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Thought Leadership Paper
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The Worker Shapes The Customers' Experience

A Clear Worker Experience Strategy Ensures A
Healthy Business

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The majority of business leaders believe not improving the worker experience would negatively affect their ability to attract and retain the best talent, ensure worker productivity, and, ultimately, deliver good customer experiences.

Those with a successful worker experience are more likely to have a successful customer experience.

Executive Summary

Many companies look at an outstanding customer experience (CX) as a way of differentiating in crowded markets. They attempt to outdo their competitors with flashy mobile apps, websites, and digital services. However, no customer experience improvement will work unless the business has a group of talented and engaged workers to deliver the experience.

In January 2017, Appirio commissioned Forrester Consulting to evaluate the maturity of worker experience (WX) across industries. As part of this research, Forrester hypothesized that organizations that improve their worker experience increase employee engagement and productivity.

Consequently, these engaged workers improve their organizations' abilities to serve customers by more effectively solving their problems. As a result, organizations are able to reduce customer churn and grow their businesses by selling additional products and services to satisfied and enthusiastic customers.

KEY FINDINGS

- › **Improving the worker experience improves customer experience.** There is a ubiquitous consensus among business leaders that worker experience affects customer experience. They also agree that providing workers with a good worker experience engages them to provide a better customer experience, ultimately affecting their organization's bottom line.
- › **Companies struggle to quantify the value of worker experience.** While there is agreement that worker experience affects customer experience, improving worker experience is in its infancy for most organizations. They have no real understanding of where to put their efforts for enhancement and how to measure their initiatives.
- › **Delivering a superior worker experience is difficult for most.** Almost 90% of organizations face challenges with worker experience for one main reason: Worker experience is not rising in executive-level conversations. This means responsibility for improving worker experience is compartmentalized to line-of-business managers, not HR or executives. Because executive management, HR, and IT are not responsible for WX, planning and investment for these programs fall short. As a result, only 26% of companies in this study have formal WX programs.
- › **Successful worker experience leads to successful customer experience.** In fact, 79% of business leaders that say they have effectively enabled workers have successful CX strategies. In other words, the better a company's worker experience, the better its customer experience.

Worker Experience And Customer Experience Are Inherently Linked

Delivering an outstanding CX can help businesses acquire customers, grow revenue, and reduce costs.¹ So, it's not surprising to see executives across all industries talk about the need to improve their customers' experience working with their businesses. Customer experiences aren't created in a vacuum — they are the product of workers' tireless efforts. Workers include anyone who represents your brand, such as full-time employees, contingent workers, business partners, and contractors.

To ensure these workers can design, deliver, and support high-quality experiences, companies must build corporate infrastructure that fosters worker productivity, engagement, and agility. This is what we'll refer to as "worker experience." This study shows that managers believe improving WX improves CX and, by extension, business performance:



Managers think WX affects CX.



A good WX engages workers, and engaged workers do a better job serving customers.



Customers who have a good experience are likely to buy more.



Thus, worker experience affects the bottom line.



Close to 90% believe that the worker experience affects the customer experience.

“More recently, we better recognize the connection between employee experience and customer experience and believe strongly that our employee experience and our customer experience is inherently linked. We make sure we design not just from a customer perspective, but also from an employee perspective. If employees are more confident in their work, more aware of goals they have, and their impact on company success, it will transfer to the customer experience.”

— Executive director of ad operations, media company



Business Leaders Struggle To Express The Value Of Worker Experience

While there is a basic understanding that WX affects CX, business leaders fail to:

- › **Prioritize efforts to improve WX.** While managers see the importance of WX, they have difficulty identifying how they should improve their employees' experience. When asked to evaluate a list of potential WX improvements, a majority of the managers surveyed indicated that every item on the list was a high or critical priority (see Figure 1). This hints at immature and ill-conceived WX initiatives: Business leaders struggle to identify the drivers of good worker experience and instead pursue multiple fixes.

Improving WX is in its infancy for most organizations, as they have no real understanding of where to put their efforts for enhancement.

Figure 1

“How much of a priority are the following for your company's leadership?” (Only "high" and "critical priority" responses are shown)



Base: 450 global managers and above of workers who use technology to serve customers and communicate internally and externally
Source: A commissioned study conducted by Forrester Consulting on behalf of Appirio, April 2017

- › **Explain how WX affects CX.** Most business leaders say a satisfactory WX improves customer experience (see Figure 2). However, the reason for this is unclear to these managers. Our survey showed that few managers linked a good worker experience to business characteristics necessary to create new customer experiences or improve existing experiences. This suggests managers lack the tools and methodologies to assess how worker experience affects business competencies like innovation and product development.

Figure 2

“What is the value of having a worker experience that satisfies your direct and indirect reports?” (Select all that apply)



Base: 450 global managers and above of workers who use technology to serve customers and communicate internally and externally
 Source: A commissioned study conducted by Forrester Consulting on behalf of Appirio, April 2017

WX doesn't create better product experiences or reactivity.

WX does not help the business create new experiences that set it apart and open new doors.

› **Align metrics with WX and CX.** While there is a growing belief that WX affects CX or the bottom line, few companies evaluate worker experience by assessing improvements in their CX ratings (see Figure 3). The difficulties companies experience making this connection reflect not only the newness of the WX concept but also the difficulty in coordinating all its moving pieces. As interviewees put it:

“We have not been able to relate employee engagement to revenue, but we’re trying to build metrics to show that. We do think there’s a connection between employee engagement and revenue.”

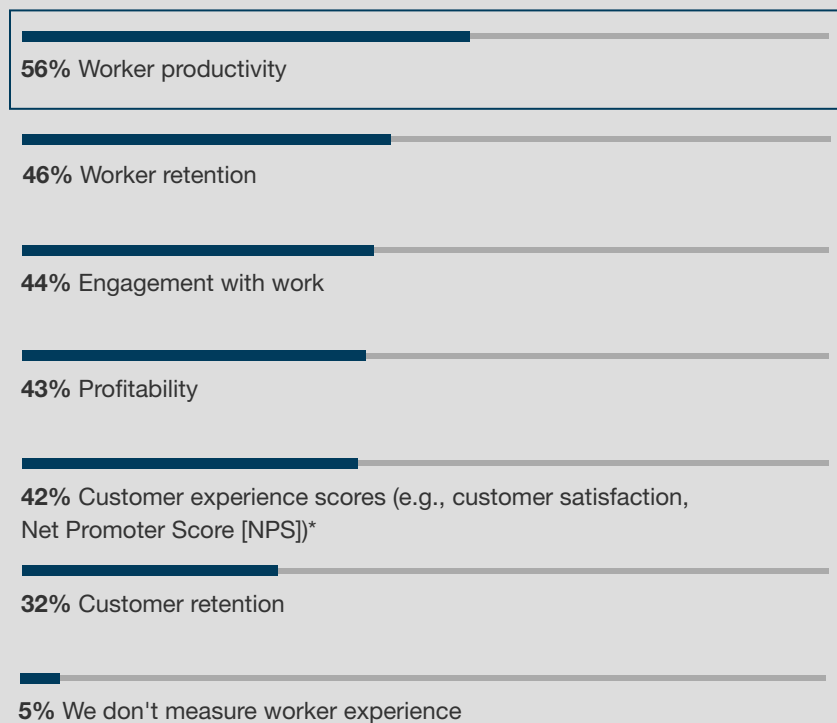
— Global director of engagement, travel and leisure company

“If we don’t make employee experience a priority, we can easily fall victim to forgetting it. We need to create metrics around employee engagement.”

— Executive director of ad operations, media company

Figure 3

“What metrics do you use to evaluate the success of your worker experience efforts at your organization?” (Select all that apply)



Base: 450 global managers and above of workers who use technology to serve customers and communicate internally and externally*Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld

Source: A commissioned study conducted by Forrester Consulting on behalf of Appirio, April 2017

An engaged worker
= a productive worker

Few companies can
say better WX leads
to a measurable
improvement in CX.

› **Enable workers to deliver customer experiences.** Most business leaders in this study say their haphazard WX efforts are harming the customer experience (see Figure 4). The proof? Seventy-nine percent say their business experiences challenges delivering a superior CX. The WX issues that managers say harm customer experience reflect poorly on executive leadership’s ability to meet employee needs. This includes building organizations that prevent employees from delivering the intended customer experience and failing to empower employees to fix CX problems.

Figure 4

“What challenges is your organization experiencing today when it comes to delivering a superior customer experience?” (Select all that apply)



79% experience challenges with delivering a superior CX.

Base: 450 global managers and above of workers who use technology to serve customers and communicate internally and externally
 Source: A commissioned study conducted by Forrester Consulting on behalf of Appirio, April 2017

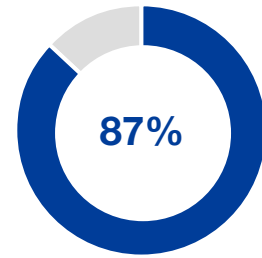
Efforts To Improve Worker Experience Are Scattered

Almost 90% acknowledge several challenges their organization experiences today when it comes to delivering a superior worker experience. Because of these flaws, 71% of business leaders agree that their organization needs to improve their WX initiatives. There are two factors that hinder these improvements:

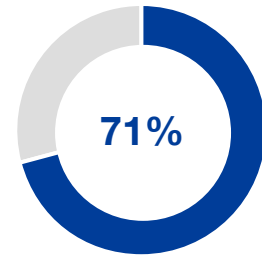
- › **WX ownership is decentralized.** For most companies, direct line managers have the primary responsibility for ensuring workers have what they need to succeed. This arrangement limits worker experience improvements to individual managers' limited span of control and subjects those changes to rollbacks when a new manager takes over. Companies seem to believe this is a workable arrangement:

“If you’re responsible for leading people, you’re responsible for their engagement and satisfaction. That’s what we’re building out right now. We’re trying to empower our managers to help cultivate that culture.”
 — Executive director of ad operations, media company

However, without centralized ownership, WX will be doomed to silos. This is reflected in today’s compartmentalized WX efforts that lack the guidance and coordination of leaders with cross-organizational responsibilities — IT, HR, and senior executives (see Figure 5).



Face hurdles with delivering a superior WX.



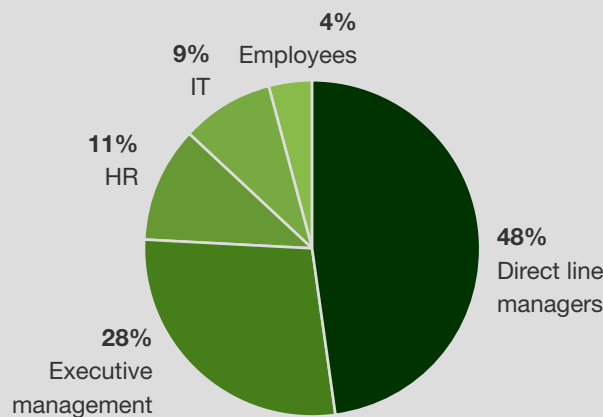
Organizations see flaws in their worker experience.



WX is not rising in executive-level or HR conversations as high priority.

Figure 5

“Thinking about your worker experience today, which group in your business has the primary responsibility for ensuring workers have what they need to succeed?”



Base: 450 global managers and above of workers who use technology to serve customers and communicate internally and externally
 Source: A commissioned study conducted by Forrester Consulting on behalf of Appirio, April 2017

- › **Businesses rely on haphazard funding and project schemes to improve WX.** Only 26% of companies say they have a formal WX program (have created a specific worker engagement program); the rest fund these efforts ad hoc. This means WX is not a formal budgeting item in most companies. One interviewee claims:

“Being able to recognize employees in real time and reward them is a little bit disjointed. And we don’t have organizational policies around recognizing employees. We need to create a forum for it.”

– Executive director of ad operations, media company

This is not surprising, given that cross-organizational leaders do not take responsibility for the worker experience. This decentralized approach to WX limits investments in much-needed programs that will benefit all workers. In our survey, less than half of the managers interviewed report that their business is investing in employee awards programs, productivity or collaboration technology, career planning, or organizational goal alignment.

If companies don’t address and formalize how they invest in and coordinate WX programs, their businesses will suffer. And managers recognize this: Seventy percent or more of business leaders believe not improving the worker experience would negatively affect their ability to attract and retain the best talent, ensure worker productivity, and, ultimately, deliver good customer experiences.

“If you don’t empower and engage employees, acknowledge their successes, or provide them with the tools and technology they need, you will end up with low morale, have a hard time recruiting, and negatively impact customer experience.”

– AVP, shared services contact center, insurance and financial services company



“We realized that we need employees to really understand the product and get their feedback on their work experience, because if they’re not feeling it, the customer isn’t feeling it.”

– Global director of engagement, travel and leisure company



Because executive management, HR, and IT are not responsible for WX, planning and investment for these programs fall short.

Formalize Worker Experience To Prove Its Value

There is a clear business imperative to improve the worker experience. Business leaders who say they have a good worker experience also report that their companies deliver a high-quality customer experience (see Figure 6). And as Forrester’s research has shown, these superior experiences can affect the business’ top- and bottom-line growth. Interviewees support this notion:

“To us, it comes down to a happy [employee] equals a happy customer.”
— AVP, shared services contact center, insurance and financial services company

“Everything starts within. To project that we’re a great business, it’s important to create a culture internally that will reflect outwards.”
— Global director of engagement, travel and leisure company

Figure 6

“Please rate how much you agree or disagree with the following statements regarding your organization’s approach to rich media content.”



Base: 450 global managers and above of workers who use technology to serve customers and communicate with each other, internally and externally
Source: A commissioned study conducted by Forrester Consulting on behalf of Apprio, April 2017



Those with a successful worker experience are more likely to have a successful customer experience.

Key Recommendations

What is the way forward? Business leaders must begin by investing in a centralized worker experience program that helps their business:



Listen to and learn what workers need. Currently, business leaders seem to have little insight into what their employees require from their jobs — this is why they “prioritize” everything. Forrester’s study of information workers — those using a computing device at least 1 hour a day for work — shows that employee retention and advocacy have many drivers. For example, employees who are likely to stay with their company feel invested in the success of the company and recognized for the effort they put in. So, the cornerstone of any WX program should be a robust measurement program that includes techniques like surveys, employee interviews, and worker ride-alongs.



Align worker experience with customer experience. Business leaders must understand what workers need to deliver a customer experience that expands the top and bottom line. For example, if a software company rolls out a new cloud offering, product managers must decide what sorts of support services it must offer to ensure clients get the most value out of the product. Customer and employee journey mapping can prove useful here; this allows the business to lay out parallel client and worker journeys to see what each side needs to be successful.²



Provide a worker toolkit that matches their CX needs. Organizational structures and technology are common impediments to good customer experience. Fixing this requires business leaders to align their management structures and technology portfolios to free workers to serve customers. For example, if a company expects to deliver customer success services, it must provide customer success managers tools to monitor the account’s health and the latitude to act when they see issues. Human resource and IT professionals become important here. HR pros can work with business leaders to rewrite roles, train workers, coach managers, and set incentives for workers to change behaviors. IT pros can help business leaders decide what technologies are necessary to achieve their WX and CX goals, assess potential vendors, and implement and manage the devices and apps.



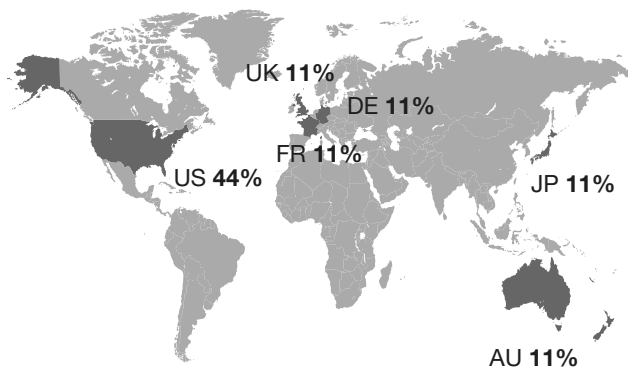
Measure the effectiveness of their WX efforts. Business leaders must tie worker experience concretely to business results to ensure executive investment. From the outset, leaders should focus on quick wins that demonstrate a WX focus helps P&L holders meet their metrics. For example, improving how contact center employees interact and find information can drive down the time it takes to resolve customer issues, which helps reduce the cost to serve customers. Once these initial wins are established, business leaders can look to connect WX to indicators of a good CX. In the contact center scenario, improving collaboration and reducing resolution times should increase customers’ satisfaction with their help line experience.

Appendix A: Methodology

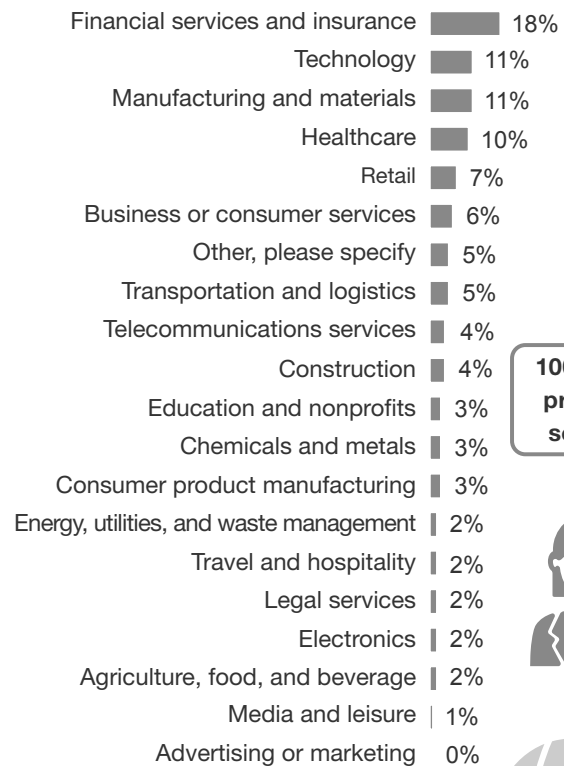
In this study, Forrester conducted three phone interviews and an online survey of 450 managers and above of workers across private industry organizations in the US, the UK, Germany, France, Japan, and Australia to evaluate the maturity of worker experience strategies. Survey participants included decision makers in operations, IT, sales, marketing, finance, and HR who manage workers who are using technology to serve customers and communicate with each other. Questions provided to the participants asked about worker experience programs, measuring the success of these efforts, and the impact of worker experience on customer experience. Respondents were offered incentives as a thank you for time spent on the survey. The study began in February 2017 and was completed in April 2017.

Appendix B: Demographics/Data

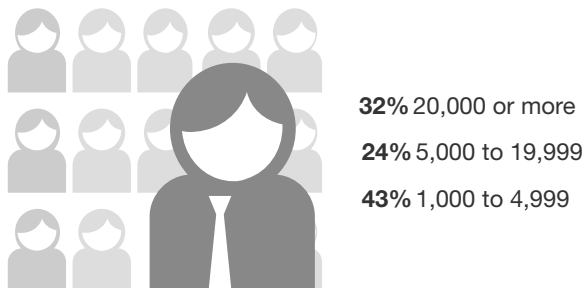
“In which country do you work?”



“Which of the following best describes the industry to which your company belongs?”



“Using your best estimate, how many employees work for your firm/organization worldwide?”



100% in private sector

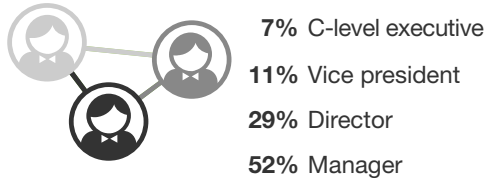


Base: 450 global managers and above of workers who use technology to serve customers and communicate internally and externally

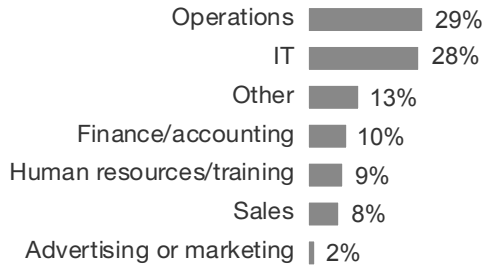
Note: Percentages may not total 100 because of rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Appirio, April 2017

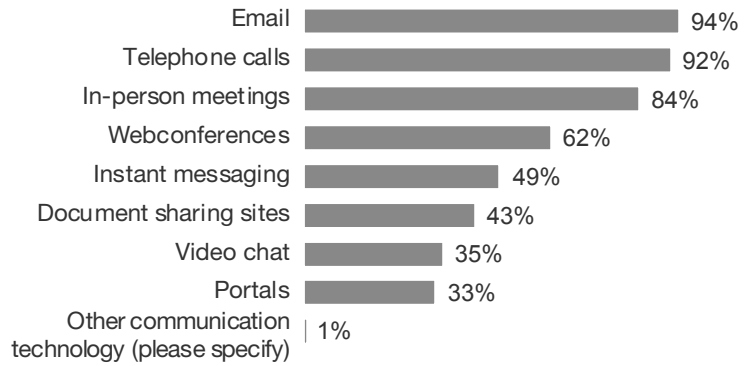
“Which title best describes your position at your organization?”



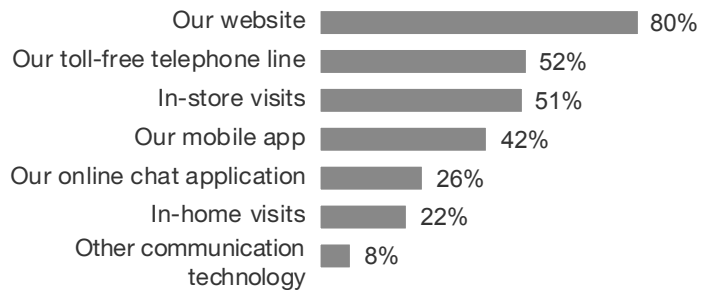
“Which of the following best describes your current position/department?”



“What are the prominent ways in which your employees interact with each other as well as with your business partners and contractors?”
(Select all that apply)



“What are the prominent ways in which your customers interact with your business?” (Select all that apply)



Base: 450 global managers and above of workers who use technology to serve customers and communicate internally and externally
 Note: Percentages may not total 100 because of rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Appirio, April 2017

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“Customer Experience Drives Revenue Growth, 2016,” Forrester Research, Inc., June 21, 2016

“Mapping The Employee Journey,” Forrester Research, Inc., July 27, 2016

Appendix D: Endnotes

¹ Source: “Customer Experience Drives Revenue Growth, 2016,” Forrester Research, Inc., June 21, 2016.

² Source: “Mapping The Employee Journey,” Forrester Research, Inc., July 27, 2016.