Strengthening the Employee-Customer Emotional Engagement

-AHuman Sigma Sprint-
## Agenda

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Every opportunity an employee has to come face-to-face with customers is a failure waiting to happen... **Production era**

An engaged and able workforce is a necessity to achieve and sustain consistent performance levels as well as stakeholder satisfaction... **Talent management era**

Strong processes and management systems are the basis for continuous improvement & quality products... **MboF & Six Sigma era**

Rational satisfaction is evanescent... emotional engagement is ever-present!... **HumanSigma era**

**Engagement & Experience** are gaining foothold with **Processes & Systems**!
Six Sigma – Three Dimensions

- Define
- Measure
- Analyze
- Improve
- Control

Led by Senior Mgmt

Driven by customer needs

Enabled by quality team

Methodology

Organization

Tools

Process Map Analysis

Upper/Lower specification limits

Regression

Process variation

Pareto Chart
Human Sigma Management

John H. Fleming & Jim Asplund

Human Sigma:
Managing the Employee Customer Relationship
(Gallup Press, 2007)

• A new branch of Six Sigma that focuses on improving the quality of employee-customer encounter, particularly within sales and service organizations.

• The Human Sigma Management Approach takes human nature into account and then uses that knowledge to manage and motivate employees, and accelerate their development as well as to engage customers’ emotions.
The Human Sigma Path

To reliably influence these...

... these must be managed.

Sustainable Growth
Real Profit Increase
Fulfill Mission

Engaged Customers
Engaged Employees
Great Managers

Human Sigma

Identify Strengths
The Right Fit

Source: The Gallup Organization
Typical Service Encounter
The Complexity

Customer → Service Provider

Service Provider:
- Front office
- Back office
Typical Service Encounter
The Complexity – An Instance

Throughput time

CONSUMER

Check in at the reception of the radiology → Waiting → Preparation for the investigation → On the scanner → Aftercare+ leaving

Line of interaction

Registration of patient → Giving information → Scanning → Aftercare

Line of visibility

Preparation Scanner → Generation of images

Service blueprint
Typical Service Encounter
The Variabilities...

- Reduce variability
- Accommodate variability
Six Sigma vs. Human Sigma

Compete vs. Converge

- Data / Analytical
- Requirements-Driven
- Variation Reduction
- Stability/Predictability

Six Sigma

- Leadership
- Creativity
- Teaming

Human Sigma

- Behavior/Attitude
- Relationships
- Experience
- Accommodation
Human Sigma Management

Passion
Pride
Integrity
Confidence

How can we grow?
Do I belong?
What do I give?
What do I get?

HS
Employee Engagement Hierarchy

Opportunities to learn and grow
Progress in last six months

Coworkers committed to quality
Mission/Purpose of company
My opinions count

Encourages development
Supervisor/Someone at work cares
Do what I do best every day

Materials and equipment
I know what is expected of me at work
Customer Engagement Hierarchy

Can't imagine a world without
Perfect company for people like me

Treats me with respect
Feel proud to be a customer

Fair resolution of any problems
Always treat me fairly

Always delivers on promise
Name I can always trust
Measuring Employee Engagement

**Employee Engagement** – Scoring: 1 = Not at all in agreement; 5 = Extremely in agreement

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My superior, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My associates or fellow employees are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities at work to learn and grow.
Measuring Customer Experience

Customer Engagement – Scoring: 1 = Not at all; 5=Extremely

1. Overall, how satisfied are you with [Brand]?
2. How likely are you to continue to choose [Brand]?
3. How likely are you to recommend [Brand] to a friend?
4. [Brand] is a name I can always trust.
5. [Brand] always delivers on what they promise.
6. [Brand] always treats me fairly.
7. If a problem arises, I can always count on [Brand] to reach a fair and satisfactory resolution.
8. I feel proud to be a [Brand] client.
9. [Brand] always treats me with respect.
10. [Brand] is the perfect company for people like me.
11. I can’t imagine a world without [Brand].
Human Sigma & The Performance Bands

\[ HS = \sqrt{\frac{(EE \text{ percentile} \times CE \text{ percentile})}{2}} \]
1. Human systems in the business are like vital signs!
   It needs to be managed holistically

<table>
<thead>
<tr>
<th>What Are Your Vital Signs?</th>
<th>What Are Your Company’s Vital Signs?</th>
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<tbody>
<tr>
<td>• Heart Rate</td>
<td>• Heart Rate – Employee Engagement</td>
</tr>
<tr>
<td>• Respiration</td>
<td>• Respiration – Customer Engagement</td>
</tr>
<tr>
<td>• Blood Pressure</td>
<td>• Blood Pressure – Financial Performance</td>
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2. Feelings are facts…

Employee-customer interactions are fundamentally emotional!

Attrition Rates of Bank Customers
(account closures per six months)

<table>
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<tr>
<th>Emotionally satisfied</th>
<th>Rationally satisfied</th>
<th>Dissatisfied</th>
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<tr>
<td>3.8%</td>
<td>6.0%</td>
<td>5.8%</td>
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</table>

Average monthly spending by credit card customers

<table>
<thead>
<tr>
<th>Emotionally satisfied</th>
<th>Rationally satisfied</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>$251</td>
<td>$136</td>
<td>$136</td>
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</table>
3. Think Globally… Measure & Act Locally!

LOCAL PERFORMANCE variation is the scourge of organizations that aspire to high performance.

Customers do not experience average performance… they experience your variance in service delivery!

Global measurements DO NOT HELP the customer experience… It only hurts! LOCAL measurement prevails…
4. The Interaction of Employee and Customer Engagement

Local business units with even moderately high levels of both worker and customer engagement are, on average, more effective financially than units with very high levels of only one form of engagement.

- These partially optimized units are 1.7 times more effective than the baseline.
- These optimized units are 3.4 times more effective than the baseline.

[1] Baseline unit are non-optimized.
5. Focus on transactional & transformational activities...

**Transactional**
1. Recur regularly
2. Tend to be more topical and short term in focus
   - periodic measurements
   - internal assessments and audits
   - education and training
   - brainstorming sessions
   - action planning

**Transformational**
1. Do we have the right people in the right jobs?
2. Are our compensation and reward system properly aligned with strategic objectives?
3. Are we organized to effectively drive higher levels or performance?
The complexity of the service encounter

- What precedes and what follows the transaction as the firm engages in a relationship with customers is more important than the transaction itself.
- All workers along the chain of services should pay attention to the final customer.
- The customer is frequently involved in the production of value.
- Customers experience variation, not averages.
- Every element in the process can evoke ‘evidence’ on what kind of service provider you are.

In Closing…

• Managing volatile human dimensions holds the key to successful service delivery – going beyond processes & process improvement

• Focus on the engagement… Create the environment for the right experience… – Business is yours for the taking!

• Focus on best-fit… not just best-practice

• Intent is good BUT it does not take you as far as INTENT + ABILITY + INTERVENTION
“If you do what you’ve always done, you won’t even get what you used to get!”

- W. Edwards Deming
Thank you!

Questions?