



WORKPLACES

SUPPORT SERVICE EXCELLENCE

Improved service quality has become the guidepost for public sector reform – but moving in this direction poses big challenges for managers. As Ralph Heintzman and Brian Marson pointed out in this magazine's June issue, successful reform requires the integration of HR modernization, service improvement, and building trust in public institutions.

One link in the service value chain that must be strengthened is between employee engagement and client satisfaction. The concept that customer and employee satisfaction go hand in hand has yet to catch on in government.

Private sector thinking needs to be adapted for use in the public sector. For one, the public sector value chain has more links. The goal of increased public trust adds a layer of complexity beyond customer satisfaction. But it also opens up opportunities to make trust an ingredient of all relationships in the value chain. Indeed, it raises a critical but overlooked question: how does the level of trust within the public service itself affect employees' level of engagement and the quality of the services they provide?

Answering this will shed light on the value chain's anchor link: employee engagement. To forge a strong value chain, public service managers must understand the relationship between engaged employees and satisfied citizens. They also need to ensure that human resource strategies get at the drivers of employee satisfaction and commitment. These are the active ingredients of engagement, and trust underpins both.

Trust is a component of all workplace relationships. It is reciprocal, reinforced (or betrayed) in daily interactions, and based on learned behaviour. Trust has the potential to transform relationships for the better. As Robert Solomon and Fernando Flores observe in *Building Trust*: "The existential question is *how* to trust, not just who can be trusted." To this end, managers must be clear about what actions they can take to build high-trust relationships

with employees and citizens. As a start, managers must shift their focus from employee engagement as an outcome to its underlying drivers.

Does aligning employees' attitudes to the organization's strategy lead to improved performance? A meta-analysis of the research (*Academy of Management Journal*, April 2006) shows that high levels of job satisfaction and commitment do more than reduce withdrawal behaviours, such as absenteeism, lateness or turnover – they strongly predict an employee's effectiveness on the job, including discretionary effort and involvement.

Putting this theory into practice is much easier when guided by an understanding of how employee satisfaction and commitment are rooted in workplace culture. Over 20 years of research by the Great Place to Work Institute (GPTW), a San Francisco-based consulting company that operates in 29 countries, including Canada, documents the strategic value of high-trust cultures. **A crucial insight for public sector managers is that a high-trust workplace is high-performing because employees are more than engaged – they are passionate about their work and feel inspired to further their organization's goals.**

The GPTW's model of a great workplace is based on trust – employees trust the people they work for, have pride in what they do, and enjoy the people with whom they work. The core three dimensions of trust are based on management behaviours that are credible, respectful and fair. Managers who create mutual trust with employees based on credibility, respect and fairness will have established the conditions for high levels of pride and camaraderie – the two other dimensions of the model.

The GPTW model is employee-centred, based on extensive employee interviews that Robert Levering (co-founder of GPTW) and Milton Moskowitz conducted for their 1984 book, *100 Best Companies to Work for in America*.



DIMENSION		HOW IT PLAYS OUT IN THE WORKPLACE
CREDIBILITY	T R U S T	<ul style="list-style-type: none"> • Communicate openly and be accessible • Coordinate human and material resources with professionalism • Carry out vision with integrity and consistency
RESPECT		<ul style="list-style-type: none"> • Support professional development and show appreciation • Collaborate with employees in relevant decisions • Care for employees as individuals with personal lives
FAIRNESS		<ul style="list-style-type: none"> • Demonstrate equity and balance in terms of rewards • Show impartiality in hiring and promotions • Support a just and fair workplace with a strong appeals process
PRIDE		<ul style="list-style-type: none"> • Role model pride in your own work and contributions • Demonstrate pride in the work of your team • Take pride in the organization's services and community standing
CAMARADERIE		<ul style="list-style-type: none"> • Be yourself and have fun at work • Create a socially friendly and welcoming atmosphere • Contribute to a sense of 'family' or 'team'

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Organizations that rank first on annual best workplaces lists – such as 3M Germany (European list); Bain & Company (UK list); Genentech (US Fortune list); Analytical Graphics (US HR Magazine list), and Vancity Credit Union (Canadian list) – make supporting and enabling their employees to contribute their best for customers a strategic priority. Like all the companies on best workplaces lists, this strategy is woven into their culture. Successful practices are documented by the Trust Index, a 57-item

employee survey used to assess companies. For the top ten organizations on the most recent lists of best workplaces in Canada, the US, the UK and Europe, a remarkable 90% of employees believe they are given ample responsibility, 85% say their workplace is healthy psychologically and emotionally, and over 80% are able to balance work and personal or family life. Not surprisingly, 90% of employees in these organizations feel they are in a great place to work. Viewed through the public service lens of 'workplace well-being', these best

DO YOU WANT

To Learn More About how you Can Create a Culture of Trust that Will Drive Higher Service Quality?

Canadian Government Executive magazine is sponsoring a web seminar with Graham Lowe, one of Canada's top workplace experts, and editor Paul Crookall on "The Journey to a Great Workplace: What Managers and HR Professionals Can do to Build and Sustain a High-Trust, High-Performance Culture."

The Webinar will be offered twice, November 27 and 30, at noon eastern time. Space is limited to 100 participants for this 90-minute event, so please register early. The cost is **\$99 (+GST)** per connection.

To register or for more information, contact Marilou Pagulayan at Canadian Government Executive: 905-508-1499 or email mariloup@promotive.net.

Graham Lowe, PhD

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workplaces have achieved this goal by nurturing trust.

High-trust cultures also pay off in other ways. A rigorous analysis of the stock market and financial performance of publicly traded firms on *Fortune's* '100 Best' list confirms that positive employee relations predict companies' financial performance. The lesson for managers is clear: by improving human resource management practices, they enable their staff to better achieve organizational goals. Corroborating research by independent financial analysts, such as Russell Investments, consistently find that the GPTW best workplaces outperform the stock market. Other performance indicators, from turnover and number of applications per job vacancy to customer satisfaction and quality, also show the strategic advantages of high-trust cultures.

So far, there are relatively few government organizations on best workplaces lists (the US *Fortune* list excludes governments from participating, but lists in Canada and other countries are open to all sectors). However, broader public sector and not-for-profit organizations are making significant strides. All great workplaces researched by GPTW have these common features:

- A strong commitment from the CEO and senior management to create a great workplace
- A genuine belief that people are indispensable to the success of the organization
- Shared responsibility for creating and maintaining a great workplace, with a clear role for everyone and leaders role-modeling trust-building behaviours
- A multi-level, integrated approach to transform the workplace culture, recognizing that this is a multi-year strategic effort
- Active communication forums between employees and management
- A shared perception that the organization has a special and unique culture.

GPTW's research documents the strategic alignment of people practices and service quality outcomes. Take Vancity, which ranked first on the Canadian Business 2006 Best Workplaces in Canada. Vancity is Canada's largest credit union, operating 42 branches with 2000 staff in BC. In 2004, its employees, board, and members (customers) collaborated in an envisioning and storytelling process, creating 'The Vancity Story', which describes who they are and what they stand for. This process helped unite staff into living a shared vision and forged a strong connection between the employee experience and the customer experience.

Decisions at Vancity are guided by a clear set of values and commitments that were created collectively. The commitments include being responsible and effective financial managers, providing outstanding service to help customers meet their financial goals, and

creating a great place to work. Accountability for living up to these commitments is achieved in transparent annual reporting, using a 'triple bottom line' framework that integrates financial, social and environmental goals. For example, member satisfaction with services is reported by type of member and demographic characteristics. Employee satisfaction is reported using an engagement index based on six survey questions. Also measured are the percent of employees who agree that the Vancity values and commitments provide a meaningful direction for their work, and who are able to balance work and personal life. Anyone reading the annual report, posted on the Vancity website, can track progress on each commitment.

Baptist Health Care in Pensacola, Florida, is on *Fortune* magazine's 2006 list of 100 Best Companies to Work for in America'. This non-profit employs 5,500 in five acute care hospitals, nursing homes, mental health facilities, and outpatient centres. It launched a cultural transformation in 1996 with the goal of improving the quality of health services. Patient satisfaction was in the 18th percentile, positive employee morale was at 44%, and turnover was 27% annually. Leaders at Baptist Health Care realized that the then-current culture would lead to the demise of the organization and that building a new culture was a key to success.

Baptist Health Care implemented changes that forged a culture capable of driving its strategy: creating and maintaining a great culture; selecting and retaining great employees; committing to service excellence; continuously developing great leaders; and hardwiring success through systems of accountability. The strategy succeeded. By 2003, Baptist Health Care was in the 99th percentile in patient satisfaction, turnover was 13.9%, and positive employee morale was 83%. Baptist Health Care attributes its current high levels of service excellence to the transformation of its culture and work environment, guided by three principles: employee satisfaction; patient satisfaction; and leadership development.

Vancity and Baptist Health Care have in common an organization-wide focus on creating and sustaining a high-trust culture. This transcends the specifics of HR policies and programs because managers' actions make employees the strongest link in the service value chain. Service quality reflects the quality of relationships within each work unit. Organizational culture has become a strategic advantage. When employees and managers trust one another, customers trust the organization to excel at meeting their needs. This is the essence of the public service value chain.

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Conference Highlights

Featured Speakers

- Opening Address: Keith Gaultier, Commissioner, Correctional Service of Canada
- Keynote Address: James Gaultier, Chief, London, American Correctional Association
- Community and Custodial Offender Services: Herb Holmquist, CEO, UK Correction Services

Conference Program - featuring special presentations from Africa, Asia, The Middle East, Latin America, Oceania, Europe, and North America

Day One: The Revolution

Day Two: Addressing the Realities

Day Three: Case Studies of Successful Offender Management

Day Four: Future Challenges

Reception at Vancouver Aquarium

Awards Ceremony and Special Event Dinner

Correctional Facility Tours

Companion/Partner Program

