

Excerpt from

# Gartner Business Quarterly

Proven Guidance for C-Suite Action



## To Improve Customer Experience, Improve the Customer-Facing Employee Experience

by Richard DeLisi and Geoffrey Campen

Regardless of industry, business model or company size, the strategy of virtually every C-suite includes two critical components: increasing employee productivity and increasing customer loyalty.

The first is about getting employees to do more (and over time, do more with less) and stick around so you don't have to get replacements up to speed. This creates value through increased operational efficiency and reduced costs of attrition — essentially an expense-side play. The second is about getting customers to buy more, maybe even pay a premium and come back repeatedly, perhaps for life, without defecting to a competitor — creating top-line growth.

You hear the echoes of each one, independently, on just about every earnings call, with good reason: When companies successfully pull both of these levers at the same time, they unlock the rarest benefit, efficient growth. That's the holy grail.

For the longest time, these two aims seemed distinct, and even at odds with one another. For example, it might be possible to improve efficiency by standardizing the products, services or policies that govern employee interactions with customers, but those steps may diminish the kind of personalization or localization customers truly value. On the other hand, increasing customer loyalty might require employees and teams to go above and beyond in ways that strain the sustainability of business models and burn out talent.

As it turns out, though, there is a way to change the calculus completely. At some level, both goals are about "getting people to stay." This commonality plays out at the most sustainably

customer-centric companies: Reducing customer effort is a well-proven pathway to increasing customer loyalty.<sup>1</sup>

In fact, unpacking management techniques at the companies that are best at easing customer interactions led to a discovery: Leaders act differently at these enterprises than at others. And the way they act differently is by applying many of the same principles to employees that they apply to customers.

Instead of striving to become more customer-centric, it is just as important (and in many ways easier) for companies to become more customer-facing-employee-centric. Rather than exhorting your employees to work harder, faster and longer to serve the customer — thereby pitting two critical objectives against one another — consider a new goal:

---

**Your job as a leader should be to make it easier for your company's customer-facing employees, which makes things easier for your customers.**

---

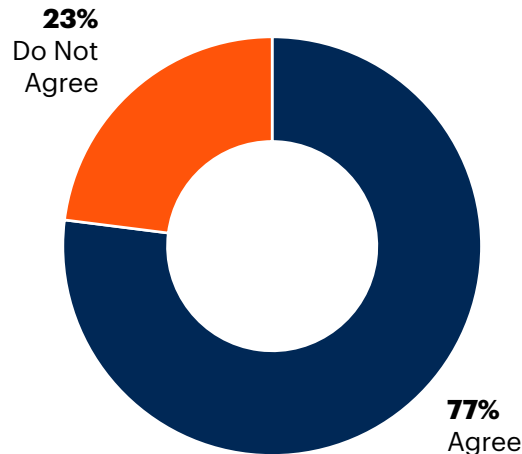
All business leaders, not just those who head frontline teams, should share this objective.

Every corporate function — whether that's IT, supply chain, finance or legal — influences the level of difficulty faced by those serving the people who buy what you sell.

More than 1,500 employees at a wide range of companies participated in our study of their personal experiences. Survey respondents included people whose jobs involve customer contact and those who engage in activities that directly affect the customer experience.

Analysis of their answers revealed a straight line between “how your employees feel about the way they're being managed” and “how your customers feel about wanting to continue doing business with you” (see Figure 1).

**Figure 1. Employees See the Connection Every Day**



n = 1,012

Source: 2018 Gartner Employee Experience — Customer Experience Survey

Note: Please rate your agreement with the following statement: There is a strong relationship between employees' daily experience and the quality of CX.

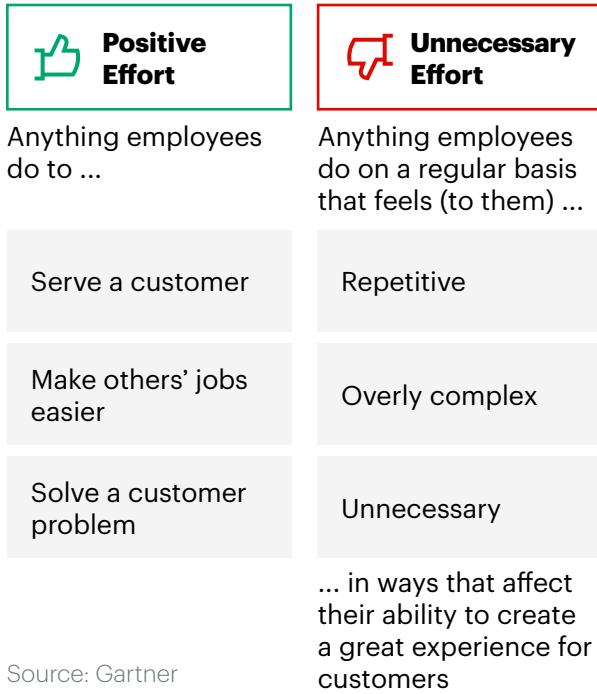
Yet nearly six in 10 (57%) of customer-facing employees say they do not feel “set up to succeed” in their customer interactions. This should be alarming to every executive.

To maintain loyalty, customer experience is critical. And 87% of companies say they expect to compete on the basis of CX in 2021. But if more than half of the people creating that experience (particularly in live customer interactions) do not feel well-positioned, then what possible chance does the company have of winning a CX-based contest against rivals?

### **Two Kinds of Effort**

When discussing “employee effort,” it is important to distinguish between two categories: the type employees are paid for and the type employees describe as unnecessary (see Figure 2).

**Figure 2. Not Just Effort, but “Unnecessary Effort”**



Source: Gartner

**We Have Met The Enemy, And It Is Us**

It is clear to employees their company is making it harder for them to make things easier for customers. Sixty-six percent of customer-facing employees agree/strongly agree with the statement, “The easier it is to do my job, the easier it is to provide customers with a good experience.” But nearly the same percent (64%) agree/strongly agree that “Unnecessary effort caused by their company prevents them from delivering a higher-quality customer experience.” Irony alert: Despite management’s more or less constant focus on employee productivity and customer-centricity, too many companies are making too little progress on either one.

We asked: “What is one thing your company has recently done that makes it a little easier to do your job?” The responses, captured in a word cloud, speak for themselves (see Figure 3).

**Figure 3. What Are Companies Doing About It?**



n = 1,012  
 Source: 2020 Gartner Employee Experience — Customer Experience Survey

## What Can Leaders Do to Enable Employees to Create a Superior Customer Experience?

Our qualitative research included interviews with dozens of individuals whose employers rank in the top quartile for creating an excellent customer experience (as measured by their Customer Effort Score).<sup>2</sup> A single trait emerged as staff members described how their leaders were different than managers they had worked with at other companies. These leaders exhibited a disproportionate respect for, and interest in, employees who interact with customers every day. That is to say, they expressed a sense that “those of you on the front line know way more about what’s happening with our customers than those of us who work in executive or corporate roles.”

Management *humility* takes three forms — each should take on more importance in any leader’s playbook (see Figure 4).

### What Does Leadership Humility Look Like in Action?

#### Listen and Trust

Leading CX companies enable more active dialogue between leaders and customer-facing/customer-influencing employees at all levels. These conversations go beyond what customer needs are being observed. During formal and informal discussions with employees, leaders should probe: “What can we do as leaders to make it easier for you to succeed in your customer interactions?”

This is the precise question asked by Bill Clayton, vice president of customer care and retention at U.S.-based NRG Energy, where his optional

“Breakfast With Bill” sessions are legendary. The give-and-take is rooted in his belief that it is his job to promote the front line’s ability to help “us leaders see the kinds of things that only they can see, based on their proximity to our customers on an everyday basis.”

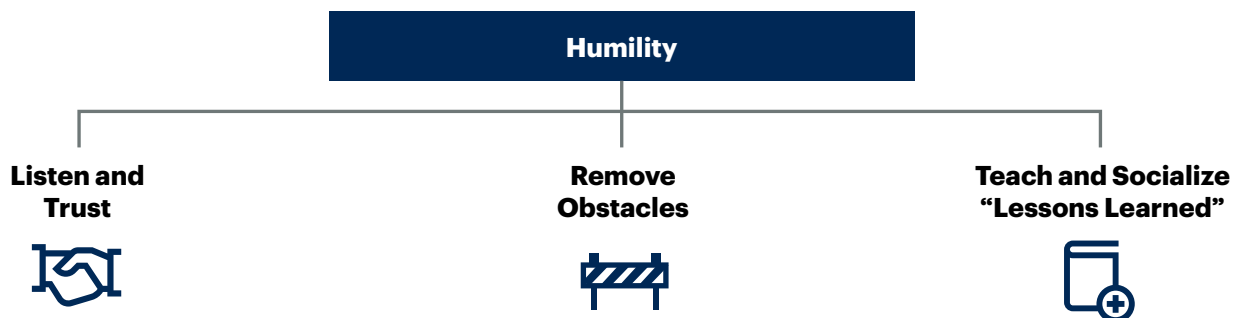
To learn more from your employees about sources of unnecessary employee effort within various work environments, simply ask: “What’s stopping you?” The very act of seeking their input can create positive momentum.

#### Remove Obstacles

Two steps help companies focus their employee listening efforts on how to make customer-impacting employees more successful: make submitting suggestions part of the daily routine, then make it worthwhile to have done so.

A creative workflow at Northwestern Mutual, headquartered in the U.S., changes the nature of “making a suggestion to management” or “escalating a problem” from a task that requires consideration and effort into a simple and commonplace action. Frontline associates have access rights on their computers to what they call, “The Easy Button.” According to Jim LeMere, vice president, client services, “When our team members click this special key, an online form immediately opens; they can use it to communicate directly with others. Once submitted, the document heads straight to a readiness team with the sole goal of removing pain points experienced by employees in their interactions with customers.” All managers see all recommendations, and senior leaders are encouraged to reach out to employees to learn more.

Figure 4. The Pathway to Reducing Employee Effort



Source: Gartner

Don't neglect follow-through. Another activity at top-quartile CX companies is "closed-loop feedback." You don't need to implement every idea offered by employees, but it's critical that leaders continually demonstrate their commitment to removing obstacles by sharing more information about the status of various improvements already in process. Give credit. If you are demonstrably grateful for the employee comments you're receiving, if you make it clear you wouldn't have moved forward without the input, you're more likely to keep the flow coming.

### Teach and Socialize

Companies that create an outstanding customer experience execute an "empowerment" strategy with one additional refinement that would be easy to implement anywhere — the socialization of "lesson stories" from employees and leaders.

### Employee Lessons

Be on the lookout for those who have found ways to handle common high-effort situations with a tip or trick. For instance, the top-ranking source of employee effort at many companies is "dealing with various data systems." Most leaders are quick to agree. But fixing challenges related to labor-intensive situations often takes months or years and likely requires major capital expenditures. However, there are always a few who have figured out how to navigate the clunkiest systems. Spot those people and make sure they share their workarounds widely.

Employees are more likely to adopt new behaviors if they are generated from "someone like me," rather than a training manual update.

### Leader Lessons

Instead of telling employees what to do, leaders should be open about what they've been learning. Some companies create regular opportunities for leaders to discuss something they came to understand, thanks to the feedback they received along the way. Leaders can then communicate how they fixed what wasn't working or a strategy that needed correcting. They tell these stories in town halls, recorded video clips or other internal communications channels. Narratives of this type can send a powerful and empathetic message to employees at all levels that "as we learn more from each other, we position ourselves for continuous improvement and success."

## Spread the EX = CX Philosophy Throughout the Enterprise

Leaders aren't the only ones who can benefit from recognizing that the route to understanding customers runs through the front line. When the video game company Electronic Arts, headquartered in the U.S., wanted to inspire the whole organization to consider its players' needs, teams of producers, marketers and development executives were sent to learn from the company's customer service representatives. During a half-day training session known as "hero academy," functional employees started with an overview of CX operations. They then sat in on calls. Next, they engaged in facilitated discussions about their take-aways. More than 1,800 employees from 18 global offices passed through the hero academy in its first two years.

Observing interactions was deeply formative for participants. "I came away very proud of the people we have" on the customer experience staff "and their commitment to our players," one executive said.

As hoped, empathy for frontline colleagues led to empathy for consumers of EA's products. One participant realized that when operating under time constraints on a particular project, he was the person responsible for making a decision that resulted in a negative call to the service center. Revelations like that have led to plans to develop higher-quality customer experience training, team discussions about how to make better "player first" decisions when resources are limited and budget adjustments that enable more emphasis on the customer.

<sup>1</sup> M. Dixon, N. Toman and R. DeLisi, "The Effortless Experience: Conquering the New Battleground for Customer Loyalty," Portfolio, 2013.

<sup>2</sup> The Customer Effort Score (CES) is a customer experience metric that measures customers' perception of how easy it is to handle interactions with the company. The official wording for a survey question measuring CES is, "To what extent do you agree or disagree with the following statement: [The company] made it easy for me to handle my [issue]." Gartner recommends using a seven-point Likert scale, with values ranging from Strongly Disagree (1) to Strongly Agree (7). CES is calculated as the percentage of respondents registering some measure of agreement (e.g., answering with a 5, 6 or 7 on a seven-point scale).



## Contact Us

Gartner for Customer Service & Support

Web: [gartner.com/en/customer-service-support](https://gartner.com/en/customer-service-support)

Gartner Business Quarterly is exclusively for clients logged into [gartner.com](https://gartner.com). Others can access complimentary resources at [gtnr.it/gartner-business-quarterly](https://gtnr.it/gartner-business-quarterly).

## About Gartner Business Quarterly

Gartner Business Quarterly provides business executives with insights from best practices research and the real-world experience of practitioners. The journal's insights especially equip executives to tackle challenges that cut across the C-suite and affect multiple executive teams. Writers, contributors and data analysts are members of Gartner Research & Advisory (R&A) whose teams are led by Executive VP Mike Harris. The Gartner Business Quarterly publication is led by Editor-in-Chief Judy Pasternak with executive sponsorship by Group VP Scott Christofferson.

## About Gartner

Gartner, Inc. is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow.

Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 14,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size.