

# Creating job satisfaction



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In recent years, the company has been losing customers to competitors specifically Lightning Plumber while experiencing a decline in job satisfaction and job motivation across the job spectrum within the company. This dissatisfaction among employees and customers alike is attributed to the overspecialization of certain jobs within the company that, in the past, has allowed the company to operate effectively with low costs.

In recent years, this overspecialization has led to negative outcomes including incorrect order processing, customer service issues with billing representatives, and customer service issues with plumbers and plumbers' assistants. Meanwhile, the company hired a management consulting company to assess worker attitudes. A survey found that our employees were less satisfied than other employees in comparable jobs. Obviously, the company is in trouble, and as revenues shrink and cost savings fail to emerge, a change is evident to survive in this competitive industry.

As a newly hired regional manager who previously worked for Lightning Plumber, there has been a decline in attitude that does not correspond to the energetic work environment at my previous employer. I believe that using a cash rewards program will improve employee performance, job satisfaction, customer satisfaction, and ultimately company profits. Moreover, we need to hire people who are a better fit with the company's new goals. Current hiring procedures are unstructured and inconsistent among each location's general managers. It is believed that standardizing the hiring process will produce employees that have better customer service and organizational behavior tendencies.

## **Issue Identification**

It is evident from the survey conducted that our employees are not satisfied with their jobs. Each work group has complained about the output of other work groups within the company. For example, order processors often have trouble diagnosing the exact problem based on the customer's initial call. This can result in a plumber being sent to a less technically challenging job when a plumber assistant could have taken care of that problem. As a result, customers end up paying a higher price for this type of plumbing problem. The opposite can also happen; a plumber assistant can be sent to the customer's home when a plumber is needed. Another service call is then scheduled at the customer's expense with the plumber. This results in the customer wasting both time and money. Both of these instances result in the wrong person being sent to a job, which frustrates the employee, then the customer, leading to a decline in future profits.

Research suggests that this could be a reason for concern. Job dissatisfaction can lead to higher absenteeism, job turnover, and workplace misconduct which can lead to decreased levels of productivity. Satisfied employees are more likely to talk positively about the organization, help others, and go above and beyond job standards. Therefore, increased employee satisfaction can directly affect positive customer outcomes. Satisfied employees increase customer satisfaction and loyalty, which leads to repeat business. All DrainFlow employees work directly with the customer, so it is crucial that as a company we take measures to ensure both job satisfaction and customer satisfaction.

The company's current organizational philosophy is to keep costs as low as possible. This is achieved through specialization of its work force. Plumbers are the most specialized and highly trained which reflects their higher wages amongst the rest of the line staff. In turn, plumber assistants are paid about a quarter of a plumber's salary. Utilizing plumber assistants on less technical work provides a cost savings to the company as well as the customer. Order processors and billing representatives are not as highly specialized so wages are not on par with the rest of the staff. This uneven rewards structure can lead to tension and resentment between employees. As a company, we should work to minimize this tension because each group depends on information from their peers to perform their jobs efficiently. For example, order processors need to accurately diagnose a plumbing problem in order to send the right person on the service call. Once the service has been performed, the service providers are dependent on the billing representative to take the customer's payment and complete the transaction. If a customer is not satisfied, a billing representative may need to contact an order processor to resolve the unsatisfied customer's problem.

It is evident that the current job design and organization structure is causing employees to become dissatisfied with their work which directly impacts customer satisfaction leading them to seek alternatives to their plumbing needs as demonstrated by the survey conducted. The job characteristics model can be used to describe the current jobs at DrainFlow. It is comprised of five core dimensions of a job. These dimensions are skill variety, task identity, task significance, autonomy, and feedback. There is evidence that

supports the concept that the presence of a set of these job characteristics generates higher and more satisfying job performance.

- 1). Skill variety measures the degree to which the job requires a variety of different activities.
- 2). Task identity is the degree to which a job requires completion of a whole and identifiable piece of work. Because the company's positions are so specialized, there is no opportunity to expand upon current skills by completing a variety of tasks. All jobs are very narrow in scope and only require an employee to complete a small portion of the overall order to bill process.
- 3). Task significance is the degree in which a job has an impact on the lives or work of other people. Plumber and plumber assistants get to interact directly with the customers; however, they lack feedback on customer satisfaction, unless something goes wrong during the service visit. Order processors also do not receive feedback on how their work has impacted the customer or the service providers.
- 4). Autonomy is the degree to which a job provides the worker freedom, independence, and discretion in scheduling the work and determining the procedure in carrying it out. All four DrainFlow jobs are designed to carry out a specific task. Freedom and independence to determine procedures or schedule work are limited with the current job design. Additionally, each type of job is dependent on the next to complete the service.

5). Feedback is the degree to which carrying out work activities generates direct and clear information about the employees own performance. The billing representatives receive the feedback associated with the tasks performed by the other three jobs at DrainFlow, but not their own performance. There is also no performance review system to feed information back the rest of the company. Thus, it is difficult for plumbers, plumber assistants, and order processors to get feedback on their performance with this current job structure. The current job structure does not score high in any category of the job characteristics model and therefore should be reviewed for possible re-design.

#### Incentive Structure

With customer retention at 75 percent customer satisfaction at 60 percent, and decreasing revenues, it is clear that a change is necessary to the company organization. Currently, the company does not have an incentive structure that motivates employees to put any extra effort into their job. There are neither rewarding variable-pay programs nor the alternative. Plumbers are compensated the most, based on their high level of skill while the rest of the employees make approximately one-fourth of the plumber's wage. The current pay structure may be externally competitive; however, we must also look at the internal worth of each job to the organization. With low customer retention and customer satisfaction, we must consider paying employees more to meet customer needs. Additionally, high pay often leads to better-qualified, more motivated employees who want to stay with their current organization.

It is also important to examine how DrainFlow is currently paying their employees. In the proposed cash rewards system, order processors would receive a small bonus for successfully completed calls. For on-the-job work, if a job is completed promptly with no complaints, the plumber or plumber's assistant would be given a small cash reward. This variable pay system is a variation of piece-rate pay, in which employees are paid a fixed sum for each call or visit completed successfully. Because of the company's customer retention issues, quality not quantity should be emphasized in a rewards system. The proposed solution drives employees to complete orders, not ensure their customer is satisfied.

Moreover, the company must weigh the costs and benefits of a cash rewards system. Financial incentives can have certain negative impacts by fostering unethical behaviors to obtain personal objectives. These might include, but are not limited to, billing work performed at a lower price to make a sale, offering free parts at company expense and coercing clients into non-complaint and positive review situations. Therefore, a cash rewards system should not be the only factor in the company's incentive structure. There is no mention finding a balance between intrinsic and extrinsic rewards.

Examples of intrinsic rewards include private and public recognition, employee of the month awards, or even a personal thank you note. Some research shows that while financial incentives provide short-term motivation, intrinsic or nonfinancial rewards motivate long term. This helps employees feel valuable and needed in a dynamic environment and would be valuable in the company's incentive structure.

Hiring Practices

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It is imperative in any place of employment to hire individuals suited for specific positions, particularly for positions involving customer service.

Organizational structure and clarity is required to ensure that companies are attracting the right type of potential employees. Interested candidates must also fully understand company goals and all job responsibilities.

Current hiring procedures rely on unstructured interviews with the general manager at each location. Slight consistency is found in the way managers choose employees. It is common to utilize shortcuts when judging others such as selective perception (tendency to selectively interpret what one sees based on one's interests, background, experience and attitudes), or stereotyping (judging someone on the basis of one's perception of the group to which that person belongs). These shortcuts allow us to rapidly make accurate perceptions of others and aide in predictions. However, they are not foolproof and can result in perception inaccuracies. These perceptions can hinder the decision-making ability of hiring managers, particularly without a structured, objective interview process and can result in inaccurate impressions.

Employees hired based on inaccurate perceptions developed during the interview process can result in employees that are unqualified or under qualified for the position and/or dissatisfied with work. This is the current situation at DrainFlow. It is evident that most employees lack training in customer service, organizational behavior, and are anxious about speaking with customers. Order processors do not have sufficient knowledge or skill to explain the customer's situation to plumbers or plumber assistants. Billing representatives must deal with the negative reactions of disappointed

customers, however, are only involved at the tail-end of the job process and unaware of any job details. As a result, we have plumbers explaining non-technical aspects of the job to disagreeing customers forcing them to be the bearer of bad news. This is unacceptable.

The lack of customer service and organizational behavior demonstrated by DrainFlow employees stresses emotional labor (an employee's expression of organizationally desired emotions during the interpersonal transactions at work) and thus increases emotional dissonance (the disparity between an emotion to be projected and actual emotion). This has led to feelings of frustration and resentment and detracted from an employee's ability to perform their duties efficiently. These deficiencies have resulted in a direct negative impact on the revenue and cost savings, which were to be achieved by dividing assignments and specializing job responsibilities.

## **Recommendations**

The recommendation is to redesign at DrainFlow to better fit the needs of the company and to increase employee satisfaction. As a result, productivity will increase and job satisfaction will be elevated. The recommended job descriptions are presented below.

1. Account Executives: The current duties of order processors and billing representatives will be combined to form a position titled account executive. This will allow office workers to build a relationship with the customer from the initial service call, through service and payment. It will also allow the same account executive to receive customer feedback. Account executives should gather feedback from all customers, regardless if the feedback is

positive or negative. Account executives will also receive cross training to enhance their knowledge of common plumbing problems. Certified plumbers will be utilized to teach these training programs, fostering unit cohesion within the company. Account executives are also encouraged to job-shadow either plumbers or plumber assistants to gain first hand customer experience. At the completion of the training and job shadowing activities, they will be better equipped to assist customers with their plumbing questions and send the correct service provider to perform the service. These changes will enrich the office workers roles and responsibility and will increase the degree in which they control the planning and execution of the jobs.

2. Plumber Assistants: Plumber assistants will remain a job category at DrainFlow. They will continue to perform less complicated plumbing work for the customers. This keeps costs low for the company and the customer. However, it would be beneficial to add variety to the plumber assistant's current role. Plumber assistants will get the opportunity to shadow and possibly do a rotational assignment as an account executive. This will give the plumber assistants some perspective on running the logistics side of the business. This will also help build relationships across job functions and foster teamwork. The job rotation will also provide another informal training opportunity for the account executives.

3. Plumbers: Plumbers will also remain a job category at DrainFlow. They will continue to service all complex plumbing jobs. As previously discussed in the account executive section above, we recommend adding some variety to the plumber's current tasks. Plumbers will prepare and execute plumbing

training for the account executives. The training sessions should be interactive and provide some technical knowledge about how to respond to common plumbing problems. Plumbers are encouraged to draw upon their own experiences and give many examples during each training session. This will aid the account executives with diagnosing customer problems during service calls. As a result of the interactive training sessions, the plumbers will also gain some valuable feedback on how to deal with common customer complaints.

Using these jobs categories the employees will share information among each other, understand other people's job responsibilities, and be better equipped to react given many different situations. Each group will receive feedback regarding the job they performed from coworkers allowing them to improve and perform better under similar circumstances. In addition, this new structure will allow the office workers some freedom and independence when servicing customers on the phone. Collectively, the new structure scores higher in the Job Characteristics Model. The motivating potential score will increase for each one of the job categories by increasing the values of skill variety, task identity, task significance, autonomy, and feedback.

### Incentive Structure

The rewards system will be based on both skill and merit. The skill-based rewards will be given to employees who strive to attain more skills relating to the company's services. The company should reward skills such as training in customer service, plumbing problems, or even organizational behavior. We should seek out and provide training opportunities for all

employees. For each training session the employee attends, a nominal cash reward should be given. A DrainFlow company manual will be created collectively by the departments providing material another employee might need to increase his knowledge. The merit based rewards with reward employees who create and maintain high customer retention rates and customer satisfaction scores. The account executives will administer a customer satisfaction survey at the end of each job, which will measure the level of satisfaction with both the office worker and field service provider. The survey results will be analyzed monthly by management. For every specified number of calls that result in a job, the account executive will receive a small bonus. The plumbers and plumber assistants will receive a small bonus if their monthly average is between a set number and a larger bonus if their monthly average is above the set standard.

Lastly, the new incentive structure will have an employee recognition program. This will allow managers, customers, and even other employees the opportunity to recognize high contributors. DrainFlow managers are encouraged to take feedback from customers, other employees, and their own experience throughout the month when selecting an employee of the month. The employee of the month will be recognized at a monthly meeting. DrainFlow should provide refreshments at these meetings for the employees to celebrate the great work that occurred during the previous month and to foster teamwork through socialization. The employee of the month will also get his or her own parking spot next to the front door. This positively reinforces a team environment and promotes a productive culture. Peer-to-

Peer rewards are especially important at DrainFlow because the employees are highly dependent on one another.

### Hiring Practices

Based on the current hiring issues discussed above, the following recommendations are intended to aid managers in identifying individuals better suited to accomplish company goals. DrainFlow should establish consistent interview procedures that will help general managers to quickly identify the specific skills and experiences of recruits that would translate to a position within the company.

In addition to specific interview questions, it is also important for general managers to effectively identify personality traits that would favor customer service and emotional labor. The “ Big Five Model” supports a thesis that five basic dimensions; Extraversion, Agreeableness, Conscientiousness, Emotional stability, and Openness to experience motivate all other personality dimensions and encompass most of the significant variation in human personality. It is most important for managers to be able to gauge individuals’ dimensions of extraversion (comfort level with relationships), agreeableness (an individual’s propensity to defer to others), and emotional stability (person’s ability to withstand stress).

Individuals that trend towards extraversion tend to be happier in their jobs, lives and perform better in jobs that require significant interpersonal interactions, as are the opportunities with DrainFlow. Extroverts are also less likely to be anxious about interacting with customers, which is a current concern at DrainFlow. Agreeable individuals also tend to perform better in

interpersonally orientated jobs such as customer service. Highly agreeable people are typically cooperative, warm, and trusting. This is vital for improving overall customer satisfaction. Forty percent of the company's customers are dissatisfied to some extent and extra effort will be required to gain the approval of and retention of existing customers. New employees that are emotionally stable will contribute to the positive restructuring of the company and decrease emotional discord. People with positive emotional stability tend to be calm, self-confident, and secure.

As individuals with these important personality traits are acquired and employed, these traits become not only inherent of individual employees, but also of the company itself; experienced, outgoing, warm, trusting and secure, qualities needed not only to generate business, but also to keep customers coming back.

## **Conclusion**

The above proposal outlined how DrainFlow can improve in three areas: job structure, incentive structure, and hiring practices. The recommendations are relatively easy to implement at little to no cost to the company. The proposal utilizes the current talent within the organization to manage employee satisfaction and trains employees on vital technical skills that are currently lacking. A new incentive structure will motivate employees in all positions and foster productivity and customer retention. Both concepts lead to increased profit long term. Lastly, by modifying hiring practices, DrainFlow will find and train employees that fit with their business model.