questback

POWERING TRANSFORMATION THROUGH
EMPLOYEE FEEDBACK

Content

IF YOU WANT TO SURVIVE AND THRIVE IN INCREASINGLY COMPETITIVE AND FAST MOVING MARKETS, THEN **IT'S ESSENTIAL TO GET THE BEST OUT OF YOUR PEOPLE.**

Why businesses cannot afford to ignore real-time employee feedback

The corporate world is undergoing unprecedented change at an incredible speed. Digital technology is dramatically lowering the barriers to entry in every market, changing the way business operates, increasing competition and accelerating the need for innovation and much faster decision making. An incredible half of all businesses believe they will be hugely or substantially impacted by digital transformation in their industry according to Gartner research. It's time to get on board with change, or be left behind.

As discussed extensively, CEOs have to operate within an environment that is constantly changing, meaning they need to build agile, flexible organisational structures that are one step ahead of the competition. Employees need to be engaged and mobilised, customers have to receive a superior experience across their journey and companies need to instantly understand what is happening in their markets if they are to react quickly enough to seize opportunities.

Insight is critical to competing and thriving in every market. And the good news is that organisations today have access to more data about their customers, employees and their wider business operations than ever before. People (both as employees and customers) are more open to sharing feedback and this - allied to the rise of digitisation - means we are in an era of Big Data that can potentially transform how we make business decisions. Why would you not take advantage of all that data and insight?

The difficulty can be making sure that you are able to listen, engage and act wisely on what people are saying involving them in a dialogue to deliver change and make ongoing improvements. Can you navigate through the huge amount of data now available across your business to get a complete picture and then act quickly enough to unlock opportunities before the competition?

This guide shows you how to maximise the impact of people feedback on your business, improving the bottom line and creating an insight-driven organisation that will underpin more informed decision making. By including and engaging staff, you can thrive in this fast-changing world.

1. Breakdown barriers to unlock better, faster feedback insight

Senior managers often have to make tough decisions that can make or break a company. In the past, many have relied on gut instinct and backing a hunch – with mixed results. For every Steve Jobs ignoring research reports, launching the iPad, and creating the tablet market, there are less successful examples, such as then-CEO of Motorola, Gregory Brown, who decided in 1998 to pour money into the Iridium satellite phone project, ultimately costing the company $8 billion.

In many cases the reasons for following hunches unilaterally is simply due to problems with the available data – it either isn't comprehensive, isn't real-time or is in a form that is difficult to understand. It could even be that there's too much of it, and managers can't see the wood for the trees. In these cases it isn't a surprise that many business leaders back their own gut feel. Yet it doesn't have to be this way.

Empowering employees to empower management

Multiple factors are making data-decision making easier. Firstly, there is more information available, from more sources, than ever before. Much of this comes from employees, who are on the frontline of the company. This collective wisdom could be feedback on their own job, how they feel about the company, its operations, culture and management. Equally they can provide input on what customers are saying and doing when they interact with a business. Listening actively to feedback, and involving employees in acting on this insight creates an ongoing dialogue that delivers greater engagement and more informed decision making.

Secondly, technology has improved to make the collection, collation, analysis and presentation of this data much simpler and faster. Today's advanced enterprise feedback platforms mean that the days of waiting for paper-based monthly reports or relying solely on employee feedback from an annual survey are over.

CASE STUDY: BANK AUSTRIA UNICREDIT

The banking sector is currently facing major challenges that are forcing the industry to transform how it operates. As a result, banks must communicate and interact with customers and staff in new ways. To achieve this Bank Austria launched two large online communities, providing its customers and employees with the chance to shape the bank's future. Created using Questback's technology the goal of the communities is to integrate feedback from both customers and employees, and use it to align the bank's services more closely to customer's needs and wants, while deepening engagement with employees. Both communities have increased engagement and provided effective insight that has helped drive change. In just over two years, a total of around 7,000 customers and employees are active in the two communities.

Breaking down barriers to data-driven decision making

To get the most from listening to your employees and acting on their insight requires a company to follow four key rules:

1. DATA HAS TO BE ACCURATE

Make sure you are talking to the right people, through a feedback system that can map your complex hierarchies.

2. DATA HAS TO BE COMPLETE

To make comprehensive decisions you need comprehensive data, so break down silos between systems. Make sure you are reaching people in new, mobile-friendly ways to build a complete picture.

3. DATA HAS TO BE SIMPLE TO UNDERSTAND

It has to be presented in a way that is simple to understand, and links directly to business metrics. It also has to be active, not static, enabling business managers to interrogate it easily, ask questions and get meaningful answers, preferably in dashboards.

4. DATA IS UP TO DATE

In the real-time economy managers need to make fast decisions, but these have to be based on the latest information, and update in real-time where possible. Therefore, it's important to be collecting fresh data regularly. Supplement the annual process with more regular research, such as through communities or pulse surveys so that you can see what employees are thinking and saying far faster.

Getting to data - informed gut decisions

No one is saying that 'gut feel' business decision making should be removed completely, indeed many successful people thrive on instinct. But in today's world there is simply too much at stake to discount sound, factual information, especially with the ability of technology to help make the collection, analysis and display of data much faster and simpler. And while leaders need to take informed decisions, delivering the resulting actions requires all staff to be involved if you are to successfully deliver lasting changes.

Therefore companies need to encourage managers to take the insights that feedback provides into account before turning to their gut feelings. They also need to take a multilateral approach, including staff in the process through a dialogue that provides ongoing, real-time insight. Decisions can then use the best of both systems, reducing risk and driving greater success.

2. Ensure insight-driven decisions through real-time reporting

More data is now available today than ever before, particularly from employees and customers. It's difficult to integrate all of this quickly enough to inform the real-time decisions required by the accelerating pace of business today.

What is key to quickly turning data into actionable insight? Dashboard-based reporting provides the platform, but to work properly you need to focus on these five important areas:

1. INTEGRATE DATA FROM ALL AVAILABLE RELEVANT SOURCES

Give managers an integrated view of insights from all available sources – including all aspects of your customer feedback, Voice of the Employee and business metrics - via a single, automatically updated dashboard. Open a two way dialogue with staff to drive continuous feedback and ongoing improvements.

2. MAKE INFORMATION AVAILABLE IN REAL-TIME

Business success today is closely tied to being agile, flexible and able to make effective decisions faster. Older data might result in the wrong decisions. You must ensure that the data flows coming into your dashboard are updated automatically to give managers the confidence that the insights they are seeing are the most up to date.

3. MOVE AWAY FROM STATIC REPORTS

While dashboard reports have traditionally relied on pre-set templates to deliver static reports, often as PDFs or PowerPoint decks, today this is generally no longer enough. Your managers should be able to interrogate the data, drill down into particular areas or metrics and ask 'What if?' questions to facilitate a complete understanding of what is going on. And you need to empower them to do this kind of data analysis themselves.

4. GIVE THEM CUSTOMISED REPORTS

Different managers and departments will have different requirements. This means your dashboard reporting needs to support easy tailoring and customisation of reports for specific groups, and individuals should be able to easily personalise their views.

5. SUPPORT DATA VISUALISATION

Bring your data to life with visualisations, maps and graphics that gives managers an instant view into the important trends and significant insights of the data they are presented with. Ensure that these can easily be shared across the organisation, to support collaboration.

Today there is pressure on businesses to make more decisions, more frequently. To make this work, managers require access to complete data, in real-time, through personalised reports they can easily interrogate and analyse. They need to involve the whole team, using their feedback to ensure that actions are clearly understood and deliver real results. This makes real-time dashboard-based reporting essential if ensuring organisations are to turn feedback and other data into actionable insight rapidly enough to improve their business decisions and overall operational effectiveness.

1. REDUCED STAFF TURNOVER

Research shows it costs the equivalent of a year's salary to replace someone, in terms of recruitment costs and lower productivity. And these direct costs are likely to underestimate the full financial impact – bear in mind that experienced members of staff are also likely to deliver better service to customers, directly helping the customer experience. Engaged employees are much less likely to leave your organisation. therefore lowering costs and benefiting the bottom line.

2. GREATER PRODUCTIVITY

UK productivity is nearly 17% below that of countries such as France, Germany, Italy, Japan, Canada and the US, according to the Office for National Statistics, and shows no signs of catching up. To compete internationally UK businesses need to bridge this gap. Engaged and motivated staff that understand the company strategy are key to this. They tend to achieve more with their time and take less sick days. This directly boosts productivity, helping organisations to ensure that they optimise salary costs and remain competitive with rivals.

3. ENCOURAGE INNOVATION AND NEW IDEAS

Employees have a deep understanding of how your business operates and what customers are asking for, making them perfectly placed to improve your processes and to unlock innovation. But they will only do this if they are engaged and motivated. By encouraging their feedback you can share best practice and action suggestions that directly reduce costs. For example, one retailer reduced the size of packaging for fresh fish based on employee feedback, saving the retailer hundreds of thousands of pounds per year.

4. MORE INFORMED DECISION MAKING

Gathering up-to-date employee feedback provides managers with the ability to make decisions based on valid data, rather than just hunches. Engaged staff share their insight more freely, providing not just their own feedback, but also the views of customers. This faster, more informed decision making is central to remaining agile and competitive whatever market you operate in.

3. Use feedback to deliver organisational effectiveness in your business

Businesses understand that they need to change if they are to prosper in today's challenging business environment.

They need to focus on two areas. Firstly, they need to make customers the cornerstone of their business; focus on improving customer experience and boosting loyalty and invest time and resources in finding new ways to do this. Second, they have to understand that in a knowledge driven economy their staff are crucial to your success. Therefore, implement management processes that get the most out of them to bring sustained organisational effectiveness.

Feedback from customers and employees is central to success in both these areas. Listening to what they are saying, creating an ongoing dialogue and using this insight to fuel change, is crucial. Looking at the employee side of the equation there are three main considerations to focus on:

1. Driving higher staff engagement

Staff who are more engaged are more productive, stay longer and contribute more. High staff engagement increases efficiency – because employees go above and beyond in their jobs, achieve more, and, as they are less likely to leave, your hiring costs are lower. Greater engagement comes from listening, and acting on feedback. So you need to supplement an annual employee survey to introducing modern ways of collecting feedback, such as quarterly pulse and weekly 'heartbeat' monitoring.

2. Getting your company culture aligned with business strategy

Of course, employee engagement can only take you so far. Your staff can be engaged and enthusiastic, but that's not useful unless they are aligned with your company strategy. To make sure they are both productive and focusing on the things that are important for your objectives requires you to break down barriers and create an open culture that is driven by always-on feedback. This is a lot simpler than you might think because it involves all employees sharing their thoughts, whenever they want, and ensuring you act on their feedback. Yet, the benefits are enormous – managers have access to broader insight and staff are both engaged and aligned with the organisation's goals. The upshot is effective staff operating in a culture of continuous improvement.

3. Move away from command and control leadership

To drive organisational effectiveness, you need to move away from operating solely through top down leadership, to creating leaders across the organisation and involving everyone in delivering change. All managers should see themselves as leaders and be continually looking at how they improve their performance by listening to, and acting on, feedback from all those around them. This is about continuous performance management, with managers and staff able to ask for, and receive, feedback at any time. They can appraise their own performance and work with their teams to create new innovations and solve any issues that are holding the business back. Only two way feedback will give you the insight to drive lasting improvements.

As part of its commitment to employee feedback, Questback has introduced its own, internal always-on feedback platform. This harnesses innovation from across Questback, mobilising staff to contribute their ideas to drive the business forward. Staff simply log on, select a topic and then rate how they believe the company is performing and can also suggest improvements and comments. Over 25% of employee suggestions have been actioned for further follow up and the company has benefited from increased business growth and improved processes, launched new products based on staff feedback, adapted its go to market strategy, driven cultural change and improved staff engagement and retention. Questback's success in this area was recognised at the 2016 HR Excellence Awards, where it won for the most innovative deployment of HR Technology.

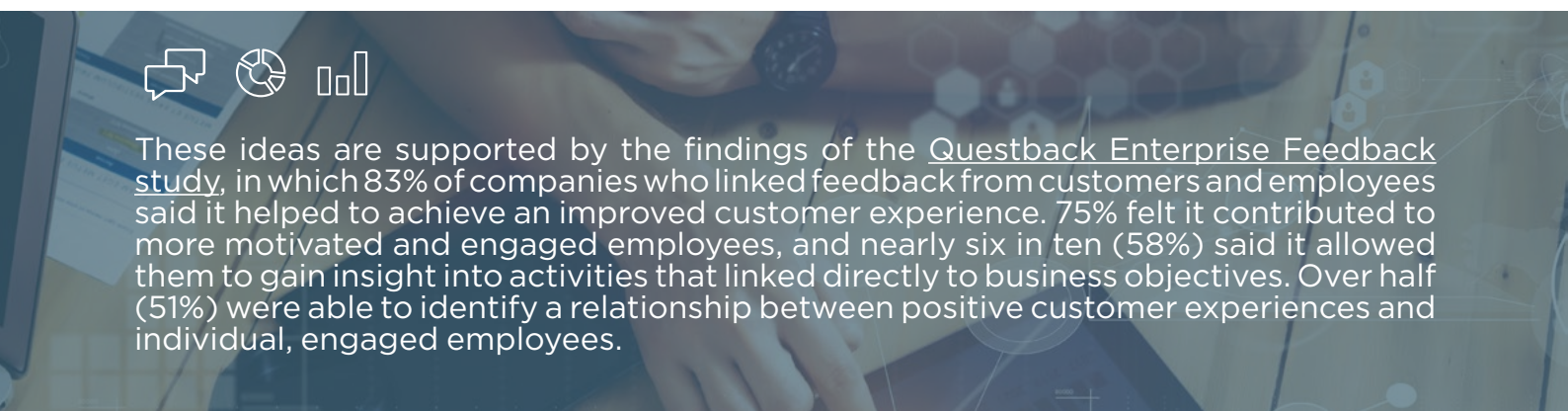# 4. Link feedback with business metrics through the Winning Triangle

In the 1990s the Service-Profit Chain model was developed, outlining the relationship between traditional soft metrics such as employee engagement and customer satisfaction and hard business KPIs such as profitability. Essentially it showed that engaged, happy employees deliver better, more valuable service to customers, which leads to satisfaction, loyalty and consequently profit and growth.

Adopting the Service-Profit-Chain model has enabled many businesses to boost revenues and financial performance by focusing their attention on employee engagement. However, while it is extremely powerful, there is one potentially limiting factor about the Service-Profit Chain - it flows in one direction only, from employees to customers and on to business growth.

Adding greater value with the Winning Triangle

The Winning Triangle takes the Service-Profit Chain concept and adds even more value. It understands that customers, employees and business metrics all interrelate and that you need all three to align in order to be successful. This new approach brings together customer and employee feedback and recognises its impact on financial KPIs such as turnover, margin and profit. It embraces and reflects the idea that every point of the triangle affects the others, in a non-linear manner. It is an all-way relationship. Therefore it demonstrates that feedback has the potential to transform your operations and strategy in real, concrete ways.

By linking people metrics to core business measures in this way the Winning Triangle also underlines the importance of HR in boardroom discussion, and raises the profile of the profession within the C-suite.

These ideas are supported by the findings of the Questback Enterprise Feedback study, in which 83% of companies who linked feedback from customers and employees said it helped to achieve an improved customer experience. 75% felt it contributed to more motivated and engaged employees, and nearly six in ten (58%) said it allowed them to gain insight into activities that linked directly to business objectives. Over half (51%) were able to identify a relationship between positive customer experiences and individual, engaged employees.

While it's useful to analyse the data from these areas – Business and Finance KPIs, Employee Voice, and Customer Voice in isolation, this doesn't give you the same granular, multi-layered insights you can enjoy by integrating them. For example, being able to assess the financial savings of increasing staff retention rates or the sales impact of improving the customer experience, are both powerful business level insights. Identifying how feedback impacts financial KPIs in this way demonstrates its importance to the business in concrete terms, and shows how it can be a core part of how organisation operates, increasing agility and performance.

To better incorporate feedback insight into business decision making, many organisations are now adopting fully integrated management platforms that aggregate data from across the enterprise. These deliver the ability to pull out high level management insights with easy to use dashboards, linked to business KPIs, as well as supporting more granular analysis.

Adopting the Winning Triangle means you can identify where engagement and business metrics are aligned and are delivering improved performance. You can then drill down and identify high performing teams, categorise them and see what they are doing to deliver success. By focusing on behaviours, this best practice can then be rolled out across the organisation, driving practical improvements that are tangible and replicable.

With more demanding customers, falling customer loyalty and increasing competition, it's crucial to make informed decisions and respond quickly to head off threats and exploiting opportunities. The Winning Triangle between customer, employee and financial KPIs is an important approach that can provide the insights to do this.

Conclusion

If you want to survive and thrive in increasingly competitive and fast moving markets, then it's essential to get the best out of your people. Central to this is building a strategy that delivers organisational effectiveness– and it all starts with listening to your employees, and acting on their feedback and involving them in delivering the resulting actions.

Put employee feedback at the heart of your business strategy, through a single platform that allows you to listen to the right people, analyse their views and deliver information to the right managers to drive better, more informed decision making. The four examples in this guide demonstrate the impact employee feedback can have on your bottom line, helping you create a foresight driven culture that supports your ongoing success.

TO FIND OUT HOW QUESTBACK CAN HELP YOU ON YOUR FEEDBACK JOURNEY CONTACT US ON **0207 403 3900** OR SEND AN EMAIL TO **POST.UK@QUESTBACK.COM**

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Questback is a global leader in enterprise feedback management technology, helping organisations transform employee engagement and increase business performance through greater insight and understanding. We work with companies across the globe to support them to change their cultures, increase staff and customer engagement, improve sales and meet challenging corporate objectives.