



# Criteria for Performance Excellence

TERRY MAY

## Human Resource Focus

In a previous issue of *MP*, I discussed the importance of customer service. Considering the value of a long-term customer relationship, keeping a customer is more valuable than finding a new customer. With this in mind, why would anyone not want to provide the best customer service possible? The answer may be very simple. Maybe, just maybe, organizations create environments that don't promote customer service—or even discourage customer service.

W. Edward Deming, the well-known quality guru, developed 14 points for improving American business. Point No. 12 is “Remove barriers to pride of workmanship.” In other words, design the work environment such that the people don't fall into the “that's not my job” trap.

In their book *Managing Knock Your Socks Off Service*, Chip Bell and Rom Zemke identify eight factors in creating superior customer service, five of which directly related to employee satisfaction. As an example, Southwest Airlines is a company well-known for customer service. Is it any coincidence they also achieve high employee satisfaction with low employee turnover? So, if one of the keys to customer service is happy, satisfied employees, how does an organization accomplish this?

The Baldrige Quality Award Criteria identify three general areas of human resource efforts:

- Work systems
- Employee learning and motivation
- Employee well-being and satisfaction

The first area encompasses the work processes associated with employees, such as recruiting, hiring, performance management, compensation, rewards and recognition, safety, etc. Experience begins with the right people. Hiring people with the right attitude is usually worth more than the right credentials. Once the right people are on board, keep them by creating an environment where they are appreciated as valuable members of the team. Empowered and appreciated employees are essential if an organization is to succeed. All supporting processes should be continuously reviewed and improved through benchmarking and employee input.

Successful organizations invest in their employees through ongoing education, training, and development. Providing career paths through the acquisition and development of new skills keeps employees interested and

engaged in their work. The average company in the U.S. invests about \$800 per year per employee in training. How does your organization stack up?

In today's business world, an employer has a responsibility to provide an environment that contributes to the well-being, satisfaction, and motivation of all employees. Articles about corporate ethics, workplace health and safety, harassment, and security show up every day in the newspaper. In order to stay out of the newspaper, it is important for organizations to address all these areas through unwavering commitment and support from senior leadership.

Creating an environment producing happy, satisfied employees provides a number of benefits to the organization. Low employee turnover, low accident rate, productivity, and employee satisfaction are direct results of the work environment. These metrics can usually be directly linked to customer satisfaction results. Monitoring performance in these areas is important for identifying trends and measuring the impact of improvement efforts. Forward-thinking companies can rapidly identify problem areas and develop solutions. In my company, we use an annual employee satisfaction survey to measure key areas contributing to satisfaction as well as satisfaction levels. With this information, we can systematically focus improvement efforts on those key areas.

My simple advice to achieving employee satisfaction: Break down departmental walls. Overcommunicate rather than undercommunicate. Empower people. Recognize and reward performance. Share success based on team performance.

In the book *Lessons from the Top*, Bill Marriott has this to say: “We've got three stakeholders: employees, guests, and stockholders, and the three are all related. If we take care of our employees, they'll take care of our guests, our guests will come back, and as a result the stockholders will benefit.”

Terry May is President of MESA Products, Inc. (Tulsa, Oklahoma). He formed the company in 1979 and has managed its growth from a one-man service operation specializing in cathodic protection systems and design to an organization with more than 60 employees and three offices. A NACE member for more than 25 years, May is a NACE Corrosion Specialist, registered professional engineer, and President of the NACE Foundation. His company was identified as an exemplary, role model performance company in the 2003 and 2004 Malcolm Baldrige National Quality Award Program. He can be contacted by e-mail at [MayT@MesaProducts.com](mailto:MayT@MesaProducts.com). *MP*