

PREMM ANAND

THE VALUE GAP

*What People Truly Value,
and What Even Excellent
Organisations Overlook*

HUMAN PRESENCE ARCHITECT

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Every encounter holds possibilities. What becomes of them depends, in part, on the intention and imagination we bring.

A short conversation at the right moment can change a relationship. An inconvenience, handled with real thought, can become the moment someone realises how well they are cared for. A simple transaction can leave a memory that lasts a lifetime. Most of these possibilities pass unseen.

I know, because I have watched what happens when they are recognised. Over more than three decades of serving people, in hotels, at sea and in private homes, I have seen ordinary encounters become something neither person expected. Employers have become lifelong well-wishers. Doors have opened that I could never have imagined. Encounters that began as routine responsibilities have become memories and relationships that have enriched my life. None of it was planned, and almost none of it was visible at the time. In each case, the value that emerged was far greater than the task that began it.

Two professionals can learn the same standards, follow the same procedures and wear the same uniform, yet serve very differently. The difference often lies with the person who notices the moment and recognises the possibilities within it. Knowledge tells us what we can do. Intention and imagination help us recognise what could make the greatest difference to the person before us.

Intention is a sincere wish for the other person to be better off. It keeps our attention on them rather than simply on the task. Imagination allows us to look beyond the obvious response and consider what might truly matter. Each is incomplete without the other. Goodwill without imagination may arrive in the wrong form. Imagination without genuine intention can become a performance for the performer. Together, they bring service to life.

And yet I have watched both qualities fade in people who clearly possessed them. Someone rushing from one unresolved problem to the next may have little room left to notice anything beyond the immediate task. Someone repeatedly criticised for exercising judgment may gradually learn to choose the safest response. The intelligence may be present. A person's State and the conditions around them influence how much of that intelligence they can express.

Organisations face a similar challenge on a larger scale. Much of their attention is understandably directed towards what has been done. A request is logged, actioned and closed. A complaint is answered. A gesture is offered. Each step is faithfully recorded, and in time the record can become the organisation's memory of the guest.

So imagine this entry reaching your desk this morning:

*Heating problem reported. Portable heater supplied.
Flowers presented. Guests thanked staff. Issue resolved.*

You would probably be satisfied, and with good reason. The problem was addressed, a generous gesture was made, and the guests took

the trouble to say thank you. Having been there and done that, I understand how this works. A conscientious manager reads such an entry, feels proud of the team and turns to the next item. There is always a next item.

The entry is my imagined record, not the resort's actual report. The stay behind it is real. My wife and I were the guests.

We were staying once again at an exceptional resort. The guest-relations executive, who knew us from earlier visits, welcomed us on arrival, as she usually does. Our mini-suite was beautiful, with a large orchid and other flowers already arranged. Everything spoke of a place that pays attention, except for one thing.

The room was cold. We tried the thermostat, but the heating did not work. We called reception, then called again. Nothing happened, and no one told us what was happening. The next morning, I went to reception to speak to someone in person and asked for the guest-relations executive who had welcomed us. She was out. Each step was small and reasonable. Together, they meant that part of our stay was spent pursuing something that should simply have worked.

Later that morning, we went out. When we returned, a portable heater was in the room, accompanied by a lovely bouquet of flowers. Although we had not been able to see her, the guest-relations executive had recognised that the trouble had inconvenienced us, and the flowers were from her. We were grateful for both. On our way to the spa, we stopped at reception to thank her in person. And we meant every word. It was only then, during that conversation, that we learned the room was due for full refurbishment.

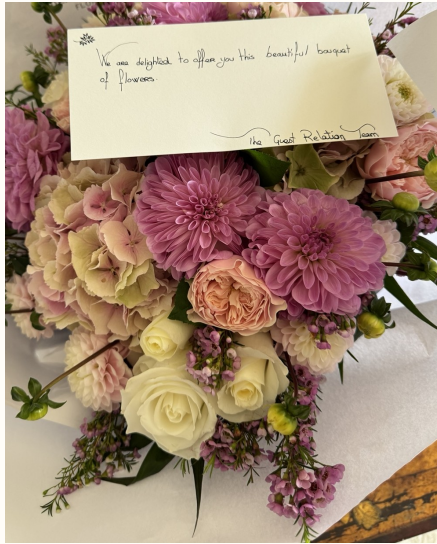
Now read that imagined entry again. Its facts could all be correct. Yet it says nothing about the calls that brought neither action nor news,

the morning visit to reception, the explanation that arrived only at the end, or the effort all of it had taken. Our gratitude was real. The resort had not deprived us of anything; we have our own ways of enjoying our time. But it had missed an opportunity to make that time better, and what fell short became an intrusion, asking us to put in more effort to enjoy our stay.

Two accounts of the same stay, both true. Only one of them was ever likely to be written down.

Think of the records your own organisation closed this week. Some may read very much like this one: handled correctly, thanked politely, and silent about what the guest took home.

I have thought about that bouquet many times since. It was beautiful, and it came with a handwritten card from the guest-relations team expressing their delight in presenting it. She had recognised that we had been inconvenienced and wanted to respond. It was a kind act, and we received it as one.



The bouquet and its card, photographed during our stay.

Yet it arrived in a suite that already held a large orchid and other flowers. It gave us more of what we already had. What we wanted was something more fitting: a gesture in keeping with our holiday mood, one that made the stay feel worth what we had spent.

I have seen recovery gestures take this shape. They are sometimes chosen from what an organisation has to hand, what it usually gives or what looks generous, rather than from what this particular person has experienced.

The intention is right. The imagination stops at the familiar.

That is a costly place for imagination to stop. A gesture can do far more than give something back. At its best, it can change how a person remembers what went wrong. Chosen with genuine understanding, it may allow the trouble to recede until the care shown becomes the more lasting impression. Generosity alone cannot achieve that. It takes perception, imagination and judgment.

It also takes the right order. First, restore what should have worked. The room must be warm. Only then is it worth asking what might change the emotional experience. Even then, a thoughtful gesture may soften a difficult memory without necessarily erasing it.

What would have been right for us? I do not know, and that uncertainty deserves respect. Someone might have drawn on what the resort already knew about us from earlier visits. Someone might have offered two or three meaningful possibilities and allowed us to choose, taking care that the choice did not become another task. Or the most valuable response might have cost almost nothing.

Had we received the explanation about the refurbishment during our first call, it might have changed how we experienced everything that followed. David Maister, writing on the psychology of waiting, observed that unexplained waits feel longer than explained ones.

The flowers were a good gesture. Was it the best one?

A gesture that costs very little can carry extraordinary meaning, while an expensive one can carry very little. Its value comes from how accurately it responds to what matters to the person receiving it.

That principle reaches far beyond flowers. The value of what an organisation offers is ultimately judged by the person receiving it. Experience has taught me that an organisation's account of what it delivered rarely tells the whole story of what its guest experienced. To understand value, we must learn to look beyond our own perspective.

Our perspective begins with what we deliver. It is what organisations measure best through specifications, audits, budgets and standards. And it matters. Without reliable delivery, the experience itself may fail. But delivery represents the giver's perspective. The guest's judgment is formed through other considerations, and what a leader discovers there can be surprising.

The first surprise is expectation. Over the years, I have learned that two people can receive precisely the same service and experience something entirely different. One feels cared for. The other feels inconvenienced. The difference is not always in what we have done. It may lie in what that moment meant to the person receiving it, and what they expected before they arrived.

A. Parasuraman, Valarie Zeithaml and Leonard Berry proposed a model of service quality that explored the relationship between customer expectations and perceptions. Their work also examined gaps between what customers expect and what managers believe they expect. For a premium business, the implication is worth considering. A higher rate and a stronger reputation can raise the expectations against which the same delivery will be judged.

The second surprise lies in what the guest lives through, including the parts nobody intended. Research on customer effort suggests

that reducing the work customers must undertake to resolve a problem can be more valuable for loyalty than providing additional extras. Studies of complaint handling also show that people judge recovery by how fairly they were treated, not only by what they received.

Effort is a cost the guest pays that no invoice shows.

That cost matters because perceived value is a judgment each guest makes for themselves. Zeithaml described perceived value as an assessment of what is received in relation to what is given. And what is given includes more than money. Time, effort and attention matter too. People also weigh different kinds of value: functional, emotional and social, among others. Two guests staying in identical rooms can therefore reach very different judgments, and both may be entirely reasonable. An organisation can influence that judgment. It cannot determine it on the guest's behalf.

Then the stay ends, and memory takes over. Research by Daniel Kahneman and colleagues demonstrated how particular moments, including the ending of an experience, can influence what people remember and which experiences they prefer to repeat. Memory does not preserve every detail equally. The stay a guest remembers is therefore not necessarily the stay the organisation recorded.

Beneath memory lies something deeper. Meaning. What did the stay make possible in that person's life? B. Joseph Pine II and James H. Gilmore described experiences as an economic offering in their own right. Pine has subsequently explored how customers may seek businesses that help them achieve personal aspirations. Not every guest wants to be transformed. Many simply want comfort, privacy

and an excellent night's sleep. Honouring those needs is intelligent service in itself. Yet a booking rarely tells us everything a guest is hoping to gain.

Consider these perspectives together, and an important blind spot begins to emerge. Much of an organisation's attention, measurement and investment naturally centres on what it delivers. But when leaders assume that value delivered is automatically value received, they risk investing in what is visible to the organisation rather than what is most valuable to the guest. A recovery may be judged by what was given rather than how it was experienced.

The Value Gap is the distance between what an organisation believes it has delivered and what a person expects, experiences, perceives, remembers and ultimately finds meaningful.

That gap can exist even when every standard has been met. This is why premium value is seldom simply about providing more. It lies in recognising what matters to this person and creating more of that. A property can invest heavily in amenities its guests barely notice, while one colleague creates a lasting memory through a single well-judged act.

The commercial stakes are real. Research across several service industries by J. Joseph Cronin, Michael Brady and Tomas Hult found that service quality, perceived value and satisfaction influence customers' behavioural intentions, including their intentions to return or recommend. This does not mean every memorable experience guarantees a returning customer. It means that understanding perceived value has commercial significance. Guests make decisions based on what they perceive and remember, while

much of an organisation's expenditure is directed towards what it delivers. Resources spent on things guests do not particularly value are resources that cannot be directed towards what matters more to them.

And the stakes are not only commercial. When an exchange is genuine, value can travel in more than one direction. The guest benefits. The professional may gain meaning, trust and sometimes relationships that last for decades. The organisation earns opportunities for preference and loyalty that cannot be secured through amenities alone. What slips through the gap is more than one guest's comfort. It may be a memory, a return visit or a relationship that never had the chance to begin.

Extraordinary value often begins with someone's ability to recognise a possibility that others have overlooked.

Which raises a question that matters to anyone leading a service business. If these possibilities are so valuable, why do capable, caring people sometimes miss them?

I do not know why no one explained the refurbishment when we first called. Perhaps the colleague answering the telephone had not been told. Perhaps they did not feel it was theirs to say. Perhaps they were doing exactly what the system asked of them. I cannot know which explanation is correct. But each gives us reason to examine something beyond individual competence or goodwill: the conditions in which people work.

Across the organisations I have known, several recurring patterns deserve attention. The first is what gets measured. Systems are often designed to track tasks, and tasks have clear endings. Experiences rarely do. A request can be closed in minutes, while how the guest felt about it may have no field and no deadline. What is not recorded can easily be forgotten. Over time, people may stop looking for it.

The second is how gratitude is interpreted. A thank-you can feel like a verdict. Often, it is simply a courtesy. Guests who are kind, private or tired may thank you warmly and keep the rest to themselves, as we did. The economist Albert Hirschman explored responses to dissatisfaction that include *voice*, when people speak up, and *exit*, when they leave. Sometimes, leaving is easier than explaining. And when guests quietly take their custom elsewhere, an organisation may never discover why. A business that treats appreciation as proof of complete satisfaction risks closing conversations that were never fully understood.

The third concerns what happens to understanding as it travels. Knowledge that exists somewhere within an organisation, such as information about a planned refurbishment, may never reach the guest. Sometimes, it does not even reach the colleague answering the telephone. What one person understands can stop at the next handover unless the organisation has a reliable way to carry that knowledge forward.

The fourth brings us back to where we began. Intention and imagination are qualities that can be developed, encouraged and expressed more fully. But their expression can become restricted when people lack the space to notice or the confidence to exercise judgment. Under relentless pressure or fear of criticism, even thoughtful professionals may become increasingly cautious.

Research on psychological safety and workplace demands helps explain why these conditions matter. Amy Edmondson's work on psychological safety connects an environment of interpersonal trust with behaviours such as asking questions, raising concerns and acknowledging mistakes. Research on job demands and resources also links sustained pressure with exhaustion and examines the importance of support and autonomy.

Which brings us to perhaps the most hopeful part of this discovery. Many professionals I have encountered possess more sensitivity, judgment and initiative than their working conditions allow them to express.

The capability to close the gap is often already on your payroll.

Knowing what people truly value is one thing. Creating the conditions in which your people can consistently recognise and respond to that value is another.

In organisations where I have seen people notice more, where explanations arrive before guests have to ask, and where thoughtful gestures reflect genuine understanding, certain qualities tend to work together. People bring a particular **State** to each encounter: attention, intention and a clear sense of who they are in their work. Their **Environment** supports thoughtful action through leaders who maintain healthy working conditions, colleagues who treat one another with respect, and individuals who take responsibility for the atmosphere they help create. Their **Values** are lived rather than merely declared, expressed through integrity, consideration and sound judgment when no standard can tell them exactly what to do.

And their **Actions**, including skills, routines, rituals and everyday decisions, bring those qualities into the guest's experience.

State. Environment. Values. Actions. These are the four dimensions of **SEVA OS®**, the methodology I developed to understand and work with these interconnected human conditions. Every organisation already has all four. What matters is whether they reinforce or contradict one another. Ask a team to use initiative in an environment that punishes mistakes, and people may learn caution, whatever the values on the wall say. Behind an experience a guest remembers, there is often someone who recognised what mattered and had the conditions needed to respond.

So what happens if the gap remains unseen? Possibly nothing dramatic. And that is precisely the danger. The records stay positive. Guests keep saying thank you. Some may choose elsewhere next time without explaining why. Investment may continue flowing towards additions that guests barely notice, while the effort they are asked to make goes unmeasured. And colleagues closest to the guests, who notice more than the system asks of them, may gradually learn that what they notice leads nowhere. Over time, some stop sharing their observations. Others may stop looking.

Now picture the alternative. When leaders begin recognising the gap and learning from what they discover, investment can become more precise because it follows what guests actually value. Recovery gestures can become more meaningful. Guests may have fewer reasons to chase and more reasons to return. Employees can grow in confidence when their observations are welcomed and acted upon. And the organisation can draw more fully on the human capability it

already possesses. None of this is guaranteed. All of it begins with seeing.

Think of the people who have served you over the years. Most encounters were ordinary and have long since faded. But a few have stayed with you. Ask yourself what made the difference. Was it the grandeur of the surroundings? The value of a gift? The technical complexity of the service? Perhaps. But often, it was something much simpler. Someone recognised what mattered to you and responded with genuine care.



Somewhere in your organisation today, there are people capable of creating moments like that, and guests who could carry those moments home for years.

The possibilities are already there.

What remains open is whether they will be seen, and whether the people who could bring them to life will be given the room to do so.

Executive Reflection and Application

If you want to discover the Value Gap within your own organisation, begin with one interaction and an honest hour. Choose a recent guest encounter your team believes it handled well. It need not be a complaint. A room move, a late arrival, a spa visit or a departure can reveal just as much. Bring together the people closest to that encounter.

Before anyone judges the outcome, establish one important distinction:

What happened, what we believe happened and what the guest may have experienced are not automatically the same.

Then work through the following questions as a conversation, not an inspection.

THE VALUE GAP DIAGNOSTIC

— **Delivered**

What exactly did we provide, and what did we believe we were providing?

— **Expected**

What had we led this guest to expect through our price, promise or previous experiences?

— **Experienced**

What effort, waiting or uncertainty did we create without intending to?

— **Perceived**

What do we actually know about what the experience was worth to this person, beyond their politeness?

— **Remembered**

What might they remember most, and how did the encounter end?

— **Meaningful**

What were they hoping to gain, and did we ever discover it?

— **Ourselves**

What did our people notice, and where did that knowledge go?

*Beside each answer, write one of three descriptions: **Know.**
Believe. Never discovered.*

Where the answer is never discovered, consider how you might learn more without intruding.

Often, the most revealing answer is **never discovered**. No organisation will ever know everything its guests feel, and these questions do not pretend otherwise. They offer a way for a team to

examine its own assumptions and ask whether it took every reasonable and considerate step available. They protect colleagues from being judged on motives nobody can verify. And they give leaders permission to say, “We do not know,” without defensiveness.

Then put what you discover to work.

A FOURTEEN-DAY EXPERIMENT

1 Choose one point in the guest journey.

It might be arrival, a room move, a spa experience or the handling of a reported fault.

2 Establish an honest point of comparison.

Before changing anything, review a handful of recent, similar encounters. Understand what normally happens and what guests or colleagues have already reported.

3 Listen more carefully.

Pay attention to guests and the colleagues who serve them. Notice what people say, what remains unclear and what they have to chase.

4 Introduce one thoughtful improvement.

Perhaps the guest’s concern, rather than only the technical task, travels through every handover. Perhaps a candid explanation is offered during the first call. Perhaps a recovery gesture begins with what is already known about the guest.

5 Reflect on what changed.

At the end of fourteen days, bring the team together. Examine what became easier, what remained unclear and what is worth keeping.

A fortnight will not establish a long-term commercial return, and it should not be expected to. Nor should one positive result be taken as

proof that everything is now working well. We cannot always know precisely how another person feels. But we can remain attentive to the effect of our actions, take responsibility for what we discover and continue looking for ways to improve their experience.

Fourteen days may not tell you everything about your organisation. But they may reveal something important about the experiences you have been delivering, the people receiving them and the capabilities already present within your team.

Sometimes, seeing something differently is where meaningful change begins.

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The resort episode is drawn from the author's personal experience. The service record is a hypothetical illustration created by the author, not a quotation from the property's records.

ABOUT THE AUTHOR

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As a Human Presence Architect, I help service-led organisations recognise the human conditions behind what their people notice, how they respond and what their guests ultimately experience.

If this book has brought an encounter or an unanswered question to mind, I would welcome the conversation.

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