Due to intense financial pressure companies are increasingly adopting operational changes to cut costs by increasing an organization’s efficiency. While such changes have been proven to provide some competitive advantage for organizations that implement them effectively, they may also have a negative impact on an organization’s employees.

Organizations are also increasingly recognizing the value of having a highly engaged work force. William Kahn first introduced the term employee engagement in an article published in the Academy of Management Journal in 1990. For decades researchers at Gallup Inc have studied employee engagement and have found that employee engagement is highly correlated to an organization’s effectiveness and profitability. My research suggests that operational changes may have a negative impact on employee engagement levels where such changes have occurred.

This study may also suggest that operational changes have a negative impact on customer satisfaction. Using data from Ameritech College I found that employee engagement and customer satisfaction levels changed in the same direction from 2015 to 2016 and that such changes were found to be statistically significant. Employee engagement increased from 82% to 86% and the percentage of extremely satisfied customers increased from 60% to 72%. The p-values for the changes mentioned above were 0 and 5.21x10^{-9} respectively making it very unlikely that such changes happened by chance.

Although further testing is required to test the validity of this research the finding from this study suggest some operational changes may possibly that have a negative impact on the financial performance of the employee-customer encounter as well.