



Some years ago the Fairfield Inns economy hotel chain in the USA carried out some customer research and discovered that their customers, largely consisting of travelling salesmen who spent a lot of time away from their homes and families, essentially wanted to stay in a clean, comfortable room and to deal with staff they could relax with in a 'homely' kind of way. They did not want luxury or receptionists that made them feel they should be on their best behaviour at the end of a long day on the road.

Based on this information Fairfield set themselves a simple objective – to build the economy lodging business by having *“the friendliest employees and the cleanest rooms anywhere.”*

Where they started was not quite so simple. They realised that customers mainly came into contact with receptionists so they would need to be friendly and helpful. This was not too hard to achieve but they also realised that the other main contact guests would have would be with the room they stayed in. In this respect their objective was to offer *“the cleanest rooms anywhere”* but this would not be enough to get customers to keep coming back and to be so satisfied that they would recommend the chain to others. If the room was so influential in the experience then a way had to be found to make it memorable, and the staff that could influence that were the housekeepers.

So Fairfield concluded that they had to find housekeepers that were not only extremely good at cleaning, but also had the ability to relate to guests.

It is worth noting here that most organisations (top hotels included) probably seek to pay minimum wage to cleaners and are not too concerned with the rate of staff turnover.

Fairfield took another view. They estab-

lished some tough criteria in order to recruit people that were virtually obsessive about cleanliness, enjoyed being competitive, and were keen to get to know guests and recognise regulars.

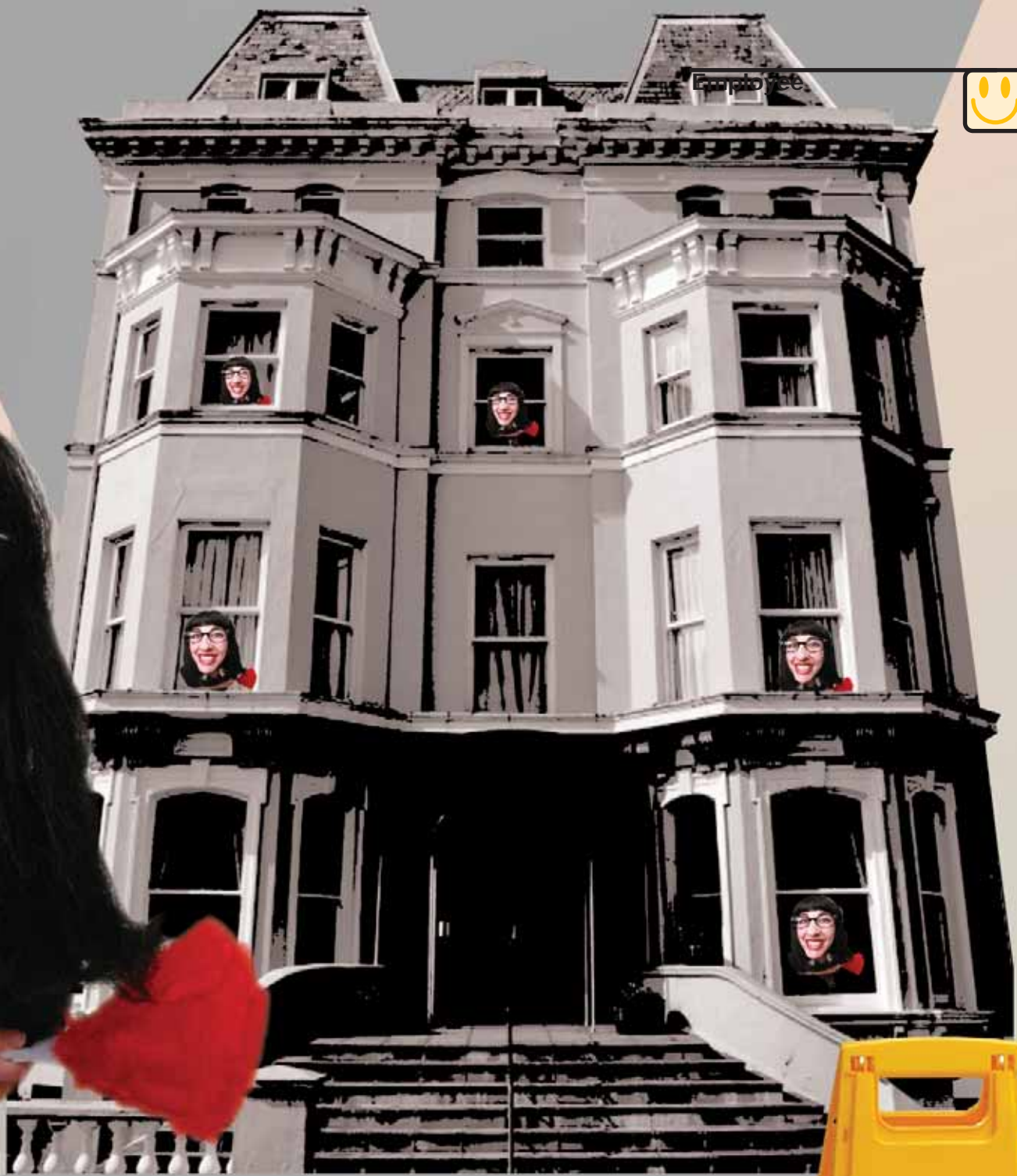
Only 1 in 24 applicants actually got through these tests to be offered the job, and they were then well rewarded in both basic salary and bonus payments based on the results of weekly customer satisfaction surveys. The housekeepers were visible and at the forefront of guest relations. They would check with the guest that the room was in good order and they were given responsibility for a *‘guest amenity budget’* to use at their discretion to *‘wow’* regular guests by leaving small items (such as their favourite biscuits, brand of coffee or shampoo) in their rooms to make them feel more at home.

The housekeepers found their role highly satisfying and knew they were valued so they were motivated to stay longer, which meant they got to know their customers better. In addition, because they were given responsibility for their achievements they did not need much management input which allowed managers to be more focused and productive as well.

The Harvard Business School covered this case history in work which led to some important conclusions and it was published along with other examples in *“The Value Profit Chain”*. All companies seek to be successful and most believe that their first concern should be the customer. The conclusion reached at Harvard was that *“The single most important differentiator between high and low performing firms was the adherence by management to a clear set of core values stressing the importance of delivering results to customers and employees as part of an effort to deliver profits to owners”* but they also concluded that in terms of generating business improvement the order of priority should be to improve employee satisfaction first and customer satisfaction second.



“THE FRIENDLIEST EMPLOYEES AND THE CLEANEST ROOMS ANYWHERE.”



Employee Satisfaction- why bother?





This is because satisfied (or engaged) employees benefit the organisation in many ways:-

- They stay longer, thus reducing recruitment costs
- They are absent through illness less often, increasing productivity
- They become more expert, lowering training costs and increasing productivity
- They make fewer mistakes, which reduces the cost of recovering from mistakes and further improves productivity
- They suggest more improvements, which make the company more efficient or effective
- They get to know their customers better, helping them deliver a better customer experience
- They increase customer loyalty, resulting in more repeat business, related sales, and referrals, all of which reduces the cost of sales
- They say good things about the organisation, enhancing reputation
- They recommend others like them to work for the company, again lowering recruitment costs but more importantly bringing in people who are more likely to fit in and stay.

To illustrate the impact of just one factor, consider the problem of staff turnover. If there are 400 employees in your company and each year 10% leave, (a conservative estimate) you will need to recruit and train

40 new people. If it costs 1.5 times the annual salary to achieve this (again a conservative estimate) and the average salary for these 40 people was just £16,000 you would be spending almost £1 million ($40 \times 16000 \times 1.5 = £960,000$). Add to this the financial benefit of increased productivity and higher customer loyalty and it soon becomes apparent that satisfying staff is actually a profit opportunity. It is unlikely that you would need to invest at this level to create the required improvement in staff morale.

Companies in the higher ranks of the Sunday Times lists of best companies to work for confirm that there are significant benefits in terms of recruitment costs, the ability to attract and retain better staff, who deliver better customer service, and increased profitability.

How do you establish a high level of employee satisfaction?

If you are lucky enough to be starting a new business you can begin by clearly defining and recruiting the kind of people you want to form it, then explain what you would like them to do and provide them with the tools to do the job and any training they might need. Trust and authorise them to make decisions and build their confidence by rewarding them for making the right ones - we learn more from the mistakes we make than when there are no problems to overcome, but the key to improving lies in not making the same mistake twice.

New employees treated this way will thrive but it is more difficult for an established organisation to satisfy and motivate the wide mix of staff already in place. Not all people are motivated by the same things, some seek challenge and development,

some merely want stability and a steady income, while for others their job may fulfil their need to demonstrate their skills and make a difference.

People of different ages, gender, background etc have different needs and whatever the needs are it will be necessary to understand and (unless their need is to dominate or bully others) try to meet them in order to satisfy your employees, and at this point you would expect me to talk about surveys so I will, but only to provide some basic guidance.

Most companies have employee surveys carried out from time to time but I believe that the majority are less useful than they could be. These are what I call Employee Opinion Surveys, which contain a list of generic measures created by the management or a consultant (or have been copied from a book or someone else's survey). They are often very long and ask employees to rate their employer on a 5-point verbal scale.

The objective of this type of survey is often to benchmark the results against those of other companies in the same industry or locality so that a defence can be offered if staff complain about terms and conditions. Staff and management often regard this as a low value Human Resources exercise rather than as a means of improving engagement. These surveys will measure perceptions of what is on the survey, but not always what actually matters and will make a difference to employees. Low response rates for such surveys are frequent and anything less than 50% must raise doubts about relevance and validity.

An Employee Satisfaction Survey is different. It is conducted in order to understand





Jim Alexander
Director
The Leadership Factor

what motivates employees, to assess their satisfaction on aspects of working life that make a difference to them, and to identify the areas that should be improved first to provide maximum return on investment. The list of measures to be included in the survey must be decided by the employees themselves, focus groups being the best way of achieving this so that only the most important twenty to thirty measures are included in the subsequent survey of all employees. This makes the survey easier to complete as well as much more specific to your employees so they are more likely to take it seriously. The survey should be conducted annually but the focus groups are not needed every time because needs don't change that fast. The scale of measurement should of course be the 10-point numeric scale which you should have read about in other articles in Stakeholder (please ask me if you need more convincing) and which provides so much more valuable detail than other scales.

It is essential for staff surveys to be conducted through a third party. If you run the survey yourself you must accept that some staff will withhold their true feelings for fear that it will inhibit their career progress or at best make things awkward, and others will exaggerate things in the hope of gaining advantage. Either way you will obtain a distorted view and may well waste time and money changing the wrong things. If your staff are comfortable with the survey being web based and are

happy that their responses will be anonymous this is the best method, otherwise a printed questionnaire should be used.

The list of measures should be used twice in the survey, once to gather satisfaction scores and again to assess the importance of the measures. It is useful to ask an overall satisfaction question, and to seek clarification for any low satisfaction scores. There should also be a section to measure loyalty and a section to collect essential demographic information to facilitate analysis of grouped data.

Once your survey is completed the analysis should help identify what motivates staff and what needs to improve for them. Some things will be generally applicable (such as communication and knowing what others do) and some will be specific to certain groups or departments (management style, training, bonus awards etc). This magazine has covered analysis and interpretation in other issues for Customer Satisfaction Research and the process is really very similar for Employees.

There are some vital things to do after the survey.

First the results must be presented to senior management, who are clearly responsible for employee satisfaction. There may be some discomfort felt on seeing what staff actually think but if that is the case then there is opportunity to improve things.

Next the results (or at least an overview) should be shown to employees. It can be highly effective to involve staff in defining what needs to be done to improve in the areas identified as priorities, so forming a representative team that can review the data, recommend solutions and then participate in their implementation will produce results quickly.

Senior management must review progress of the team regularly (at least quarterly) and any improvements need to be publicised widely to be sure that they are noticed and related to the survey (to improve participation in your next survey).

In summary

- Employees are a critical business asset. Recruit for attitude and train for skills
- Measure your success as an employer each year – independently and from the employees' perspective
- Identify the key drivers of employee motivation
- Invest in change where it will have most effect
- Empower them to deliver memorable results for customers
- Provide excellent support systems
- Recognise good performance
- Understand the links between employee and customer satisfaction
- Quantify the benefits to the business

If someone buys your product or service once, you have almost certainly spent more on attracting their business than the profit you have made. Only by providing an experience the customer wishes to repeat will you start to make a profit.

Your competitors may be able to copy your products and beat your prices, but the difference created by satisfied staff who are rewarded for, and motivated by, achieving continued extraordinary success for their company, will make you the first choice for the most profitable customers.

So take it seriously, your staff really are your most valuable asset. **S**

