expect and teach people to follow our regulatory and compliance procedures, we also encourage a bit of style in how our associates interact with customers. The last thing we’re looking for is for people to come in and be robotic.’

This means hiring the right quality of person, then giving them the training and development that will enable them to do the job. But it also means encouraging them to use their personality and skillset to create a customer experience that’s both unique and consistent – what Lance calls “consistency enhanced by individuality”.

‘Every one of our care center associates completes a thorough program of customer service skills training, which begins as soon as they join us,’ he explains. ‘We then reinforce the right behaviors constantly, through call listening, customer satisfaction feedback and supervisor and peer-to-peer coaching.

‘But once these skills and behaviors are engrained, we encourage people to make the most of who they are, and let their personalities shine through.’
Encourage innovative thinking from the outset.
Start as you mean to go on by asking your new graduates or recruits to come up with customer-focused solutions as part of live projects during their training programs. Then put their ideas into practice at the end of the program, and make them responsible for measuring and adapting those ideas over time.

Identify and share best practice.
Work with your learning and development team to identify what good looks like and how you can measure it. Identify the 10 teams that rate highest for customer performance and the 10 that rate lowest. Then hold focus groups or have informal conversations with the highest-rated teams to find out what they’re doing to train and develop their people.

Once you know the magic ingredients, compare that with what’s happening in the lowest-rated teams to identify the gaps. Work with your learning and development colleagues to decide which individuals embody the right behaviors and which need the most help. Then connect those people together through your coaching, buddying or mentoring system – or work together to create one.

Help your managers to give regular and constructive feedback
Good coaches and managers understand that development isn’t a once-a-year conversation, but an ongoing process. Encourage yours to give feedback throughout the year and build discussions around development into their regular one-to-ones with team members. And work with your learning and development team to give managers clear expectations for how they should approach development conversations.

Part of that advice should be about how to give negative feedback – whether it’s from an internal or an external customer. Yet many organizations do this badly or not at all. Meet with your training and development lead to review the training program for managers – does it give them clear and practical advice for how to do this? Can you work together to design a practical process they can follow when they need to give negative feedback?

While you’re doing this, think more broadly about when mistakes happen. Is there a process for learning from them? Do you involve the customer in helping find resolutions? If not, can you do so?

Diverse customers and employees, a diverse approach to engagement: Swarovski

Best known for creating and selling luxury crystal jewelry, figurines and accessories, Swarovski also supplies the loose crystal components for others to work with. So it effectively operates across the whole value chain.

This means that both its customers and employees are very diverse, and a one-size-fits-all approach to engagement wouldn’t work. Instead, the company puts a lot of emphasis on equipping employees with the skills and behaviors they need to deal with every possible kind of customer. And it adapts its engagement activities depending on where employees sit in the value chain.

Here are some of the ways it does this.

Empowering managers to recruit the right people.
Swarovski understands that a key way to enable store managers is to give them the power to decide who to hire. After all, those managers know better than anyone what their customers are looking for, and the range of skills and behaviors that will meet those needs. They draw on that experience when recruiting, while HR provides the systems and tools to run a smooth process.

Enabling new sales consultants to deliver a great customer experience.
Swarovski’s retail training academy equips its people with the skills they need to identify and serve the needs of its diverse customers.

Over a two- to three-month period, new sales consultants learn how to spot different kinds of customers, as well as anticipate the type of purchase those customers might want to make. And because they do this with the help of virtual avatars, they encounter and deal with a wide range of life-like, in-store scenarios over a short period of time.

Giving employees a voice.
A key way of empowering employees to deliver for the customer is to give them a say in how they do it.

That’s why Swarovski has introduced its “ideas box” initiative. Employees at all levels and in all roles can submit their ideas as to how the company can better anticipate and meet the customers’ needs. The organizers then send these to the relevant team, such as creative or management, and reward the ideas that are implemented.
6 Empowerment.

Do your people have the ability and authority to use their initiative for the benefit of your customers?

Making it happen.

- **Identify any unnecessary layers of approval that slow down the decision-making process.** Simplifying the way your organization makes decisions will make you much faster at responding to customers’ changing needs – as well as instill a positive, “can-do” attitude among your people.

  Start by understanding what the barriers are. You can find this out through your employee engagement survey; if you don’t already have a question about this, add one in. You can also add a drop-down question for people who respond negatively to the initial question to pinpoint some common things that are getting in the way.

  Next, use the data from the survey to identify the areas and scenarios where people need more freedom to act. And work with HR business partners and local line management to create that freedom.

  You’ll also need to role-model fast decision-making from the top – and showcase examples of it happening in your internal communications.

- **Encourage decision-making at all levels.**

  Hold discussion forums and focus groups to pinpoint common decisions, and clarify where responsibility for each one should lie. You can then build this into your performance management framework. It’ll help to foster an innovative mindset, as well as make people more agile and able to adapt to changing customer demands.

  At a team level, the manager should make clear which decisions team members can make without supervision – and underline that those decisions must be for the good of the customer.

- **Be flexible.**

  Introduce a degree of flexibility into your HR policies and operating procedures. For a retail client, for example, traditional 9–5 opening times at some branches meant losing customers to a nearby shopping center; changing the hours to match those of the center increased revenues in those branches by 10 percent.

  Start by looking at your HR policies next to a list of your different business units. Which units might benefit most from having more flexibility, and with which policies?

- **Capture the knowledge of your customer-facing employees.**

  The practices that drive customer satisfaction aren’t likely to be in your standard policies and procedures. They’ll be what frontline teams and managers do to help their customers, day in, day out – and how they use their initiative based on their local knowledge. For your business to grow and flourish, it’s important to capture this and distill it into good practice that you can spread across the rest of the organization.

  To bridge this gap, create a channel for gathering feedback from those who know your customers best. Build the business case for creating a role for someone to champion customer-facing managers: to gather and share customer opinions, as well as recognize great performers and investigate what they’re doing. A number of retail organizations have formalized this process by creating a dedicated “customer experience” role.
The need for speed: Vodafone

Thanks to a linkage study we carried out, Vodafone already had data to show how employee engagement positively influences customer satisfaction.

The study showed a clear link between employee engagement and important measures of customer satisfaction, such as the customer net promoter score – the extent to which the customer would recommend a company’s products and services to friends and family.

So when the executive committee turned its focus from upgrading the quality of its networks and stores to developing and rolling out a program for improving customer service globally, it knew that engaging and enabling its people would be critical. And it knew that it needed to move fast.

The first thing the business did was to develop five “CARE commitments” – a set of promises to the customer that will inform everything employees do.

It then created a new role – customer experience excellence program director – to head up the team responsible for rolling out the CARE commitments globally. And Raja Al-Khatib was appointed to fill it.

Getting the right buy-in

The project team’s first task was to design an engagement plan that would help deliver the program.

Raja understood that for this plan to succeed, she’d need the right people to drive it from the center and to make it happen on the ground.

To drive it centrally, she brought together people from the relevant departments and incorporated their views into the plan; to make it happen on the ground, the plan provided “freedom within a framework”.

This meant that the project team could create a clear, globally consistent approach that could be tracked from the center – while at the same time empowering local managers (who understand the local employees and customers best) to deliver it.

The “freedom within a framework” approach had another advantage. By empowering local managers, Raja could also engage and enable them. And that meant those managers were in a better place to engage and enable their teams.

Working through the plan

A big part of the support for local managers was a series of 25 customer experience workshops, run in various markets.

‘The workshops gave managers the chance to discuss what customers want in their market, as well as how they’re going to roll out the commitments and make their teams even more customer-centric,’ explains Raja. ‘Ninety-eight percent of attendees said they were extremely useful.’

Once the managers had developed their plans, they sent them to the central team who challenged anything they thought could be done better. Ideas put forward included sharing success stories, changing the way certain decisions were made and looking at what local markets were launching.

Dealing with employees who don’t deal with the customer

So that’s the customer-facing side of the business taken care of. What about the many employees who don’t deal with customers in their daily work?

‘We have a plan for this too,’ says Raja. ‘In some markets, we have initiatives where non-customer-facing employees spend time in stores and call centers. We also do things like communicate stories about the program from both our senior managers and our frontline colleagues. And we share customer feedback from a variety of sources, such as social media, customer letters and calls, to show the impact the program is making.’
7 Collaboration.

Do you encourage and enable your people to work together to create a seamless experience for customers – both in and outside the business?

Making it happen.

- **Establish formal cross-company teams.**
  Look for opportunities for customer-facing and non-customer-facing employees to work together on projects. Building teams to work on elements of the action plan that you develop in response to your employee survey is a good place to start.

Then recognize, showcase and reward collaborative behavior that has clearly benefited the customer. Find examples and make them real by putting people’s names and faces to them. Meet the people involved to capture what they’ve learnt and top tips for success, then share them with the wider organization.

Giving non-customer-facing employees the opportunity to work on the frontline will help. But these schemes shouldn’t be just one way. Does your organization offer customer-facing employees the opportunity to understand the people who support them – for example, through job swaps and job shadowing opportunities?

- **Collaborate to innovate.**
  We know that collaborating and innovating are closely linked. And we know that businesses need to do both to keep up with their customers.

  Consider holding workshops to share achievements, ideas and experiences between teams. Get senior colleagues together with junior ones to generate ideas and think innovatively about the company’s future. And ask junior employees to input from the start by helping to shape the agenda of the meetings.

- **Help your people to deliver better for their internal customers.**
  Giving a great customer experience relies on people at every stage of the value chain meeting the needs of the next person along the chain.

  You can work out where the most important touch points are by carrying out a quick internal audit. Sit down with the business heads of the teams who need to support each other the most, such as sales and marketing. Find out the five or 10 key things each team needs from the other and the extent to which they’re getting them now. Building a common understanding of where the teams need to improve will help them to meet each others’ needs.

“You need to treat your people in the way that you expect them to treat the customer. If you aren’t treating your employees right, how do you expect them to go out and give a great impression or representation of the company to the customer?”

David MacLeod, co-founder, Engage for Success
8 Simplicity.

Do your policies and procedures make it as easy as possible for people to meet and anticipate customer needs?

Making it happen.

- **Cut back on bureaucracy.**
  Ideas and innovations that will help meet customer needs can get lost in the approvals process; by the time they’ve been run past operations, finance, HR and legal, a competitor has beaten you to it. Think about establishing a taskforce with the aim of eliminating unnecessary levels of bureaucracy. This should consist of people from all parts of the service chain, as well as senior leaders with the right decision-making authority. Next, involve the rest of the organization. Tell them about the taskforce and invite them to contribute their own ideas to a central collection point, such as an email inbox within the engagement team. Nominate a colleague to manage the inbox and funnel ideas up to the taskforce for them to consider. Recognize the people whose ideas you accept and track the ideas as they’re implemented.

- **Put policies in place to control the number of meetings and emails.**
  Many employees complain that an avalanche of daily emails and endless meetings stop them from actually getting the job done. Cutting back on these will create a calmer environment that allows people to be more productive by concentrating for longer periods of time. Start by exploring the extent of the problem: include some questions around this in your employee engagement survey, or run a short pulse survey or online poll. Then get together with your colleagues to draw up a set of policies to control these practices.

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**Final thoughts: facing the future**

Companies that make a meaningful connection between their employee and customer experiences will succeed – and those that don’t will lose out.

That’s a view that Jo Causon, chief executive of the UK’s Institute of Customer Service (ICS), shares with David MacLeod, co-founder of the Engage for Success movement.

‘Companies that fail to make the link will fall behind over time, as their bond with their customers comes apart,’ says David. ‘They’ll become less relevant.’ Jo agrees: ‘Companies that get the connection right – by joining up their business, customer and people strategies – are those that will still be here in the future.’

Jo also believes that companies will need to consider their whole customer service value chain, within and outside the organization.

‘Businesses are increasingly interdependent,’ she explains. ‘More and more, the overall customer experience will depend on several organizations, not just your own.’

She cites the example of airlines and airports. The quality of your travel experience depends on the service provided by both. If one part of the journey lets you down, that may influence your choice of which airport to fly from, as well as which carrier to use, next time.

‘In the future, organizations will need to work together in new ways to deliver a smooth and satisfying customer experience,’ concludes Jo. ‘It’ll be in their interests to collaborate to get service right.’
Next steps.

We know that creating a customer-focused engagement program is a big task. But no matter what stage you’re at, we can help. Whether it’s collecting employee and customer data, analyzing it to find links or helping you to use the findings, we can work with you to develop the right approach for your organization.

To find out more

Get in touch with your local Korn Ferry Hay Group office or go to www.haygroup.com/en/campaigns/joining-the-dots where you’ll find more information about linking your engagement program to the customer, including full versions of the case studies in this report.
About Korn Ferry
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