



Engaging Frontline Employees: Implications for Customer Experience and Loyalty

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Agenda

- Why
- What
- How
- Q&A

WHY EMPLOYEE ENGAGEMENT

Service Profit Chain



Source: Putting the Service Profit Chain to Work: Heskett et al. (2007), Harvard Business Review

Employee Engagement and Customer Experience

Engaged employees are more reliable (Source: Gallup)

Engaged employees are more responsive and proactive (Source: Gallup)

Engaged employees influence customer satisfaction (Source: Deloitte)

Engaged employees seek and share feedback from the field to improve customer experience (Source: Salesforce)

Employee Engagement and Customer Loyalty

Engaged employees turnover less, helping organization deliver consistent delivery (Source: Gallup)

Engaged employees create stronger bonds with customers leading to increased loyalty (Source: Gallup)

Engaged employees serve as dual advocates (Source: Lawrence, Scheer, and Crecelius, 2021)

Engaged employees increase brand equity of firms (Source: Gelb and Rangarajan, 2014)

WHAT IS THE CURRENT STATE OF EMPLOYEE ENGAGEMENT

Annual Employee Engagement in the U.S., World and Best-Practice Organizations

% Engaged



Gallup does not have global engagement data for 2010, 2011 or 2017. Percentages for those years are included in the chart to connect other data points. Percentages for best-practice organizations are average percentages of engaged employees across annual Gallup Exceptional Workplace Award winners; percentages reflect the year that Gallup collected the winners' engagement data — not the year that Gallup named the award winners.

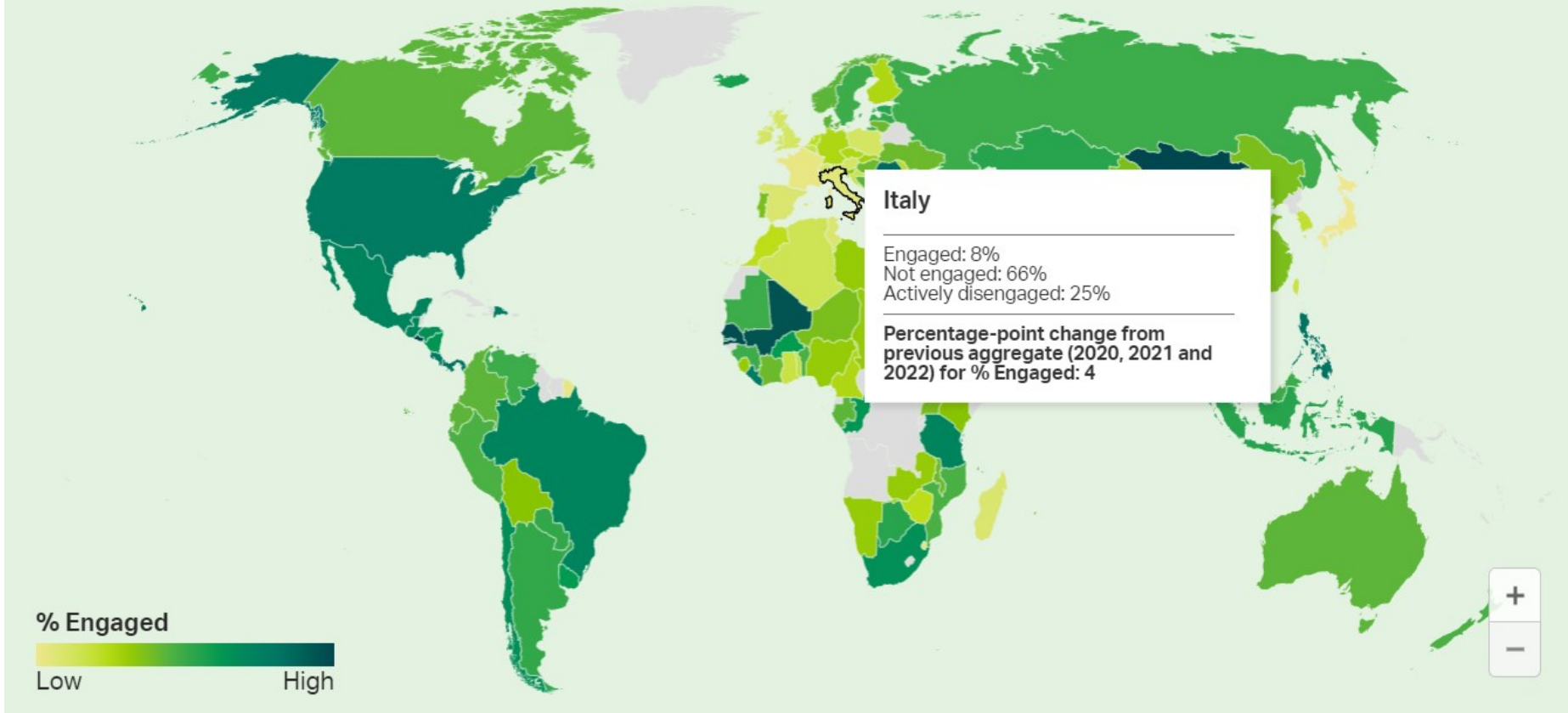
GALLUP

Current State of Employee Engagement

Source: <https://www.gallup.com/394373/indicator-employee-engagement.aspx>

Employee Engagement, by Country

Percentages based on data aggregated from 2021, 2022 and 2023

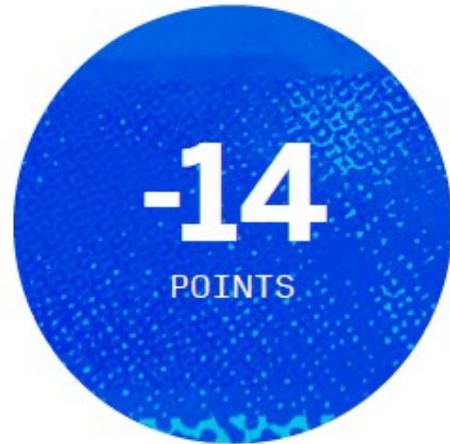


Employee Engagement: Italy

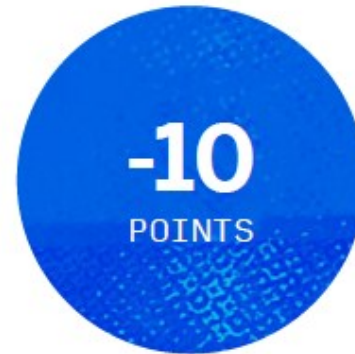
Source: <https://www.gallup.com/394373/indicator-employee-engagement.aspx>

Frontline Employee Engagement

Frontline employees are the most unhappy, poorly supported, and least trusting



the difference in how fairly frontline workers believe they are paid versus non-frontline workers



the difference in how much frontline workers reported trusting in leadership versus non-frontline workers



the difference in how satisfied frontline workers are with work processes versus non-frontline workers

Reasons for Disengagement

Misalignment of
values/sense of
purpose

Management
Practices /
Communication
Clarity

Career Paths/
Opportunities

Toxic Workplace
Culture

Work-life
Balance

Lack of
Empowerment

Technostress

HOW TO EFFECTIVELY MANAGE EMPLOYEE ENGAGEMENT

Engagement Strategies



EMPOWER



CAREER
OPPORTUNITIES



TASK-
TECHNOLOGY
FIT



EMPLOYEE
VALUE
PROPOSITION



REMOTE WORK
POLICIES

Empowerment Practices

Clear Goal and
KPI setting

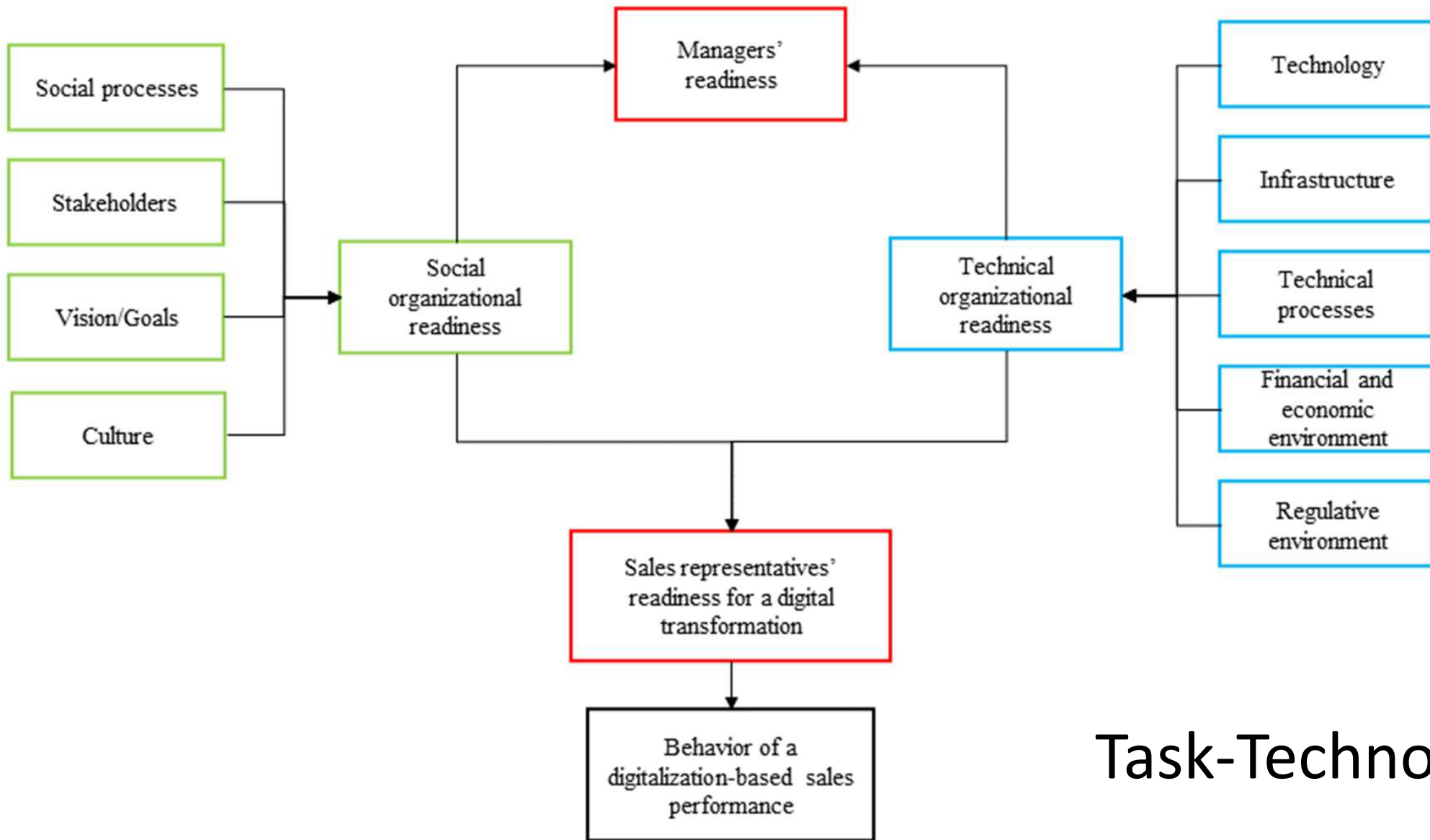
Supervisor/Peer
Support and
Coaching

Job Autonomy

Recognition and
Rewards

Feedback loops
(employee and
customer)

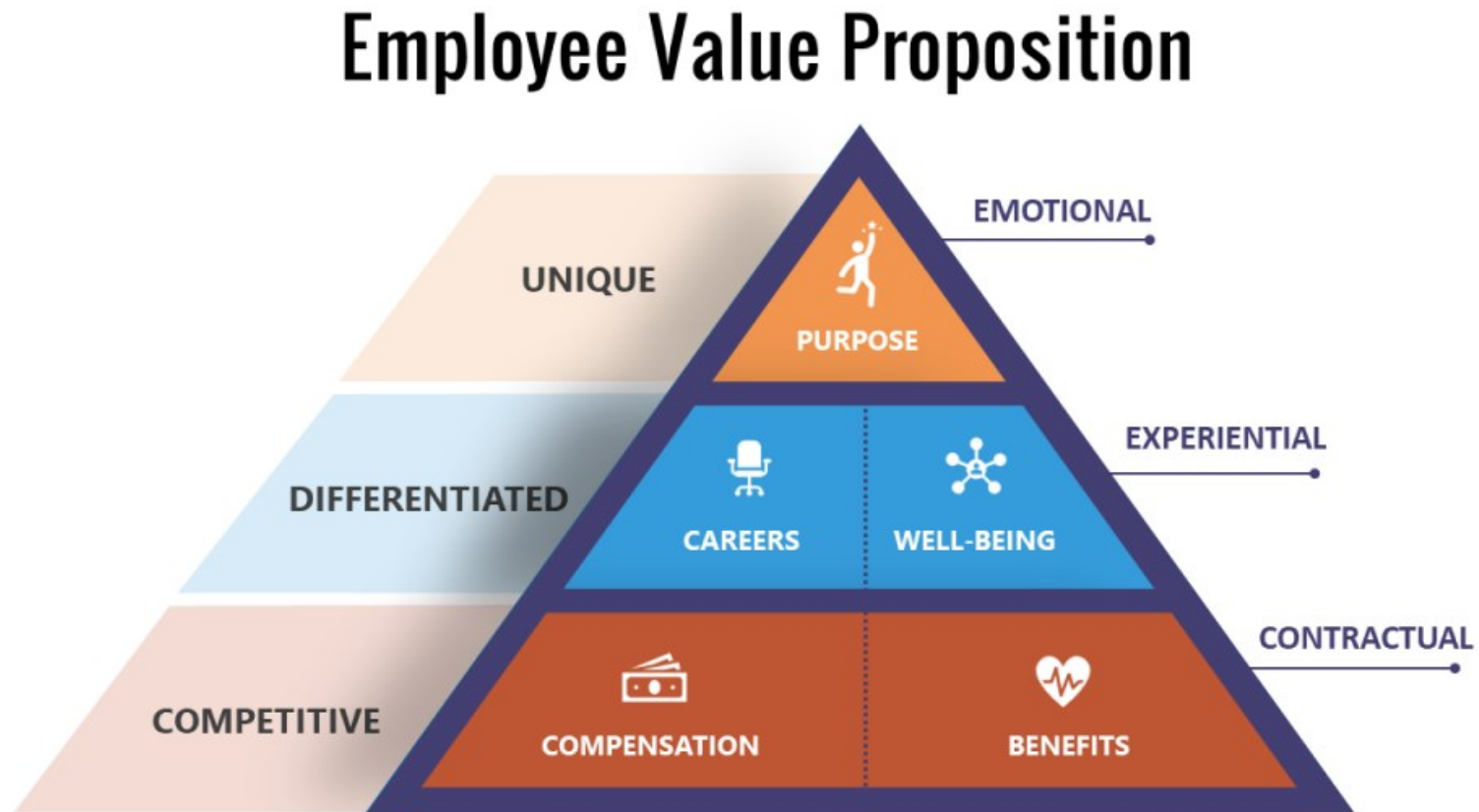
Visible
Leadership



Task-Technology Fit

Source: "Digital Transformation and the Sales Function: A Conceptual Framework of Socio-Technical Readiness for Change"- Daniel Kraaem, Master's Thesis, 2024

Employee Value Proposition



SlideModel.com

Source: <https://slidemodel.com/employee-value-proposition-quick-guide/>

Work from Home

Some time in the office is better than none — unless it's 5 days

16

POINTS

the difference in engagement reported by employees working 1-3 days from home (76%) versus those working zero days from home (60%)

+ **79%** of employees felt included – the highest rated KPI – when working 1-3 days from home (higher than well-being, engagement, and intent to stay)

+ **5** the amount of days working from the office that has the (drastically) worst employee experience

SOME EXAMPLES

Examples (1/2)

- Flextime program for housekeeping employees at Hyatt
- Best of Belron program at Belron (Carglass)
- Empowering flight attendants at Singapore Airlines to make decentralized service recovery
- Yousician, a Finnish company took its whole team to Estonia and then Greece to demonstrate work from anywhere
- Employees or Gongsters are encouraged to join a Gong Circle, a self-organized, employee-led community dedicated to fostering a sense of belonging.

Examples (2/2)

- Transgender benefits at Intuit
- DEI practices at GitHub
- Paid vacation for employees to disconnect from work at FullContact
- Sense of purpose at Patagonia
- Vision, Values, Methods, Obstacles, Measures framework at Salesforce
- CREDO at Johnson&Johnson

IN SUMMARY



78%

in absenteeism



58%

in patient safety
incidents (mortality and falls)



21%

in turnover
for high-turnover
organizations



51%

in turnover
for low-turnover
organizations



28%

in shrinkage (theft)



63%

in safety incidents (accidents)



32%

in quality (defects)



10%

in customer
loyalty/engagement



18%

in productivity (sales)



23%

in profitability

Does Employee Engagement Matter?

**The above figures are median percent differences across companies in Gallup's database. High-turnover organizations are those with more than 40% annualized turnover. Low-turnover organizations are those with 40% or lower annualized turnover.*

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THANK YOU