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Achieving Complete Customer Satisfaction

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ACHIEVING COMPLETE CUSTOMER SATISFACTION

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BA Business Management



Abstract Presented to the Faculty of the Graduate
School of Lindenwood College in Partial
Fulfillment of the Requirements for the
Degree of Master of Science

1995

Abstract

Achieving Complete Customer Satisfaction

The term customer service has changed in meaning over the years. There was a time when it suggested an unpleasant experience for both the customer and the business. Employees tried to avoid complaints because they weren't educated in how to handle them. Over time, customer service evolved into a much broader meaning as companies noticed that the leaders in their industry provided service as part of the sale. When companies began to change their own way of doing business, they began to see profits associated with offering service with the sale, and they found that it can be the "secret weapon" to gaining the competitive edge.

Companies started to view customer complaints as opportunities to correct problems. They discovered that superior service actually can be more effective than marketing at enhancing volume and profit. However, they learned that delivering quality service is difficult to achieve, and the kind of service that makes a positive, lasting impression on customers takes more than simple courtesy. They also found it very difficult to build the day-to-day consistency of service necessary to sustain their customer base.

The realization that exceptional service is required to get and keep customers in today's competitive marketplace sent companies on a search for help. They found a myriad of

literature and training programs, and as they explored them, they soon realized that their real challenge was in getting a commitment, first from their management teams, then from the front-line employees responsible for delivering customer service. Businesses found it critical that they reassess how they manage their relationships with their internal customers, their employees, before they could effectively service their external customers, the consumers. Often management didn't buy into the theory, and front-line employees weren't interested in providing service. Some companies found that they needed to "clean house" and start over. Of course, rarely is that possible, so they were faced with trying to remold the thinking patterns and practices of many of their current employees.

Companies that have successfully put effective customer service practices into place have been rewarded with customer loyalty, increased sales and profit, fewer complaints, improved employee morale and productivity, less employee turnover, and savings in marketing, advertising, and promotion budgets.

This project provides an in-depth study of the strategies proposed by noted authors and teachers in the field, and explores the successes experienced by leading companies. Using the approaches recommended by the authors, teachers, and leading companies, it provides guidelines for achieving complete customer satisfaction in business today. Finally, it concludes with personal experience both as a customer service professional and as a consumer.

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A Culminating Project Presented to the Faculty of the Graduate
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Fulfillment of the Requirements for the
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Chapter 1: Introduction

In April, 1992, as the wife of a Wal-Mart store manager, I sat at the Wal-Mart yearly meeting. In attendance were thousands of Wal-Mart managers, co-managers, and assistant managers, along with most of the corporate staff of the giant retailing company. The meeting began, as does almost every Wal-Mart function, with the Wal-Mart cheer. It goes like this:

Give Me a **W!**
Give Me an **A!**
Give Me an **L!**
Give Me a **Squiggly!**
(Everybody does the twist)
Give Me an **M!**
Give Me an **A!**
Give Me an **R!**
Give Me a **T!**
What's that spell?
Wal-Mart!
What's that spell?
Wal-Mart!
Who's number one?
THE CUSTOMER!!!

Sam Walton became the richest man in America by learning early in his 48-year career as a retailer that "There is only one boss: the customer. And he can fire everybody in the company, from the chairman on down, simply by spending his money somewhere else" ("Tired" B4).

On April 5, 1992, during the third day of this Wal-Mart yearly meeting, a cloud fell on the festivities as it was announced that Sam Walton had died. The meeting was

stopped briefly as prayers were said, then proceeded as, according to the corporate leaders, Sam would have wanted it. The meeting resumed with the cheer – given in honor of "Mr. Sam." It was quite impressive as his associates yelled out the cheer with the kind of enthusiasm and conviction that showed – they not only believed it, they lived it, just as "Mr. Sam" intended them to.

What was Sam Walton's secret to winning the dedication of so many people? How do companies like Wal-Mart, McDonald's, Federal Express, Lands' End, L.L. Bean, and IBM keep customers coming back year after year? Why do customers continue to choose them over companies that offer similar products, and often offer them at lower prices? They return for the kind of superior customer service that attracts customers from competitors and keeps them. The truly successful companies know that complete customer satisfaction is the ultimate weapon in today's sophisticated marketplace.

The top companies pride themselves on the superior service they provide. They cater to every customer, no matter what the size of the sale. Companies that are patterning their service strategies after them are beginning to reap the benefits of loyal customers and increased profits.

These customer-conscious companies know that the satisfied customer is the lifeblood of their business. He is the repeat customer who will buy in volume time after time. The success companies like Lands' End and L.L. Bean enjoy stems

from the belief that their complete product is satisfied customers.

To navigate our way into a successful future in complete customer satisfaction, we must first look at where we've been, and where we are today. There are invaluable lessons to be learned from our experiences thus far.

THE PAST

During the 1950s and 1960s, innovation and price were the buzz words with little focus on quality or service. Many times consumers shopped for the best price, receiving guarantees that were worth little more than the paper they were printed on.

In the 1970s American companies continued to be blind-sighted by the fast dollar and, in doing so, they allowed the Japanese to enter the American marketplace offering superior products with service that topped anything offered by most American companies.

During the early 1980s, the ailing American companies tried to gain lost market share by offering added value to products – freebies, coupons, rebates, low-interest rates, and two-for-ones. Banks, for example, gave away toasters to those who opened new accounts.

Beginning in the mid-1980s, organizations that had dedicated themselves to providing superior service with the sale were growing rapidly, even though many times they charged more for the basic product. By the end of the 1980s companies

that emphasized service were gaining more market share than companies that were only interested in the quick sale (Montgomery 85).

Industries such as banking and credit cards that provided long-term service as part of each sale found themselves scrambling to upgrade the quality of the service they were already providing. Their focus changed from that of only barely meeting customer needs, to understanding customers by treating them with tender loving care.

In the early 1990s companies discovered that providing quality products was no longer sufficient to be competitive. They found that with today's highly sophisticated technology, consumers expect quality products. For companies to truly succeed, they would have to provide complete customer satisfaction by focusing on the concept of service as part of the product, the design, and the company as a whole.

Businesses also began to see that customers don't distinguish between the employee providing the service and the company itself. It became more and more apparent that the person behind the counter or on the answering end of the phone line was, in the eyes of the consumer, the company (Anderson and Zemke 3).

Clearly, every industry began to see superb customer service as the requirement for survival in our highly-technical, fragmented, fast-changing, quality-conscious, and ever more competitive marketplace. Almost all industries, both product-

based and service-based, began to take a serious look at the image they were presenting to their customers.

Until recently, working in customer service was just about as thankless a job as a person could find. A career in sales was considered a job with a future, marketing was a title with some prestige, and advertising was considered exciting, but customer service was thought to be a career path to nowhere. Fellow employees looked down their noses at "those people who deal with the whining customers." Some customers even saw people with customer service in their title as not very bright and the last people they wanted to call for help.

THE PRESENT

We've reached the mid 1990s and companies are starting to see the light. More and more companies are gradually beginning to realize that profit comes from keeping customers happy. They are finding that satisfied customers are willing to pay more for products, and they stick around through difficult times and periods of adjustment.

As companies are waking up to the importance of truly servicing their customers, rather than just selling them, they scramble to restructure their organizations. They're finding, however, that the restructuring process required to bring customer service to the forefront of an organization cannot be easily accomplished. It involves changing the entire culture of a company, redefining its key values in terms of the customer. It requires a commitment from all its executives, managers,

supervisors, and employees to successfully achieve those values.

As part of the restructuring process, companies are giving their "lowly" customer service representatives more status in the company and they're finding that their current representatives may not have the attitude, ambition, or skills-set required to provide a higher level of service. Those workers not capable of assuming the responsibility required to fit into a full service position are being reassigned, and others with better credentials are being brought in.

As companies continue to struggle to achieve total customer satisfaction, they know that realistically, they have made only the first step toward providing full, complete, high-quality customer service to their clients. To reap the full benefits, they must provide complete satisfaction to their customers. That is not an easy task to accomplish. It requires taking a long hard look at the company as a whole and each department in great detail. It requires cleaning house -- weeding out employees at all levels of the organization who don't fit the plan and cannot adjust to change.

While more and more companies are following the trend to build service into every sale, business survival dictates the downsizing and consolidation of operations. This is the business paradigm of the 1990s. While businesses try to personalize customer services, they are also being pushed to cut costs, which many times means cutting staff.

Service is the hottest subject in business right now. Unfortunately, too much of the service is still lip service, not customer service, as companies struggle toward restructuring (Desatnick xi).

The following, written in the style of the immortal Dr. Seuss, appeared in Dale Dauten's column in the St. Louis Post-Dispatch.

THE CLERK WITH THE SMIRK

The shop it was busy.
 The clerk he was not.
 The more shoppers asked him,
 The dumber he got.
 "They don't pay me enough,
 To do all this work."
 "They don't pay me enough,"
 Said the Clerk With the Smirk.
 "Slow, slower, slowest:
 That's my strategy.
 You want it done fast,
 Don't try asking me."
 "I hate working here —
 All irk and no perk."
 "I long to get axed,"
 Said the Clerk With the Smirk.
 "I'll be unemployed.
 I'll go on the dole.
 No taxes to pay.
 No rigmarole."
 And the Clerk With the Smirk,
 Soon got himself fired.
 The boss sent him packing,
 With language inspired.
 Thought the Clerk With the Smirk,
 "That's fine, fine, fine."

I'll collect unemployment;
I'll go get in line."
But the lines there were long,
And the service so poor,
That waiting and waiting
Became quite a chore.
At last at the front,
The smirker did whine,
"The help here is lousy,
You ought to resign."
The man sized him up,
And said with a sneer,
"I'm closing this line;
You can go to the rear."
"Hey, wait! No you don't!"
Cried the Clerk With the Smirk.
"I'll see that you're fired;
For the work that you shirk."
To the Clerk With the Smirk,
Said the Clerk With the Sneer,
"Thanks to people like you,
I'll always be here."

This little poem written by Dauten echoes the sentiments of many about the service they receive. Fortunately, all encounters with customer service personnel are not unpleasant. Why is there a difference? Is it simply that some people are nice so they give better service? I think not. It goes much deeper than that. Working in the customer service profession myself, I know there's much more to the story.

The purpose of this thesis is to study customer service practices as they relate to the success or failure of the companies of the 1990's. The goal is to outline the best

technique for achieving customer service practices that provide complete customer satisfaction.

This project will explore how American successes like Wal-Mart, McDonalds, L.L. Bean, and IBM have risen to the top and stayed there. It will provide an in-depth analysis of the opinions of noted authors, and finally, techniques used by top companies for increasing profits through complete customer satisfaction.

Chapter II will introduce several authors as well as quotes from CEOs of successful companies. It will review books and articles written by experts in strategies for building superior customer service in today's marketplace.

Chapter III will narrow the focus on evaluation and review of the literature presented in Chapter II. It will describe strengths and weaknesses found in the theories of the authors.

Chapter IV will focus on the results of the study and make recommendations for developing a business strategy based on building customer satisfaction as the core to a company's product.

Chapter V will relate personal experiences as a customer service professional and as a consumer.

Chapter II: Literature Review

There's a plethora of books and articles today defining complete customer satisfaction and outlining strategies to achieve it. Some are humorous, others very matter-of-fact. Many offer step-by-step directions as though assembling a bike. Most share some similar ideas, but not all organize their ideas in a user-friendly manner. Authors who had first-hand experience with leading companies in today's marketplace had the most effective presentation of their ideas.

The literature chosen for review will provide a broad overview of the thoughts and opinions of several authors whose experience in the field qualifies them as "experts."

One author who has written a comprehensive guide for both management and front-line customer service personnel is Ron Willingham. His book, Hey, I'm The Customer, isn't full of complicated theory - just straight facts presented in a easy-to-understand manner.

Ron Willingham is Chairman of Integrity Training Systems, which has graduated over 1,000,000 people from its courses. He wrote and produced the first personal development program ever recorded on audio cassettes and has written five books. His firm markets The Customer, a seven-week customer service program, and certifies corporate managers and trainers to conduct it within their own organizations.

Willingham's book recommends two major keys to achieving superior customer service: communicating with the customer and solving his problems.

Communicating With Customers

Willingham advocates six practices to follow for effective communication with the customer.

Greet Customers: Customers should receive a personal greeting that makes them feel welcome and important. Remember that the first impression may be the only chance to make a good impression, and nonverbal gestures (body language and facial expressions) make quick subliminal impressions. Willingham states, "People average making eleven decisions about you in the first seven seconds of contact" (17). Eye contact is important to build trust, and undivided attention is essential. Customers should feel as though the world has been tuned out and they are the only thing on your mind (5 - 19).

Value Customers: People quickly see through thinly veiled attempts at being nice such as painted smiles and plastic actions. Values go much deeper than mere techniques. Success in a customer service career requires individuals who possess the attitudes, motives, and values to truly care about customers' needs. They have the talent to focus on the positive in people instead of dwelling on their negative traits. They see their job as more than delivering products and services, and derive great pleasure from helping people enjoy end-result benefits (23 - 35).

Ask How to Help Customers: It's important to take the time to understand the needs of the customer. There are times when that

means helping the customer to determine those needs by asking open-ended questions. Six important words to use are who, what, where, why, when, and how. Willingham states, "A genuine desire to understand people's needs or wants impacts customers and places you ahead of most other people in your field" (50).

Listen To Customers: Listening means more than just hearing. Total listening requires understanding feelings and emotions. People form positive impressions when they feel they're truly heard and understood. To reach that level with the customer requires maintaining eye contact, removing bias, using open gestures, and refraining from interrupting or tuning them out. Willingham offers three rules to practice to improve listening skills (57).

1. Listen to people's words.
2. Listen to their tone of voice.
3. Listen to their body language.

Help Customers: Willingham says, "In today's competitive marketplace the leaders who emerge successfully will be people who are customer-needs focused. Because they have more choices of what and from whom they buy, people who pay you money for products or services are demanding more. And they have a right to do this. After all, it's their money" (71). His theory is that customers buy products or services for what they will do for them, not for what they are. Their motivation to buy is the end-result benefits they'll enjoy (71 - 85).

Invite Customers Back: Thank customers for doing business with you and leave them with a feeling of being welcome to visit or call again. Let them know you enjoy serving them. People maintain

their last impression of you until you have a chance to change it - if you ever have another chance (101).

Solving Customers' Problems

Willingham states, "A problem is the difference between what we want to happen and what actually happens" (122). He says that how we deal with problems determines whether they become stumbling blocks or stepping stones and recommends a four-step problem-solving formula that applies in most situations in life, both personal and business.

Understand the Problem: Get the facts, listen attentively, and repeat to the customer your understanding of the problem. It's important to remove negative emotions from the problem solving process, and arguing only compounds the problem. Willingham states, "Taking ownership or responsibility for problems, when done with a sincere desire to understand them and solve them, can turn negative customer attitudes into positive ones" (131).

Identify the Cause of the Problem: To identify the real cause of the problem, ask what happened, what should have happened, and what went wrong. Let the customer know that you want to understand the cause so you can make it right for them (137 - 150).

Discuss Possible Solutions: Suggest options and find out what the customer expects to happen, then agree on the best course of action. Disgruntled customers usually become much more pliable when asked what they want and to participate in deciding on the best solution (153 - 166).

Solve the Problem: Regardless of the size of the problem, follow through promptly and efficiently on the agreed upon solution. Willingham says, "Solve few or small problems and you'll receive small pay. Solve bigger problems and you'll earn bigger dollars. You'll usually be paid consistent with your willingness and ability to solve problems" (178).

Another handbook with step-by-step instructions that would be easy for an employee at any level of an organization to understand is Delivering Knock Your Socks Off Service by Kristin Anderson and Ron Zemke. It's fun to read because it's full of clever quotes and cartoons to hold the reader's interest.

Kristin Anderson is a research associate and project coordinator for Performance Research Associates, Inc. In addition, she is a member of the International Customer Service Association (ICSA). Ron Zemke is a management consultant, journalist, and behavioral scientist. He is senior editor of Training magazine and editor of The Service Edge newsletter.

Anderson and Zemke state,

Delivering Knock Your Socks Off Service – the kind of service that makes a positive, lasting impression on your customers – takes more than simple courtesy. Much more. It starts with understanding what good service is from your customer's point of view. What you do, how you do it, how well it must be done, and proving you can do it again – those are the fundamentals (1).

Anderson and Zemke's book outlines rules to follow for achieving exceptional service. The following is a summary of those rules.

Rule Number 1: In the eyes of the customer, you are the company.

The customer's opinion of the company is a reflection of the image its employees project. They've never seen your job description or what you can or can't do for them. They only know what they need from you. Because service extends beyond your control, it's important that the chain of good service is not broken. Donald Porter, senior vice-president of British Airways, explains it this way:

If you're a service person, and you get it wrong at your point in the customer's chain of experience, you are very likely erasing from the customer's mind all the memories of the good treatment he or she may have had up to that moment. But if you get it right, you have a chance to undo all the wrongs that may have happened before the customer got to you (4).



(4)

Rule Number 2: Know what knock your socks off service is.

Anderson and Zemke prefer a framework for delivering quality service invented by Texas A&M researcher Dr. Leonard Berry who states that customers evaluate service quality on five factors:

1. **Reliability:** The ability to provide what was promised, dependably and accurately.
2. **Responsiveness:** The willingness to help customers promptly.
3. **Assurance:** The knowledge and courtesy you show to customers, and your ability to convey trust, competence, and confidence.
4. **Empathy:** The degree of caring and individual attention you show customers.
5. **Tangibles:** The physical facilities and equipment, and your own (and others') appearance (9).

The authors state that all five factors are important to customers and absolutely necessary to meet or exceed customers' expectations. Customers expect service organizations to look good and be responsive, reassuring, courteous, competent, empathetic, and most of all, to be reliable.

You can't promise your customers sunny weather but you can promise to hold an umbrella over them when it rains.

- Sign in a telephone service center
(14)

Rule Number 3: Customers are everywhere – inside and outside the organization.

When you're not serving the public customer, your job is to serve someone who is. Everyone has a customer. Internal customers are just as important to the overall success of the company as the external customer (31 - 34).

Rule Number 4: The customer is always the customer.

The old adage, the customer is always right, is not necessarily true, but the fact remains, the customer is why we're there. To keep the customer satisfied and coming back for more, it's important to remember that the customer is not the problem, the enemy, or the bane of our existence. Anderson and Zemke state "When customers are wrong, your role is to use your skills to help make them right, in a manner that neither embarrasses nor blames" (41).



Rule Number 5: Honesty is the only policy.

Customers respect honesty. When mistakes are made it's better to provide an explanation, apologize, and tell the customer how you can make it right (45).

Whoever is careless with the truth in small matters cannot be trusted with important matters.

– Albert Einstein
(48)

Ron Zemke expands his focus on the major role played by employees in achieving customer satisfaction in his book titled The Service Edge. This book focuses on employees as major role players in creating customer satisfaction.

Zemke believes that, generally, service in America is bad, but there is light appearing in the darkness. There is growing evidence that things are changing, that companies, associations, and even governmental bodies are beginning not only to care about customer satisfaction, but go to great lengths to assure it.

To improve service, an organization must first determine why it is bad. One theory is that the customer is more demanding than in the past, insisting they receive low price, quality, and service as part of the sale. Some companies invest their resources in creating low priced, quality products, forgetting about service (9).

A second theory has to do with the image of working at a service job – people doing a job they consider beneath them. If service employees feel they are in a degrading position, they tend to perform poorly and too often take out their frustrations on those they are expected to serve (10).

To build quality into service, we must understand that products are tangible and service is intangible. A product takes up space and can be inventoried. A service doesn't exist until it is called for. It needs no shelf space and cannot be inventoried. Quality control of a product can involve weighing and measuring while quality control of a service involves watching a process unfold and evaluating it against the consumer's judgment (14).

Because service is an intangible product we must persuade customers that we can offer them what they want and need, and that we can do it well. To do that, Zemke states, "As in any other kind of endeavor, the activities of an outstanding service organization have to be planned, managed, measured, and modified to keep them on target. That means the employees have to be in on the secret – they have to be selected, trained, empowered, and rewarded appropriately" (xvi). Service jobs must be valued enough to become service careers – jobs with status.

The Service Edge outlines the principles of distinctive service. The following is a summary of those principles.

Principle Number 1: Listen, understand, and respond to customers.

Listening is only half the story. You must use what you hear. Customers need to believe they have your full attention, that you

are empathetic, and they expect results to be the product of your encounter (29 - 36).

Principle Number 2: Define superior service and establish a service strategy.

The first step in defining superior service is to determine what the customers' needs are. We can't fulfill their needs unless we know what they are. Only then can a service strategy be developed to meet and exceed the customers' expectations. As simple as that may sound, it isn't. Customers don't come in "plain vanilla wrappers," all needing the same things. Their needs are as varied as the customers themselves (37 - 46).

Principle Number 3: Set standards and measure performance.

Companies like Nordstrom, L.L. Bean, and Lands' End all have a standard that provides clear satisfaction guarantees: If you don't like it, we'll take it back with no questions asked. Their standards are expressed in terms of the customer. Standards that relate to service of tangible products are easier to set. Standards specific to services sold take careful thought and planning. Service strategies must be well-defined to be effectively measured (47 - 58).

Principle Number 4: Select, train, and empower employees to work for the customer.

Zemke says, "To maximize performance on the frontline, start with the right kind of raw material - people who are interested in the kind of work your organization does, and who have a capacity; not only for the technical or professional aspects of the job but for the 'people parts' too" (59). Once proper

employees are hired, they must be carefully trained and they need more than product knowledge. They need to be taught how to interact with customers in a way that keeps those customers coming back and, at the same time, leaves the employee feeling the reward of doing a good job. Empowerment means encouraging and rewarding employees for their extra effort, imagination, and initiative, along with helping them to learn and grow from their mistakes (59 - 69).

Principle Number 5: Recognize and reward accomplishment.

People work for the monetary reward but they also work for the recognition and both must be included to build a truly successful organization of happy, productive employees (70 - 76).

Superior customer service must rely strongly on the skills and attitudes of a company's employees. John Tschohl, author of Achieving Excellence Through Customer Service advocates a customer-first service strategy and stresses, as previously stated by Anderson and Zemke, that the customer is internal as well as external.

John Tschohl is president of Service Quality Institute, considered a leader in its field for its innovative customer service training program. Some industries who have benefited from their total approach to service improvement are Kay-Bee Toy and Hobby, Eastman Kodak and Miller Brewing.

Tschohl states, "One of the biggest problems in customer service is the reluctance of managers to look on customer service as a marketing strategy. Too many see it as an after-sale service, something relating back to the previous sale rather than ahead to

the next one" (1). He goes on to say that the general purpose of quality service is customer maintenance, customer retention, and new customer development.

Service is what the customer says it is. Too often, customers are only heard from when they're unhappy. Surveying customers about the service they receive as well as any additional needs you may fulfill for them lets them know you care. Using their responses to fulfill their requests shows your commitment to meeting their needs and exceeding their expectations (87 - 108).

Tschohl stresses the importance of hiring only employees who like customers. Those who hate customers are not trainable. Tschohl states, "Customer contact employees must possess and practice the right attitude toward people before they can convey positive communication skills that make customers feel important and that induce them to return. Hire people-oriented employees and teach them how to implement your professional service program" (109).

Once customer-oriented employees are hired, creating an environment that motivates those employees to provide quality service is a challenge. Companies that don't know how to motivate employees may overvalue money as a motivational tool. They may develop employees who go through the motions of being friendly, pleasant, and helpful, but insincere customer service turns off customers as often as poor service itself (132). Tschohl defines nine motivational tools that inspire employees to deliver quality customer service.

Management Commitment

Management must create a service culture that in itself engenders pride, productivity, and work quality. Top management down to the lowest supervisor must perform as true leaders do and lead by example. They must communicate the company goals to every employee and they must listen to what resources employees say they need to convert that vision into reality (134).

Training

Employees must receive training that shows them how to deliver quality service and the knowledge that builds the confidence necessary to convey that service credibly. Management must also remember that training must be regular and ongoing as the business and the customers change (135).

Praise and Recognition

Tschohl states, "Praise puts employees in a frame of mind to want to do service right" (136). Recognizing employees only when they make mistakes is too often the norm in business.

Team Spirit

Tschohl cites the following story:

Two stonecutters were chipping away at blocks of granite. A visitor asked, "What are you doing?" The first stonecutter grumbled, "I'm cutting this damned stone into a block." The second, who looked pleased with his work, replied, "I'm on a team that's building a cathedral." That's the spirit. A worker who can envision "the whole cathedral" and who has been given responsibility for constructing his portion

of it is far more satisfied and productive than the worker who sees only a granite stone and a long hard job staring him in the face (139).

Working together to accomplish a valued objective builds team spirit and a customer-oriented corporate culture.

Pride

Pride is often a powerful motivator. Pride is created by doing something right and important for the company. When customers ask for their favorite customer service employee by name, pride is enhanced (140).

Rewards

Few companies give monetary reward to customer service representatives. Most often bonuses are the reward bestowed on the sales force. Programs that reward exceptional service motivates employees to practice the habits necessary to deliver quality service (140).

Personal Benefit

The best motivator of all is the personal benefits a customer service employee enjoys by delivering the best service possible. Self-worth improves, self-respect is heightened, self-confidence is increased, and job enjoyment is enhanced (141).

Employee Orientation and Information Literature

Employees need clear, concise information about the company's vision and goals. Employee orientation programs backed by literature can show the sincerity and commitment the company has to its employees (144).

Tools Needed to Provide Quality Service

Tools that allow employees to do their jobs as efficiently as they can should be a top priority for management. For example, procedures that are paper laden should be automated whenever possible. Not only does automation make the employee's job easier, it also provides faster, more efficient service for the customer (146).

Motivating employees by treating them well, and giving them the tools they need to make customer satisfaction the central focus of their performance on the job, is key to success in today's competitive marketplace. Management must place equal importance on every position in the company, regardless of the level.

Robert L. Desatnick is another author who stresses the importance of management's commitment to all employees. Desatnick, president and founder of Creative Human Resource Consultants, has worked as corporate vice-president of human resources for McDonald's and in executive roles in human resources at Chase Manhattan Bank and Indian Head, Inc.

In his book, Managing To Keep The Customer, Desatnick says the real competitive edge in today's business is customer service. He goes on to say that customers are rightfully insisting on getting what they paid for and are quick to rebel and take their business to the competitor when they receive less than they expect (1). Desatnick quotes findings from a 1985 study conducted for the White House Office of Consumer Affairs as reported by the Research Institute of America:

- 96 percent of unhappy customers never complain about rude or discourteous treatment, *but*
- 90 percent or more who are dissatisfied with the service they receive will not buy again or come back. *Worse still,*
- Each of those unhappy customers will tell his or her story to at least nine other people, *and*
- 13 percent of those unhappy former customers will tell their stories to more than twenty people (4).

Desatnick says,

It is time for every business to examine and reassess how well it manages its relationships with two key groups: internal customers (employees) and external customers (those who purchase their products or services). Both are essential; the two are inseparable (1).

He goes on to say, "Customer relations mirror employee relations" (5). He believes that companies must put their own houses in order by building a customer-oriented work force, establishing and maintaining high standards for customer service, providing thorough and effective employee training, identifying and solving problems, motivating and rewarding customer service excellence, and measuring customer service results (16).

How does a company go about putting their own house in order? Desatnick states, "Putting one's own house in order requires exceptionally cordial relationships between management and labor." He goes on to say, "To enjoy the highest standards of

service superiority, organizations must have motivated employees" (16). He stresses that to have motivated employees, employers must successfully address the major areas of their employees' concerns. Addressing employees' concerns is only one piece to the puzzle. Desatnick says:

To excel in customer service, an organization must have employees – from top to bottom – who share a commitment to providing superior service. Building a work force with this kind of commitment to customer service is a process which starts with establishing clear corporate values of service superiority, then recruiting and hiring people who share those values, and continually reinforcing those values, from the first day of orientation all the way to the retirement party.

(34)

Hiring the right people is the first step to building the customer-oriented work force. Desatnick, and several other authors, advocate behavioral interviewing. Behavioral interviewing identifies applicants who, in their life and work experience, already demonstrate a service orientation. It uses a patterned interview method that puts the focus on a job candidate's past behavior to predict future behavior. Qualities that fit a service position include communication skills, cooperation and teamwork, problem-solving, decision making, sensitivity, dependability, judgment, enthusiasm, high energy level, flexibility, and adaptability (36).

Most newly hired employees want to succeed and are technically competent to do the job. Failure often springs from an individual's inability to adjust his or her behavior to conform to the organization's norms. The behavioral interview process uncovers the behaviors necessary for a person to succeed.

Hiring the right people is only part of the key to building the customer-oriented work force. The way they are brought into an organization is essential to superior service. Desatnick quotes a training consultant: "If you hire bums and give them to me, I will give you back trained bums" (35).

In the early stages, the new employee should be made to feel comfortable. It's not enough to give them a desk and chair, and introduce them to the people who sit near them. They will feel important and welcomed if they are introduced by their boss to everyone in the department, and escorted on tours of other key departments in the company. Job training should not begin until the employee is comfortable and has been educated about the company's policies and procedures (38).

Employees at every level of an organization must be taught the methods to achieve service superiority. Desatnick says,

Education has three phases: executive education, in which senior management learns its role; management education, in which those who must implement the process learn how to do it; and an employee education system, in which all the employees of the company learn their roles, and including workshops in which

those with special functions learn how to contribute to service superiority (51).

Maintaining a superior level of customer service requires constant monitoring of the personnel who provide it. Frequent individual progress and performance reviews are vital to identify and solve potential problems before they become apparent to the customer.

Getting productive behavior from employees takes both reward and praise. Successful managers create and maintain winning teams by multiplying, strengthening, reinforcing, and rewarding exemplary behavior; by not being afraid to give thanks for a job well done. It takes a secure manager to praise and continue to praise.

(81)

Good managers must believe in the dignity and worth of every human being, and will create the kind of positive environment that encourages people to produce.

Desatnick believes that once organizations achieve a superior level of customer service, they must continually strive to maintain it. They have no time to relax. Sustaining top-quality service is a continuing, never-ending process (102).

One company that has enjoyed proven results by serving their internal customers, their employees, first is Southwest Airlines. In an article titled "Service Begins at Home" from the March 1994 issue of SALES & MARKETING MANAGEMENT, Colleen Barrett elaborates on the success Southwest Airlines has achieved by serving their employees.

Barrett is executive vice president and corporate secretary at Southwest, which the Department of Transportation rated number one among major U.S. airlines in on-time performance, baggage handling, and customer satisfaction in 1992.

Barrett begins, "The secret of inspiring great customer service is making your own employees feel valued" (27). Southwest works hard at keeping their internal customers, their work force, happy. Those happy employees make it possible for Southwest to reap the benefits of being recognized for outstanding customer service. Southwest, in return, honors its employees for their contribution to the company's ultimate success.

At Southwest Airlines, we actively solicit advice from our front line employees for developing new programs, as well as for improving our day-to-day operations. We listen carefully to what our employees have to say, for they know our customers far better than we managers ever will.

(27)

Southwest encourages their employees to take their ideas to anyone in the company, even top management, rather than making them follow a chain of command. Sound ideas are implemented. Every idea is responded to regardless of whether it's used, so employees know why it was or wasn't used.

Management training is a top priority at Southwest. Barrett says, "It should be ingrained in all managers from the top down that it's their job to serve the employees, not the other way around" (27). Barrett's philosophy is that employee service is the

most important ingredient in customer service, that employees who are treated well will, in turn, treat the customer well.

Robert L. Montgomery, in an article from the March 1991 issue of USA TODAY magazine titled "How to Boost Sales: Service is the Key," points out in a clear and concise manner the connection between quality service and customer loyalty.

Montgomery is president and CEO of Montgomery, Zukerman, Davis, Inc., Indianapolis, IN., an advertising, marketing, and public relations firm.

Montgomery begins, "Service is more than a seven-letter word. It is the difference between selling something and creating a customer" (85). Service means understanding a more sophisticated customer, more complex products, and marketing conditions that constantly change. Service must be a part of the product, the design, and the company.

Montgomery defines the four C's of customer service:

Customers

To serve the customer, you must first know the customer. If a company doesn't know the customer, it risks selling him a problem.

Company

Companies that were developed on efficiency and innovation in the past are learning that human relations is the foundation of success. People who interact with people, the team concept, and employees who have the ability to think like the customer are paramount to success in today's world.

Competition

Montgomery states, "When price is the only point of difference, companies have lost the opportunity to win, and profits become more difficult. Profit requires a propriety position, so a unique service strategy is in people understanding people" (85).

Commitment

Companies today should never take a sale until they make a commitment to customer service. "They must learn to wait, serve, and train to serve even better. They have to train their staff to take time to listen to the customer, share information and experiences, encourage, inspire, and give the customer the recognition and respect he or she has a right to expect" says Montgomery (85).

Montgomery concludes by saying, "The winning companies of the 1990's know that sales do not always produce customers, but customers always produce additional sales." (85)

The late Sam Walton, author of Sam Walton, Made in America: My Story, achieved tremendous success by serving his customers, both internal and external.

Walton was a firm believer in the theory that associates, as he referred to his employees, treat customers the same way management treats them. He also realized that although he spent the majority of his time traveling from store to store, shaking the hands of customers and associates alike, there was not enough time in his lifetime to meet them all. He knew that "in the whole Wal-Mart scheme of things, the most important contact ever made is between the associate in the store and the customer" (128).

To make the customer the centerpiece of all his efforts, he had to serve the Wal-Mart associates, share owners, and communities almost to perfection. Walton didn't believe in any magic formula for success, but he did have some guidelines, Sam's Rules for Building a Business, which worked for him — most of the time — and when they didn't, he simply broke the rules. After all, we must be flexible enough to change when a better idea comes along.

Sam's first rule was that you must commit to your business and believe in it more than anyone else. You must love it with a passion that transcends to others like a fever. That's how the best teams are formed (246).

He believed in sharing the profits with all associates. When everyone has a stake in the company, pride of ownership becomes a powerful motivational tool to serve the customer and make the profits rise. He encouraged every associate to participate in the stock option plan, matching their contribution as an incentive. Today, many stores have 100% associate participation.

In addition to using profit-sharing as a motivational tool, he was constantly coming up with friendly games to pit stores against each other, and making bets with outrageous payoffs to keep the challenge going. He challenged his store management teams to do the same, making it a game to promote creativity.

Wal-Mart has the most open communication policy of any company studied. Sam Walton believed in communicating everything to everyone in the company. He said, "The more they know, the more they'll understand. The more they understand, the

more they'll care. Once they care, there's no stopping them" (247). He thought information to be power, and the gain realized from empowering associates with information more than offsets the risk of informing the competition.

A paycheck and a share in the company are not enough to show appreciation. Sam Walton believed in praising associates for accomplishments both large and small.

He listened to everyone at every level of the company often dropping in on stores just to hear firsthand how they were doing. He wasn't just asking about business either. He wanted to know about their families and whatever else was important in their lives. He won tremendous loyalty from his associates on those visits, especially when they would see him put their ideas to work.

"Satisfaction Guaranteed" appears on a sign in every Wal-Mart store. If customers are unhappy, give them what they want; if you make a mistake, don't make excuses — apologize (248).

Sam's last rule is to swim upstream. He said, "Ignore the conventional wisdom. Go the other way" (249). You can get in a rut and be left behind if you just go with the flow rather than trying out new ideas.

Walton built the world's largest retail chain and became the richest man in America by being a respected leader — and he led by example.

Sam Walton had his rules for success, but there are many other rules, or clichés, in the marketplace today. In an article titled "Real-World Customer Service" from the October 1994 issue of

INC. magazine, Susan Greco discusses the most common clichés and quotes noted experts on the validity of these clichés today.

Susan Greco surveyed 13 CEOs to uncover the truth about all the clichés we associate with customer service. "The women and men who lead those companies have learned to make the clichéd rules of good customer service work for them" says the author. "It's not easy to strike a balance between what you do to survive and what the experts propound. Thanks to a congestion of management consultants relentlessly parroting old saws, customer service has come to mean everything and nothing at all" (36).

CLICHÉ: "The customer is always right."

"Often customers know what they want but don't know how to convey it," says Bess Herzog, founder and chief executive of the \$3.9-million Topique Associates Inc., a Houston construction company. Herzog continues, "Our challenge is to interpret their wishes and figure out whether we can fulfill them" (36).

Bob McAdams, managing partner at Carneiro, Chumney & Co., a \$3.5-million accounting firm in San Antonio says, "We often have to sell our solution, tactfully, without saying, 'You're wrong!' It's important to make sure customers at least feel they're right" (38).

CLICHÉ: "Educate a customer, and the order will be yours."

According to Ron Jackson, founder and CEO of Contract Manufacturers, an Oklahoma-based animal trailer manufacturer that grossed \$12 million in sales for 1993, "When you educate yourself, you educate your customer." Companies that make

education of their employees a top priority reap the benefits in repeat sales (40).

CLICHÉ: "You're lucky if a satisfied customer mentions your company to a few friends, but you'd better believe that unhappy customers complain to everyone they know."

Make sure your customers are comfortable enough to complain to you. "Only comfortable customers make a ruckus. Those who aren't blab to everyone but you" (40). Customers who complain to you and get results almost always return and usually tell others about the service they received.

Customer-comment cards are often served up with dessert, but Chef Allen's, a North Miami Beach restaurant, tops them off with a phone call. "For parties of eight or more, we call the host of the party the next day to make sure it went OK," says owner Allen Susser. "We know with a big party we can lose control of what happens. The host of the party may not want to complain in front of others, and hosts tend to be important customers who spend a lot of money." (40)

CLICHÉ: "You should always do whatever it takes to satisfy a customer."

Jeff Thompson, CEO of Peripheral Outlet, a \$24-million direct marketer of Macintosh computer memory says, "No! If a customer's demands are totally out of line, and a company capitulates, perhaps losing money in the deal, how can that possibly cement a good relationship? We have the right to ask customers to be honest and courteous, too" (41). You have to know when to cut your losses and move on. Unhappy and

unreasonable customers who are chronic complainers and many times, late payers, may qualify for membership in the never-satisfied-no-matter-what-you-do club.

CLICHÉ: "When you win back lost customers, they're yours forever."

Greco says, "Forget it; you still have to prove yourself every time." But, according to several CEOs, "Some lost customers should stay lost." But, they continue, "Even if you don't want them, you should care about how they leave. Customers are out there talking, and they're not telling your side of the story." (42).

CLICHÉ: "The return on the customer-service investment can't really be measured; you just have to do it."

"True for the most part," says Greco, "but you sure can feel the difference in your business." Carniero, Chumney acquires 60% of its new clients through current clients' recommendations. "With referrals, we're often the only firm they are considering," says McAdams. "They are already convinced. All that's left is to confirm what they've already heard" (42). Lorraine Miller of Cactus & Tropicals, a \$1.5-million Salt Lake City nursery, says, "The investment in customer service will make its way onto your balance sheet; count on it" (45).

CLICHÉ: "If you keep your employees happy, you'll have happy customers."

Tom Wall, owner of Classy Chassis, an \$830,000 chain of car washes, says "We teach manners right away. We tell young people they'll walk away with good skills for their next job. It's clear they catch on. I hear compliments wherever I go." But love

is not enough. The happiest employees still need to be told how to deliver excellent service (45).

In summary, there is some similarity among the writings of all the authors reviewed. Although some write with more emphasis on proper training of the customer service personnel, all hint at the importance of management involvement from the very top of an organization and all the way down to the lowest level. Ideally, the goal of an organization striving to reach complete customer satisfaction, and maintaining it, would be to instill "the service mentality" throughout every level of the company.

An excellent plan for customer service success could be built by combining the best strategies of all the authors reviewed. All brought some excellent proposals to the table.

Chapter III

SELECTIVE REVIEW AND EVALUATION OF RESEARCH

This chapter will contain a selective review of the literature presented in Chapter II. It will focus on the writings of Robert L. Desatnick, author of Managing to Keep the Customer, and Ron Zemke, author of The Service Edge. Both authors discuss ways to determine what customers are looking for, noting that customers are both internal and external to a company. They go on to outline the basic strategies necessary to restructure an organization and build a customer-oriented work force. Desatnick and Zemke share many beliefs about customers and the best ways to serve them, but they differ on some points. Both, however, stress the importance of employee involvement in the process.

Most businesses know who their external customers are but may neglect to recognize their internal customers, their employees. The differentiation of their needs will be expanded on later in this chapter. For the purpose of this discussion, "customer" refers to the consumer external to an organization.

Zemke says the best way to figure out what the customer wants or needs is to develop expert listening skills. You can't pay too much attention to customers' ideas and opinions (31). He goes on to say,

Knowing what to listen for implies
knowing what to ask, another
consideration that isn't as simple as it

sounds. Customers know what they know from uniquely personal experience. Perceptions are valid for the individual, but single incidents translated through the customer's way of telling the tale don't always instruct. You only know what they mean when you ask the right questions.

(31)

Not everyone knows how to listen and, according to Zemke, "Listening is half a loaf" (34). Companies must do something with what they hear. Unfortunately, many companies today use all kinds of surveys to find out what the customer has to say but, all too often, no one does anything with what they learn. Customers tend to lose confidence in companies who ask for information but do nothing with it.

Desatnick agrees with Zemke stating, "Surveys raise expectations; issues and concerns are brought into the open" (89). Survey participants have a right to know the results and how survey findings of dissatisfaction with products, services, and personnel will be addressed (90).

A practical definition of superior service and an idea of what an organization is trying to accomplish to make itself unique in the customers' eyes can be gained by listening to the customer. According to Zemke, "The definition or vision of good service is nothing less than the centerline along which customer-focused organizations are aligned" (37). A company's goals and objectives, or mission statement, evolves and matures as an understanding of customers' wants and needs are discovered (39).

Zemke says that in addition to putting customer's requests into action, there are behaviors that are the core to a service strategy in every organization. He calls them "caring actions" such as reaching out to welcome people, being friendly and responsive, listening actively, showing courtesy, demonstrating competence, remembering to say good-by, and inviting customers back (44 - 45).

Once an organization figures out what the customer wants, the real challenge comes - how to deliver satisfaction (59). Both Desatnick and Zemke agree that the key to satisfied customers is satisfied employees. How does an organization satisfy employees? It isn't always easy and it requires a solid commitment from management or it will never be 100% successful (Desatnick 5).

Both Desatnick and Zemke emphasize that there is a direct link between sound human resource policies and practices, and excellent customer relations. Employees treat customers as they themselves are treated.

Businesses must assess how they manage their relationships with two key groups of customers: internal (its employees) and external (those who buy its products and services). Desatnick says the two are inseparable (1). It has become increasingly clear that how employees are treated has a direct bearing on how well they interact with customers - customer relations mirror employee relations (5). He says, "Managing an organization's human resources equates with managing its customer services" (15).

The mere title of Desatnick's book, Managing To Keep The Customer, could be interpreted in two ways. Some may read it and immediately think, "Yes, how on earth do some companies manage to keep the customer coming back, when other companies have them for awhile, then lose them." Most who have studied customer service practices, would read the title of this book, Managing To Keep The Customer, and interpret it to mean that management must be involved in the overall strategy to achieve and maintain customer satisfaction.

Zemke says it is absolutely essential to first hire employees who like customers, then train, motivate, and reward them (59). He goes on to say,

What happens between your frontline employees and your customers makes or breaks you at the moment of truth. Meet customers' expectations and you both win. Miss, and everyone loses.

(59)

That "moment of truth" occurs every time the customer comes in contact with an organization and uses that occasion to judge the quality of service the organization provides (19).

To find employees who like customers, Zemke recommends internal recruiting before going outside the company to fill positions and he encourages nepotism. He says that often good-service mentality runs in families (60).

The way management makes hiring decisions must not be left up to chance. Exemplary service organizations put

considerable effort into the selection process – structured interview guides, tests (both performance and paper-and-pencil), successful candidate profiles, and training management staff in interviewing techniques. They know that it's better in the long run to take sufficient time in the selection process than to have to repeat it in a couple of months (61).

According to both Zemke and Desatnick, the interview technique is critical. Nordstrom Department Stores interviews as many as ten or more candidates for every position to be filled. At Disney, every potential employee must have the recommendation of at least two interviewers prior to being hired (Zemke 59 - 60).

Desatnick recommends behavioral interviewing techniques. Behavioral interviewing is highly structured and uses carefully selected questions to predict how a candidate will behave on the job and in the organization. Sometimes hypothetical situations are described by the interviewer and the interviewee is asked to respond with how the situation should be handled (36).

Desired behavioral characteristics for a service oriented position include oral communication skills, cooperation and teamwork, problem-solving, empathy and concern for others, dependability, enthusiasm, flexibility, and adaptability. Behavioral interviews, conducted correctly, will reveal these characteristics (36).

Desatnick believes that most new employees who fail do not lack technical competence, but rather are unable to adjust their behavior patterns to conform to the organization's expectations.

Behavioral interviews are effective in the selection of employees who share the values of the company (37).

Once new employees are hired, effective orientation can mean the difference between success and failure. The orientation process will leave an immediate and lasting impression. A good impression will result in higher levels of productivity and more harmonious employee relations, and will welcome the new employee to a warm, friendly environment. Desatnick says, "The employee who feels welcomed and important will make the customer feel welcome and important" (38).

Orientation must be customized to fit an organization's needs but there are certain characteristics that most successful orientation programs have in common. In summary those are:

- Explain responsibilities and accountabilities.
- Assign a "buddy" who will answer questions and be available.
- Introduce the new employee immediately.
- Provide a basic understanding of the company and its history, values, traditions, customers, and reward system.
- Explain performance expectations and specific duties in precise detail as well as where and how to get help when needed.
- Provide full information on pay schedule, benefits, hours, and working conditions.
- Explain the training schedule.
- Provide written material for study, review, and reference.
- Spread orientation out over a reasonable period of time to avoid information overload.
- Solicit feedback from the employees to assess the effectiveness and thoroughness of the process (39).

From the outset, employees must be provided with specific, easily-understood job descriptions. Too often, failure occurs when

supervisors assume that employees know exactly what to do and how to do it. It must be carefully thought out and written down. "All too often, effort is wasted simply because employees do not fully understand just exactly what they are responsible and accountable for. So instead they spend a great deal of time in defensive maneuvering" (41).

Desatnick stresses that good job descriptions are essential to the success of all employees. He recommends that companies enlist the help of current employees in the process of writing job descriptions. He says that a good job description provides the foundation for the following critical human resource functions.

1. Compensation in terms of salary and benefits provided.
2. Selection criteria used in hiring new employees.
3. Orientation procedures used to acquaint new employees with the organization.
4. Induction of new and old employees into existing groups.
5. Training to continuously teach and hone skills.
6. Setting standards of performance that define responsibilities.
7. Setting clearly defined goals and objectives
8. Providing performance coaching or mentoring
9. Progress reviews throughout the year to help maintain focus.
10. Performance appraisal and review conducted yearly.
11. Development of employees' character to perform.
12. Planned advancement in terms of added responsibility or promotions.
13. Job Posting to provide equal opportunity to all.

14. Career pathing that helps in planning long term career goals.

(42 - 43)

Job descriptions should be provided to new employees, at the very latest, when training starts. According to Zemke, hiring and training are opposite sides of the same coin. When people are the resource, they must be sufficiently trained to develop their full potential and training must be an on-going process. "That never-ending process includes formal and on-the-job training, guided experience, effective supervision, performance review, and organizational support" (61).

Successful companies like Lands' End and L.L. Bean, both catalog merchants, require as much as three weeks intensive training before customer service representatives are turned loose on the phones. In addition to being taught phone techniques and practices, they're shown the entire business operation and taught about the merchandise. Product knowledge is essential to every employee who serves the customer in any way. It's an absolute necessity, not a luxury for frontline service personnel (62). When they do start to take calls they remain under the watchful eye of an experienced associate who is readily available to answer questions, and give feedback and support (61 - 62).

To provide the highest levels of customer satisfaction, companies must have motivated employees. To have motivated employees, employers must satisfy employees' concern. Desatnick identifies and discusses each of those concerns.

Good Bosses: A group of high-potential people being trained for supervisory positions was asked for their definitions of a good boss. Their responses were:

- Someone who cares about me and my progress.
- Someone I can trust to teach and develop me.
- Someone who supports me.
- Someone who corrects me when I need it.
- Someone who shows me how to do a better job.
- Someone who recognizes and rewards my achievement.
- Someone who keeps me informed about what's going on.
- Someone who consults me on decisions affecting my job.
- Someone who trusts me by delegating real responsibility. (18)

Communications: The two major types of internal communications that employees are concerned with are those from their immediate supervisors that relate to the performance of their jobs, and those that come from top management. Desatnick discusses each type individually.

Communication needed to perform their jobs.

Employees want to know exactly what is expected of them. They need a clear definition of their assigned duties and responsibilities, and where their jobs fit in the total picture – why they're important (19). They need to know how their jobs affect other jobs within the company and vice versa – and, just as

important, how their mistakes affect others. This type of communication should be presented factually, in a non-threatening manner, and preferably written in document form.

To succeed in any position, employees must be told what specific criteria will be used to judge and measure their performance. Additionally, they need to know what constitutes below-standard, standard, or exceptional performance. They can't win if they aren't told the rules of the game.

To advance, they must know how to improve their performance and any other information necessary for promotion. It's important for every employee to have access to the job model of every position he or she may aspire to. Understanding the duties and functions of various jobs allows careful planning of one's own career path. Moving straight up the ladder is not everyone's goal. Some may want to grow by moving in a different direction, perhaps later moving back into the original line of progression, but with much more experience under the belt by having taken the detour (19).

Much of what Desatnick speaks of here can be put into well-written job descriptions, and some can be covered in employee orientation and training.

Communication from top management

Desatnick believes there is a direct correlation between how well management communicates with employees and how well employees communicate with the customer – the "I give what I get" theory. He shows it expertly in the following example.



Management to Employee

1. What are your problems and how can I help solve them?
2. We want you to know what is happening in our organization, so here is what is going on.
3. Each of us is in the company, so we all share accountability for what happens around here.
4. We treat each other with professional respect.
5. We stand behind each other's decisions and support each other.

Employee to Customer

1. How may I be of assistance to you?
2. I am capable of helping you because I am in the know.
3. I am empowered to help you and take pride in my ability to do so.
4. I have respect for you as the individual you are.
5. You can rely on me and my company to deliver on promises.

(20)

Working Conditions: Provide the same for the lowest paid employee as for the highest paid. Even when it's necessary to work in cramped quarters, that space should be clean, neat, tidy, orderly, and as comfortable and safe as possible (26).

Compensation: Desatnick says, "We have all heard the old expression, If you pay peanuts, you get monkeys. It is not surprising that the most gifted people in this country usually go to work for those organizations that pay the most money" (26).

Employees who feel improperly compensated will feel cheated and cheated employees will not fully support commitment to service superiority (27).

Policy and Administration: Successful companies have solid, well-thought-through, understandable personnel policies that are applied with consistency and objectivity to all employees in an organization (28).

Job Security: Companies that are loyal to their employees keep the work force intact in good times and bad. Companies like McDonald's and IBM have a no-layoff policy. The result: Loyalty begets loyalty (28).

Achievement: Almost all employees want to do the very best job they can. If they are underutilized or improperly trained, they may stop using their minds and become restless and dissatisfied. If they are overburdened, they may feel frustrated and trapped (29).

Recognition for Achievement: Desatnick states, "If supervisors and managers could do just one thing to achieve customer service superiority, it would be to learn to give recognition. Public recognition for exceptional performance in customer service sets a tone for the entire organization" (30). He also says that the best reward for high achievement is the challenge to achieve more.

Involvement: Quality circle, participative management, and performance teams operate on the basic principle of employee involvement. People want to feel that they are part of the business and when they do, both employee and employer benefit from a pride-of-ownership attitude (31).

Participation: People want to participate in the decisions that have an affect on them. They feel management is serious when at least some of their suggestions are acted on (32).

Advancement: Each job advancement challenges an employee to achieve more, whether the advancement is a promotion or simply more responsibility. When promotions are not possible or appropriate, special assignments can be used to motivate employees (33).

Addressing employees' concerns is only one piece to the puzzle. Desatnick says,

To excel in customer service, an organization must have employees -- from top to bottom -- who share a commitment to providing superior service. Building a work force with this kind of commitment to customer service is a process which starts with establishing clear corporate values of service superiority, then recruiting and hiring people who share those values, and continually reinforcing those values, from the first day of orientation all the way to the retirement party.

(34)

While Desatnick elaborates on motivating employees, Zemke believes they must be empowered. He says,

Empowerment, the act of vesting substantial responsibility in the people nearest to the problems to be solved, is an exhilarating and awesome thing for any manager with a healthy respect for Murphy's Law to contemplate. Nonetheless, the pressure for improved service quality and productivity, accentuated by the thinning of middle management ranks, is leading an increased

number of companies to accept it as a significant part of the answer to the question, "How can we get more responsibility down to the frontline, where it belongs?"

(67)

Empowerment means encouraging and rewarding employees for imagination and initiative, and tolerating their mistakes when well-intentioned efforts fail to work exactly as planned. What empowerment doesn't mean is "turning them loose on the customer" without the tools necessary to do the job; those tools being proper skills, knowledge, time, and authority to do whatever it takes to satisfy customers' expectations (67). Empowered employees have a sense of personal self-esteem and pride in the service they provide (68). Zemke states that empowered employees provide consistently better service to customers both external and internal to an organization. He believes that when employees are satisfied with their service from their fellow employees, they in turn show external customers their best side.

Zemke says that when employees are encouraged to work creatively in customers' best interests, treating them as they themselves expect to be treated, empowerment becomes the process of releasing the individual employee's power or capability by removing the barriers that prevent their expression. These organizational tactics will convince frontline workers that they really are empowered to work for the customer (69).

Following Zemke's discussion of empowerment and Desatnick's talk of motivation, both authors elaborate on the importance of recognizing and rewarding accomplishments. They both avow that those two steps are key to achieving and maintaining customer service excellence. Desatnick believes management is to blame when those two steps fail. He says, "The real problem for business organizations – and for the millions of bored, underutilized, insufficiently challenged, and poorly rewarded employees – is poor management. Successful managers use motivation, training, communication, and recognition as their key management tools" (80). Getting productive behavior from employees takes both reward and praise and a secure manager to deliver it. Good managers believe in the dignity and worth of every employee and trust them to not only perform their jobs, but also to create and define them. An exceptional manager is a coach who builds a winning team (83). Positive reinforcement is one of management's most powerful motivational tools – find somebody doing something good and praise them. We get more of the behavior we reward (84).

While Desatnick speaks of reward in terms of praise, Zemke's first discussion of reward focuses on the monetary. He says that money is a powerful motivator – that people don't work just for the fun of it (70). He does acknowledge, however, that money isn't everything, and employees are happy to receive symbolic rewards such as trips or merchandise (73). Eventually, he does get around to discussing reward in the form of praise and celebration.

Recognition and celebration also are a way of reaffirming to people, in highly human terms, that they are an important part of something that matters. They can be significant motivators for people in any organization but especially so in a service organization, where pride of product is essentially pride in personal performance (75).

He goes on to cite surveys conducted in several smaller companies where pay and benefits were poorer, opportunity for advancement was less, and company communications worse than in larger companies. The employees actually rated their overall job satisfaction as significantly and spectacularly higher than that of their counterparts in larger companies. When asked why, the employees of the smaller companies said they felt their jobs were challenging, their ideas more likely to be adopted, they were treated with respect, and they felt a high sense of accomplishment. They also spoke as if they were the company. They had a pride of ownership that is sometimes not felt in larger companies (75 - 76).

Hiring the right people, bringing them into the company with proper orientation and training, motivating, empowering, rewarding, and praising them is not enough. The picture is incomplete. Performance standards must be set, service must be quantified in terms of quality and value to the customer, and processes put into place that constantly monitor levels of customer satisfaction – satisfaction of both internal and external customers.

Desatnick says:

Achieving a superior level of customer service, producing the kind of repeat business on which business success depends, is not a one-shot event. It demands a day-by-day, minute-by-minute dedication to preserving high standards. And that calls for a systems approach. In order to do this, it is necessary to periodically measure the gap between what is and what ought to be, and to correct any slips that show up.

(65)

He goes on to say that the systems approach to customer service superiority is achieved by training employees in the standards defined, then continually auditing performance against those standards to identify possible slippage. Close attention must be paid to causes and frequency of poor performance, size of the problem and who is affected by it, consequences of not correcting it quickly, and cost of the solution (65 - 66).

Frequent individual progress and performance reviews are vital to establishing service standards and measuring the employees' success in meeting set goals and objectives. Employees should feel the reviews are meant to help their advancement, not just to serve the organization's needs. To accomplish that, employees must be part of the review process by completing a self-review and by being encouraged to discuss their views when they differ from that of their reviewer. Employees may not know their behavior is unsatisfactory, or if they do, they may not know how to correct it (70 - 71).

Whether an employee's performance is a problem or not, performance coaching is often an effective management tool. When used consistently, it can be an essential part of the systems approach to service superiority. When used to correct an existing problem the manager should discuss a variety of possible solutions, obtain agreement on implementing solutions, follow up to prevent slippage, and recognize and compliment achievement. The last step, recognizing and complimenting achievement, is the most important step to ensuring continued success (74).

The systems approach to service dedication that Desatnick speaks of also involves employees evaluating the performance of their management. The feedback from employees helps to establish uniform and consistent application of company policies, relationships with managers in other departments, acceptance and fulfillment of administrative responsibilities, and personnel relationships. Perhaps the most important benefit of employees appraising management is that they know they don't have to take anything lying down - they have a chance to be heard. Their appraisal of management may be the key to something negative on their own evaluations (76 - 79).

Zemke says:

When it comes to improving service quality, the discussion begins and ends with the customer's assessment. Superior service quality is there if the customer says so, and it isn't there if the customer votes thumbs-down. What's more, the only true and reliable measurement of service

quality is the assessment of customers' most recent experiences with the organization and their level of satisfaction with those experiences.

(47)

He further explains that companies with reputations for consistently providing distinctive customer service satisfaction have a commitment to customer-focused standards and customer-based measurement. A common characteristic of companies that provide outstanding service is their dedication to measuring customer satisfaction frequently and using the results to guide their operations (51).

Zemke recommends a measurement system that is universally applicable to service quality and customer satisfaction. There are five statistically derived generic factors used to determine the level of customer satisfaction.

- Reliability. The ability to provide what was promised, dependably and accurately.
- Assurance. The knowledge and courtesy of employees, and their ability to convey trust and confidence.
- Empathy. The degree of caring and individual attention provided to customers.
- Responsiveness. The willingness to help customers and provide prompt service.
- Tangibles. The physical facilities and equipment, and appearance of personnel.

(53)

Sometimes good ideas go bad. Information gathered while determining the level of customer satisfaction is often used incorrectly. Following is a summary of questions to ask about any measurement system that purports to help people improve their performance.

1. **How is the information being used?** If it's used to embarrass or punish employees, it's counterproductive.
2. **Will the information benefit the people receiving it?** If there is no personal relevance connected to the information, the benefit may be lost.
3. **Will the feedback be provided soon enough?** If too much time passes, things may change and the information may be worthless.
4. **Can those receiving the information affect change?** Telling mechanics that customers think the salespeople have bad attitudes doesn't do much good.
5. **Is the feedback about the wrong things?** Telling salespeople that customers think the store is inconveniently located is pointless (57 - 58).

Results must be relevant, appropriate, and timely, and they must be presented in an employee-friendly manner. Only then, will they produce effective change.

Maintaining the competitive edge by providing consistent customer service excellence is the challenge all companies face. Companies must continually strive for perfection in everything they do. There's no time to relax. Sustaining top-quality service is a continuing, never-ending process. It requires the commitment of every employee from the CEO down to the cleaning crew. The CEO of an organization sets the tone and overall commitment to customer service while the employees on the front line have the

responsibility of carrying out the policy. The real challenge comes in keeping morale high among those employees (Desatnick 103).

“To frontline workers in any organization with ambitions of providing distinctive service to its customers, the importance of being a part of something important may be the most important operating principle of all” (Zemke 76).

Both Zemke and Desatnick focus most of their efforts on employee involvement as being the real key to achieving superior customer satisfaction. They stress that hiring the right people is the critical first step, followed by orientation, training, motivation, empowerment, and always recognizing, praising, rewarding, and celebrating success. They believe, as do most authors on the subject, that happy employees make happy customers.

Chapter IV

RESULTS

This chapter will focus on the results of this study and will include a structured business strategy designed to create and maintain customer satisfaction in today's world. It will draw on ideas and experiences presented by the authors reviewed in Chapters II and III. It will also make use of personal experience both as a customer service professional and as a consumer.

WHO ARE THE CUSTOMERS

Customers are everywhere, both internal and external to an organization. Many companies focus their attention on their external customers, wondering why it's so difficult to satisfy them. What they don't stop to consider is that they must take care of their internal customers, their employees, first. "Customer relations mirror employee relations" (Desatnick 15). Every employee who comes in contact with the customer is, to that customer, an image of the company, and disgruntled, unhappy employees project a poor image of the company.

Providing exemplary service to internal customers requires the commitment of everyone, from the CEO to the people who clean the building at night. Employees who don't provide frontline service to the customer should be serving those who do (Zemke 33). One episode of poor service may erase all memories of prior good service the customer has received, but doing a good job, going that extra mile, can undo bad impressions of previous poor service. It's important, though, to remember that once poor

service is delivered, the chance to make it right may never come because the customer may never return.

WHAT DO CUSTOMERS NEED

Customers' needs vary depending on whether they are external or internal to an organization. First, let's discuss the needs of the external customer, the consumer. Consumers today are more demanding than in the past, and they don't care whose job it is to serve them. They just want what they want, and they want it quicker and better. Customers are fickle, and if they don't receive the service they think they deserve, they won't think twice about taking their business elsewhere. When customers are surveyed for the qualities they expect in the service they receive, three standard answers almost always appear.

1. **Responsiveness:** Customers expect prompt response. Even if research is required to fulfill a request, they want to know what is happening, and when they can expect a resolution or answer. If a time or date has been promised that can't be met, they want to be told so they aren't waiting for something that isn't going to happen when they expect it to.
2. **Knowledge:** Customers want to deal with people whose knowledge and expertise they can rely on and they expect those who serve them to know more than just the job they perform. Smart companies train their employees on the business, not just the jobs they perform.
3. **Empathy:** Customers need to feel cared for. They want to believe that the employees in an organization really listen to

and care about their unique problems or concerns and will give them the attention they deserve.

Sometimes customers think they know what they need but, after questioning and probing, many times companies find that customers are way off base. Skilled employees can do more than simply listen to the consumer; they can read the consumers' tone and body language. Sometimes customers can be shown how to be more profitable with less expense. That kind of service to customers will guarantee their loyalty.

The key to delivering what consumers want, when they want it, and in the manner they want to receive it, is to first service the internal customers, the employees. It's absolutely essential for companies to ask their employees what they need to do their jobs better and make their days more pleasant and rewarding. Some needs of internal customers vary from one organization to another, but many are the same. All employees want pleasant working surroundings with the basic tools needed to do their jobs. The morale of employees can be improved dramatically by redecorating workspace with new furniture, adequate lighting, quiet floors and walls, comfortable temperature, and healthy air circulation. To take it one step further, employees appreciate being asked to share in the choice of colors and furnishings for their environment. In addition to pleasant surroundings, the right equipment is another basic need for every employee. For example, if computer terminals are needed to perform daily job functions, that equipment should be current and response time should be fast. The money spent to serve employees will be

returned many times over in service to the customers who pay the bills.

Companies dedicated to serving their internal customers must employ the right kind of people to manage them. Desatnick lists the following as characteristics of a good boss.

1. **Someone who cares about me and my progress.** It takes an individual with a caring personality to show sincerity in their concern about one's progress. There are people who simply are not, and may never be, capable of showing care and concern for others. Those people have no place in management.
2. **Someone I can trust to teach and develop me.** Most people, regardless of position in a company, want to learn and develop the skills needed to be promoted, or simply to perform their present jobs better. Self-satisfaction is realized through self-growth.
3. **Someone who supports me.** Everyone needs the support of his or her boss. It's a never-ending battle trying to work for someone who points the finger at others when something goes awry. A good boss can be trusted to be there through good times and bad times.
4. **Someone who corrects me when I need it.** A boss is there to provide leadership and guidance. A good boss knows how to point out problems and offer solutions in a non-threatening, supportive manner that allows employees to accept criticism as positive, rather than negative statements.

5. **Someone who shows me how to do a better job.** A really good boss leads by example. He performs his own responsibilities in the same manner and with the same aplomb that his employees should emulate.
6. **Someone who recognizes and rewards my achievements.** Recognition and reward can be as simple as the comment, "You really did a good job" (recognize), and a pat on the back (reward). It can take less than a minute to administer, but will return 100 fold in future performance. Even the best performers need that shot in the arm to stay motivated.
7. **Someone who keeps me informed about what's going on.** To feel like they're part of the company, employees at all levels need to know what's happening company-wide. They need to see the big picture, not just their little piece of the pie.
8. **Someone who consults me on decisions affecting my job.** Most employees feel ownership for their jobs, and have the right to influence decisions directly related to them. Their input may provide invaluable information needed to make the most advantageous decisions for all concerned.
9. **Someone who trusts me by delegating real responsibility.** If an employee is trusted enough to be tasked with the responsibilities of a job, they need the authority to perform the duties of that job. (18)

In the final analysis, companies are a reflection of the people in them. The cost of neglecting the needs of employees is high. Unhappy employees are unproductive employees. Management

must encourage its workers to speak up about their needs, listen to what they say, and deliver.

SET AND MEASURE STANDARDS

Once the needs of both internal and external customers are determined, the next step is to set standards for service levels that meet or exceed those needs. Service standards are met only when customers say they are. Service must be quantified for quality and value, and procedures must be put into place to periodically measure the gaps between the service being provided and the service levels to be achieved.

The process by which standards are identified should include everyone involved in meeting those standards. Everyone who works in an organization has ideas, but it's usually the people at the top who set the standards and define how they will be measured. The best way to meet goals is to listen to the frontline workers who carry a large part of the responsibility in achieving them.

HIRE THE RIGHT PEOPLE

Hiring the right people goes beyond just hiring the right people for front-line service. It includes employing the right people in management. Many companies make the mistake of focusing all their attention on the workerbees, whereas managers control much that contributes to their employees' attitudes and performances on the job. To provide complete customer satisfaction, companies must hire people from the top to the bottom of the organization who share a commitment to excellence

in the image they project and the manner in which they serve their customers.

Hiring the right people requires conducting interviews that show how job candidates will perform on the job as well as how they will react in certain situations. Behavioral interviewing, recommended by Desatnick, can predict how candidates will behave on the job and in the organization. It uses open-ended questions and past job behavior and experience to predict future behavior. Resumes and job applications may spell out technical background and expertise to do the job but do little to indicate potential employee's abilities to adjust to an organization's norms of behavior.

In service organizations, and most organizations are to some degree service organizations no matter what their business, it's critical to select employees who possess a service mentality. It's well worth the effort required to spend extra time in the interviewing process than to miss the mark and have to start over in a few weeks or months.

Tschohl says that companies must be careful not to hire employees who hate customers. People who are embarrassed to be associated with a "service" job are untrainable - attitude is everything. Companies must hire people with good service potential. It's impossible to change the basic personalities of employees who sneer at the world in general and at customers in particular. There's an old saying that goes, "You can't make a silk purse out of a sow's ear" (Tschohl 110).

ORIENTATION

Hiring the right people is only the beginning. New employees need extra help when they're starting out. How quickly and smoothly they begin to produce results depends heavily on how they are brought into the organization. It's important to remember that newcomers may be tense, nervous and cautious. It's vitally important to make sure new personnel succeed. The greater the effort expended in the beginning, the sooner payoffs occur. The following suggested guidelines to ensure a smooth orientation are offered from personal experience.

- **Personally welcome the newcomers aboard.** Managers who take the time to personally introduce newcomers show everyone the importance they place on immediate rapport and good working relationships. Introductions should briefly explain the backgrounds and qualifications the newcomers bring with them, explain exactly why they were brought in, and make clear that assistance from the staff is highly valued to get newcomers up to speed. Introductions should go beyond names and titles to include how the new employee's responsibilities and tasks relate to each individual on the staff, thus facilitating discussion beyond a handshake and, "Nice meeting you."
- **Supply office essentials.** Ensure that newcomers have such items as internal phone lists and organizational charts showing where they fit into the scheme of things and their relationship to others. They should be provided with literature about the organization, including its mission statement.

- **Include newcomers in meetings.** Seeing people in action gives newcomers a chance to get acquainted beyond the formal introductions, and giving them an opportunity to participate allows them to feel like part of the team.
- **Maintain regular contact.** Managers should convey the message that their door is always open. In addition, they should schedule regular meetings that newcomers can count on and prepare for. This allows ongoing regular and timely observance of their progression while ensuring that everything else stays on track.

TRAINING

To provide superior service, employees must be properly trained at the beginning, and training must be ongoing as the business and technology change. Effective employee training must span several major areas.

- **Product Knowledge:** Employees cannot promote or service products they know nothing about. It's absolutely essential that ongoing training in products and services be timely and thorough.
- **Company Knowledge:** Customers expect everyone they interface with in a company to know all there is to know about it. Companies must ensure that all employees are well-acquainted with the business from the beginning and kept up-to-date as it changes. It not only serves the customer well but it also gives employees a feeling of association or ownership with their company.

- **Job Knowledge:** Employees need tools to do their jobs well. They must receive early and ongoing training that helps them to do their jobs better. That training should focus not only on the technical aspect of their jobs but should have a strong focus on the manner in which they actually perform those jobs.

To teach empathy, Tschohl gives an excellent example of real-world training used by a large banking firm.

Employees of the Meridian banking group (180 branches in Pennsylvania and Delaware) take a course in professional customer relations that includes filling out deposit slips while wearing glasses smeared with Vaseline – and counting money while three fingers on each hand are taped together. The purpose is to give employees better understanding of the difficulty faced by older customers with glaucoma or arthritis when they do business in the bank (121 - 122).

In addition to the training all employees receive, managers and supervisors must receive management training that includes techniques used for interviewing, performing employee orientation, leading group dynamics, administering counseling, performing progress reviews and performance appraisals, administering effective discipline, utilizing negotiation skills, managing conflict, and creating motivation.

MOTIVATE AND EMPOWER

Some experts use the terms motivate and empower interchangeably. Although they are interrelated, they have different meanings. Motivation involves inducing the desire to

achieve, while empowering is the act of granting the authority and trust to perform. Empowerment can actually act as a motivational tool. When employees are charged with the trust and authority to do the job, they become motivated toward high levels of achievement.

Some companies believe that the only way to motivate employees is to pay them more money. Money is important, but it takes more than dollars to motivate people long term. Sam Walton believed in motivating employees by looking for things to praise. "Look for things that are going right. We want to let our folks know when they are doing something outstanding, and let them know they are important to us" (140). One of the best motivators is simply treating the employees right -- following the golden rule. Management can further motivate workers by setting challenges, keeping score of their achievements, and rewarding their successes.

There are many ways to motivate employees, but one of the best ways is to lead by example. Managers should project an image and behavior for employees to aspire to. Their actions and attitudes can mean the difference between an atmosphere of fear and blame, and one of confidence and cooperation, and negative attitudes at the top usually cascade down the ranks of an organization. Good managers, though, can take control and stop the flow of negativity at any point by changing the way they react to pressure from their own bosses. When an organization is under stress, rumors sometimes run rampant and tempers run short. It's essential for bosses to maintain clear communication with the

people above and below them in the organization. With open communication, rumors can be cleared up before they grow to unmanageable proportions.

On the other hand, empowering employees means trusting them with the responsibility to make decisions and address unique problems as they occur. Motivated employees who are empowered to do their jobs are the greatest asset any company can possess. Those employees feel a certain pride of ownership and shoulder more responsibility. They know they are trusted to represent the company to the customers – without management looking over their shoulders. Giving people responsibility to do their jobs is something that many managers don't do, and if they do hand over a big assignment, they hover over employees, constantly checking, giving directions, making changes, and basically running the show. When the project is completed successfully, management tends to take all the credit.

Management must realize that when they own every job, they are liable to be stuck with that responsibility permanently, stifling their own growth and promotability. Bosses who freely give responsibility while providing direction and discipline, empower their employees.

To implement empowerment, top management must tell employees that not only do they have the freedom to do whatever is needed to provide customer satisfaction, they expect it of them. They must be told that they have the responsibility and authority to do whatever they deem appropriate. It goes without saying that employees must first be provided with the right tools and training

prior to entrusting them with such decision making powers. If, after sufficient training, an employee can't be trusted to perform his or her job without having management oversee every move, the employee is not right for the job.

Empowered employees should receive encouragement and reward for putting forth extra effort, using their imagination, and showing initiative. Companies can foster these productive behaviors by giving praise, increasing responsibility, and giving promotions. Employees who do superior work will continue to do so if the company recognizes and rewards their efforts.

RECOGNIZE AND REWARD

Recognition and reward let people know they are important to the overall scheme of things, and behavior that is rewarded is usually repeated. People don't work just for the fun of it. They work, first and foremost, for the money to maintain a chosen standard of living. Money alone, however, may do little more than ensure attendance. Typically, it does not produce long term enthusiasm or outstanding performance. Those are encouraged by the everyday pat on the back, the celebration of being praised in the company newspaper, being given an extra vacation day, or receiving small gifts such as a jacket with the company logo. Those little rewards can be as effective as the big ones.

Tschohl cites three important rules to follow when administering recognition and reward programs.

1. **Timeliness:** To be effective, feedback should be timely. Rewards should be presented as soon as possible after the desired behavior takes place.

2. **Public Presentation:** Employees should be recognized publicly. Not only does it give the honored employee a chance to bask in the limelight, it inspires others to work harder toward achieving recognition of their own.
3. **Employee Selection of Incentive Programs:** Enlisting the help of employees to determine the best types of incentive programs to be implemented is another way of involving them in the decisions that affect their well being. (126 - 127)

It's important that companies don't forget to recognize their management teams. The managers and executives in a company can feel slighted when they work very hard administering incentive programs for their staff, but are not recognized for their own achievements.

MAINTAINING CUSTOMER SATISFACTION

Success does not beget success. Once companies achieve established goals, there's no time for rest. To sustain, and hopefully surpass that level of service, they must continually strive for perfection in everything they do. Maintaining top-quality service is a continuing, never-ending process. It's improving what is being done right and eliminating what is being done wrong. It's risking undesirable responses that may burst the bubble of success by checking with the customer often to ensure ongoing satisfaction. It's asking customers what they need to increase their level of satisfaction.

To measure customer satisfaction, companies should pay close attention to what the customer has to say, especially when they complain. One sure path to superb service is to track every

customer complaint, identify the cause, and implement a solution. Once the cause is identified, it must be removed, and corrective action taken to make it right with the customer. Following up with the customer to see how the resolution is working cements strong customer relationships.

When customers complain, the right combination of explanation, apology, and compensation can spell the difference between lost business and loyal customers. This is where employees get a chance to exercise their listening skills and put empathy into practice. Anderson and Zemke recommend the following steps to correct customers' problems.

1. **Apologize.** An apology doesn't have to be an admission of guilt. It can simply acknowledge that things aren't going right in the customer's eyes.
2. **Listen and empathize.** Customers should be listened to in a way that lets them know there's concern for their feelings and emotions. Showing empathy with simple phrases such as "I understand how you feel," "I'm sorry to hear of the inconvenience this caused you," or "You have every right to be upset" shows customers that they're being heard and understood.
3. **Fix the problem quickly and fairly.** Customers want to receive what they wanted in the first place, and they deserve to receive it with a sense of professional concern.
4. **Offer atonement.** When dissatisfied customers feel put out by a breakdown of service, providing some value-added gesture will help to make it up to them.

5. **Keep your promises.** Service recovery is performed when a promise has been broken. It's important in the recovery process that unrealistic promises, that are bound to create ill feelings if they're not fulfilled, aren't made.
6. **Follow up.** It should never be assumed that a problem has been fixed to the customer's satisfaction. It's important to check with the customer to be sure. (88 - 89)

The customer is not always right, and the problem is not always the company's fault. Perhaps one of the most important points to be made about the problem identification and solving process is that when the ownership of the problem belongs to the customer, he or she should not be made to feel guilty. A true service professional can make customers feel right about the situation, even when they're wrong. Companies must always remember that the old adage, "the customer is always right," isn't necessarily true, but the fact is, "the customer is always the customer," and the size of the numbers on the profit and loss statements depend on how far we go to make the customer happy (39).

In summary, companies must realize that service begins at home. They must take care of their internal customers, their employees, before they can successfully service their external customers, the consumers. To do that, they must take a good look at their hiring practices, the orientation they offer new employees, the level of training they provide for all employees, the standards they set, the praise they bestow, the methods they use to motivate and empower, and how well they take care of all their customers,

whether they are satisfied or complaining. Companies can't rest when times are good. Instead, they must continually strive to achieve higher and higher levels of service. That's the only way to survive as we go forward in today's fast-paced, ever-changing world.

Chapter 5: Discussion

This thesis is based on more than merely a study of the writings of noted experts. It's a reflection of my personal experiences as a consumer, and a customer service professional. I lived through the evolution of customer service practices described in Chapter 1. From 1950 to the early 1980's, with only a few exceptions, and those coming mostly from the mail order businesses, all sales were final. The theory was "when you buy it, it's yours." While, retail businesses didn't allow returns for cash, some did accept returns for store credit, ensuring no loss of profit.

In some industries, service after the sale was unheard of. In 1971 my family moved to Washington, Missouri, and purchased a house that was in the process of being built. We had built a house a few years before, and I was excited to find one already in progress that I liked very much. Many of the decisions were already made, and I was left with the fun choices of picking the paint, wallpaper, light fixtures, flooring, and appliances. My husband was the manager of a local department store so I was very conscientious about doing all my shopping with the local merchants. At the time, the local furniture store was the only appliance dealer in town, so I eagerly gave them my business when I bought a Whirlpool dishwasher, refrigerator, and range. Whirlpool was the only brand they sold. When they installed the range, they tore a

hole in the brand new linoleum floor of my kitchen. The service men acknowledged to the store manager that they were responsible for the tear, but the manager refused to pay for the damage. About a week after the range was installed, the burners stopped working, one at a time over the course of two weeks. The store ordered new burners. Soon after that, the oven stopped working. I had two small children and a stove that had only one working part, the clock. The furniture store said the parts were on backorder and refused to bring a replacement stove. I called the store every day, willing to settle for a used stove until mine could be repaired. After a few days, the store manager refused to take my calls. My husband went to the store several times, but the manager was always "out." I borrowed an old hot plate from my grandmother. I was frustrated and felt I had been treated unfairly. I paid cash when I ordered the appliances so my options were limited. By coincidence, while watching television one afternoon, I saw a Whirlpool commercial with a phone number to call for any reason. I immediately called the number which turned out to be the national headquarters for Whirlpool sales and service. By the end of that week, I received a brand new top-of-the-line range, and a check to cover complete replacement of the flooring. I dealt directly with the Whirlpool company, and they also forced the store manager to write me a personal letter of apology. I didn't hesitate to let all my new friends and neighbors know about the poor service I received from the only appliance dealer in town. I found that others had similar

experiences but felt they were at the mercy of the store. As a consumer reflecting on that experience, I can appreciate how far we've come. Today, it would be easy to return the appliance even if it was functional. I could return it just because I changed my mind.

During the course of this study, I held three different positions, each requiring intense customer contact. All three positions were with the same company. The first of these positions involved supervising a team of individuals who provided business support to customers via the telephone. I personally supported the high profile customers. In the second position, I provided support to the technical staff at customer sites. In my current position, I provide on-site customer service to personnel in both the business and technical areas of companies.

One of the most important lessons I've learned is that to succeed, the provider of the service must know the customers and understand their needs. A different language is required when working with a "techy" customer than with a business customer. The same applies when speaking with individuals in various levels of a company. The higher a person is in a company, the less detail he or she wants to hear. The executives at the top are most interested in the big picture and the bottom line, while those at lower positions in the company require detail that defines their individual piece of the puzzle. As illustrated in this study and stressed by leading authors, not

knowing the customer can mean not delivering customer satisfaction.

Another observation I've made is that management plays a major role in the behavior of its employees and most importantly, the kind of service they provide to the customer. About 18 months ago, I moved from a manager who tried to control my every move, and even worse, my every word, to a department with management that empowered me. My manager, director, and vice president praised my knowledge and accomplishments, and coached me to succeed as a customer service professional. They helped me to move from a feeling of little confidence in myself to believing I could do anything I set my mind to. This is confirmed by the fact that I have moved several levels up the organizational ladder in the past 18 months. A month ago, I moved into a position of providing operational support to our customers on the West Coast and Hawaii. I know I have the knowledge, confidence, and the communication skills to succeed. Had I stayed in my previous department, I'm sure I would be doing the same job and tolerating the same abuse. The attitude of management can make or break good employees.

After my recent visits to customer sites, I'm convinced that the atmosphere inside a company is a direct result of the way its employees are treated. At one customer site, the climate was tense and employees were uneasy. In addition, by industry standards, the employee turnover rate was very high.

Although the sun was shining brightly, it felt as though a cloud hung over the building.

At their competitors a few miles away, I attended a celebration for a 25-year veteran with the company. Twenty-five years with the same company is rare today. I learned that it had been several years since anyone had left that area of the company. That's unusual because it's a phone service center with several departments, one of which handles collections. It was apparent that their management put extra effort into hiring the right people, providing them with orientation and training, and empowering them to do their jobs. I asked the manager of the collections department how she managed to hire and keep the high quality of service personnel she employed. She confirmed what this study recommends, that treating employees with respect, giving them the proper tools and training, and empowering them to do their jobs, almost always guarantees success. She also stressed that she works with her staff every day. She goes out on the floor and takes calls with them so she can appreciate what they deal with every day and coach them to provide great service, turning unhappy customers into return customers. There were slogans hanging all around her department. One read, "We can't spell SUCCESS without U." Another quote was on a Norman Rockwell painting. It read, "Every job is a self-portrait of the person who did it." Another one I especially liked was, "If you perceive a problem, become part of the solution." This quote really made sense to me because personal experience has shown me that

one complainer can bring down the morale of even the most optimistic and up-beat employee. Bad moods are definitely catching.

While some of the authors I studied state that anyone can be trained to deliver customer satisfaction, I believe in the theory that personnel who provide superior service to their customers are born, not made. While it's true that individuals can be groomed to become superior customer service professionals, they must first possess certain inherent characteristics. At a Zig Ziglar book signing I attended, someone in the audience asked how he got the crowds excited at his seminars. He responded that the people who come to his seminars are already excited, and his job is to get them more excited. I believe that good customer service personnel are already excited about providing good service. The challenge for management is to get them excited enough to provide superior service. If they aren't excited at the beginning, they probably don't have the chemistry necessary to achieve high levels of performance in a service industry.

While the authors studied presented individual strategies for complete customer satisfaction, most were similar in concept. All subscribe to the theory that commitment from management must precede its expectations of employees. Most authors also stated that management determines the climate of companies and heavily influences the attitudes of their employees.

Today, more and more companies make providing superior customer service a corporate objective. With the stiff competition in today's world, it's the only way to succeed. Companies that don't buy in to the theory that service is their real product, and service to their internal customers is paramount to providing service to their external customers, probably will not survive.

The process of conducting this study forced me to take an in-depth look at how well I service my customers. Although I believe that basically my skills were good, I found room for improvement. Preparing this thesis has afforded me the opportunity to hone those skills, and I believe, helped me to advance to a new position with my company.

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