

# Cultural Intelligence™

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A Newsletter from Keystone Management Services

December 2005

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## Marketing Backlash

According to a study of 1000 people commissioned by the firm SPSS, exuberant marketers may well provide more pain than gain for companies.

30% of respondents cited being contacted too often as the most annoying form of marketing.

Apparently, consumers begin to associate an over-marketed brand with irritation, rather than a desire to buy. This finding accords with all of us who become increasingly annoyed by repetitive television advertisements!



## Can Employees Influence Culture?

There's one largely unexplored issue when it comes to an organisation's culture - can employees shape team culture? So much is written about the role of managers when it comes to culture, so we've decided to explore the role of employees in shaping and influencing the culture.

Our recent straw poll into employees and UGRs® (Unwritten Ground Rules) proved very interesting! We asked five broad questions:

- ◆ To what degree have non-management staff influenced UGRs in positive ways?
- ◆ What did these non-management staff actually do to make these positive influences?
- ◆ To what degree have non-management staff influenced UGRs in negative ways?
- ◆ What did these non-management staff actually do to make these negative influences?
- ◆ What advice would you give to non-management staff to make a positive impact to the UGRs?

The table below shows the percentage of people who rated the degree of influence that non-management staff have on UGRs. It shows for example, that 16% of people felt non-management staff had a positive influence on UGRs **to a large degree**. This compares with 24% of people who felt non-management staff influenced negatively on UGRs **to a large degree!**

Non-Management Influence	Positive	Negative
Not at all	8%	13%
To a small degree	40%	23%
Quite a lot	37%	41%
To a large degree	16%	24%

Now these findings are interesting in a number of respects. They show for example that:

- ◆ Over 35% of people feel non-management staff have influenced UGRs, at most, only to a small degree.

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## Employees...

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- ◆ 53% of people feel non-management staff have **positively** influenced UGRs quite a lot, or to a large degree. This figure compares with 65% of people who feel non-management staff have **negatively** influenced UGRs

We received some fascinating insights into what non-management staff did to positively impact on UGRs. These included:

- ◆ Spoke up in team meetings and anywhere else to put forward their positive views. They would counteract complaints with a challenge to come up with solutions. They would not be outspoken but consistent in pointing out the things that work well. They are generally well respected staff, often with long service and excellent competency in their jobs. They may not speak very often but most people listen when they do. I believe UGRs are a numbers game.
- ◆ Stood up to negative people and negative comments, provided positive counter arguments to negativity without management prompting.
- ◆ Modelled positive UGRs.
- ◆ 1. Did the right thing despite poor modelling from senior staff. 2. Supported people who were the victims of unfair treatment.

In the next edition, we'll expand further on the outcomes from our study!

## Engagement Insights

*There is now clear evidence that the performance of an organisation, however measured, is strongly correlated with employee engagement. Clearly, the issue of engagement must now be seen as a priority leadership issue. Until recently, much has been written on the existence of the issue, but little practical advice has been available. Steve Simpson reports on a useful article below...*

**M**any of us have seen outcomes from research into employee engagement over recent years. It doesn't usually make for pleasant reading!

Some recent work undertaken by ISR ([www.isrinsight.com](http://www.isrinsight.com)) sheds some fascinating insights into this issue, as it plays out in Canada.

According to ISR, employee engagement comprises three main components:

- ◆ Think - the cognitive or intellectual acceptance of the organisation's goals and objectives
- ◆ Feel - the emotional connection the employee feels for the organisation
- ◆ Act - which comprises two elements - Act-Extra Effort, being the propensity to put in extra effort to help the organisation succeed, and Act-Stay, being the intention to stay with the organisation

Globally, ISR found engagement on average to be at 70%. Brazil and the US ranked highest at 75, Australia and Canada ranked at 70, the UK scored 66 while France rated lowest with 59.

The study reports on four ways in which employees can be clustered. These groups and the percentage of Canadian employees in each group are:

- ◆ Fully engaged - 37%
- ◆ Complacent - 24%
- ◆ Behaviourally disengaged - 22%
- ◆ Fully disengaged - 17%

Perhaps the most intriguing aspect of the study can be seen in the outcomes of what drives engagement for each of these four groups. For the **fully engaged** group, top drivers of engagement were 'I have sufficient authority to do my job well', 'I believe the values are clear', and 'top management actively pursues strategies to strengthen the image of the company'.

The top drivers for the **fully disengaged** group were 'I have the opportunity for personal development and growth in the company', 'this company maintains high ethical standards', and 'my supervisor encourages healthy debate as a way to uncover superior ideas'.

## Candidates & Culture

*With unemployment low in most countries, the relationship between candidates and prospective employer is changing. We've recently come across a high profile internet site that advocates candidates first checking out their prospective company's culture!*

Monstor.com is widely known as a highly successful job search web site.

The site notes that recruiters and managers often comment on the fact that a candidate "fits" or "doesn't fit" as a reason why a candidate should be offered a job. According to Monstor.com, what these interviewers are really saying is the candidate fits or doesn't fit into the company culture.

The advice to job seekers is that they should also be checking out the company's culture! They can do this by considering:

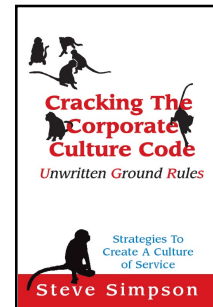
- ◆ How are you treated while interviewing?
- ◆ What phrases do the interviewers use frequently?
- ◆ Is there a theme or unspoken tone to the questions asked?
- ◆ How does the environment feel to you?
- ◆ How prepared are the interviewers? Are they on time?
- ◆ Were you given an interview schedule?
- ◆ Were you treated like a prisoner or a guest?
- ◆ Are your responses to questions treated with suspicion or professional curiosity?
- ◆ How considerate is the company recruiter?



## Cracking the Corporate Culture Code

The globally acclaimed book, 'UGRs®: Cracking the Corporate Culture Code' is available direct from us.

Now in its second print, this 152 page book provides insights into the 'Unwritten Ground Rules' that dictate how people perform in the workplace - sometimes in direct contrast to existing policies, procedures and standards.



Importantly, you are guided through a range of strategies that can be used to improve team and organisational culture. The book covers key questions that include:

- ◆ Why is customer satisfaction on the decline worldwide?
- ◆ Why are so many so called 'customer centric' strategies failing to make an impact?
- ◆ Why are organisational cultures so intransigent?

Details are at [www.keystone-management.com](http://www.keystone-management.com) - look under 'Resources' 

## About Steve Simpson, CSP

Steve Simpson, CSP, is a consultant, author and international speaker who helps organisations to profit from an improved culture. Steve has featured at two **World Conferences on Customer Service Management** in the US – the world's largest customer service event, where he rated in the top ten speakers.

Described by UK based e-Customer Service World as '**Australia's leading corporate culture authority**', Steve has been accredited as a Certified Speaking Professional (CSP), the highest international speaker recognition recognised by the International Federation of Professional Speakers



Steve has recently spoken at the European Conference on Customer Management in London and at the HDI Conference in Las Vegas.

He has shared the stage with Tom Peters (on four occasions), the Hon Paul Keating, former Prime Minister of Australia and Professor Gary Hamel (twice). Steve has spoken at conferences in Australia, New Zealand, England, Scotland, South Africa, India, Singapore, Malaysia and the US. He is the author of two books including, 'UGRs®- Cracking the Corporate Culture Code'. He is also a contributing author to the recently released 'The Power of Culture' More details about Steve are at [www.keystone-management.com](http://www.keystone-management.com) - hit 'About Keystone'.



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## Customer Experience

*Frederick Reichheld is recognised as one of the leading thinkers when it comes to customer loyalty. He is one of three authors of an article written in a recent edition of the Harvard Business School, Working Knowledge, titled 'The Three "Ds" of Customer Experience', which we summarise below...*

**H**ave you ever considered awarding your customers “goof points”? Irish grocery chain “Superquinn” do — and it is a huge success. “Goof” points are awarded for customers pointing out anomalies such as out of stock items, a dirty floor, or a checkout lines longer than three people. These points provide discounts off future purchases.

This strategy is just one example of a company focusing on the customer experience. In a Harvard Management Update article, authors Allen, Reichheld and Hamilton explain the three “Ds” of customer experience. These are:

- ◆ Design the right offers and experience for the right customers.
- ◆ Deliver these propositions by focusing the entire company on them with an emphasis on cross functional collaboration.
- ◆ Develop capabilities to please customers again and again.

The UK mobile phone company, Vodafone, offers a good example of a company designing the right offers for the right customers. Unlike the customer segmentation that happens in most companies, Vodafone segmented its customers into a small number of segments that did not take into account geography. These are “young, active, fun” users, occasional users, and a handful of others.

For each of these customer segments, the company developed targeted experience - focused that value propositions. For example, the “young, active, fun” group was offered a state-of-the-art service that provides everything from games and pop song ring tones to news, sport and information. Occasional users were offered an uncomplicated and straightforward mobile experience.

The point here is that an organisation cannot convert customers into advocates unless it takes into account their experiences at various touch points, based on their segment **type**.

Superquinn provides an example of a company dedicated to delivering value to its customers. Founder and President Feargal Quinn walks each of these store’s aisles every month, talking to consumers. Twice monthly, he invites 12 customers to join him for a two-hour roundtable discussion. He seeks feedback from them on service levels, pricing, cleanliness, product quality, new product lines, recent displays and advertising promotions, and so on. He also asks what items they still buy from competitors and why.

Quinn once learned that 25% of shoppers were not buying from the store bakeries. When this was put to managers and employees, they set about identifying creative ideas to build traffic. Soon, customers were enticed to visit the bakery by the aroma of fresh product and once there, they were offered samples. Currently, more than 90% of customers buy at least one item from the bakery every week.

The third of the “Ds” is developing the capabilities to please the customer again and again. These capabilities include:

- ◆ Initiatives that place customers at the top of the company’s strategic priorities.
- ◆ Customer based measurement and feedback loops that establish accountability. As an example, Enterprise Rent-a-Car tracks customer satisfaction with its rental experience on a five-point scale for every branch. Employees of branches that fall below the corporate average are ineligible for promotion.
- ◆ Customer focused management incentives — built into performance reviews.

Increasingly, the concept of “net promoter score” is being used by businesses. A net promoter’s score is derived by calculating the percentage of customers who recommend a company minus the percentage that would urge friends to stay away. (detractors). Some organisations are now identifying both promoters and detractors, and seeking their input on what is most important to them and how service can be improved. This provides some powerful results!

