

Employee Commitment Research

"If you want to know what employee loyalty has to do with customer loyalty, the answer is everything"

Frederick Reichheld
The Loyalty Effect

Regardless of how much technology you may employ to improve the consistency and efficiency of the customer experience, what makes it memorable, is an employee that creates a positive, emotional outcome for a customer. Understanding what attracts, and then keeps the right employees is central to any company interested in achieving breakthrough value. It starts with the employee value equation, the elements that characterize the value exchange between organizations and their employees.

We follow a proven 7-step process to identify and validate the key drivers of employee satisfaction and loyalty for critical customer-facing and front-line management roles. As a result, our clients are able to target the right employees and create an environment that will ensure they'll stay.

1. Identify employee expectations through focus groups
2. Develop quantitative survey
3. Sample part-time, full-time frontline staff and managers
4. Statistically analyze results
5. Identify loyalty drivers for part-time, full-time, and managers
6. Identify improvement priorities
7. Construct an Employee Loyalty Index

$$\text{Value} = \frac{\text{Capability to Deliver Results} + \text{Quality of Workplace}}{1/\text{Total Income} + \text{Job "Access Costs"}}$$

A qualitative focus group process provides a rich set of drivers to test with a larger group of employees from different full time and part time roles. We identify the most significant antecedents of employee satisfaction and commitment. Quantitative research ensures that focus group findings are validated based on a reliable sample each employee group. This analysis helps our clients avoid investing in recruiting and development programs that have minimal or no impact on building front line capability to serve customers.

Secondly, the critical relationship between front line managers and employees is understood in terms of both areas for development, as well as the most effective strategies for improvement. As a result, changes to HR systems will have fast and tangible impact on employee, manager and customer commitment.

Employee loyalty drivers are also compared to the drivers of customer loyalty to test for relationships between these variables.

Loyalty Drivers for an Insurance Company Front Line Employees

1. Latitude is given to meet customer need (36.6%)
 2. I have the authority to serve the customer (19.2%)
 3. I have the knowledge and skills to serve the customer (12.9%)
 4. Rewards are provided for serving the customer well (7.3%)
 5. Customer satisfaction is a high priority with the director/manager (4.2%)
 6. Production requirements are reasonably balanced with serving the customer (3.1%)
 7. Supervision overall is satisfactory (2.8%)
 8. Underwriting training is satisfactory (2.1%)
 9. 13 Other Determinants
- 76%

SPCI's Customer Commitment Research provides the following outcomes:

- What employees expect and value from their manager and employer
- How well the company is doing against employee and manager expectations
- What drives employee and manager behavior and loyalty
- Whether different drivers affect different employee and manager groups
- Where your biggest gaps reside in meeting employee and manager expectations