



Does Employee Satisfaction Affect Customer Satisfaction?

Wendy Webb October 9, 2019



A while back, the business catchphrase of the moment was CX, or customer experience. It's shorthand for how customers experience your business, from how they first learn about it to interaction, transaction and finally conclusion. You can't overstate its importance.

CX is vital to a business's bottom line, whatever type of business you're in. Ensuring that your CX is awesome, every time, is the holy grail for any company, so there has been a lot of study, focus and interest in how best to do it.

But here's the thing about that. All of the buzz about CX has led to one rather startling conclusion. Delivering a great CX is not about focusing on CX. It's about focusing on EX. Your employee experience. Focus on keeping your employees happy, and CX will follow.

"Happy employees equal happy customers"

It's not exactly rocket science to conclude that happy employees equal happy customers, especially if those employees are in roles that directly interact with customers. Hospitality employees, tellers, cashiers, retail employees and other customer service positions are on the front lines when it comes to the way your customers experience and interact with your company. But behind-the-scenes employees are also important players.

If a business wants to delight its customers, exceed expectations and deliver on its promises — ensuring your CX is awesome — all employees must have their heads fully in the game. To make that happen, your employees need to love their jobs.

That means you need to up your EX factor, but it doesn't mean just putting a pool table in the break room and beer in the fridge and calling it good, although those things don't hurt. It's how you advertise open positions, recruit, interview, hire and onboard; your work environment and the tools and technology needed to get the job done; your corporate culture; what it's like to work there day to day; how managers treat their people; career pathing; how you reward and recognize stellar efforts; your benefits and perks. [It's everything, from the minute you turn on the lights in the morning to the minute you turn them off at night.](#)

That's a much taller order than giving great customer service. Is it necessary? Short answer: Yep. Glassdoor just did a study that proves it.

The data backs it up

Glassdoor, the megalithic jobs site that allows employees to anonymously report on what it's really like to work at a company and give it a rating based on that, is sitting on a mountain of unique data based on those employer ratings.

They mashed up that data with the American Customer Satisfaction Index (ACSI). Their question: Is a company's Glassdoor rating related to its customer satisfaction rating? Short answer: Yep.

Glassdoor found a direct relationship between employee satisfaction and customer satisfaction.

Let's look a little deeper into the findings. The Glassdoor rating system consists of one to five stars. For each one-star improvement in a company's rating, Glassdoor found a 1.3 point increase in customer satisfaction based on the ACSI.

For companies in customer service industries, the effect tripled. Each one star improvement in their Glassdoor rating corresponded to a 3.2 point increase on the ACSI.

[\[Read More: How to Improve Your Glassdoor Rating\]](#)

So, it's pretty clear that happy employees mean happy customers. The reason should surprise no one. If employees love their jobs, they'll do them well. Does it have a measured effect on a company's bottom line? Short answer: Yep. Glassdoor's study proved that, too.

They found a link between higher ACSI scores, higher Glassdoor ratings and higher company valuations. Each one star improvement on Glassdoor, and the corresponding bump on ACSI, translated into 7.8% to 18.9% higher stock market valuations. Whoomp, there it is.

The key takeaway

It's vital to keep employees happy. Companies that focus on the employee experience (EX) by making sure people feel respected, valued, appreciated, engaged and well-compensated for their efforts will naturally increase their CX and have an advantage over competitors who don't.

Once you have this corporate culture in place, you can [turn to content marketing to help promote your employer brand online.](#)

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