



KPMG Customer First Podcast Transcript

Empowered Employees

On today's podcast, we're exploring the theme of empowering employees to deliver great customer experiences.

I'm joined by Robert Bolton – Head of Global COE for People and Change, KPMG International, Matt Campbell – Managing Director, People & Change, KPMG in the US, and Chloe Burton – Head of Experience Design, KPMG in the UK.

Urvashi

Welcome, everyone. Thank you for joining our podcast today. We've been discussing customer experience in this series of podcasts and one of the things that comes out very, very clearly is the interaction between employee experience and customer experience, and the fact that they need to be considered as two sides of the same coin.

What I wanted to ask you is have you seen a change in the way that businesses are thinking about this interaction? Robert, if I come to you first?

Robert

Yes, thank you Urvashi. We now run a future of HR survey every year and we've kind of been running it for well over 20 years. And last year, we first picked up signals in the survey – it's a global survey – and we're seeing an increasing number of HR functions, concerned about, and seeking to work in, the area of experience design. What's interesting between last year and this year, is that we see 75% of pathfinding HR functions are explicitly drawing a link between the employee experience design and ultimate customer experience, you know, seeking to walk the customer talk.

And I think this – albeit, it's not every organization – is a growing trend. And we're picking that up in our global survey. And for obvious reasons, we know that organizations that make that connection between employee experience and customer experience, report things like greater profitability and customer satisfaction, and so it pays for itself.

Urvashi

Absolutely. Matt, do you have any examples of organizations that you're working with that are doing this particularly well?

Matt

Yeah, in the US we have seen most of the Fortune 50/Fortune 100 businesses really start to look at building out their office on the employee experience, which may or may not be part of the HR team. And really looking to link, what that means from an employee's experience of the technology they use, the environment that they're working in physically, and also the cultural issues around it. And then tying all of that back to the actual customer journey maps and looking at how employees are contributing within that.

So I think, to back up Robert's point, it's interesting that these top Fortune organizations, actually some of the biggest organizations, are really on the front end of making some of those early moves. So the rest of the market will follow at some stage.

Urvashi

Chloe, I'll come to you now to just ask in relation to experience design, how you are working with clients to bring the customer experience and new employee experience together as one?

Chloe

Yeah, absolutely. So I mean, it's definitely a trend we're starting to see more and more with the big organizations with customer experience used to be the kind of fluffy visit the boardroom conversation, actually the experience economics really write themselves now and you're seeing them much more included in things like business cases and the balanced scorecard of transformation and the impact on experiences is much better understood.

I think now employee experience is becoming that kind of new entrant into board discussions. Where once it was the domain of HR experts, actually, it's beginning to bring in the marketing officer, the chief customer officer, HR and actually is sitting in something of a function of a CEO or COO.

Now, how do you connect those journeys? That's the big question. And how do you set up these organizations to truly drive a better CX? I think that's what we're certainly facing into some of our biggest clients in utilities and retail and beyond actually. And it is really looking at the tools and techniques like Voice of the Customer having a voice of the employee, that continuous listening, and then some tools like customer journey mapping, thinking of how the employee journey maps within that and the correlation to the pain and gain points.

You can quickly start to see where transformation would have the biggest impact.

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Urvashi

Yeah, that's pretty interesting actually. Because in terms of organizations, employees are also customers, so how do organizations use that to their advantage?

Robert

I think employees, obviously, for many organizations, are customers. It's rare for our organization, that our employees are customers. But when you look at retailing, when you look at other kinds of services, you know that as a customer and an employee, you have to experience the same thing, otherwise, you're not walking the talk. And it's kind of hypocritical, actually, at the end of the day. This is about being authentic, and following through on values. And I know that in work that we've done organizations where the values aren't matched with the way that people behave – values around customer, and then how leaders behave and how employees behave, then nothing ever sticks. You know, the thing doesn't bed itself in. And I think that's the big issue. You either pay lip service to this, and you don't get the economic benefits that Chloe mentioned. Or you have to do it roots and branch up, down, left, right: throughout the organization.

Urvashi

On that point, actually, what role would you say that the C Suite has when it comes to making those connections through the organization, and then ultimately on towards the customer?

Robert

Well, this is part, of course, of what we talk about in terms of connected enterprise. Which is of course, a core facet of our point of view and consulting for organizations seeking to undergo digital transformation. There's no point in doing this in the front office because those front office people will immediately experience, if it doesn't flow from middle office through to back office, because everyone's delivering a service to everyone else ultimately. We're all connected. And if it's only concentrated at the customer facing end of the organization and very poor elsewhere; then that ultimately has to be the accountability of leaders. If leaders haven't sorted it out for the enterprise, it's not going to work either.

Urvashi

Absolutely. Matt, what would you say are the risks that could be associated with that kind of top down approach?

Matt

The big risk is that there's a dislocation in the organization in terms of what actually matters to people who are actually on the front line delivering services. If what they're seeing and dealing with every day doesn't line up, and they don't feel reinforced by their own leaders in their organization, it can be very hard to maintain that level of service. And we see that a lot in context-centre environments where people are really working in some sometimes very difficult circumstances, with a real lack of leadership support that then leads to high turnover, high issues in terms of the actual customer service metrics that they're delivering against. We may be hitting metrics in terms of minimum call times, but not necessarily actually delivering good outcomes.

So that really travels right through to the risk side of it in terms of either actually able to deliver the service, if you haven't got that frontline employee buy-in. Whether they're in the back office or the front office, to actually feel supported and enabled to actually get out there and deliver on Robert's point, the overall organization purpose and having that alignment internally for them. They need to be able to see their colleagues experiencing the organization in a positive way as well as their own experience. So, they're able to actually come through with that consistency that where they are trying to drive the customer service context.

Obviously, there's a lot of financial risks that play out as a result of that. And a lot of the bad behavior that you see in organizations is usually because senior leaders are talking about one thing, but their actions may not line up, and employees don't know how to resolve the internal conflict. And that's where those bad behaviors start to appear.

Chloe

I think that's a really good point. And I think if you flip it on its head, you know, what's the risk of not seeing your employees as customers of your business? You know, when we leave at the weekend, and we've got zero touch to purchase or we've got, you know, advisors, when we come in and have to do five different sign-ons; and we aren't trusted, you have to open your lunch at the lunch queue. Those kind of six pillars of experience aren't being hit in terms of empathy, personalization, and that integrity pillar.

I think the other key thing is linking that purpose. So, every business has talked very much about values in the past. Actually, we're seeing much more now that purpose driven organizations, not only drive bigger customer bases, and we should talk about Lush here as a really clearly purpose driven organization. And that goes through down to everything from the strategy to then the brand experience that you want to have. And the employees are so bought into that, that they know exactly how to deliver that experience, because they're fully connected it with that wider strategy. I think where it gets messier is where there's a huge disconnect. And Matt, you touched on it a bit on the metrics, and actually, when we had a global business services meeting with some of the big global providers, what they were saying, is that line of sight to experience metrics away from those classic targets, to; did you resolve the problem? Were they satisfied when they got off the phone? And linking rewards much more to those kinds of metrics look. That was the future and actually many have already tumbled into it. I think there's a big contact centre swell that needs to follow into that kind of trend.

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Urvashi

Good point, actually, Chloe, you touched on the six pillars of experience excellence to kind of identify the customer experiences, that we do. And you touched on empathy, which I think is really interesting. And that appears to be the most challenging pillar actually, for organizations when they're looking at these transformations. Rob, why do you think that might be?

Robert

Yeah, I think clearly, empathy with the customer is a prerequisite, if you are going to deliver great customer service because you have to put yourself in the customers' shoes. But your question was, why is that one of the most difficult things to create in an organization and it's because of everything else that we do that creates noise and the barrier to being empathetic.

For instance, the incentivization around speak to serve, how we get rewarded for being lean and efficient. All of these things sometimes take precedence over spending time with the customer. For example, so I know of a very well-known manufacturer of consumer goods. And they experienced declining customer satisfaction through the service centre, because the service centre used to spend its time with people who would help the customers resolve little issues with the equipment, with the kit. But then they introduced much more aggressive sales targets. And almost to the extent in which the employees were being incentivized to say, "Well, actually, have you thought about the latest version of the product, you know, your version is two generations old." And they're incentivized rather than to perhaps help the customer keep that two generation old equipment going, they're incentivized to sell them something new. Interestingly, the customer satisfaction has gone down.

Chloe

I think that it's a really important point. When we talk about the six pillars to think about empathy, and personalization are really where we see the leaders differentiate that actually, if you look at any pillar in isolation, as a business, you will not succeed, they have to be core connectors, you have to deliver integrity, time and effort before you can start thinking about differentiating on personalization, or empathy. If you look at what we mean by empathy, often in this environment, we mean going the extra mile. What does that mean as an employee, that means I'm trusted, that means I'm empowered get to the right decision. That means that the business then learns from what I've learned from dealing with that one customer and makes it business as usual. It's not stuff that you do in isolation. It's an actual culture that you have to create around empowering and trusting your employees.

But if you go straight for empathy or personalization, guess what happens to the customer experience? Well, that's just as tricky, where you focus on mass and prioritise that you fail. Because there's data risk, you don't want people to know that well, and there's lots of other muddiness that comes with it. So getting that pillar hierarchy right, and tackling moves in tandem, not losing sight of the other five pillars when you're tackling one, I think, is really key.

Urvashi

So let's just run through those pillars actually, Chloe. So you've talked about personalization. You've talked about empathy. Time and effort – talk to us about a little bit about the time and effort.

Chloe

Yeah, well, I mean, it's a big buzzword. So in all our big shared service transformations at the moment, in any sector, what they're looking at is zero touch or frictionless transactions. People's time is of a high value, if you look at our customers, they're certainly becoming used to doing much less in terms of when they interact with those big customer experience companies.

So time and effort in a work environment, I think has similar connotations. I have intention my journeys I have stuff I need to get done, I don't really care if that's five different functions. If that's an IT and a finance and an X Y, and Z. If I've, you know, fallen pregnant and I need to understand what my maternity cover is, that could be five or six different functions of a business that interacts with but my intention my journey is I'm having a baby and I want to understand what my rights are. And I think just starting to flip it on its head and using that intention lead journey, understanding the personas and the needs and behaviors of those groups will really help businesses and, in particular, the C suite, understand what those frictions are, and also get rid of some of the silos that can appear with function lead organization.

Urvashi

Absolutely. And obviously those frictions and those difficult employee journeys have an impact ultimately on the customer journey.

Robert

Yeah, this is very timely because, of course, we at KPMG are looking at things like powered Enterprise Service Management, which is turning things on its head, we're so used to designing processes from the perspective of functional silos. By that I mean HR processes, procurement processes, technology processes. And it's the employee that has to act as the integrator, you know, they're the one that has to work through the spaghetti of the organization. And that's not a great experience. And it's certainly not experience centric or employee centric, and turning things on its head and actually, as Chloe was saying, looking at things from the perspective of the journey that you want the employee to go through, what the touch points are, and what the moments that matter are, which means the organization has to stop thinking from functional silos and start thinking from what is the experience we're going to create? And that's a pivotal change.

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Urvashi

Yep. And actually that comes back to the top down piece that we were talking about earlier. So one of our global KPMG international surveys of HR leaders – the future of HR survey – and I found it quite astounding, actually, that just 16% of senior management had made employee experience a top priority for HR. And, Matt, how do you think that the organizations can inspire that culture of employee centricity and therefore customer centricity?

Matt

I think a lot of it comes down to how organizations actually think about the role of their employees. Many organizations still take a very mechanistic view, and see the employee as part of the machinery of the organization. And to Robert's point, they're almost the grease that makes that machine work in terms of helping all the cogs actually work backwards and forwards. So when you step back and think about our HR policies, are our business policies and processes actually designed to help an employee do the things we're asking them to do. That's a fundamental shift, because now we're asking someone to have enough autonomy to actually go and deliver on things. So almost to some extent, we need to unscript the degree of scripting that we've done, because we've taken away that agency for employees to do that work. And I think when you look at it from a top down perspective, that top down view really is a very archaic idea. When you consider that in World War Two, the military was already done with a fully top down model, and was very focused on mission oriented efforts. So we're asking people as employees to have their own mission and to take up causes that then we take them off those causes and realign them to whatever the latest top down thing is, so there's a bigger question within this in terms of how do you actually pull together all that sensory information that all of your employee base is picking up, regardless of where they sit in the organization, and start to integrate that information?

And rather than trying to control it in a very structured narrative, how to actually equip people with the ability to do the right things, and understand that there may be a broader context that they need to work through in completing their tasks, but at the same time, gives them enough agency to actually complete those tasks. So it's a fundamental reshaping that needs to start occurring in terms of how we help people. So there's plenty of retailers and airlines who are well known for their part in giving employees a certain level that they can actually go and spend to delight and help customers. We don't do the same thing with our managers and organizations to delight and help our employees. So there's lots of different ways we fundamentally need to shift about how we think about the role of an employee or a worker in an organization as opposed to the privilege that was given to customers in the past.

Urvashi

Absolutely, I think one of the examples from our Customer Experience Excellence reports that comes to mind year on year is actually Ritz Carlton, who I think do this well, in terms of the way that each employee is able to make an independent decision to resolve an issue that arises with a customer there and then without having to seek management approval at any given time. So one of the things actually I wanted to ask, if not just those frontline employees, because I think many organizations do put in place employee initiatives to try and get them closer to the customer. But it's not just those frontline employees, it is those non-customer-facing employees as well actually, potentially some of those in the middle-back office functions that are process driven or are dealing with some of the pain points that customers experience. Would you agree?

Robert

Completely. I was involved with an HR transformation in a big global telecommunications company. The explicit aim there wasn't to cut cost out of the HR function, but to create an employee experience delivered from the HR function, which some would regard, I actually don't like the idea of considering HR as back office. But for argument's sake, let's say, you know, HR is often seen as a back office function, but the explicit aim here was to create such a compelling and engaging employee experience, from the HR function to employees that it was a mirror of exactly the kind of experiences the organization was supposed to give to its end customers, if you will, the real customers. And I think that was a good example. And it was a tremendously successful HR transformation, because it was able to show to all of those internal employees: this is the role modelling. This is what good looks like. And, of course, the customer facing employees kind of get some of that, but it's about infusing the entire organization with the same values and principles and behaviors.

Chloe

Yeah, I really liked what Matt was saying about that mission culture. Actually with a lot of our government clients or citizens that tend to club and customer centric, you see a much clearer link to that mission culture where they talk about value for money while the profit and growth and it all feels a little dirty in the government sector, for that, I think. And then in terms of the behaviors the C Suite is often where you see some of the worst behaviors. Where they say I am a customer, therefore the customer is I. And that's where getting them out, getting them to visit the frontline and really getting that mission culture back. Who are your customers? Do you really know who they are, do you really know which ones are profitable for you to really understand what their end to end journey and that is as equally important an employee experience, particularly when you're facing the future workforce. The complete change to it end to end how we attract talent, how we retain talent, what millennials want, versus what Gen Zs want, how they interact, what they look for in an employer, how quickly they'll turn over their employment. If you don't look carefully at the skills that you want and desire in the future and how best to attract them and create the purpose driven organization that will connect with them, then you're going to be in pretty big trouble I would say in a couple of years.

Urvashi

That data points actually really interesting. I mean, we've got better access to data than we've ever had before about customers but also, as you talked about, Chloe, in terms of voice of the employee. And given that all of the recent interactions in the media about customers concerns around use of data. Do we have the same issues with employees?

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Robert

Definitely, as we're moving into the age of what sometimes called the quantified workforce, and this is where we are understanding employee motivation, behavior, performance, using a combination of different data sources, some of which are not obvious. They may be about, you know, sentiment that comes through the tone of voice in your emails. It may be about understanding at a meta level how you're filling your day through your calendar, things like that are data points and it paints a picture about you. And we're seeing technologies that can be tremendously revealing.

But are we being honest and open with the employees? When we start to use these technologies – the whole issue of ethics and data? It certainly applies with artificial intelligence and the sources of data that are used to inform AI engines; it's a massive topic. And that, yes, we have principles of how to do it well. But are those principles widely understood by leadership teams? No, they're not. And I think it's going to be a bit of a minefield, and why we need to learn to grow up as leadership teams around how to be much more sensitive about the use of employee data, and with decisions that it informs.

Chloe

Yeah, Matt, I'm not sure how you see this in the US, but certainly in the UK, a lot of our clients come saying they have a lot of data on their employees, but actually, when you scratch beneath the surface, they really don't, they don't really know who they are. They might do an engagement survey once a year, but it's very poorly answered, if it's answered at all. And so really, they don't have that clarity of line of sight that you do with continuous listening to the customer, just in time, source of setup of data collection. And I think until we can bridge that chasm to say, actually, you've got a lot on the customer which you aren't actually collecting, right? You actually don't have that much from the employee. And you're certainly not actioning or connecting, right.

Urvashi

Is that true in the US as well Matt?

Matt

Yeah. And I characterize it as there's probably lots of data, but it's not informed data. And the data, to your point, is things like engagement surveys, which are, frankly like running your business on last year's annual financial report, to inform the financial decisions you're going to make today. We wouldn't think about the business finances in that way. So why are we thinking about employees in that way? I think part of that as well as how, and in the US there's usually pretty good response rates to employee engagement surveys. But I would also challenge the value that a lot of those surveys are actually bringing at this stage. Because everyone knows that we need to get good marks in our engagement survey in order for us to get our bonus. So it becomes a self-fulfilling prophecy that, yes, yes, everything's fine. Just give me the money.

So it's a case of are we actually getting value out of that data that we are collecting? And how to actually do that in a more sophisticated way? We've been working with clients to start thinking through where does the relationship break down from an employee perspective, and what are their biggest challenges and pain points? How do you start to prioritise what those issues are? So again, having a more informed data approach, whether it's through continuous listening or something else, how you're actually looking at those ongoing small metrics, rather than some of those big headline metrics that organizations like to hang on to. I think the other underlying challenge in all this is how do you not have too many metrics because at some point, once you start to dissolve the humanity as an organization, by turning everybody again back into a normalized standardized person, are you actually still a human organization?

And so I think there's an interesting tension going into some of Robert's points about artificial intelligence. And the data piece that you bring up, Chloe, in terms of how to actually manage what the right level of metrics are, which ones are actually truly producing value. And then how do we have informed data to support those conversations, rather than trying to standardise and normalize everything, because again, that will actually ironically lead to a poor employee experience if they can't actually be human when they turn up to work.

Robert

I've got some data that I think reinforces all of this actually. And currently, the tool that is most prominently used to understand what employers are thinking is, of course, the traditional employee engagement survey and we know that there have been big problems with that. Particularly, when it's just an annual or bi-annual survey, in two to three years' time, we ask the question, what will you be using. And there was an absolute significantly clear move towards things like journey mapping to quantitative analysis using non-traditional data, such as email, calendar, messaging platforms, that's that quantified worker kind of thing.

Qualitative insight using sentiment analysis of social media is something that came through very strongly. And even wearable devices and other monitoring capabilities using the Internet of Things. So these are the things that in two to three years' time people are thinking, and I think the pattern is: more real time.



Chloe

And actually, those are some of the tools that we use for customer experience. I really, and I think the key is learning the lessons from the customer experience. So three to four years ago journey mapping was, you know, on the rise. It was the be all and end all actually now journey orchestration and understanding how each individual touchpoint interacts with others having kind of seamless channels, actually channels have huge gaps. If you've got a digital channel, it might also have voice or picture or other things embedded. So nothing's as 1d or 2d as we thought it was. And I think we can get a bit of a jumpstart on how employee experience uses things and tools like journey mapping, where we've learnt those lessons in the customer experience to make sure, you know, data, make sure it's connected to action. So just have broad data, journey mapping, make sure the future experiences designed and you don't boil the ocean takes one thing at a time. And I think that's the really powerful bit of bringing it all under a CEO or COO than having it sit in HR chief costs customer officer, chief marketing officer.

Urvashi

Or actually indeed as Robert, you talked about earlier joining up those functions a little bit more closely throughout the course of the trial.

Robert

Well, another data point – I'm full of data points today – is we are picking up a trend that pathfinding HR functions, they want to take the lead on that orchestration of the employee experience, no matter who owns the processing question. So it doesn't mean to say that HR is looking to take over the process. But to facilitate the enterprise level, that there is a coordinated approach might be that IT still owns the process. Now, I'm not naive enough to think that there aren't other functions also looking to possibly take that leadership role on behalf of the enterprise. And actually, I don't care who does it, as long as it's agreed in the enterprise that someone's looking at that end to end experience, as opposed to the silo driven view of things.

Urvashi

Absolutely. Thank you all for a really interesting discussion today. As a closing statement, could I ask you all to give me your one takeaway for organizations looking to deliver a better customer – and indeed employee – experience?

Matt

A lot of the work that we're doing in the US is not just journey mapping in terms of designing journeys, but also going back and looking at the expectations that employees have. And where from the employee's perspective, does that actually change the model? And so once we have those expectations, how are they actually experiencing them or failing to experience? How important are those recognition of those experiences or failure to have the experiences are expecting to have and how does that play out across the employee lifecycle? I think one of the differences for me around the employee lifecycle versus the customer lifecycle is that the employee experiences are probably a bit more emotionally loaded.

And so understanding all the expectations that someone brings to work around what does it in terms of their identity, what does it mean in terms of how they're actually showing up, their ability to actually fit into an organization or not fit into an organization? And the value that's attributed to that? And then what does that actually lead to for them in terms of their wanting us and desire to be part of the organization contributes to its purpose, and then actually make that discretionary effort to actually go a step further. And I think that's one of the big things we're seeing here in the US in terms of when we look at taking that design thinking logic, but actually taking it from a retro perspective, and looking at how, how are people actually experiencing the organizations they're in? And that helps inform where you start prioritizing some of those issues.

Urvashi

Chloe what would be your one takeaway?

Chloe

I think using a common language, six pillars is a good example of how you can do that, which connects directly from your insights into how you identify opportunities; into how you prioritize them; into how you execute change, and how you measure it in that continuous cycle. I think if you can all start talking in the same language, those things start to connect to themselves.

Urvashi

Rob?

Robert

Change your mindset. Stop thinking in vertical silos, look horizontally across the organization from one end to the other.

Urvashi

Thank you to all our guests on today's episode. Join us next time as we continue our discussions on being customer first. And if you'd like to subscribe to our podcasts, or read any of our content, including what we've discussed here today, visit kpmg.com/customerfirst. Thanks for listening. Until next time, goodbye.

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