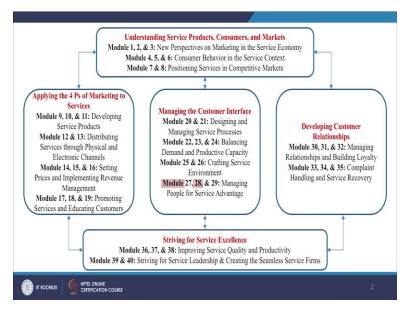
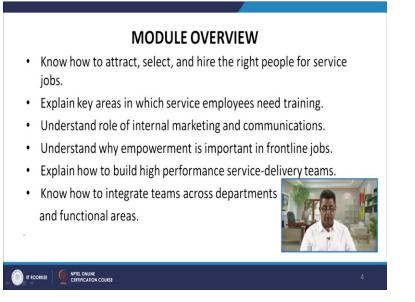
Services Marketing: Integrating People, Technology, Strategy Professor Zillur Rahman Department of Management Studies Indian Institute of Technology Roorkee Lecture 28 Managing People for Service Advantage Part II

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Welcome to Services Marketing. Now, we will talk about module 28 as you know that we are talking about managing people for service advantage and module 27 and 28, 29 will talk about this topic and we have talked about module 27 and now we will move on to module 28. Let us, see what this module will cover.

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So, we will try to understand, we will try to know how to attract select and hire the right people for service jobs. Explain key areas when in which service employees need training. Understand role of internal marketing and communication. Understand why empowerment is important in front line jobs. Explain how to build high-performance service delivery teams. And know how to integrate teams across department and functional areas.

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So, now let us start with the first thing that is hiring the right people. So, that is the most important thing, the context of an organization, it is said that the right people are your most

important asset. Getting it right starts with hiring the right people. Hiring the right people includes, first, competing for applications from best employees in the labor market. Second, then selecting from this pool the best candidate for the specific job to be filled. And that needs the company to do something.

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HIRING THE RIGHT PEOPLE		
Be the Preferred Employer-		
 Service firms have a brand in the labor market too, and potential candidates tend to seek companies that are good to work for and have an image that's congruent with their own values and beliefs. 		
 Job seekers regularly approach current and former employees for information and can easily learn about salaries, benefits, working climate, and even interview questions. 		

The first thing that the company should do is to be is to become the preferred employer. Service firms have a brand in the labor market and potential candidates tend to seek companies that are good to work for and have an image that is congruent with their own values and beliefs. So, now you see that there is a labor market and obviously there are people to be hired and there are organizations who come for hiring the people. Now, the best people that a person that an organization can get is from amongst those people who are applying for the job. So, if no good people are applying from the for the job of this particular organization, you have to become a preferred employer. So, job seekers regularly approach current and former employees for information and can easily learn about salaries, benefits, working climate and even interview questions.

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To effectively compete in the labor market means having an attractive value proposition for the prospective employees. So, it is not about it is not only about attracting the right kind of customers, but then you also need the right kind of employees to cater to those customers and for doing that the company should have a right kind of value proposition to attract the prospective employees. This typically includes a good image in the community as a place to work, being seen as delivering high quality products and services, as being a good corporate citizen and engaging and relevant corporate social responsibility.

A firm does not have to be a top paymaster, if other important aspect of the value proposition are attractive. So, this value proposition for your employee obviously it will include the pay, second the image of the company, the third is that they are good corporate citizen, so it may not always be very important for a company to give huge amount of pay. But it has to score on all these 3 aspects that the employees look for when they are searching for a place to work. So, that is why a firm does not have to be a top paymaster, if other important aspect of the value proposition are attractive to the customer to the employees.

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Then selecting the right people. There is no such thing as the perfect employee, different positions are often best filled by people with different skills, skill sets, styles and personalities. Different brands have different personalities and it is important that there is a good employee brand fit, so that it is natural for employees to deliver service that suppose the firm's espoused image and that their behaviour is perceived as authentic by their customers.

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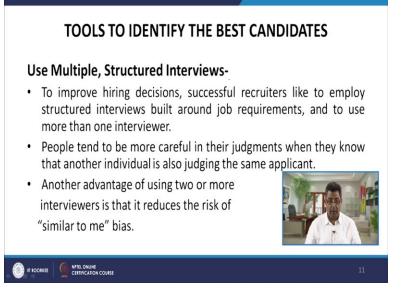
The recruitment and selection process should be explicitly designed to encourage a good employee brand fit. So, it is important that you have a clear-cut recruitment and selection process, so that this fit employee and brand fit is good. Increasingly the top companies are using employee analytics to improve their ability to attract and retain the best talent. They can also use analytics to place the right employees in the right job. So, one is hiring the right kind of employee then and another is, another important thing is to placing them, placing that right employee at the right kind of job. Employee analytics is able to predict who would be a better performer.

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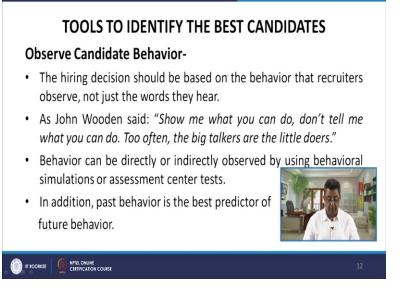
Then what are the tools to identify the best candidates. Excellent service firms use a number of approaches to identify the candidates with the best fit in their applicant pool. These approaches includes, interviewing applicants, observing their behaviour, conducting personality tests and providing applicants with a realistic job preview.

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Continuing with the tools to identify the best candidate, the first is to use multiple structured interviews. To improve hiring decisions, successful recruiters like to employ structured interview built around job requirements and to use more than one interviewer. So, there is a parallel of interviewer, so if one interior is not able to identify something another one can. People tend to be more careful in their judgment when they know that another individual is also judging the same applicant. Another advantage of using two or more interviewer is that it reduces the risk of similar to me bias, because when more number of people are sitting there, so this bias will not happen.

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Then there is a need to observe candidates behaviour. The hiring decisions should be based on the behaviour that recruiters observe, not just the word the here. As John Wooden said, show me what you can do, do not tell me what you can do, too often, the big talkers are the little doer. So, here is the important thing is not to talk but to do. Behaviour can be directly or indirectly observed by using behavioural simulations or assessment centre test. In addition, past behaviour is the best predictor of the future behaviour.

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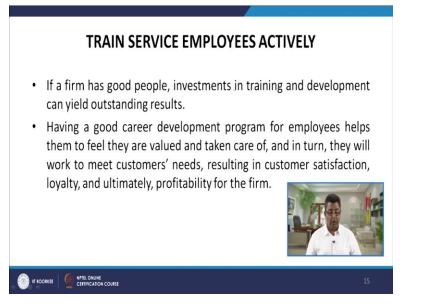
Next tool, another tool to identify the best candidate is to conduct the personality test. So, many managers hire employees based on for on their personality, personality test can help to identify traits related to a particular jobs. So, here we are looking at those traits which are required to do a job and for that this personality tests are used. For example, willingness to treat customers and colleagues with courtesy and consideration, perceptiveness of customer needs and ability to communicate accurately and pleasantly. These traits can be measured.

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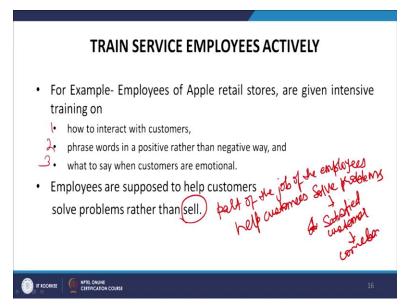
Another tool to identify the best candidate is to give applicants a realistic preview of the job. So, during the recruitment process service companies should let candidates know the reality of the job, there by giving them a chance to try on the job and assess whether it is a good fit or not. Some candidates may withdraw if they realize the job is not a good match for them and at the same time the company can manage new employee expectations of their job. So, that is important that the company gives this realistic preview of the job to the candidate and that is best for both the parties the employees as well as the company. So, employees will get to understand whether they are fit for this job and companies with also get to understand whether this particular person is fit for this job or not.

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Then there is a need to train service employees actively. If a firm has good people, investment in training and development can yield outstanding result. But the first condition is that the firm should have good people. Having a good career development program for employees helps them to feel that they are valued and taken care of. And in turn they will work to meet customer needs, resulting in customer satisfaction, loyalty and ultimately profitability for the firm.

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Let us, look at an example, employees of Apple retail store are given intensive training on, first, how to interact with the customers, second is phrase words in a positive rather than the negative way and what to say when customers are emotional. Employees are supposed to help customers solve problem rather than sell, so selling products or services is also the part of their job. But another important part of their job is to help the customers, solve the problem, because that would lead to a satisfied customer and that is why he will come back.

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TRAIN SERVICE EMPLOYEES ACTIVELY			
Training Contents-			
nev	ganizational Culture, Purpose, and Strategy- Start strong with w hires, and focus on getting emotional commitment to the m's core strategy, and promote core values such as-		
) -	Commitment to service excellence.		
-	Responsiveness, Team spirit.		
-	Mutual respect, Honesty and Integrity.		
	Cettincation course 17		

Now, what are the training contents? Organizational culture, purpose and strategy. Start strong with new hires, focus on getting emotional commitment to the firm's core strategy and promote core values such as, so core values can be some of these or they can be other outside of this also. So, the first is commitment to service excellence, responsiveness, team spirit and mutual respect, honesty and integrity.

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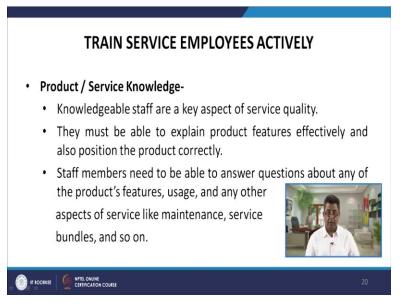
For example, new recruits at Disneyland attend the Disney university orientation. It starts with a detailed discussion of the company's history and philosophy, the service standard expected of cast members, so everyone who works in Disney parks, they are called as cast members and a comprehensive tour of Disneyland operations.

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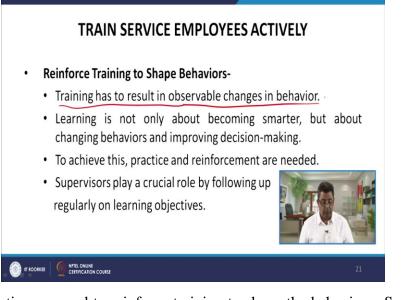
Next thing to train the employee is on interpersonal and technical skills. Interpersonal skills tend to be generic across service jobs and include visual communication skills such as, so we are talking of visual communication skills. The first of them is attentive listening, the second is to make eye contact, the third is understanding the body language including facial expressions and the fourth one is reading the customer needs, not asking them but reading their needs. Technical skills include all required knowledge related to processes, machines and rules and regulations related to customer service.

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What does this product service knowledge means? Knowledgeable staff are a key aspect of service quality, they must be able to explain product features effectively and also position the product correctly. Staff members need to be able to answer questions about any of the product features, usage and any other aspect of service like maintenance, service bundles and so on. So, it is important for the customer that the employees that they are talking to they are knowledgeable about the product of the service. So, that is why there is a need to train the employees about how, about all the features and the processes of the product or services, because that gives an impression that the customer is talking to a knowledgeable person.

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Then there is a continuous need to reinforce training to shape the behaviour. So, this training to shape the behaviour is not one time, but it has to be continued. To training as a result is observable change in behaviour, learning is not only about becoming smarter, but about changing behaviours and improving decision-making. So and as you can understand see that training is the result in observable change in behaviour. So, that is what training is. And learning is about becoming, is not about becoming smarter, but about changing the behaviour and improving decision making. To achieve this, practice and reinforcements are needed. Supervisors play a crucial role by following up regularly on the learning objectives. So, this training and learning it is a continuous process and therefore the supervisors, they have to continuously do following up on the learning objectives whether the learning objectives have been met or not and how far they have been met and then again this training and learning session continues.

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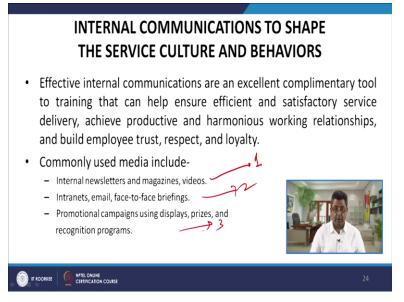
Another thing to be done is, internal communication to shape the service culture and behaviour. In addition to having a strong training platform, it takes a significant communication effort to shape the culture and get the message to the troops. Service leaders use multiple tools to build their service culture, ranging from internal marketing and training to core principles and company events and celebrations. So, a lot of things are needed in order to shape the service culture and behaviour. And these are some of the tools used for that.

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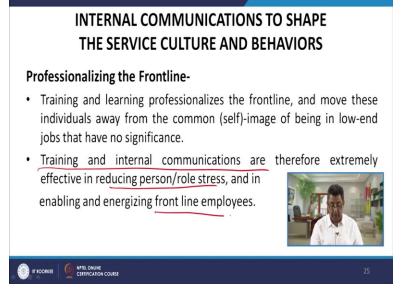


Internal communication, that is also internal marketing to employees play a vital role in maintaining and nurturing a corporate culture founded on specific service values. So, these service values are to be continuously communicated to the employees. Well-planned internal marketing efforts are especially necessary in large service businesses that operate in widely dispersed sites sometimes around the world. So, now you see that there are companies especially service companies that are operating across the world. Now, how to do communication with them? How to bring every employee across the world on the same platform? So, that is why this internal marketing and internal communication is very important tool.

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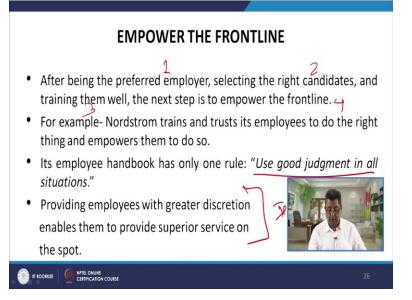


Effective internal communications are an excellent complementary tool to train, that can help ensure efficient and satisfactory service delivery, achieve productive and harmonious working relationships and build employee trust, respect and loyalty. Commonly used media includes internal newsletters and magazines and videos, so one thing that companies company do is, is to circulate internal newsletters and magazines and also make videos and then circulate them. Another is internet, emails and face-to-face briefings, that is the second one and the third is promotional campaigns using display prices and recognition program. So, that is the best employee and the best customer service employees, etcetera, etcetera. So, these kind of recognition programs are there in companies. (Refer Slide Time: 16:02)



Now, how to professionalize the frontline employee and we know how important the frontline employee are for a service firm. So, now we will talk about how to go about professionalizing the frontline. Training and learning professionalizes the frontline and move these individuals away from the common that is self-image of being in low end job that have no significance. Training and internal communication are therefore extremely effective in reducing personal role stress and in enabling and energizing frontline employees. So, this training and internal communication is used to reduce the person and role stress and enabling and in energizing the frontline employees. And I will not again emphasize the importance of this frontline employees.

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After being the preferred employer, selecting the right candidates and training them well, next step is to empower the frontline. So, the first step is to become a preferred employer, then to select the right candidates and training them well and then it is important that the company empowers them. For example, Nordstrom trains and trust its employees to do the right thing and empower them to do so. So and what is the right thing? Right thing is what the customer wants, so the employees are to be first you become the preferred employer, so employer so that the right kind of people apply to you. Then you select the right people, train them and then you give them and then you empower them.

Now, after that and that will help them to meet the changing customer needs. Its employee handbook has only one rule, use good judgment in all situation. So, it is not only about standardizing the service delivery, here the employees are empowered to customize the service delivery and you see what is the rule, one good judgment, use good judgment in all situations, providing employees with greater discretion enables them to provide superior service on the spot, but then that for that it is important that you get the right kind of candidates and you are training them well. So, that will be very important for this service company.

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Empowerment is not just setting the frontline free and throwing away the policy manuals, so it is not empowerment is not that you give them the freehand that they can do anything. Empowerment requires systematically redistributing four key ingredients throughout the organization from the top downwards. The first important ingredient is information about organizational, team and individual performance. Second is the knowledge that enables employees to understand and contribute to organizational, team and individual performance. The third is power to make decisions that influence work procedures. And the fourth is to reward, rewards that are based on organizational team and individual performance. So, you see that all through these four things, we are worried about organizational, team and individual. So, this empowerment requires systematically redistributing these four ingredients, information knowledge, power and reward. (Refer Slide Time: 19:33)



Now, how to go about building high-performance service delivery teams, a team has been defined as a small number of people with complementary skills who are committed to a common purpose, set of performance goals and approach for which they hold themselves mutually accountable. The nature of any service requires people to work in teams, often across functions in order to offer seamless customer service.

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So, service organizations in many industries need to create cross-functional teams with the authority and responsibility to serve customers from the beginning of the service encounter to the

end. So, you see that people in order to meet the customer requirement the employee from may be coming from different backgrounds, so it is about creating the cross-functional teams and giving them authority and responsibility, so that the customer is satisfied. So, such teams are called self-managed teams.

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What is the power of teamwork and services? Effective teams and their leaders facilitate communication among team members, sharing of knowledge and alignment. Team ability and motivation are crucial for effective delivery of many types of service, especially those involving individuals who play specialist role. For example, healthcare services heavily depend on effective teamwork of many specialists and then these especially they come together and they are able to find out what exactly the problem is and what will be the course of action and what will be the course of corrective action.

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Structure service delivery teams for success. It is not easy to make teams function well. The skills needed include not only cooperation, listening to others, coaching and encouraging one another but also an understanding of how to air their differences professionally, tell one another the hard truths and ask the tough questions.

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Management also needs to set up a structure that will move the teams towards success, which includes the following, the first, identify what the team will achieve. Goals needed to be defined and shared with the team members. So, the goals are to be defined and they are to be shared, so

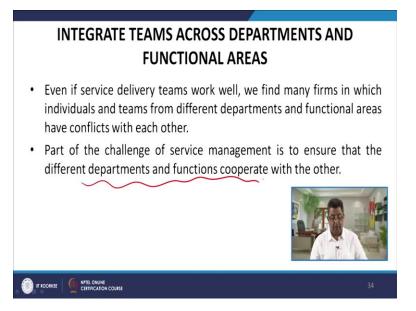
everybody should know what they are supposed to do. The second is to select team members with care, all the skills needed to achieve the goal must be found within that team. And the third is to monitor the team and its team members and provide feedback. This aligns individual and team goals with those of the organization.

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Keep team members informed of goal achievement, update them and reward them for their efforts and performance. Coordinate and integrate with other teams, departments and functions to achieve the overall company objectives. So, for that we will we will look at the next section.

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Even if service deliveries team work well, we find many firms in which individuals and teams from different departments and functional areas have conflict with each other. Part of the challenge of service management is to ensure that the different departments and functions cooperate with each other. So, that is the most difficult thing to do is that the various departments and the various functions, they cooperate with each other, so that excellent service delivery can be delivered.

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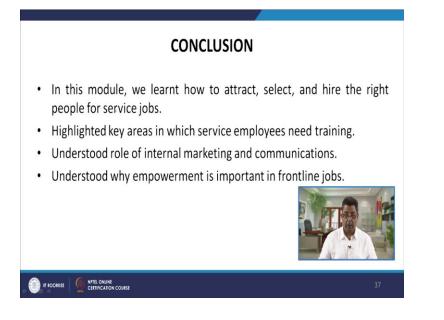


The potential ways to reduce conflict and break down the barriers between departments include the first is transferring individuals internally to other departments and functional areas, allowing them to develop a more holistic perspective and being able to achieve issues from the different perspective or the various departments. So, what happened, what is happening is that people or different departments may have different objectives. So, they all the departments individually want to achieve the objectives. So, now there is a need, the people should move around, should be transferred from one department to another department, so that they are also aware, everyone is aware of the departments, of their department's goals. Establishing cross departmental and functional project teams, for example, for new service development or customer service process redesign. Having cross departmental, functional service delivery teams. (Refer Slide Time: 23:46)



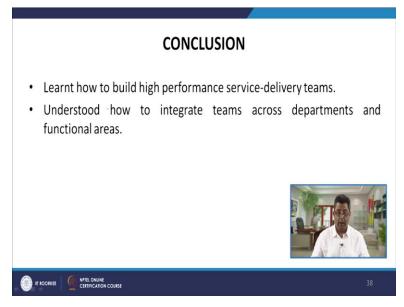
Appointing individuals whose job is to integrate service objectives activities and processes between departments. So, now there is a need to have one person whose job is to integrate the various objectives, the activities and processes. So, other every department will have their objectives, activities and processes. So, there is this one person who will do this integration. Carrying out internal marketing and training and integration programs. Having top management's commitment to ensure that the overarching objectives of all departments are integrated.

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So, to conclude in this module we have learnt how to attract, select and hire the right people for the service job. Highlighted key areas in which service employees need training. Understood the role of internal marketing and communication and understood why empowerment is important in the frontline jobs.

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Learnt how to build high-performance service delivery teams and understood how to integrate the team across departments and across the functional areas.

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These are the three books from which the material for this module was taken. Thank you.