

Improving franchise performance through culture development

Industry Retail
Diagnostic Tool OCI and LSI
Total Staff 3000+
Market Capitalisation A\$3.2 Billion

The Challenge

To transform its retail division into a highly responsive and customer driven organisation and at the same time achieve stretch sales goals.

Figure 1 shows a strong Conventional and Perfectionistic “bow tie”. This combination is quite common in retail organisations. Staff are expected to follow the rules and policies of the organisation perfectly. Such strong extensions create poor customer satisfaction because staff are expected to obsessively follow the rules of the organisation rather than achieve an outcome for the client.

Key Strategies

- Franchising retail outlets
- Restructuring and restaffing all positions
- Strong shift to a sales culture through training and development, rewards systems and redesign of positions
- Intensive development programme for new franchisees using the LSI 1, OCI and problem solving simulations
- OCI survey of all retail staff (Figure 1). This measure has the objective of providing a baseline culture measure to inform new franchisees and a basis for assessing the impact of franchising on culture. A retest using the OCI is planned for 12 months after the initial OCI measure.

Outcomes

Whilst the impact of these changes is yet to be fully felt, Figures 2 and 3 reflect the dramatic impact of leadership style on branch culture. Only four months after franchising took place, the cultural outcomes from these two adjacent branches are dramatically different.

Low staff satisfaction, high staff turnover, high absenteeism and poor customer service has been measured in the former branch (Figure 2). Whilst the adjacent branch does not experience such outcomes it is experiencing sales growth in key product lines.

Figure 1: N=902

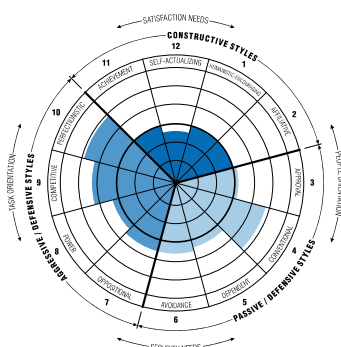


Figure 2: N=11

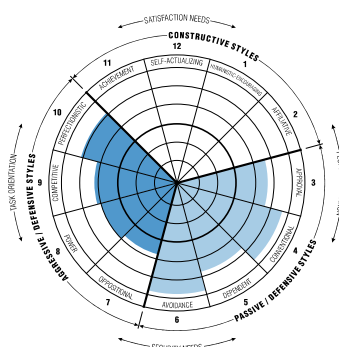
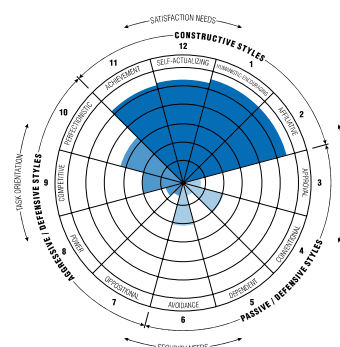
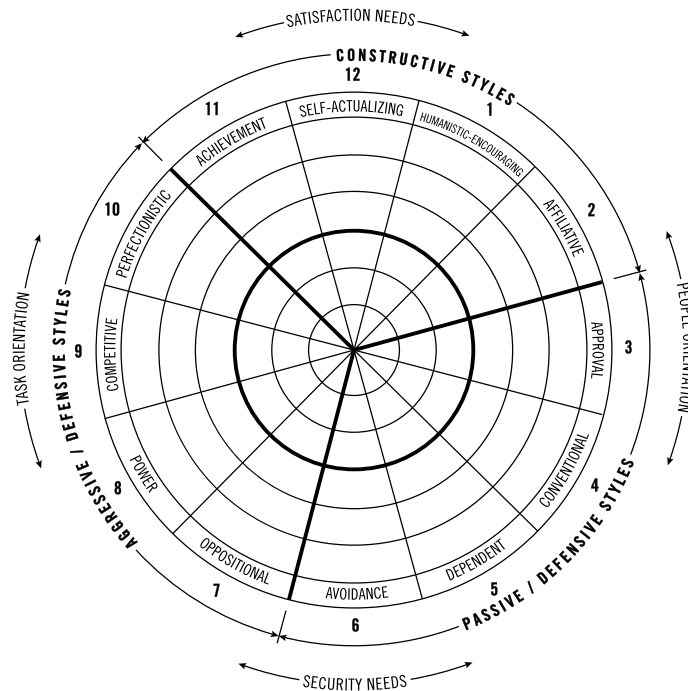


Figure 3: N=11



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About the Circumplex



Research & Development by Robert A Cooke, Ph D and J Clayton Lafferty, Ph D. © Human Synergistics Int.

Humanistic-Encouraging (1 o'clock):

People are expected to be supportive, constructive, and open to influence in their dealings with one another.

Affiliative (2 o'clock):

People are expected to be friendly, cooperative, and sensitive to the satisfaction of their work group.

Approval (3 o'clock):

People are expected to agree with, gain the approval of, and be liked by others.

Conventional (4 o'clock):

People are expected to conform, follow the rules, and make a good impression.

Dependent (5 o'clock):

People are expected to do what they're told and clear all decisions with superiors.

Avoidance (6 o'clock):

People are expected to shift responsibilities to others and avoid any possibility for being blamed for mistakes.

Oppositional (7 o'clock):

People are expected to be critical, oppose the ideas of others, and make safe (but ineffectual) decisions.

Power (8 o'clock):

People are expected to take charge, control subordinates, and yield to the demands of superiors.

Competitive (9 o'clock):

People are expected to operate in a "win-lose" framework and work against (rather than with) their peers.

Perfectionistic (10 o'clock):

People are expected to avoid mistakes, keep track of everything, and work long hours to attain narrowly-defined objectives.

Achievement (11 o'clock):

People are expected to set challenging but realistic goals, establish plans to reach those goals, and pursue them with enthusiasm.

Self-Actualising (12 o'clock):

People are expected to enjoy their work, develop themselves, and take on new and interesting activities.



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