Performance Improvement Through
Relationship Building

A targeted training process is likely to get the expected results. Well, not exactly. Then, the organization needs to effectively recognize, reward, and measure success while extinguishing behaviors leading to failure. It's all about adding relationship building to the learning and performance mix.

By Stephen L. Cohen

So much has been written about improving performance it's a wonder that few, if any, comprehensive solutions have been offered. Yet, from the so-called research and information conveyed, one would think that the Holy Grail of the learning and performance improvement industry is actually close to discovery.

Unfortunately for organizations, their customers, and their employees, the bona fide solution has been as elusive as the Grail's discovery. Perhaps the reason for that is too many competing theories have been put forward for an already exceedingly complex topic. Let's face it: Organizations and the people surrounding them are complicated. And the theories offered are often equally complex. It's hard to wade through all of the fads and folderol to assess just what works and what doesn't.
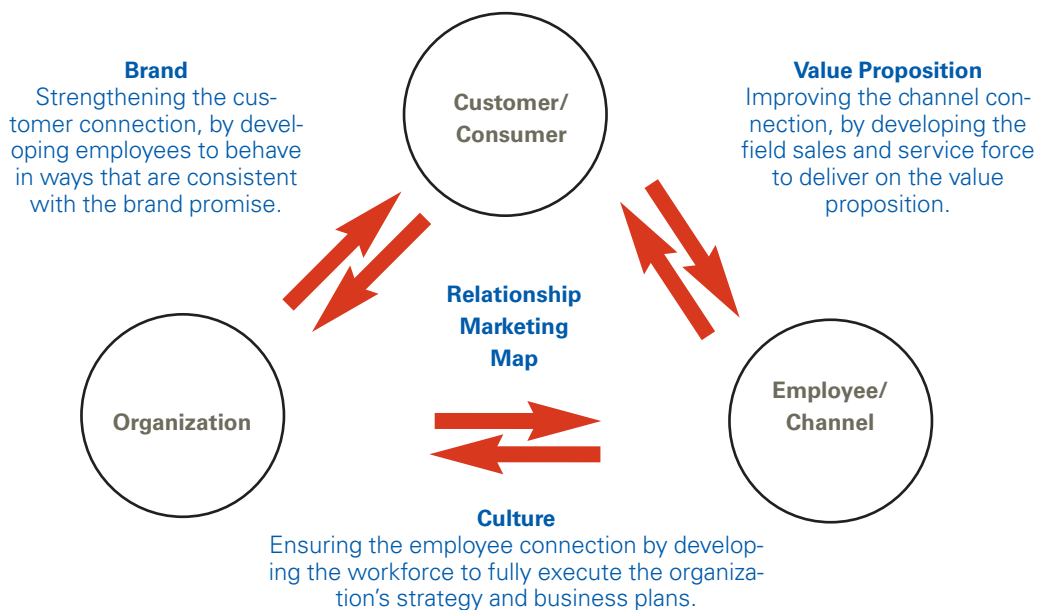
This situation suggests it is time to eschew obfuscation; in other words, it's time to embrace the KISS ("Keep it simple, stupid") approach to the problem. What is the simplest and foolproof way to improve organizational performance? What approach has worked over and over again since the first trading of products and services occurred thousands of years ago? It *is* simple. When you cut through all of the evidence, it's really about one issue: better relationships between people. If what you have to offer me is what I need or want, we're both more likely to want to engage in a relationship. The more win-win the relationship is, the more likely we'll continue to engage with each other. Almost too simple to be true, but all of us know the veracity of that maxim. So, if this is simple, why aren't

all organizations able to meet their customers' needs on a consistent, sustainable basis? Why can't every salesperson sell every time? Why can't every service provider satisfy all of its customers all of the time? Why can't organizations continually keep its employees satisfied and with them? Again, the answer is simple: The relationships between those entities aren't strong enough to yield the desired results.

Relationship building is where learning and performance improvement efforts need to focus attention and where our industry can truly add value to ensuring increased business results. The essence of positive relationships is in the strength of the connections between the entities, and these connections require significant attention in order to be obtained, nourished, and sustained over time. So, while the solution sounds simple, it's clear that failure is in the execution. Otherwise, all entities would be happy, satisfied with results, and have healthy viable relationships in the long-term. But building strong connections cannot be achieved just through training or a performance improvement plan. Certainly, those are key elements of the solution, but alone beg the issue. Building better relationships means understanding mutual interests and needs, linking them to expected business results, developing a meaningful execution plan, and executing the plan flawlessly.

Relationship marketing

Relationship marketing is not a new field although it comes in many shapes and colors. Organizations spend millions of dollars figuring out ways to improve

Brand
Strengthening the customer connection, by developing employees to behave in ways that are consistent with the brand promise.

Value Proposition
Improving the channel connection, by developing the field sales and service force to deliver on the value proposition.

Customer/Consumer

Relationship Marketing Map

Organization

Employee/Channel

Culture
Ensuring the employee connection by developing the workforce to fully execute the organization's strategy and business plans.

customer relationships and market share. To do that, they may use one or more of the following services:

- marketing and customer strategy development
- customer loyalty and affinity programs
- B2C, B2B, and B2E event planning and management
- channel development
- travel incentive systems
- employee recognition programs
- integrated communications strategies
- organization culture programs
- analytics and measurement.

At its core, relationship marketing is all about the art and science of building better relationships. It is best represented by the intersections of these main touch points: organizations, customers and consumers, and employees and channels.

As might be expected, the nature and shape of the relationship connection is different at each intersection even though the principles that guide the relationship are the same. Their commonality lies in the fact that strengthening all of these connections depends on developing employees.

Let's look at each one separately and demonstrate how learning and performance improvement solutions can be leveraged best to further solidify these relationships.

Organization ⇄ Customer/ Consumer

There is probably no more important relationship driving business results than that established between an organization and its customers. Customers are the lifeblood of every organization. Without them, there can't be an organization—at least, not for very long. The processes by which organizations first identify and attract customers, then provide products and services, and finally retain customers have consumed more money and effort than can ever be calculated. Much has been written about attracting and maintaining customers, so there's no need here to reiterate how to achieve loyal customers for life. What is more relevant is how to strengthen the connection with customers through learning solutions and performance improvement technology so that an organization's systems, processes, and resources are dedicated to addressing its customers' needs.

In other words, how can an organization's brand promise be delivered over and over again? One way is by developing employees to behave in ways consistent with it.

For example, a restaurant decides it wants to change its image to be more in keeping with consumers' ever-changing tastes. It first develops a strategic hypothesis of the current marketplace demands. Then, it conducts a competitive analysis to determine its potential market share. Next, it establishes its brand identity and image. Finally, it creates an execution plan by conducting hands-on consumer research and customer surveys to assess these changes, develops new menu concepts, tests those with existing customers, and refines the choices based on that feedback. Finally, it puts the plan in place, including store refurbishing, menu changes, and so forth. It's off and running. It begins opening the new concept restaurants one after another, and all is well for the first few months. Then the roof caves in, not literally of course, but customers start straying. Few come back. What was missing?

What the organization failed to do was train its personnel in the new brand equities so that their behaviors at every point of customer contact were totally aligned with the image that the restaurant wanted to portray to the buying public. How exactly does it want its employees to interact with customers and, for that matter, among themselves? Provide deep food and drink expertise? Demonstrate unyielding courtesy? Create a relaxing environment? Act formal and servant-oriented? Training employees on how to behave in customer interactions ensures brand equities. Well, not exactly. Then, the organization needs to effectively recognize, reward, and measure success, while extinguishing behaviors leading to failure.

Customer ⇄ Employee/ Channel

The value proposition

As noted, it should be clear how the connections between an organization's customers and its customer-facing employees and distributors need continual strengthening. Typically, that interaction focuses on meeting and exceeding customer needs. And, typically, it involves service or sales performance outcomes focused on delivering on the value proposition. Whether it involves selling and service recovery strategies, or promoting and cross-selling certain items, the only way employees and channel partners will know what to do to make those

connections stronger is through some type of learning experience.

For example, a U.S.-wide children's clothing retail establishment decides to launch a co-branded promotional campaign across its chain as part of a larger scale customer loyalty marketing strategy. The intent is to sell its new branded credit card to customers so they benefit from rebates or discounts based on how much they buy—a true win-win approach. The chain gets more business, while customers get discounts if they continue to use the card when making purchases. Sounds simple enough. The organization decides that the best way to market the card is to have personnel sell the cards in the stores. So, it prepares an internal communication flyer explaining its intent and the features and benefits of the new card, including how to sign up customers. It distributes these flyers, expecting store personnel to immediately seize the opportunity and eagerly distribute the sign-up forms to customers. Six months later, results are significantly below what was expected. Why?

What the chain failed to realize is that this was a significant training opportunity beyond a simple communication piece and that without a more formal instructional process little uptake was likely to occur. A more effective plan would have been to provide a learning experience that not only focused on features, benefits, and processes, but also on the proverbial WIIFM (What's in it for me?)—that is, the personal and business case for the program. Employees and distributors not only want to know the "what," but also want to know the "why" so that the program makes sense to them. Capturing that mindshare is critical to any successful launch of this type. Further, to ensure that a launch is meeting the precise needs of the organization and its customers effectively, customer-facing people want to know "how" best to interact with customers to achieve the desired business results.

So, a targeted training process that starts with regional and then store managers and trickles down to sales personnel is much more likely to get the expected results. Well, not exactly. Then, the organization needs to effectively recognize, reward, and measure success, while extinguishing behaviors leading to failure.

Employee/ Channel ➡️⬅️ **Organization**

Putting the house in order

Another important marketing connection is between the organization and its people, whether fulltime employees or occasional representatives. It is a well-established fact that how employees feel about their organization goes a long way toward the level of performance they demonstrate, as well as how well they portray themselves to customers. Internal service quality begets external service quality. So, putting the house in order is critical to achieving long-term sustainable success. That's why the perennial "Best Places to Work" (with few exceptions) are the best-performing organizations year in, year out.

Connecting to employees is by no means an easy task. It brings with it significant complexity at many levels, all of which must be aligned and on purpose for the connections to be made and sustained. Often, that involves a culture shift that doesn't happen in a vacuum without serious organizational effort.

For instance, a large multinational health-care and consumer products organization wants to be sure it not only conveys its leadership standards to all employees, but also that leaders act in ways that demonstrate and support those standards. Further, it expects leaders throughout its global organization to "walk the talk" around its century-old values. The organization conducts significant research to determine what these leadership standards should be, the respective behaviors for each, and how their execution is expected to improve business results. It creates a competency model, validates it worldwide, and distributes a four-color pamphlet delineating these new leadership behaviors. It embellishes the brochure with senior leadership testimonials on why this is so critical for the organization's success. It packages the brochure with several slides and a video from the CEO further reinforcing the importance of effective leadership to the future of the company. Thousands of kits are sent to the company's leaders around the world, with an instruction sheet on how to share it with their direct reports. Six months later, the organization does a survey to assess whether the managers have read the material and shared it with their direct reports. It is stunned by the underwhelming results that only a small percentage even looked at the kit, let alone shared it with their people. What went wrong?

As an information and education piece, the kit probably had some potential for being absorbed with even a moderate continuous communication plan.

Thirteen Lessons

1. Finding the bona fide learning and performance improvement solution has been elusive because too many competing theories have been put forward for an already exceedingly complex topic.
2. When you cut through all of the evidence, the simplest and most foolproof way to improve organizational performance is to focus on just one issue: better relationships between people
3. At its core, relationship marketing is all about the art and science of building better relationships.
4. The essence of positive relationships is in the strength of the connections between an organization, its employees, and its customers. That is where learning and performance improvement efforts need to focus attention and where our industry can truly add value to ensuring increased business results.
5. The nature and shape of the relationship connection is different at each intersection even though the principles that guide the relationship are the same. Their commonality lies in the fact that strengthening all of the connections relies on developing people.
6. Building strong connections cannot be achieved just through training or a performance improvement plan. Building better relationships means understanding mutual interests and needs, linking them to expected business results, developing a meaningful execution plan, and executing the plan flawlessly.
7. How can an organization's brand promise be delivered over and over again? One way is by developing employees to behave in ways consistent with it.
8. Whether it involves selling and service recovery strategies, or promoting and cross-selling certain items, the only way employees and channel partners will know what to do to make those connections stronger is through some type of learning experience.
9. It is a well-established fact that how employees feel about their organization goes a long way toward the level of performance they demonstrate and how well they portray themselves to customers.
10. Training programs alone aren't enough to ensure the achievement of business results. Indeed, even the best-in-class programs may yield only temporary performance improvements.
11. The key to establishing long-term sustainable relationship connections between organizations and their customers, employees, and partners is a continuous process by which the intended behaviors are recognized, rewarded, and measured over and over again.
12. Whether reward and recognition programs are focused on rewarding employees for performance or recognizing external customer loyalty, they're often the missing link to ensuring that the strongest relationship connections are created and sustained over time.
13. The principles, systems, and processes of instructional systems development and high-performance technology can directly focus on improving and changing behavior that strengthens the connections between organizations, customers, employees, and channel partners—thereby increasing business results.

But not even such a plan would ensure that leaders would start acting in accordance with the new delineated behaviors.

What should have happened?

First, a concerted training plan instructing the leaders on the contents of the kit and then assisting them in facilitating its distribution to their people would've helped ensure dissemination. By assisting, we mean more than a one-page instruction sheet, but a well-documented guide for instructional experiences and delivery techniques. Second, having local training professionals available to assist the managers in the delivery process would've further ensured success. Third, creating a performance management system tied to the leadership dimensions would have focused leaders on the importance of the behaviors because they would ultimately be evaluated on how well they demonstrated them. Adding a 360 degree instrument around the new standards would also have helped.

So, training leaders more formally would ensure that new behaviors stick and yield the expected business results. Well, as expected, not exactly. Then, the

organization needs to effectively recognize, reward, and measure success, while extinguishing behaviors leading to failure.

Rewards, recognition, measurement

It should be evident that training programs alone aren't enough to ensure achievement of business results. Indeed, even the best programs may yield only temporary performance improvements. The key to establishing long-term sustainable relationship connections between organizations and their customers, employees, and partners is a continuous process by which the intended behaviors are recognized, rewarded, and measured—over and over again. In order for new learning to become internalized, evidenced by everyday demonstration, a system must be put in place to ensure that occurs, and it must be incorporated into the fabric of the organization for long-term behavior change. By measurement, we don't mean just assessing the impact of the training intervention, but rather the longer term impact. Level 3 or 4 evaluation schemes are the only options available, but many organizations pay only lip service. When push comes to shove, they tend to back off measuring the true impact of their training.

Reward and recognition programs come in a myriad of forms. But whether they focus on rewarding employees for performance or recognizing external customer loyalty, they're often the missing link to ensuring that the strongest relationship connections are created and then sustained over time. Incorporating such programs can only support the impact of any training intervention focused on building stronger connections. Measuring that impact is critical if continuous improvement is to take place.

Let's look back at the three examples. How would rewards, recognition, and measurement be integrated into the solutions to better ensure the intended impact?

For the restaurant example, measures of per-store revenue, new menu items sold, average customer sales, bar versus food ratios, repeat business, and so forth would provide some indication of the success of the branding change. Employee effectiveness could be enhanced, perhaps even ensured, by **rewards** for store performance of bonuses, prizes, or just "good job" awards from managers.

For the retail company, setting up enterprise-wide contests for the number of applications submitted per employee, store, and region would go a long way toward reinforcing the expected behaviors of asking customers if they want the card, being able to explain the card's feature and benefits, and assisting interested customers in completing the application process.

For the health-care company, an internal employee **recognition** system recognizing, then reinforcing, and then rewarding the demonstration of the new leadership behaviors would encourage managers to consistently engage in the new ways of leading. Over time, managers would begin to internalize those behaviors, which are then reinforced with the internal performance management system.

All of those systems enable ready **measurement** of results, particularly at Levels 3 and 4, for which business impact is a key barometer of program effectiveness.

Improved relationships drive business results; organizations spend millions of dollars trying to strengthen the connections between the parties that form business relationships. What may be surprising is that the relationship marketing industry has not fully leveraged the benefits of integrating learning and performance solutions into its products and services. Therein lies a grand opportunity to make these connections significantly stronger, resulting in better business results. The principles, systems, and processes of instructional systems development and high-performance technology can focus directly on improving and changing behaviors that strengthen the connections between organizations, customers, employees, and channel partners—thereby increasing business results. **TD**

Steve Cohen *is vice president of the Learning Solutions Group for Carlson Marketing, a leading provider of relationship marketing services, and author of numerous articles, book chapters, and presentations; steve.cohen@carlson.com.*