

# FROM TRAINING TO PERFORMANCE: A CASE STUDY

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Faced with the prospect of engaging nearly two thousand employees before the situation became urgent, this case study shares why the best interests of employees, customers, and shareholders are neither disparate nor a zero-sum game. It also shows how it takes passionate leadership coupled with proven HPT principles to unlock synergies. Its hallmarks are high employee engagement, quality customer interaction, and improved profitability.

FOR ANY CUSTOMER SERVICE organization, external customers' perception of the service is paramount. For this unit of a blue-chip company discussed in the case study with over 2,000 employees scattered over nearly 500 distinct customer locations nationwide, the metric that mattered most was the "top-box" score—percentage of customers reported to be completely satisfied with the service. Although the top-box score for this channel was higher compared to other service delivery channels, it had been stuck in a range that it was unable to break through.

During early 2005, however, the top-box customer satisfaction scores began to decline gradually. The leadership team was alarmed because customer satisfaction is the value driver behind vital business metrics such as customer revenues, client retention, and employee morale. On further review, it was determined that a sense of complacency had developed in the workforce and that perpetually high scores had been taken for granted. There were also obstacles related to geographical diversity, organizational newness, cultural differences, and lack of investment. There was a serious concern that these factors potentially could have a negative impact on employee morale.

Recognizing that many interrelated factors contributed to these performance challenges, the leadership team took a holistic, employee-centered approach to involve and engage the entire staff to deliver outstanding results. Specifically, the leadership team initiated a performance improvement strategy in order to raise customer satisfaction and improve employee morale. Trying to change the behavior of one person is challenging enough. Imagine trying to change the behavior of over 2,000 employees.

## BACKGROUND AND OPPORTUNITY

While the performance problems had not become fully visible yet, there were several challenges and obstacles that were quietly lying in wait.

### Laissez-Faire Attitude

Ironically, the presenting problem for initiating an HPT intervention was that there was not a visibly obvious problem. Sometimes lack of a visible problem itself can be a problem. Because there was no "burning platform" to speak of and nothing obviously broken, everyone had become accustomed to the unit's steady performance in employee engagement, customer satisfaction, and financial profitability. Without any visible pain, a sense of complacency had set in. As the old adage, "The squeaky wheel gets the grease," would suggest, the resources, investments, and attention were diverted to more pressing issues and challenges faced by other units in the division. At the same time, there were imminent external and internal risks lurking below the surface. Increased competition and price pressures in the marketplace, cannibalization from a more automated service offering, commoditization because of increased influence of procurement, and uncertainty in key revenue streams were all a clear cause for concern. Slowly but steadily, performance was on the decline—but not rapidly enough to warrant immediate attention.

### Geographical Diversity

A unique staffing situation in this key business unit presented serious communication challenges as well. The

employees were scattered throughout the United States in hundreds of customer locations in nearly 500 separate offices. Over 400 locations had an average presence of only two employees. Reaching out to this employee population was extremely difficult and costly, and connecting with them was even harder—partly because of access, technical, and communication challenges, but also because of the “out-of-sight, out-of-mind” attitude that is human nature. This structure created many communication difficulties with supervisors who were not necessarily in close proximity to most employees. In many cases, they had to travel several miles by car to reach the employees. To complicate the issue, multiple generations were at work in the population. Because of the dispersion, observing performance on a regular basis was difficult, which strained associate-supervisor relationships and caused engagement risks.

### Organizational Newness

This business unit in its current form had not existed before. Over the years, different pieces of the organization had belonged to different parts of the organization with different leaders and different philosophies. By being part of other organizations, the unit’s unique value proposition of delivering customized, dedicated, high-touch service to demanding customers with complex requirements had been smothered despite being the single largest service platform. The unit had been formed recently based on the common service platform it operated on: all the employees worked on customer premises, providing services to clients large and small.

### Clash of Cultures

The unit had grown substantially through a recent acquisition. The acquired employees had come from a collegial, privately held, nonbureaucratic, family-oriented, and customer-focused culture. The acquiring company is publicly held and had a formalized, process-driven, and profit-oriented approach. This clash of the cultures had created walls, and the melding of different cultures was another major obstacle.

### Lack of Investment

Although there was a central training department, it lacked resources and reach. Besides, there was little subject matter to train because the employees in this unit were generally experienced and highly tenured, knew the industry and the clients well, and were mostly self-sufficient. As in call centers, however, there was no way to observe an employee’s performance firsthand or listen to conversations with clients. Over the years, the span of control had increased so there were fewer supervisors having to attend to more and more distant employees. The net result was

that the associates were contributing handsomely to the bottom line, yet very little investment had trickled down to them over the years.

## SUCCESS CRITERIA

Despite the challenges of complacency, geographical diversity, organizational newness, cultural differences, and lack of resources and investment, the leadership team felt strongly that there was plenty of room to improve performance significantly for the employees, customers, and shareholders. Recognizing that many factors contributed to human performance, the leadership team took a holistic, employee-centered approach to involve and engage the entire staff.

It became clear that changing the mind-set was the only way to tackle the “no-problem” problem. The shifting paradigm practice had to be aligned with the culture and values and had to meet many criteria to be successful. It needed to:

- Build a compelling business case and create a sense of urgency regarding the strong possibility of declining performance and its broad impact on the overall business
- Involve and engage the entire leadership team and ensure a cascading level of interaction, relationship, and engagement at all levels
- Create an environment where even remote employees in faraway offices felt connected to the larger organization
- Consist of interventions that were simple and cost effective to communicate, understand, distribute, implement, and use
- Capture employees’ unique talents and leverage them for on-the-job success
- Demonstrate a more holistic relationship with the frontline employees

## PERFORMANCE METRICS

The performance indicators for this initiative selected to evaluate success along metrics for major categories were as follows.

### Employee Attitudes

The company invests heavily in surveying the attitudes of the employees annually. Percentage favorable scores are based on multiple core questions in various dimensions. Also, the company had set percentage favorable point-of-arrival goals in accordance with external and internal benchmarks for each dimension. According to the survey

vendor, the larger the group is, the smaller the change is needed for it to be meaningful. For a group size of more than 500, a change of 3% in either direction over time was considered meaningful.

Although the performance in this area in terms of employee satisfaction, engagement, and development had been satisfactory, the leaders believed there was a lot of room for improvement in moving closer to and beyond the point-of-arrival benchmarks.

## Customer Satisfaction and Quality

The organization sends its individual customers a survey questionnaire administered by an outside vendor to gauge satisfaction on their most recent interaction. The results, measured based on thousands of surveys, are reported monthly on a five-point scale from completely satisfied to completely dissatisfied. Even a 1% point change in either direction is meaningful because of the fairly large and random survey sample. The customer satisfaction scores were considerably better compared to other units but had reached a plateau and had been unable to break through the barrier.

## Shareholders

Many financial metrics are captured in the general ledger system and distributed monthly through a user-friendly information management and business analysis database. Total revenue per associate, total profit per associate, and total profit per transaction were considered key financial metrics. The performance was satisfactory in the financial metrics in aggregate and in per associate terms, but there was a strong sense that it could be fine-tuned if employees were engaged to deliver outstanding customer service even more consistently.

## SOLUTION

The performance improvement design used instructional as well as noninstructional solutions. In the design and development stage, we invited as much contribution as possible from the target groups so that they became part of the solution rather than remaining part of the problem. In this environment, it was apparent that hard, technical skill training was not important, especially given the employees' tenure. A simplistic training on basic customer service would have been a waste of time and may have even alienated the associates. Instead, we chose an innovative approach to teach soft skills intended to improve the quality of employee-customer interactions through self-awareness and increased flexibility in adapting to the diverse behaviors and work styles of others. Specifically, the soft skill of effective communication

entailed being aware of one's own behavioral and communication style, recognizing customers' and coworkers' communication style, and consciously adapting the communication style by following the dos and don'ts of the other person's work style.

We targeted the entire employee population from frontline associates to the vice president level. We designed the practice by taking into account basic change management principles as follows:

- **Why:** There was a need to get people to feel proud about the accomplishments and at the same time get them excited about the future. It was management's job to let people see why change was necessary.
- **What:** The reward and recognition mechanisms were already in place. This process held all levels of management accountable for specific measures of performance related to employees, customers and quality, and profitability.
- **How:** It is one thing to know why and what to do and entirely another to know how to do it, so a learning-by-doing rather than a doing-by-learning approach was necessary.
- **Who:** The new communication behaviors needed to be actively and effectively modeled by organizational leaders.
- **When:** We needed a well-defined, robust, and systematic plan along with milestones for each stage of the practice and for achieving the stated objectives.

## READY, SET, ACTION!

At a high level, implementing the performance improvement solution created a common purpose to rally a remote workforce. A one-page business plan helped paint a clear vision of the future. Multiple communication vehicles articulated the need for change. Online assessments, train-the-trainer sessions, and cascading coaching and feedback meetings taught the soft skills of improving customer interaction. A customer satisfaction toolkit captured step-by-step, practical guidance from experienced peers.

More specifically, the following interventions were planned and implemented.

## Business Case

We created a strong business case and presented it to senior management to underscore the organization's unique contribution. We highlighted internal and external risks and potential impact if they were allowed to materialize. The business unit leaders took the presentation on the road to their peers and key business partners.

## One-Page Plan

We created and shared a simple but effective one-page business plan to paint a clear vision of the future. This plan became the mantra for the organization. The vision statement spoke about becoming the “undisputed market leader.” We held a contest, open to all employees, to submit in teams a mission statement—the core reason for the organization’s existence. There was an overwhelming response, with more than 300 entries from 78 teams representing hundreds of employees. The leadership team adopted the organization’s official mission statement from the submitted entries. The one-page plan also included key strategies, specific and measurable goals, and concrete initiatives to achieve them.

## Communication

In addition to the mission statement contest, we used multiple, ongoing communication vehicles to connect with the frontline staff, such as a monthly newsletter, mailbox where questions, comments, or feedback could be emailed, roving reporters, telephone conference calls with all employees, and a radio talk show format. Through employee town hall meetings, the leadership team reached out to as many offices and employees in person as possible.

## Customer Interviews

We conducted several one-on-one interviews with key client decision makers to understand their needs and expectations. It became clear that the frontline employees were the linchpin in providing high-touch, high-quality service in a high-pressure environment. In other words, the kind of interaction the frontline employees had with their customers was quite complex, although the transaction aspect of it may have been simple. We recognized that traditional means of increasing efficiency were far less meaningful in this environment, and tacit knowledge and organizational savvy were far more important. This recognition shaped the strategy of helping frontline employees by focusing on improving the quality of the interaction.

## Personalized Assessments

The leadership communication highlighted that “each of us is involved in customer service whether or not we deal directly with customers. Our ability to interact effectively with customers is the difference between success and failure.” Because effective customer service begins with an accurate perception of one’s own work style, all employees were given an opportunity to voluntarily take a Web-based behavioral assessment and receive a personalized customer service report. The report identified what was unique about each person’s work style. It also offered

insights into how employees could communicate even more effectively with customers and coworkers with different work styles.

Through this assessment and the primer, employees learned about their natural and adapted customer service, problem solving, and communication styles; tips to identify customers with different styles; and strategies to interact effectively with others different from them. Tracking reports were continuously published during the four-week assessment period to generate enthusiasm (along with some healthy competition) and to get the word out without making the assessments mandatory. Over 90% of the employees took part voluntarily.

## Coaching and Feedback

Every supervisor, manager, and director attended a train-the-trainer session and received a coaching toolkit that explained how to interpret the assessment reports, how to prepare for the coaching session with their employees, the dos and don’ts of conducting the actual session, how to gain commitment, and how to conduct follow-up sessions. Every leader was encouraged to hold the coaching and feedback sessions one level below in a cascading manner. In addition to the direct benefit of the employees learning more about themselves and how they were seen by their customers and colleagues, the rich dialogue helped in building trust and strengthening the associate-supervisor bond. It allowed the immediate leader to be seen as a caring coach and a mentor rather than as a distant supervisor.

## Practical Guidance

A team of high-performing managers and supervisors created a customer satisfaction toolkit. This 29-page booklet addressed many basic questions related to customer satisfaction. Recognizing that one size does not fit all, the toolkit focused on the process to follow and took a how-to approach. The customer satisfaction toolkit provided step-by-step, practical, and user-friendly guidance from experienced peers in the format of frequently asked questions on key topics such as measurement, root cause analysis, prioritization, planning, execution, and maintenance.

## National Help Desk

The national customer satisfaction team served as a central resource of subject matter experts for specific strategies such as identifying high-impact and high-risk clients, addressing neutral customer responses, and thorough analysis of comments by customers.

## Fiscal Analysis and Control

Although the financial data were readily available from the general ledger or the central reporting database, this information was not in a format to enable insightful analysis. A simple but effective analysis and control tool

was developed to “slice and dice” the financial information and key performance indicators. This tool provided a tremendous benefit to the managers and directors in identifying specific problem areas and setting improvement plans.

## Performance Reporting

The leadership team reported progress against established goals in the employee, customer, and shareholder categories on a regular basis.

All in all, rather than putting all the eggs in the proverbial training basket, a more comprehensive and integrative approach was used over several months during 2005 to drive and sustain performance improvement. The high-level strategy was formulated in the first quarter of 2005 and rolled out during the second and third quarters in a phased approach.

## RESULTS

The results were astounding. Specifically, the employee satisfaction and customer satisfaction scores began improving immediately during the latter half of 2005 and have continued to climb throughout 2006 and into 2007.

- Employees:** The overall percentage favorable scores, measured annually, jumped from the baseline of 74 in 2004 to 80 in 2005 to 85 in 2006. In 2006, the employee satisfaction in all dimensions exceeded the point-of-arrival benchmarks set at the company level by an average of 8 percentage points, including the highest possible ratings on all three components for values, engagement, and diversity.
- Customers:** There was an equally dramatic upsurge in the monthly customer satisfaction scores (see Figure 1). The top-box scores (percentage of customers reported

to have been completely satisfied), which had dipped as low as 62% in June 2005, began rising and broke through a barrier of 68% for the first time in December 2005. They have generally remained above that level (with a couple of exceptions), while continuing to rise. A record customer satisfaction top-box score for 2006 of 69.1% was reached based on over 27,000 random surveys compared to the baseline of 64.6% for the first half of 2005. The organization ended 2006 with four out of the previous five months having a top-box score over 70%, reaching an unprecedented 72.1% in December. In 2007, the average top-box score was at 70.4% through April.

- Shareholders:** The unit contributed handsomely to the bottom line, with a slight increase in profitability margins in a challenging and competitive industry environment.

These results were deemed possible because the intervention holistically addressed several interrelated factors: a lack of urgency; a feeling among employees of being out-of-sight and out-of-mind; a lack of clear organizational direction; a lack of customer insights; a lack of coaching or feedback on improving customer interactions; inadequate tools and processes; and a lack of ongoing performance reporting to the frontline employees. Although there were many other influences besides this intervention that contributed to the business benefits realized, leadership was pleased with the contributions made by this set of strategies and found the solutions to be value-added.

## IMPLICATIONS FOR HPT PRACTICE

The following human performance technology (HPT) principles and performance standards were critical in guiding this complex project to success:

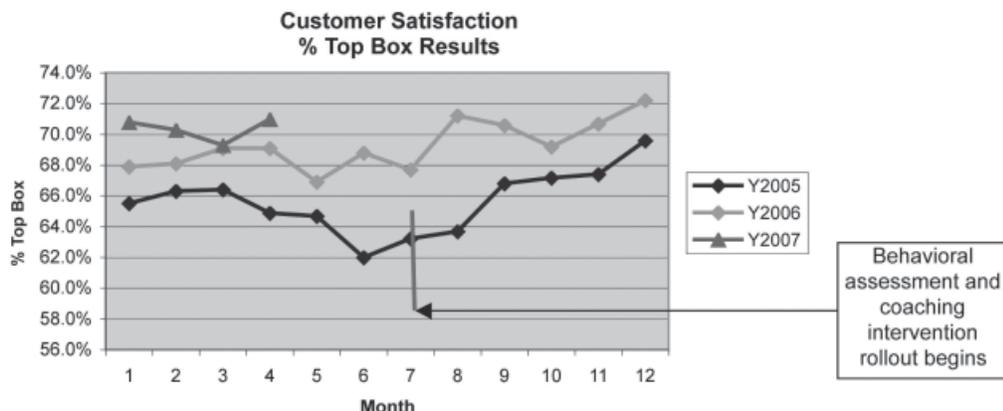


FIGURE 1. TOP-BOX CUSTOMER SATISFACTION TREND

## Focus on Outcomes

We identified key stakeholders and defined key metrics in each area to assess progress. Rather than defining the outcomes narrowly, we defined them as broadly as possible by measuring overall employee satisfaction and engagement, customer delight, and financial contribution to the business.

## Take a Systems View

Recognizing that large organizations are complex entities, made even more complex by the multiple obstacles we faced, was important. The implication was that there was no silver bullet and no single process was the culprit. There were simply too many moving parts. As a result, a comprehensive and integrative approach was needed to take into account the larger environment that affected processes and interactions, along with pressures, expectations, constraints, and consequences.

## Add Value

There was extremely close collaboration between the client and the consultant at every stage of the design, development, and delivery of the practice. The trusting relationship between the client and the consultant resulted in an honest and open discussion of the facts, opportunities, alternatives, barriers, plans, and actions.

## Work in Partnership

We sought and engaged a diverse group of leaders to brainstorm the solution strategy. We also built a leadership coalition by doing a road show for the business unit. We partnered with the training, human resource (HR), and quality departments on specific aspects of the practice. The training department was consulted early on to ensure that the assessment and the coaching and feedback approach was sound. HR was part of the core project team for the assessment stage. The quality department was consulted during the creation of the customer satisfaction toolkit. We received validation and endorsement of the toolkit from the quality team. We revised and updated the toolkit content based on this feedback.

## Be Systematic

In the opportunity analysis stage, we analyzed the organization and the environment by combing through employee satisfaction survey results and verbatim comments. These were supplemented by direct conversations with employees at town hall meetings. Customers' perspectives and insights about the complex interaction were gathered through interviews. We also evaluated the existing communication mechanisms. We compared the current performance to what it could or should be for specific metrics identified. The cause analysis pointed to several opportunities: lack of a compelling business case, lack of a unifying business plan, improved skills and knowledge related to complex customer interactions, lack of a systematic process for improving customer satisfaction, and lack of a user-friendly tool for highlighting specific problem areas. These revelations led to the design, development, and implementation of instructional as well as non-instructional solutions that invited contributions from target groups. In the implementation stage, we created a well-defined, robust, and systematic plan along with milestones for each stage of the practice and for achieving the stated objectives. We incorporated the change management principles as recommended by Kotter (1996). In the evaluation stage, the efficiency and effectiveness of all the solutions were discussed, captured, and publicly shared, thereby creating ownership and accountability.

## CONCLUSION

It is important to remember that the best interests of the employees, customers, and shareholders are neither disparate nor are they a zero-sum game. However, it does take passionate leadership, coupled with a proven HPT approach, to unlock the synergies. 🌟

## Reference

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