

“How I Did It”

Inspirational adventures in HR analytics

Simon Svegaard, Group Business Analytics Manager at ISS Facility Services A/S, explains how his team proved the business case for employee engagement by linking it to business outcomes.

What was the question at hand?

ISS is a Danish service company that employs more than 500,000 people worldwide. The front-line employees interact with clients on a daily basis. How those employees feel and act on the job are critical to the service they deliver and, therefore, critical for the client experience. Thus, we wanted to know how employee engagement affects the client experience.

Why is this question important?

Client satisfaction can both reduce churn (i.e., contract retention) and lead to new contracts. In an industry with thin margins, a 1% increase in the profit margin can lead to millions of DKK in profit.

How did you attempt to answer the question?

The team at ISS (together with [proacteur](#), an external consultant) collected data from more than 500,000 responses to the ISS Employee Engagement Survey as well as 20,000 responses from customer surveys. All employees responses (eNPS) were matched to corresponding contracts (customer experience scores, cNPS).

What did you find?

- The Employee Engagement Score correlates with customer experience with a factor of 0.55. This indicates a **strong, positive correlation** (see Figure 1).
- An investigation of the links among employee responses, customer experience and profit margins shows that **customer experience and employee engagement affect profit margins** (Figure 2). This means that:
 - If engagement is low but customer experience is high, margins are lower (because employees are leaving).
 - If customer experience is low but engagement is high, margins are lower (because contracts are not renewed).
- When we dug deeper into the drivers of engagement, we found that **training, motivation and communication** are key to high employee engagement.

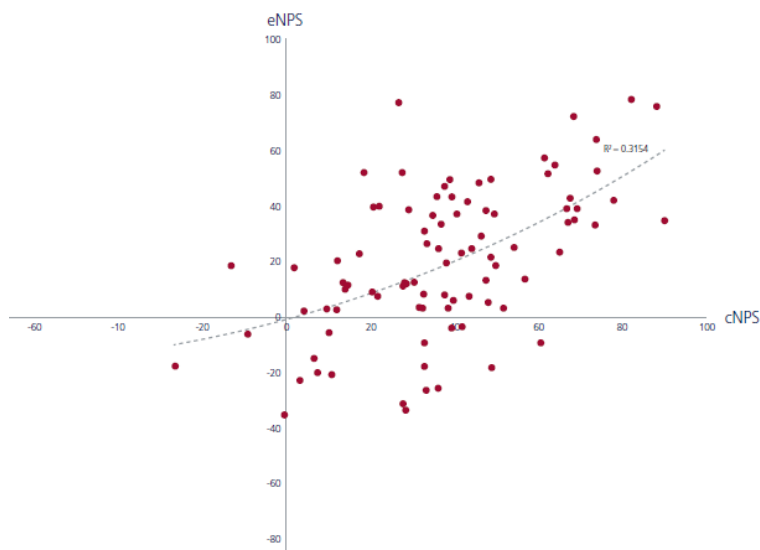


Figure 1: Correlation between eNPS and cNPS
Source: ISS

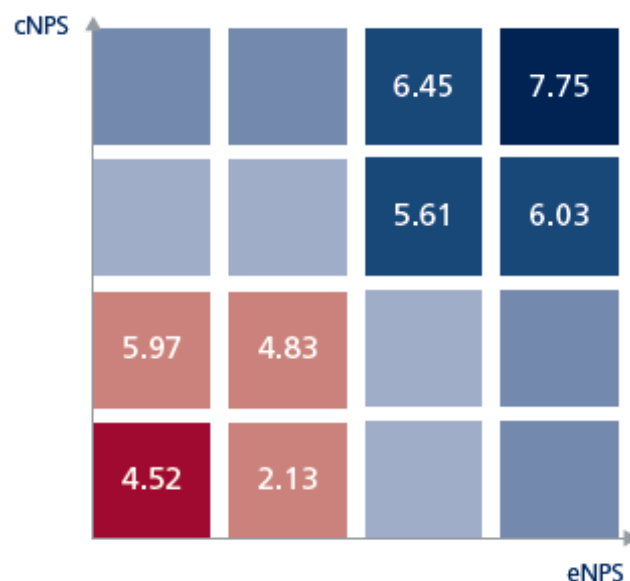


Figure 2: Links between margins and employee and customer NPS
Source: ISS

What was the impact on the business?

- **Front-line training:** ISS introduced a full-day training module for all front-line personnel aimed at equipping them to identify certain situations and to react appropriately. Furthermore, employees are encouraged to understand why they are working.
- **Better-equipped managers:** Managers are now trained to understand the value proposition that ISS offers clients.
- **An enhanced onboarding process:** Given high turnover among front-line employees, a high-quality onboarding process is key. This process enables employees to quickly get up to speed and to work in line with ISS values.

What advice do you have for others seeking to use analytics in their HR work?

- Secure commitment from the board or the top management team. Otherwise, your projects will never find a foothold and you will encounter too many obstacles along the way.
- Find sponsors outside of HR from the beginning. If you only engage with HR staff, your projects will stagnate.

Read the full white paper here: <http://www.issworld.com/about-iss/learning-zone/whitepapers>.