

# How should HR attract the CEO's support?

**Service industry lore** The HR in any company must work to improve standards, optimising customer satisfaction



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Recently, a sales manager of a prominent builder invited me for a PR interaction. Realising the inappropriateness of the event, I declined to join. A few prominent individuals known to me also didn't join the event. Amiss I felt it necessary, in their interest, to bring this to the attention of their CEO. Service deficiencies when escalated to the level of CEOs, doesn't always get a response. Hence, when there was no response, it was not surprising.

Such instances being common in service sector, I decided to take this as a case study. A private meeting with their HR head revealed the following:

1. Management focus on 'profits'.
2. Assumption of management, 'we can't satisfy every customer'.
3. Poor employee attitude and behaviour.

4. Ineffectiveness of training programmes due to high turnover.

5. Lack of CEO support to HR. Service sector comprising of IT, ITES, retail, property, hospitality, banking and financial services, media, etc employs around 34 per cent of India's working population contributing over 57 per cent to the GDP. As per trends, service sector, which has 'people' as the most important resource, will continue to dominate.

**Service sector should minimise automation**

Unlike product marketing, service businesses have very high degree of interaction with customers. In these businesses, customers expect someone responsible in the organisation to be available, listen and advise them. To be more efficient and user-friendly, service businesses introduced IVRS [interactive voice response system] years ago, but IVRS now extended beyond a limit, is an irritant for customers. Therefore, companies encourage

customers to lodge service related complaints through a normal human interaction. This highlights the importance of balancing technology and people.

To get competitive, service businesses are now taking customer service to the next level of customer satisfaction. The traditional 'four Ps' of marketing is now designated as 'seven Ps', adding 'people', 'physical evidence' of the service and the 'process' itself.

In reality, while it's possible to standardise the 'process', it's difficult to standardise the quality of human interaction. The employee must deliver the same level of service to customers in each interaction, which depends on attitude, behaviour and communication skills. Customers turn nasty and intolerant when disappointed, which is a bad experience to the customer and the employee too. Employees generally suffer from anxiety and stress, due to customers being in an evaluative mode. This

poses a challenge to retain employees, who feel threatened being responsible to employer and customers. As we all know, a large percentage of employees leave due to ill-treatment by superiors and customers and not for higher remuneration.

**Work towards customer delight**

Tackling this issue, progressive businesses are now moving towards achieving 'customer delight'. This requires a greater degree of employee empowerment, to deal appropriately in a given situation. For example, employees are empowered to offer a discount or a replacement to an aggrieved customer. This has the benefit of offering great service achieving customer delight and employees happy to be empowered.

Increased competition from local and global organisations has led to active boards of managements. Performance of a CEO is subject to monitoring and critical evaluation by the

boards. Therefore, in their zeal to satisfy the board, many CEOs evolve as hard-core taskmasters and tend to ignore the importance of human aspect.

**How to attract the CEO's support?**

In such an organisation, where the CEO lacks 'people' focus, what is the role of HR? How should HR draw attention of the board and the CEO to critical long-term people related issues, especially empowering employees and retain talent?

In this regard, HR must work on the following aspects:

1. A good way to begin an external CRM is to first start the process, within the organisation by making everyone understand the concept of 'internal customers'. For example, for service personnel, sales staff could be internal customers; for finance, sales and marketing could be internal customers and for HR, every other department is an internal customer. Once a customer centric attitude is built, for internal customers, it's easy to extend it to external customers. Also, actively engage in 'people' oriented tasks to sus-

tain a healthy attitude and behaviour across the organisation. This can include training programmes, workshops, customer interactions, etc to initiate best practices. HR should seek feedback as to how they can help other departments and evolve itself as a role model to all its internal customers.

2. Monitor and provide vital information on attitude and behavioural trends in the organisation to CEOs. Drawing their attention, HR should advise how such trends can affect the long-term interests of the organisation. It's a common inference that one disgruntled customer talks about his experience to eleven people and they in turn to another five each, resulting in fifty five customers with a negative connotation about the organisation or its brand. It's important that HR should not focus on individual cases, which is the prerogative of marketing or service department, but focus on overall trends of behaviour and attitudes, which need correction.

3. In these challenging businesses, retaining key employees is critical to business success. Such key employees could

be a Service Manager, a Sales Manager, a CRM Manager or even a veteran Sales Executive. It's important that HR should recognise such talent, and work towards retaining them.

4. HR head should not have only 'people' focus but also demonstrate 'business acumen'. An unhappy employee can't service a customer well. Understanding causes of employee dissatisfaction and eliminating them, not only helps business, but also demonstrates business acumen of HR.

5. HR audit is a comprehensive tool to examine human aspects of an organisation in terms of numbers and quality, structure and systems, skills and attitudes evaluated from both short-term and long-term perspective. HR audit is not yet mandatory, but HR should initiate this, as the benefits are tremendous. The backing of an HR audit makes it easy to advise and garner support of CEOs.

In a competitive business environment, generating profits is fundamental to the survival of an organisation and becomes the priority of CEOs. However, the long-term strategy should be to establish sat-

isfied groups of communities—customers, suppliers, employees and shareholders, around the organisation. While the responsibility for this rests with the entire management team, HR should initiate the process.

Therefore, in service sector with 'people' as the critical resource, HR has to work towards balancing factors such as task and people orientation, customer and employee satisfaction, fair appraisal and employee expectations.

For HR heads like the one in property sector I met, it's necessary to demonstrate competency of HR in skillfully managing talent and optimise employee productivity not only to draw the support of CEOs, but also to fuel their own aspirations to head organisations.

CEOs, operating and HR personnel should remember what Henry Ford, the legendary carmaker once said, "A business absolutely devoted to service will have only one worry about profits. They will be embarrassingly large."

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