

# ICXI -POST newsbriefing

Vol 3 – Issue 4 – SEP 2023

## Introduction From The President

The symbiotic relationship between customer experience and employee experience has, to a greater or lesser degree, been understood for a long time. In more recent times the issue of employee happiness and wellbeing has become a factor of rising importance in the lexicon of management development. The inevitable question arises about whether and to what degree customer experience quality improves as and when employee happiness and wellbeing improves. If so, how can the former be managed in order to improve the latter?

First a look back at where the idea of employee wellness began and how it has progressed to the present day.

Dr Michael Rucker in his article “The Interesting History of Workplace Wellness” explains

*The history of workplace wellness starts with the Italian physician Bernardino Ramazzini (1633-1714) who is believed to be one of the first to write about the effects of work exposure on workers (occupational diseases) and was interested in the possibilities of taking preventative measures to help improve employee well-being. Half a century after Ramazzini’s death, the Industrial Revolution brought with it many new health problems and injuries due to the way work was reformulated and systematized.*

*In 1810, Welsh social reformer Robert Marcus Owen proposed a 10-hour workday to help protect the well-being of workforces. By 1817, he purposed a more aggressive measure — the 8-hour workday — and coined the phrase “eight hours labor, eight hours recreation, eight hours rest” One of the first organizations to implement Owen’s ideal on a wide scale in the United States was the Ford Motor Company in 1914 In 1832, Charles Turner Thackrah is credited with having created the first written account of the health problems of industrial workers, Thackrah wrote, “The evil of the employ is the incidental one of intemperance “. In context, I believe this quote from Thackrah is likely highlighting that employers often operate their organizations with disregard for moderating or restraining their employees’ working conditions.*

*These notable milestones notwithstanding, workplace wellness was generally an afterthought for organizations up until the advent of Employee Assistance Programs (EAPs) in the 1950s, when companies began to offer wellness interventions primarily focused on alcoholism and mental health issues .According to Reardon (1998), true workplace wellness programs did not really begin to exist until the mid-1970s. During this timeframe, there was a perceived shift in financial responsibility for health care, from the government to employer.*

The development of worksite wellness was motivated primarily by cost containment. It was also linked with the activities of the occupational safety and health movement (OSH) and the worksite health promotion movement (WHP), which developed in the late 1970s. Greiner (1987) cites the following reasons behind the emergence of worksite wellness during this period:

- A general culture shift that promoted fitness
- Emerging research findings that showed the cost of employees' unhealthy habits
- Newly formed workplace health promotion groups such as the Washington Business Group on Health and the Wellness Councils of America.

Furthermore, in 1974, the Employee Retirement Income Security Act (ERISA) was established, which was a further signal of the increased concern for employee health. It set the minimum standards for most voluntarily established pension and health care plans in private industry to provide protection for the individuals in these plans

<https://michaelrucker.com/well-being/the-history-of-workplace-wellness/>

### So was it being taken seriously?

Rakesh Pal takes up the story.

However, workplace wellness programs in the early 1980s mainly focused on the effects of physical fitness efforts on workers' health and performance. In 1986, the OSH started an initiative to highlight workers' mental health. Its aim was to address the issue of work-related mental health disorders. This was followed in 1991 by another initiative by the National Institute of Mental Health, called *Managing Depression in the Workplace*.



As more people began to talk about the work-life balance, wellness programs became a regular part of office life. Corporate culture started increasingly giving priority to incorporating initiatives designed to positively influence employee quality of life issues through lifestyle and behavioral change, which was directly correlated with productivity. In the era of the internet, businesses and the world were experiencing dramatic innovation, global expansion, and advances in technology with the advent of companies like Skype, Google, Amazon, Facebook, Twitter, and YouTube. Employee wellness now moved a step ahead from simply providing physical and mental health support, and identified one-to-one counseling support as a major area of intervention.

As we entered the second decade of the 21st century, the workplace wellness journey continued a sharp uprise. The trend was to maintain the various "normal" aspects of corporate wellness programs, changing with the times, which meant incorporating 2 more awareness and prevention services.

Today's workplace wellness programs are designed to provide more preventative care than aftercare for health conditions.

As a result of covid 19, the new stress factor that employees started suffering from was isolation, instability, stress, and distress, and the need for mental and behavioral health services has increased exponentially. As work from home became the new normal, the most exciting change in wellness programs needed the intervention of both clinical and non-clinical practitioners, working as part of wellbeing care teams. These teams will include mental, behavioral, and integrative health experts working in partnership with health, wellness, and professional recovery coaches. As important as physical, mental, and emotional health services now there is an increasing trend of inclusion of financial security training, and work-life and personal life balance training is being factored into wellness programs. There is an increase in oriental spiritual and mindfulness practices, which is proven to not only give employees a sense of well-being but also helps in finding a purpose in their life

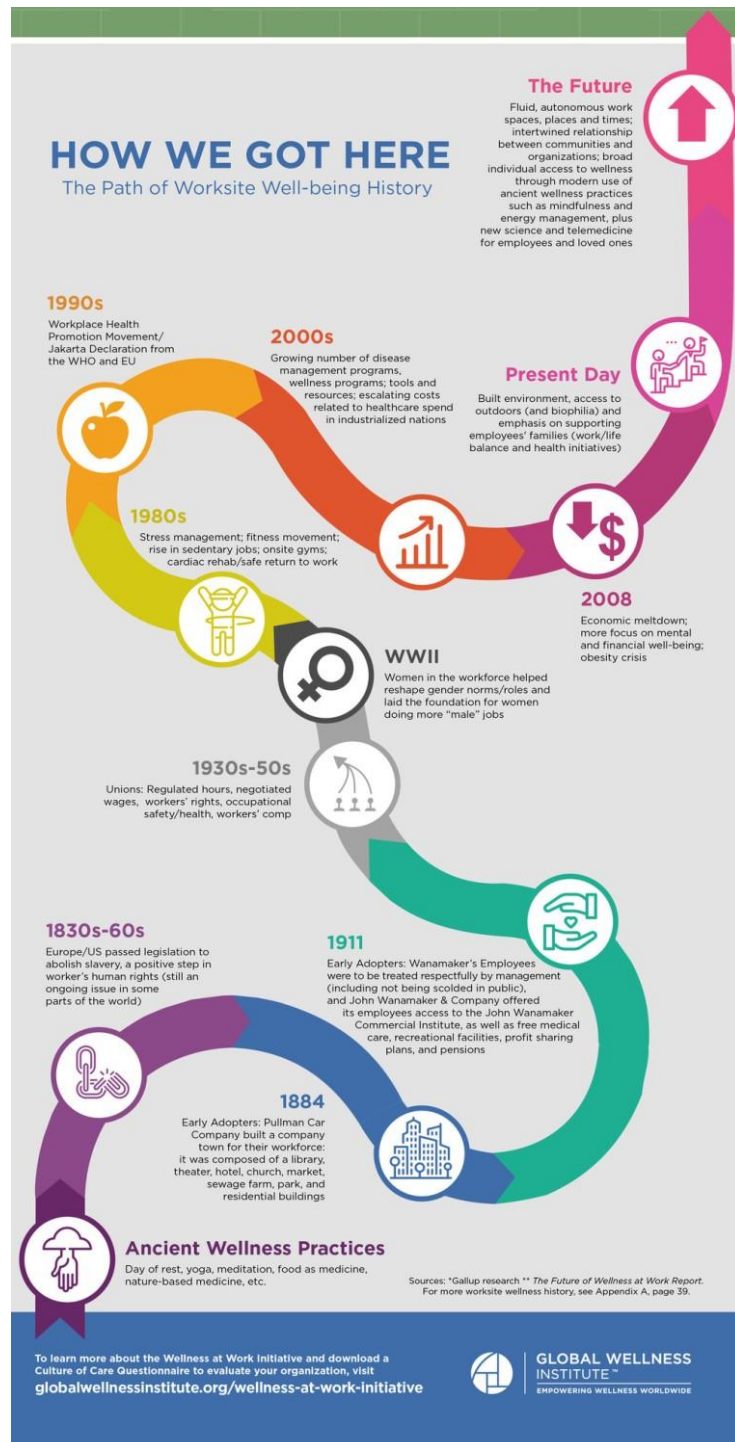
<https://www.linkedin.com/pulse/evolution-workplace-wellness-rakesh-pal/>

A word on the Quaker Leaders. Many of whom established a total working environment which ensured that their workforces maintained a healthy and happier lifestyle than many during the industrial revolution. This not only resulted in a mutual benefit to both parties, a longer average lifespan for their employees and a more stable skilled workforce for the companies

**Rowntree's made worker well-being a priority**

Rowntree's, like its Quaker rival Cadbury's, was run in a spirit of industrial paternalism. The workers were treated not as mere cogs in a machine, but as characters to be developed.

<https://emotionsblog.history.gmul.ac.uk/2014/05/what-quaker-companies-can-teach-us-about-well-being-at-work/>



## Employee Wellness and Productivity and Customer Experience

As employee wellness has been linked to both productivity and the customer experience then it is arguable to see both these things as two parts of the same continuum. There would seem to be little point in having high levels of top quality productivity and poor levels of customer experience quality as this would appear to be a good formula for limiting the supply of revenue.

In spite of the rapid and inevitable progress of Artificial Intelligence (AI) in the customer experience management market there is no possibility on the horizon so far that people will be totally excluded from the CX management equation. So for organisations that have yet to embrace employee happiness and well being what evidence is there that an investment in such things is likely to be operationally and commercially productive?

Kate Gautier, Tiffani Bova, Kexin Chen, and Lalith Munasinghe in this extract from their Harvard business review paper - **How Employee Experience Impacts Your Bottom Line – state**

*Most people believe — and [research](#) backs them up — that great customer experience drives revenue growth. But who claims credit for these successes? Marketing departments will point to advertising campaigns and brand awareness efforts that coincide with above-normal sales growth. Product teams can quantify the impact of specific features on customer satisfaction or increased revenue. Sales teams of course view themselves as the go-to group for bringing revenue in the door*

### CUSTOMER EXPERIENCE DRIVES SALES

In a transaction-based business, sales are driven by good customer experience.

ANNUAL REVENUE INCREASE PER CUSTOMER



SOURCE MEDALLIA ANALYSIS

HBR.ORG

### CUSTOMER EXPERIENCE DRIVES MEMBERSHIP

In a subscription-based business, membership is driven by good customer experience.

PREDICTED FUTURE MEMBERSHIP (YEARS)



SOURCE MEDALLIA ANALYSIS

HBR.ORG

## **.But what about Human Resource departments?**

*Employees, especially customer-facing employees, would seem to play a central role in customer experience. As consumers in our daily lives, this link seems intuitive: a single interaction with an employee can make or break your experience in a store, at the doctor's office, on a telephone call, or even via virtual interactions such as chat or social media. Yet, for executives leading businesses, the role employees play in creating a great customer experience, or more generally in driving revenue, tends to be a lot less clear — because it can be so difficult to quantify.*

*We wanted to go a step further and see whether we could get closer to identifying — and quantifying — this causal impact of employees on customer experience and business outcomes like revenue and profits. Proving this out would not only represent compelling new evidence about how much employee investments matter, but also show executives the power of quantifying these ROIs in their own organizations.*

*Our question was: does the composition of customer-facing employees in these locations — all else equal — affect revenue and profits?*

*The results were striking. Not only were we able to establish a clear link between employees and revenue, but the impact was substantial. In fact, if an average store could move from the bottom quartile to the top quartile in each of the employee experience metrics we studied, **they would increase their revenue by more than 50%, and profits by nearly as much.***

*Here's how we did it.*

*The analysis: Breaking down the siloes between employee and financial data*

*First, we took monthly revenue and profit statements from each of these stores. We standardized these financial outcomes by dividing by the total employee-hours worked in each store each month. The resulting variables — hourly revenue and profit — represent a measure of employee or labor productivity that can be compared across stores of different sizes.*

*All together with our control variables and the panel nature of the data, we were confident that our estimates of the impact of employee metrics would represent a causal relationship: employee experience drives customer experience which in turn drives revenue growth.*

*The results: Employee experience drives revenue*

*We indeed found that changes in these measures of employee experience were a strong driver of subsequent revenue. Put simply, stores whose customer-facing employee base was more tenured, had more experience in prior rotations, was higher skilled, and was more skewed towards full time generated far more sales per hour. In fact, if an average store could move from the bottom quartile of performance to the top quartile in each of the four dimensions it would go from generating \$57 per person-hour worked to \$87 per person-hour. That's more than a 50% increase in revenue. And these revenue increases were not accompanied by skyrocketing expenses. In fact, a parallel analysis of operating profits showed that a similar shift in employee experience would result in a 45% increase in profits per person-hour, from \$41 to \$59.*

*The takeaway: Empowering HR to make their business case*

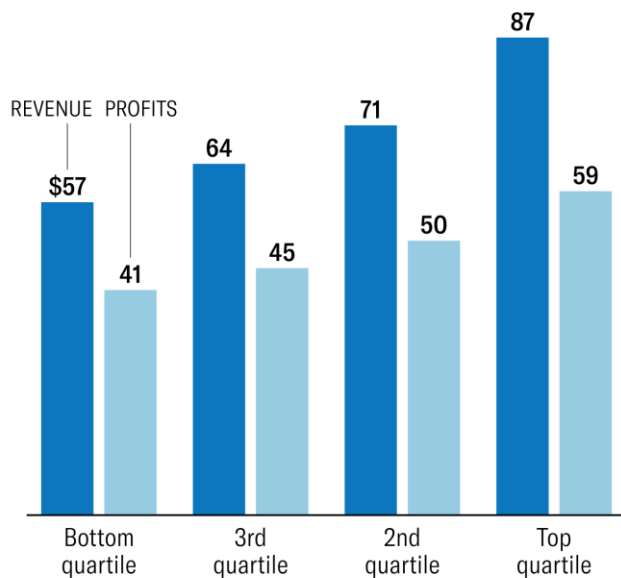
*The numbers we present here are of course to some extent specific to the company that we studied. But we believe the effects we've uncovered are large enough to convince executives that they need to recognize the impact their people have on customer experience and revenue. Any organization that has customer-facing employees should realize that they matter immensely to business success. They are not simply a cost to be minimized — as retail, call center, and service employees are far too often thought of by executives — but potentially very high impact investments. How much is it worth to your organization to reduce turnover of top talent by 20%? How about to improve employee satisfaction scores by 10%? How much is it costing your organization not to know these answers?*

## Employee Experience Drives Revenue and Profit

Improvements to employee experience metrics such as employee longevity, full-time status, internal rotations, and skill level impact store-level financial metrics.

Predicted hourly revenue and hourly profits, by employee experience quartile

Figures shown are per person-hour worked.



Source: Talenteck

HBR

*Executives might be more accustomed to seeing business cases and ROI calculations from marketing and sales teams, but they should start empowering talent departments to make their own case. Just imagine an HR leader presenting numbers like these the next time they are seeking budget for a training program or an employee wellness software.*

[Research: How Employee Experience Impacts Your Bottom Line \(hbr.org\)](https://hbr.org)

## What room is there for performance improvement if employees have a positive working experience?

**Customer Experience Magazine reports** At the start of this year, Qualtrics found that employees had become aware that they were not trying their hardest at work. **1.7 billion workers agreed with the statement, "I would work harder if my employer treated me better".** This says to us that the state of EX is nowhere near its best.

CXM Weekly [news@cxm.co.uk](mailto:news@cxm.co.uk)

Qualtrics <b>XM</b> institute™	Employees who would work harder if their primary employer treated them better (%)	Number of full-time employed adults (millions)	Employees who would work harder if their primary employer treated them better (millions)
<b>Argentina</b>	54%	21	11.3
<b>Australia</b>	54%	14	7.4
<b>Belgium</b>	47%	5	2.5
<b>Brazil</b>	52%	99	51.7
<b>Canada</b>	47%	21	9.9
<b>China</b>	93%	792	736.6
<b>Colombia</b>	55%	26	14.3
<b>France</b>	54%	31	16.7
<b>Germany</b>	29%	44	12.7
<b>Hong Kong</b>	75%	4	2.9
<b>India</b>	90%	471	424.2
<b>Indonesia</b>	84%	139	116.9
<b>Italy</b>	64%	25	16
<b>Japan</b>	46%	68	31.4
<b>Malaysia</b>	74%	16	12
<b>Mexico</b>	61%	57	35
<b>Netherlands</b>	33%	10	3.3
<b>New Zealand</b>	42%	3	1.2
<b>Philippines</b>	77%	44	33.7
<b>Singapore</b>	72%	3	2.4
<b>South Africa</b>	61%	23	13.8
<b>South Korea</b>	79%	29	22.6
<b>Spain</b>	51%	23	11.9
<b>Thailand</b>	80%	39	31.2
<b>US</b>	40%	165	65.9
<b>UAE</b>	79%	6	5.1
<b>UK</b>	47%	35	16.3
<b>Vietnam</b>	73%	56	41
<b>28 Countries</b>	<b>62%</b>	<b>2,269.7</b>	<b>1,749.7</b>
<b>Rest of world</b>	62%	1,180.4	<b>728.6</b>
<b>Total</b>	<b>62%</b>	<b>3,450.1</b>	<b>2,478.3</b>

Base: 21, 170 employees from 28 countries  
Source: Qualtrics XM Institute Q3 2022 Global Consumer Study

www.xminstitute.com  
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## **Libby Allnett of Kudoboard in the article *How Does Employee Experience Affect Customer Experience?* Looks at the human connection in the AI world**

### **Human connection**

*In an increasingly tech-savvy world, so much has gone digital. With mobile ordering taking the place of talking to a cashier and iPads taking the place of a cash register, it's possible to have an entire outing without speaking to another person. This makes human connection, and the interactions that a consumer has with customer-facing employees, even more crucial. Good employee experience helps create team members that will treat customers with the utmost respect, kindness and expertise.*

### **Happy employees may have:**

*More empathy for customers and their needs*

*Desire to go above and beyond expectations*

*Increased efficiency for solving problems*

*Strong moral compass and commitment to ethics*

*The better the experience that an employee has, the greater sense of identity and belonging they'll feel with a company, inspiring them to be their best and be an advocate for the brand, which includes treating customers well and giving them the best experience possible.*

### **Steps you can take**

*Employee experience is crucial for an organization's success because it has a direct impact on customer experience. A company filled with team members having a negative experience isn't likely to grow, innovate or live up to its full potential.*

*Fortunately, there are ways to lay the groundwork for better employee experience so that the experience of customers is enhanced as well, leading to more happy clients, more happy employees and greater revenue. Establishing a methodology for measuring the key metrics employee experience is a great place to start. There are a few things you can consider when looking at factors affecting employee satisfaction.*

### **Employee experience factors**

*A sense of diversity, belonging and inclusion within the team*

*An individual's health and wellbeing*

*Opportunities for learning and growth*

*Engagement with the rest of the team*

*Alignment with the values of the company*

*Knowledge that employee feedback is taken into consideration*

*Feeling appreciated by management and colleagues*

*Think about how these matters come into play at your own organization. Do employees seem overworked and stressed out, or are they excited to tackle new projects and pitch ideas? Is it a hostile environment, or does everyone feel like they have an equal chance to speak and share their ideas? Are there programs or development opportunities to help employees challenges themselves or expand their skills?*

*These are great places to start when looking to improve employee experience at your organization,*

<https://www.kudoboard.com/blog/employee-experience-affects-customer-experience>



# 10 STATISTICS ABOUT EMPLOYEE EXPERIENCE AND CUSTOMER EXPERIENCE

• [www.blakemichellemorgan.com](http://www.blakemichellemorgan.com) •

**01** Companies with highly engaged employees outperform their competitors by 147%.

147%

**02** Companies that excel at customer experience have 1.5 times more engaged employees than companies with poor customer experience.

**03** Only 31.5% of employees in the U.S. say they are engaged in their work.

31.5%

**04** 87% of customers' affinity towards Starbucks is driven by the way the company treats its employees.

87%

**05** Companies with a highly engaged workforce experience a 19.2 percent growth in operating income over a 12-month period.

19.2%

**06** 89% of companies expect to compete primarily on customer experience.

89%

**07** 82% of employees at high-performing companies are highly engaged, but only 68% are at under-performing companies.

82%

**08** 79% of employees at companies with above-average customer experience are highly engaged in their jobs, compared to 49% of employees at companies with average or below-average customer experience scores.

79%

49%

**09** Business units with engagement and connection scores in the top 25% had 10% stronger customer metrics

**10** Companies that invest in employee experience are four times more profitable than those that don't.

Source:

- [www.gallup.com/services/190118/engagedworkplace](http://www.gallup.com/services/190118/engagedworkplace)
- [www.experiencematters.blog/2016/02/16/report-employee-engagement-benchmark-study-2016](http://www.experiencematters.blog/2016/02/16/report-employee-engagement-benchmark-study-2016)
- [www.news.gallup.com/poll/181289/majority-employees-not-engaged-despite-gains-2014](http://www.news.gallup.com/poll/181289/majority-employees-not-engaged-despite-gains-2014)
- [www.visioncritical.com/employee-engagement-drives-customer-experience/](http://www.visioncritical.com/employee-engagement-drives-customer-experience/)
- [www.decision-wise.com/show-me-the-money-the-roi-of-employee-engagement](http://www.decision-wise.com/show-me-the-money-the-roi-of-employee-engagement)
- [www.blogs.gartner.com/laura-mckellan/10-proof-points-why-customer-experience-is-the-next-big-thing](http://www.blogs.gartner.com/laura-mckellan/10-proof-points-why-customer-experience-is-the-next-big-thing)
- [www.temkingroup.com/product/employee-engagement-benchmark-study-2017](http://www.temkingroup.com/product/employee-engagement-benchmark-study-2017)
- [www.temkingroup.com/product/employee-engagement-benchmark-study-2017](http://www.temkingroup.com/product/employee-engagement-benchmark-study-2017)
- [www.decision-wise.com/show-me-the-money-the-roi-of-employee-engagement](http://www.decision-wise.com/show-me-the-money-the-roi-of-employee-engagement)
- [www.blog.weflible.ca/2017/04/19/employee-experience-delivers-roi](http://www.blog.weflible.ca/2017/04/19/employee-experience-delivers-roi)



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## So What is the role of Leadership in addressing the issues around employee happiness and wellbeing and the customer experience?

***Business Leadership Today*** in the paper written by Matt Tenney looks at the role of leaders to ensure that both factors are in harmony

### *The Link Between Employee Experience and Customer Experience*

*In addition to better engagement, retention, performance, and long-term profitability, employee experience is also strongly linked to customer experience. According to a recent Harvard Business Review Analytic Services survey, 55% of executives surveyed said they believe it is just not possible to provide a great customer experience without providing a great employee experience. Employees who view their employee experience positively are much more likely to provide a positive customer experience. In fact, the link between the two is so strong, **many are declaring employee experience is the new customer experience.***

*The evidence supports this. Organizations that lead in customer experience have employees who are 60% more engaged, and investing in employee experience can generate a high ROI for the organization. When an organization provides a positive employee experience, they see improvements in customer satisfaction, greater innovation, and generate 25% higher profits than organizations that do not provide a positive employee experience. Just as a positive customer experience is crucial for building loyalty and driving revenue, a positive employee experience boosts loyalty and performance. It also helps organizations attract top talent. Customers will see the positive effects of an excellent employee experience in the service your employees provide.*

### *How To Ensure Both Experiences Are Positive*

*To create a great customer experience, a customer's interactions with a company's employees must be positive. Customers need to feel heard and valued if we want them to keep coming back. We need to get feedback from customers to understand how we can better serve them. We need to foster authentic connections with them to build trust with them. If we expect our team members to provide a great customer service experience—an experience in which customers feel heard and valued—we need to make sure we hear and value them. We need their feedback so that we can learn how to improve and better serve them. We need to build authentic connections with them to build trust.*



*A leader's ability to build authentic relationships with their employees, and encourage team members to do the same, is the key to providing a great employee experience and helps maintain a harmonious, respectful work environment in which employees can perform well and serve customers well.*

*Leadership is one of the most critical factors for business success, and having a good leader who can build rapport with team members, inspire them to do great work, and keep them motivated ensures both the employee and customer experiences are positive. Leaders can support a positive employee experience by providing job clarity, opportunities for professional development, autonomy, an inclusive work environment, regular recognition of contributions, healthy feedback, a good work/life balance, and trust-based working relationships.*

*The most important goal in fostering a positive employee experience is fostering an environment where employees feel valued and that the work they do matters. Leaders can help their team members see the impact of their work and how their roles are integral to achieving that impact by tying the work they do to a greater purpose, a clearly-defined vision that helps them see a deeper meaning in their work.*

*When our teams can connect their daily activities to positive impacts for customers, we are making their work more meaningful and making the customer experience more meaningful.*

*Purpose is necessary to achieve the long-term results we want in business. It is short-sighted to focus on effects without bringing cause into the mix when it comes to inspiring purpose in employees and creating an experience that is more than the sum of our team members' output.*

*I recently had a conversation with Zach Mercurio, author of *The Invisible Leader: Transform Your Life, Work, and Organization the Power of Authentic Purpose*, about why making team members feel like they matter is essential if you want your organization to do great work, especially in the post-pandemic world of work where many workers are still experiencing burnout and the other negative effects of stressful work environments and customer demand is high.*

*Imagine today that you believe your life is insignificant. It's very unlikely that you would do much of anything. Yet, in organizations, a majority of workers say they feel forgotten or invisible. This experience of anti-mattering is extremely prevalent in eroding people's energy and effort."*

*In the post-pandemic world, we need to find ways to rebuild our team members' trust, boost their energy, and increase their efforts. Doing so is essential to providing the kind of customer experience that keeps customers satisfied and loyal. The most effective way for leaders to achieve this is by ensuring they are providing all employees with a positive employee experience*

<https://www.businessleadershiptoday.com/how-are-customer-experience-and-employee-experience-related/>

## So Where to Start on an Employee Happiness and Wellbeing strategy.

One option developed by ICXI.com is through the use and application of their new

### **International Employee Happiness and Wellbeing Model (IEHWM 2023 )**

which has been developed from the

### **International Employee Happiness and Wellbeing Standard (IEHWS 2023)**

The principal difference between the two is that IEHWS 2023 is a formal international standard certificated world wide by The British Standards Institute (BSi) and

IEHWM 2023 addresses exactly the same range of key issues but in a way that gives greater flexibility and scope at a lower cost to organisations. The framework will be accredited by The International Customer Experience Institute (ICXI).

Both are uniquely the only global standard and framework respectively designed to assist organisations to assess, develop, measure and improve their level of performance in the management of their employees happiness and wellbeing.



## **How the IEHWM 2023 model has been developed and structured.**

In response to the belief in the symbiotic relationship between Employee Happiness and Wellbeing and the Excellence in Customer Experience delivery, and in the case of private sector organisations, the direct link to the bottom line the Model has been developed by ICXI with input and engagement from experienced human resources specialists, psychologists, healthiness and wellbeing academics, specialists, and experts, additionally customer experience management professionals, academics in the CX field, ICXI certified organisations and CX and EX consulting professionals globally.

Its aim is to provide organisations of all sizes in all sectors with the means and methodology to create the most positive and productive operational environment possible for the mutual benefit of the customer, the employee, and the organisation,

### **The People Imperative**

The value and necessity of the role of employees in resolving the service quality/customer experience equation has always been well understood. The Covid Pandemic brought this factor into even sharper relief as organisations were required to develop new operational processes and methods to meet the needs of both employees and customers. A challenge that was met with a highly variable range of success. Part of the reason for some of the less successful approaches may well have been due to neither employer nor employees developing a working relationship based on a mutually accepted model designed to deliver a mutually beneficial outcome. As the ratio of more digital to less human customer contact increases so the importance of every customer contact with a real employee producing a positive experience is further increased. As a leadership issue it also recognises the importance of understanding how customers as people who respond and react to the same kind of positive and negative influences.

### **The Core Model**

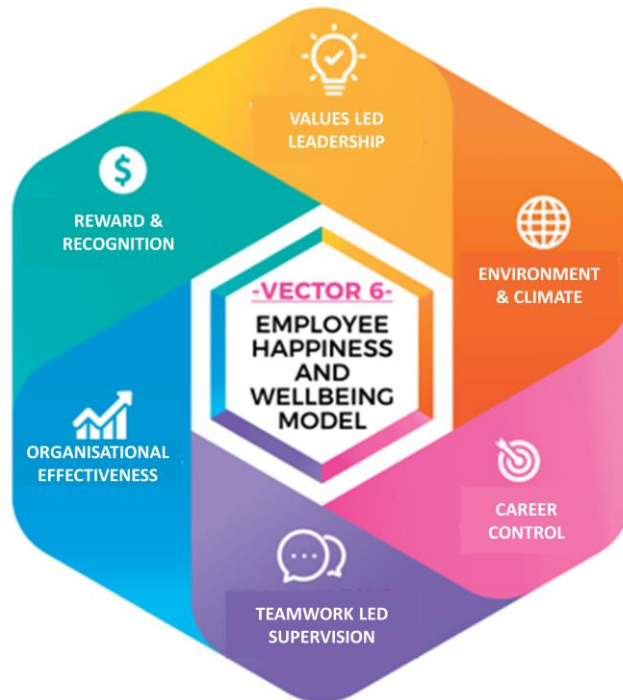
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The Vector 6 Employee Happiness and Wellbeing Model reflects the dramatically increased international growth in scale, reach and scope of the need for employers to develop practices that deliver happiness levels and actively promote and support wellbeing within their employees as a key factor contributing to the delivery of customer service excellence.

The primary aim of the Vector 6 Model is to motivate organisations to focus their attention on their biggest asset “their Employees” through the delivery of employee happiness and wellbeing promotion techniques

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## Vector 6

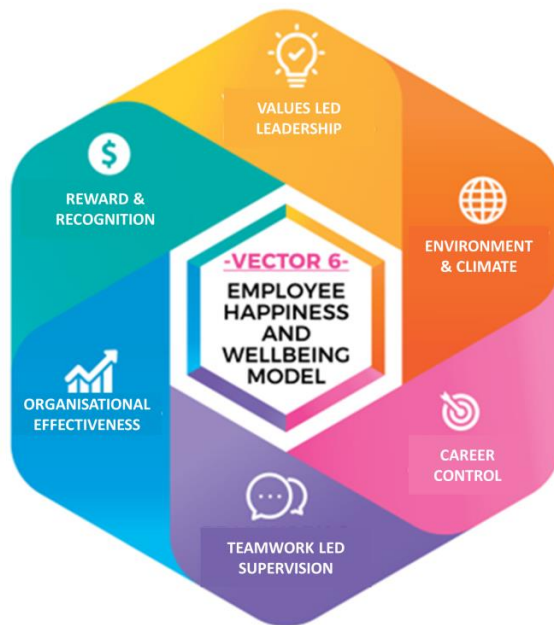


Vector 6 has taken into consideration the evolution of many factors that impact employee happiness and wellbeing including the global changes that have occurred in the concepts resulting from the Covid pandemic including Remote Working – “Working from Home -WFH”. It also is deemed to include all employment situations including travelling on business and working away from the organisation’s premises.

This new Model contains, the proven core principles and evolving practices of delivering Employee Happiness to create a flexible yet quantifiable framework for implementing the elements needed to facilitate delivery of Excellence in Employee Happiness and consistently positive employee and customer experiences.

The research and development process looked at multiple sources including earlier work on human behaviour from the likes of Frederick Herzberg, Abraham Maslow, Douglas Macgregor and Dr Michael O’Connor and onto some of the more recent work by several leading Employee Happiness expert individuals and organisations, plus (cofounder of ICXI) Robert Keay’s 6M’s model (developed in 2015 and included within his book on Customer Happiness on the Horizons, as well as the independent contribution of happy employees, all of which contain valued and valuable insights into the relationship and engagement between organisation, employee and customer.

It is an oversimplification to see the employee/customer happiness relationship as a simple linear equation in which the employee is happy, the customer is happy, the boss is happy, and as a result of which good tidings and benefits accrue to all concerned. In practice such relationships are far more dynamic and complex. Their management must be more deeply understood and more carefully managed.



## POTENTIAL EXPECTED BENEFITS

The Vector Model can be used to assist the organisation to enhance the reputation of the brand as an attractive employer for high quality staff and to

1. Provide employees with confidence in the organisation's employee happiness and wellbeing intentions through independent internationally recognised accreditation by ICXI or Certification from BSI;
2. Improve employee happiness and wellbeing by identifying the key performance barriers and thereby building employee/employer trust
3. Improve employee happiness and wellbeing by identifying and resolving issues across the whole organisation
4. Develop a measurement benchmark against which future progress can be measured
5. Identify where cross organisational end-to-end processes which deliver the customer experience can be improved.
6. Improve employee engagement and involvement by demonstrating their views are important and capable of driving change
7. Increase workforce stability, productivity and loyalty
8. Use the voice of the employee (VoE) to Identify operational issues other than those germane to employee health and wellbeing and customer experience delivery.
9. Develop employee knowledge to improve the processes that deliver the customer experience
10. Better understand the relationships between supervisors and staff at all levels

## 1. Values Led Leadership

Whether formalised or not it is the sum and priority of the values that the leaders share that is the foundation for the organisation's culture. The degree to which employees identify with engage and support the culture defines the way the organisation behaves. This has always been an area of key importance to every organisation and is to forecast to gain even greater importance in the future.

In most parts of the world employees have long had the right to expect their employees to respect the applicable employment and labour legislation and to conduct the organisation in a socially acceptable and responsible manner. As the future evolves, organisational performance and Models in both the social and ethical arenas, driven largely by the new generations, who have not only a stronger will and opinion on matters of national and international organisational behaviour they are far less likely to even apply for employment with organisations that have a poor ethical or leadership record in any area, whether that be an environmental, social, racial, gender or religious bias. It is increasingly the best talent that is leading such attitude and behaviour so employers with a poor record or reputation may be divorcing themselves from the most effective talent pool. Such new generations are not only potential employees they are also actual customers and increasingly use the power of social media to positively or negatively influence others both as employees and customers. Clear values led leadership is a foundation element for the creating and sustaining a positive employee experience.

## 2. Environment and Climate

Relates to the physical and emotional conditions in which the employee operates. Many organisations, by the very nature of their business, must operate in both difficult or dangerous physical conditions and every individual and team must take their own piece of responsibility in such organisations. Other organisations may have less challenging daily situations to address but all organisations must make the operational environment safe for themselves, their colleagues, and their customers.

The emotional climate is equally important in every organisation because emotion is the driver of both happiness and despair. It is a well-researched fact that employees at the happiness end of the scale are more motivated, engaged, and responsive to the needs of their customers than those who feel suppressed needs of their customers than those who feel suppressed and unappreciated. This element became further complicated when the Covid pandemic forced a major switch to home working in many sectors.

The challenge to organisations now goes beyond the Working from Home convenience preferred by many employees to the issue of how a positive, safe, engaging environment may be managed operationally, legally, and safely on both an emotional and physical level among what may be a widely dispersed semi-remotely operating work force.



### **3. Career Control**

The degree to which the employee feels they have influence over their personal development.

Some employees have very high levels of personal ambition and see advancement up the organisation as their goal, others care less for management responsibility in preference for the development of personal expertise as specialists in their preferred key skills areas. Others may have less drive and ambition and are both prepared and happy to remain in similar work for large parts of their lives.

There are also of course multiple shades of grey between those with vertical aspirations, those with horizontal aims and those with other ideas. The common factor to all shades is that they like to feel that they are not somehow suppressed or trapped in any role or position but that they have the opportunity and the degree of control they need to pursue their ambitions to whatever level they choose, and such opportunity is not constrained on grounds of race, gender, religion, culture, or any diversity issue.

### **4. Teamwork Led Supervision**

How the employee feels about the way they are managed and how effectively they can work with colleagues.

Teamwork in this context refers not only to small local teams but in the sense of the whole organisation being one team. At the local level there is a great deal of evidence to support the fact that the reason why employees are either demotivated or leave an organisation is due to their relationship with their supervisor or manager. The range of reasons is wide and varied but revolve most commonly around interpersonal behaviour, poor communication and lack of respect and recognition.

At the organisational level there is also a great deal of evidence showing that not only employees, but customers leave the organisation when the whole piece does not function as a team. This is another area that is gaining importance because of the attitudes and opinions of the new generations who, whether employees or customers are less willing to accept service failure resulting from bad leadership and poor team management.

### **5. Organisational Effectiveness**

The way the employee feels about the competence of the organisation generally and the way in which it is fulfilling its customer propositions.

Generally, it is no secret to its employees when an organisation or some part of it is not operating effectively and specifically when it fails continuously to meet its customers' needs and expectations. In addition, this can contribute to employees not having a clear sense of purpose about how, and to what end, their work contribution supports the operational performance and ambitions of the organisation. The knockon effect is that employees can become frustrated, disillusioned, and disengaged and have a higher propensity to leave the organisation, taking their skills and knowledge with them. This malaise is observable at all levels of an organisation, investors, disillusioned directors, managers, and key suppliers are as likely to leave as well as employees further down the corporate ladder if they feel the organisation is not being led or managed effectively.

## **6. Reward and Recognition**

How the employee feels about the compensation and recognition they receive.

Hertzberg has adequately demonstrated that reward and recognition goes well beyond just money. The financial compensation must be competitive to both attract and retain personnel and is probably the base decision platform that motivates an individual to move from one organisation to another. However, looking ahead at the new generations that will be the workforce of tomorrow the recognition elements will play an increasingly important role in engaging employees in the kind of work experience that will keep them engaged, motivated, productive, and loyal.

The application of serious formal and informal recognition and positive reinforcement is a very powerful motivational force that is effective at every level from entry level employees and at every level up to and including the organisation and its brand.

### **Additional Sections**

The sections from 1 to 6 (Vector 6) detail criteria on how employee experience can be monitored, measured, and improved.

**Section 7** (Measurement of Performance) details the main measurements needed to conduct a full cycle of employee happiness and wellbeing measurement.

**Section 8** (Performance Measurement Results) documents and evidences the research results of the required employee happiness and wellbeing measurements.

### **Measurement Elements**

Each of the VECTOR 6 elements has a range of criteria designed to guide the organisation towards best practice. It is against these criteria that accreditation or certification is assessed.

#### **Accreditation**

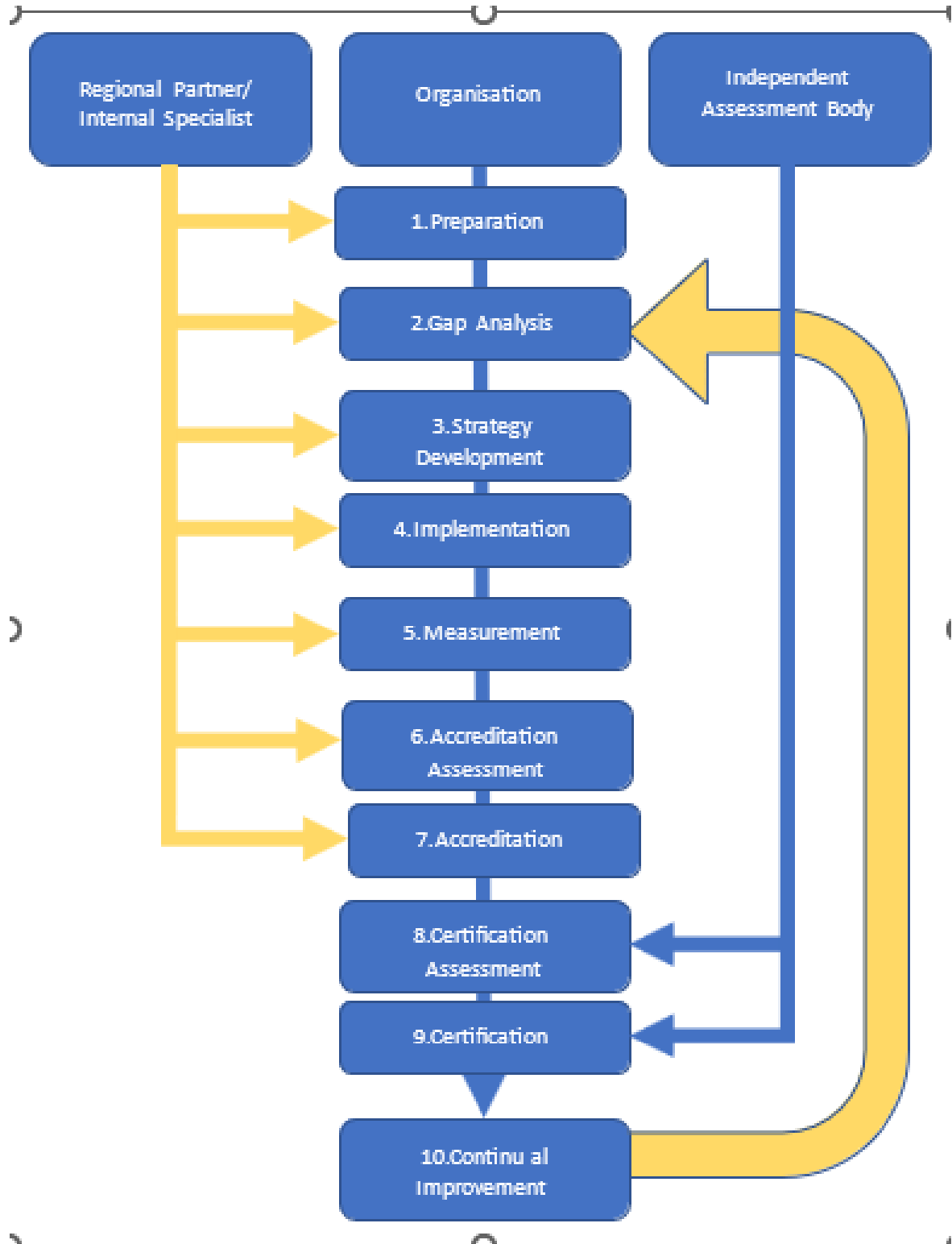
Their degree of achievement is assessed by ICXI local partners and organisations are accredited to one of three levels according to the score achieved.

#### **Certification**

Organisations may, if they so choose, apply for full independent certification against the International Employee Happiness and Wellbeing Standard IEHWS 2023

## Vector 6 - Implementation Framework

This is a typical FRAMEWORK of activities an organisation will take to through the JOURNEY of implementation of the Vector 6 Model to



## Vector 6 - Scoring Model

The performance scoring for the Vector 6 CRITERIA is as follows:

	CRITERIA	Available Points
1	Values And Leadership	100
2	Environment and Climate	200
3	Career Control	100
4	Teamwork and Supervision	100
5	Organisational Effectiveness	100
6	Reward and Recognition	150
7	Measurement of Performance	125
8	Performance Measurement Results	125
	TOTAL	1000

A percentage of the available Points for each criterion will be based on the following quality of evidence.

% of Points Awarded	Verification
0%	Zero evidence of the requirements being achieved
25%	Evidence of achieving few of the requirements detailed by the Model, obtained through documentation or as specified in the criteria
50%	Evidence of achieving some of the requirements detailed by the Model, communicated to employees and other relevant interested parties or as specified in the criteria
75%	Evidence of achieving majority of the requirements detailed by the Model, and of implementation of the requirements or as specified in the criteria
100%	Evidence of achieving all the requirements detailed by the Model, and of employees adopting the requirements or as specified in the criteria

## Certification Performance Levels

Three levels can be achieved dependent upon the organisation's  
Upon completing a Certification Assessment, the assessor will produce the  
Assessment Report detailing the performance of the organisation from the ICXI online  
solution.

The report details the organisation's performance for each Criteria and highlights the  
areas for further improvement.

PERFORMANCE	LEVEL OF EXCELLENCE
ACHIEVED 90% + OF REQUIREMENTS	TRANSFORMATIONAL LEADING ORGANISATION
ACHIEVED 75% to <u>89.9%</u> OF REQUIREMENTS	PRACTICE EXPERT ORGANISATION
ACHIEVED 55% to 74.9% OF REQUIREMENTS	PIONEERING PROFESSIONAL ORGANISATION

## The Pathfinder Surveys

Measuring the climate and the progress

The Model includes four all employee Pathfinder measurement tools to better understand the employee climate. These enable the organisation to measure the climate at four levels

P18 – 18 Questions Used to check the organisation's wellbeing temperature

P30 – 30 Questions from each -Used as 1st Level employee survey

P60 - 60 questions Selected by organisations who want a deeper dive into Employee Happiness and Wellbeing.

P90 – 60 Questions+ 30 Reserve additional questions. Selected by organisations who desire the need for a comprehensive deeper dive into Employee Happiness and Wellbeing. Allows organisations to customise surveys from a P90 Library

## The Last Word

Looking back it may well have been the Quaker leaders who first really believed in the mutual benefits of employee happiness and wellbeing and committed wholeheartedly to that belief. Since their times progress appears has come as a result of combination of protest, legislation and enlightenment with the latter becoming the most powerful. Persuaded by both research and socio-political forces the issue of employee happiness and wellbeing is well established on the management agenda of organisations of all sizes. Some appear to be addressing the issues with vigour and others less so and therefore potentially run the risk of only being able to attract less competent and motivated employees and suffering the attendant commercial or operational consequences of that position.

Regardless of whether or not a structured approach like IEHWS 2023 or IEHWM 2023 is taken or not does not change the fact that to ignore employee happiness and wellbeing now may well turn out to be a flawed strategy for future success.

## Recommended Reading

<https://michaelrucker.com/well-being/the-history-of-workplace-wellness/>

<https://www.linkedin.com/pulse/evolution-workplace-wellness-rakesh-pal/>

<https://emotionsblog.history.qmul.ac.uk/2014/05/what-quaker-companies-can-teach-us-about-well-being-at-work/>

<https://www.kudoboard.com/blog/employee-experience-affects-customer-experience/#:~:text=The%20better%20the%20experience%20that,them%20the%20best%20experience%20possible>

<https://www.xminstitute.com/blog/billions-employees-try-harder/>

<https://hbr.org/2022/03/research-how-employee-experience-impacts-your-bottom-line>

<https://hbr.org/2023/04/engaged-employees-create-better-customer-experiences>

[How employee experience impacts customer experience \(front.com\)](https://www.front.com/blog/how-employee-experience-impacts-customer-experience)

[How Customer Experience Is Related to Employee Experience - Business Leadership Today](https://www.businessleadership.com/blog/how-customer-experience-is-related-to-employee-experience)

<https://www.businessleadership.com/blog/the-un-ignorable-link-between-employee-experience-and-customer-experience>

[Today.com/how-are-customer-experience-and-employee-experience-related/](https://www.forbes.com/advisor/business/employee-experience-customer-experience/)

[The Un-Ignorable Link Between Employee Experience And Customer Experience \(forbes.com\)](https://www.forbes.com/advisor/business/employee-experience-customer-experience/)