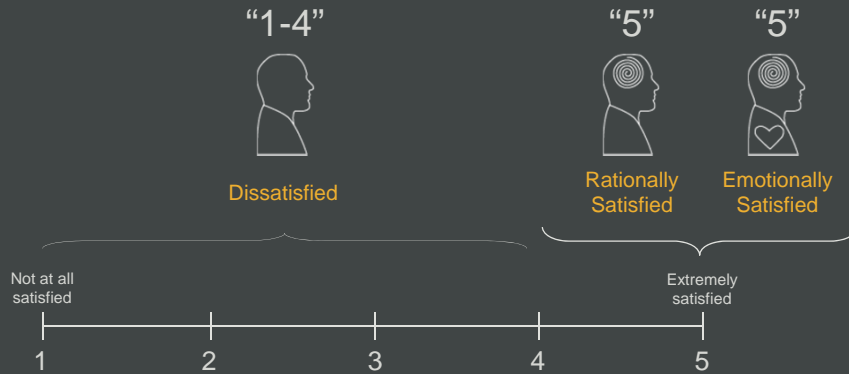


Managing the Employee-Customer Encounter

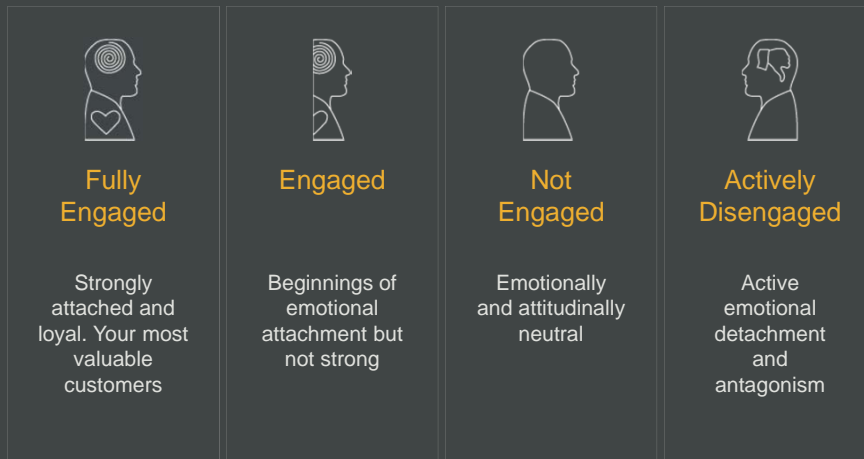


Customer Engagement

Satisfaction Is Not Enough | Three Kinds of "Satisfaction"

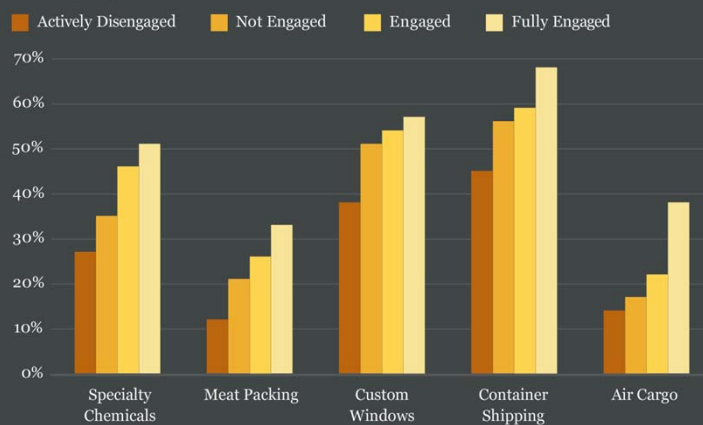


Customer Engagement Groups | Four Customers



Customer Engagement and Share of Requirements | B2B

Share of Requirements



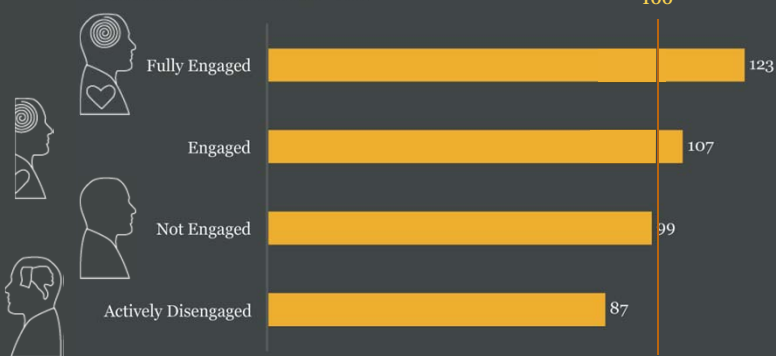
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Customer Engagement Drives Financial Performance

Per-Customer Contribution

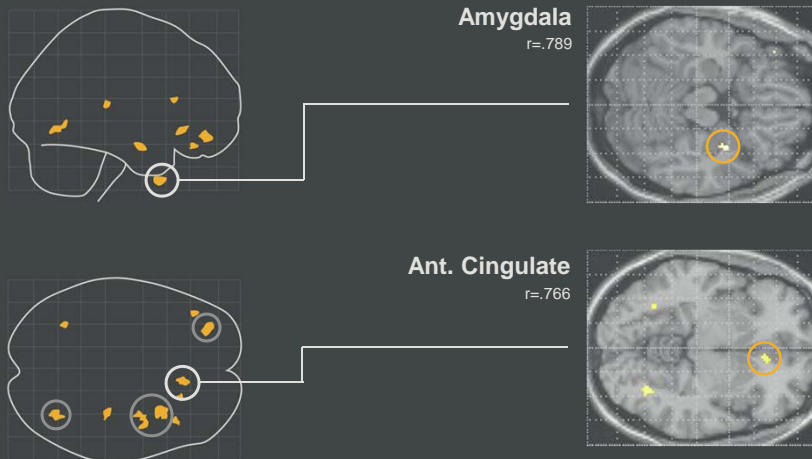
Indexed Performance (Average = 100)



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Differential Neural Activity: Passion



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7

The “Sameness” Paradox

- Paradoxically, reducing variation in engagement (the outcome) may actually require increased variation in how service is delivered (the process).
 - “The essence of our brand is not about sameness of service...it's about consistency of service.”
Simon Cooper, President & COO, Ritz-Carlton Hotel Company LLC.
- Unfortunately, companies have opted for sameness over consistency.

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8

Employee Engagement

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What Does Employee Disengagement Look Like?



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What Does Employee Disengagement Look Like?



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Employee Engagement Groups | Three Employees



Engaged

Strongly involved and psychologically committed. Your most valuable employees



Not Engaged

Emotionally and attitudinally neutral



Actively Disengaged

Active emotional detachment and antagonism

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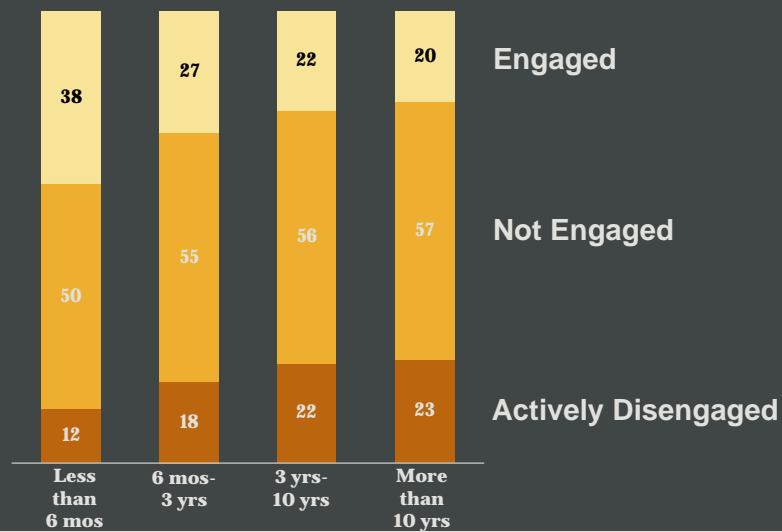
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Q12® Meta-Analysis: Outcomes

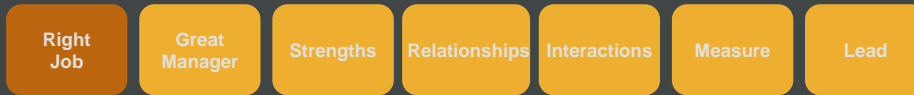
Top-quartile business units have. . .

- 37% *lower* absenteeism
- 25% *lower* turnover (in high-turnover organizations)
- 49% *lower* turnover (in low-turnover organizations)
- 27% *less* shrinkage
- 49% *fewer* safety incidents
- 41% *fewer* patient safety incidents
- 60% *fewer* quality incidents (defects)
- 12% *higher* customer metrics
- 18% *higher* productivity
- 16% *higher* profitability

The Challenge



Driving Results, One Person at a Time

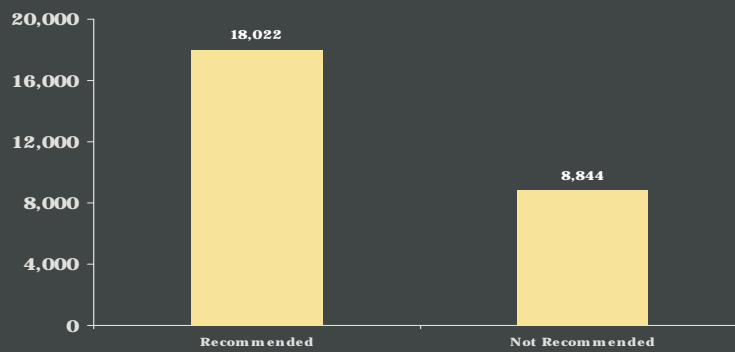


- Seven challenges, in the words of people we have interviewed:

- Challenge 1: Put me in the *right job*

Talent-Based Hiring vs. “Gut” Hiring

Minutes Played, Career



Challenge 1: Put me in the *right job*

Driving Results, One Person at a Time

Right Job

Great Manager

Strengths

Relationships

Interactions

Measure

Lead

→
→
→
→
→
→

- **Seven challenges, in the words of people we have interviewed:**
 - Challenge 1: Put me in the *right job*
 - Challenge 2: Give me a *great manager*

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Driving Results, One Person at a Time

Right Job

Great Manager

Strengths

Relationships

Interactions

Measure

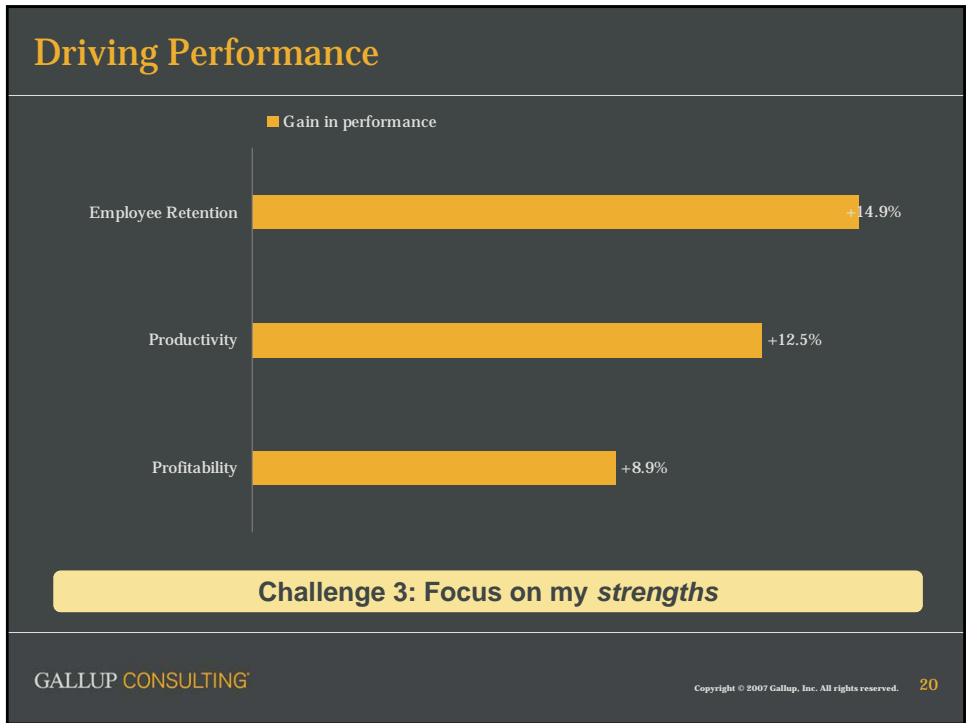
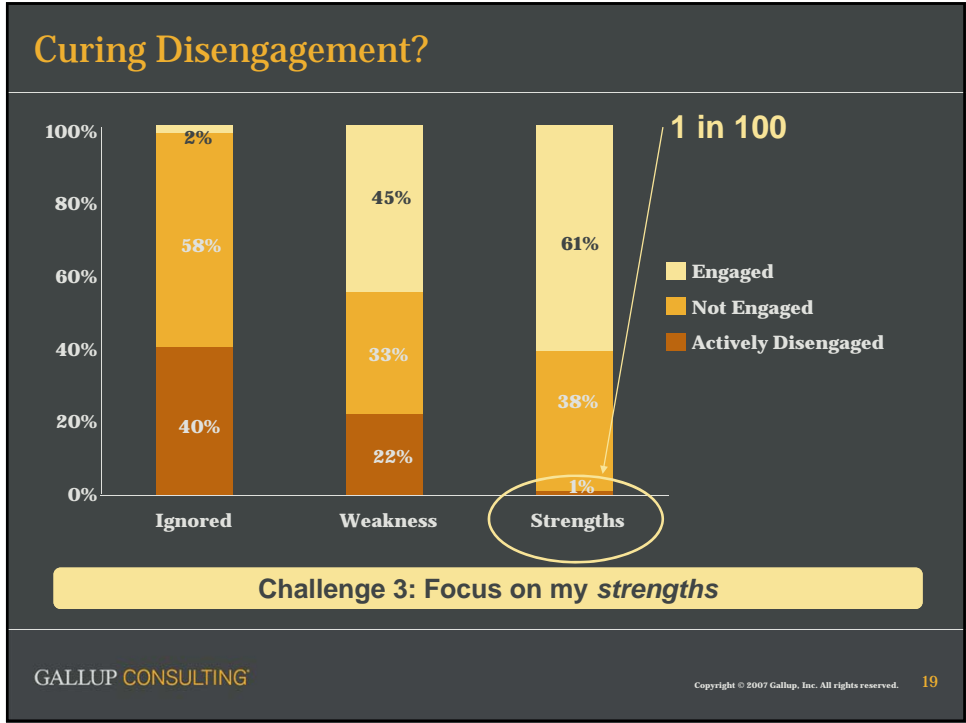
Lead

→
→
→
→
→
→

- **Seven challenges, in the words of people we have interviewed:**
 - Challenge 1: Put me in the *right job*
 - Challenge 2: Give me a *great manager*
 - Challenge 3: Focus on my *strengths*

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Driving Results, One Person at a Time

Right Job → Great Manager → Strengths → Relationships → Interactions → Measure → Lead

- Seven challenges, in the words of people we have interviewed:
 - Challenge #1: Put me in the *right job*
 - Challenge #2: Give me a *great manager*
 - Challenge #3: Focus on my *strengths*
 - Challenge #4: Help me build strong *relationships*

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People We Enjoy Being Around

1. Friends
2. Relatives
3. Significant Other

3rd from last: Customers
 2nd from last: Co-workers
 Dead last: Boss

Housecleaning

Source: Kahneman, D., et al. (2004). A Survey for Characterizing Daily Life Experience: The Day Reconstruction Method. Science. 306, 1776-1780.

Challenge 4: Help me build strong *relationships*

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Driving Results, One Person at a Time



- **Seven challenges, in the words of people we have interviewed:**

- Challenge 1: Put me in the *right job*
- Challenge 2: Give me a *great manager*
- Challenge 3: Focus on my *strengths*
- Challenge 4: Help me build strong *relationships*
- Challenge 5: Keep me engaged in every day *interactions*

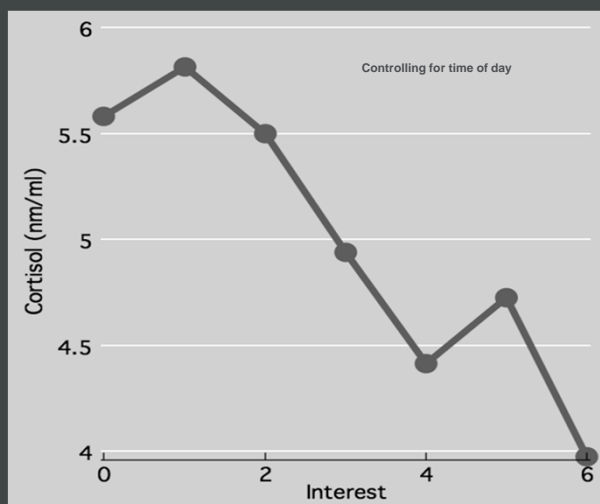
Social Wellbeing Research

Social Time: Six Hours a Day Keeps Stress Away



Source: Gallup-Healthways Well-Being Index

Momentary Interest and Cortisol

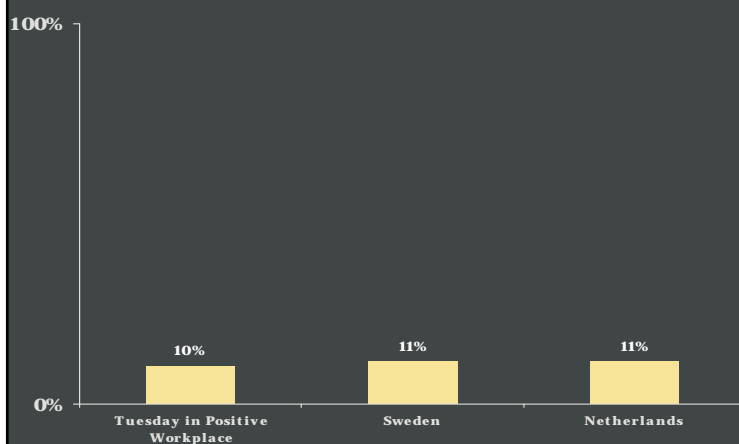


Stone, A., & Harter, J.K. (2009). The experience of work: A momentary perspective. Omaha, NE: Gallup.

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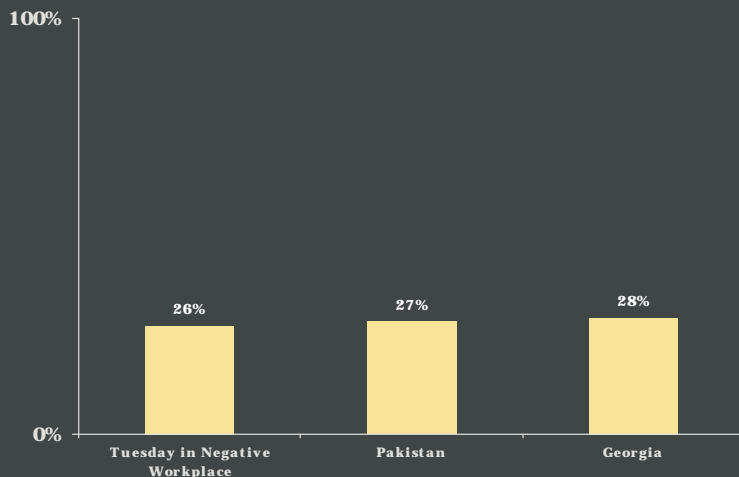
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Did you experience the following feelings during A LOT OF THE DAY yesterday? : Anger



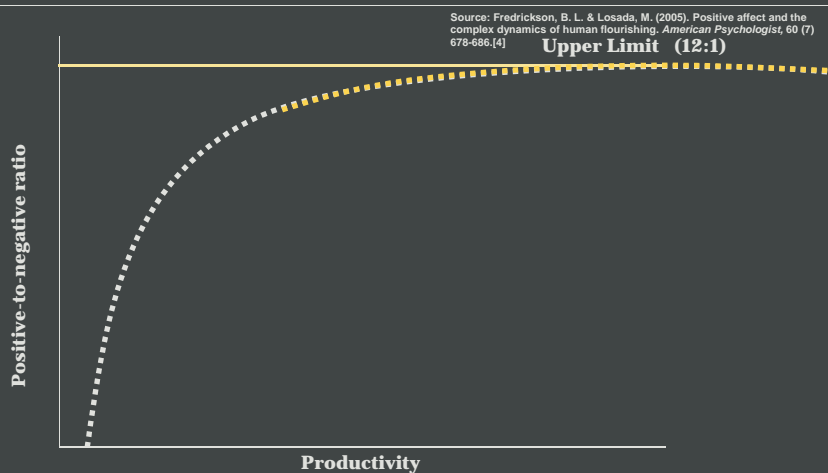
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Did you experience the following feelings during A LOT OF THE DAY yesterday? : Anger



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Workplace Ratios



Challenge 5: Keep me engaged in everyday *interactions*

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Driving Results, One Person at a Time

Right
JobGreat
Manager

Strengths

Relationships

Interactions

Measure

Lead

- Seven challenges, in the words of people we have interviewed:

- Challenge 1: Put me in the *right job*
- Challenge 2: Give me a *great manager*
- Challenge 3: Focus on my *strengths*
- Challenge 4: Help me build strong *relationships*
- Challenge 5: Keep me engaged in everyday *interactions*
- Challenge 6: *Measure* my progress regularly

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Driving Results, One Person at a Time

Right
JobGreat
Manager

Strengths

Relationships

Interactions

Measure

Lead

- Seven challenges, in the words of people we have interviewed:

- Challenge 1: Put me in the *right job*
- Challenge 2: Give me a *great manager*
- Challenge 3: Focus on my *strengths*
- Challenge 4: Help me build strong *relationships*
- Challenge 5: Keep me engaged in everyday *interactions*
- Challenge 6: *Measure* my progress regularly
- Challenge 7: *Lead* me toward a positive future

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What Followers Want: Four Basic Needs

1. *Trust*
2. *Compassion*
3. *Stability*
4. *Hope*

Challenge 7: Lead me toward a positive future

HumanSigma® Performance Bands

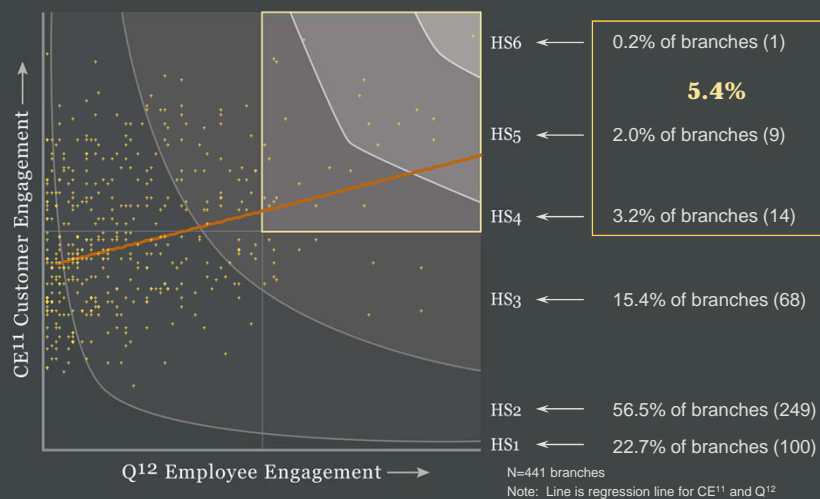


Xtreme HumanSigma® at Bank S

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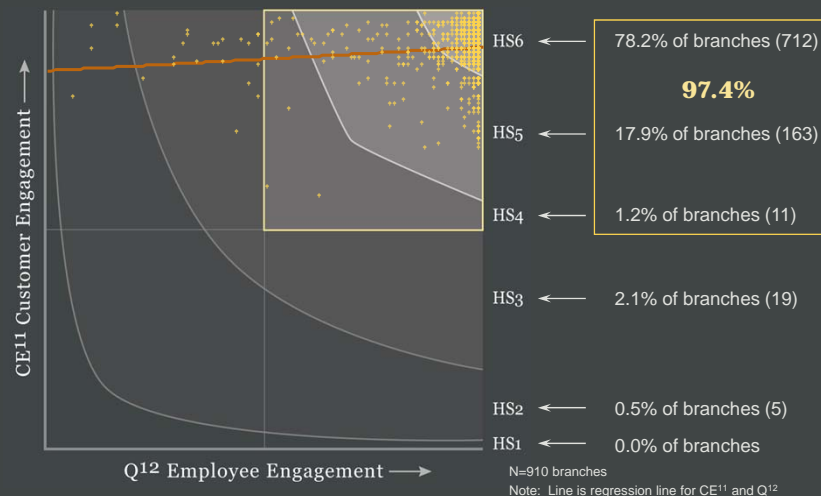
HumanSigma® at Bank S | 2004



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HumanSigma® at Bank S | 2009



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What have been the results? | Bank S

- Revenue up 25% year over year.
- Stock price up 35% over past three years.
- Assets up 27%.
- Bank has moved up from #4 to #3 bank in region overall.
 - #1 in net profit, ROE, and ROA.
 - #1 in market cap.
 - Market cap of USD 6 billion.
 - #1 in retail outlets.
 - 850 branch locations (+400).
 - 4,000 ATMs (+2,000).
 - #1 in credit cards issued.
 - #3 in total assets.

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5 Rules: HumanSigma®

1. The employee-customer encounter must be conceptualized and managed holistically.
2. The employee-customer encounter is fundamentally emotional.
3. The employee-customer encounter must be measured and managed locally.
4. The effectiveness of the employee-customer encounter can be quantified and summarized in a single performance metric – the *HumanSigma* metric – that is powerfully related to financial performance.
5. Sustainable improvement in the employee-customer encounter requires:
 - disciplined local action;
 - company-wide commitment to changing how employees are recruited, positioned in roles, rewarded and recognized, and importantly, how they are managed.

Questions from you

Thank You!

The 12 Elements of Great Managing

THE FIRST ELEMENT

Knowing What's Expected

THE SECOND ELEMENT

Materials and Equipment

THE THIRD ELEMENT

The Opportunity to Do What I Do Best

THE FOURTH ELEMENT

Recognition and Praise

THE FIFTH ELEMENT

Someone at Work Cares About Me as a Person

THE SIXTH ELEMENT

Someone at Work Encourages My Development

THE SEVENTH ELEMENT

My Opinions Seem to Count

THE EIGHTH ELEMENT

A Connection with the Mission of the Company

THE NINTH ELEMENT

Coworkers Committed to Doing Quality Work

THE TENTH ELEMENT

A Best Friend at Work

THE ELEVENTH ELEMENT

Talking About Progress

THE TWELFTH ELEMENT

Opportunities to Learn and Grow

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CE¹¹® Customer Engagement

Passion

- I can't imagine a world without [Brand].
- [Brand] is the perfect [company/product] for people like me.

Pride

- [Brand] always treats me with respect.
- I feel proud to be a [Brand] customer.

Integrity

- If a problem arises, I can always count on [Brand] to reach a fair and satisfactory resolution.
- [Brand] always treats me fairly.

Confidence

- [Brand] always delivers on what they promise.
- [Brand] is a name I can always trust.

Rational Foundation

- Overall, how satisfied are you with [Brand]?
- How likely are you to continue to choose/repurchase [Brand]?
- How likely are you to recommend [Brand] to a friend/associate?

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