

What Really Drives Best Business Performance from an Employee Perspective?

Professor Moira Clark

People performance is the critical challenge



People matter!

The quality and history of your relationships is perhaps the only source of competitive advantage that ultimately cannot be copied.

“At the end of the day we offer exactly the same service as any other bank. But that gives you an advantage – you can differentiate through your people – the way you do things – that's the stuff customers will remember. The way you do things not what you do.”

first direct 



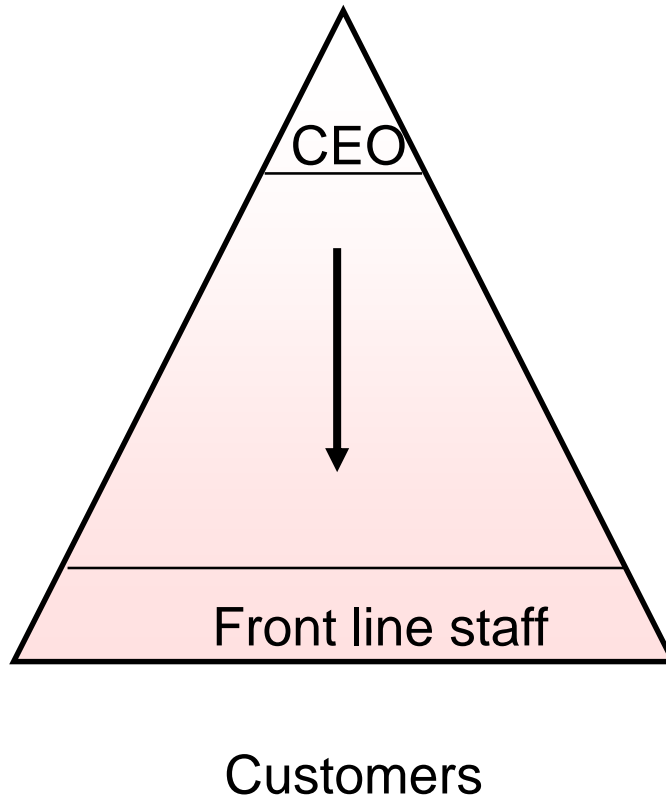
Best people performance: Does it really matter?

- Better business outputs
- Better financial performance
- More loyal customers
- Improved innovation
- Better safety
- Can weather the storm better in difficult times

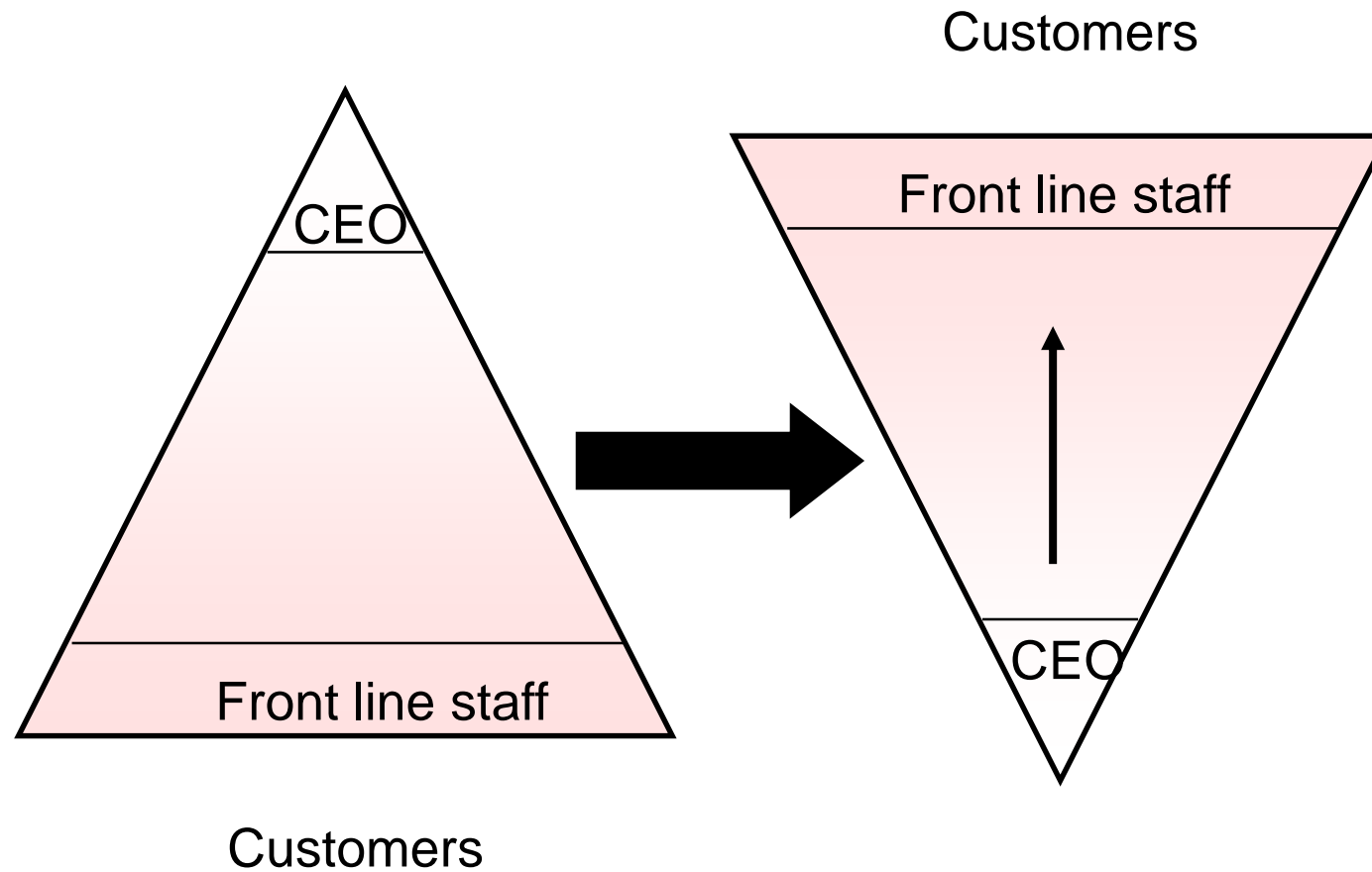
Employee satisfaction in Internal Markets
is a prerequisite for customer satisfaction
in External Markets

Happy Employees = Happy Customers

A paradigm shift

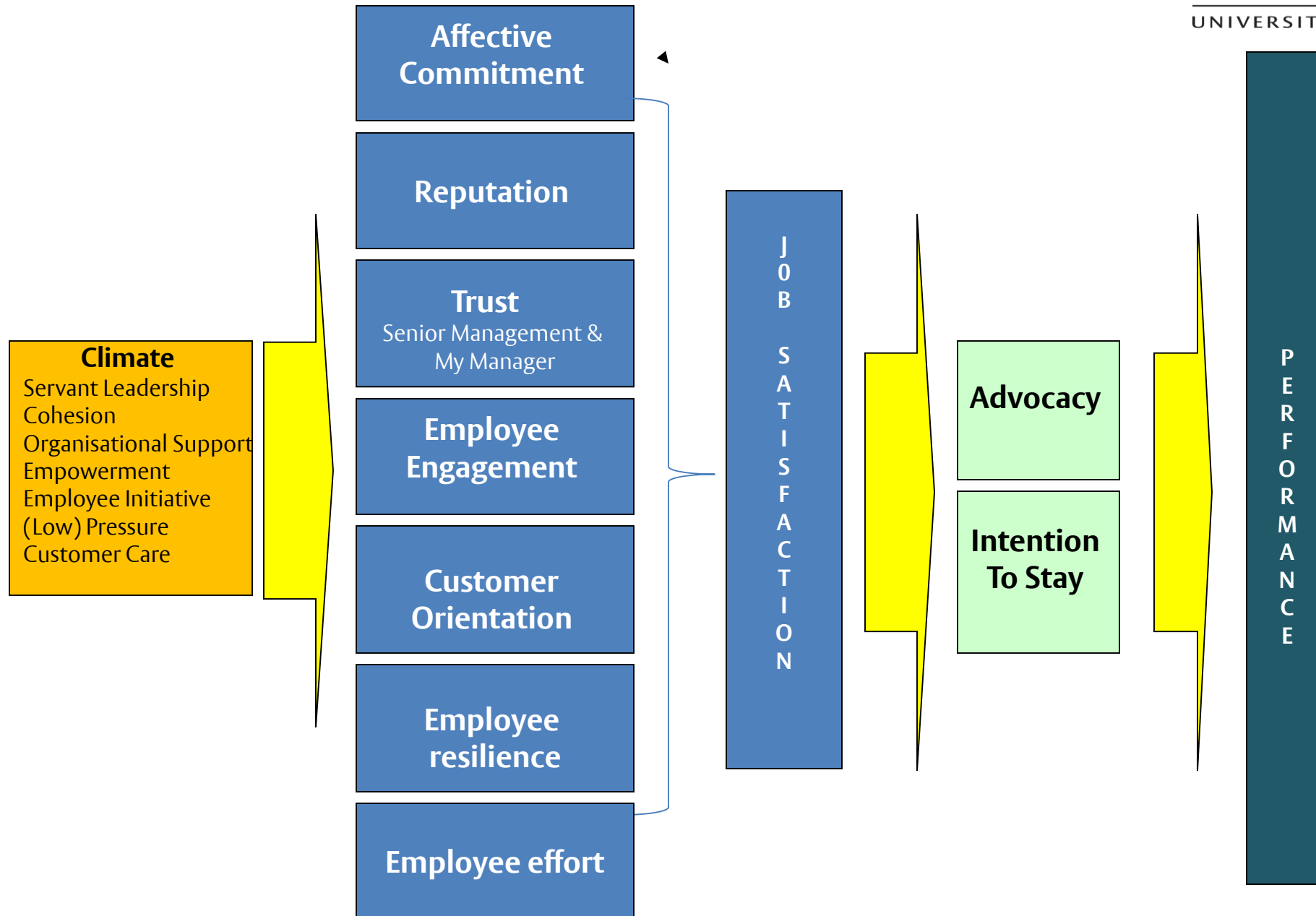


A paradigm shift



“What can I do to help you do your job better”

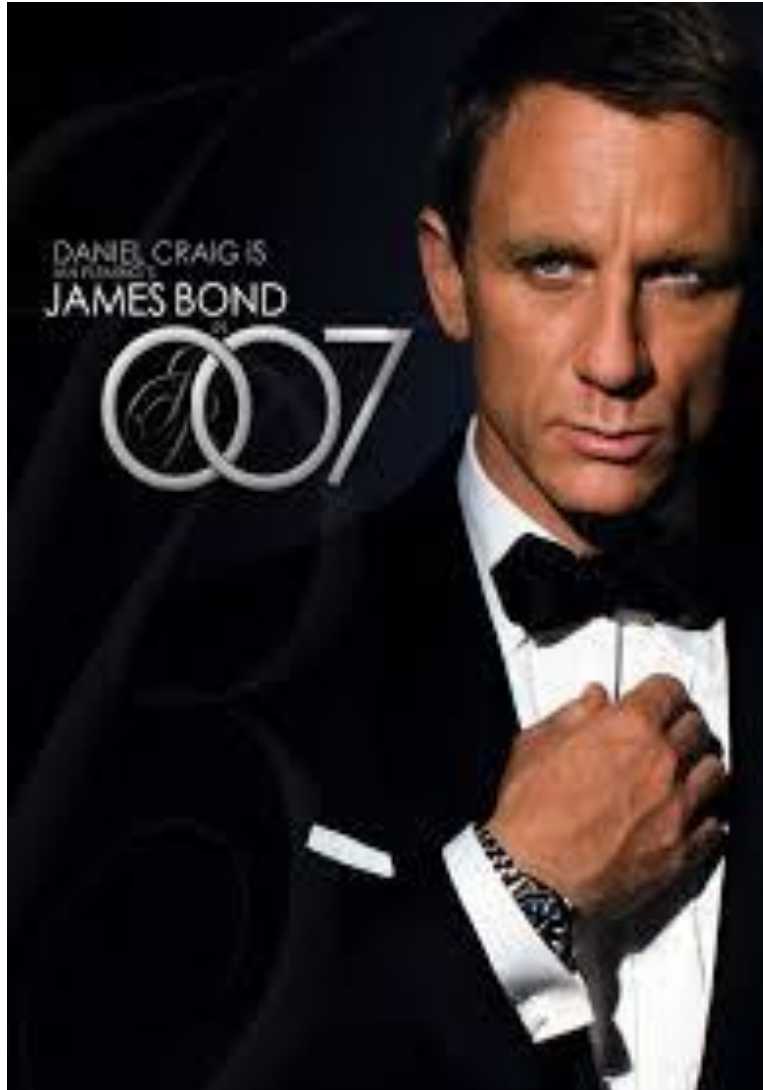
Research model



Research Method

- ❖ Used structural equation modelling
- ❖ Branches with less than 3 responses were dropped
- ❖ The sample consists of 2056 colleagues from 335 branches

Engagement + Customer Focused *Enablement*



*You can be very engaged
but not delivering the right
things for the customer*

Service Climate - “The feeling in the air”

Climate is the atmosphere that employees perceive is created in their organisation by the:

Policies

Practices

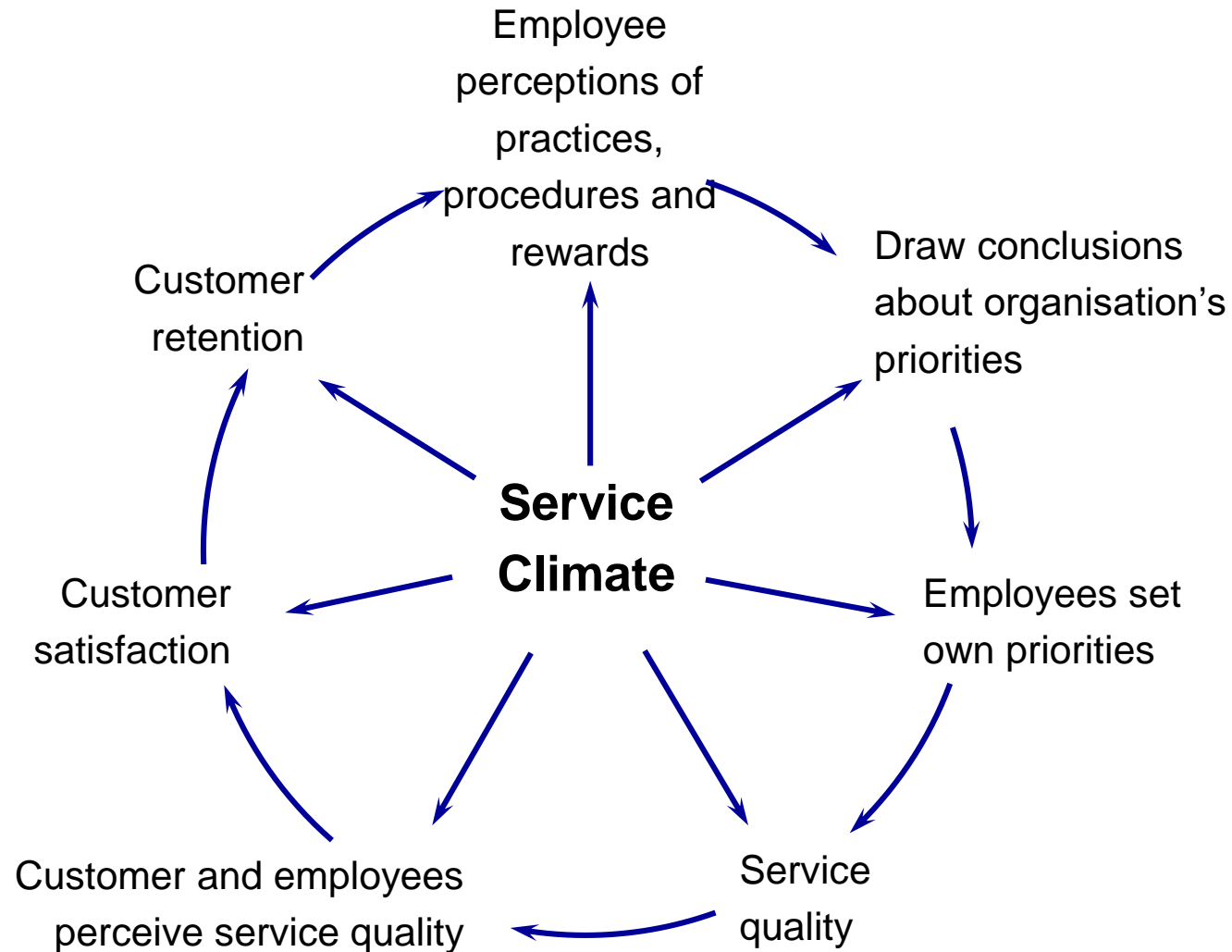
Procedures

Rewards of the firm

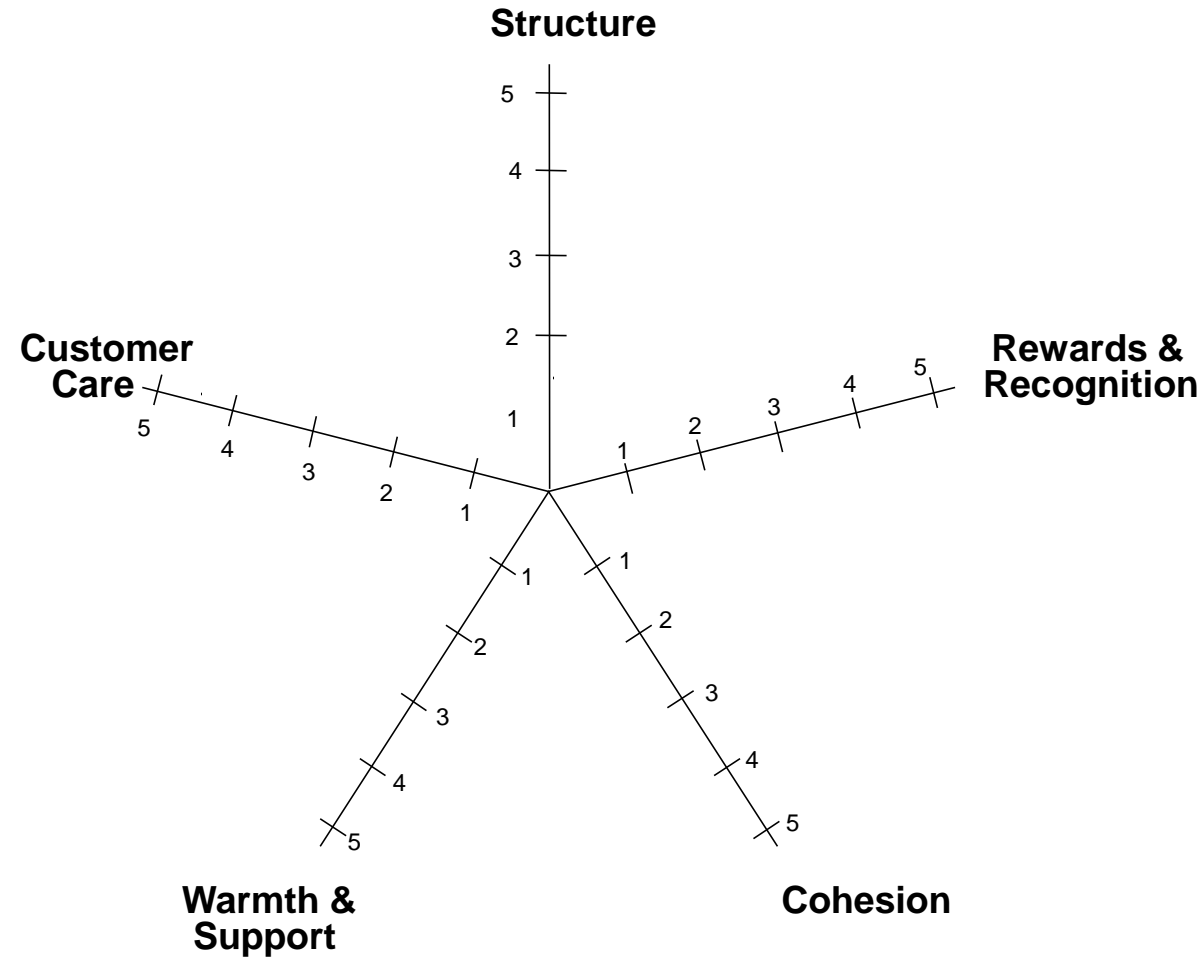
“We judge companies - and managers - by their actions, not their pious statements of intent.”

Sir Adrian Cadbury

Modelling customer retention rates and perceptions of service quality



Organisational climate themes



Employee service climate perceptions

High Performance Companies

Open
Flexible

High

High
Organised
Clear
Low

Employees Perceptions

Structure

Communication
Rules &
procedures
Staff
participation
Role variety
Organisation
Role clarity
Pressure

Low Performance Companies

Closed
Rigid

Low

Low
Not organised
Unclear
High

Empowerment



“Learn the rules like a pro so that you can break them like an artist”

Pablo Picasso

Reward and recognition



Employee service climate perceptions

High Performance Companies

More rewarded than
punished
Not present
N/A
Effective

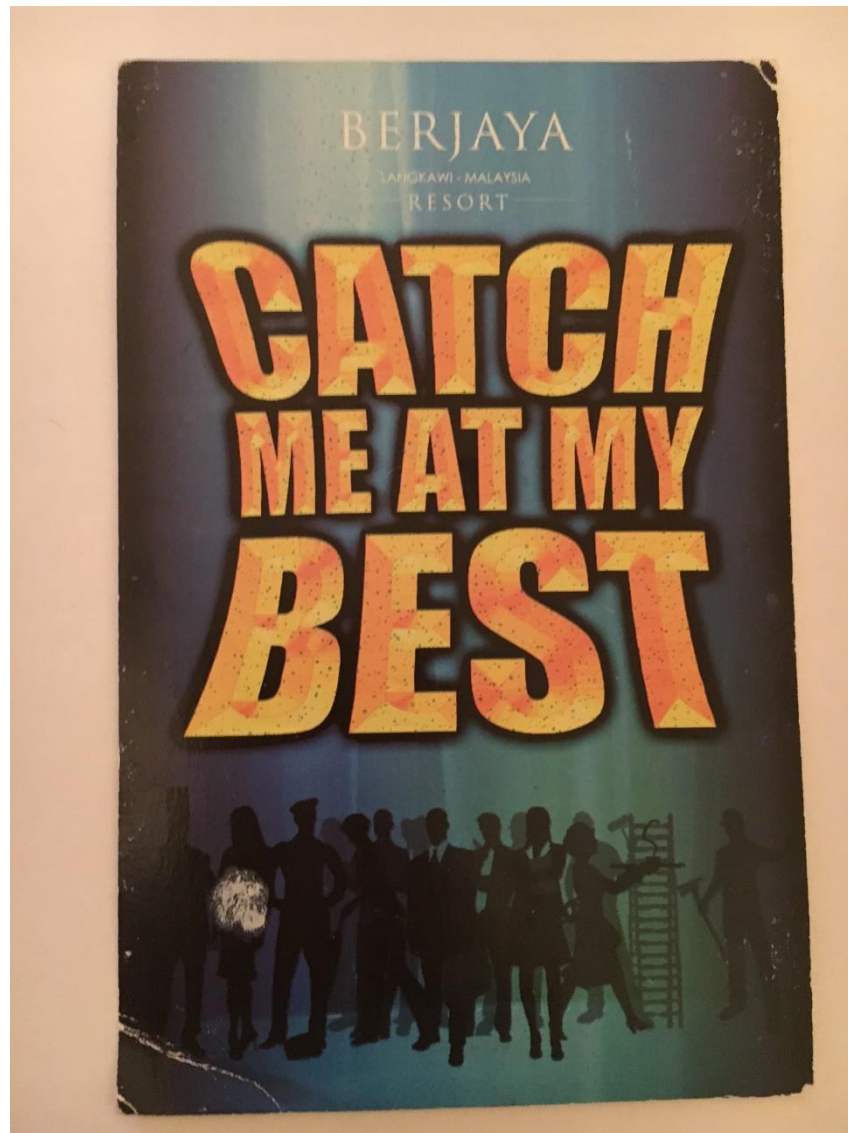
Employees Perceptions

Rewards & Recognition

Rewards
Punishment
Escape
Equity
Goals

Low Performance Companies

More punishment than
rewards
Present
Inequity
Ineffective



CATCH ME AT MY BEST

Please catch me and turn me in. I love to get caught™ at my best, by my guests. If you catch me exceeding your expectations in any way, fill out this card on the details specifically and turn me in. Thanks for catching me!

Dear General Manager,

I Caught _____ At His / Her best.

Details: _____

Room No _____
Signature _____
Date _____

Warmth and support



“Train people well enough so they can leave,
Treat them well enough so they don’t want to”

Richard Branson

Employee service climate perceptions

**High
Performance Companies**

High

High
High

N/A

**Employees
Perceptions**

Warmth and Support

Warmth & support among
staff

Morale

Warmth & support by
managers

Trust management

**Low
Performance Companies**

Low

Low

Low

Low

Smiling makes a difference!

You need to develop a customer orientated culture and put the customer at the heart of the business



Increased satisfaction 41%



Increased satisfaction 27%

Cohesion



“Coming together is a beginning.
Keeping together is progress.
Working together is success”

Henry Ford

Employee service climate perceptions

**High
Performance Companies**

High

High
Shared perception

Team

**Employees
Perceptions**

Cohesion

Staff
interaction
Socialise
Shared
perception
Team

**Low
Performance Companies**

Low

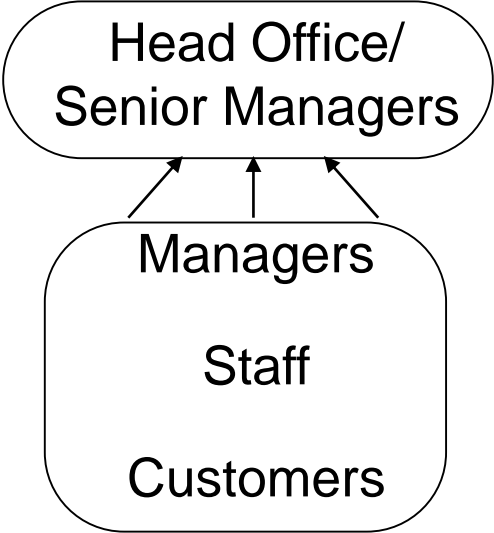
Low
No shared perception

Low

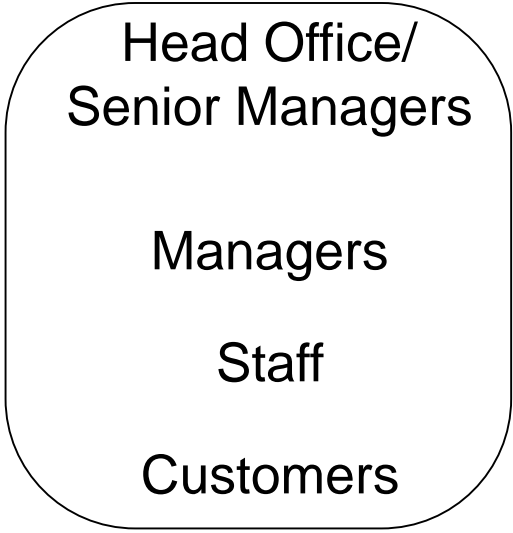
Boundary-spanning relationships and the 'common' enemy

High Retaining Companies

1.



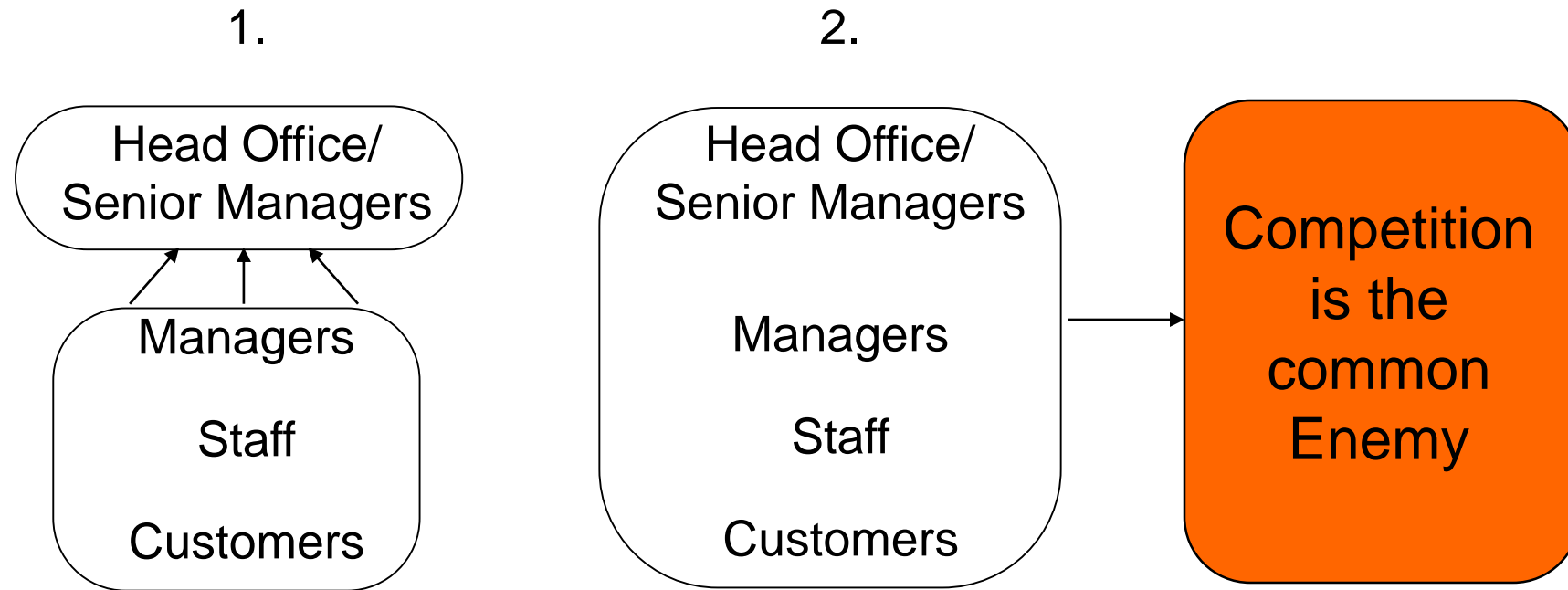
2.



Key → 'Common enemy'

Boundary-spanning relationships and the 'common' enemy

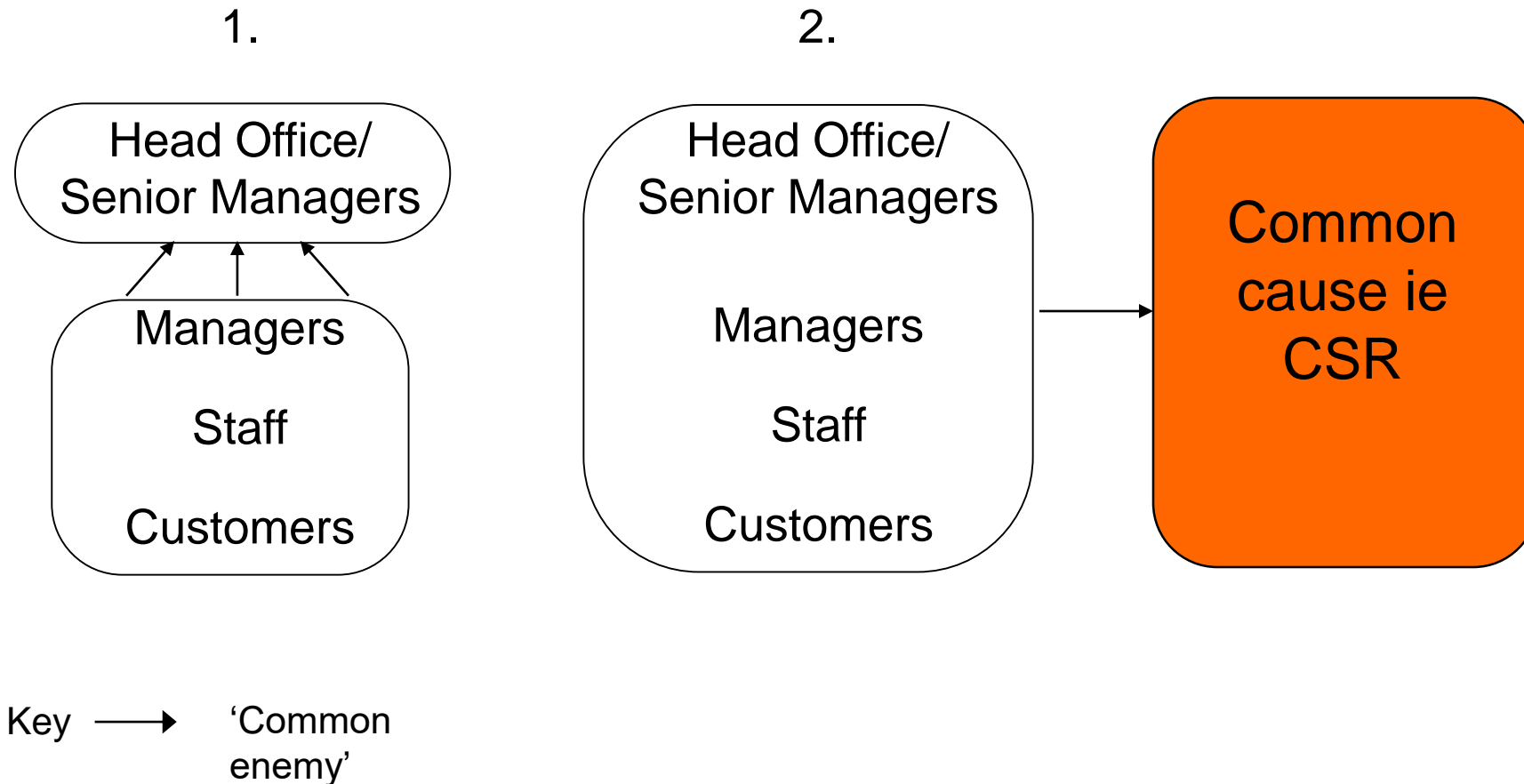
High Retaining companies



Key → 'Common enemy'

Boundary-spanning relationships and the 'common' enemy

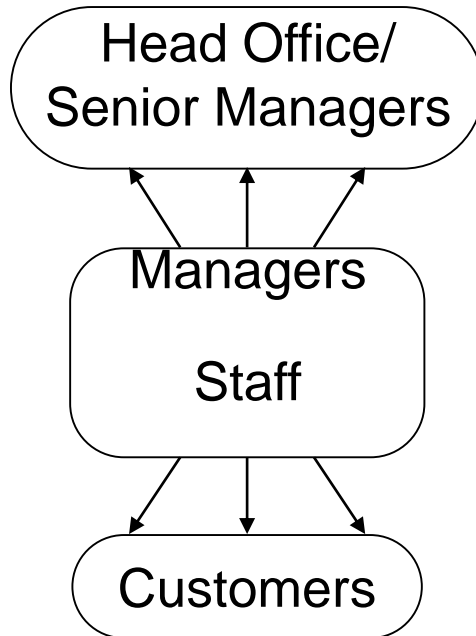
High Retaining companies



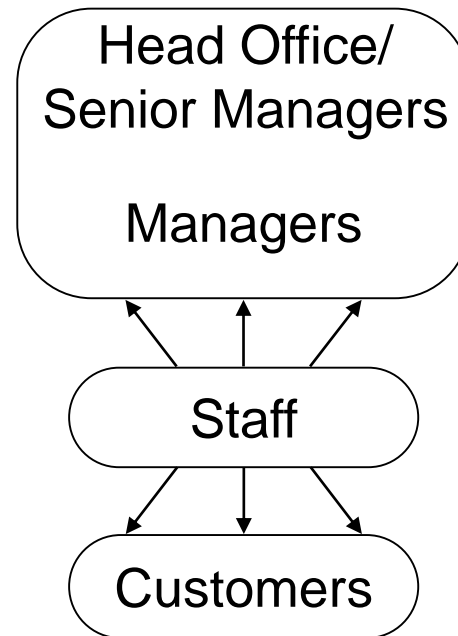
Boundary-spanning relationships and the 'common' enemy

Low Retaining Companies

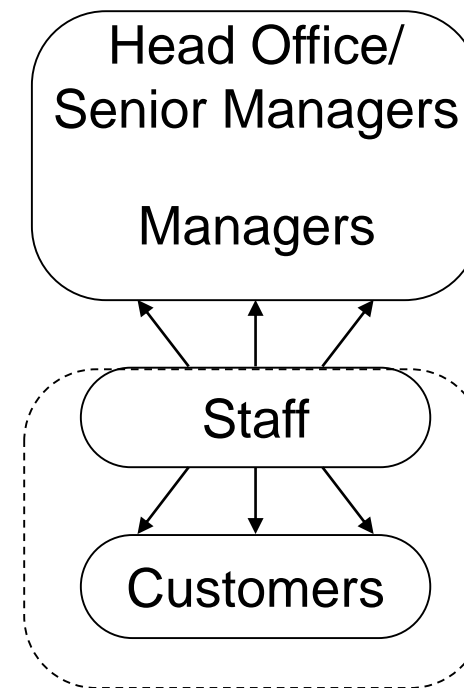
4.



5.



6.



Key → 'Common enemy'
----- Still care a bit about customers

Employee service climate perceptions

**High
Performance Companies**

High

Effective & flexible
Active/effective

High
High
Yes

Active attempt

**Employees
Perceptions**

Customer Care

Practices & procedures in
relation
to customer care
Training
Innovative initiatives
Service quality
Customer care
Customers treated equally
Customer retention
practices

**Low
Performance Companies**

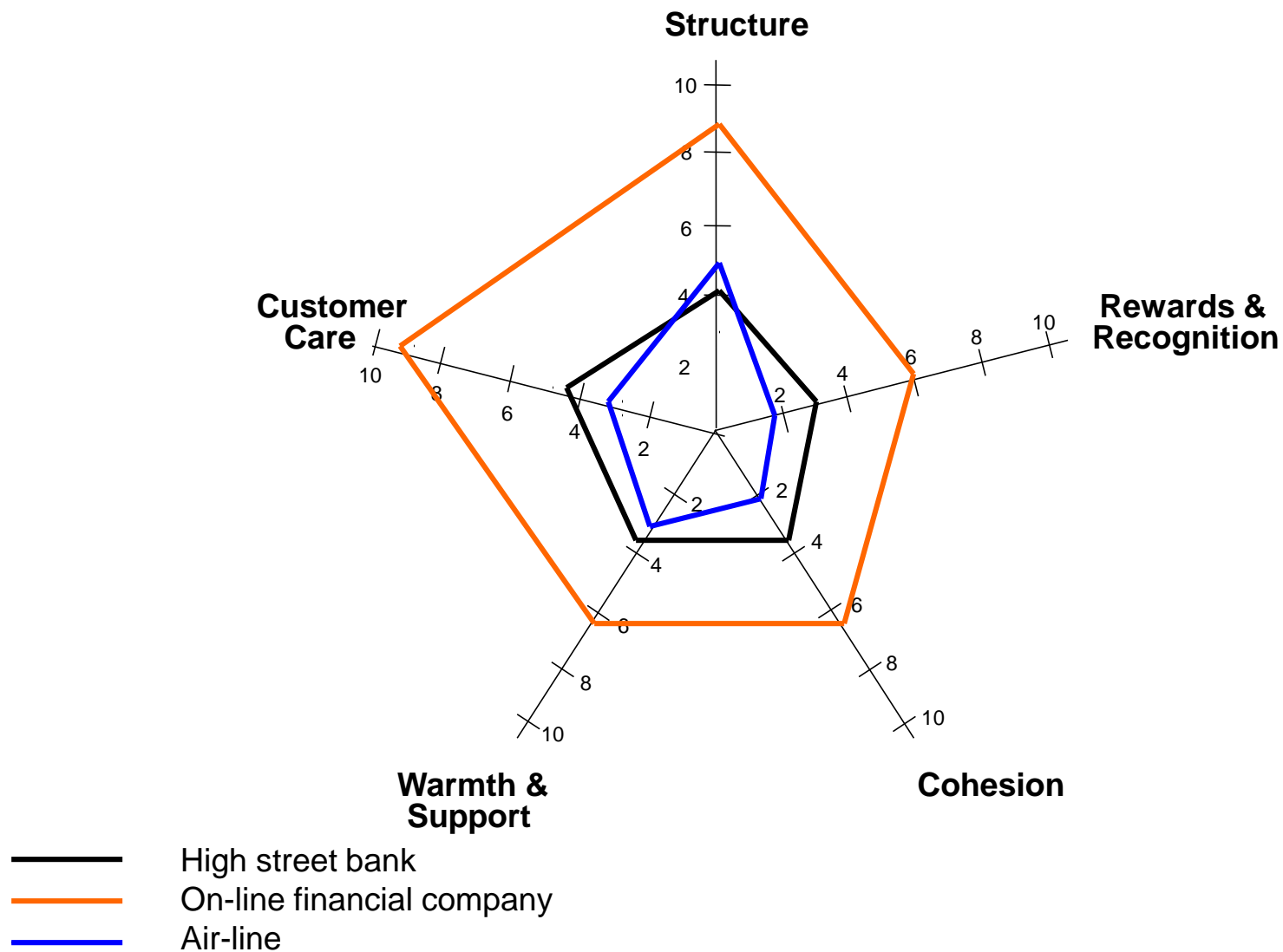
Low

Not enough
Inactive/ineffective

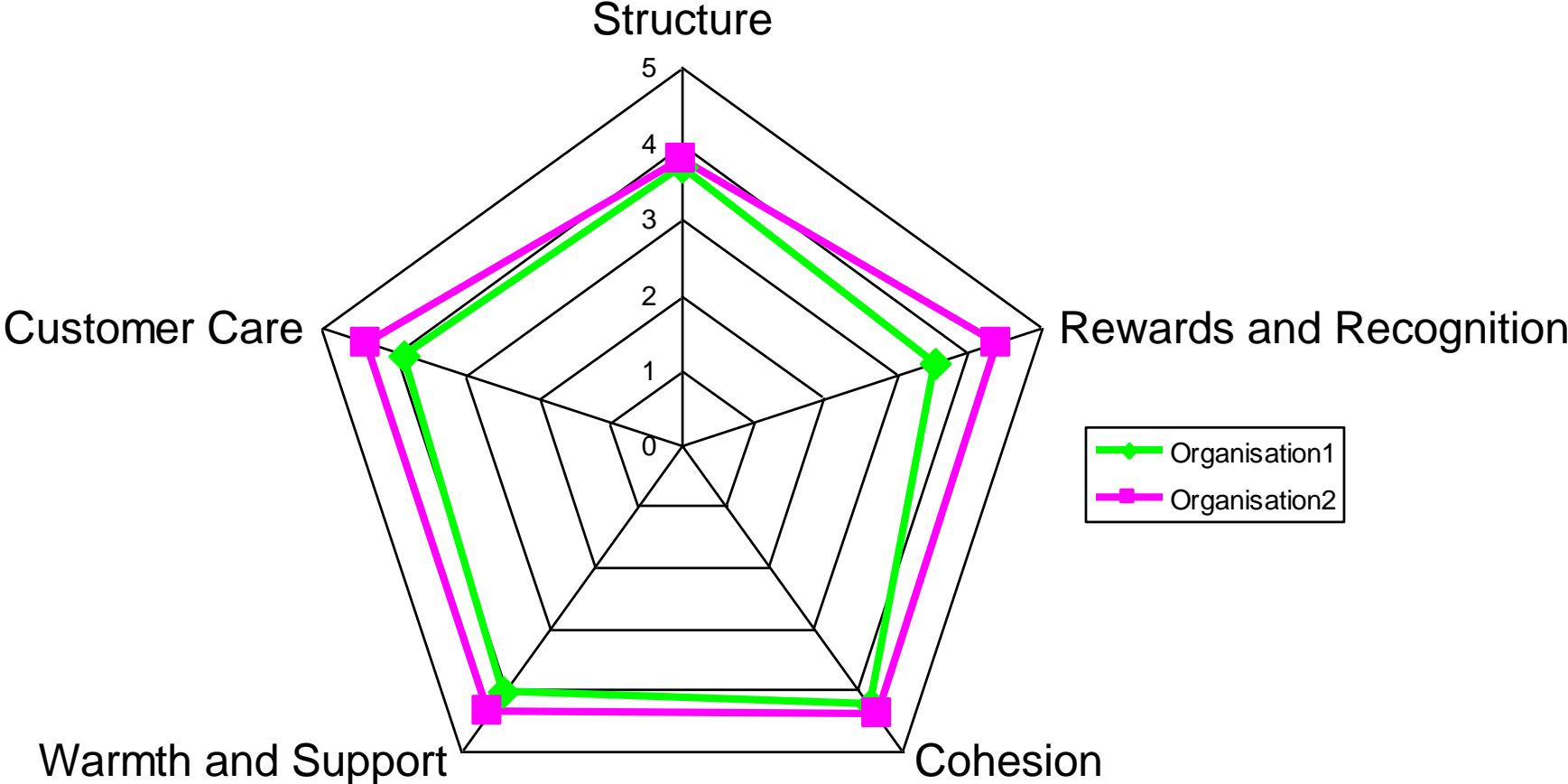
Low
Low
No

No active attempt

Profile of organisational climate themes



Overall comparison



People Power: Driving business performance



Summary

- It's important to measure micro-climates
- Remember it is a holistic phenomenon!
 - *Warmth and support*
 - *Cohesion and team spirit*
 - *Reward and recognition really does matter!*
- Organisational climate DOES trump employee engagement for best business performance



Thank You

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