Lean’s BFFs: Employee and Customer Experiences

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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 Study¹

• 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”

Root Causes of Employee Satisfaction

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- 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”

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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