

Metrics That Matter

Beyond CSAT and NPS

ESSAY 5 OF 14

BREAKING THE DIGITAL DOOM LOOP

What Gets Measured Gets Managed – But What Gets Measured?

There is a management aphorism – *what gets measured gets managed* – that has become so ubiquitous it is rarely interrogated. It deserves to be. Because what most organisations measure, in service contexts, is the wrong thing entirely.

They obsess over throughput, handle times, and efficiency ratings while leaving the emotional substance of the relationship – the part that actually determines loyalty – unmeasured and therefore unmanaged.

It is, to use an analogy that lands too closely for comfort, like assessing a friendship by counting the text messages rather than asking whether either person feels understood.

⚠️ This measurement mismatch is not incidental to the digital doom loop. It is one of its primary mechanisms. Leaders chase higher scores on traditional metrics. Staff learn to game the metrics being chased. Customers register the resulting hollowness regardless of how technically satisfactory the interaction was on paper. The dashboard turns green. The relationship withers.

The Tyranny of Surface Metrics

What the Standard Battery Captures

Net Promoter Score, Customer Satisfaction, Customer Effort Score – these provide useful baseline information but capture only the *transactional surface* of service experiences.

A customer can rate an interaction 9/10 because their issue was resolved quickly, and still feel emotionally disconnected from the organisation.

What It Misses

Staff can hit every efficiency target while silently resenting how the measurement system forces them to treat people as processing tasks rather than human beings.

Dashboard metrics show green lights while underlying relationship quality deteriorates. Decisions get made on lagging indicators that miss the emotional early-warning signals that actually predict future loyalty.

⊗ The organisation is well-managed by the numbers it tracks. It is poorly served by them.

What Emotional Blindness Costs

When organisations rely exclusively on efficiency and satisfaction metrics, they miss four kinds of information about relationship health. The cost of each is silent until it is irreversible.



Customer Loyalty Erosion

Customers continue using services while losing emotional connection – making them vulnerable to competitors who offer genuine care alongside functional competence. They look loyal until the day they are not.



Staff Engagement Decay

Team members hit their targets while feeling increasingly disconnected from meaningful work. The result is quiet resignation: reduced discretionary effort, withdrawal from improvement conversations, eventual turnover.



Cultural Authenticity Loss

Stated values become performative rather than genuine, breeding cynicism among both staff and customers who sense the mismatch between promise and delivery.



Innovation Stagnation

Without emotional feedback, organisations miss the early signals that would tell them where to invest in breakthrough service experiences.

📄 Across the fourteen essays in this series, every doom-loop pattern traces back to one or more of these four costs. They are how emotional blindness is paid for.

What Different Looks Like

Three organisations have demonstrated what happens when emotional measurement is treated as a strategic discipline rather than a soft-skills afterthought.

John Lewis Partnership	Monzo	Singapore Airlines
<p>Faced declining customer satisfaction despite meeting traditional service metrics. Leadership introduced <i>Relational Impact Measurement</i> – asking both customers and staff not only what was accomplished but how the interaction felt. Within eighteen months, customer retention improved and staff engagement scores rose, even where NPS remained flat.</p> <p>Their insight: satisfaction measures compliance; relationship measures loyalty.</p>	<p>Built its competitive strategy around emotional connection metrics. Their service dashboard tracks <i>empathy recognition</i> – whether customers felt genuinely understood – alongside resolution time. Staff are empowered to spend whatever time is needed to ensure customers feel heard, even if that reduces efficiency metrics.</p> <p>The result has been customer advocacy traditional banks struggle to match despite vastly superior resources.</p>	<p>Measures <i>anticipatory care</i> – the capacity of staff to recognise and respond to unspoken customer needs. Indicators include <i>felt valued, experience personalisation, and memorable moment creation</i>.</p> <p>The dual measurement approach has sustained their service leadership even as competitors have matched their technology and processes.</p>

- ① Compare these three case studies. The difference between them and their competitors is not access to technology – it is what they chose to measure, and therefore what they chose to manage.

Australian Innovation in Measurement

The Framework

The **Customer Service Institute of Australia** has pioneered frameworks that integrate emotional intelligence into business measurement. Three additional dimensions, applied to any service dashboard, change the picture quickly.

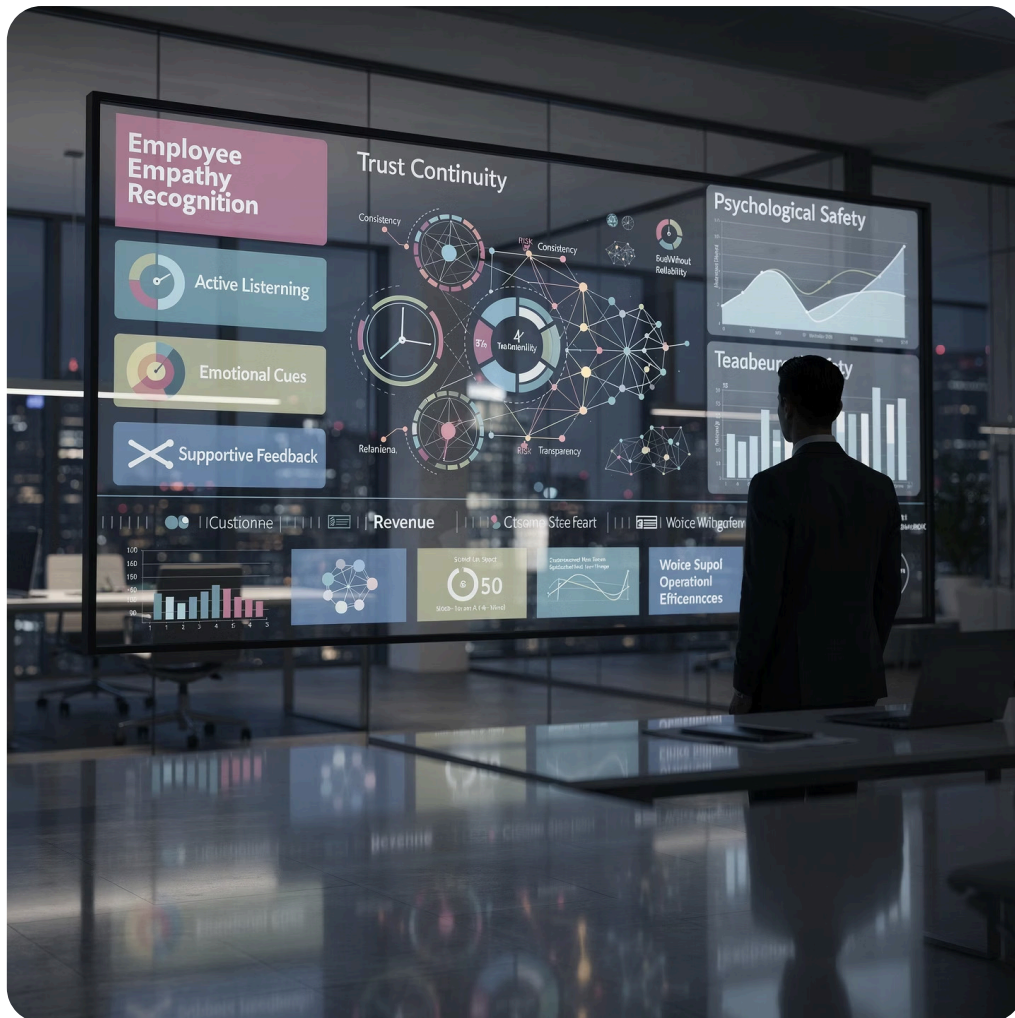
- **Empathy recognition** – *Did you feel genuinely understood during this interaction?*
- **Trust continuity** – *Would you return because of how you were treated?*
- **Psychological safety** – *Did you feel comfortable raising concerns or asking questions?*

HCF Health Insurance: The Numbers

When **HCF Health Insurance** implemented these dimensions, they discovered that members who scored high on empathy recognition were **73% more likely to renew their policies**, even when competitors offered better pricing.

Investment in emotional measurement contributed directly to market-share growth in highly competitive periods.

The numbers, when the right ones were tracked, told the story the old numbers had been obscuring.



The Underlying Science

The commercial logic is supported by the academic research. The data is not in tension with the soft-skill argument. The data *is* the soft-skill argument.

Harvard Business School

The Service-Profit Chain demonstrates clear links between employee emotional engagement, customer emotional connection, and financial performance.

MIT

A recent study of customer service interactions found that emotional satisfaction scores predicted future purchasing behaviour **40% more accurately** than traditional satisfaction ratings.

Customers who felt emotionally connected continued relationships even after service failures; those with only transactional satisfaction churned at the first competitive alternative.

Northwestern University

Research on workplace psychological safety shows that teams comfortable with emotional honesty deliver consistently superior customer experiences, even under pressure.

The data is not in tension with the soft-skill argument. The data *is* the soft-skill argument.

What the Discipline Looks Like in Practice

Five approaches consistently move organisations from surface metrics to deeper measurement.



Stories Alongside Scores

Pair quantitative ratings with qualitative narratives. Ask *what made this interaction memorable?* rather than only *how would you rate this service?* The stories reveal emotional patterns the numbers cannot capture.



Real-Time Pulse Measurement

Replace monthly surveys with brief emotional check-ins immediately after service interactions. Three questions delivered instantly produce more actionable insight than thirty questions delivered weeks later.



Internal Customer Emotion Tracking

Apply the same emotional measurement to internal service interactions. Internal emotional health predicts external customer experience quality with a consistency that surprises most leaders.



Predictive Emotion Indicators

Track early warning signals: silent abandonment, declining interaction length, reduced voluntary feedback. These often predict relationship breakdown well before traditional metrics show problems.



Empathy Competency Development

Measure and develop staff emotional intelligence as a capability. Track improvements in active listening, emotional recognition, and empathy expression. These skills multiply the effectiveness of every digital tool deployed alongside them.

The Metrics That Actually Matter

Emotional metrics are not a replacement for efficiency measurement. They are what completes the picture. The most successful service organisations track both operational excellence and relational excellence, recognising that sustainable competitive advantage requires both.

The Real Question

The fundamental question is not whether to add emotional metrics. It is which of your current dashboards tells you how people actually feel about their interactions with your organisation, and which ones only measure how efficiently you processed them.

The gap between those two measurement approaches is where competitive advantage lives – for the organisations that close it, and against the organisations that don't.

Data remains essential. Connection is irreplaceable. The metrics that matter most are the ones your customers and staff can feel – and the leaders who measure those emotions deliberately build the cultures that survive technological change rather than being undone by it.

Take This Further

This essay belongs to *Breaking the Digital Doom Loop*, a fourteen-essay examination of why digital transformation so often fails to deliver – and what to do about it.

Essay 6: The Recovery Sequence – how to rebuild service muscle systematically in a hybrid working world.
