

The  
**5** people drivers  
of the profitable  
growth cycle™





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## Other useful resources and recent research available from our website:

- The 7 organisational habits that drive high performance
- Nicholas Barnett's book titled *GPS for your Organisation®: how to energise your employees and build sustainable high performance*
- The 2012 Insync Surveys Retention Review
- Taking your board from good to great: the best 101 ways to improve
- Gender Agenda: Unlocking the power of diversity in the boardroom (in conjunction with Gender Worx)

# Executive summary

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## Growth challenges in the “new normal” environment

In the low growth global environment following the GFC, organisations are finding it increasingly difficult to achieve their financial goals. Although profitable growth is one of the top challenges facing businesses today, not many organisations are succeeding in driving both revenue and profit growth successfully. This paper explores why profitable growth is such a challenge and what organisations need to do to get back on the path of consistently achieving the profitable growth they desire.

The external challenges facing organisations are well understood. They include suppressed demand across much of the globe and new and increasing global competition. New low-cost, internet enabled business models are also disrupting many industries. Savvy customers with access to more suppliers and more information are demanding better value and this is forcing down profit margins in most industries.

This paper focuses on how organisations can achieve profitable growth through their people even in these difficult and challenging economic times. Most organisations say that their people are their greatest asset. But why do some organisations achieve so much more through their people than others? How does improving employee engagement impact customer engagement, productivity and innovation? And how are all these critical factors inter-related? This paper answers these and many related questions.

## Building a platform for profitable growth

Profitable growth starts with an organisation being well positioned to serve its customers and perform well relative to its competitors or peers.

Strong positioning provides a solid platform for growth. It depends on:

- Development of a compelling vision, strategy and business model that differentiates the organisation and that is appropriate to the competitive environment,
- Sourcing of appropriate capital and funding, and
- Acquisition and development of the appropriate tangible and intangible assets.

This paper starts with the premise that an organisation is reasonably well positioned in its market place, and that the key challenge is to execute and refine its positioning. For organisations that are reasonably well positioned to start with, applying the five people drivers of the Profitable Growth Cycle will not only help accelerate revenue and profit growth, but will also help constantly fine tune their market positioning so that their growth will be sustainable over the long term.

Well positioned organisations have a significant head start on their competitors and are much better placed in the race to achieve profitable growth. Organisations that are not well positioned would be best served by first conducting a strategic review to determine how best to reposition themselves to succeed in their markets. Once the repositioning work has been done, those organisations that adopt the five people drivers of the Profitable Growth Cycle will do far better than those that don't.

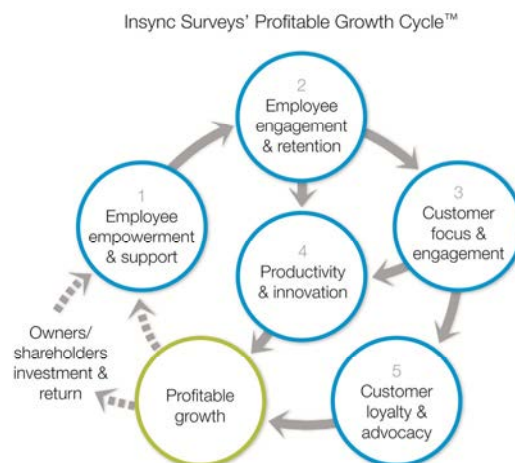
## High growth organisations think and act differently

We developed Insync Surveys' Profitable Growth Cycle™ by referencing numerous research studies into this topic, the most important of which have been included in Appendices C and D. We also applied the practical lessons learnt from conducting almost 500 customer surveys and over 500 employee surveys over the last 5 years.

The Profitable Growth Cycle is a framework for understanding the inter-relationships between employee engagement, customer engagement, and productivity and innovation, and how these factors can be leveraged to drive profitable growth.

High growth organisations (HGOs) understand that achieving profitable growth starts with investment in their employees. This leads to employee engagement and retention, which leads to customer focus and engagement, which in turn leads to customer loyalty and advocacy. Customer loyalty and advocacy enable an organisation to maintain and grow its revenue base which is a critical component of profitable growth. Employee engagement and retention, and customer focus and engagement, both lead to productivity gains and innovation, which also lead to profitable growth.

In summary, the framework outlines how the five factors inter-relate to drive and enable a virtuous cycle of profitable growth for an organisation.



**Driver 1: Employee empowerment and support** refers to the need for clear direction and expectations, and the development and support of employees to enable them to do their jobs well. This leads to:

**Driver 2: Employee engagement and retention.** Motivated, focussed and experienced employees are more likely to stay with an organisation and apply discretionary effort which leads to drivers 3 and 4.

**Driver 3: Customer focus and engagement.** Engaged and longer serving employees build strong customer relationships and ensure robust systems are implemented to meet customer needs. This leads to both drivers 4 and 5.

**Driver 4: Productivity and innovation.** Productive employees and lower recruitment and induction costs enable competitive pricing and innovation which underpin sustainable profit margins.

**Driver 5: Customer loyalty and advocacy.** By keeping existing customers and utilising referrals to win new customers, an organisation is able to maintain and grow a strong revenue base.

Profitable growth is the outcome from customer loyalty and advocacy (driver 5) on the one hand, and productivity gains and innovation (driver 4) on the other. Profitable growth is a crucial component of a virtuous cycle that enables continued investment in employee empowerment and support, and thereby reinforces and strengthens the other drivers of the Profitable Growth Cycle. Profitable growth also provides the required return or dividend flow to the owners of the business. In certain cases, confidence in the

organisation's growth record and opportunities will promote additional investment from the owners if required to accelerate the organisation's growth trajectory.

High growth organisations create a virtuous cycle that continues to build on itself over time. These organisations understand the inter-relationships in the cycle and in particular that great customer outcomes are achieved as a result of highly engaged, empowered and well supported employees. Conversely, organisations that don't understand or buy in to the importance of these inter-relationships will find that their efforts are continually frustrated. These organisations are less likely to invest their time and resources appropriately and face a real risk of being caught in a downwards spiral.

Overlaying the whole Profitable Growth Cycle is the need for authentic leadership that buys into the principles set out in this paper, starting with empowering and supporting their employees. The organisation's CEO and leadership team will need to be united in their commitment. They need to embed all elements of the Profitable Growth Cycle into their organisational culture and DNA until it becomes its way of life. As they model and continually reinforce all the elements of the cycle, momentum will build and profitable growth will become a reality.

## A tale of two organisations

This paper includes a case study that analyses two organisations in the business services industry. One organisation has achieved revenue growth of 18% and profit margin growth of 10%. We refer to this as the high growth organisation (HGO). The other has experienced a revenue decline of 5% and a margin decline of 8%. We refer to this as the low growth organisation (LGO). Both organisations undertook an employee and a customer survey with Insync Surveys in 2012. With permission from the respective CEOs, we examined the survey results associated with the five people drivers for both organisations to see how they might explain the differences in performance.

The data shows that the HGO is not doing everything right and the LGO is not doing everything wrong. However, it is very clear that the HGO has diligently focussed on the five drivers of the Profitable Growth Cycle. It continues to invest in its employees and its employees continue to invest in its customers. Customers are proud to deal with this organisation and intend to continue purchasing from it for the foreseeable future. By managing the linkages in the cycle, the HGO has delivered very strong growth in both revenues and profits.

While the case study is limited to just two organisations and therefore cannot support generalised findings, it does illustrate the concepts that have been presented and shows how specific actions by a leadership team can result in significant financial improvements within a short time frame. We trust that the case study will give readers practical ideas for improving the performance of their own organisations.

## Further reading and information

Further reading and additional evidence relating to this important topic are included in Appendices C and D.

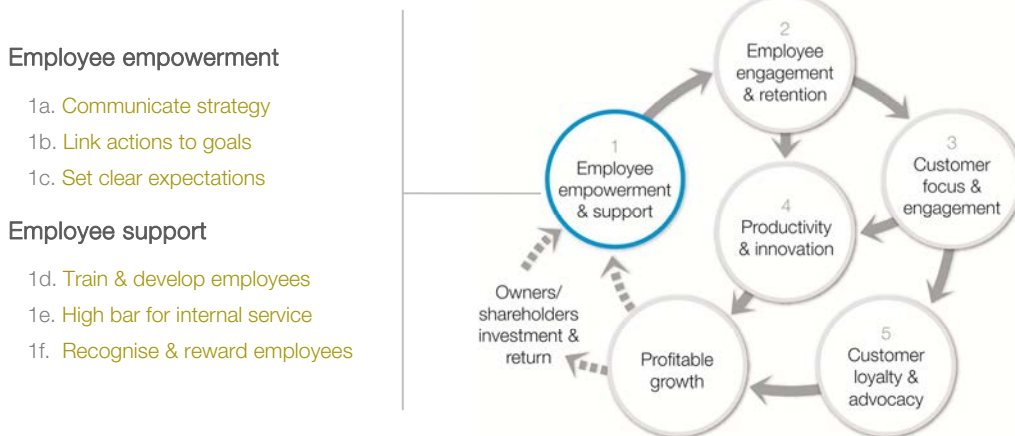
Whilst the focus of this paper has been on organisations that seek to make a profit and grow, the principles in this paper and the Profitable Growth Cycle apply equally to not-for-profit organisations and government entities. By applying these principles, these organisations will be able to deliver the highest quality service to their customers and stakeholders within their funding parameters. Other papers will be available that outline how the Profitable Growth Cycle can be applied to public sector entities, community service organisations and other industries.

For more information contact Insync Surveys at [research@insyncsurveys.com.au](mailto:research@insyncsurveys.com.au).

# Driver 1

## Employee empowerment and support

The Profitable Growth Cycle starts with employee empowerment and support. As HGOs achieve profitable growth, they re-invest further in employee empowerment and support. LGOs achieve little and sometimes negative profitable growth and often make the mistake of not investing sufficiently in this area.



### Employee empowerment

Clear communication of the organisation's strategy, linking individual actions to organisational goals and providing role clarity empowers employees to make sound judgements about their work priorities. It also reduces the amount of supervision required from managers. In a fast changing environment, employee initiative and discretion are important enablers of the continuous improvement needed to drive the Profitable Growth Cycle. Clear strategies, goals and expectations give employees safety to act and make decisions.

#### 1a. Communicate strategy

An effective strategy is the cornerstone of profitable growth. With increasing global competition, organisations need to be sufficiently specialised to be the best at what they do. The strategy must clearly specify how the organisation is different, identify its core competencies and define how the organisation can offer targeted customers better value than competitors.

A well-conceived Customer Value Proposition (CVP) is at the heart of the organisation's strategy. A CVP clearly articulates what is important to targeted customers and what unique benefits your organisation can deliver to them. A CVP that finds the right mix of quality, service and price is critical for building sustainable competitive advantage. The CVP also provides clear direction on how to build operating systems that enable the organisation to meet customer needs effectively and efficiently.

Communicating the CVP and strategic direction to all employees results in greater levels of employee understanding and buy-in which drives organisational success. Leaders in HGOs recognise this and develop channels that facilitate the delivery of clear and concise messages to all employees across all levels and departments. They also make line managers responsible for maintaining a two way dialogue with employees that communicates the essential elements of the strategic plan and regularly communicates the extent to which it has been successfully executed.

### 1b. Link actions to goals

To achieve profitable growth, HGOs recognise that the whole organisation needs to be aligned with the strategy, and that employees need to know how their everyday actions and performance are linked to the overall strategy. This enables employees to know what they can do in their own jobs to contribute towards the common goal. Providing employees with such clarity empowers employees to make a difference.

### 1c. Set clear expectations

HGOs ensure all employees have role clarity by ensuring they understand the outcomes and standards expected of them. When employees are provided with a clear direction, there is a greater chance of them meeting expectations and feeling proud of their achievements. This results in higher employee productivity and satisfaction. Furthermore, employees who are clear about what is expected of them are less likely to experience role conflict or role ambiguity which can result in job related anxiety and dissatisfaction.

## Employee support

Empowerment is important for employees to know what to do to drive profitable growth. Support gives employees both the *capability* and *motivation* to do their job well. HGOs ensure that employees get the training and development they need to do their jobs well, receive the required levels of internal customer service, and are recognised and rewarded when they meet performance targets.

### 1d. Train and develop employees

HGOs recognise that workplace learning has significant benefits for both the employee and employer. As a result, employee development is embedded into the fabric of these organisations and learning is promoted as a continuous activity, rather than a one-off event. For employees, this approach enhances work performance and the quality of their working life through increased personal development. The return on investment for the organisation is greater productivity and engagement.

Training and development is an area of very poor performance in the LGO in our case study with the majority of employees believing that they don't receive the training and development they need to do their job well. This is likely to be having a significant negative impact on employee retention and employee and customer engagement.

### 1e. High bar for internal service

HGOs recognise that having a high bar for internal service underpins both employee and customer satisfaction. When organisational systems work well, and are maintained effectively through open, honest communication and collaboration, employees can work effectively with less downtime and frustration. When employees feel that their needs are addressed with professionalism, priority and care, they are more likely to treat customers in the same way.

### 1f. Recognise and reward employees

Reward and recognition is a critical element in managing and improving employee performance and engagement. HGOs understand that many employees place a high value on both financial and non-financial rewards. As a result they offer a range of non-monetary and lifestyle benefits to employees. Furthermore, HGOs equip their managers with the skills needed to identify high performance and provide timely and appropriate praise and acknowledgement.



## Employee empowerment and support

### Converting insight to action

- *Examine whether your strategy has enough focus*  
If your organisation is falling short of its financial goals it's a good idea to focus on specialisation and differentiation. Further segmentation may be required to ensure that you are leveraging your core competencies to provide superior value to your targeted customers.
- *Conduct a communications audit*  
Assess how well the organisation's formal and informal communication channels are working to cascade the organisation's strategy. Look to utilise interactive channels that facilitate regular and open communication across the organisation.
- *Align each role to the organisation's strategic direction*  
Provide employees with job descriptions that clearly define their roles and responsibilities, and how they directly relate to the overall strategy.
- *Promote a culture of partnership*  
Get all employees working together to provide a high quality service to each other, and explore ways to increase cross-team collaboration to share information, knowledge and good practice.
- *Create an individual development plan for each employee*  
Map their career aspirations, identify future opportunities and training and development needs.
- *Know your people*  
Conduct focus groups to understand what motivates employees. Results of focus groups lead to the development of a meaningful employee value proposition and reward and recognition strategy.

*"Your employees won't look after your customers, unless you look after your employees."*

## Driver 2 Employee engagement and retention

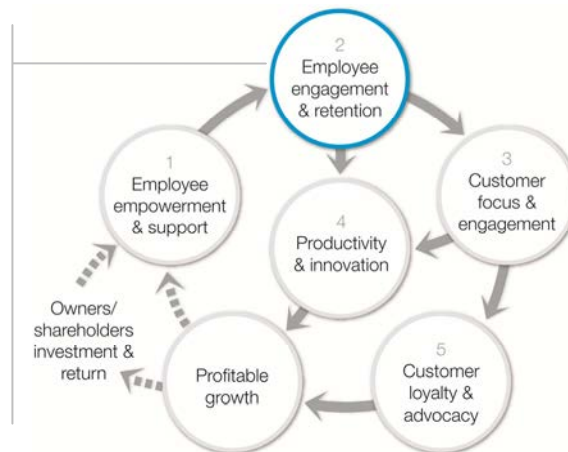
High levels of employee empowerment and support (driver 1) lead directly to employee engagement and retention (driver 2). Employee engagement and retention are key enablers of both customer focus and engagement (driver 3) and productivity and innovation (driver 4).

### Employee engagement

- 2a. Link personal to organisational success
- 2b. Positive view of challenges
- 2c. Build job satisfaction

### Employee retention

- 2d. Increase reasons to stay



## Employee engagement

Insync Surveys defines employee engagement in terms of emotional, cognitive and behavioural components. Engagement includes feeling and thinking positively about the organisation as well as being prepared to invest discretionary effort to ensure the organisation's success. Within the scope of this paper we focus on three important aspects of employee engagement (see Appendices C and D for further information):

1. being able to link an employee's success to the organisation's success
2. having a positive view of challenges, and
3. experiencing job satisfaction.

### 2a. Link personal to organisational success

Clearly aligning each employee's performance targets to the organisation's strategy shows employees how important their individual success is to organisational success. As a result, employees are more likely to feel valued and work harder towards achieving their targets. In addition, HGOs recognise the importance of goal management which is cascaded down through the organisation – from leaders monitoring and communicating how the organisation is performing against the overall strategy, to managers having an open dialogue with employees on a regular basis and regularly reviewing performance against team and individual goals.

### 2b. Positive view of challenges

HGOs recognise that building a resilient workforce that can face challenges with confidence and flexibility, is central to success in today's high pressure global business environment. A culture of resilience results in employees being more likely to view difficulties positively and as good learning experiences. These organisations build resilience by focusing on employee work-life balance and wellness through investment in healthy work place strategies. Such strategies result in employees being more likely to manage problems without becoming stressed and remain motivated and healthy in challenging situations.

## 2c. Build job satisfaction

Employee job satisfaction directly impacts customer loyalty and advocacy. When employees find their work fulfilling and care about the organisation, they are more likely to demonstrate organisational citizenship behaviours, such as going above and beyond to meet their customer's needs.

HGOs recognise that *job fit* or having the right employee in the right role is crucial to maintaining a stable workforce. When employees are matched with work that fits their capabilities and is in line with their interests, satisfaction is likely to increase. With higher job satisfaction, employees are more likely to have better health, greater productivity and remain in the job for longer.

# Employee retention

## 2d. Increase reasons to stay

The ability to retain high performing employees is a key differentiator between HGOs and LGOs. Increasing the average tenure of high performing employees improves productivity, depth of customer relationships and profitability. Recognising this, many HGOs have made staff retention one of their top management priorities.

The benefits of retaining high performing employees include:

- Higher productivity from a more experienced workforce who have developed specialist skills and who have an intimate understanding of the organisation's operating procedures
- Reduced costs relating to recruitment, induction and training of new staff
- Extended recoupment of investment in training and development of employees
- Higher revenues due to the higher output of experienced sales and service people and longevity of relationships

For HGOs, flexibility regarding when, where and how employees work is often a key component of their retention strategy, and one that creates mutual benefits. Being able to meet both work and personal commitments results in greater job satisfaction, trust and loyalty amongst employees. For the organisation, benefits include keeping skilled and motivated employees, lower absenteeism and improved customer service. When developing their flexible work policies, HGOs invest time and resources in assessing which practices would work best for the business and matching these with employee needs.

All the factors outlined in this section, including linking personal to organisational goals, providing challenging work and building job satisfaction increase the reasons for employees to stay.

## Employee engagement and retention

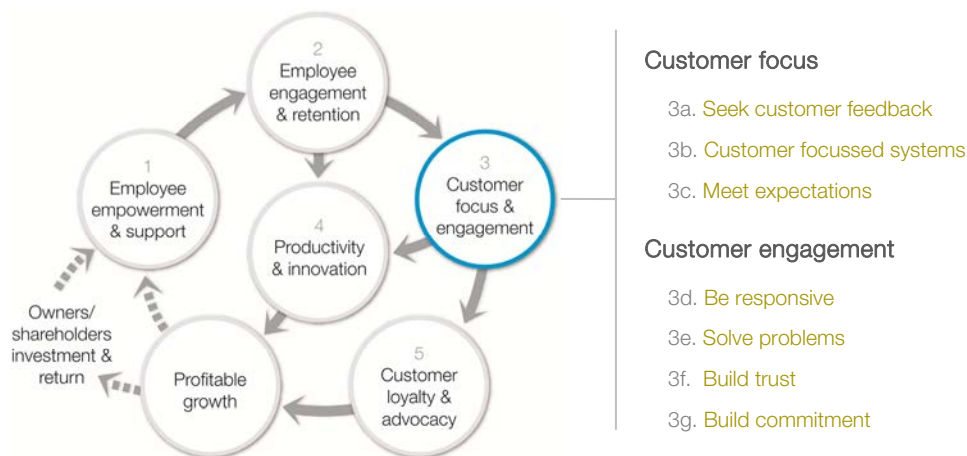
### Converting insight to action

- *Clearly link individual, team and company-wide performance at quarterly presentations*  
Celebrate success at each level by sharing an example of how high performance by a particular individual impacted their team's quarterly results and how this impacted the wider business results.
- *Source or develop training programs*  
Equip employees with problem-solving skills and tactics for handling difficult situations.
- *Identify the behavioural and technical competencies*  
For each role, incorporate behavioural and technical competencies into selection criteria, job descriptions and performance review documents.
- *Ensure that employees are engaged from the first interaction*  
Kick start engagement with the organisation by implementing a well-designed recruitment and on-boarding program. This will ensure that potential new employees have realistic expectations that the organisation can meet rather than starting off feeling disappointed or that they have made a mistake in accepting the role.
- *Consider improving and expanding flexible work arrangements if required*  
First steps will involve a detailed consultation with employees to review existing arrangements. Then see what kind of working environment can meet both their needs and the needs of the organisation.
- *Implement an exit interview strategy*  
There are many reasons why employees leave a job and whilst some of these may be beyond the organisation's control, there are often job-related drivers at play. Implementing an exit interview strategy will provide insights into whether there are systemic issues that can result in more employees leaving, if not addressed.

# Driver 3

## Customer focus and engagement

Higher levels of employee engagement and retention (driver 2) lead to greater customer focus and engagement. Greater customer focus and engagement lead to both increased productivity and innovation (driver 4) and higher levels of customer loyalty and advocacy (driver 5).



### Customer focus

Customer focus relates to the extent to which organisations really understand their customers and craft value propositions that meet their needs and expectations.

#### 3a. Seek customer feedback

As part of their commitment to building strong customer relationships, HGOs have relationships at multiple levels within their customers' organisations. Account teams are structured to enable communication with senior influencers, mid-level decision makers and day-to-day contacts; all of whom have different needs and expectations to meet if the organisations are to work together in the long term.

HGOs encourage account managers to seek customer feedback regarding how products and services can be improved. Most importantly, they ensure that feedback is collated and reviewed, and that action is taken to continually improve the experience for all customers. HGOs also conduct regular independently facilitated customer surveys, often differentiating their approach for high value and strategic customers. These survey results provide invaluable information to the organisation's board and leadership team. It sends an important message to both customers and employees of the importance placed on customer feedback.

#### 3b. Customer focussed systems

Operational systems are particularly important in determining how customers experience a product or service. Not all systems enable employees to serve their customers well. Systems that are aligned from the customer perspective enable employees to quickly access accurate and up-to-date customer information. This results in better productivity and higher quality customer interactions. HGOs invest in integrated systems that enable all employees to serve their customers at the highest standard. These systems assist employees in meeting customer expectations and improve job satisfaction. Not only do employees feel happier when they can serve their customers well, they also feel proud to be part of an organisation that provides good customer service.

### 3c. Meet customer expectations

Customers evaluate a particular product or service based on the extent to which it meets their expectations. These expectations will be based on brand associations, previous experiences and the broader market context, including perceptions of other suppliers. Perceptions of what makes up the optimal value bundle differ between organisations and individual decision makers. HGOs understand these dynamics and through their clearly defined customer value proposition ensure their internal standards are aligned with the expectations of targeted customers.

HGOs also recognise that customer expectations are always evolving due to changes in the market, such as improved technology and new competitors. Through regular communication with customers, they ensure their products and services continue to meet expectations, in terms of range, innovation and value for money. By continually listening and adapting to changing customer requirements, HGOs become more productive and innovative through a continual customer focussed improvement process. This is how increased customer focus and engagement drive improved productivity and innovation (driver 4).

HGOs achieve higher levels of satisfaction with price by ensuring their products and services meet expectations and good customer service. Satisfaction with price is inextricably linked to satisfaction with quality and service. Low satisfaction with price can be due to a product or service issue rather than the pricing strategy. To maximise customer satisfaction with price, HGOs focus on increasing the value of their products and services in line with customer needs and expectations. This requires investment in top talent to manage product development and the hiring of enthusiastic, committed frontline staff to serve as the helpful, intelligent face of the organisation.

## Customer engagement

Customer engagement refers to how the organisation interacts with its customers and the depth of relationships that it builds over time. HGOs build deep and trusted relationships that result in customer loyalty and advocacy. This section outlines four key areas that set HGOs apart in effectively engaging with their customers and building long term relationships.

### 3d. Be responsive

HGOs invest time and energy in understanding customer expectations in relation to how queries and issues should be dealt with, including the time frame for such response. HGOs build sophisticated online systems to support this process as required. They also empower employees to deal with most customer issues without reference to their superiors to speed up responsiveness. High value and more strategic customers are often prioritised when queries and issues arise.

### 3e. Solve problems

Despite best efforts, problems arise and mistakes do happen. They don't have to lead to dissatisfaction. HGOs have systems in place to manage issues well and quickly. They empower staff to go out of their way to both rectify problems and compensate for them where necessary. By having an intimate understanding of their customers, staff in HGOs are able to provide effective solutions. Solving problems as they arise builds confidence and often leads to customers being more satisfied than if they had not experienced the problem in the first place.

As relationships deepen, customers expect staff to be knowledgeable, provide the right solutions and predict their needs. To meet these expectations, HGOs recognise that employees have to become experts who can offer guidance and advice, and need to understand both the customer's business and the wider industry in which they operate. As well as investing in formal learning programs, HGOs encourage employees to attend customer meetings, undertake competitive analysis and participate in industry events to develop a well rounded understanding. This kind of broad knowledge builds confidence and enables employees to have higher level conversations with customers and to respond to their needs in new and creative ways.

### 3f. Build trust

HGOs understand that trust is essential for long term customer relationships. Trust develops when customers experience a positive outcome as a result of using a product or service. Because of that trust they assume that such positive outcomes will continue in the future. To build trust, employees need to demonstrate consistency, competency and credibility in all their customer interactions. Organisations also need to ensure that all their systems including their website communications are designed to serve their customers well.

An internal culture of trust ensures the attitudes and behaviours that build trust permeate the entire organisation. For example, returning phone calls and being on time for meetings are small things that can make a big impact on external perceptions of reliability and consistency. When these things are valued internally, staff are more likely to operate in the same way with customers.

### 3g. Build commitment

Commitment can be described as a desire to maintain a relationship with the organisation. This desire is based on a conviction that no other organisation could do a better job. Commitment also results from high levels of attachment to the supplier and its employees – due to a great experience with the product or service and their employee's responsiveness, expertise, empathy and ability to find the right solutions to customer problems.

When employees show empathy, customers feel the business cares about them and has their best interests at heart. Going above and beyond a basic level of interaction adds an emotional component to the relationship which is necessary for customers to become engaged. HGOs make the connection between employee and customer engagement, and recognise that employees will not operate in the best interests of the customer if they are disengaged from their role, their team or the organisation. Conversely, when they feel that the organisation cares about and supports them, employees are more likely to demonstrate these values to customers.

HGOs achieve customer commitment by having long term committed employees who develop a deep understanding of their customers over time. One of the strategies which HGOs use to achieve this is to ingrain a culture that values personal responsibility, independence and empowerment of employees across all levels. Furthermore, HGOs recognise that the key to success is getting the right people on board and have specific recruitment processes that ensure individuals with the right characteristics (i.e. flexibility, determination and willingness to handle challenges) are hired.

## Customer focus and engagement

### Converting insights to action

- *Use multiple channels to understand your customers and their business requirements*

This includes:

- customer surveys,
- regular customer visits by senior managers,
- attendance at seminars and conferences,
- researching customer industry trends, and
- reading customer reports and publications.

- *Evaluate business and support systems*

Ensure your systems support your customer value proposition (CVP).

- *Regularly evaluate your CVP*

Ensure your CVP remains competitive as customer needs change due to economic conditions, new technologies and new market entrants.

- *Continuously train your employees*

As the CVP changes, employees will need continuous training to update them with new skills, knowledge and technology that will help them manage changing business demands.

- *Provide frontline employees with the tools and authority*

This helps them to solve problems quickly and effectively.

- *Make sure you have the right people in the right roles*

Only those that have the personality to serve customers patiently, professionally and in a friendly manner should be in customer facing positions.

- *Close the loop by thanking customers*

Thank your customers for their business, collecting feedback on your performance and capturing insights into how to delight them next time.



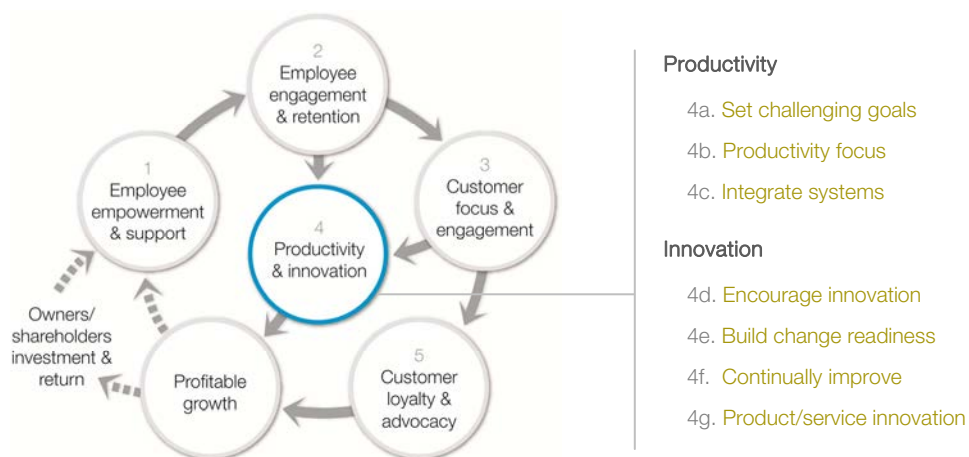
# Driver 4

## Productivity and innovation

Productivity and innovation is driven by employee engagement and retention (driver 2) and by customer focus and engagement (driver 3). Employees who are more engaged contribute more discretionary effort to the organisation thereby improving productivity, improving processes and innovating for the benefit of their organisation. Engaged employees are far more interested in suggesting and implementing improvement initiatives than disengaged employees.

HGOs ensure that their productivity and innovation is focussed on improving their product, services and their customer outcomes. Organisations that are tuned in to the needs, expectations and desires of their customers use that knowledge to improve productivity and achieve customer focussed innovation.

Productivity and innovation are at the core of the Profitable Growth Cycle, and include both cultural behaviours and operational systems. Having a culture committed to productivity and innovation, supported by effective operating systems, enables employees to be high performing and continue meeting customer needs as they change over time. The requirement to meet current customer needs efficiently and also anticipate and respond to customer needs as they evolve, makes productivity and innovation a key driver of profitable growth.



### Productivity

An organisation's productivity is determined by:

- the engagement of skilled and motivated people,
- working with streamlined processes,
- having the required quality and quantity of input resources, and
- deploying the right capital equipment and technology.

In this paper we highlight the importance of the human factor which determines and directs the other factors in driving higher productivity.

#### 4a. Set challenging goals

Teams that set goals are more likely to increase performance, particularly when those goals are challenging, achievable and measurable. Having goals provides focus and enables teams to prioritise projects and other tasks according to how they will impact those goals. Managers in HGOs ensure that the goals set are aligned with organisational strategy and have relevance to team members. Relevance is achieved by involving the team in the goal setting process. This ensures

each team member understands and accepts the goals, which reinforces the value and importance of their contribution. This gives employees a sense of ownership, which leads to greater commitment. In addition to setting goals, managers also conduct regular performance reviews with their team to track progress, identify obstacles and reward effort. Critically, managers should be consistent in goal setting; few things cause greater frustration for employees than goals that are continually shifting.

#### 4b. Productivity focus

HGOs are committed to continually increasing productivity particularly where it improves products, services and customer outcomes. They:

- regard team productivity as a key driver of organisational growth,
- implement team based strategies that aim to increase productivity whilst maintaining a positive work environment,
- ensure their individual and team performance is high,
- ensure their work contributes to the bigger plan, and
- are more likely to be vigilant about addressing issues as they arise, rather than allowing them to develop into problems that can negatively impact performance.

HGOs recognise that line managers have a key role to play and are critical to success. Good managers form close working relationships with staff and act as positive role models. When managers communicate effectively, employees are more likely to understand the importance and benefits of productivity improvements and to contribute to achieving them.

#### 4c. Integrate systems

HGOs invest more in systems that enhance performance, encourage collaboration and efficiency across the business, and that serve customers well. In addition, they encourage employees to streamline their work practices and develop creative solutions to organisational challenges. As a result both productivity and job satisfaction increase as time consuming, frustrating processes are improved or eliminated.

Efficient processes result in fewer delays and enable employees to deliver a better service to customers. HGOs are more likely to have systems that enable employees to provide a highly responsive service to customers. Similarly, smooth collaboration between employees, partners and suppliers not only boosts efficiency and reduces costs for the organisation, but delivers the same benefits to customers.

## Innovation

Profitable growth depends on making ongoing improvements to operating practices and enhancing customer offerings. This can only be achieved well with highly engaged employees that are customer focussed and engage their customers in their innovation and improvements. In this section, we consider the vital role of senior leaders in encouraging innovation, building change readiness in work groups, bringing innovative products and services to the market place and continually improving in all areas.

#### 4d. Encourage innovation

Innovation involves risk. Not all ideas for improving products or processes will work. A culture of innovation can only thrive where there is a tolerance for making mistakes, learning lessons and applying the lessons to future activities. Risk needs to be managed by making small bets, shutting down those that don't work out, and expanding those that do work out.

Senior leaders play a critical role in creating a safe environment for sharing radically different ideas and experimenting with new ways of working. In HGOs, senior leaders demonstrate to employees that innovative and creative ideas are welcome. Innovation will be stifled where employees are not empowered to make decisions and try new things – though it is critical that employees should be aware of the boundaries within which they have freedom to operate. Employees need to be clear on

the extent of their delegated authority so that the decisions they make are commensurate with their knowledge, experience and role. Notwithstanding this, senior leaders need to make it clear that all employees have a role to play in innovation, and should celebrate both big and small wins in improving the organisation's processes and customer offerings.

#### 4e. Build change readiness

While change is often touted as being positive, it frequently involves uncertainty and anxiety. Changing working practices, for example, often implies that employees who have extensive experience of the current practices will be moving from being unconsciously competent to consciously incompetent. They will have to learn new ways of working that may take some time to master and increase the effort and thinking required to get the job done. In the short term productivity may decline. The new practices may also involve working to higher performance targets, which brings with it the fear of failure.

Change readiness is essential if changes are to be implemented without major disruption and a negative impact on employee morale. In HGOs work groups cope well with change. Employees:

- Trust that they will be properly consulted before changes are made
- Know that they will be made fully aware of the reasons for the changes and will have provided input into how the changes should be made
- Are confident that they will receive the training they need to work with the new practices or new products, and that the organisation will provide the support needed
- Know that if any mistakes are made in designing the new products or processes, then corrective actions will be speedily taken

The agility that comes from high change readiness gives HGOs a very big advantage over their competitors and enables them to respond very quickly to changes in the external environment.

#### 4f. Continually improve

HGOs constantly seek to improve business processes and systems. They identify and remove situational constraints that act as barriers to high performance. Continuous improvement requires a dynamic workplace that is innovative, flexible and adaptable. To this end, leaders inspire and motivate all employees to seek better ways of working. They recognise that employees are a rich source of improvement ideas and promote open communication across the organisation to ensure employees feel confident sharing their ideas. While allocating organisational resources to making process and system improvements can be expensive, it is often a non-negotiable requirement for improving both customer service and organisational efficiency.

#### 4g. Product/service innovation

HGOs listen to their employees and their customers. This makes them aware of unfulfilled needs and opportunities for improvement. They make ongoing incremental improvements to their existing products as appropriate, and from time to time introduce new products and services with substantial changes and improvements. HGOs recognise that they need to keep scanning the environment to identify unmet customer needs as well as new technologies that will meet evolving needs in a much better way. HGOs have worked out what level of investment in research and development is optimal for their industry and circumstances, and apply a disciplined investment process for bringing innovative products and services to the marketplace ahead of competitors.

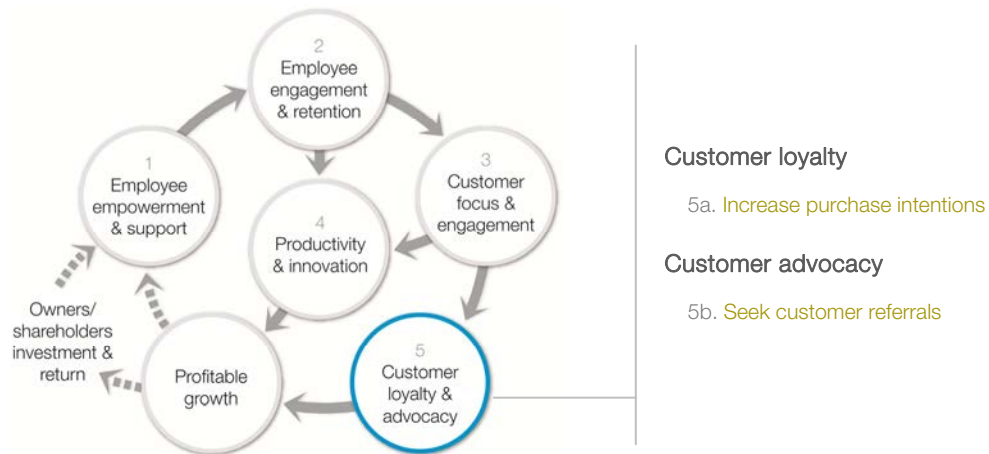
## Productivity and innovation

### Converting insights to action

- *Ensure goals are challenging but achievable*  
Goals should give the team something to strive for but should not be unreachable. The attainment of the goals needs to be within the team's control, rather than driven by a host of external circumstances.
- *Build team cohesiveness*  
Create a sense of shared purpose. This lets team members feel valued and that they belong. Convey to employees that every person has an important role to play and encourage cooperation rather than competition. Use group incentives where appropriate.
- *Evaluate systems and processes*  
At every level of the organisation evaluate your systems and processes to see where changes are needed to enhance efficiency.
- *Create an open culture*  
This helps employees to make suggestions for improvements without fear. Leaders must be open, supportive and trusting so that ideas can be shared, risks taken and boundaries explored.
- *Foster a culture of innovation and creativity*  
Run cross-team innovation workshops that brainstorm ideas and solutions for solving operational issues, developing better processes or streamlining particular tasks. Bring together employees from across the organisation to ensure that different viewpoints and capabilities are utilised.

## Driver 5 Customer loyalty and advocacy

The outcome of customer focus and engagement (driver 4) is customer loyalty and advocacy, the fifth driver in the cycle.



### Customer loyalty

Numerous studies have demonstrated the link between customer loyalty and profit. Loyal customers represent repeat business, tend to buy more and are more likely to pay a premium price. They also cost less to work with.

#### 5a. Increase purchase intentions

HGOs recognise that there are drivers outside of their control that can impact customer loyalty, such as budget pressure leading to a reduction in customer purchases. HGOs mitigate external risks by ensuring the CVP meets expectations and delivers the promised benefits, by building deep relationships at multiple levels, and by having committed employees who have built a deep understanding of their customers over time.

HGOs also measure customer purchase intentions both in relation to existing products and services and new or additional products and services. Again, this is about being proactive and leading a dialogue with customers. Such measurement provides critical information regarding the most loyal customers and also those that may be at risk of churn in the future. Having this information enables account managers to start a conversation about the pressures that customers may be under, or product and service improvement.

### Customer advocacy

Customer advocacy is a key component of the Profitable Growth Cycle. Being willing to recommend an organisation to others is not only strongly associated with future purchase behaviours, but is also an invaluable avenue for organisations to win new customers through referrals.

## 5b. Seek customer referrals

As well as measuring loyalty, HGOs build a measure of customer commitment into their customer retention strategy. The Net Promoter Score (NPS)<sup>1</sup> is one such measure. It calculates the difference in the proportion of customers that feel so positively about a product or service that they will recommend it to others (promoters), versus those customers that feel so negatively about an organisation that they are more likely to criticise it to others (detractors).

HGOs recognise the power of this information and invest the necessary resources in gathering and reporting the data. They track variations in NPS and investigate what causes customers to be promoters or detractors. Investigating NPS scores with customers keeps communication channels open and provides customers with a means of providing critical feedback. In addition, HGOs develop action plans for areas with low NPS scores and hold managers accountable for improvements. HGOs are open to and seek this feedback to drive ongoing productivity and innovation to improve their products and services.

As well as recognising the value of this feedback from a customer perspective, HGOs also look inwardly and assess what proportion of their employees feel so positively about the organisation, that they would recommend it as a place to work. Measuring both customer and employee commitment identifies internal and external barriers to performance. Removing such barriers leads to greater loyalty on both sides and drives high performance through increased employee productivity and customer growth.

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<sup>1</sup> Net Promoter is a registered trademark of Satmetrix Systems, inc., Bain & Company and Fred Reichheld

## Customer loyalty and advocacy

### Converting insights to action

- *Make it a priority to collect actionable customer information*  
Collect customer information relating to purchase intentions and willingness to recommend your organisation and its products and services to others.
- *Act on the information collected*  
Involve front-line employees in action planning to brainstorm improvement ideas. Develop action plans that identify the cause of any problems and barriers to improvement, allocate resources, assign people and time scales. Set measurable targets for improvement, and review progress.
- *Make improving customer loyalty and advocacy everyone's priority*  
Once action plans are in place, make improving customer loyalty and advocacy everyone's responsibility by incorporating the scores into performance management metrics throughout the organisation.
- *Further investigate the links between employee and customer commitment*  
Also build comparable measures into the organisation's key metrics. This will identify gaps in external and internal perspectives which can then be addressed.

# A tale of two organisations: a case study

## Case study context and limitations

With permission from the respective CEOs, we examined the Profitable Growth Cycles of two different organisations. These cases were chosen as they both operate within the business services sector and are comparable by revenues and employee numbers. In addition, both organisations undertook both an Insync Surveys Alignment and Engagement Survey and a Customer Satisfaction Survey in 2012.

The organisations differ significantly in their financial performance. The high growth organisation (Alpha Corporation) increased its revenues by 18% and profit margins by 10%, whilst the low growth organisation (Beta Corporation) experienced declines in revenues of more than 5% and in profit margins of more than 8%.

We believe this case study is very useful for illustrating some of the key concepts of the Profitable Growth Cycle. We were able to compare and contrast all the key indicators of the cycle, using 32 survey items from their respective employee and customer surveys. Each item was associated with the relevant driver of the Profitable Growth Cycle (see Appendix B).

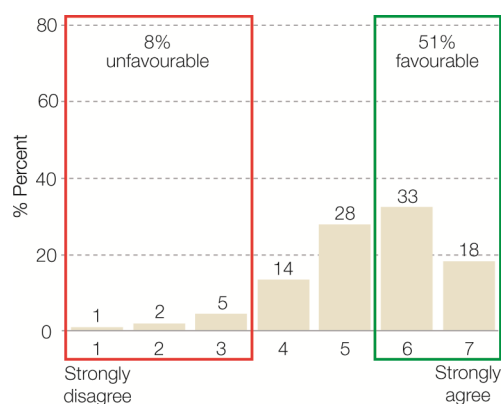
The case study illustrates the key concepts of the Profitable Growth Cycle, but does not validate it due to two main limitations. The first limitation is that it measures financial performance in a limited way and over a limited time. It only looks at the growth in revenue and profit margin, without considering economic profit or return on capital employed. It also only considers the results over one year, without measuring sustainability over an extended timeframe. The second limitation is that it only looks at two organisations, and therefore the results cannot be generalised to other organisations.

The value of the case study is to illustrate the concepts that have been presented and to show how specific actions by leadership teams can result in significant financial improvements within a short time frame. We trust that this case study will give readers some practical ideas for improving their own organisation's performance within a useful framework.

## Methodology

Employee and customer responses to the survey items are measured on a seven-point agreement scale whereby 1 = strongly disagree and 7 = strongly agree. The data is presented using a *net favourable* score, calculated as the difference between the percentage of favourable responses (6 = agree and 7 = strongly agree) less the percentage of unfavourable responses (1 = strongly disagree, 2 = disagree and 3 = slightly disagree). Neutral responses (4 = neither agree nor disagree and 5 = slightly agree) were not included in the net favourable calculation. We decided to use a net favourable score because it illustrates the differences clearly, provides a single metric for each item and helps to preserve the anonymity of both organisations.

Example: Distribution of responses to a survey item





To illustrate this further, with reference to the chart above, the net favourable score would be calculated as the favourable score of 51% less the unfavourable score of 8% to arrive at a net favourable score of 43%. It shows that the percentage of employees who have a favourable view of the item exceed the percentage of employees who have an unfavourable view by 43%.

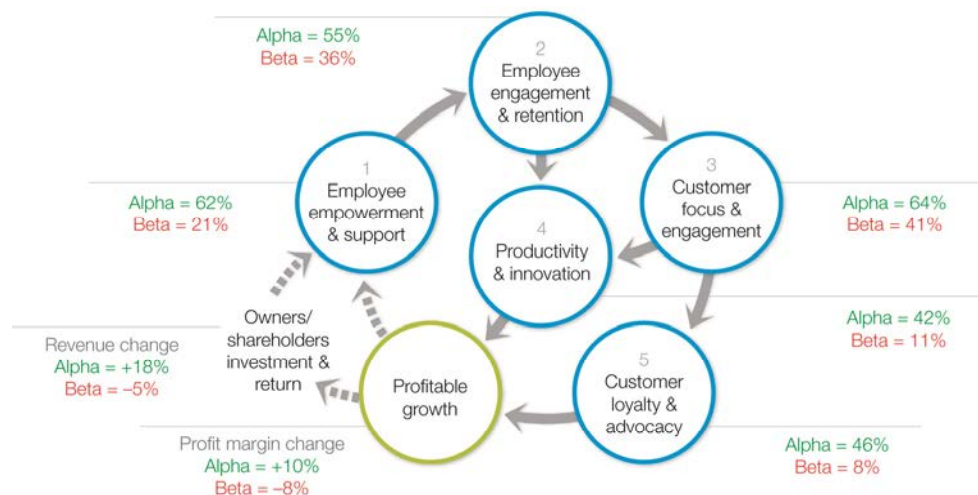
## Key findings

The two organisations featured in this case study have experienced the Profitable Growth Cycle in contrasting ways. Though both organisations are in the business services sector they are not competitors, and the difference in their financial performance is undoubtedly driven to some extent by differences in the external forces they are dealing with. However, as the data shows, internal forces have played a major role, with Alpha Corporation (HGO) experiencing the benefits of a positive Profitable Growth Cycle, while Beta Corporation (LGO) experiencing the converse. Across all five factors, the percentage of favourable responses exceeds the percentage of unfavourable responses by 54% for Alpha Corporation and by only 23% for Beta Corporation.

The main differences between Alpha and Beta Corporation for each of the five drivers of the Profitable Growth Cycle are detailed in the diagram below. A more detailed breakdown of the results across the 32 survey items is provided in Appendix B.

## Profitable Growth Cycle for Alpha and Beta Corporation

Average net favourable scores of Alpha and Beta Corporation are shown in the Profitable Growth Cycle below.



## Main differences between Alpha Corporation and Beta Corporation

Our analysis of Alpha and Beta Corporation indicate that there are eight key areas where the differences are most notable. Most of these main differences relate to employee empowerment and support, the first driver of the Profitable Growth Cycle, which sets a strong foundation for the other drivers of profitable growth.

## Employee empowerment and support – communicate strategy

Alpha Corporation has been remarkably successful in communicating its strategy to employees.



Alpha Corporation invests a lot of effort in developing and communicating its strategy. It reviews and updates its strategic priorities on an annual basis at a full day workshop with its top 20 managers. Following this event the organisation's direction, goals and initiatives are summarised on a single page. The strategy is communicated to all employees at its annual conference and then in periodic updates including at quarterly all-staff meetings, monthly business reviews and regular email updates from the CEO. As a result, employees are very clear on where the organisation is going and what they have to do to help the organisation get there.

## Employee empowerment and support – set clear expectations

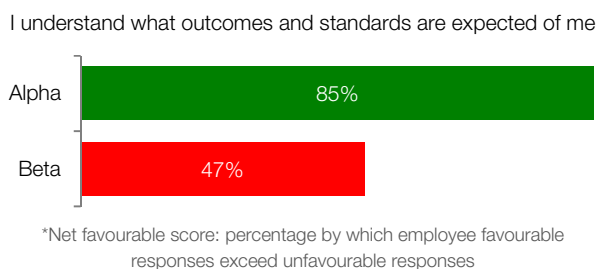
Alpha Corporation is focussed on high performance. Each employee has their own performance scorecard appropriate to their role. The scorecards have balanced metrics that include the value of business employees manage, project profitability, customer feedback and revenue generation. Approximately 15 to 20% of total remuneration is variable depending on the achievement of the specified outcomes.

The priority that Alpha Corporation places on role clarity is illustrated by the following comment from their employee survey:

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*"It is absolutely essential that all incoming staff, including casuals, understand the business, the products and what is required of them"*

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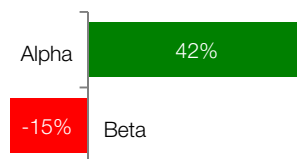
Managing the business on the basis of outcomes rather than activities provides employees with discretion and flexibility in how they meet their responsibilities and also frees managers up to focus on clients and strategic matters, rather than continually looking over employees' shoulders. This empowers employees to respond flexibly to customer needs and ensure that customer needs are fully met. It also increases job satisfaction and accelerates personal development.

### Employee empowerment and support – train and develop employees

Alpha Corporation ensures that its employees have the capabilities and aptitude required to do their jobs well. This is well summarised in the following survey comment from one of the organisation’s senior managers:

*“We need to continue to invest in people; they are our best asset and we need to continue to offer good professional development opportunities and room for them to grow and develop”*

I get the training and development I need to do my job well



\*Net favourable score: percentage by which employee favourable responses exceed unfavourable responses

Alpha Corporation’s employee development program has many components including:

- a good knowledge management system
- external classroom learning, a suite of e-learning courses
- monthly internal learning programs
- coaching and shadowing on projects, and
- formal mentoring.

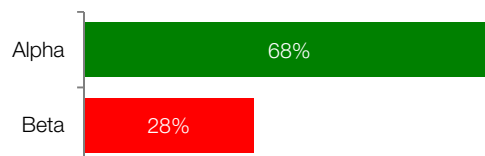
It is based on a comprehensive career development model and competency framework that enables employees and their line managers to chart a robust development plan for each employee.

This is the area of greatest difference between Alpha Corporation and Beta Corporation. Training and development is an area of very poor performance in Beta Corporation with the majority of employees believing that they don’t receive the training and development they need to do the job well. This is likely to be having a significant negative impact on employee retention and customer satisfaction.

### Employee empowerment and support – high bar for internal service

Employees at Alpha Corporation believe that they give and receive very good internal customer service.

Departments in this organisation provide good customer service to each other



\*Net favourable score: percentage by which employee favourable responses exceed unfavourable responses

Alpha Corporation invests heavily in its culture. Its values include team work and accountability that are invaluable in ensuring that employees are prepared to help each other and to follow through on any commitments they make to each other. Alpha Corporation also has robust project management processes based on lean manufacturing principles and has systems that enable employees to do their jobs well. Confidence in the service that they themselves will receive from their colleagues allows these employees to go out of their way to provide the level of service that customers expect.

### Employee empowerment and support – recognise and reward employees

Alpha Corporation has invested a great deal of planning and effort in structuring an appropriate reward and recognition structure for its employees. The key role of individual performance scorecards and structuring an outcome based remuneration structure has been outlined above.

Alpha Corporation also puts a very high emphasis on recognition. Formal recognition practices include annual and quarterly awards for the employees who most consistently display the company’s values. There is also formal recognition for the people who meet business development and project management targets.

Perhaps even more important than formal recognition is the informal recognition that employees give each other. It is common practice to email colleagues when a team member reaches a milestone or goes out of their way to help someone else. People are also thanked and recognised at monthly drinks and other regular team meetings.



One employee highlighted the importance and effectiveness of recognition in Alpha Corporation’s staff survey:

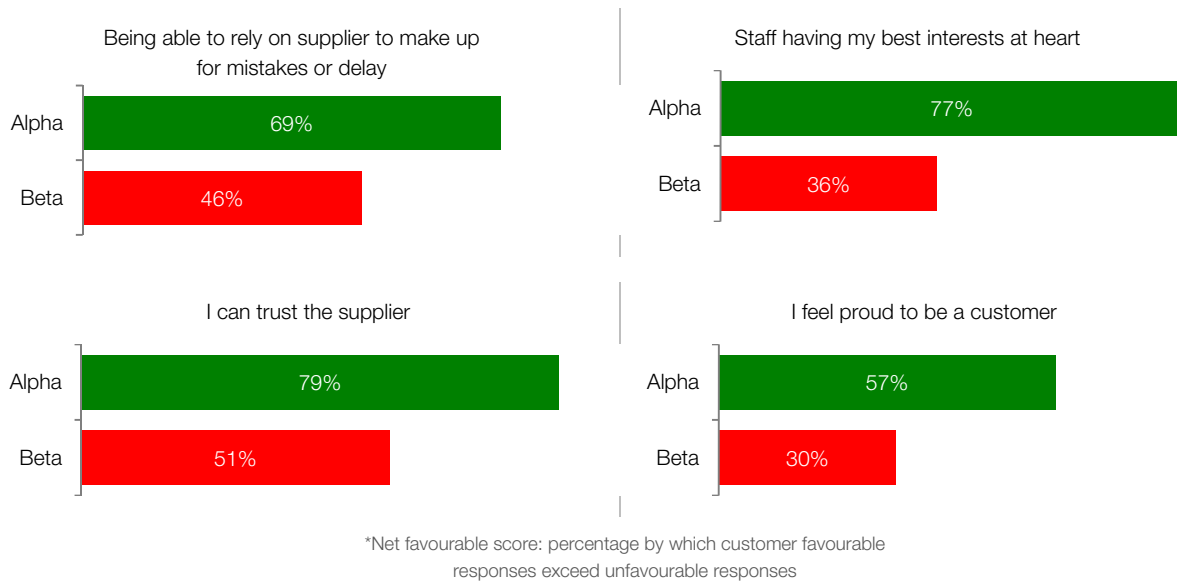
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*“This organisation is very good at caring about and rewarding our people for work well done. Awards and things may seem lame, but they do help you feel appreciated. Recognising effort in simple ways like having a drink on a Friday afternoon, team building, relationship building and rewarding effort after a long and hard week. It doesn’t cost much, but it is something we all look forward to and makes the long hours/effort a little easier to handle going into the weekend.”*

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## Customer focus and engagement

As a result of its strong employee engagement, Alpha Corporation has achieved very impressive levels of customer engagement as evidenced by the following four key indicators:



Customer comments also show the depth of engagement that Alpha Corporation has been able to achieve with its customers.

*"I find the people I deal with both helpful and friendly and who are able to offer solutions no matter what is thrown at them."*

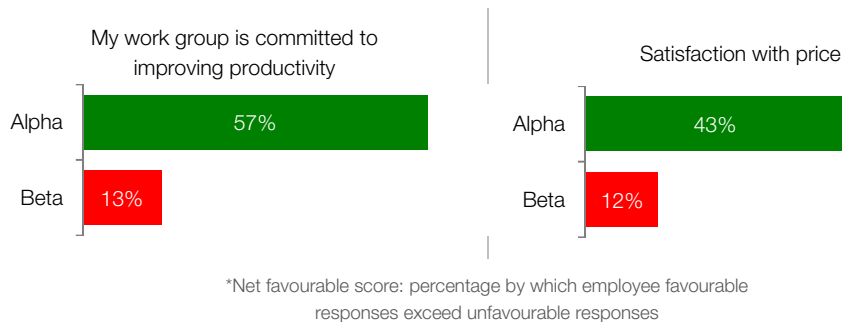
The vast majority of Alpha Corporation's customers believe that staff are friendly, professional and can genuinely be trusted. The depth of relationship accounts for why customers are both loyal to, and advocates for, Alpha Corporation.

## Productivity and innovation – productivity focus

Employees at Alpha Corporation are committed to improving productivity. A key benefit of Alpha Corporation's productivity and innovation is that customers are much more satisfied with Alpha Corporation's pricing. This is one of the crucial factors behind why customers are much more loyal to Alpha Corporation.

Alpha Corporation regards team productivity as a key driver of organisational growth, and implements team strategies that increase productivity whilst maintaining a positive work environment. Profitability of projects is closely monitored and reports are sent to team members as soon as each project is closed in the system. Post project reviews allow the team to consider what went well and identify improvement opportunities for future projects.

In this way Alpha Corporation's employees are able to address issues as they arise, rather than allow them to develop into problems that can impact performance.



Employee comments illustrate how seriously the commitment to productivity is at Alpha Corporation:

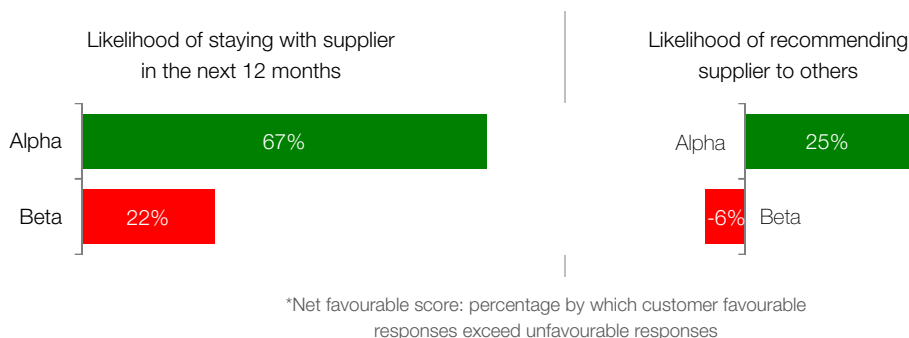
*"We must continue to review market best practices and invest in research & development. We must keep on improving our understanding of the productivity levels within each project and have a closer examination of factors that contribute to loss making projects"*

Alpha Corporation's productivity and innovation allows it to offer very competitive prices to clients. This means that Alpha Corporation has a very high win ratio for new business (over two thirds) and also retains customers over many years. In Alpha Corporation's customer survey, numerous customers expressed their satisfaction with the value for money they receive. An example of a customer comment is as follows:

*"We are generally very happy with the products/services we get and the value for money. The people we deal with are great, accommodating and will go the extra mile to meet our needs"*

### Customer loyalty and advocacy

In a flat market Alpha Corporation has achieved annual revenue growth of 18%. This is driven by its ability to retain existing customers and win new customers. Many new customers have been won as a result of referrals from its existing customers. Alpha Corporation's indicators for retaining existing customers and benefiting from referrals are very strong as indicated below.



Alpha Corporation's customer survey indicates that none of its customers are actively considering moving to a new supplier. It has very few detractors and has many customers who are highly likely to recommend it to others. Alpha Corporation is always seeking to get feedback from its customers and find out how it can serve them better. It contacts a select group of customers on a monthly basis to get feedback on its performance. Every customer is asked for formal feedback as part of this program. By keeping track of its performance in its customers' eyes Alpha Corporation is able to act quickly if issues emerge and take corrective action. As a result it enjoys very strong relationships with its customers and this is being translated into strong revenue and profitable growth.

# Making the Profitable Growth Cycle work for your organisation

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## 1. Trust the process

Most executive teams are highly focussed on achieving their financial targets, and rightly so. In many organisations, however, the pressure is so intense that it can lead to extreme short-termism and counter-productive behaviours that drive the organisation into a negative spiral. Employees become disillusioned and burnt out, and customers get short changed. Conversely, we work with many executive teams who have confidence that if they look after employees, employees will look after customers, and to some extent the numbers will look after themselves. Our experience and numerous research studies show that the best way to achieve sustainable revenue and profit growth is to understand and apply the linkages between employee engagement, customer engagement, productivity, innovation and targeted financial outcomes.

## 2. Invest in employees

Without passionate and committed employees your organisation is unlikely to have satisfied, committed customers. To deliver on your promises to customers, you must ensure:

- Employee roles are aligned to your customer strategy
- Customer focus is incorporated into recruitment practices to ensure the right people are placed in roles that contribute to delivering excellent customer service
- Your employees receive the training and development they need to do their jobs well
- Managers work with employees to structure reward and recognition systems that are truly meaningful and motivating to them

This will lead to a sustainable, high performing workforce that can build long term customer relationships.

## 3. Revisit your strategy

Increased levels of competition require increased levels of specialisation. Your strategy must clearly specify how your organisation is different, identify your core competencies and define how you can offer your targeted customers superior value to your competitors. If your organisation is falling short of its financial goals, examine whether your strategy has enough focus on differentiation and specialisation. Then examine whether you have implemented robust operating systems for executing your customer strategy in the most efficient and effective way. Finally, make sure that your strategy is communicated clearly and concisely to employees, and that progress in implementing the strategy is communicated regularly via both electronic and face-to-face channels.

## 4. Prioritise productivity and innovation

Without efficient and integrated systems your organisation will not be able to effectively put its customer strategy into practice. Poor systems have a big impact - not only do they reduce efficiency and productivity, they also negatively impact employee morale and engagement. Systems that are fit for purpose enable high performance. They provide employees with the support and resources needed to do their jobs well and promote a culture of continuous improvement. Operating systems are a key driver of customer loyalty as they enable excellent service and longer term relationships.



In today's fast changing world, innovation is not optional for any organisation. Senior leaders must create an environment that permits reasonable and managed risk taking, encourages experimentation and learning from mistakes, and provides an impetus to partner with customers to continue improving and doing things better. Resources need to be made available for product and process development. Ideally targets and metrics should also be put in place to track how well the organisation is travelling on its innovation journey.

## 5. Build deep customer relationships

A well conceived CVP is a necessary, but not sufficient, requirement for achieving customer loyalty and profitable growth. A CVP that finds the right mix of quality, service and price is critical for building competitive advantage. However, to make it sustainable over time you need to go beyond this and build deep customer relationships. Customers will trust your organisation and be committed to it when they believe that your employees have their best interests at heart, when employees respond quickly to queries and when they can be relied upon to resolve issues or delays. When customers know that they can genuinely trust your organisation to continue delivering what it has promised, they are much more likely to be loyal and to recommend you to others. This loyalty and advocacy are indispensable requirements for driving the Profitable Growth Cycle.

## 6. Measure and act

To keep your organisation on track and ensure that it achieves your revenue and profit objectives, it is essential to measure both employee and customer engagement through the full cycle. Employee and customer surveys enable organisations to measure all the key elements of the Profitable Growth Cycle described in this paper. Some of the key suggested metrics are illustrated below.

Examples of key metrics for the Profitable Growth Cycle



Metrics relating to the five drivers are largely lead indicators which will give some advance notice if the lag indicators of revenues and profitability are likely to underperform. Early warnings will enable the organisation to respond much more quickly and fix any underlying issues that could drag down its performance. Metrics must be cascaded throughout the organisation to ensure that everyone is contributing in the right way. A well balanced set of metrics will also guide you in how to best invest your time, energy and money to continue building a robust and resilient Profitable Growth Cycle.

# Appendix A

## The Profitable Growth Cycle on a page

The Profitable Growth Cycle illustrates how organisations can create a virtuous cycle that starts with employee empowerment and support, and ends with achieving sustainable revenue and profit growth. Profitable growth not only enables a good return for shareholders, it also allows continued investment in employee empowerment and support, which in turn allows the cycle to continue building on itself over time.

### Driver 2: Employee engagement & retention

When employees are empowered and supported, they are much more likely to think and feel positively about the organisation and to exert discretionary effort for the benefit of the organisation. These employees:

- Believe their own success is important for the organisation's success
- View challenges at work as good learning experiences
- Are satisfied with their jobs
- Can envisage a future for themselves in the organisation

### Driver 1: Employee empowerment & support

To drive profitable growth, employees must be empowered and equipped to do their jobs well. Employees of high growth organisations:

- Understand the organisation's strategy
- Can link their actions to the organisation's goals
- Understand the standards expected of them
- Get the training and development they need
- Receive good internal customer service
- Receive effective recognition and reward



### Profitable growth

Customer loyalty drives growth as loyal customers represent repeat business, tend to buy more, are more likely to pay a premium price, and cost less to work with. Customer advocacy drives growth as customer referrals help to bring in new customers with much lower marketing costs.

Productivity drives growth as it enables the organisation to be competitive and to achieve sustainable margins. Innovation drives growth as the organisation is able to stay ahead of competitors and meet emerging customer needs.

### Driver 3: Customer focus & engagement

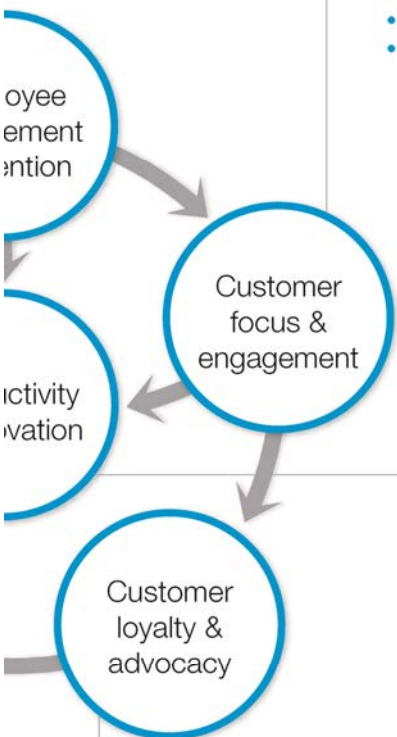
Highly motivated and experienced employees lead the organisation's efforts to understand their customers and to craft value propositions that meet their needs and expectations. They also build deep relationships with their customers over time. High growth organisations:

- Regularly ask their customers how they can serve them better
- Implement systems that enable them to serve their customers well
- Ensure that they meet customer expectations relating to quality, service and price
- Respond quickly to customer queries
- Ensure mistakes are quickly rectified
- Build trust with their customers

### Driver 4: Productivity & innovation

High growth organisations are committed to meeting current customer needs efficiently and also to anticipating and responding to customer needs as they evolve. They don't only rely on the commitment and experience of their employees, they also partner with their customers to drive productivity and innovation. High growth organisations:

- Have work groups that are committed to improving productivity
- Use challenging goals to increase performance
- Ensure that systems perform well together
- Are committed to bringing innovative products and services to the market place
- Have senior leaders who encourage innovative and creative ideas
- Equip work groups to cope well with change



### Driver 5: Customer loyalty & advocacy

As a result of their focus on customer needs and ability to engage effectively with their customers, high growth organisations achieve much greater customer loyalty and advocacy. In particular:

- Their customers are much more likely to continue purchasing from them
- Their customers are much more likely to recommend them to others

Customer loyalty and advocacy are indispensable requirements for maintaining current revenue streams and generating new revenue streams within the Profitable Growth Cycle.

# Appendix B

## Case study data

Driver		% Net favourable*	
		Alpha Corp (HGO)	Beta Corp. (LGO)
<b>Driver 1</b>			
Employee empowerment	Our organisation's overall strategies have been clearly communicated to me	71	27
	Our everyday actions and performance are clearly linked to the organisation's goals	42	25
	I understand what outcomes and standards are expected of me	68	28
Employee support	I get the training and development I need to do my job well	42	-15
	Departments in this organisation provide good customer service to each other		
	Our organisation has effective programs for recognising and rewarding achievements of its people	65	12
<b>Driver 1 average</b>		<b>62</b>	<b>21</b>
<b>Driver 2</b>			
Employee engagement	I believe that my own success is important to the success of the organisation	74	50
	Most challenges I face at work are good learning experiences	63	46
	Overall, I am satisfied with my job	42	19
Employee retention	I can envisage a future for myself in our organisation	40	30
<b>Driver 2 average</b>		<b>55</b>	<b>36</b>
<b>Driver 3</b>			
Customer focus	We often ask our customers how we can serve them better	45	35
	Our systems enable us to serve our customers well	42	8
	Satisfaction with quality	67	52
	Satisfaction with delivery	68	54
	Satisfaction with price	43	12
	Products and services meet my needs/expectations	77	64
Customer engagement	Speed of response to queries		
	Being able to rely on supplier to make up for mistakes or delay	69	46
	Knowledge of staff	79	59
	Staff having my best interests at heart	77	36
	I can trust the supplier	79	51
	I feel proud to be a customer	57	30
<b>Driver 3 average</b>		<b>64</b>	<b>41</b>
<b>Driver 4</b>			
Productivity	My work group is committed to improving productivity	57	13
	My work group uses challenging goals to increase performance	47	13
	Our organisation puts every effort into ensuring our systems perform well together	29	10
Innovation	Our organisation is committed to continually improving our systems	34	9
	Our senior leadership team encourages innovative and creative ideas	46	20
	My work group copes well with change	57	3
	Our organisation is committed to bringing innovative products and services to the market place	23	19
	The provider offers innovative products/services (from customer survey)	52	47
<b>Driver 4 average</b>		<b>43</b>	<b>16</b>
<b>Driver 5</b>			
Customer loyalty	Likelihood of staying with supplier in the next 12 months	67	22
Customer advocacy	Likelihood of recommending the supplier to others	25	-6
<b>Driver 5 average</b>		<b>46</b>	<b>8</b>
<b>Overall average</b>		<b>54</b>	<b>23</b>

\*Net favourable score: percentage by which favourable responses exceed unfavourable responses from employees or customers

# Appendix C

## Additional evidence for the Profitable Growth Cycle

In developing Insync Surveys' Profitable Growth Cycle we carried out an extensive review of published research. A summary of our key references is provided below as supporting evidence for our own insights obtained from conducting hundreds of customer and employee surveys over many years.

### The 7 organisational habits that drive high performance

*Insync Surveys white paper: The 7 organisational habits that drive high performance (2013)*

Based on data collected from over 100,000 employee responses from around 200 organisations that had completed Insync Surveys' Alignment and Engagement Survey, we analysed employee responses to the item "Our organisation is committed to high standards of performance" to identify the top 25% and bottom 25% organisations. Comparisons between the High Performance Organisations (HPO) and Low Performance Organisations (LPO) identified seven differentiators or habits that the top organisations apply consistently and repeatedly in a way that the leadership and employees clearly recognise.

These seven habits are:

- Live an inspiring vision
- Communicate clear strategies and goals
- Develop your people
- Go out of your way to recognise your people
- Genuinely care for your people
- Listen and adapt to your customers' needs
- Continually improve your systems

A brief summary of the data supporting the seven habits is set out below.

Habit	Comparison of High Performances Organisations (HPO) with Low Performance Organisations (LPO)
Live an inspiring vision	The biggest differentiator between high performance and low performance organisations is the employee's connection with the organisation's vision: 54% of HPO employees agree that their senior leadership team has an inspiring vision for their organisation, compared to 24% of LPO employees
Communicate clear strategies and goals	High performance organisations make a priority of communicating their strategies clearly (69% compared to 36% of LPO employees)
Develop your people	Far more employees of high performance organisations believe their organisation has effective plans for developing and retaining their people (40% compared to 15% of LPO employees)
Go out of your way to recognise your people	Over half the employees of high performance organisations believe their senior leadership team goes out of their way to acknowledge and thank people for their contribution (55% compared to 27% of LPO employees)
Genuinely care for your people	The majority of employees in high performance organisations perceive their organisation to be caring and committed to them (59% compared to 33% of LPO employees)
Listen and adapt to your customers' needs	More than three quarters of employees in high performance organisations believe that their organisations consistently show a commitment to achieving long term customer loyalty (79% compared to 47% of LPO employees)
Continually improve your systems	Almost three quarters of employees in high performance organisations agree that their organisation is committed to continually improving its systems (73% compared to 41% of LPO employees)

## Employee Engagement Task Force “Nailing the evidence” workgroup

*Rayton, B., Dodge, T., D’Analeze, G. (2012). Employee Engagement Task Force “Nailing the evidence” workgroup. University of Bath School of Management and Marks and Spencer plc*

In 2012 the UK Government Employee Engagement Task Force commissioned The University of Bath School of Management in conjunction with Marks and Spencer to conduct a review of the evidence of connections between employee engagement and organisational outcomes from UK based organisations. Following a meta-analysis of academic research of data compiled by research houses and case studies from leading companies and organisations; the authors found that employee engagement influences a range of performance outcomes covering both business performance and people indicators.

Evidence linking employee engagement and business performance outcomes is summarised below.

Area	Business performance outcome
Profit	Major British retailer Marks and Spencer found that over a four year period stores with improving engagement had, on average, delivered £62 million more sales to the business every year than stores with declining engagement.
Customer/client service	Work by international service company Serco and Aon Hewitt looking at 274 Serco client contracts demonstrated a longitudinal relationship between employee engagement and the Net Promoter Score (NPS), a measure of customer loyalty. Those contracts serviced by employees whose engagement had improved over the year had NPS scores 24% higher than those employees whose engagement had declined.
Productivity	RSA is a multinational insurance group employing 23,000 people. Research in their call centres has shown that engaged staff are able to talk to, on average, an additional 800 customers per year – in effect the equivalent of one “free of charge” employee being added to every eight engaged employees.
Innovation	BAE Systems, a global provider of defence and security products, found that encouraging shop floor input and creating a more engaged workforce had a major effect on production levels and produced substantial cost savings. More than £26 million of improvement opportunities were identified by the shop floor in the first year, and during the second year the required reduction in build hours for aircraft had been exceeded.

## Leadership, Culture and Management Practices of High Performing Workplaces in Australia: The High Performing Workplaces Index

*Boedker, C., Vidgen, R., Meagher, K., Cogin, J., Mouritsen, J., Runnal, J. (2011). Leadership, Culture and Management Practices of High Performing Workplaces in Australia: The High Performing Workplaces Index. Australian School of Business, The University of New South Wales. Society for Knowledge Economics*

Between March 2010 and October 2011, a cross-disciplinary team of researchers from the University of New South Wales (UNSW), Australian National University (ANU), Macquarie University and Copenhagen Business School (CBS) worked with 78 Australian organisations to identify and analyse what constitutes a high performing workplace. The report is based on the views of over 5,600 employees as well as detailed management and performance data provided by the participating organisations.

The research assessed organisational performance across 18 measures in six categories to calculate the High Performing Workplace (HPW) Index. A summary of the differences between the higher (HPW) and lower (LPW) performing organisations across the six categories are detailed below.

Area	Outcome
Productivity	HPWs are more efficient at converting input (e.g. the cost of assets, such as human capital) into outputs (such as revenue charged for services provided). For every \$1 dollar of investment made, HPWs generate 12 cents more in revenue
Innovation	HPWs generate more new ideas (28.1% higher), have more mechanisms for capturing ideas from employees (19% higher) and have more formal processes for systematically assessing and responding to ideas from employees (5.1% higher)

Employee experience	HPWs experience lower levels of employee turnover (23.3%), higher levels of job satisfaction (22.7%) and employee commitment (23.2%). In addition, HPWs experience lower levels of anxiety, worry, fear, depression and feelings of inadequacy: 1 in every 4 respondents (25%) in LPWs feels depressed about their workplace versus 1 in every 7 (15%) in HPWs
Fairness	The distribution of rewards (relative to a person's efforts, contributions and responsibilities) and implementation of company procedures and policies by managers is higher in HPWs (30.3% and 12% respectively)
Leadership	Leaders in HPWs have clear values and 'practice what they preach' (25.7% higher), welcome criticism and feedback as learning opportunities (20.4% higher), foster involvement and cooperation amongst employees (18% higher) and have a clear vision and goals for the future (17.9% higher)
Customer orientation	HPWs exert more effort trying to understand customer needs (19.4% higher) and are better at acting on suggestions and feedback received from customers (17.1% higher)

Furthermore, the research highlights that there are financial benefits and consequences associated with being a HPW. The profit margin difference between HPWs and LPWs is large and averages AU\$8.8 million per organisation, or \$40,051 per full time employee.

### Creating an Engaged Workforce

*Alfes, K., Truss, C., Soane, E.C., Rees, C., Gatenby, M. (2010). Creating An Engaged Workforce. Chartered Institute of Personnel and Development*

In 2010, the Chartered Institute of Personnel and Development released the findings of a two year study based on over 5,200 employees across eight organisations. The research identified six key drivers of engagement:

- Meaningfulness of work
- Voice, being able to feed views upwards
- Senior management communication and vision
- Supportive work environment
- Person-job fit
- Line management style

Their management recommendations include:

- Creating meaning for employees in their work, which can be achieved intellectually by articulating the links between individual jobs and the broader organisational aims, and emotionally by connecting in a deeper way with the purpose of the organisation
- Providing employees with opportunities to express their views and to know that their opinions will be taken seriously
- Senior managers have an important role to play in creating a vision for the organisation and sharing this with employees, and in being open, transparent and approachable
- Engagement levels are affected by the working environment. Where employees can see that they have support from others to help them do their job, there is a sense of teamwork and they can safely express themselves, then engagement will be higher
- Matching people to jobs is a critical driver of engagement. This is one area where HR professionals can play an important role helping line managers design jobs effectively and develop selection processes that match individual skills to jobs
- Line managers act as the interface between the organisation and employees, and can do much to impact on engagement. Another key HR role is therefore to pay close attention to the selection, development and performance management of line managers to ensure they maximise their potential to be engaging leaders

## The characteristics of a high performance organization

*De Waal, A.A. (2007). The characteristics of a high performance organization. Business Strategy Series, 8(3), 179-185*

In 2007 De Waal conducted a systematic review of research identifying the characteristics of high performance organisations. After collating the results of 91 studies he identified eight key elements that are most important for becoming a high performing organisation. These are summarised below.

Area	Characteristics of high performance organisations
Strategy	<ul style="list-style-type: none"> <li>■ Defines a strong vision that excites and challenges</li> <li>■ Balances long-term and short-term focus</li> <li>■ Sets clear, ambitious, measurable and achievable goals</li> <li>■ Creates clarity and a common understanding of the organisation's direction and strategy</li> <li>■ Aligns strategy, goals, and objectives with the demands of the external environment</li> <li>■ Adopts the strategy that will set the company apart</li> </ul>
Leadership	<ul style="list-style-type: none"> <li>■ Leaders inspire people to accomplish extraordinary results</li> <li>■ Leaders apply decisive, action-focussed decision-making</li> <li>■ Leaders allow experiments and mistakes</li> <li>■ Leaders stimulate change and improvement</li> <li>■ Leaders are confidently humble</li> <li>■ Leaders hold people responsible for results and are decisive about non-performers</li> </ul>
Organisational design	<ul style="list-style-type: none"> <li>■ Stimulates cross-functional and cross-organisational collaboration</li> <li>■ Simplifies and flattens the organisation</li> <li>■ Fosters organisation-wide sharing of information, knowledge and best practices</li> <li>■ Immediately realigns the business with changing internal and external circumstances</li> </ul>
Process management	<ul style="list-style-type: none"> <li>■ Designs a good and fair reward and incentive structure</li> <li>■ Continuously simplifies and improves all the organisations' processes</li> <li>■ Measures what matters</li> <li>■ Reports to everyone financial and non-financial information needed to drive improvement</li> <li>■ Continuously innovates products, processes and services</li> <li>■ Strives to be a best-practice organisation</li> </ul>
Technology	<ul style="list-style-type: none"> <li>■ Implements flexible ICT systems throughout the organisation</li> <li>■ Applies user-friendly ICT tools to increase usage</li> </ul>
Individuals and roles	<ul style="list-style-type: none"> <li>■ Creates a learning organisation</li> <li>■ Attracts exceptional people with a can-do attitude who fit the culture</li> <li>■ Engages and involves the workforce</li> <li>■ Creates a safe and secure workplace</li> <li>■ Develops people to be resilient and flexible</li> <li>■ Aligns employee behaviour and values with company values and direction</li> </ul>
Culture	<ul style="list-style-type: none"> <li>■ Empowers people and gives them freedom to decide and act</li> <li>■ Develops and maintains a performance-driven culture</li> <li>■ Establishes clear, strong and meaningful core values</li> <li>■ Creates a culture of transparency, openness and trust</li> <li>■ Creates a shared identity and a sense of community</li> </ul>
External orientation	<ul style="list-style-type: none"> <li>■ Continuously strives to enhance customer value creation</li> <li>■ Maintains good and long-term relationships with all stakeholders</li> <li>■ Monitors the environment constantly and responds adequately</li> <li>■ Chooses to compete and compare with the best in the marketplace</li> <li>■ Grows through partnerships</li> <li>■ Only enters new businesses that complement the company's strengths</li> </ul>



## Putting the Service-Profit Chain to Work

*Heskett, J.L., Jones, T.O, Loveman, G.W, Sasser, W.E., Schlesinger, L.A. (2008). Putting the Service-Profit Chain to Work. Harvard Business Review*

In 1994, the Harvard Business Review released an extensively quoted article titled “The Service Profit Chain” that established relationships between profitability, customer loyalty and customer satisfaction, and employee satisfaction, loyalty and productivity. Whilst many organisations are starting to measure the relationships between the links of the chain, the authors argue that few have related the links in a meaningful way, that is, in ways that can lead to sustainable high performance.

To facilitate application of the service-profit chain, the article provides a service-profit chain audit which is a series of questions designed to assist managers in understanding what drives their organisation’s profit, in order to develop strategies that will support long-term profitability. An overview of this thinking is detailed below.

Area	Audit questions
Profit and growth	<ul style="list-style-type: none"> <li>■ How is loyalty defined?</li> <li>■ Do measurements of customer profitability include profits from referrals?</li> <li>■ What proportion of business development expenditures and incentives are directed to the retention of existing customers?</li> <li>■ Why do customers defect?</li> </ul>
Customer satisfaction	<ul style="list-style-type: none"> <li>■ Are customer satisfaction data gathered in an objective, consistent and periodic fashion?</li> <li>■ Where are the listening posts for obtaining customer feedback?</li> <li>■ How is information concerning customer satisfaction used to solve customer problems?</li> </ul>
External service value	<ul style="list-style-type: none"> <li>■ How is service value measured?</li> <li>■ How is information concerning customers perceptions of value shared with those responsible for designing a product or service?</li> <li>■ To what extent are measures taken of differences between customer’s perceptions of quality delivered and their expectations before delivery?</li> <li>■ Do efforts to improve external service quality emphasise effective recovery from service errors in addition to providing a service right the first time?</li> </ul>
Employee productivity	<ul style="list-style-type: none"> <li>■ How is employee productivity measured?</li> </ul>
Employee loyalty	<ul style="list-style-type: none"> <li>■ How is employee loyalty created?</li> <li>■ Has the right level of employee retention been determined?</li> </ul>
Employee satisfaction	<ul style="list-style-type: none"> <li>■ Is employee satisfaction measured in ways that can be linked to similar measures of customer satisfaction with sufficient frequency and consistency to establish trends for management use?</li> <li>■ Are employee selection criteria and methods geared to what customers, as well as managers, believe are important?</li> <li>■ To what extent are measures of customer satisfaction, loyalty, or the quality and quantity of service output used in recognising and rewarding employees?</li> </ul>
Internal service quality	<ul style="list-style-type: none"> <li>■ Do employees know who their customers are?</li> <li>■ Are employees satisfied with the technological and personal support they receive on the job?</li> </ul>
Leadership	<ul style="list-style-type: none"> <li>■ To what extent is the leadership defined by: energy and creativity; participation and care; listening, coaching and teaching; motivation by mission rather than fear; leading by means of personally demonstrated value rather than institutionalized policies?</li> <li>■ How much time is spent by leadership personally developing and maintaining a corporate culture centred on service to customers and fellow employees?</li> </ul>

## Appendix D

### Further reading

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#### Drivers 1 and 2: Employees

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## Drivers 3 and 5: Customers

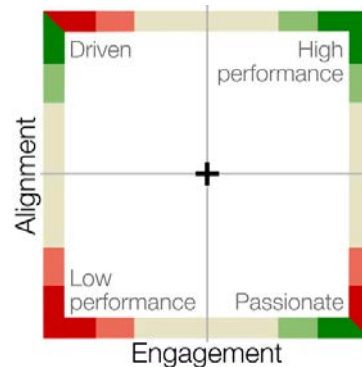
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# Appendix E

## Insync Surveys' high performance framework

Insync Surveys' high performance framework has been designed around two of the most important drivers of high performance; alignment and engagement. This framework was used to develop Insync Surveys' Alignment and Engagement Survey (AES).

The survey was designed to establish whether the day-to-day operations of an organisation are aligned with its strategic goals, and whether employees are engaged. It identifies those organisations that have both high alignment and high engagement, which are likely to achieve sustainable high performance (see figure to the right).



Research reveals that a high performing organisation will:

- **Energise** – employees will be energised and inspired by the organisation and its senior leadership team. The organisation will have a clear and engaging long term direction and purpose and the senior leadership team will be good role models and motivate employees to achieve the organisation's goals.
- **Execute** – the organisation will align its plans and activities to the achievement of its long term goals. Its line managers will set a good example and build effective collaborative teams with a strong accountability and performance culture. It will invest in the development of its people and systems and be appropriately externally focused on meeting its customer and stakeholder needs.
- **Engage** – employees will be highly engaged and proud to work for their organisation. They will understand why their success is important for the organisation and they will recommend the organisation as a good place to work.

Within these three framework areas are a total of 10 high performance factors which are important for the achievement of sustainable high performance. Each factor measures the extent to which employees perceive that the organisation is achieving best practice in the relevant area. All factors include an important alignment thread which measures the extent to which action, behaviours and outcomes are linked to the organisation's long term goals.

The 10 high performance factors are shown and explained briefly in Appendix F.

By assessing how well the organisation is performing on all of these factors, the AES can identify what kind of issues are potentially acting as barriers to achieving an organisation's goals, where those problems are and what actions can be taken.

A whitepaper explaining Insync Surveys' high performance framework is available on the AES page of our website.

# Appendix F

## Sample Alignment and Engagement scan

A sample executive summary (scan) from our AES report for sample company Axus Foundation is shown below.

### Your Alignment and Engagement scan

The Alignment and Engagement scan below shows the alignment and engagement results of NSW compared to Axus Foundation overall. Results are displayed as the percentage of respondents who scored items either a six or a seven on the seven point rating scale. The colour coding indicates how the average raw score compares to organisations in Insync Surveys' benchmark database.

Number of NSW responses: 595

		NSW	All staff
Energise	<b>Long term direction</b> —whether strategies and changes are clearly articulated, communicated and accessible and it's clear how strategies will be achieved	56%	48%
	<b>Senior leadership</b> —whether senior leadership exemplify best practice, inspire, encourage innovation, and acknowledge and maximise talent	58%	51%
Execute	<b>Team leadership</b> —whether managers are trustworthy role models who build teamwork, communicate well, coach and mentor, and value their teams' opinions	71%	65%
	<b>Team effectiveness</b> —whether work groups use challenging goals, embrace change, celebrate achievements, focus on customer service and compare actions against plans	64%	57%
	<b>Accountability culture</b> —whether commitments are delivered and standards upheld, values guide everyday actions and sensitive information is handled appropriately	71%	66%
	<b>Performance culture</b> —whether the organisation has high standards of performance and best practice, and systems are continually improved to achieve organisational goals	68%	62%
	<b>Investment in people</b> —whether employees are supported with training and development, reward and recognition programs, work-life balance initiatives and performance appraisals	53%	46%
	<b>Investment in systems</b> —whether systems allow employees to do their job well, concerns are addressed and there's good internal customer service	61%	53%
	<b>External focus</b> —whether the organisation is committed to customer needs and long term loyalty, the environment and wider community, and monitoring competitor performance	54%	45%
<b>Alignment</b> —whether employees, teams, systems, processes and customer strategy are aligned to the organisation's long term goals		62%	54%
Engage	<b>Engagement</b> —whether employees are committed to and emotionally engaged with the organisation and its goals, and they promote and act in its best interests	69%	64%

Your average raw score compared to Insync Surveys' benchmark database.

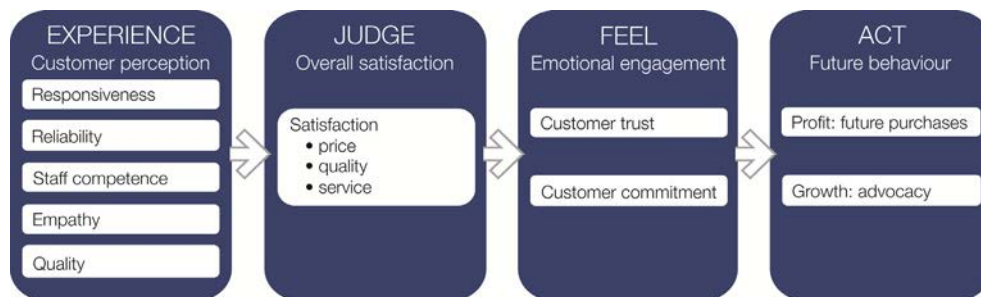
Legend: ■ Bottom decile ■ Bottom quartile ■ 2nd and 3rd quartiles ■ Top quartile ■ Top decile

# Appendix G

## A framework of customer satisfaction and engagement

The Insync Surveys Customer Satisfaction Survey (CSS) is based on our unique Experience-Judge-Feel-Act framework designed by our team of researchers. The framework was developed after reviewing the academic literature on customer satisfaction as well as recent studies on customer loyalty and engagement. Combining the traditional customer satisfaction approach with ideas about emotional engagement and future behaviour takes our CSS to the next level in customer research and is a true differentiator from other instruments.

The CSS gives a complete picture of each customer’s journey from their experience of your products and services to their judgments about price, service and quality. Recent research shows that these things can lead to the formation of a personal bond with you and emotional engagement. Ultimately, this is manifested in each person’s behaviour, whether they stay with you, buy again, buy more, or recommend you to others.



Each element of the Experience-Judge-Feel-Act framework is set out below.

### “Experience”: What do your customers think of you?

“Experience” describes how customers perceive the quality of the products and services they receive from you. Experience is divided into five categories: 1) responsiveness of staff, 2) reliability of delivery, 3) staff competence, 4) empathy of staff and 5) quality of deliverables.

### “Judge”: How satisfied are your customers?

“Judge” is all about customer satisfaction. It stems from customers’ experiences with you which were measured in the previous section. We measure satisfaction on three dimensions: price, service and quality. It is important to measure and monitor each component of satisfaction separately and not to rely on the overall figure.

### “Feel”: How strong is the relationship between you and your customers?

“Feel” describes your customers’ emotional engagement with you. Research shows that satisfied and dissatisfied customers leave in roughly equal measures, and that emotional engagement is a more reliable precursor of repurchasing and advocacy. We measure your customers’ feelings in two ways: their trust in you and their commitment to you. Together, these tell us about the depth of their relationship with you.

### “Act”: How will customers behave in the future?

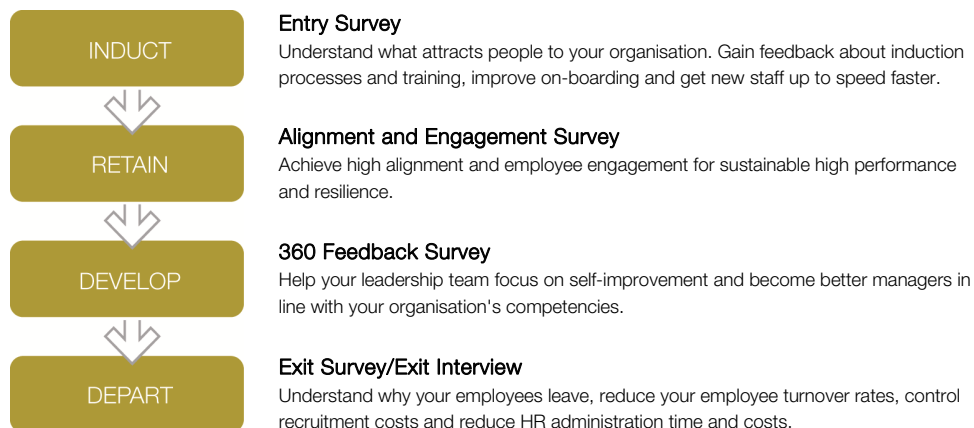
“Act” describes how customers are most likely to behave in the foreseeable future. If your customer buys again, increases volume and stays loyal then for most businesses profitability will rise. If on the other hand the customer refers new business to you, then revenue growth will result. These actions are collectively known as “behavioural loyalty” in the academic literature. Knowing how customers are likely to act in the future critical requirements for achieving sustainable growth.

# Appendix H

## How Insync Surveys helps organisations

Insync Surveys can help your organisation improve employee and customer engagement which can increase your productivity and performance. Our employee and customer surveys also reveal the likely barriers to executing your organisation's strategy.

### EMPLOYEE SURVEYS



### CUSTOMER SURVEYS



We also have a range of specialised surveys for: boards; local, state and federal government and the education sector.

More information about our surveys and consulting is on our website: [www.insyncsurveys.com.au](http://www.insyncsurveys.com.au).



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## About Insync Surveys

Insync Surveys is passionate about helping organisations achieve sustainable high performance by measuring and improving employee, customer, board and other stakeholder engagement.

It has conducted over 1,000 employee, customer and board surveys over the last 5 years for some of the largest organisations throughout Asia Pacific, including ASX, BHP Billiton, Cathay Pacific, Chevron, Fairfax, GlaxoSmithKline, John Holland, Nufarm, Orica, QBE, Suncorp, Toll, WorleyParsons, Visy, AFL, Mission Australia, federal and state government departments, many local councils and most universities.

Insync Surveys has delivered surveys in 38 languages across more than 90 countries. Its benchmark database exceeds one million responses, giving it the ability to provide context and deep insights when interpreting survey results. It also assist clients with focus groups, action planning and change management.

It has made significant investments in its people, processes, culture and technology to ensure that it can provide cost-effective and actionable insights to clients that make a real difference to their organisations.

To discuss how to increase your organisation's performance or to access other free research reports from Insync Surveys, please contact us.

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