

Seeing Employees as Customers: The Secret of Maximising Business Success



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Organisations have the opportunity to re-invigorate their activities, and boost their revenues, by adopting radical new thinking about employee motivation, says Dr Mitzi Desselles of Apter International

In today's highly competitive marketplaces, where organisations are as likely to face competition from abroad as from the domestic market, the need for organisations to inspire their employees to want to give their very best performance at work is more pressing and urgent than it has ever been.

This notion of *employee engagement* – that is, engaging employees hearts, minds and complete energies – is consequently one of the key commercial aims of business today. It should be, because an organisation whose employees are wholeheartedly and comprehensively engaged will score massive advantages over its rivals in terms of improved customer service, enhanced productivity and quality, and much better retention of top-rate employees.

Unfortunately, too many organisations still persist in adopting a rather old-fashioned approach to motivating their employees. Such organisations rarely devote much real effort and clear thinking to investigating what is really motivating their employees and how their employees would be more effectively motivated. Even organisations who are sensitised to the issue of employee motivation might ask themselves the following question: wouldn't it be terrific if our employees were as engaged *at work* as they are *after they have gone home*?

The need for a rethink of employee motivation

Many large organisations do sometimes conduct surveys of employee attitudes in order to try to find out what employees think of their jobs, and by extension, how the organisation might motivate employees better. The trouble is though, organisations often don't put a great deal of thought into the questions that form the

basis of these surveys. In particular, organisations rarely make any real effort to relate the questions in the employee attitude survey to the main commercial drivers of the organisation generally, and the needs of its customers in particular.

Similarly, the data yielded by the surveys is frequently analysed in a fairly perfunctory way, focusing on general trends in employee attitudes rather than really drilling down in detail, core motivational issues.

In practice, most organisations would derive very great commercial benefits from a complete rethink of their approach to employee motivation. If they do make use of an employee attitude survey, they could reconsider the questions included in the survey and the *reasons* for asking these questions. If organisations are tempted to avoid taking the trouble to do this, they should consider what could possibly be more important than getting full value for money from their most crucial resource – their people. Motivate people properly and you *do* get full value for money from them.

New thinking that is surfacing today suggests there is abundant justification for organisations to look in a completely new light at how they motivate their employees. The basis of this new thinking about employee motivation is founded on the idea that organisations can gain great benefits from adopting many of the sophisticated techniques that marketing has developed for winning and retaining customers. These techniques can then be adapted into a concerted approach to winning and retaining the hearts, minds and energies of employees.

The basis of this new thinking is

grounded in commonsense. After all, no organisation would be so foolish as to assume that all its *customers* wanted the same things. Nor would it dream of offering every potential customer the same product or service. Successful companies such as Dell Computers have grown their businesses around *customised* offers to *customers*. Even McDonalds, apparently a paragon of selling food as a commodity, has found it needs very different menu items to appeal to different consumer segments. Look, for example, at how rapidly and energetically McDonalds is seeking to deal with public concerns over health problems caused by obesity. McDonalds is offering healthier menu choices, not just to buttress its corporate image in the face of a growing public lobby but – more importantly – because some consumer segments want a healthier option.

Extending this thinking to all organisations, why should they assume that their employees are all the same or that employees all want the same thing from work? Surveys into employee attitudes are usually well-meant, but they tend to assume – completely erroneously – a 'one size fits all' position.

Such surveys also, even more riskily, make the assumption that *all employees in the same demographic group or business unit will be motivated by the same factors*. An organisation might assume, for example, that every member of a dynamic sales team will be motivated in much the same way, but in fact there is no real reason for *assuming* this (unless, of course, research confirms it). Unresearched and unfounded assumptions about employees are as potentially dangerous as unresearched and unfounded assumptions about customers.

The rationale for segmenting employees according to motivational profiles in much the same way that customers are segmented according to needs and buying habits, is not that the organisation wants to show off how good-natured and kind it is, but because treating employees like customers is good for employees, good for the organisation's customers, and good for business.

Equating the internal climate with the customer proposition

One of the fundamental principles of service business today is that customer-facing employees tend to treat customers very much as they perceive the organisation treats them, the employees. In an industrial and commercial world where more and more products have an increasing amount of 'service' bound up with them (indeed most products do, including even many fast-moving consumer goods, which may have helplines) this observation is of great importance. But we can go beyond it. The truth is that *there is every reason for an organisation to seek very consciously to create a workplace environment that mirrors how it wants its customers to perceive it and its products and services.*

For example, an organisation that likes to be seen by its customers as playful, fun, creative and friendly is not going to have much success at communicating that message if its retail outlets are dismal and unfriendly places where employees are obviously out of sorts and not enjoying what they do. Instead, the outlet should 'feel' playful both for customers and employees, to equate authentically with the organisation's overall culture and 'brand.'

So ideally, what needs to happen is that the organisation should see itself as a brand that must be 'sold' to employees as much as to customers. What the customers see are the products and services themselves, the entire quality of customer service they enjoy when they, the customers, interact with the organisation, and all the marketing that is directed at the customers. This is the brand that is projected to customers.

But there is also a brand that is projected to employees. This is, in effect, the organisation's internal climate. This internal climate has tremendous influence on customer brand perceptions. This internal climate must be cultivated very consciously by the organisation, but in a sincere and authentic way. If the process is not sincere and authentic, employees will be only too aware of this and their resulting cynicism will make it very difficult for them to be motivated properly. Their performance will decline and there will

almost certainly be a negative impact on how they deal with customers.

So what can be done in practical terms to implement this exciting new idea of seeing employees as a kind of customers within an organisation?

The following steps are the ones that matter:

1. Employee segmentation

The first step is to develop ways of segmenting employees with a view to identifying groups of employees who have distinct motivational profiles and consequently are likely to be capable of being motivated by correspondingly distinct means. Again, there is a close analogy here with marketing. Marketers identify segments of customers, understand what motivates their choice of brands, and create products and services to meet the demands of some or all customer segments.

Employee segmentation, like customer segmentation, is a necessary compromise between, on the one hand, the extremely expensive and probably impractical idea of marketing to employees on a one-to-one basis, and the less disciplined mass-market approach that treats all employees the same.

Research by our firm, Apter International, has revealed that a small, manageable number of segments (generally around four or five) can capture the diversity of groups of employee motivations within most companies. This is very good and exciting news for organisations as it suggests that employee segmentation can be both practical and be a real force for positive change.

2. Devising the right kind of employee attitude survey

If an organisation wants to make use of a survey of employee attitudes it should devise one that is really focused around the need to create an internal climate at the organisation which mirrors the proposition being extended externally to customers. Devising this kind of survey will usually require specialised assistance from experts with a track record in the marketing sciences as well as in understanding human motivation.

Recent developments in the area of understanding why we humans do *anything*, from choosing a make of car to participating in sport, have revealed that people tend to perform to their very highest level and with the very best energy and commitment, if they are allowed to inhabit a *range* of motivational states. The truth appears to be that over time, people are inherently *inconsistent* in the things

that motivate them.

This take on human motivation is known as 'Reversal Theory' and is particularly pertinent to understanding what employees want from work. Implicitly or explicitly. Much of Apter International's interventions are based around practical applications of this theory, which has been studied extensively in academic institutions for more than twenty-five years.

Basing a formal survey, or an informal set of questions for employees, on a comprehensive and proven theory of human motivation is only one part of the process. It is also necessary for the actual *results* of the survey to be analysed very carefully according to a clear, pre-defined motivational framework.

This analytical process involves extracting from the survey the real meaning about the current state of play in the organisation. The idea is to align and harmonise the organisation's internal climate with how the organisation wants to project itself to customers.

An analysis of the corporate brand as perceived both by employees and customers can point to where there are misalignments in the two objectives and can suggest specific activity, directed around employee motivation, to harmonise the internal climate and the external projection to customers.

3. Working out the 'offer' that will persuade employees to be fully engaged

This stage of the process involves the organisation building a compelling 'offer' specially targeted at each distinct employee motivational group or segment. The offer will most likely need to embrace most of the motivational levers at the organisation's disposal – including compensation, benefits, managerial style, communication style, and of course the nature of the work itself.

Different segments of employees will have very different motivational requirements. Some segments will, for example, be motivated most by compensation and benefits. Other segments may seek power and the opportunity to lead, while yet others may be more interested in the social aspects of work and the opportunity to forge relationships with colleagues and to work in an enjoyable and even 'fun' environment. By segmenting employees in this way, it should indeed be possible to 'market' the organisation to an employee segment's particular needs, just as the organisation would market a product or service to particular customer segments.

4. Applying the totality of this thinking to the organisation's Service Value Chain (SVC)

This final stage of the process is the most interesting and potentially rewarding of all. Most senior executives of organisations are capable of being persuaded that fully engaged employees help a business succeed, and that vigorous action is needed to make employees fully engaged. But what many senior executives don't know – or perhaps have only a patchy grasp of – is *the precise means by which the impact of fully engaged employees affects the business's success.*

Here, the ideal is for senior executives to know the impact an incremental improvement in employee engagement will have on how the business appeals to customers and their bottom line.

It is, in fact, possible to map out and quantify the full 'chain reaction' between employee engagement, the customer experience and key business performance indicators. The process is known as Service Value Chain (SVC) Linkage Analysis. It provides strategic direction for the organisation, as well as specific tactical advice on what particular measures the organisation should take to enhance internal motivation of employees around such desired Key Performance Indicators

(KPIs) as customer retention, the acquisition of new accounts, achieved customer loyalty, success in cross-selling and so on. Work done for Xerox, the US retailer Sears and many other leading corporations provide documented evidence that improving employee satisfaction at work creates more favourable ratings by customers and higher revenue.

One extremely interesting finding from recent work by Apter International on SVC Linkage Analysis is the revelation that employee engagement can have a very different trigger in one type of working environment compared to another. For example, staff working in a retail outlet involving face-to-face contact with customers, often have very different motivational 'triggers' compared to staff working on customer help desks or in call centres. What's more, the nature of the relationships between employee engagement, the customer experience and business outcomes, may all be different for different parts of the business. What is novel is the clarity and precision with which these different 'chain reactions' can be measured.

Ultimately, this radical new approach to employee motivation makes sense because of its effectiveness at harmonising an organisation's internal climate with the fundamental aim of winning and retain-

ing customers and enhancing customer loyalty. Treating employees like customers, aligning the firm's 'offer' to both groups and quantifying the influence between employees and customers are potentially superb ways to increase revenues and profitability without increased capital cost.

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