



---

## CASE STUDY

### Measuring Leadership Effectiveness and Service Excellence at Ratner Companies

---

The largest privately-held chain of salons in the country, Ratner Companies operates Hair Cuttery (company-owned and franchised), BUBBLES, Salon Cielo and Spa, ColorWorks, and Salon Plaza. With nearly 1,000 salons, Ratner Companies supports more than 12,000 Stylists across 19 states. Visit Ratner companies at <http://www.ratnerco.com>

#### **BUSINESS CHALLENGE**

Senior leaders at Ratner Companies placed a high value on the results of their annual 360 degree leadership assessment process. Each year, they used the assessment results to identify candidates for bonus opportunities and incentives, further refine leadership skills, and increase levels of service excellence. As the organization grew, this process became time-consuming and burdensome.

At the same time, senior leaders recognized the need to evaluate the service levels provided by their corporate departments to their internal customers. Researchers have clearly identified a linkage between leadership, employees, customer service, and profits. Studies have shown that quality leadership and management practices influence how employees feel about the company as well as how they treat the organization's customers. Increased customer satisfaction and loyalty, in turn leads to revenue growth and profitability. Dubbed the service-profit chain, Ratner executives sought to apply the concept in their own organization by addressing service levels from the leadership vantage point.

Collecting both sets of data was critical for helping Ratner to continually improve leadership capabilities. As such, senior leaders sought out a solution to increase the effectiveness and efficiency of their annual leadership and service assessment process.

#### **SOLUTION**

viaPeople consultants worked with human resources leaders to conduct the two assessments using their best in class 360-degree feedback solution. Security concerns were of particular importance to Ratner, as store level employees completed the surveys from a central kiosk location. viaPeople implemented their highly secure login technology to protect the privacy of participants.

#### **STEP 1: Conducted Leadership Assessment**

The Leadership Effectiveness 360 degree feedback process assessed leaders on the organization's critical leadership competencies. The process was conducted in both English and Spanish for 1800 leaders ranging from assistant salon manager to senior executive. Over 16000 assessments were successfully completed with a 2 week timeframe.

#### **STEP 2: Assessed Internal Customer Service**

During this same time period, Ratner launched the Internal Client WOW Survey which asked leaders throughout the organization to provide feedback on the quality of the service being provided by 41 departments. Customers of the 41 department teams evaluated the service levels of the team on a variety of factors, including quality and timeliness of service.

### **STEP 3: Provided Customized Reports**

Each leader received a detailed feedback report of their leadership assessment results that served to facilitate substantive discussions about perceptions of leadership performance as well as focus development efforts. In addition, the leadership data helped to determine bonus opportunities for the previous year.

The Internal Client WOW Survey results enabled service comparisons among the 41 departments and functions, and helped Ratner leaders to facilitate continuous service improvements within the organization.

### **RESULTS**

The implementation of the viaPeople solution allowed Ratner to improve upon its survey administration and interpretation processes. Human Resources leaders were able to meet their internal timeframes and deliver more timely and relevant information. The solution helped Ratner to greatly improve the efficiency of the process and decreased administrative costs and workload.

Ratner leveraged the survey data to provide incentives based upon leadership performance. Further, the organization now has a better understanding of the profile of leadership success, and is designing mechanisms to enhance recruiting and training initiatives that build leaders along this framework.

The assessment process also enabled the organization to begin to examine the impact of leadership behavior as a driver of internal customer service. Human Resources leaders plan to use this linkage to demonstrate the direct value of leadership competence on the organization's customers and its profitability.

