



How to Increase Profitability by Improving Customer and Employee Engagement

Face it, you are probably out of touch with your employees and your customers, and do not know it.

Most of the business press is talking about the statistics for low employee and, shockingly, customer engagement. Today is April 13, 2016 and the Gallup organization cites 70% of employees and 71% of customers are indifferent or actively disengaged from their employers or suppliers.

Translation: less than 30% of the people you deal with every day care even a little bit about your company.

What Does This Mean to Profitability?

These poor statistics relate directly to your company's success and profitability. Here are two ways poor engagement will hurt your profit:

1. You have to continually expend great effort just to retain your customers, let alone grow their business
2. Your employees are going through the motions. No significant improvement in productivity can occur until this changes.

The worst part is that leadership and management teams are letting this happen; not intentionally, but as a result of unprofitable habits. The best part is that these behaviors can be improved and with it, profitability.

Good News

The good news is that there is a strong correlation between dissatisfied customers and dissatisfied employees. If you improve employee satisfaction and engagement, then customer engagement should follow, along with increased revenue. If employee satisfaction and engagement improves, then productivity will improve which brings increased profit.

Good leadership and management makes all this possible.

There are a few key needed ingredients to improve the results of your employees, but the first thing to understand is what makes for an engaged employee. Engaged employees want, in no particular order:

- To be treated with respect (this is not the same as with kindness)
- To fully use their talents in their work
- Fair pay



Again, good leadership and management makes all this possible.

What You Can Do. The Profitable Habits™.

I've developed a series of Profitable Habits that address these core effectors of profitability. They are: communication, managerial expertise, and business disciplines. For the topic of employee engagement, I will address the first two. My eBook, "The Profit Imperative" provides a more complete treatment of these, and other, profitable habits.

Communications

How you say something is as important as what you say, because if you do not appear credible, then your message, no matter its validity, will go unheeded.

The post-modern era of excessive political correctness has introduced another phenomenon—the excessive use of flowery buzzwords. I know two reasons for this: 1) the decline of education level (in the USA) in the use of the English language, and 2) the need by some adults to sound intelligent.

The first can be addressed by attentive parents or by individuals who did not receive the proper tutelage. The second can be rectified by acknowledging you do this and change your communication style to plain and professional. Both groups can read texts from Strunk & White and Williams and in 4 hours improve their skills tenfold. Few professionals will take you seriously if you cannot communicate succinctly and intelligently.

EXAMPLE

I recently received a message from a manager that used the words "glide path," "runway," and "modulate" in the same paragraph. I had to read it twice before I knew he was speaking of financial data and not aircraft landing procedures or sound waves.

More appropriate words would have been, "double-check the forecast since it seems a bit low and provide an update by next Tuesday." Clear and concise with no ambiguity.

Managerial Expertise and Employee Growth

If you look through a dozen or so annual reports or employee recruitment postings you find that most of them state "our employees are our most valuable asset..." or something to that effect. If this were actually true, then wouldn't be logical that these same companies would want to expand the capabilities of their greatest asset just as they purchase faster computers and better machinery to improve "productivity?"

The greatest productivity boost a company can create is by empowering their employees to use their talents and initiative to actually do what they were hired for in the first place. Advertising, recruiting, interviewing and finally hiring employees is very expensive, typically 30% of the starting salary. Sadly, most firms expend this effort and cost, hire qualified and motivated employees, and then spend little money and less effort to develop the investment.



The employee wonders what happened to the firm she interviewed with and the company is disenchanted with another “bad hire” when neither is usually the case.

Instead of looking at employees’ titles and restricting their activities, learn their capabilities and apply them to your firm’s greatest needs.

Conclusion

I hope I’ve convinced you that your organization has the necessary pieces to be highly profitable. What these experts need is the freedom to show you what greatness they can achieve.

The proper application of the Profitable Habits of communication and management expertise will improve customer and employee satisfaction and your organization’s results. Contrary to most modern business practice, these improvements can be achieved with little monetary investment .

What it does take, however, is a commitment to trust your employees to do their utmost to further the company, and then empower them to do so. The level of success achieved is more dependent on the organization’s ability and willingness to properly define roles and responsibilities, set appropriate guidelines and limits, communicate coherently and frequently than it is on the skills of the employees.

The best guidance is to hire good people, explain the goals and limits, get out of their way, and let them achieve greatness.

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