



# **The Third Dimension of Employee Engagement**

Customer Feedback

## Creating a Real Connection Between Your Employees and Your Customers

The typical employee rewards and recognition program is designed to recognize behaviors that reinforce the company culture, mission, values and performance. Whether the participant is a peer in a “peer-to-peer” program or a supervisor or manager in a more formal program, the “recognizers” are usually employees.

But in today’s world – increasingly driven by the social web – programs that don’t reach outside the company walls will eventually fall flat.

Business results today are more likely to be influenced by consumer opinion and advocacy through transparent social conversations. Customers now comment, “like” and tweet about their experience with your brand and your staff. On the surface this is a marketing and branding issue, but it is also an employee engagement issue.

Engaging your employees in today’s connected world means you need to re-imagine and redesign your recognition strategy and tactics to reflect these changes and ensure your customers are having positive conversations about the brand and with the people representing it.

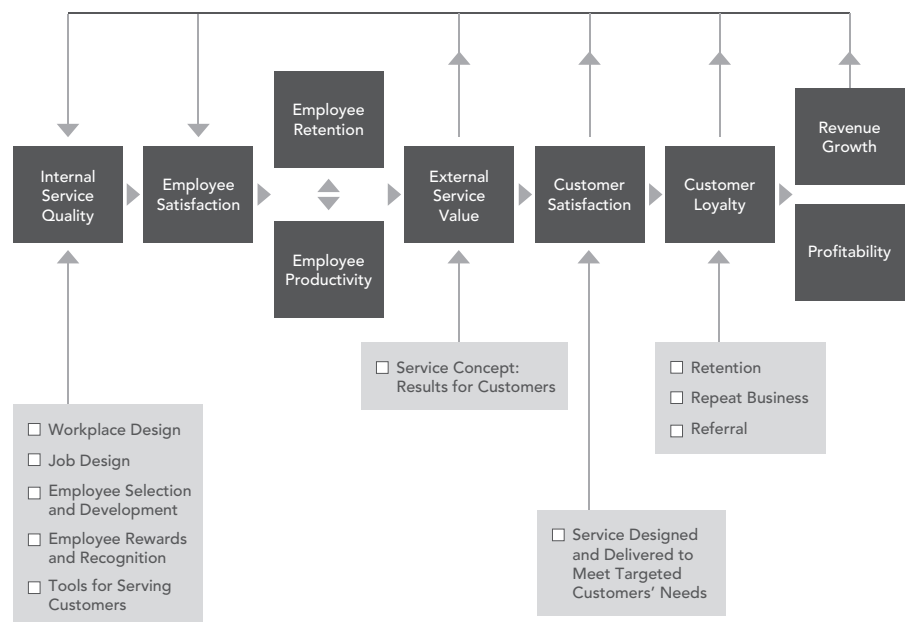
## The Third Dimension of Employee Engagement: Customer Driven Recognition

Customer-Driven Recognition:

- Manager to employee recognition establishes a vertical connection between employees and the company.
- Peer to peer recognition establishes a horizontal connection between employees.
- Customer to employee recognition establishes a connection that moves outside the walls of the organization.

# The Links in the Service-Profit Chain

## Operating Strategy and Service Delivery System



## Engaged Employees Drive Engaged Customers

Before there were Facebook “likes” and twitter conversations there was “The Service-Profit Chain.”

The service-profit chain was a business model presented in the 90’s from researchers at Harvard University in the book “The Service Profit Chain – How Leading Companies Link Profit and Growth To Loyalty, Satisfaction and Value.” The premise of their research is that there is a correlation between superior service experiences, customer loyalty and financial performance (profit and growth).

Superior service (and product) experiences were directly related to the degree of employee engagement in a company.

Engaged, satisfied and loyal employees drive engaged loyal and satisfied customers.

### Adding a Link to the Chain

However, the various networks now available to consumers (Facebook/LinkedIn/Twitter), have added a new dimension to the chain: real-time and constantly updated feedback about their experiences with the brand/service.

We believe that while the customer has the ability to comment and connect with the brand – the chain has a missing link, one that allows the consumer to provide direct feedback to the employees who are delivering the customer experience and ultimately driving business success.

The chain demands a feedback loop from the customer to the employee. Customer Enabled Recognition can provide the feedback loop.

### Why Connect Your Employees with Your Customers?

The Service Profit Chain highlights that engaged employees drive engaged customers. But what engages employees?

The 2009 Watson Wyatt Survey for WorldUSA<sup>1</sup> tells us:

*Line of sight appears to be high with respect to customer focus, with more than three-quarters of participants stating that it is clear to them how the work they do affects customers. These scores indicate better alignment between the external and internal company brand.*

***By strengthening this alignment even more, companies can further increase engagement — and individual productivity.***

Along with recognition, employees who understand and know how their efforts contribute to the overall company mission and goals are more engaged.

- Towers Perrin discovered that high-engagement firms grow their earnings-per-share (EPS) at a faster rate (28%) while low-engagement firms experienced an average EPS growth rate decline of 11.2%.
- The Center for Human Resource Strategy at Rutgers University found that highly engaged business units were on average 3.4 times more effective financially than units who were less engaged. And disengaged workers cost the company in lost productivity and negatively affect customer relationships.
- Hewitt Associates found that highly engaged firms had a total shareholder return that was 19% higher than average in 2009. In low-engagement organizations, total shareholder return was actually 44% below average.

Employees who know how they impact customers are more engaged. And engaged employees drive business results...

## Why Connect Your Employees with Your Customers?

Companies need to extend their recognition strategy to customers, enlisting them in the process of recognizing and engaging their employees.

Taking the idea of consumer generated product/service and consumer influenced marketing to the next logical step is to allow consumers to not only comment and discuss the company and the brand – but to recognize individuals – employees – that are responsible for creating the services and products the consumer is loyal to.

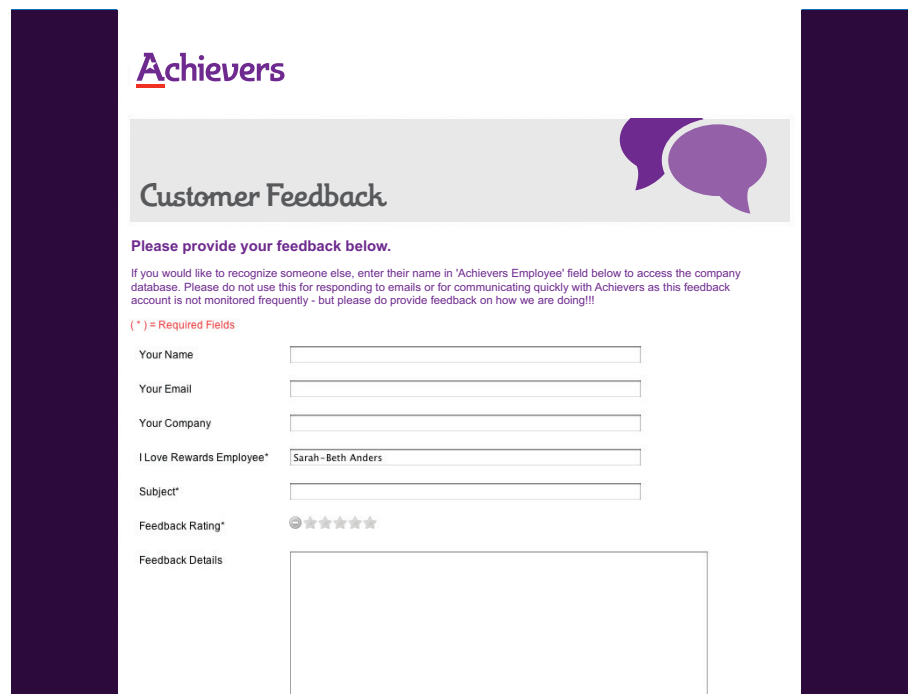
Examples of companies who are leading the way in customer-driven recognition include:

- At St. Louis's Busch Stadium, ten randomly selected fans are given two small MVP cards, which they can bestow on any two employees who show them exceptional service. Employees then turn the cards over to supervisors; if the group of workers collects at least fifteen of the twenty cards during the game, a drawing is held and the winner gets a \$100 bill. All employees who receive cards from fans are mentioned in a monthly flyer sent out to employees.
- At Park Lane Hotels International, based in San Francisco, guests are asked to nominate hotel workers who provide outstanding service – plus – the guest who nominated the grand-prize winner receives two free nights at the hotel.
- Continental Airlines mailed Pride in Performance certificates to its top 50,000 frequent fliers and asked them to pass the certificates out to particularly helpful employees. Continental workers could redeem the certificates for dinners, luggage, hotel stays, flight passes and other merchandise. American Airlines has a similar program.

- American Airlines has its Applause program for frequent travelers who've reached "elite" status. They receive a set of pre-printed cards that can be handed to employees who provide exemplary service.

## How Achievers Connects Customers to Employees

Achievers has a Customer Feedback module as a part of the platform.



The screenshot shows the 'Achievers Customer Feedback' form. At the top, the 'Achievers' logo is on the left and a speech bubble icon is on the right. Below the title, there is a heading 'Customer Feedback' and a sub-heading 'Please provide your feedback below.' followed by a small disclaimer. A legend indicates that fields with an asterisk are required. The form includes input fields for 'Your Name', 'Your Email', 'Your Company', 'I Love Rewards Employee\*' (with 'Sarah - Beth Anders' entered), 'Subject\*', and 'Feedback Rating\*' (with a star rating of 5). A large text area for 'Feedback Details' is at the bottom.

The Customer Feedback Module provides an open line of communication to enable direct feedback from the customers to the company or individual employees. Providing employees with customer feedback has proven to drive repeat positive behaviors that contribute to quality customer service. It allows the company to effectively react to constructive feedback and continually improve. Customers have access to custom links to a form where they can easily provide their feedback about the product and/or service. Questions are fully customizable to allow employers to choose which feedback they wish to capture.

## Engaged Customers Ultimately Drive Engaged Employees

Bottom line: linking an employee's activity to the activities that drive customer value drives employee engagement. Nothing is better than firsthand feedback on how well you have contributed to your company's success.

Bridge the gap between your customers and your employees; grant them access to recognition and begin to see your employee engagement increase – along with your business results.

