

Customer Devotion Directly Predicts Organisational Vitality

Customer devotion is a powerful driver of organisational success. It costs six to seven times more to gain a new customer than to retain an existing one. Customers care about the service they receive from a company and the experience they have with the product, policies, and procedures of a company. They do not care how profitable or successful the company is unless it influences the product, service, or experience. Further, Blanchard research suggests that the Service-Profit Chain is defined by leadership. Leaders of exemplary service companies emphasise the importance of each employee and customer, and they maintain a culture that is centred on service to customers and employees.

Operational Leadership Directly Predicts Customer Devotion

Operational leadership and management practices such as sharing information, providing training, and rewarding and recognising excellence are positively related to satisfaction with service quality. These dimensions are related in that the underlying component is information: that is, seeking information from other employees and/or customers (e.g., how service could be improved), conveying information as it pertains to training, and sharing information with employees in the form of recognition and rewards. The findings support the notion that management practices, as they relate to climate, have a positive effect on customer service. Results confirm significant relationships between various climate indicators. Information seeking, training, and rewards and recognition proved to have the strongest relationship to customer satisfaction. Likewise, the research findings provide further support for the relationship between training and customer satisfaction as it pertains to delivering service. Additionally, divisions of an organisation that invest in training on delivery of service experience a higher rate of customer satisfaction.

Conclusion

Creating an organisation that is successful and effective is an inside-out proposition. The quality of the culture, the quality of management practices, and the alignment of these practices to key strategic initiatives rest with leadership.

Leaders who hold people accountable and ensure effective, productive behaviours in their people can be the most effective influencers and drivers of organisational results. Equally important is a leader's ability to affect the mood, attitude, and engagement of employees and the culture of the organisation overall through a specific chain of events that are implicitly linked.

The key to organisational vitality is creating an environment that allows employees to win and be passionate about what they do. By taking care of employees, leaders establish an environment in which the employees take care of the customers at a level that causes the customer to want to return year after year. When managers focus their attention and emphasis only on organisational indicators of vitality such as profit, they have their eye on the scoreboard and not on the ball. Profit is a byproduct of serving the customer, which can be achieved only by serving the employee.

About the Researchers

Dr. Drea Zigarmi is a highly respected and experienced management consultant, best-selling author, and speaker for The Ken Blanchard Companies. Drea is coauthor of *Leadership and the One Minute Manager*®, the third book in Ken Blanchard's best-selling One Minute Manager Library, and codeveloper of a number of The Ken Blanchard Companies' products, including SLII®, the widely used Leader Behaviour Analysis instruments. Drea received a Bachelor's degree in Biology from Norwich University, and a Master's degree in Humanistic Education and a Doctorate in Education, Administration, and Organisational Studies from the University of Massachusetts, Amherst.

Scott Blanchard, Principal and Executive Vice President of Client Solutions for The Ken Blanchard Companies, is an unforgettable motivational speaker, accomplished corporate trainer, and passionate champion of corporate coaching. Part owner of The Ken Blanchard Companies, Scott is also the cofounder of Coaching.com, a web-enabled corporate coaching and personal development service. As a Senior Consulting Partner for more than six years, Scott led major training interventions at numerous Fortune 500 companies. In 2004, he coauthored *Leverage Your Best, Ditch the Rest* with Madeleine Homan. Scott is also a certified facilitator and trainer for the Myers-Briggs Type Indicator®, a well-known temperament assessment tool. Scott was educated at Cornell University and received his Master's degree in Organisational Development from American University in Washington, DC.

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