

# Employee engagement creates the 'wow' experience

**E**mployee engagement will hit historic lows in the coming years, which will cost employers billions in lost productivity and cost consumers in the form of a more frustrating, "I-don't-really-care-about-you" customer experience. I am not trying to depress you with these facts, just painting a picture of our reality.

Why should this be important to you? Simply because employee engagement is directly related to the experience customers have with an organization. And you don't have to be in the retail business to be passionate about the customer experience. Deep down we know that no matter what industry we're in, the purpose of any organization is to get and keep customers. Delivering a "wow" experience, making the customer's day more consistently than the competition, is the best way to differentiate and drive customer loyalty.

Recently, I was sitting on an airplane next to a woman from Bain Consulting. She told me about a study that revealed 81 percent of senior leaders believe their organization delivers superior customer service while only 8 percent of their customers agree. The study refers to the problem as a "customer service gap." I call this the experience gap, whose root cause is a lack of employee engagement.

The current recession will widen the gap between the few organizations that deliver a consistently good experience and the great majority whose employees are more disengaged than ever and deliver poor service. A Quantum Market Research study revealed that between fall 2007 and fall 2008, 66 percent of companies surveyed had a decrease in employee engagement scores. In studies like this, employee engagement is measured by a worker's willingness to do three things:

1. Put in extra discretionary effort for the good of the business
2. Speak positively about the business to others
3. Stay loyal to the job

Strong leadership is the secret to an engaged work force and a consistently good customer experience. Think about the leadership variables that drive engagement and



## ON PERFORMANCE

Gregg Lederman

productivity. The most noted include an employee's relationship with the boss, appreciation for doing a good job, and stability and confidence that wages are fair. All three are the responsibility of a good leader. And all three are put to the test when leaders are more focused on protecting their jobs, making layoffs and reorganizing on ways to survive, all the while spewing out pithy statements such as "employees are our greatest asset."

So, should you worry about employee



engagement today? Do the math. What if all employees in your organization were engaged and willing to give the organization or its customers 15 minutes of extra discretionary effort each week? The return on investment would astound you and the improved customer experience might make the difference between surviving and thriving in these economic times. Experienced managers know that engaged workers are significantly more productive in their jobs.

In addition, when engaged workers interact with customers, they are more likely to behave in ways that drive the experiences that generate loyalty and increase business.

The largest opportunity to improve sales, increase productivity and lower costs—which leads to better profits—is to engage the work force in the delivery of "wow" experiences. These require employees to understand, commit to and take action on the branded experience. Ask yourself: Where does my team fall on the employee engagement/customer experience continuum?

### Level 1: "I'm not engaged."

Level 1 employees typically have an "I don't care" attitude, distrust management, provide inconsistent customer service—usually due to lack of process and training—and fail to see how they make a difference every day at work. They are unhappy at work and regularly act out their unhappiness.

■ Customer Experience Result: Bad experience; low retention; no consistency = no loyalty

### Level 2: "I'm somewhat engaged."

These employees may have some understanding of your organization's purpose, brand and promise made to customers; however, a lack of appreciation and recognition for a job well done helps fuel uncertainty regarding whether or not the work force as a whole is really committed to taking care of customers. These employees may not leave your organization voluntarily, and in fact, many of them "quit and stay."

■ Customer Experience Result: Unreliable experience; not satisfied or loyal; low retention

### Level 3: "I'm engaged."

Employees at this level begin to see how their actions make a difference in the organization's overall success. They understand performance expectations and have walked a mile in the customer's shoes, yet they still distrust management somewhat and lack confidence in the organization's ability to deliver a consistent customer experience.

■ Customer Experience Result: Inconsistent experience, which sometimes leads to frustration; somewhat satisfied, but still not loyal

### Level 4: "I'm very engaged"—I think,

**behave and speak the brand.**

Employees here clearly understand the brand of the organization and the experience being promised. They are focused on what to do for customers and are becoming more committed to behaving the brand and delivering the desired experience. These employees feel empowered and properly trained in how to do the right thing.

■ Customer Experience Result: Consistent, above-average experience; sense of belonging that leads to loyalty

**Level 5: “I’m extremely engaged”—I am an ‘experience stager.’**

These are your star performers who are passionate advocates of your organization’s brand. They love working for your organization and tell people about their experience. They feel appreciated for their efforts

and are confident in their ability to provide consistent, above average and sometimes even “wow” experiences to customers.

■ Customer Experience Result: Extreme brand loyalty, which leads to increased referrals; customers here feel as if they are “members” of your brand, a part of your cult following.

In every organization I’ve worked with there has been a vast reserve of untapped employee performance potential where managers struggle to build emotional connections between employees and the organization’s success. The evidence is irrefutable—most work forces are filled with unengaged workers who are not willing to put in the extra discretionary effort owners and managers want. A 2008 Gallup study showed that about 54 percent of employees

in the United States are not engaged and 17 percent are disengaged. Only 29 percent are engaged. Is your organization successfully tapping into the reserve of employee potential and achieving better financial results from your efforts? If not, get serious about uncovering where your workforce is when it comes to employee engagement and the customer experience.

*Gregg Lederman, founder and managing partner of Brand Integrity Inc., gives seminars on branding and employee performance. He is a professor at the Simon Graduate School of Business at the University of Rochester and is the author of “Achieve Brand Integrity: Ten Truths You Must Know to Enhance Employee Performance and Increase Company Profits.” He can be reached at [glederman@brandintegrity.com](mailto:glederman@brandintegrity.com).*