

Service Management 2.0 – the next generation of service

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Leadership and culture play a greater role in effective service organisations today than ever before. Value-based leadership is an effective way to make the values and vision of the organisation become meaningful and relevant, when communicated and supported by first-line management and frontline employees.

Getting engaged employees requires a focus on the right HR processes. But it also requires that employees have a higher purpose in their work other than what is simply dictated by the job profile. Attitude, behaviour, commitment and ultimately quality are outcomes of having sound and robust people practices, and leadership is the enabler.

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Table of Contents

Executive Summary	3
What is Excellent Service?	4
Service Management 2.0	7
Service Culture	9
Employee Engagement	13
The Role of Social Media	17
Conclusions	18
References	19

Executive Summary

Delivering excellent service is important for all companies today, but most struggle to deliver basic services of a decent quality. We find that the companies who do deliver excellent service are superior in the areas of people, processes, leadership and culture.

Companies must be careful when designing their service delivery system. A great service management model is built on a thorough understanding of what creates value for the customer and how the organisation can engage its employees in the delivery process. The four key elements in such a system are:

- Service Culture
- Employee Engagement
- Service Quality
- Customer Experience

Leadership and culture play a greater role in effective service organisations today than ever before. By creating a common vision, mission and values, the organisation has a common goal to steer towards. Value-based leadership is an effective way to make the values and vision become meaningful and relevant, when communicated and supported by first-line management and frontline employees.

People processes should be at the core of any service organisation. The successful execution of the service delivery model requires the right people with the right competencies, all motivated and engaged to work towards a unified set of goals. Getting engaged employees requires a focus on the right HR processes. But it also requires that employees have a higher purpose in their work other than what is simply dictated by the job profile. Attitude, behaviour, commitment and ultimately quality are outcomes of having sound and robust people practices, and leadership is the enabler.



What is Excellent Service?



We live in a service economy. In most western countries, service accounts for more than 75% of GDP – a share which will continue to increase. Service is therefore important for all types of companies, because they now compete primarily on the service that they provide. This is also true for those companies which traditionally have relied on manufactured goods for their profit. Many customers perceive most physical products to be little differentiated and are now looking at the service element as the key differentiator. This service competition means that all companies must take a service perspective when formulating their customer value proposition. This is true for most types of companies: a hotel, a department store, the local supermarket, an airline company, a bank and of course a global facility service company.

The provision of service is an ambiguous concept with probably as many definitions as there are service providers. But most definitions share a few common features:

1. Service is relatively intangible
2. It tends to be produced and consumed simultaneously
3. The consumer is involved in the creation and delivery of it
4. The leadership and management skills are very different from those in manufacturing

That service is relatively intangible means that service consists of both tangible and intangible aspects. For example, the physical aspects of an airline are the availability of seats, frequency of departures, quality of the lounge etc, whereas the intangible aspect lies in the friendliness of the staff etc. The cleanliness of an office is quite tangible and can be measured objectively, but the effectiveness of the maintenance programme is much more difficult to measure especially in a new facility. The intangible element means that it cannot be stocked and is difficult to measure objectively.

Excellent service

Most people will agree that there are different levels of service: poor, acceptable, normal and excellent service. The vast majority of companies are still grappling with the absolute basics of customer service, such as how to minimise the time customers spend on hold when calling the help desk. But at the same time, some companies seem to deliver excellent service on a consistent basis.

What is excellent service? In some popular books there is an attempt to create 'rules', 'ways' and '7 steps to...' when it comes to delivering service. Some suggest that excellent service is service that is reliable, timely, personalised, memorable, unnoticeable, remarkable and so on. The trouble is that the books all focus on how service is delivered – the internal processes – or on the service itself. But that misses the point of service excellence (and of service in general). Service is the extent to which a service meets the customers' needs and expectations, whereas excellent service is when these experiences surpass those expectations and when customers feel that they have received that little unexpected bonus in the shape of extra effort.

Sometimes, that little unexpected extra can come in different shapes and forms, such as a smile, a positive and fun remark, random acts of kindness or the additional effort by the service professional going the extra mile. Service excellence can be understood by this simple equation:

$$\text{Excellent Service} = \text{Customer Perception} \textit{ minus} \text{Customer Expectation}$$

When customers evaluate a service, they compare their perception of the actual delivered service with what they think the level of service should be. This process is often done at a sub-conscious level. The key issue here is, in fact, that quality is what the customer perceives it to be, and that service organisations inherently must understand the needs, expectations and basic psychology of their customers.

This perception – evaluation of the service – is not as simple as it may sound. Many things affect the overall perception; some of these are even outside the realm of the service provider. For instance, a golfer who has had a bad day on the course is likely to perceive the service of the restaurant less favourably than if he/she had played well below his/her golf handicap. For a company to deliver excellent service, it must be sensitive to the situation of the individual receiving the service and be able to manage perceptions.

Why is there so much bad service?

If consumers prefer companies who provide them with good service, why is so much bad service being delivered? Why do so many companies struggle to deliver even the most basic services? Or, as Frances Frei and Anne Morriss ask: “If this is a service economy, why am I still on hold?” (Frei & Morriss, 2012).

In general, when asked, service employees say that they prefer to provide excellent service rather than poor. Social psychology has provided ample evidence which shows that even when nobody is watching, people want to serve and help each other to the best of their abilities. It seems to be a human characteristic that people want to serve other people. Most companies have an aim of ‘putting customers first’ or ‘delivering excellent Customer Experience’ or something similar. What is it then which makes companies struggle with service delivery?

There are typically up to four reasons why a service company fails to deliver excellent service. It may be that it:

1. Does not know what the customer expects (the knowledge gap)
2. Does not have the right service designs, processes or systems (the design and standards gap)
3. Is not delivering to its own service standards (the performance gap)
4. Is not matching performance to service promises (the communication gap)

We believe that the companies who deliver excellent service on a consistent basis are rewarded by engaged employees, engaged customers, high profit and growth. We believe the difference between the companies who can and do deliver excellent service versus those who struggle to do this lies in people, processes, leadership and culture. Excellent service is delivered through a meeting/interaction between people.

Great service companies do not only have great people, they also have great processes for how to induct, introduce, train, manage, develop and promote these people. They have a system and a culture of processes which are founded on a great respect for human character and a belief that an individual can do wonders if he/she is just provided with the right tools and management processes.

The service excellence value proposition

Building on the understanding of why companies fail to deliver excellent service, companies must design their service delivery based on the following five understandings (Grönroos, 2000):

1. What value the customer is getting from the service
2. How total quality is perceived in customer relationships to facilitate such value
3. How an organisation will be able to deliver this perceived quality
4. How an organisation should be developed and managed
5. How to make the organisation function so the customer's value expectation is met

The service concept comprises the value proposition offered to the customer and the services associated with delivering this value proposition. The market segment indicates the type of customer for whom the services and the value proposition are designed. The value proposition addresses both the physical and/or emotional needs of the receiving organisation. The service delivery comprises of all the aspects of actually organizing and delivering the service; this is equivalent to the production and distribution systems in a production environment.

'The Appreciated Service Moment' (the difference between the perceived service and the expected service) is determined right at the time of service delivery. The Appreciated Service Moment usually takes place at the interface between the user and a service employee. It is this encounter when the customer evaluates the service and forms an opinion of its quality. This has also been referred to as the "moment of truth" by Richard Normann (2001).

Service Management 2.0

Service management is the practice of managing a service company. Theories about service management were firmly established between 1985 and 1995, when ideas about 'turning the pyramid upside down' (the Scandinavian service model) and the 'service profit chain' (the American service model) saw the light of day. It was established that the frontline employees were most important for customers' satisfaction with the company, and that processes and service design was about creating the best trained and most satisfied employees.

Since then much has changed, including service management. Although the key concepts – the importance of processes and frontline employees – remain the same, we believe that four additional things are now important to the way service organisations approach service management:



1. **Fostering a culture of service.** Culture determines discretionary behaviour in the absence of direct supervision. In service organisations it is more often the case that frontline service employees are working without constant supervision. Culture will then be the most important guide to behaviour.
2. **Creating a sense of purpose in the organisation.** Frontline service employees are looking for more than just a place to work and to fulfil their basic physical needs; they are looking for meaning and an identity in their work.
3. **Engaging employees.** Service employees must not just be satisfied, they must be engaged. Although the two concepts appear similar, they require separate things to achieve them and have different outcomes.
4. **Leading instead of managing.** Many of the service management theories feature instilling in employees a sense of pride in the profession and the company.



Figure 1: Service management model (Ankerstjerne & Andersen, 2013)

We believe that the four changes are so significant that we label this Service Management 2.0. The four core elements illustrated by the model lead to the design of a company's service management system.

The content of each element will naturally vary from company to company, and is in essence the service strategy of the company. But all elements must be considered and in place. The four core elements are:

1. **Service Culture** which is built on elements of leadership principles, norms, work habits and vision, mission and values. Culture is the set of overriding principles according to which management controls, maintains and develops the social process that manifests itself as delivery of service and gives value to customers. Once a superior service delivery system and a realistic service concept have been established, there is no other component so fundamental to the long-term success of a service organisation as its culture.
2. **Employee Engagement** which includes employee attitude activities, purpose-driven leadership and HR processes. Even the best designed processes and systems will only be effective if carried out by engaged people. Engagement is the moderator between the design and the execution of the service excellence model.
3. **Service Quality** which includes strategies, processes and performance management systems. The strategy and process design is fundamental to the design of the overall service management model.
4. **Customer Experience** includes elements of customer intelligence, account management and co-creation. Whereas the first two are process based, the latter is as much a mindset and a strategic approach. Successful service delivery works on the basis that the customer is a part of the creation and delivery of the service, and then designs processes built on that philosophy.

The order is not random, and there is a logical sequence in first defining the Service Culture, thereafter Employee Engagement, which will then foster a high level of Service Quality, which again will develop the right Customer Experience – a virtuous circle, if you will.

The following two chapters will describe in more detail the two areas of Service Culture and Employee Engagement. The other two areas (Service Quality and Customer Experience) will be described in a separate white paper.

Service Culture

Strategy, processes and HR policies can only raise Service Quality to a certain level; the rest comes from leadership and culture, and this is what makes great service companies deliver great service. A service organisation with too much focus on processes will leave the organisation full of disengaged employees. There is a careful balance to be achieved.

Culture can be defined as; “The set of shared attitudes, values, goals, and practices that characterizes an organisation” (Merriam-Webster). This means that creating, enforcing and sharing the Service Culture affects the attitudes, values, goals and practices of the employees.



“Culture eats strategy for breakfast” (Peter Drucker)

One of the purposes and benefits of culture is that it determines discretionary behaviour in the absence of direct supervision. In service organisations, it is more often the case that frontline service employees are working without constant supervision. Culture will then be the most important guide to behaviour. Numerous studies show that a successful Service Culture will have many positive effects on productivity, customer engagement and Employee Engagement.

Vision, mission and values

It is up to the senior leadership team to provide a direction and purpose for the organisation. The first thing to do is to create and communicate a powerful vision and a set of values for the company.

- **Vision:** where the organisation wants to go from a long-term perspective. A vision is like creating the future in advance, or is like a process of becoming; it describes what the organisations want to be. A vision is an aspirational statement.
- **Mission:** the organisation’s ‘reason for being’. It can also be said that it is the organisation’s purpose expressed as an action.
- **Values:** what holds people together and creates a common culture along the way. Values should be supported by some general and shared assumptions about how a company should be run, or how employees should be managed.

The combination of vision, mission and values will underscore the culture of the organisation and ultimately what the employees perceive as reality inside the organisation. By creating a common vision, mission and values in the organisation, you create an alignment so that everyone is working towards the same goal. The job becomes bigger than each individual’s actions, and employees provide service not because they have to, but because it fits into a bigger agenda of the overarching purpose of the organisation.

Although it often is the senior leadership team that controls the process and ultimately drafts the vision and values, in order to be effective the value set needs to be fully understood, bought into and embraced by managers at all levels – from supervisor to CEO – and managers must continuously communicate them and act as role models for the values on an ongoing basis. But also, and more importantly, the values need to be fully understood, bought into, and embraced by the frontliners, the people who actually have to deliver the services on a daily basis. How do you make a vision, mission and values become ‘alive’ in an organisation? You link it to the daily work and you link it with your personal purpose of why you are getting up in the morning.

Value-based leadership is leadership when there is a purposeful consistency in the culture of an organisation, and as such a leadership system which takes into consideration the entirety of an organisation and its employees.

The core values of an organisation are the ‘sacred’ convictions that employees have about how they must conduct themselves in every aspect of their professional work. In a service management mindset, the idea behind values does not lie in which core values the organisation has, but rather in how much the organisation actually lives by the core values. Therefore value-based leadership is as much a management philosophy as it is an execution practice.

Norms and habits

Norms and habits can be defined by what a service employee is doing and what he/she considers to be the right thing to do. Social norms are the unwritten rules that everyone in an organisation lives by, and are an amalgamation of shared values and beliefs, customs, behaviours and traditions. Every individual in an organisation has a certain set of individual and social norms which make the collective culture unique and which influence daily practices and interactions and therefore also the quality and efficiency of the employees.

It is important for organisations to be aware of its people’s social norms and habits, through the use of managerial skills such as listening, coaching, guiding, involving and problem-solving are actively encouraged and reinforced.

Every organisation seeks to be more effective and to achieve better results. However, the social norms and habits of its people can sometimes limit even the best intentions, and thus a more dramatic transformation and cultural change process is needed. Successful execution of the strategy occurs when structure, roles, capability, leadership, people management systems and organisational culture change (including change of social norms and habits) are all aligned with the strategy.

While it is relatively easy to change strategy, it is more challenging and time-consuming to change the culture of an organisation, and this is even more the case when attempting to change the norms and habits or a workforce. Studies show that many businesses fail to align and engage employees with their strategy, and it

is relatively rare that companies actually succeed in changing their culture, because only a few are aware of their current cultural characteristics, both good and bad.

Organisations must consider whether the social norms and work habits work for or against the service set-up, and how, therefore the management model must be adjusted accordingly. For example, does the model allow for a substantial delegation of responsibility, does it allow for the right level of professional training and personal development, what levels of change are needed and does it represent a trusted and transparent reporting structure? Does the management model motivate the individual, ensuring learning from best practice, minimise bureaucracy, and enable a swift reaction to solve problems in the user interface? All these questions are important to address in a customer/service vendor relationship, and being aware of the existing social norms and habits which exist and which the service supplier has to be part of is of utmost importance. Understanding the change required in potentially changing the social norms and habits of the service employees is a key to success in any service outsourcing relationship.

"It is absolutely incredible what people are capable of if they're given the right leadership and the right level of training. A belief and confidence in people, that's the key to success in any service organisation." Waldemar Schmidt, ISS, 1973–2000.

Leadership principles

In service management, people are the 'product', and therefore having sound, robust and well-articulated leadership principles is key for any organisation that seriously wants to deliver quality services to its customers as well as to provide a motivating and engaging work environment for its employees. Failing to recruit and develop leaders, as a result of some deeply rooted principles of the organisation, could potentially result in service leaders becoming ignorant and detached from the purpose and values of the organisation and from the service attitude of the frontliners.

So how should a service organisation develop leaders who understand the vision of the organisation and who hold the deeper set of personal convictions necessary to live the values and purpose of the organisation and deliver on the promise to its customers? Clearly defining some rules to live by and some principles to guide them is a first step in any leadership development programme. Such leadership principles must be developed to provide organisations and individuals with a sequenced step-by-step process to attain the desired results, or a roadmap to help leaders navigate the journey to developing service excellence in the daily interfaces with customers and subordinates.

Having some well-defined leadership principles provides guidance for the organisation, a control mechanism and a reference for those being led. Also the leadership principles of an organisation should spell out the key activities that are being employed across the organisation, to ensure they become an integral part of how services are provided.

There is really no right or wrong way to define and describe a set of leadership principles, nor is there a prescribed list of steps to take in order to be successful. The important aspect of the leadership principles is in projecting what customers, and especially employees, can expect from the organisation. The principles characterise the organisation by where they put their focus on leadership.

In any service organisation, success boils down to the performance of every individual and therefore every leader. Naturally the leader plays an essential role in the process of making the leadership principles live and work in everyday life, and with this the personal ability to bring out the full potential of his/her employees, both as individuals and as part of the service promise made to the customers. In other words, the leadership principles naturally expressed by the daily leadership behaviour are what transform the mission, vision and values of an organisation into concrete action.

Finally, the leadership principles can also be used as guidelines for selecting and developing all types of employees, including talent and existing leaders, in order to achieve sustainable success. Furthermore, they dictate how to improve service and add value to customers through an increased focus on purpose in the organisation.

Employee Engagement

People processes are naturally at the core of any service organisation. Many people services have an operational focus, but the overriding strategic objective is to attract the right people with the right competencies, and engage them to work towards the same shared goals. Employee Engagement should be a key focus area for any service organisation.

HR is the natural place to design and own these processes, and while it is true that HR practice can be a source of competitive advantage in any type of organisation, it is more pronounced in a socially complex environment such as where frontline service employees operate, where trust, teamwork, relationships and friendliness are essential.

Employee Engagement is a result of three components:

1. HR practices such as recruitment, training and development, and performance management
2. Attitude practices which focus on culture, trust and engagement measurement
3. Offering a sense of purpose to employees

While many service organisations focus on the first, most do not understand or practice the latter two well enough. Or, put in another way, many focus solely on processes and forget the 'softer' areas such as attitude and purpose.

HR processes

HR processes are essential to get the right people with the right competencies on board. The most important are:

- **Recruitment.** Hire the right people with the necessary traits and who are able to learn the required skills. A candidate must, however, be able to do more than just the job. Successful applicants must also master other interpersonal skills such as teamwork, service friendliness and trustworthiness. The recruitment processes must therefore ensure that the managers look beyond the technical abilities of the individual.
- **Onboarding.** This involves training for new hires, to quickly get them to full performance and to understand the culture of both the service organisation and customer organisation. Research shows that it is worthwhile investing resources in training new recruits with the objective of socialising them. This will lead to less disruption and quick alignment with culture and process.
- **Training and development.** This is the single most important factor behind higher Service Quality, and there is a strong correlation between the number of hours of training and successful service companies. Training is not just about basic competence-skills training, i.e. ensuring that the employee can deliver the service, it is also about training in service management skills and other 'soft' skills such as social, attitude and language abilities. Training can be hard to get right, because the training has to be done at dispersed locations and on the job.



- **Culture.** While HR is not the bearer or primary shaper of a company's culture, it is up to HR to design and implement activities so they promote a Service Culture. Where HR actively integrates the concept of service and performance culture into all its activities, companies perform better in the long run.
- **Performance management.** The intangible nature of services means that performance can be difficult for supervisors to monitor directly, so employees must be trusted to monitor their own performance. The performance appraisals should include input from employees as well as the customers, and the appraisal results must be used in determining training needs.
- **Job design.** Job designs must be characterised by skill variety and autonomy. Enriched jobs should encourage self-monitoring, because employees then feel a greater sense of responsibility for their performance and they are more aware of their significance to the firm.

HR processes often have a greater effect on organisational performance rather than on individual performance. This is not surprising, because it is the quality of the relationship with the immediate manager and his/her ability to inspire and motivate the individual which affects individual performance. Selection and training of supervisors must therefore be given extra focus.

Employee attitude

Service companies must constantly monitor and improve Employee Engagement and other relevant attitude levels. Employee Engagement measures how committed employees are to the organisation and to the manager, how motivated they are in their job and to stay in it, and how likely they are to be performing well. Studies conclude, therefore, not surprisingly, that Employee Engagement is a strong predictor of outcomes such as productivity, efficiency, customer focus, Service Quality and profitability. In other words, engaged employees are a prerequisite for engaged customers.

Despite the importance of having an engaged workforce, only a few are. Only 33% of employees report that they feel engaged, 49% say they are not engaged and 18% are actively disengaged, according to TNS-Gallup (2010). This is a significant reason why the world is full of bad service.

Service companies should proactively work to increase Employee Engagement through people practices. The primary drivers of Employee Engagement are for employees to have:

1. A strong and good relationship with the immediate manager and colleagues
2. Realistic but challenging goals, and to work on assignments which develop skills and capabilities
3. Involvement in decisions which affect their job and environment
4. Feedback and guidance on work

Attitudes in general are better influenced through human communication rather than through any process – the communication between the immediate manager and the employee, and that of the company and the employee. Feeling proud of the company, feeling a commitment to the vision, sharing the culture and wanting to move in the same direction as the company requires communication from the executive level as well as the immediate manager.

Lead with purpose

Purpose goes beyond our physical and emotional needs, which is why looking beyond Maslow's hierarchy of needs is relevant. When we look at purpose, we look at something more elevated than basic needs, for which we can set goals we want to achieve. Instead, we look for the meaning in what we do – ways to create enrichment and happiness in our lives. Purpose means identifying our reason for being. Today people look increasingly for their professional lives to supply them with a meaning. Your purpose will be found within your passion. Talent may play a role, but people can always build up any skill requirement. Without passion, talent can be largely ineffective.



Figure 2: From Maslow's hierarchy of needs to Baldoni's hierarchy of purpose (Baldoni, 2012)

Service organisations must ignite a deeper sense of purpose in their employees. When a service organisation delivers excellent service, it is because the (primarily frontline) employees know what they do and why they do it. It is the job of the organisation and its leaders to provide the employees with meaning. At the same time we see that this kind of commitment, direction and attitude which springs from having been led with purpose is only found in a few, and the successful, service organisations.

"Purpose and authenticity is probably the most effective way to engage consumers and employees. But it's hard enough to find a purpose in life if you're an individual, let alone an entire company. And being authentic is a bit like being cool – sometimes the harder you try, the less you are." Mark Bonchek, HBR Network Blog (March 2013).



The first step is to recognise that there are different kinds of purpose. Sometimes purpose is about values – who you are and what you stand for. Other times it is about value – what you do and how it benefits others. The ultimate goal would seem to be having the individual purpose and the organisational purpose aligned: have what you do reflect who you are, have what you stand for guide how you serve, and have the purpose of the organisation enhance the purpose to customers.

In creating an organisational shared purpose, the essential questions to ask are what is the shared purpose that:

- The organisation, its members and its customers can work on together?
- Is a natural expression of who we are and what we stand for, as an organisation?
- Connects how we make money with how we contribute to the world?

The problem comes down to a simple preposition: most leaders think of purpose as creating a purpose 'for' customers, but what is needed is to create a purpose 'with' customers. Customers are no longer just consumers, they're co-creators. They are not just passive members of an audience, they are active members of a community. They want to be a part of something, to belong, to influence, to engage. It's not enough that they feel good about the organisational purpose. They want it to be their purpose too. They don't want to be at the other end of your 'for'. They want to be right there with you. Purpose needs to be shared.

The Role of Social Media

The relatively new world of digital platforms and social media has created an entirely new way of communicating with customers and employees. Especially, using social media and digital platforms to engage with service employees has great potential, because employees are increasingly becoming more empowered by social technologies in the way they communicate and collaborate.

These new communication technologies are dramatically changing the way service organisations work with resources, skills, tools, processes and culture. There are currently three main areas where social media is making a difference and changing the way service organisations work and communicate:

- Making the service delivery system more efficient and the organisation flatter
- Allowing closer interaction with customers (decision makers) and users (employees, guests etc)
- Enabling closer interaction with employees (frontliners and supervisors at all levels)

In terms of social media, the service industry is still in its infancy. According to Forrester (Corcoran & Overby, 2011), companies will grow more familiar with social media tools through a 'social maturity' process.

Contrary to conventional wisdom, social maturity isn't just a thriving advocacy programme or social sign-on websites. While those are important early steps, social maturity goes deeper, representing a fundamental shift in a company's organisational and cultural patterns.

Ultimately, organisations must ensure that employees have the necessary skills and technologies to solve their customers' problems. If they can do this right, the most forward-thinking service companies stand to gain much from the effective use of technologies like social, mobile and video technologies, especially within customer advocacy and integration; to achieve streamlined business processes at lower operating costs; and to enable co-creation, to increase innovation and continuous development.

There is no doubt that social media can play an important role in the engagement of service employees at all levels. We believe that this is an untapped opportunity for most service companies – few have cracked the code for how to use social media effectively yet, however some have started to unlock its potential.



Conclusions

We live in a service economy, with service accounting for more than 75% of most western countries' GDP. Delivering excellent service is therefore important for all companies. However, most companies struggle to deliver basic services of a decent quality.

Theories about service management were established many years ago; however, we believe that things have changed and the way service organisations approach the design of their service delivery is becoming increasingly more important. A service delivery system today must be built on a thorough understanding of what value the customer is getting from the service and how this should be delivered. The four key elements in such a system are:

1. Service Culture
2. Employee Engagement
3. Service Quality
4. Customer Experience

Leadership and culture play a greater part today in effective service organisations than ever before. By creating a common vision, mission and values in the organisation, we create an alignment so that everyone is working towards the same goal. Value-based leadership is an effective way to make the values and vision become as meaningful and effective as possible.

Having some well-defined leadership principles provides guidance as well as a control mechanism, and works as a reference point for those being led. Also, the leadership principles of an organisation spell out the key activities that are being prioritised across the organisation to ensure they become an integral part of how services are provided.

People processes should be at the core of any service organisation. The successful execution of the service delivery model requires the right people with the right competencies, all motivated and engaged to work on the same shared goals. Employees are increasingly looking to work for an organisation which provides meaning to their (professional) lives and purpose, as well as looking for a company with values aligned with their own. While most service organisations primarily focus on HR processes, most do not understand or practice how to work with employee attitude and how to create a sense of purpose.

The relatively new world of digital platforms and social media has created an entirely new way of communicating with customers and service employees. This is, however, an untapped opportunity for most service companies, and few have cracked the code for how to use social media effectively.

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Company profiles

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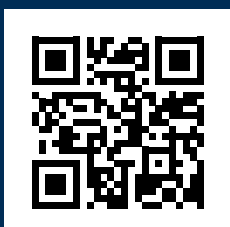
ISS World Services A/S

ISS was founded in Copenhagen in 1901 and has grown to become one of the world's leading Facility Services companies with revenues in 2012 of DKK 79.5 billion. Our integrated services include Catering, Cleaning, Security, Property, Support Services and Facility Management. The secret to our success lies in how we tailor our solutions to client needs, how we manage risk, and how our engaged team of 534,200 staff add the power of the human touch in everything we do. Both public and private sector customers in more than 50 countries appreciate this across Europe, Asia, North America, Latin America and Pacific.

Every day, ISS employees create value by working as integrated members of our clients' organisations. A key component of the ISS HR strategy is to develop capable employees in all functions. Team spirit and self-governance are encouraged, as is voluntary participation in additional training and multidisciplinary workflows. Besides developing our employees, ISS ensures compliance with Health, Safety and Environment (HSE) regulations. We demonstrate our social and ethical commitment through the ISS Code of Conduct, our membership of the UN Global Compact and by honouring the principles laid down in the Union Network International (UNI) agreement.

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