



Washington State Government  
**LeanTransformation  
Conference**

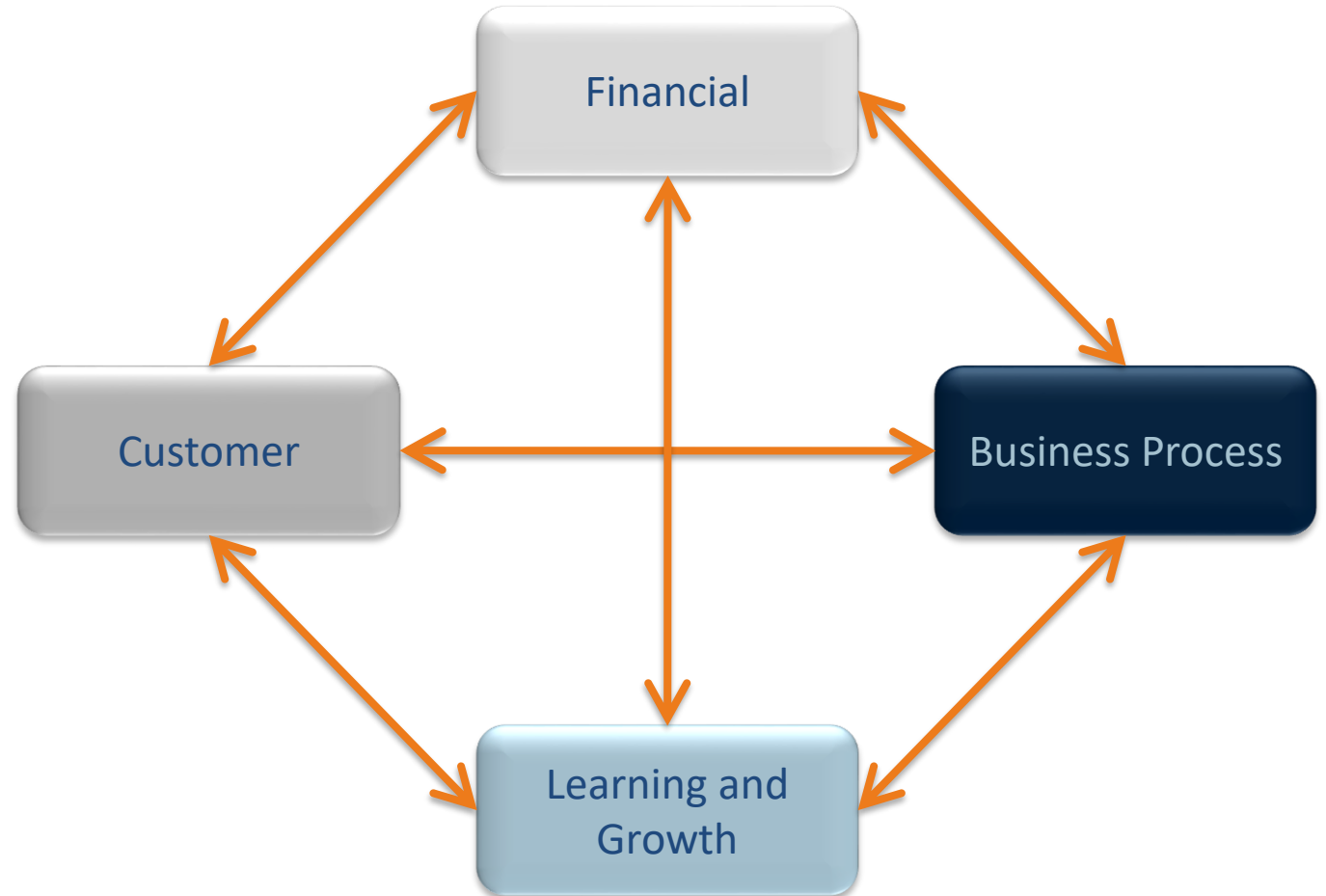
# Lean's BFFs: Employee and Customer Experiences

Scott Sideman  
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# A Critical Relationship

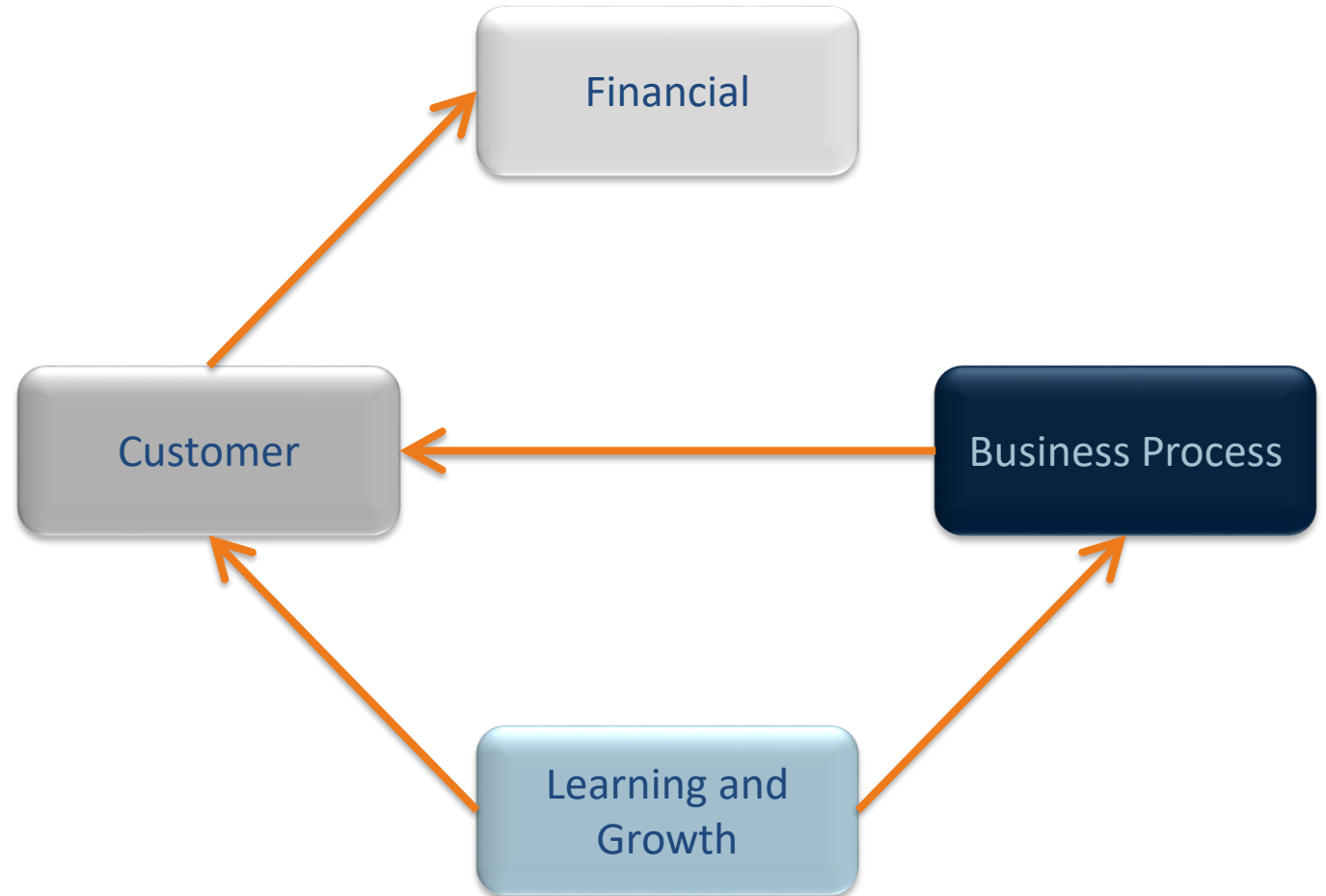
## First Documented?

1992 – The Balanced Scorecard v1



## Quickly Refined

### The Balanced Scorecard v2



## First Detection?

**1999 – *Do Satisfied Employees Make Customers Satisfied?: An Investigation into the Relationship Between Service Employee Job Satisfaction and Customer Perceived Service Quality* – Guy Herrington and Wendy Lomax**

- Study on employee and customer satisfaction
- Direct relationship between employee job satisfaction and a customer's repurchase intention

# Root Causes of Customer Satisfaction

## National Business Research Institute Study<sup>1</sup>

- Overall customer satisfaction
  - “The company makes it easy for me to do business with them”
  - “The company provides me with accurate information”
  - “The company understands my business”
- Customer willingness to recommend
  - “The company personnel exhibit integrity”
  - “Feedback from advisors is important to the company”
  - “The company makes competitive products available”

<sup>1</sup><https://www.nbrii.com/employee-survey-white-papers/the-relationship-between-employees-customers-and-business-success/>; October 15, 2018

# Root Causes of Employee Satisfaction

## National Business Research Institute Study<sup>1</sup>

- Job Satisfaction
  - “The degree of authority I have to do my work is appropriate.”
  - “The amount of recognition I receive is appropriate.”
  - “My supervisor treats me with respect”
- Management Style and Culture
  - “Communications within the company are clear.”
  - “There is team spirit at this company”
  - “I understand what is expected of me in my job”

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## Why Does This Relationship Exist?

### **2005 – Employee Satisfaction & Customer Satisfaction: Is There a Relationship? – Caterina C. Bulgarella, Ph.D**

- Employees that interact with customers are in a position to develop awareness of and respond to customer goals and needs.
- Satisfied employees are
  - Motivated – They have the motivational resources to deliver adequate effort and care
  - Empowered – They have the resources, training, and responsibilities to understand and serve customer needs and demands
  - High energy and willing to give good service – At a very minimum, they can deliver a more positive perception of the service/product provided
  - Able to provide customers with interpersonal sensibility and social account (i.e., adequate explanations for undesirable outcomes)



# Organizational Drivers of Employee Satisfaction

## 2005 – *Employee Satisfaction & Customer Satisfaction: Is There a Relationship?* – Caterina C. Bulgarella, Ph.D

- Yoon, Hyun Seo, and Seog Yoon (2000) identify three
  - Perceived organizational support (POS) – The extent to which employees perceive that the organization values their contributions and cares about their well-being
  - Perceived supervisory support (PSS) – The extent to which supervisors develop a climate of trust, helpfulness, and friendliness; high PSS implies that important socioemotional resources are immediately available in the work environment
  - Customer participation – The extent to which a customer is physically, mentally, and emotionally involved in the delivery of a service/product
- Hee Yoon and Beatty (2001) present two
  - Supportive management – The extent to which management is supportive of and shows concern for employees.
  - Service climate – Employees' shared perceptions of how much the organization values service.

# What's Lean Got to Do With It?

# Adopting Lean

## Changes in organizational focus

- Improve processes
- Develop employee capabilities
- Rely on objective measures
- Take the customer's perspective
- Reduce top-down decision making
- Run Lean projects
- Start a Lean culture
- Core and enabling; Intra-departmental, end-to-end
- Learning not training; Yellow belt
- Not what's convenient; validate any existing
- Identify customer and stakeholder segments
- Turn managers into facilitators
- Qualify processes for improvement
- All of the above

# Lean Projects

## Big leaps in performance, together

- Improvement teams
- Focus on process, not people
- Use collaboration tools
- Achieve consensus
- Minimize managerial involvement
- Achieve sustainability though
  - Effective change management
  - Documented work
- Emphasize diversity; baseline current performance
- Use cross-functional flow charts
- Divergent thinking
- Convergent decision making
- Method not specific solution
- Be sure that the team
  - Is aware of or addresses change management
  - Create updated processes, procedures, and standard work

# Lean Outcomes

## A new culture

- Customer perspective first
- Implement effective measures
  - Improvement focused; and,
  - Counterbalancing
- Invest in employees
- Trust employees
- Establish true teams
- From manager to coach and facilitator
- Employees as decision makers
- Leverage core processes; understand satisfiers
- Affirm existing and identify new
  - Outcome
  - Performance
- Learning, compensation, incentives
- Reward noble failure; actionable feedback
- Not departments, center around definition of team
- Change from solving to questioning
- Do not overturn a team decision

Lean on Me

Go Forth and Improve

# Lean Impact on Employee Satisfaction

## How did Lean do?

- Job Satisfaction
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Forever  
Best Friends  
**BFF**

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