



Guide to Customer Service Excellence (9)

Cultivating Employee Dedication to Achieve Customer Loyalty



CULTIVATING EMPLOYEE DEDICATION TO
ACHIEVE CUSTOMER LOYALTY

- **Customer loyalty** will only be achieved when there are satisfied customers.
- **Satisfied customers** will only come true when there is service excellence.
- **Service excellence** will only be achieved when there are satisfied employees.
- **Satisfied employees** will only come true when there is management commitment to cultivate employee dedication to achieve customer loyalty.



HKACE

Hong Kong Association for Customer Service Excellence

If you have any suggestion or comments on this booklet, you are most welcome to contact HKACE.

Correspondence Address: GPO Box 8800 Hong Kong
Tel: 8100 9978 Fax: 8100 9986 Email address: general@hkace.org
Website: www.hkace.org



Foreword

The Hong Kong Association for Customer Service Excellence (HKACE) was formed in February 2000 to promote customer service excellence in Hong Kong. To this end, we have initiated a series of publications on various subjects in the field of customer service.

In today's work environment which emphasizes people-based management, the need for managers to motivate staff has become a top management issue more than ever before. This is particularly true for a service organization as many studies have concluded that satisfied staff will more likely deliver outstanding service and results in satisfied customers. Therefore, HKACE appointed Hong Kong Productivity Council (HKPC) in September 2004 to organize two workshops entitled "Cultivating Employee Dedication to Achieve Customer Loyalty" with the objective of developing managers' competence in staff motivation. The ideas and survey findings collected from these workshops are summarized in this document – *"Guide to Customer Service Excellence (9) - Cultivating Employee Dedication to Achieve Customer Loyalty"*.

This guidebook includes customer loyalty concepts and motivation principles, complemented by real-life managerial practices. We hope readers will benefit from the insights contained in this publication and invest more in caring for the staff so that in turn they care more for the customers.

Allan Chiang
Chairman
Hong Kong Association for Customer Service Excellence

January 2005



Member Organisations



Cathay Pacific Airways Limited



The Hong Kong Jockey Club



Centaline Property Agency Limited



The Kowloon Motor Bus Co. (1933) Ltd.



CLP Power Hong Kong Ltd.



Motorola Asia Pacific Limited



Dah Chong Hong (Motor Service Centre) Ltd.



PCCW Ltd.



Hongkong Post



Shell Hong Kong Ltd.



Hewlett-Packard HK SAR Ltd.



Standard Chartered Bank (HK) Ltd.

List of Executive Committee Officers (Years 2004 – 2005)

<i>Chairman</i>	Mr. Allan CHIANG	Postmaster General Hongkong Post
<i>Vice-Chairman</i>	Mr. W. N. KONG	Technology Applications Manager CLP Power Hong Kong Ltd.
<i>Secretary</i>	Ms. Pauline CHAN	Assistant Vice President – Customer Relations PCCW Limited
<i>Treasurer</i>	Mr. Patrick WONG	Director – Technology Services, Technology Solutions Group Hewlett-Packard HK SAR Ltd.
<i>Convener</i>	Mr. Buston CHU	General Marketing Manager Dah Chong Hong (Motor Service Centre) Ltd.
<i>Convener</i>	Ms. Angel MO	General Manager – External Affairs Shell Hong Kong Ltd.
<i>Convener</i>	Ms. Mary LO	Head, Customer Experience Management, Consumer Banking Standard Chartered Bank (Hong Kong) Ltd.
<i>Convener</i>	Ms. P. Y. CHAN	Head of Customer Service Department The Kowloon Motor Bus Co. (1933) Ltd.
<i>Convener</i>	Ms. Winnie CHIU	Human Resources Manager (Corporate Services) The Hong Kong Jockey Club



Acknowledgement

The Executive Committee is grateful to many organizations and people for their support and contribution to the successful publication of this guidebook.

First, we would like to thank all the companies and their staff who have participated and shared their valuable experience and real-life examples in the workshops. In addition, we would like to thank the participants of the focus groups and survey. Their considerable support and feedback are extremely relevant and helpful.

We would also like to thank the team led by Ms. Cindy Lui of the Hong Kong Productivity Council, which has completed the guidebook design and content development in a highly professional manner.

Finally, we would like to express special thanks to you for reading this guidebook. We hope you will find this publication a useful resource and reference for you and your organization.

Project Team

HKACE Task Force

Mr. W. N. KONG
Mr. Solomon LI
Ms. Polly WOO
Mr. Alex TANG
Ms. Stella LAM
Ms. Angel MO

HKPC Team

Mr. Cliff KONG
Ms. Cindy LUI
Mr. Samson LEUNG

“If you want someone to do a good job, give them a good job to do.”

- Frederick Herzberg



Contents

Foreword	i
Member Organisations	ii
List of Executive Committee Officers (Years 2004 – 2005)	ii
Acknowledgement	iii
I. From Customer Satisfaction to Customer Loyalty	1
II. Importance of Customer Loyalty	1
III. The Quest for Motivated Employees	2
IV. Principles of M.O.T.I.V.A.T.E	3
• Motives	
• Open Communication	
• Trust	
• Innovation and Creativity	
• Vision	
• Appreciation and Rewards	
• Thoughtful Feedback	
• Entrepreneurship	
V. M.O.T.I.V.A.T.E in Action	9
• A.C.E Performance Model	
• A.C.E.S Motivation Model	
VI. Case Study	12



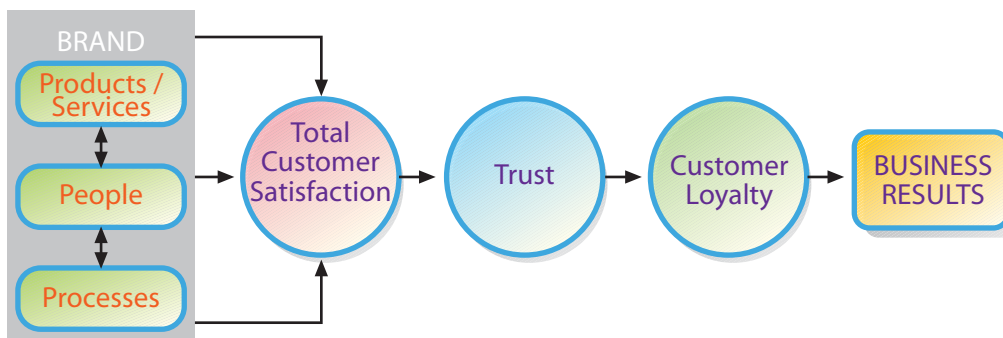
I. FROM CUSTOMER SATISFACTION TO CUSTOMER LOYALTY

It is the job of everybody in an organization to deliver excellent service to satisfy its customers. Below is a simple formula of how to satisfy customers.



- N** = Focus on your customers' **N**eeds
- E** = Understand/manage your customers' **E**xpectations
- E** = Empower/motivate your **E**mployees
- D** = **D**eliver customer-focused service with dedicated staff, to meet or even exceed your customers' expectations

Customers usually experience a company's brand through the **3P's : Products (including Services), People and Processes**. If an organization can offer excellent products and services through dedicated staff, it will enhance the level of customer satisfaction. When a high customer satisfaction level can be achieved consistently, trust will be built, and customers will become loyal.



II. IMPORTANCE OF CUSTOMER LOYALTY

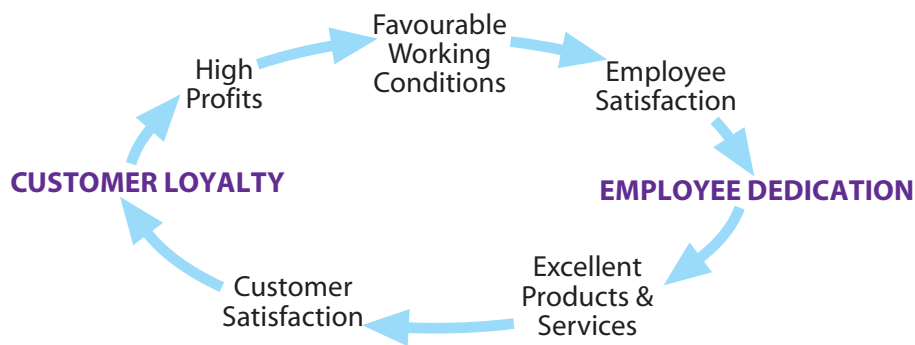
According to market research, loyal customers will bring more profits to an organization because they:

- spend more as compared with indifferent customers e.g. Retail 16:1, Restaurant 13:1, Airlines 12:1, Hotels 5:1
- are more willing to make referrals
- are less sensitive to prices
- help the organization achieve savings on marketing costs



III. THE QUEST FOR MOTIVATED EMPLOYEES

Many studies on customer satisfaction reveal that happy employees will lead to happy customers. Hence, managers play an important role in creating a favourable working environment for the employees.



According to a recent survey, the attributes of a motivated manager, frontline staff and team are summarized below.

Motivated Manager

1. Personal attributes

- High Emotional Quotient (EQ)
- High credibility
- Approachable
- High energy level
- Positive thinking
- Considerate
- Assertive
- Respectable
- Knowledgeable

2. Management attributes

- Being a role-model
- Open, fair and ethical
- Leverage the talents of staff
- Supportive to staff
- Empower staff
- Good communication and feedback skills
- Reward good performers and discipline under-performers

Motivated Frontline Staff

- High self-esteem
- Take feedback or criticism positively
- Optimistic about challenges/changes
- Take up responsibilities with total commitment
- Willing to take calculated risks
- Show care and helpfulness

Motivated Team

- Achieve or exceed company targets
- Co-operative among team members and with other departments
- Mutual trust
- High morale
- Withstand difficulties

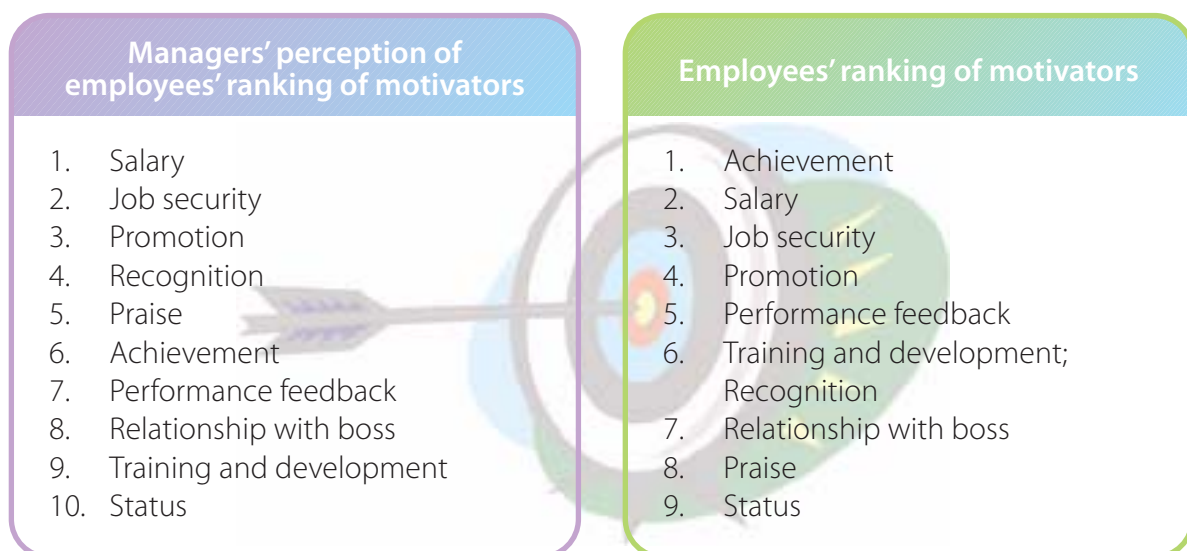


IV. PRINCIPLES OF M.O.T.I.V.A.T.E

The word 'MOTIVATE' is derived from the Greek word 'MOTUS' which means 'to stir to action; to provide with a motive.' To help you as managers to cultivate employee dedication to achieve customer loyalty, the principles of M.O.T.I.V.A.T.E are recommended.

1. PRINCIPLE OF MOTIVES

Managers need to know what drives employees to enhance performance at work. If managers can appeal to their motives, there is a higher chance of getting the employees motivated. However, a recent survey shows that the managers' perception of their employees' motivators does not align exactly with their employees' preference. The results are stipulated below.



(Note: 1 is the most important and 10 is the least important.)

Food for Thought

Based on the results of the above survey:

1. What is the impact when the rankings of the motivators between the manager and employee do not match?
2. Why is "achievement" so important to employees?
3. How can I as manager raise the sense of "achievement" of an employee?



Managerial Practices

- Appreciate the uniqueness of each employee in terms of personality, knowledge, skills, etc.
- Recognize what are important and meaningful to each employee.
- Empower employees (to use their own methods) as far as possible.
- Explain the reason(s) why an employee's suggestion is not accepted.
- Add motivation issue as an agenda item in the Performance Appraisal Review.
- Conduct Employee Satisfaction Survey regularly.



2. PRINCIPLE OF OPEN COMMUNICATION

Open communication is crucial to service quality. As communication gets more transparent, employees will become more motivated. It is so because employees usually take an interest in what is going on around them.



Tips on Open Communication

- Encourage two-way communication in:
 - Business meetings
 - Team briefings
 - One-on-One performance reviews
 - Coaching sessions
- Listen more to the employee than speak yourself
- Pay attention to the non-verbal clues and emotions of the employee
- Use open-ended questions to stimulate thinking
- Use supportive communication style
 - Use positive wording or phrases
 - Communicate with facts
- Use positive and inspiring phrases instead of de-motivational phrases
- Announce the service performance results on a timely and regular basis

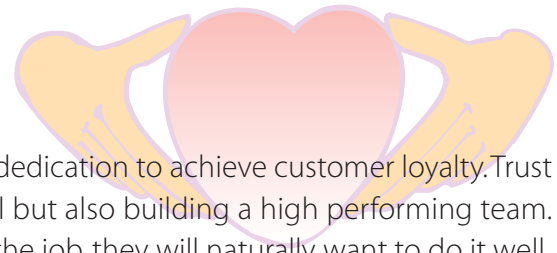
List of Motivational Phrases and De-motivational Phrases

Motivational Phrases	De-motivational Phrases
<ul style="list-style-type: none"> • You are a capable staff • Good job / Well done • Thank God, we have such a good staff as you • Thank you • I have confidence in you • You are great • Don't worry, try again • Keep it up with your good work • You have done your best (notwithstanding the failure) • Good suggestion • You are a good role model • You are the future star performer 	<ul style="list-style-type: none"> • You stupid • Don't 'talk', just do it • Do you want to get fired • I bet you can't manage it • It's only because you're lucky / You can be replaced by others • Clear up this mess yourself • You haven't tried it yet, how do you know that it doesn't work? • Are you aware of what you are doing? • Are you daydreaming? • You haven't made any progress for years! • This is an order • You are wrong again





3. PRINCIPLE OF TRUST



Trust is a crucial element in cultivating employee dedication to achieve customer loyalty. Trust helps in not only developing individual potential but also building a high performing team. If employees feel the manager trusts them to do the job, they will naturally want to do it well.

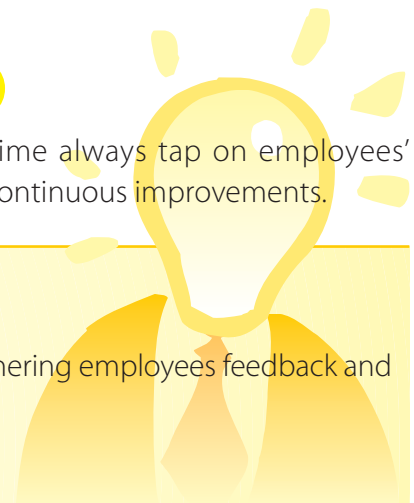


Managerial Practices

- Hold the belief that 'Every employee wants to do a good job'
- Walk the Talk
- Empower the employees to help customers and solve service issues
- Show respect to employees' efforts and contributions
- Be transparent in the management style
- Foster a 'No blame' culture
- Invite frontline employees to:
 - participate in problem-solving and decision-making meetings
 - join Service Quality Team as team leaders or team members
 - attend meetings of the managerial staff as observers

4. PRINCIPLE OF INNOVATION AND CREATIVITY

Managers of organizations that survive and thrive over time always tap on employees' innovation and creativity to achieve service excellence and continuous improvements.



Managerial Practices

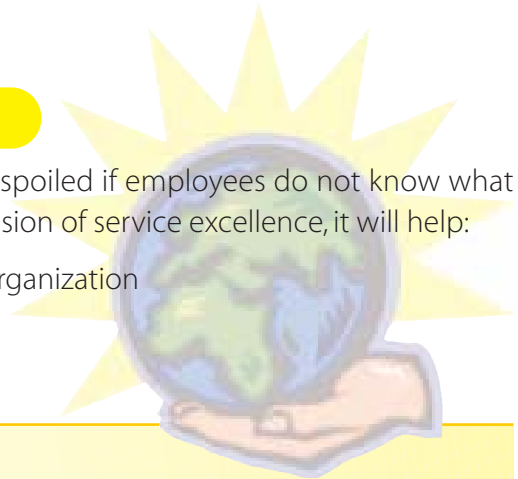
- Encourage employees to learn from mistakes
- Establish different communication channels for gathering employees feedback and ideas on service improvement e.g.:
 - Chat-room on the Intranet
 - Suggestion Scheme
 - Discussion Forum for Managers & Employees
- Provide innovation and creativity resources such as:
 - Books
 - Magazines
 - Articles
- Promote continuous training and development to strengthen the service quality in the following areas:
 - Communication skills
 - Customer interaction skills
 - Problem-solving and decision-making
 - Creativity techniques such as Mind-mapping (Tony Buzan), Six Thinking Hats (Edward de Bono), etc.
- Promote knowledge sharing within the organization



5. PRINCIPLE OF VISION

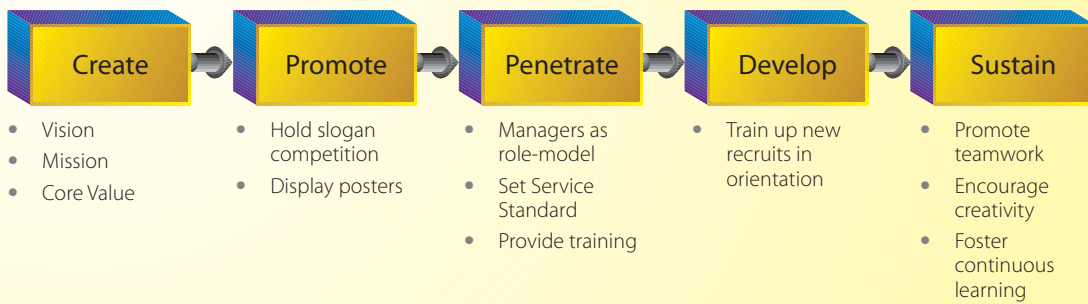
Good working atmosphere and relationship will be spoiled if employees do not know what they are supposed to achieve. By creating a shared vision of service excellence, it will help:

- Achieve aligned efforts of different parties in an organization
- Nurture the innovation and creativity genius
- Facilitate business planning and goal-setting



Managerial Practices

- Cascade the organization's Vision, Mission and Core Values to all staff
- Ensure every employee understands the organization's Vision, Mission, Core Values and Service Standard



6. PRINCIPLE OF APPRECIATION AND REWARDS

Money is not a motivator for all employees. Donald Trump once said that "Money was never a big motivation for me except as a way to keep score. The real excitement is playing the game." Different employees may need different types of reward. Below is a list of non-monetary rewards:

1. Job

- Better job title
- Acting appointment
- Flexible working hours
- Special day-off

2. Training and Development

- Training sponsorship
- Overseas training opportunities
- Study tour
- Staff Exchange Programme

3. Recognition

- Certificates of Merits
- Trophies e.g. Employee of the Month
- Success stories published in company publications
- Special Company Visit for the families/friends of the Service Heroes/Heroines

4. Status

- Performance Billboard Competition
- Pins, labels, icons etc.
- Nomination for external competition e.g. Service Excellence Awards
- Entitlement to privileges exclusive to senior staff
- Nomination as a guest speaker in internal or external seminars or events

5. Others

- Birthday parties
- Gifts wish list
- Appreciation meals





Managerial Practices

- Praise the staff publicly
- Announce service excellence success stories through special announcements, newsletters, e-mails, notice boards, meetings, staff events, etc.
- Design a comprehensive and clear rewards system, providing choices to awardees where practicable
- Record customer compliments in the employee's personal file

7. PRINCIPLE OF THOUGHTFUL FEEDBACK

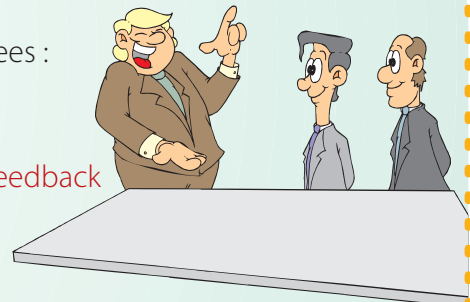
Giving thoughtful feedback means showing interest in and caring for the employees. Hence, it will create a sense of belonging which is fundamental to staff motivation.



Tips on Giving Effective Feedback

Remember to give A.S.S.I.S.T feedback to employees :

- **A**ttainable
- **S**pecific measurement
- **S**eparate positive feedback and constructive feedback
- **I**ssue-focused, not focus on personality
- **S**upport with facts
- **T**imely



Tips on Giving Positive Feedback – B.E.T Model

B.E.T	Example
B ehavior	"You have just served the customer very well by making an additional effort to check again the information in the computer.
E ffect	It has demonstrated your enthusiasm and good customer service attitude to customers.
T hank you	I appreciate your efforts and I look forward to seeing many more happy customers."



Tips on Giving Constructive Feedback – B.E.E.R Model

B.E.E.R	Example
B ehavior	"John, you were late for 3 times last week.
E ffect	It will increase the workload of other colleagues.
E xpectation	I expect you will report to work on time according to the schedule from tomorrow onwards,
R esult	so that we can maintain enough staff at all times to deliver excellent services to our customers."





8. PRINCIPLE OF ENTREPRENEURSHIP

As a manager, one of your key responsibilities is to achieve the business plans and financial targets. Equally important, you are responsible for instilling the entrepreneurial mindset of the employees in achieving topnotch customer service.



Tips on Motivating Different Categories of Employees

Categories	Motivation Techniques
Permanent Staff	<ul style="list-style-type: none">• Give praise even for unsuccessful attempts• Recognize their contributions
Contract / Part-timers	<ul style="list-style-type: none">• Set clear job roles and responsibilities• Provide clear rewards and policies• Build a caring relationship• Invite them to join company events or training normally targeted for permanent staff



Managerial Practices

- Help employees understand how a business is run
- Build up employees' self-esteem and confidence in themselves
- Encourage staff accountability to achieve service excellence
- Provide challenging opportunities for personal development in the job
- Nurture employees to take calculated risks
- Help employees develop different realms of knowledge and experience
- Advise employees on career planning and development





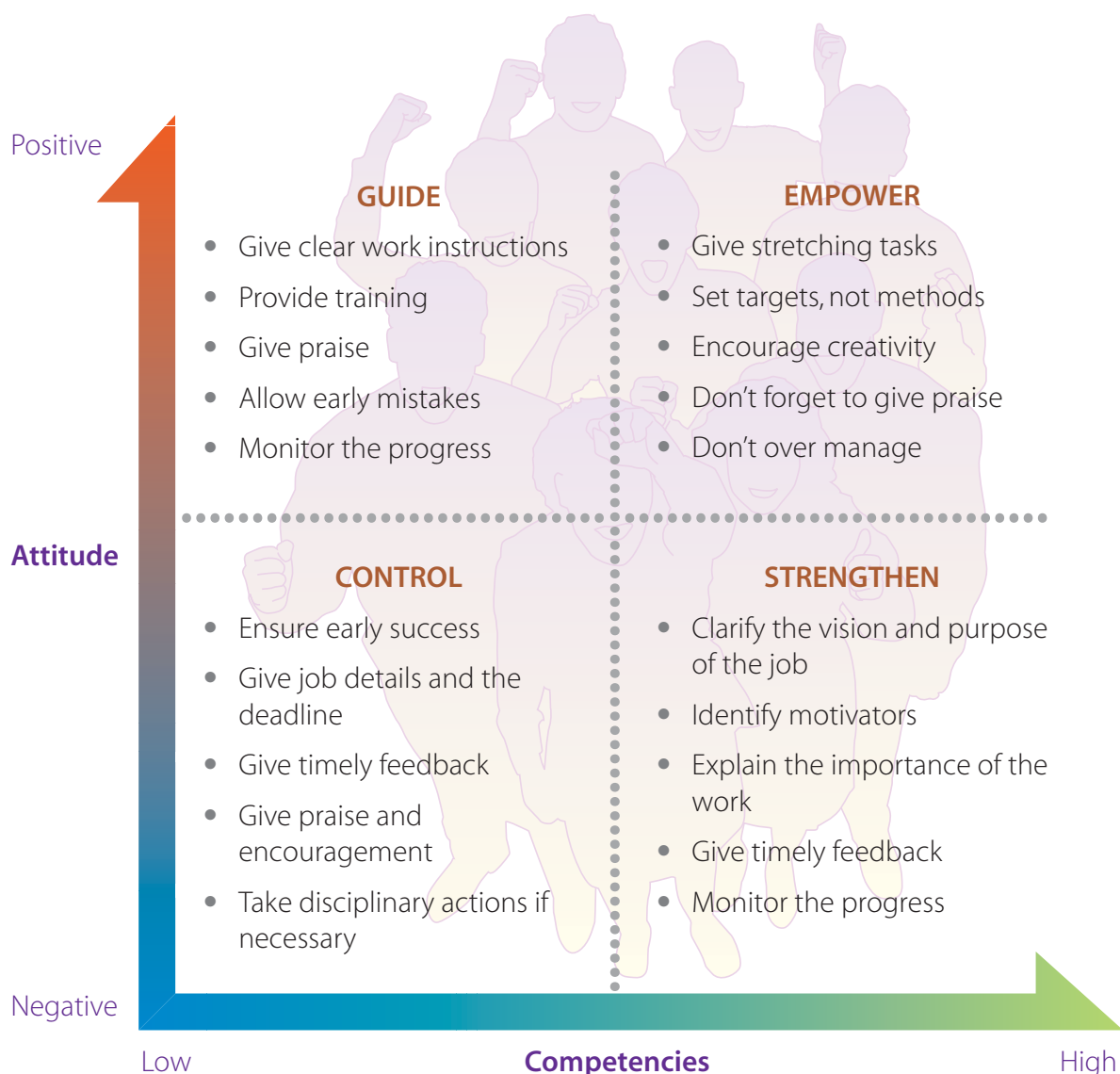
V. M.O.T.I.V.A.T.E IN ACTION

A.C.E Performance Model

Attitude, Competencies and Environment (A.C.E) are three important elements affecting the performance of an employee.

Attitude and Competencies

The matrix below will provide managers with some ideas about how to manage the performance of employees with different levels of Attitude and Competencies.





Environment

Managers in an organization are playing the role of shaping a good environment for employees to deliver excellent service. The environment is important because it has a direct influence on the attitude, feelings and emotional aspects of employees. Here is a checklist to see how well you shape the working environment.

Environment Checklist		Yes	No
1.	Do I communicate the Vision, Mission and Core Values clearly?		
2.	Do I explain the rewards or incentives systems thoroughly?		
3.	Do I use a participative management style to create a supportive working environment?		
4.	Do I know the motivators of individual employees?		
5.	Do I set performance goals for my team and individual employee?		
6.	Do I give updated information to employees regarding work rules, regulations and changes?		
7.	Do I communicate openly with employees?		
8.	Do I communicate with internal customers and external customers to ensure that they are satisfied?		
9.	Do I provide sufficient information and resources for employees to satisfy the needs of customers?		
10.	Do I empower employees to satisfy customers?		
11.	Do I help employees to understand the purpose of their job?		
12.	Do I coach employees to release their potential?		
13.	Do I give timely performance feedback to employees?		
14.	Do I recognize signs of declining motivation in individuals and the team?		
15.	Do I know the root causes of the declining motivation issues?		
16.	Do I motivate employees persistently?		
17.	Do I use problem-solving process to resolve motivation issues?		
18.	Do I follow through the motivation issues?		
19.	Do I give rewards that heighten the motivation level of individuals and the team?		
20.	Do I use new motivation techniques to inspire individuals and the team?		



A.C.E.S Motivation Model

To cultivate employee dedication to achieve customer loyalty, managers can follow the steps of the A.C.E.S Motivation Model stipulated below.

Step	Explanation
1. Assess	Assess the factors affecting staff motivation and performance: <ul style="list-style-type: none">• Attitude, Competence and Environment• Performance gap of employees (See A.C.E Performance Model on page 9)
2. Communicate	Communicate to gain mutual understanding of: <ul style="list-style-type: none">• Service direction, strategies and performance expectations of the organization• Performance goals at organizational, departmental and individual levels
3. Engage	Engage the employees' commitment by: <ul style="list-style-type: none">• Setting individual performance goals• Seeking inputs from employees to setting of performance goals• Offering adequate support and resources• Giving performance feedback• Giving appreciation and rewards
4. Sustain	Sustain the momentum of motivation by: <ul style="list-style-type: none">• Creating a supportive environment• Building on the strengths of employees• Developing new competencies of employee• Developing career development plans• Organizing thematic events to promote service excellence, customer satisfaction and customer loyalty



VI. CASE STUDY

Case 1 – Introduction of New Office Equipment

Management has sourced a new piece of office equipment recently to enhance its service operations. The new office equipment will not only enhance the productivity of the staff but also the occupational safety by minimizing the number of work accidents and injuries. Nevertheless, the application of the new technology will lead to an increase of workload and a reduction of overtime payments. Hence, management was facing resistance from the staff at the implementation stage.

As the manager, how would you motivate the staff to use the new equipment?

Case 2 – New Helpdesk Agent

A new helpdesk agent joined the company recently. The new agent was a very details-oriented staff, providing great care to customers. She earned many compliments from customers although she was new to the company. However, she spent too much time on each call than other colleagues. As a result, the overall performance of the helpdesk dropped. Many customers phoned to the helpdesk manager and complained about the helpdesk hotline being always busy.

As the manager, how would you motivate the staff to perform better without sacrificing the service quality?

Case 3 – Meeting the Critical Deadline

A Major Account customer contracted with our company to migrate his system to a newer hardware platform within a tight project deadline. The System Consultants worked very hard to deliver the service. Unfortunately, a software product was found missing just a few days before the deadline. After investigation, it was found out that there was no stock available and the case was escalated for your attention. So you decided to ask your subordinate, Peter, to handle this urgent case. Peter always put the customer first and had a good track record of handling customers' special requests and emergency cases tactfully.

As the manager, how would you motivate Peter to handle this important project?

- Ask the staff to share the learning after the case is completed
 - Praise and recognize the staff
 - Provide minimal supervision
 - Empower the staff to make quick decisions to satisfy the customer
 - State the implication and importance of the task, not the methods
- Case 3**
- Use role-play to train up competencies on handling calls speedily
 - Coach the staff after handling the customer's case
 - Emphasize to the staff the importance of the service level
 - Give encouragement to the staff
 - Build on the strengths of the staff i.e. details-oriented and caring service
- Case 2**
- Celebrate success with the staff
 - Get feedback from the staff on using the new office equipment
 - Coach the staff on how to use the new office equipment
 - Provide adequate training and practice for all staff
 - Explain the rationale and benefits of using the new office equipment
 - Understand the concerns and issues of the staff
- Case 1**

Suggested Answers

