

The Intimate Relationship between Employee Loyalty and Customer Loyalty

By Jen Berkley

Ms. Berkley, a well-known Bay Area customer researcher, published the following recently in her [Insight Advantage Blog](#). She has graciously permitted KickStart Alliance to republish it here.

This week I filmed a cable show with a colleague of mine, [Cherryll Sevy of Cypress Ridge Consulting](#), to explore the relationship between employee loyalty and customer loyalty. We got started on this topic a month or so ago when discussing our respective work with clients: her focus is on employee retention and mine is on customer loyalty. We are both passionate about helping organizations be more successful from our different perspectives...and we realized that our clients that don't focus on 'loyalty' as a priority are least likely to emerge from this recession in a healthy position...or at all.

As we explored this topic, we found a multitude of information that supported our hunch about the link between employee and customer loyalty:

- Southwest Airlines is rated the #1 place to work in Glassdoor.com's 2nd annual [Employees' Choice Awards](#). is it just coincidence that this same organization rates as one of the highest in customer satisfaction/loyalty?
- Deborah Schmidt of Loyalty Leader, Inc. recently wrote an article, [Unhappy Employees Create Dissatisfied Customers](#), that explores the many facets of this connection and provides some great advice to employees.
- Walker Information has been tracking [the relationship between employee and customer loyalty](#) for the past 8 years and finds that both types of loyalty consistently move in parallel to one another.

Given this strong connection, it's a very bad omen to those of us who are passionate about customer loyalty that employee satisfaction is at a record low. According to [a study by the Conference Board](#), only 45% of U.S. workers are satisfied with their jobs compared to 61% in 1987...and the numbers have been declining over the past 20 years.

During a recession where companies believe that they are in the driver's seat since unemployment is high, it's especially vital to remember this inextricable relationship...if organizations don't consider employee loyalty a priority, it will inevitably show up in the quality of their customer relationships. Just remember the last time you had contact with someone from a company that had obviously 'checked out' and was unhappy with their job...how good was THAT experience? What did that do for your commitment to that company?

Let's all spread the word out there to not forget about the importance of employee satisfaction/loyalty...it's common sense, but another area that is not common practice.

Jen Berkley is the founder of [The Insight Advantage](#), a full-service research firm. She has a thorough understanding of the impact of customer insight on profits and market share as well as the many processes that are essential to all organizations: new product development and marketing, product maintenance, packaging, operations, order processing/ fulfillment, sales development, product/technical support, and other supporting services.

Jen has extensive experience in using various methods (surveys, focus groups, one-on-one interviews) to integrate the voice of the customer into all functions, helping organizations increase market share, revamp product lines/services, and ultimately increase customer loyalty and retention.

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