The Secret Sauce to Using Employee Engagement Strategy that Drives Customer Loyalty

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2:00 pm to 3:00 pm EST
Featured Speakers

Tim Weyland
Vice President
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Michele Fantt Harris
Senior Vice President
Human Resources
National Cooperative Bank
Building an Environment for Serving

Vivian Hairston Blade
President & CEO
EiGL Consulting, LLC
Successful companies deliver exceptional customer value, even in a time of relentless change.

- EiGL Consulting works with companies to build high-performance, high-quality and high-service level organizations.
- Vivian is a recognized consultant, keynote speaker, trainer and executive coach in the principles of Customer Experience, Lean Six Sigma and Leadership Development.
Left Waiting
Who Cares?
Engagement Is....

....the extent to which employees commit to something or someone in their organization and how hard they work and how long they stay as a result of that commitment.
The Hard Facts

Gallup 2014 Employee Engagement Study

1st Level: Disengaged
- Skeptics

2nd Level: Involved
- Teammates

3rd Level: Enthusiasts
- Partners

68.5%
31.5%
Impact of Employee Engagement on Customer Satisfaction

To what extent does employee engagement have a direct impact on customer satisfaction?

- Low prioritizers
- Moderate prioritizers
- High prioritizers

What’s It Worth?

- **Turnover**: 25% Lower
- **Absenteeism**: 37% Lower
- **Safety Incidents**: 48% Lower
- **Profitability**: 22% Higher
- **Productivity**: 21% Higher
- **Customer Ratings**: 10% Higher

*Companies Top 25% on Employee Engagement vs. Lowest 25%*

Service-Profit Chain

Operating strategy and service delivery system

- Internal Service Quality
- Employee Satisfaction
- Employee Retention
- Employee Productivity

Service Concept

- External Service Value
- Customer Satisfaction

Target Market

- Customer Loyalty
- Customer Growth
- Revenue Growth
- Profitability

- Service concept: results for customers
- Service designed and delivered to meet targeted customers’ needs
- Retention
- Related sales
- Referrals
- R&D

- Workplace design
- Job design
- Employee selection and development
- Employee rewards and recognition
- Tools for serving customers

Why Are Employees Disengaged?

The top reasons for low engagement:

1. Negative work environment
2. Low sense of community with few trust-based relationships
3. Lack of personal value and meaningful work.
Create an Environment for Serving

A place where I like to work.... and feel valued.
1. Negative Work Environment

Influenced by:

**Hygiene factors**

- Working conditions
- Autonomy
- Compensation
- Policies
- Work relationships

**Motivating factors**

- Challenging work
- Opportunities to grow and advance
- Recognition
Listen & Take Action

Lead With Carrots
2. Lack of Community & Trust
Shifting to a Community of Trust

• Core values of integrity & respect
• Secure ombudsman process
• Leader accountability
• Opportunities for team engagement
• Reward & recognition
• Employees voice
3. Lack of Value & Meaningful Work
Build a “Valued” Culture

To foster value and meaningful work within your organization, create an environment that responds to these four questions employees often ask:

• **WIIFM** - What's In It For Me?
• **WSIC** - Why Should I Care?
• **WC** - Who Cares?
• **WDDIMA** - What Difference Does It Make Anyway?
Employee Engagement to Drive Business Outcomes

Tim Weyland
Vice President
Human Resources
Topcon America Corporation
My Background

Topcon

- Global technology business
- 1500 Employees
- $550M Revenue
Engagement starts with the role of HR…

› Develop the **people capability** needed to be a top global company and exceed expectations

› Build a **culture** of creativity that drives growth, attracts great employees, and is a great place to work

› Maximize the value of **investments** in people
“A high-performance culture requires more than a standard set of attributes. [They] share two characteristics: a set of “good” behaviors, manifested as high employee engagement (...) and a set of specific behaviors that align with the organization’s strategy.”

The Boston Consulting Group
Employee Engagement…

…is not “satisfaction,” “happiness,” or “obedience.”

… *is* based on the employee experience – how we think and feel about every workplace element from one’s relationship with coworkers to their amount of trust in senior leaders, from the pay and benefits they receive to overall job satisfaction.

… *is* indicative of the level of discretionary effort employees will apply to their work.

… *can* be built over time with thoughtful, purposeful investment in areas that matter most.
THE EMPLOYEE-CUSTOMER-PROFIT CHAIN

This is the model we use today. The rectangles represent survey information, the ovals, hard data. The measurements in gray are those we collect and distribute in the form of the Sears Total Performance Indicators.

A COMPELLING PLACE TO WORK

- Attitude about the job
- Attitude about the company

Employee behavior

- Employee retention

A COMPELLING PLACE TO SHOP

- Service Helpfulness
- Merchandise Value

Customer impression

- Customer retention

A COMPELLING PLACE TO INVEST

- Customer recommendations

Return on assets
- Operating margin
- Revenue growth

5 UNIT INCREASE IN EMPLOYEE ATTITUDE DRIVES 1.3 UNIT INCREASE IN CUSTOMER IMPRESSION DRIVES 0.5% INCREASE IN REVENUE GROWTH
Ten Areas of Engagement

Extensive research shows employee engagement is most accurately measured using these 10 areas:

1. Teamwork
2. Manager Effectiveness
3. Trust in Senior Leaders
4. Trust with Coworkers
5. Retention
6. Alignment with Goals
7. Feeling Valued
8. Individual Contribution
9. Job Satisfaction
10. Benefits
Survey Implementation

- Measure
  - Engagement
  - Customer Satisfaction (NPS)

- Analyze / Compare
  - Key Drivers
  - Benchmarks

- Report
  - Exec
  - Managers / Employees

- Take Action
Analyze

Performance

Success

The Engagement Engine

Engagement

Anticipation of Success

Direction
Management
Empowerment
Teamwork
Improvement
Recognition

Communication • Inclusion • Leadership • Customer Focus

Potential Engagement Barriers
Survey Implementation

- **Measure**
  - Engagement
  - Customer Satisfaction (NPS)

- **Analyze / Compare**
  - Key Drivers
  - Benchmarks

- **Report**
  - Exec
  - Managers / Employees

- **Take Action**
What Managers Need to Succeed

✓ Motivation
  - Create incentives for managers
✓ Visibility
  - Provide visibility for the manager’s actions
✓ Follow-up
  - Support managers with coaching
✓ Accountability
  - Build accountability into the process
✓ Tools that work
  - Provide the right tool for the right job
    ✓ Simple
    ✓ Actionable
    ✓ Tied to organizational performance
✓ Actionable Results & Recommendations
  - Real-Time solutions contextualized to real issues
  - Recommendations based on Best Practices and Engagement Drivers
The value of surveying employees about their experience is well-documented

Highly Engaged Organizations See Results

- 87% increase revenue in the following three years
- 86% increase market share
- 57% report lower employee turnover
- 90% report higher stock prices
Employee Engagement & Customer Service: The NCB Story

Michele Fantt Harris
Senior Vice President
Human Resources
National Cooperative Bank
The NCB Story

- NCB delivers banking and financial services to cooperative organizations complemented by a special focus on cooperative expansion and economic development.

- Organized under the National Consumer Cooperative Bank Act in 1978; privatized in 1981 as a cooperative financial services company.

- In 1988, expanded to a full-service, deposit-taking financial institution with the purchase of the federally chartered savings bank, NCB, FSB.

In 2014 converted NCB, FSB to a commercial charter – National Cooperative Bank, N.A. to expand our commercial lending products nationwide. Today owned by over 2,900 customers, participating in the success of NCB.

- Total assets of $1.9 billion; when combined with assets managed for investors, total assets under management over $7.5 billion.
Engaged employees want to come to work, understand their jobs, and know how their work contributes to the success of the organization.

Engaged employees are more attentive and vigilant. They look out for the needs of their co-workers and the overall enterprise, because they personally “own” the result of their work and that of the organization.

*Harvard Business Review*

*July 4, 2013*
Employee satisfaction relates to whether employees are happy at work and in their jobs. Employee satisfaction is an important prerequisite to employee engagement.

Engaged employees have an emotional attachment and will go above and beyond what is expected of them on the job.

*National Business Research Institute*

*January 2015*
A national poll conducted in 2005 revealed that 50 – 60% of the US workforce was not engaged. These disengaged employees cost their US employers more than $300 billion each year.

National Business Research Institute
To create an engaged work environment, employers must:

- Hire the right people for the right job at the right time
- Recognize employees for their achievements
- Have supportive managers who understand what motivates each of their employees
- Give managers flexibility with resources to help managers meet individual employee needs

Dr. Theresa Webourne
University of Chicago
ROI on Workplace Culture

Our studies of the 100 Best Companies show that great workplaces enjoy significantly lower turnover and better financial performance than industry peers.

Great Place to Work Institute
2013
HR TIMELINE
NCB Timeline

2005        2006                              2007   2008   2009                           2010   2011  2012
2013    2014

- Real Estate Boom
- High Customer Engagement
- Increased Employee Satisfaction
- High Turnover
- Increased Competition

- Real Estate Bust
- Reductions-in-Force
- High Turnover
- Retained Customers – Less Lending Activities
- Management in Turbulent Times
- Voluntary Turnover

- Human Capital Strategy
- Management Advisory Council
- Management Coaching Program
- Health Challenge
- Employment Stagnant
- Retained Customer Members
- Slow Improvement in U.S. Economy

- Washington Post Top Employer
- Managing at NCB
- High Customer Engagement
- High Employee Engagement
- Healthiest Employer
- Low Turnover

Voluntary Turnover
NCB’s Metrics

• NCB exceeded net income in 2013 and 2014.
• Total annual employee turnover for 2013 was 6.1% for NCB, while the national average employee turnover rate for financial institutions was 17.2% (CompData Surveys).
• Total voluntary employee turnover for 2013 was 4.4% for NCB, while the national average voluntary employee turnover for financial institutions was 12.8% (CompData Surveys).
Great Place to Work

“A great place to work is one in which you trust the people you work for, have pride in what you do, and enjoy the people you work with.”

Robert Levering
Co-Founder
Great Place to Work Institute
What’s Next in Human Resources

To contact Michele Fantt Harris, please email her at michele.harris19@gmail.com.
Thanks for Your Participation

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