

## Locking In CX Value Delivery: Forging and Leveraging The Partnership Between Enterprise Leadership, Marketing, and HR

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## First, Why The Enhanced Focus on EX and CX Linkage?

There is growing general agreement that both developing employee ambassadors and customer advocates should receive high (or certainly higher) priority and emphasis by leaders if an enterprise is going to be successful. What building ambassadorship does mandate, however, is that having employees focus on the customer will definitely drive more positive experiences and stronger loyalty behavior (for both stakeholder groups).

Many studies have shown the performance benefits of CX and EX linkage. For example, results of a retail study by Enterprise IG in the UK showed that, for every 1% increase in documented employee commitment, there would be a 9% increase in monthly sales. So, even if nothing else of benefit, creating more customer-focused and value-based experiences for employees has a financial performance motive.

Clearly, such employee-customer interactions can influence downstream customer behavior. This is especially true when customers have had a poor experience and have registered a complaint. Of the customers who register a complaint because of a value delivery issue, between 54% and 70% will do business with the organization again if their complaints are resolved. This figure goes up to 95% if the customers feel the complaints are resolved professionally, quickly and proactively, depending upon both systems and positive employee attitudes and behaviors.

Other notable studies reinforce these linkage-productivity results:

- **Northwestern University:** Study in hotel chain showed that, for 'The extent to which employees try to satisfy customers', a 10% increase in this factor resulted in a 22% increase in customer spending per hotel visit.

- **Sears:** Study in 800 stores showed that a 5 percent documented improvement in employee attitudes toward their jobs and commitment to the company and customers directly resulted in a 1.3% increase in customer perceptions toward the retailer and, in turn, a .5% increase in year-over-year revenue.

- **Royal Bank of Canada:** Studies have shown that the level of employee commitment accounts for 60% to 80% of customer satisfaction; and 40% of the difference in how customers view RBC's services can be linked directly to their relationship with bank staff.



Bottom line, the more leaders, marketers, and HR understand the connection between employee behavior and customer behavior, the more their organizations are able to build focus, effectiveness, and profitability.

In all strategic and tactical CX planning, a key and fundamental question needs to be asked, “Who in the organization doesn’t own the relationship with the customer, either directly or indirectly?” Recalling the work of W. Edwards Deming, he believed that everyone in the organization is “either serving the customer or supporting someone who does.” This means that, driven by leadership and reinforced by culture, the ideal of employee and customer experience needs to permeate the entire enterprise, from the board room to the mail room.

## How the Leadership, Marketing, and HR Partnership Advances EX and CX

it is vital for companies to learn where they are in creating enterprise-wide employee ambassadorship (commitment to the organization, the product/service value proposition, and the customers) and stakeholder-centricity.

To assist both individuals and managers in helping determine readiness to move from employee satisfaction and engagement to ambassadorship, we have designed a brief, but insightful, [self-assessment survey](#). This survey feeds into a database of responses which, once completed, is shared with the respondent.

The self assessment has been designed to help identify how, and how effectively, enterprise culture helps shape employee behavior and the delivery of customer value, with employee ambassadorship as an optimal state. The questions address such key areas as organizational readiness, consideration of the employee emotional investment, employee life cycle, and leadership.

One of the key things we’ve learned from analyses of the self-assessment surveys, and also through our interactions with clients, is that employee perceptions of emotional value, particularly where their job experience is concerned, are given relatively little consideration within the enterprise. This has serious consequences, both short-term and long-term.



More specifically, we've determined that:

- 1) Despite the strong proven connection between employee and customer experience, HR employee initiatives often operate in a silo, separated from customer-related enterprise goals
- 2) Understanding the emotional investment and commitment of employees to customers is rarely given attention, much less a priority
- 3) Employees are infrequently, if ever, even asked about how their experience (training, operating parameters, reward and recognition, etc) connects to customer experience and value delivery
- 4) There is little recognition that employees, like customers, have a defined life cycle. It begins with the interview process, and continues even after the employee exits the enterprise (like a defected customer who may be recovered)
- 5) Building humanity into the enterprise cultural DNA, though well-documented to yield excellent financial results (in part through customer loyalty behavior and employee contribution/retention), has seen slow adoption, despite over 30 years of employee engagement initiatives.

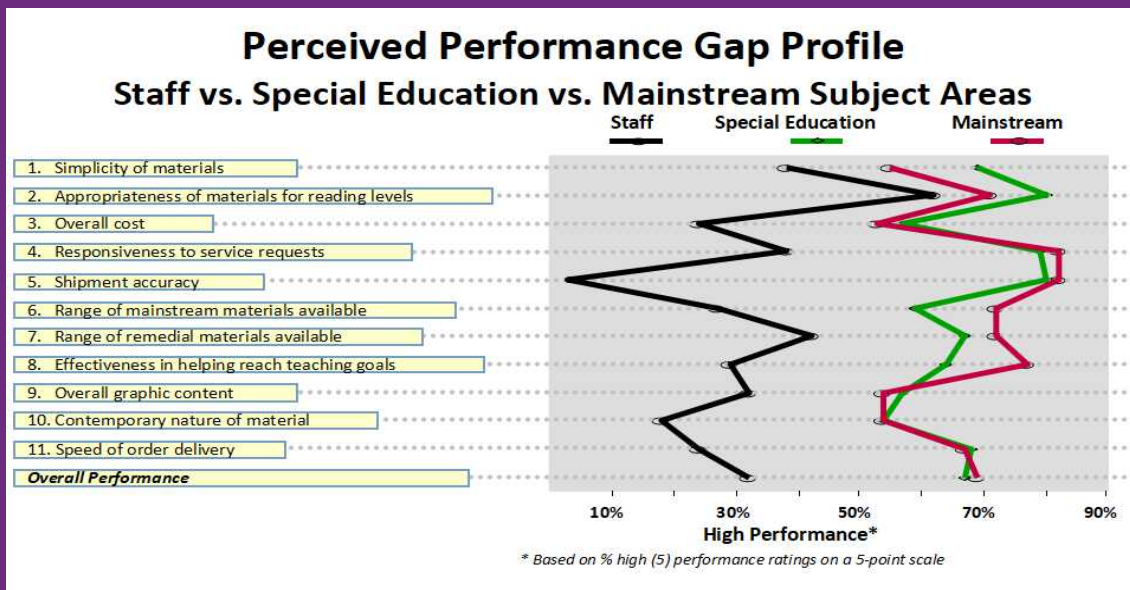
Employee experience has evolved, but not quickly enough. Employee fit, utility, and productivity are important, but not enough. Organizations need to have more actionable insight into what motivates employees. If companies are truly serious about optimizing CX, then more attention and resources must be devoted to EX.



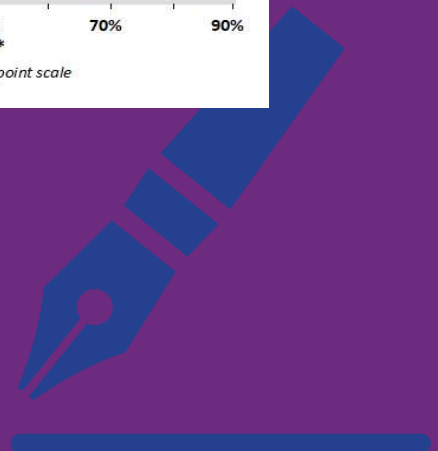
## Many Companies Routinely Develop Customer Personas. Why Do They Also Need Employee Personas?

For some time, it has been readily accepted that developing and leveraging personas, particularly as related to marketplace behavior, are essential to understanding Jobs To Be Done (JTBD) in customer experience. Marketers have successfully utilized the mindsets and emotions which occur in the customer’s journey and relationship with a supplier to build personas and categorically track and evaluate each touchpoint element. But what about generating and applying personas for the other stakeholder group so essential to optimizing customer experience, the employees?

In human-centric terms, and just as with customers in CX, it has become increasingly important to understand EX, or employee experience. Because of the well-proven linkage between employee experience and customer experience and the fact that employee perceptions of key value delivery elements often don’t align with those of customers (see below), this has emerged as a pivotal subject for every enterprise.



And, within EX, it is essential to identify JTBD elements and the drivers of positivism, performance barriers and pain points which shape employee behavior.



Over the past few years, HR has turned to developing employee personas – valuable as a lifecycle management tool, from recruitment and onboarding through performance and training, and exit or retirement – in both designing and sustaining EX. Why the greatly increased focus? There are several reasons:

- Employee engagement levels, studied by many consulting organizations, has been declining for a considerable period of time. One study showed that 51% of the workforce is currently not engaged, directly impacting alignment and productivity.
- Studies have indicated that over 10% of employees (12% per SHRM in 2016) leave their jobs each year, a percentage that is also increasing.
- Millennials, in particular, show little employer loyalty. A Deloitte study found that almost half (44%) would leave their company if given a choice.

Employee personas share common characteristics with customer personas. Namely, for HR, the employee persona is a representative (though fictional), multi-dimensional description of how an employee behaves on the job. In short, a persona is a vision of the ideal employee contributor and ambassador.

Forming personas is both an art and a science, requiring approaches which transcend much of the traditional thinking about employee behavior. Beyond the fit, alignment and productivity embedded in decades-old definitions of engagement, today employees are searching for meaning in their work. Meaning can be found in the insights which aid in formation of personas. In CX and EX, that meaning often comes through enterprise-wide commitment to the brand promise, the enterprise and fellow employees, and the customer. Employee persona generation can help meet both EX and CX design goals.



## The Rationale For Developing Outcome-Based Employee Personas

Like customers, it is desirable to look at employees on an individual basis rather than as a whole, at a 20,000 foot workforce level. This is a very human way of addressing the employee experience – giving each person a name, role, and personality and getting a better sense of life ‘on the job’, with an emphasis on how their thinking and behavior impacts CX delivery.

Employee experience is core to persona identification. Positive, happy employees actively contribute to positive customer behavior (and negative employees contribute to negative customer behavior). As a general statement, this idea is both well-known and well-accepted. Engagement research has endeavored to identify key elements of employee effectiveness with and for the enterprise; however, there is little proven intentional connection or integration between customer experience initiatives and desired employee behavior.

The real issue: How can organizations build on the foundation of employee satisfaction and engagement research to help drive enterprise stakeholder-centricity and a higher level of employee commitment? There are many ways to bring all of these individual, rarely conjoined functions and capabilities into unison, so that they are more effective on behalf of both the customer and the employee. Perhaps the simplest, and arguably the most sustainable and strategically differentiated, is to have employees directly, actively involved in, and contributing to, making this happen. OK, this – what we call employee ambassadorship - is clearly a worthwhile goal, with a key and immediate question: How can organizations make this a reality?

**A culture of customer focus and ‘wow’ value delivery, with emphasis on conjoining the customer and employee experience, often begins (but doesn’t end) with employee job satisfaction.....**

The history of companies measuring employee job satisfaction, and endeavoring to link employee perceptions with customer behavior goes back almost 100 years. Organizational surveys began during the 1920’s and 1930’s, a result of emphasis on industrial engineering and time-and-motion studies which began at the dawn of the 20<sup>th</sup> century. By the 1960’s and 1970’s, many companies were conducting employee attitude and satisfaction studies; and these studies were further refined during the 1980’s and early 1990’s, focused as much on achieving quality as on creating satisfied employees.

**....and is enhanced through employee alignment with the company’s mission and brand promise....**



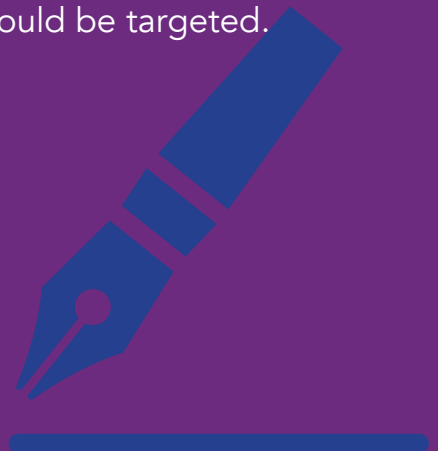
In the mid-1990's, more progressive companies had moved on to employee engagement research. This was a significant step for human resources professionals. It was a recognition that companies needed to view employees not only as a resource but as partners in helping reach overall business goals. The principal intents of employee engagement, then, have been to identify:

- what originally drew individuals to the company,
- what keeps them there,
- how productive they are against goals
- what they see as their role and how involved they are in it, and
- how aligned they are with the company's goals and culture.

Brand engagement is an extension of employee engagement. Much of brand engagement is managed through the marketing structure, and it involves the communication of company values, and product and service benefits, to current and potential customers, and to other stakeholders. Some companies have recognized that, to deliver the brand promise externally, employees represent the biggest opportunity to arrive at that destination. Involving employees more directly in brand-building has definite advantages for HR, such as attracting and retaining good employees, and creating a stronger understanding of the company's mission and vision, which then combine to build a more cohesive and aligned work force. This is where EX persona development should begin; but there is more.

Employees, whether they are customer-facing or not, need to 'live' the brand and company value promise as company representatives. Concepts and programs such as employee engagement and brand engagement (through employees), though considerably more progressive than satisfaction, can be less than sufficient to help companies optimize the customer experience or sustain top-level customer value delivery. Employees may believe they are doing valuable things for their company and/or they may have positive feelings about their jobs, their employers, and the brands they represent; but, where is the specificity around building the best customer experience and relationships? Again, our thesis is that this is where EX persona generation and design development should be targeted.

There is a strong and well-documented link between employee experience and customer experience. Can companies, through targeted qualitative and quantitative employee research, learn how to generate prioritize initiatives which will generate optimum staff commitment to the company, to the brand value promise, and to the customers?





If employee satisfaction and employee engagement aren't specifically designed to meet this critical objective, and only tangentially correlate with customer behavior, can a single technique provide the means to do that? The answer to both questions is: Yes, through employee persona and ambassadorship research. Employee ambassadorship has been specifically designed to both build on employee satisfaction and engagement and bring the customer into the equation, linking employee attitudes and actions to customer loyalty behavior.

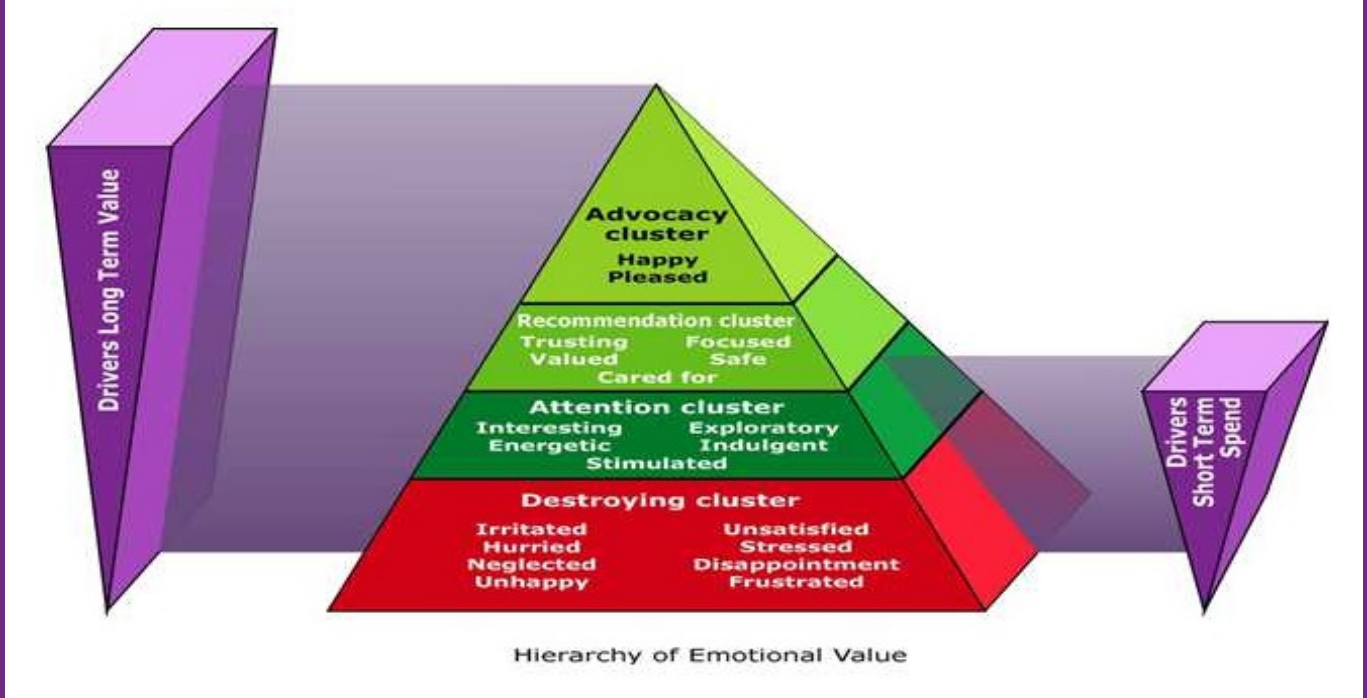
Employee ambassadorship, or employee brand ambassadorship, has direct connections to – yet is distinctive from – both employee satisfaction and employee engagement. As a research framework, its overarching objective is to identify the most active and positive (and inactive and negative) level of employee commitment to the company's product and service value promise, to the company itself, and to optimizing the customer experience.



Ambassadorship is built on a foundation of employee experience design, and recognition that, like customers, employee behavior is driven by both positive and negative emotions:

- Our qualitative employee research protocol features an array of techniques specifically applied to generate personas.
- Our quantitative protocol utilizes a hierarchical model of emotional value, developed through the University of London in 2003 and now applied in multiple industries with over 75,000 respondents around the world:





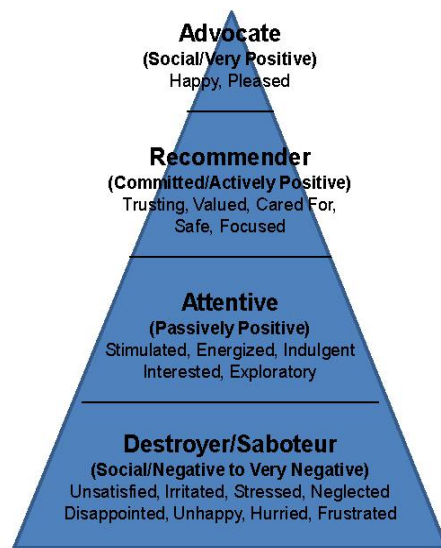
The result of EX design optimization should be more value for the employee and the enterprise. In fact, consulting organizations like Deloitte have found that HR departments providing the most employee value were five times more likely to be doing EX design thinking. Further, this approach to employee value has received strong executive support: In analyzing human capital development trends, Deloitte has found that close to 80% of executives consider this an important or very important issue.

For employees, utilizing documented findings from academic and professional research, we have modified the Hierarchy of Emotional Value for customers to focus on personas; and we have created a unique employee emotional persona hierarchy, reflective of states of mind and behaviors they represent.

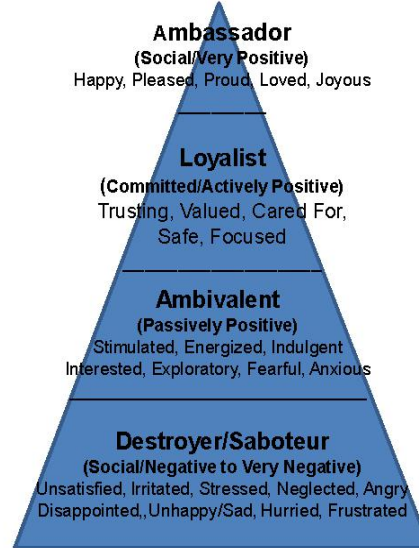


## Customer and Employee Emotional Value Hierarchy

### Customer Emotional Hierarchy: Persona Groups



### Employee Emotional Hierarchy: Persona Groups

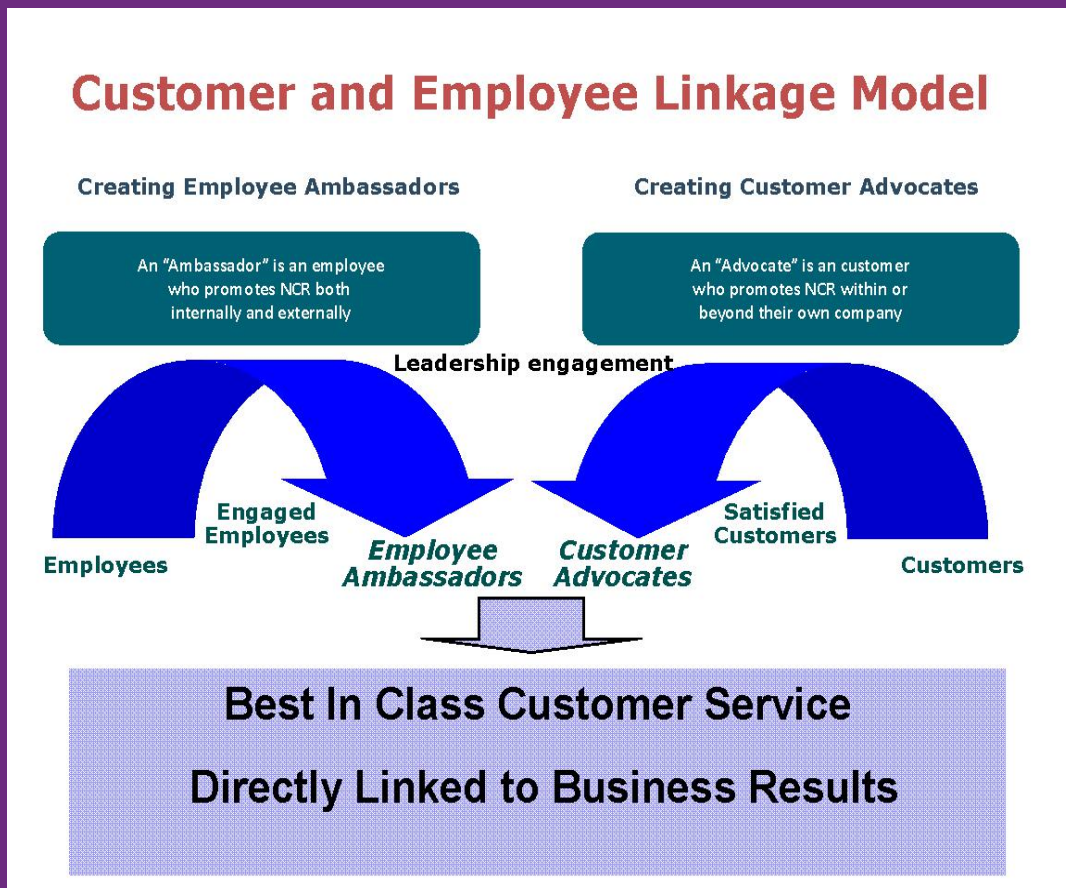


## A Real-World EX-CX Linkage Example, And Its Meaning

Several years ago, NCR (a former client) created an ambassadorship program within its service division to drive customer loyalty and advocacy, and enhanced company culture, for customer-facing and non customer-facing employees. Employees were recruited and trained in customer interaction soft skills, and NCR overall company and brand information. Program participants were also required to report back on their experiences as ambassadors.

Early on, NCR recognized the prospective enterprise and stakeholder value of EX and CX linkage. The initial program model graphic they designed was as follows:





Of course, to make the model both real and continuously effective, NCR first had some learning about its culture, employees and customers to do. As a foundation for this program, targeted employee research was conducted with the support of HR, customer service management, and senior leadership..

To say that we, and NCR, learned a lot would be an understatement. Like virtually any organization embarking on such a groundbreaking initiative, identifying cultural and employee behavior issues was critical. In NCR's case, there were leadership trust concerns, especially by younger, shorter tenure, female, and non-management employees. Older employees also had significant trust issues. These, de facto, became key employee persona groups. Managers, also a persona group, felt that the organization needed to place greater emphasis on customer relationships. Other key employee demographics, contributing to persona creation, were as follows:



- Virtual – Employees who worked independently, or telecommuted, were more negative
- Customer-Facing/Non-Customer Facing – Customer-facing employees were more negative
- Functional/Location Groups – Service employees, especially those outside the U.S., were more negative

Included in our recommendations for moving this program forward were more training around understanding customer needs and relationships, more relevant, i.e. customer value-delivery related, rewards and recognition, stronger senior management commitment, and a comprehensive review of both customer experience and employee experience policies and strategies. NCR followed many of the recommendations; and, by 2009, this was the shape of their Employee Ambassador program:

## NCR Ambassador Program Summary

- Currently open to all NCR Services employees
  - Special invitations to those identified via survey
  - Actively supported by HR, Services Management, and Leadership
- 2-3 hour initial training requirement to become an ambassador
  - Training Covers: Ambassadorship, in general and at NCR; Company information, including branding; Customer Interaction soft skills – Customer Service, Professionalism, Communication skills
  - Welcome letter, gift, and access to SharePoint site provided upon completion of training
- Expectations of Ambassadors
  - Participation in ambassador opportunities – PR, Marketing, Community Relations, Internal Communications (based on availability)
  - Incorporate ambassadorship into everyday activities
  - On-going training; focus on customer value delivery
  - Periodic reporting back
- Benefits for Ambassadors
  - Welcome gift
  - Broad and sometimes advanced access to information
  - Special ambassador events and professional development opportunities
  - Reward program to acknowledge extraordinary contributions

Launched 1/19/09  
Hundreds of  
Employees Are  
Trained Advocates

The NCR Employee Ambassador program has continued to evolve over the past several years, moving from internal broader customer focus to external community volunteer activities. This is holistic, appropriate, reputation-enhancing, and supportive of both employee experience and customer experience. Here are some examples of NCR's external ambassadorship projects, which are now worldwide in scope: NCR Ambassadors lead volunteer activities and employee events and celebrations. They generate funds, food, blood, books and blankets for local programs. They initiate and conduct revitalization projects at schools and community centers. They run, bike, and walk to raise awareness and donations for charity. NCR Ambassadors participate in environmental betterment programs, such as planting trees and recycling paper, bottles, and office equipment. In addition, they mentor children and host sports clinics.

NCR believes in responsible employee and corporate citizenship. This has created many benefits for all NCR stakeholders. To continue, and grow, this precept, the well-functioning partnership between enterprise and divisional leadership, marketing, and HR is essential. It takes progressive thinking, focus, and discipline; but the result, as with NCR, is greater overall perceived value delivery – and that's a worthwhile goal.



## Through Qualitative Research, Generating and Applying Employee Personas

At Beyond Philosophy, we are able to leverage our extensive international CX and EX consulting, research, and training background, also serving as skilled investigators into identifying what employees really mean as they participate in guided discussions or answer questions on the kinds of persona-related subjects identified .

Unstructured data, from an every-growing landscape of sources, forms the core of employee content analyzed to help design personas. However, it is carefully designed quantitative insight research which offers the most comprehensive depth and opportunity for discovery. The array of qualitative techniques we employ for B2B and B2C clients include:

Focus Groups

IDI's (Individual Depth Interviews)

Mini-Groups

Online and In-Person Forums

Ideation and Synectics Sessions

Ethnographic/Observational Approaches

(OBB's) Online Bulletin Boards

Online Community Dialogue

Chat/email Transcripts, Phone Transcripts, Customer Diaries

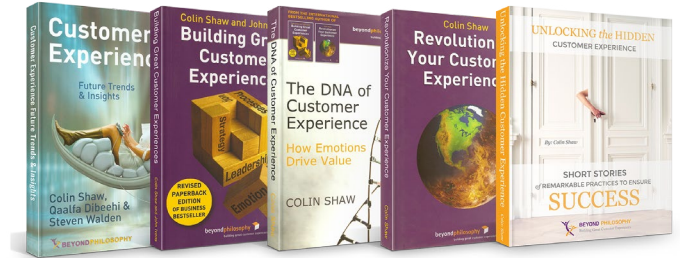
Executive and Employee (EX) Interviews

Customer Experience (CX) Interviews



# About Beyond Philosophy

Beyond Philosophy are literally the world's first dedicated Customer Experience company. Founded in 2002 by our CEO, Colin Shaw, we have built an excellent reputation of being Thought Leaders in Customer Experience.



This is not what we say. It's what other say. We are proud that Colin Shaw our CEO, has been recognized by LinkedIn as being one of the world's top 150 Business Influencers and by Brand Quarterly as one of the 'Top 50 Marketing Thought leaders over 50' and written 5 books on Customer Experience.

Beyond Philosophy helps organizations move to the next level of the customer experience. There are many case studies that highlight our work. One of our clients, Maersk Line, improved their Net Promoter score by 40 points in 30 months and then had a 10% rise in shipping volumes as a result of our work.

## Beyond Philosophy provide three services.

**Consultancy services** – both strategic and tactical so we can help guide you to improve your customer experience.

**Training services** – we can train your CX team on how to improve your customer experience as well as your front line team with our memory maker training.

**Specialized research services** – we provide some innovative research techniques that discover what drives and destroys value for your organization.



If you'd like further information please contact Beyond Philosophy LLC on our website [Beyondphilosophy.com](http://Beyondphilosophy.com).

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