How Employee Engagement Drives Remarkable Customer Experiences

Digital Transformation Starts at Home

Contents

Introduction

In this eBook, we will examine the strong relationship between employee engagement and customer satisfaction. We will outline how engaged employees are one of the most significant drivers of positive customer experiences and discuss common obstacles to employee engagement including the challenges of a distributed workforce.

Research shows that by adopting a people-first culture, organizations can reap many benefits. These include happier employees, more positive customer experiences, and increased employee productivity, efficiency, and profitability. Technology is changing how employees communicate and connect. Embracing technology gives businesses the opportunity to better control and shape how it will evolve as a part of their strategy.

Organizations that proactively invest resources and time into digital transformation can avoid digital Darwinism by adapting to change rather than fighting it. Developing a high-level digital workplace strategy allows employers to start taking full advantage of the connection between employee engagement and customer satisfaction.

The digital transformation is at a tipping point. In a Deloitte survey of more than 4,800 executives and managers, 76 percent of respondents said that digital technologies are critically important to their organizations' success in the current environment Embracing digital technology is a necessity for survival in an increasingly digital economy, and organizations that delay further will be unable to compete.

Technology Leads
to Transformation

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At its core, digital transformation refers to harnessing the power of new technology to create a better experience for customers and employees. Innovative companies use technology to identify new ways of increasing their reach and enhancing their revenues by making better connections with employees and customers. Through leadership in digital strategy, they increase their competitive advantage. Companies that lag behind are rapidly becoming obsolete–the victims of so-called "Digital Darwinism."

The digital transformation is distinguished by investment in four primary technologies: social, mobile, analytics, and cloud.

The Deloitte study noted that as organizations move from the early stages of digitization to fully mature users of these tools, they reach specific milestones. For example, companies that have just started their digital journeys select individual technologies to address specific business problems. More digitally mature organizations design and implement comprehensive strategic plans that rely on digital technology to transform the foundation and infrastructure that all business operations use as a base.

Though most business leaders recognize the importance of investing in technology, many face executive-level obstacles when it comes to moving forward.

Examples include:

- Failure to understand customer behavior or to appreciate the impact of a new customer

- Lack of data or return on investment to justify allocating resources to digital technology

- Issues identified by risk management, compliance, or legal

These challenges can delay implementation of important digital solutions that could significantly improve the experience of both customers and employees.

## The connection between customer experience and digital transformation

Meeting customer expectations and attracting the highly talented employees needed to compete in the digital economy requires a new look at implementing a digital strategy. Your organization's ability to create a complete digital strategy using a top-down approach is critical to staying relevant in an increasingly digital world.

That means connecting with customers where they feel most comfortable; nurturing relationships through digital channels. Mapping the customer journey has taken on new significance in the digital economy, and the identification of low-performing digital touchpoints is critical to designing and implementing effective solutions.

For most businesses, increasing organizational flexibility and e!ciency are important goals in strategic planning. This can be seen in the selection of digital transformation initiatives. These are intended to accelerate innovation; modernize IT infrastructure for increased flexibility, agility, management, and security. They also improve operational agility to increase the speed at which the organization can adapt to change.

With more technological advances just ahead, including wearables, the Internet of Things (IoT), virtual reality, and artificial intelligence, being flexible and adaptable in your long-term digital strategy is important to success.

While it is difficult to quantify the success of digital initiatives when measured against traditional methods, useful data can be mined from existing reports and analytics. Three metrics can be calculated from existing data and used to measure success as it relates to digital transformation:

Customer Experience

Productivity

Customer Satisfaction
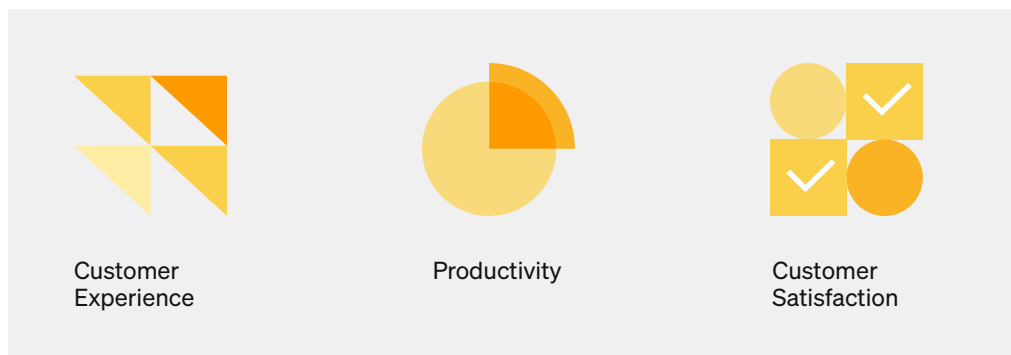
As digital advances are implemented, these measures begin to rise, demonstrating that your organization is on the path to success.

Understanding the employee experience

Evolving customer behaviors and expectations run parallel to employee behaviors and expectations. Employees are the internal customers of the organization. Companies intent on providing a high-quality customer experience must begin by addressing the employee experience.

Employee engagement measures the level at which staff members are willing to use discretionary effort for the good of the company. It also measures their likelihood of staying with the organization in the long term. Factors that contribute to engagement include the employee experience, recruiting and onboarding processes, compensation and benefits, and training and development programs.

The employee experience is made up of all of the day-to-day details that, when taken as a whole, influence employees' impressions of their workplace. Relevant components of employee experience range from the mundane, for example the distance between parking and their desks, to more significant issues: whether they have the tools needed to be effective in their roles, their relationships with co-workers and managers, and their level of connection to the company culture.

Unfortunately, optimizing the day-to-day employee experience presents challenges for even the most prepared organizations. Recent research by Deloitte University Press offered the following conclusions:

80%

of the executives surveyed rated employee experience as very important or important

- Organizational culture, employee experience and engagement, and employee brand proposition are top priorities among business leaders.

- Almost 80 percent of the executives surveyed rated employee experience as very important or important, but only 22 percent said that their organizations can be considered excellent at building a differentiated employee experience.

- When it comes to preparedness, only 41 percent of respondents believe they are ready and have the tools necessary to address the challenge of creating an optimal employee experience.

This presents a problem for business leaders, the employee experience directly connects to the customer experience.

The Connection Between Employee Experience and Customer Experience

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Employees are the face of the company, and their interactions with external customers have a strong, immediate impact on the customer experience. Today's workforce tends to be digitally literate and accustomed to having easy access to information through personal use of digital and mobile technology.

These expectations hold true across generations. Deloitte research indicates that among workers, 72 percent consider it highly important or extremely important that their employers are digitally enabled.

72%

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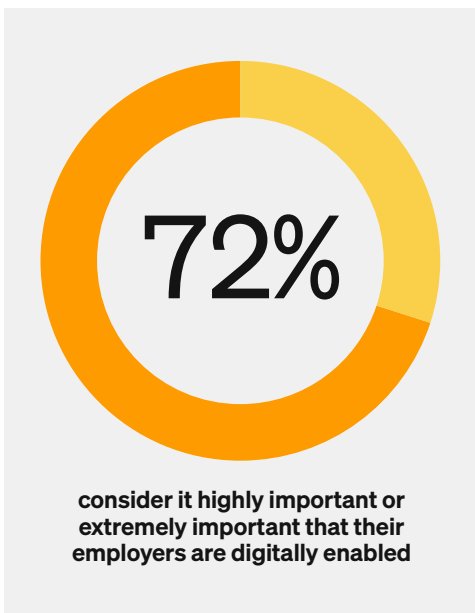
Among Millennials, the expectations are even higher, with 85 percent of workers saying digital leadership is important in an employer. When the workplace provides employees with digital tools, they are better able to communicate and collaborate with co-workers to provide quality solutions for customers.

Digitally mature companies are highly aware of this connection, and they manage their internal digital technology initiatives differently than less mature peers. Though the actual technology might be similar, digitally mature organizations

carefully match technology with business fundamentals. For example, they develop comprehensive transformative strategies, and they create collaborative cultures that are ready to embrace the kind of risk-taking needed in today's competitive marketplace.

Digitally mature companies are careful to include employee development in their planning to ensure that all employees—from entry level to C-suite—have access to the resources and information they need to develop digital skills. They design online training to close skills gaps, and they create a culture of agility in which constant enhancement of skills is celebrated.

Organizational change is a complex process, and the digital transformation of a company includes factors that further complicate change initiatives. However, when well executed, these cultures generate a highly engaged workforce, and higher levels of employee satisfaction are directly linked to better customer service.

Common obstacles to improving employee experience

Digital and mobile technology play a significant role in employees' personal lives, and most have grown accustomed to having anytime, anywhere access to information. They expect their work environments to meet or exceed this standard for accessing information.

The average employee needs to access up to 11 systems to perform daily work
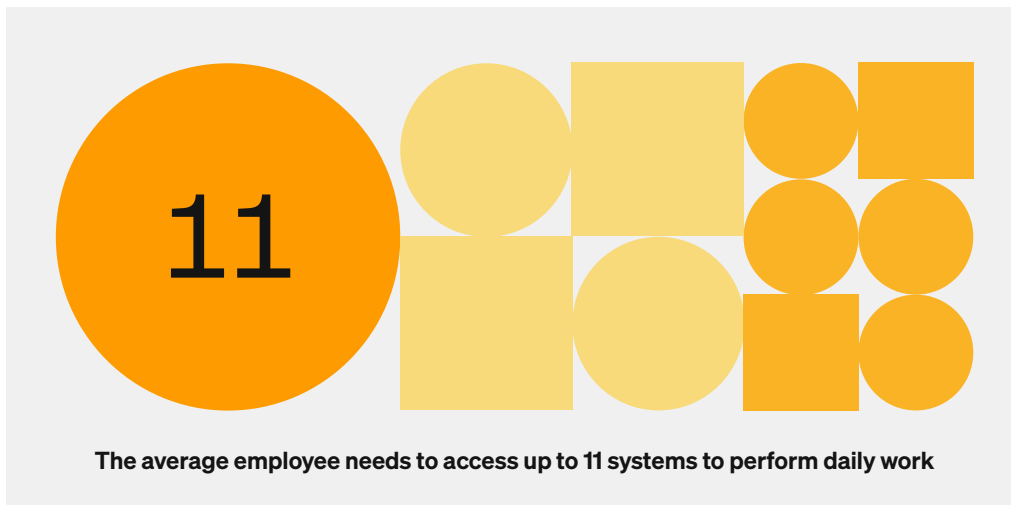
Struggling with outdated software or cumbersome data filing systems negatively impacts their overall employee experience. In particular, an inability to access needed information affects productivity levels and leads to frustration and disengagement. The average employee needs to access up to 11 systems to perform his or her work.
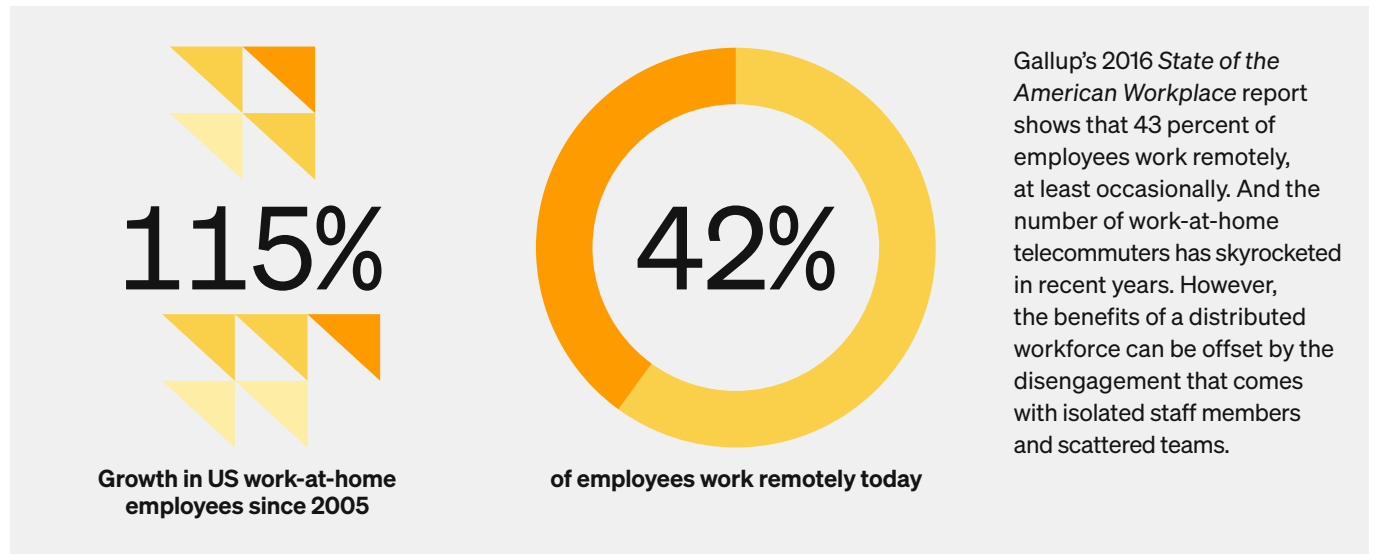
Employees also have new expectations for digitally connecting to business resources while working in the field. Because they are empowered by mobile technology outside of work, they expect to have the same tools available from their employers. Carrying laptops and searching for Wi-Fi connections is no longer enough–today's workers expect the ability to use critical applications through mobile devices, so that they can maximize productivity regardless of where they are located.

This is particularly true of Millennial workers, who make up the largest generation in the workforce today. As digital natives, they are heavily invested in mobile devices, social media, and access to information. They have little patience for working with obsolete technology, and as a group, they have indicated a willingness to entertain offers from new employers if they can look forward to better tools and resources.

This places employers in a precarious position, because in-demand skills are scarce. In an effort to retain Millennials in the long term, best-in-class organizations are meeting their expectations by investing in technology.

Keeping distributed workers connected

Advances in technology have made it easier than ever to run a multi-site company. The number of distributed workers is growing each year. More employees are working from home offices, or they are connecting with off-site team members from virtual hubs.

115%

Growth in US work-at-home employees since 2005

42%

of employees work remotely today

Gallup's 2016 *State of the American Workplace* report shows that 43 percent of employees work remotely, at least occasionally. And the number of work-at-home telecommuters has skyrocketed in recent years. However, the benefits of a distributed workforce can be offset by the disengagement that comes with isolated staff members and scattered teams.

Research by Aberdeen Group shows that even the most dedicated distributed workers aren't willing to abandon the relationships that exist in a physical office setting. While they are content to work off-site, they still need connections with team members–and with the organization.

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There still needs to be a culture focused on positive employee experiences, trust, transparency, and camaraderie. In addition, employees need a place–not necessarily physical – where they can communicate with others, hone current skills, develop new skill sets, and be recognized for their contributions to customers and the business as a whole.

Aberdeen Group,
*An Employee-Centric Workplace:
From Onboarding Through Engagement
and Retention*

Companies interested in maximizing the advantages of remote workers are tasked with creating simple, appealing platforms that promote collaboration and communication.

How Transforming Your Intranet Impacts Your Company's Culture

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While there are many ways to define a digital workplace, at its core, a digital workplace is based in employee experience. It is the use of technology to support employees' ability to complete their daily tasks at any time and from anywhere, and it considers the entire lifecycle of an employee, from onboarding to leaving the organization.

The digital transformation is distinguished by investment in four primary technologies: social, mobile, analytics, and cloud.

Digital workplaces have created new technology-based strategies to address the following business-critical activities:

- Communication

- Collaboration

- Findingand sharing information

- Accessing business applications

- Flexibility–specifically, the ability to be productive regardless of where employees are physically located

Each of these components, when implemented effectively, contributes to a stronger company culture. Employees are more engaged because the company's strategy is clear and transparent to all staff members. Access to critical business applications is easy, and single-sign-on (SSO) technology makes user authentication seamless for frequently-used applications.

Knowledge is up to date and readily accessible through high-quality indexes and dynamic search ability. Silos among functional groups are taken down, and distributed locations become more integrated. This technology can ensure that remote workers feel included and in the loop with company news.

Critical features of an employee-centric intranet

While an intranet isn't the only solution to creating a digital home for employees, most companies find that it is the best solution. Advanced technology makes it possible to access intranet portals anytime, anywhere, using any device with access to the internet. Easy accessibility is key to realizing return on investment, as nearly every organization struggles to do more with less. Staff members face time constraints when it comes to making connections and finding the information they need, and a one-stop portal offers a streamlined solution that can fit into busy schedules easily.

Quality intranet technology offers the following features:

- Opportunities for pre-boarding during the important days between accepting an offer and arriving for work.

- Immersion in company culture during onboarding.

- Networking during new hire orientation.

- Learning and development options that appeal to all kinds of learners; for example, user-generated content, webinars, and micro-learning modules.

- Online social recognition tools for peer-to-peer expressions of appreciation.

- Formal recognition options for managers to use with their teams.

- Employee self-service tools to update personal and payroll information and to manage company-sponsored benefits.

Of course, none of these features adds value if it is overly complex, so success depends on simplicity. Employee intranets and portals must include a user-friendly interface that can be customized based on individual needs.

Developing a High-Level Digital Workplace Strategy

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The key to creating a digital workplace is understanding the work experience from an employee's perspective, beginning with a high-level digital workplace strategy. For most organizations, this process starts with benchmarking activities that examine how digitally mature companies have successfully integrated technology into company culture.

Understanding what other organizations are doing well makes it possible to develop a high-level mission and vision for the business. A clear picture of an ideal end-state is critical to creating a comprehensive strategic plan to achieve these goals.

Organizations with formal engagement plans
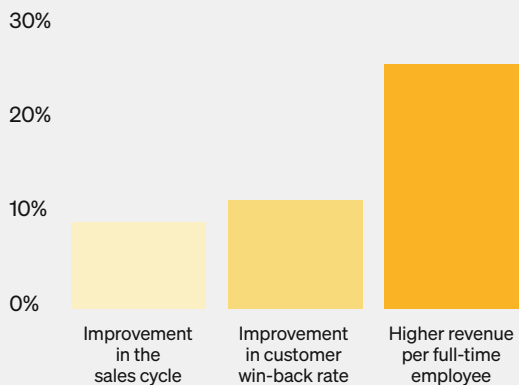
The impact of a comprehensive strategy is clear. Research from Aberdeen Group shows significant differences in success metrics between organizations with formal engagement plans and those without. For example, companies with formal engagement plans have 9.2 percent improvement in the sales cycle, an 11 percent higher customer win-back rate, and 26 percent higher revenue per full-time employee than peers that lack a formal plan. Figures like these make it easier to engage executives in the process of designing and implementing a company-wide digital employee experience strategy.

Planning for successful digital transformation

As with any major initiative, careful research and planning will minimize the risk of investing resources in areas with little or no impact to the employee experience. However, creating a digital strategy without input from key stakeholders typically results in falling short of employee engagement goals.

Staff members who will be most impacted by the addition of digital tools are the best resources for pinpointing areas of opportunity and the types of investments that will offer the greatest return for employee experience. For example, distributed employees and Millennials must be included in the planning stage to ensure project success.

Once you have developed a mission and vision with input from key stakeholders, create an inventory of employee applications, and examine the role each plays in operations today. Include applications procured by IT, as well as those that have specific departmental uses. The systems used in human resources activities are a good place to start. Consider software used during the application and hiring process, as well as any learning management systems that employees rely on for onboarding and ongoing development. Examine payroll software, employee self-service portals, and benefits enrollment sites. Most important, learn more about how employees communicate with one another, from traditional favorites like email and instant messaging to conference lines and video-chat software.

After gathering all of the information, conduct a gap analysis. Where are the pain points? What is missing from the employee experience? Which expectations are not being met? Is the available technology successful in bringing employees together?

Often, a major obstacle isn't lack of technology, but lack of coordination in the array of single-purpose tools. For example, organizations use one provider for instant messaging and another for video conferencing, or employees must access three separate tools to gather personal payroll and benefits data. Simply figuring out where to find information and managing all of the different passwords leads to intense frustration–and disengagement follows quickly.

Mapping the employee journey

Mapping the customer journey is a widely accepted business technique for understanding the customer experience start-to-finish. However, few companies put the same effort into mapping the employee journey.

This process plays an important role in designing a successful digital workplace, because it permits decision makers to visualize the workflows and processes that employees would follow once the digital transformation is complete.

With a detailed map of the employee journey, you can create a strategy to align employee applications with enterprise-wide standards, focusing on areas of value. The primary focus is to bring disconnected employees together, whether they work in a traditional office setting or they are geographically dispersed–and the strategy must include every stage of the journey. From enhancing the candidate experience to preparing for retirement, and everything in-between, employees must be able to seamlessly access the tools necessary to get the job done.

Implementing company-wide solutions

Once the strategy is fully formed and solutions have been identified, it is time to execute the plan. Carefully outline the implementation activities. Include multi-channel communication and other organizational-change techniques to encourage early adoption of new tools and initiatives. Each task should be assigned to a specific individual, so that someone is responsible for ensuring completion.

Implementation of digital strategies can be challenging, but the process is easier when the tools being rolled out are intuitive. Today, many of the available technologies do not require IT administrators for day-to-day operation. Instead, platforms are designed so that no special technical expertise is required to add content, update settings, and so forth. This cuts down on delays due to IT bottlenecks, and limits the amount of training required for new users. As a result, employees are far more likely to start using the new tools immediately.

Conclusion

While some organizations continue to operate in a business-as-usual manner, a vast majority have at least started to experiment with digital technology. As the rate of change accelerates and technology continues to advance, companies that fail to move forward will fall victim to digital Darwinism. In essence, they will find themselves unable to compete in the digital economy, where customer experience is driven by mobile access and employees have high expectations for their employer's digital leadership.

But simply adopting individual digital solutions for specific business processes isn't enough to meet employee expectations. Today's workforce places a high value on digitally integrated workplaces. A comprehensive digital strategy that consolidates critical systems and platforms simplifies production, and increases communication and collaboration.

One-stop employee portals can now provide a single point of access for networking, recognition, and connecting with operations-related software. Features include customizable, user-friendly interfaces, mobile-optimized technology, and single-sign-on capabilities. Investment in integrated employee-centric platforms is shown to improve the employee experience, increasing levels of engagement– which in turn has a positive impact on the customer experience.

About Simpplr

Who We Are

Simpplr is the leading AI-powered employee experience platform. Organizations use our forward-looking, adaptable products to deliver personalized experiences that inspire and engage their employees. Wherever people work, Simpplr enables them to flourish.

Trusted by more than 500+ leading brands, including Zoom, Snowflake, Moderna, Eurostar, and AAA, our customers are achieving measurable productivity gains, increased employee engagement, and accelerated business performance.

Simpplr is headquartered in Silicon Valley, CA with offices in the UK, Canada, and India, and is backed by Norwest Venture Partners, Salesforce Ventures, and Tola Capital. Learn more at simpplr.com

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