The Role of Employees in Successful Service Delivery

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Abstract

We know these truths to be self-evident that the success of any company is directly linked to the satisfaction of the employees who embody that company. Employees are one of your company’s greatest assets. What they say about your company, how they act in the workplace, and how happy they are in their roles all impact on your brand, your image, your levels of service and ultimately your customers’ satisfaction.

Introduction- Employees’ Roles in Service Delivery

The importance of people in the marketing of services is captured in the people element of the services marketing mix, which is described as all of the human actor who play a part in the service delivery and thus influence the buyers’ perceptions namely the firm’s personnel, the customer and other customers in the service environment.

The focus is on service employees because

- They are the service,
- They are the organization in the customer’s eyes,
- They are the marketers
- In many cases the contact employee is the service there is nothing else. The offering is the employee.
- Thus investment in the employee to improve the service parallels making a direct investment in the improvement of a manufactured product.
- Even if the contact employee doesn’t perform the service entirely, they may still personify the firm in the customer’s eyes.
- Because contact employees represent the firm and can directly influence customer satisfaction they form the role of marketers. They personally embody the product and are walking billboards from a promotional standpoint. Some may also perform more traditional selling roles.
- e.g. hair cutting, physical trainers, legal services etc
The Services Marketing Triangle

The Importance of Employee Satisfaction
Employee satisfaction is essential to the success of any business. A high rate of employee contentedness is directly related to a lower turnover rate. Thus, keeping employees’ satisfied with their careers should be a major priority for every employer. While this is a well known fact in management practices, economic downturns like the current one seem to cause employers to ignore it. There are numerous reasons why employees can become discouraged with their jobs and resign, including high stress, lack of communication within the company, lack of recognition, or limited opportunity for growth.

**EMPLOYEE SATISFACTION + CUSTOMER SATISFACTION = PROFITS**

There is concrete evidence that satisfied employees make for satisfied customers and satisfied customers in turn can reinforce employee’s sense of satisfaction in their jobs. Some have even gone so far as to suggest that unless service employees are happy in their jobs, customer satisfaction will be difficult to achieve. Employee satisfaction, customer satisfaction and customer loyalty reinforce each other over time.

The companies who offer superior internal service quality to their employees, and who treat their employees as customers, can achieve higher employee’s satisfaction. By enhancing good employees and also improved employees productivity can be obtained. At the same time, the satisfied employees can build satisfied even committed customers (and satisfied customers can, in turn, reinforce employees' sense of satisfaction in their jobs). Ultimately, customers satisfaction and customers loyalty influence revenue growth and profits through increasing the volume of purchases and market share.

*The Service Profit Chain*

![Service Profit Chain Diagram](image)

Service Quality and Employees
All of the five elements of service quality can be influenced directly by service employees.

- Delivering the service as promised reliability is often totally within the control of frontline employees.
- They can also influence customer perceptions of responsiveness through their personal willingness to help and their promptness in serving customers.
- The assurance dimension of service quality is highly dependent on employee’s ability to inspire trust and confidence.
- Empathy implies that employees will pay attention listen, adapt, and be flexible in delivering what individual customers need.
- Employee’s appearance and dress are important aspects of the tangible dimension of quality along with many factors that are independent of service employees.

Strategies for Managing Emotional Labour

Screening for emotional labour abilities:

Wilson stated that many firms recruit and select the most suitable employees to meet the emotional labour requirements of the job. Companies put prospective employees through the practices (e.g., simulated customer contact exercise) to seek for the employees whose values, experience and personalities match the job's emotional labour requirements.

Emotional management skills and appropriate behavior:

Most companies teach their customer-contact employees need to be friendly and courteous to customers. However, customers have no obligation to return empathy or courtesy. Therefore, employees haven't the status as equal as the customers who have the privilege of 'the customer is always right'. In this situation, employees face real challenges because they cannot express their true feelings. Companies may encourage employees to engage in deep-acting strategies such as imagining that the client is a friend and expressing the real feelings to them. Companies also may train employees in how to avoid absorbing a customer's bad mood.

Carefully constructing the physical work environment:

The environment of service delivery can have an impact on employee behaviour and emotions. Companies can provide the comfortable environment, such as available rest room and sport room, to relief employees’ stress and reduce the boredom.
Allowing employees to air their views:
Allowing employees to air their views lets them get rid of their dissatisfaction and frustrations. Suppose that firms can provide emotional support and encouragement to employees through setting a venting to share frustrations and ‘let off steam’. Through this venting, employees can see that others are experiencing the same problems and they are not alone. At the same time, they can feel their emotional contribution are recognized and can feel their company much care about them.

Strategies
A complex combination of strategies is needed to ensure that service employees are willing and able to deliver quality services and that they stay motivated to perform in customer oriented, service minded ways.

To build such a work force an organization must hire the right people, develop people to deliver service quality, provide the needed support systems and retain the best people.

Hire the Right People

This implies that considerable attention should be focused on hiring and recruiting service personnel.

- **Compete for the best people** - competing for talent market share Firms should act like marketers in their pursuit of the best employees This means using a variety of methods to recruit employees.

- **Hire for service competencies and service inclination**—service competencies are the skills and knowledge necessary to do the job. Service inclination is their interest in doing service related work, which is reflected in their attitudes toward service and orientation toward serving customers and others on the job.

Be the preferred employee involves many strategies many of which revolve around treating employees as whole people and addressing their personal as well as work needs.
Develop People to Deliver Service Quality

Once the firm has hired the right people, the organization must train and work with these individuals to ensure service performance.

- **Train for technical and interactive skills** - this training is not just for the frontline employees but also for support staff, supervisors, and managers. It is important that this training be ongoing. It has to be viewed as an important investment for future success.

- **Empower employees** - this means giving employees the desire, skills, tools, and authority to serve the customer. An empowered organization is characterized by flexibility, quick decisions, and authority given to frontline people.

- **Promote teamwork** - this will help alleviate the stresses and strains. Employees who feel supported and have a team backing them up will be better able to maintain their enthusiasm and provide quality service. One way of doing so is to encourage the attitude that everyone has a customer. Teams should be organized around market based groupings rather than functional line.

- **Provide needed support systems** - service workers require internal support systems that are aligned with their need to be customer focused. To do so, one needs to measure internal service quality, provide supportive technology and equipment, and develop service oriented internal processes.

- **Retain the best people** - employee turnover can be very detrimental to customer satisfaction. To do so one needs to include employees in the company’s vision, treat employees as customers, measure and reward strong service performers.

*Examples of Wal-Mart Vs K-Mart*

**Wal-Mart** (Successful service delivery and success due to good employees’ importance)

Wal-Mart was launched by Sam Walton in 1962. Walton sought to provide customers with low prices by passing on savings from wholesalers rather than pocketing the money like other retailers. This ended up being a cornerstone of the business strategy in the Wal-Mart Empire. Sam Walton established many business practices that allowed him to keep prices low for consumers. Although he dreaded unions and really didn’t like paying his workers anymore than he should, Walton understood that he must keep his workers happy and introduced profit-sharing plans and sold them the notion that working at Wal-Mart meant limitless opportunity.

Wal-Mart success ingredient is its “Associates, Institutionalized policies and practices”

- Sharing performance information with associates
- Soliciting their ideas Offering them incentives
- Offering profit sharing Maintaining
• Open door policy

**Very competitive benefits and very competitive wages**

• It offered more training than any other retailer.
• Promotion rate is high - 2/3 of its managers had been promoted to higher level.
• Successful, caring and fun place to work.
• Health insurance benefits to over 90% employees
• 2/3 of hourly employees are female
• They hold 1/3 of store management jobs and 15% store management position.

Focus of Wal-Mart is to provide a first-class service, to create a first-class staff, and to build first-class excellent management team.

**K-Mart** *(Unsuccessful service delivery and failure due to less employee importance)*

The company was founded in 1962 and is the third largest discount store chain in the world. Kmart was a pioneer of the discount retailer industry. At the turn of the century, innovative tactics and strong customer loyalty contributed to unprecedented corporate growth. K-Mart is one of the top retailers in the United States and the number three discount-retailing store behind Wal-Mart and Target.

**Problem Statement / Key Issues**

• Poor customer service
• Poor employment management led to failure
• No training or say proper training for employees
• Less communication in Customer and employee
• Replacement of CEO and BOD led to Bankruptcy & downfall of Kmart.
• Customers being dissatisfied with the fluctuation in Kmart prices.
• Kmart’s board of directors seemed intent on focusing on the customers the company didn’t have.
• Kmart elected to turn to people with senior management experience, but without any Kmart know-how
• Employees complained about the lack of available human capital

In 2002 Kmart went bankrupt.
Employee’s satisfaction is central concern particularly in the service industry. Need to enhance employee satisfaction is critical because it is a key to business success of any organization. As in case of Kmart during the first 10 or 15 years, it did not have to refine its core value proposition and tighten its focus. Kmart did not move beyond its original vision and did not change its strategies by the time it was too late to make a move. By then Wal-Mart had taken Kmart’s value proposition and kicked it up a notch, adding service and product depth and leaving Kmart empty-handed. The main point for failure of Kmart was employee dissatisfaction and as we know satisfied employees make for satisfied customers. There were some other aspects also for their failure but employees played a major role and they missed it.

CASE STUDY of Hotel Satellite and Hotel Accord

(Comparison of the two hotels in terms of service delivery and what strategies lead them to success)

Hotel Satellite and Hotel Accord, both are 2 star hotels in Mumbai and the difference in their comparative success is perceived to be due to their different service cultures. This part of the paper presents the information gathered from the secondary research as well as primary research through questionnaires answered by the employees and the feedback of customers through the survey and from their online site

Hotel Satellite Overview

Hotel Satellite is a budget hotel, ideal for back packers and budget travellers or those who will not have too many expectations from a hotel. The hotel is small but clean and offers well-facilitated services to the guests. Hotel Satellite is located on Dixit Road in Vile Parle (East) in Mumbai. The Ville Parle railway station is just 5 minutes away from the hotel. The facilities and services offered here include laundry service, housekeeping service and travel assistance. The hotel offers 29 air conditioned rooms with amenities like satellite television and telephone. The hotel earns good revenue and has good review from customers for its service delivery.

The values of the hotel are, taking actions by extra step that can build lasting loyalty and connections in the employees and customers; play as a team through working globally and across all teams in the hotels; using good judgment, respecting the owners, associates, communities, partners and the environment to do the right things. The purposes of satellite hotel are to adhere to the "guests first and service first", to provide a first-class service, to create a first-class staff, and to build first-class excellent management team.
**Hotel Accord Overview**

Hotel Accord is a budget hotel, located very close to Mumbai airport, providing great value & home like comfort for business & leisure travellers. It is a family run business that has been serving travellers since 1985. The hotel has 37 well appointed rooms. The hotel earns average revenue and does not have a very good review from customers for it service delivery.

**Differences in Service Culture:**

The mission of Hotel Accord is profit earning with maximization of customer satisfaction. It also focuses on employees’ satisfaction but at a lesser rate as compared to customers.

The values of Hotel Satellite are taking actions by extra step that can build lasting loyalty and connections in the employees and customers; play as a team through working globally and across all teams in the hotels; using good judgment, respecting the owners, associates, communities, partners and the environment to do the right things. The purposes of satellite hotel are to adhere to the "guests first and service first", to provide a first-class service, to create a first-class staff, and to build first-class excellent management team.

**Differences in Strategies:**

Both the hotels implement the strategies of hiring the right people and developing people to deliver service quality.

At Hotel Accord,

- **Hire the right people** - They post the job information and requirements in newspapers and on the Internet. Commonly and hire the suitable graduates who have necessary knowledge and relevant professional qualifications that match the job requirements.

- **Develop people to deliver service quality** - The on-job employees are often taught service skills through on-the-job training. In the spare time, they hold activities and games to increase internal cooperation and promote team works.

- **Provide the needed support systems** - provides technical support and equipment to employees, such as computers, fax, phone system, customer information databases, and room status system.

At Hotel Satellite,

- **Hire the right people** - But the difference is they think that professional skills of employees are less important, than attitude and passion of their jobs which are very important. Therefore, they pay higher salaries and provide better welfare to attract the right people who have positive attitude and great passion of service work.
• **Develop people to deliver service quality** - Provide a lot of training programs such as beverage and cuisine training. When the employees meet problems during the service delivery, they welcome their employees in having their own opinion and allow them to make the decision and handle the problem by themselves and also promote team works.

• **Provide the needed support systems** - Hotel provides technical support and equipment to employees, such as computers, fax, phone system, customer information databases, and room status system and so on. They emphasize the comfortable environment provided in the hotel.

Differences in Employee Satisfaction:

At Hotel Accord,

The hotel aims to offer excellent service through their employees to achieve the goal to be a 4-star hotel in the future. The hotel leader thinks that they will adjust their style of leadership to face different situations that could arise between managers and employees relationship. When frontline employees meet some problems, they experience that they have the right to make decisions and handle the problems faced. The leader encourages and helps them to solve the problem when they cannot handle the problems by themselves. Different hotels have different reward systems. They reward employees' performance with the bonus systems.

Facilities for employees here

• Rest room
• Lunch
• Overtime pays
• One day picnic in a year for employees

At Hotel Satellite,

The Hotel thinks that the labor relations have been maintained in a normal and satisfactory manner and then the management of the hotel believes the employee relations would be satisfactory. They reward the employees by travel ticket, bonuses and other special team celebrations. The hotel cares about the employees and wants to get the suggestion from them to
improve the management in the hotel. They believe that communication is also important in the Hotel.

Facilities for employees here

- Rest room
- Dinner, lunch
- Medical facility
- Sick leave
- PF Facility for employees after 1 year
- End of the month employee of the month reward
- Training for their development

Questions to Employees

1. Have you been employed to do other tasks?
   Ans: - Satellite employees - yes
   Accord employees - yes

2. Do you think the hotel fulfills your expectations?
   Ans: - Satellite employees- yes
   Accord employees – no

3. Are you satisfied with your working environment?
   Ans: - Satellite employees- yes
   Accord employees – less satisfied

4. What changes do you feel must be made in your organization?
   Ans: - Satellite employees – easier promotion path.
   Accord employees – more communication with management.

Questions to Managers

1. Does your company have any training programs, especially for customer contact employees?
   Ans: - Satellite – yes , very regularly
   Accord – yes , but dependable
2. What steps are taken for any complaints from the employees?
   Ans: - Satellite – yes ,we have drop box facility for employees
         Accord – No we don’t entertain employee for their complaints.

3. Are there any unsettled claims related to employees?
   Ans: - Satellite – No
         Accord –Yes

4. When frontline employees meet some problems, do they have right to make decision and handle problem?
   Ans: - Satellite – yes
         Accord – no

5. What factors do you think should be more emphasized for developing human resource strategies on hotels performance?
   Ans: - Satellite – employee + customer satisfaction
         Accord – not able to answer

**Conclusion**

Compared with Hotel Accord, Hotel Satellite shows more care about their employees, they put their staff as the priority and treat their employees as customers. As every organization has different strategies for success these hotels also have and with other strategies, Accord and Satellite are somewhat similar as they are in same service industry but then also there are some differences. Hotel Satellite attempts to understand what the employees’ feelings are and try to know what they really need” and so Hotel Satellite is running very well and customers are more positive about it.

There are some other examples also where employees are given importance and which helps them to lead the market such as Google, Apple etc. Nowadays people prefer to work with firms with good working environment. Hence, employers are forced to and also feel responsible to provide employees with better working environment.

Any organization will go only as far as the people who are driving it. Thus, we can conclude that employees play a major role and they are important in successful service delivery.

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