

## Quarterly KPI focus, Q4:

### EMPLOYEE ENGAGEMENT

Why does it matter, how can you monitor it and more importantly; how can you drive it?



In previous white papers we have shown that just a small drop in employee engagement reduces customer satisfaction considerably. This beats the traditional KPI's, such as hold time, hands down in terms of impact. In this quarterly focus we will look at why this is, and how you can monitor and improve it.

Of course we want happy staff, but we have found that although in general satisfaction affects their behaviour it is actually how engaged they are with the customer that drives customer satisfaction and retention. Previously hold time was seen as the number one satisfaction driver but from the surveys we have carried

out in parallel with monitoring delivered service levels; we see that improvements of under 2 minutes in hold time has very little affect on satisfaction. However even a very small dip in agent engagement sends it plummeting. The only thing that has a bigger impact is first contact resolution.

**Q: Why does Employee Engagement have such a significant impact?**

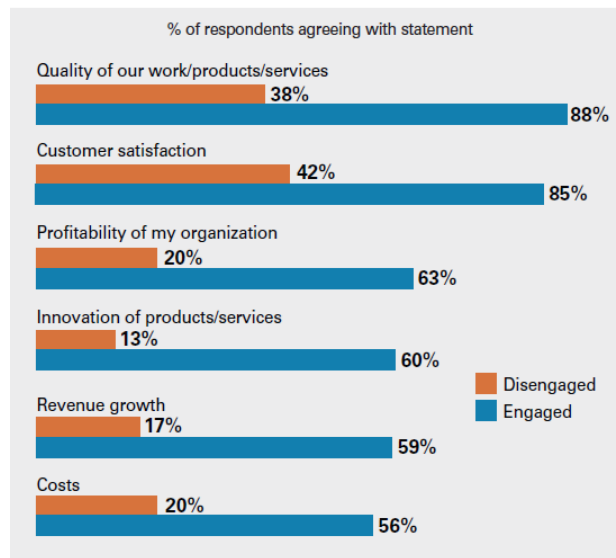
**A: It's not only about customers, it drives efficiency as well.**

There are two main reasons why this key performance indicator is so important. The first is the impact it has on virtually everything internally. This is illustrated in the Towers Perrin study to the right; engaged agents believe that they can have an impact on most of the areas identified including costs, revenue and quality. They are the type of staff we want!

Don Pepper defines engagement as "Positive proactive involvement". We, at Bright, like this definition; it's not just about being happy we want people to be proactive. Staff that don't just wait for management to explain that a problem needs fixing but people who can identify a problem and look for solutions.

The second main reason is the direct affect employee engagement has on customer satisfaction and retention and thus profitability. As consumers we are actually quite forgiving. We can put up with companies making mistakes and we will even wait to tell them so, as long as the person they talk to sounds as though they are concerned with our situation, and give the impression like they enjoy helping us. Be careful of drawing your own conclusions on who the best staff are for this though. One large medical insurance companies believed it was the outgoing talkative people that created the most satisfied customers and that the quiet introvert people would treat customers less empathetically than "the cool kids" as they called them. However when we analysed customer satisfaction to agent level it turned out to be the complete opposite and the "less cool kids" scored higher in both engagement and customer satisfaction created. Which brings us on to how to measure and monitor engagement.

Most engaged employees see themselves as having the ability to positively impact critical facets of the business, including quality, customer satisfaction, profitability, and innovation.



Source: Closing the Engagement Gap, a Towers Perrin Global Workforce Study (2007-2008)

## How to measure it?



Bright measures the areas to the left in their engagement index. Behind each different area lie 3-4 questions. Engagement itself is the hardest to define questions for. We ask things such as: do they enjoy helping the customers, have a good feeling going to work, feel that they can make a change etc.

There are several methodologies for gathering the data; Bright favour sending an email survey to the staff enabling us to send reminders to the ones that haven't answered after a set period of time (aiming for 90-100% response rate). We function as a middle man between the agents and the employer and guarantee the respondents not to disclose

their specific answers. Only by doing this will they be willing to open up and answer truthfully. If staff doesn't have access to email, we make a link to the survey available on our clients' intranet.

## How to drive it?

First of all; benchmark. Receiving a figure of 63.73% may tell you that you're doing better or worse than last year but little about if that is actually any good or bad.

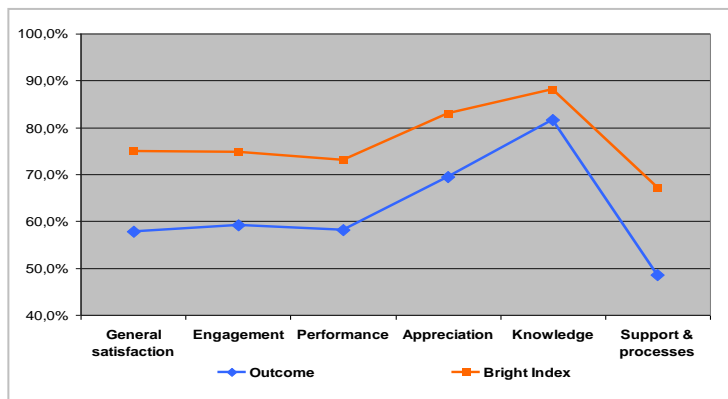


Fig. 2. Bright Employee Index

Second; measure not only engagement but what drives engagement so as to make the results actionable.

The three key drivers of motivation and engagement are normally:

1. Achievement,
2. Recognition
3. Development.

And finally; do remember to feedback the results and action plans. If you don't you will make respondents feel that they have wasted their time and are unlikely to ever participate in similar exercises again. Read more on "killing the golden goose" article by Dr Guy Fielding on our website.

## Final comment

In a recent industry executive gathering it was discussed how we are going to face more and more change over the next years. And this change is going to come fast. Companies without engaged staff, proactive and positive to solving problems, or companies that don't give mandate to staff letting them do so, will not survive.

Mats Rennstam, Bright

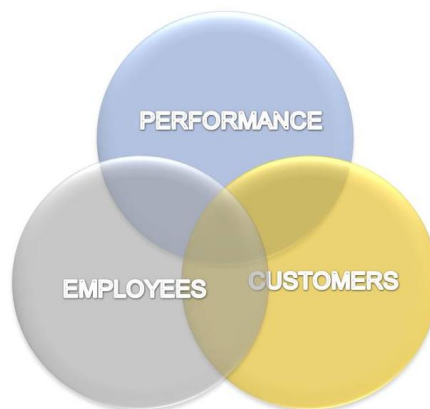
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