Motivating Customer Service Employees to Deliver Service Quality

A Professional Paper Presented to
The Faculty of the Conrad Hilton College of
Hotel and Restaurant Management
University of Houston

In Partial Fulfillment
of the Requirements for the Degree

Master of Hospitality Management

Andre P. Whisnant
December 1999

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited
### MOTIVATING CUSTOMER SERVICE EMPLOYEES TO DELIVER SERVICE QUALITY

**AUTHOR(S)**
MAJ WHISNANT ANDRE P

**PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)**
UNIVERSITY OF HOUSTON

**SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)**
The Department of the Air Force
AFIT/CIA, BLDG 125
2950 P STREET
WPAFB OH 45433

**DISTRIBUTION AVAILABILITY STATEMENT**
Unlimited distribution
In Accordance With AFI 35-205/AFIT Sup 1

**ABSTRACT**
(Maximum 200 words)

---

**REPORT DATE**
28 Mar 00

**REPORT TYPE AND DATES COVERED**
MAJOR REPORT

**FUNDING NUMBERS**

**PERFORMING ORGANIZATION REPORT NUMBER**

**SPONSORING/MONITORING AGENCY REPORT NUMBER**

---

**SUBJECT TERMS**

---

**NUMBER OF PAGES**

---

**PRICE CODE**

---

**LIMITATION OF ABSTRACT**

---

Standard Form 298 (Rev. 2-89) (EG) 
Prepared by ANS Std. 298.19 
Designed using PerformPro, WHS/DIR, Oct 94
Motivating Customer Service Employees to Deliver Service Quality

A Professional Paper Presented to
The Faculty of the Conrad Hilton College of
Hotel and Restaurant Management
University of Houston

Approved by

Dr. Alan T. Stutts, CHE
Dean, Conrad N. Hilton College

Dr. Agnes L. DeFranco, CHE
Associate Dean / Executive Director, Office Graduate Programs

Professor James Wortman, CHE
Professional Paper Committee Member

Professor Ronald L. Jordan, CHE
Professional Paper Committee Member

William N. Chernish, Ph. D., CHE
Professional Paper Chair

Andre P. Whisnant
December 1999
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title Page</td>
<td>i</td>
</tr>
<tr>
<td>Signature Page</td>
<td>ii</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>iii</td>
</tr>
<tr>
<td>Abstract</td>
<td>v</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Justification of the Study</td>
<td>1</td>
</tr>
<tr>
<td>Objectives</td>
<td>2</td>
</tr>
<tr>
<td>Chapter 1. Review of Literature</td>
<td>4</td>
</tr>
<tr>
<td>1.1 Motivation</td>
<td>4</td>
</tr>
<tr>
<td>1.2 Empowerment and Teamwork</td>
<td>6</td>
</tr>
<tr>
<td>1.3 Coaching and Continuous Training</td>
<td>7</td>
</tr>
<tr>
<td>1.4 Pay for Performance and Recognition Programs</td>
<td>9</td>
</tr>
<tr>
<td>1.5 Job Enhancement</td>
<td>10</td>
</tr>
<tr>
<td>1.6 Guide to Improve Morale, Motivation, and Productivity of Customer</td>
<td>11</td>
</tr>
<tr>
<td>Service Employees</td>
<td></td>
</tr>
<tr>
<td>Chapter 2. Methodology</td>
<td>13</td>
</tr>
<tr>
<td>Chapter 3. Understanding Motivation: Why We Work</td>
<td>14</td>
</tr>
<tr>
<td>Chapter 4. Motivating Employees: Why is it Important?</td>
<td>16</td>
</tr>
<tr>
<td>Chapter 5. Hiring the Right People</td>
<td>19</td>
</tr>
<tr>
<td>Chapter 6. Growing the Job</td>
<td>24</td>
</tr>
<tr>
<td>Chapter 7. Motivating By Empowering</td>
<td>28</td>
</tr>
<tr>
<td>7.1 Guidelines for Effective Goal Setting</td>
<td>29</td>
</tr>
<tr>
<td>Chapter 8. Motivating With Money – Pay for Performance</td>
<td>32</td>
</tr>
</tbody>
</table>

Abstract

Motivating employees is one of a manager’s greatest challenges. In today’s complicated workplace where issues such as competition, technology, downsizing, and re-engineering are dominant, organizations must do more than pay well. They need to create a multifaceted human resource model that provides a dynamic, rewarding and empowered environment. Creating an environment that motivates employees to function as effectively as possible is paramount to delivering service quality. Reducing customer defects and retaining customers is crucial to service organization survivability. With higher levels of customer service, greater customer satisfaction will follow. This increased customer satisfaction leads to increased customer loyalty and retention, producing higher sales. Therefore, a sound service quality program contributes to fundamental corporate goals of profitability and survivability.

The problem is that most managers underestimate how recognition programs can better motivate employees to achieve business goals. This paper identifies the intrinsic and extrinsic factors that motivate employees to provide desired levels of customer service. It provides a hands-on guide for hospitality operators to follow as they seek to enhance their understanding of how motivating their customer service employees can help to improve service quality. The guide was developed based on existing literature highlighting proven industry examples of how to positively charge employees.

This professional paper is prepared according to the APA style guide (4th edition).
Introduction

Motivation is an important management issue. There is no doubt that a highly motivated staff can improve productivity and customer service, yet very few service organizations are really embracing staff motivation in its entirety. Companies are quick to boast of initiatives that have contributed to the bottom line. However, engendering a culture of shared loyalty and employee satisfaction requires a much more complicated network of support and investment. According to the National Association for Employee Recognition (NAER), human resource professionals and managers underestimate how recognition programs can better motivate employees to achieve business goals. People are capable of far higher motivation and performance levels than we see in the average workplace. Managers perplexed at the inability of their employees to reach their potential traditionally have provided monetary rewards and compensation as a means to inspire achievement. Cash has many uses, but it's effectiveness to motivate today's employees is suspect. Today's leading service organizations recognize that long term employee motivation and retention is built upon more than money. Study after study has shown that what tends to motivate employees to put forth their best efforts and to perform at higher levels is praise and recognition. Basically, people want to be treated as human beings, cared about, listened to, treated fairly, and respected for their individual contributions as well as their role in the overall process (Leland, 1999).

Justification of the Study

This study examined the concept of employee motivation as a means for delivering superior service quality in the hospitality industry as well as other similar industries. This
paper provides a framework for managers to use to enhance their understanding of employee motivation and its sources. A successful quest for service quality can be the difference between success and failure for many service organizations. In today's competitive environment, customers are always looking for better service, more knowledgeable support, faster response time, and lower prices. Service organizations that allow their employee productivity standards to deteriorate by not encouraging improvements in the volume and quality of output, will see their customer base dissolve.

This study was used to develop a hands-on guide for improving morale, motivation and productivity of customer service employees. The guide is focussed on critical areas such as employee selection, training, empowerment, job enhancement, coaching, teamwork and recognition. It is intended for use by others in the hospitality industry, who wish to improve employee productivity and retention. By using this guide as an evaluation and training tool, managers will have at their disposal a proven system to reduce customer service defects and increase service quality.

**Objectives**

The objectives of this study are:

1. To review the importance of and to identify and examine ways to motivate employees, utilizing examples of how service organizations successfully recognize their employees’ accomplishments.

2. To examine ways in which comprehensive employee selection and strategic employee-training programs enable service organizations to first select people properly suited to excel in a customer service environment and then improve the skill
level of those workers to help meet new market demands and lead to continuous improvement of a service organization's performance.

3. To examine the role of empowerment in creating a greater sense of purpose for customer service employees and its role in fostering continuous improvement in work processes and greater consumer satisfaction.

4. To develop a hands-on guide to improve morale, motivation and productivity of customer service employees utilizing a comprehensive employee selection program in conjunction with other motivational techniques.
Chapter 1. Review of Literature

1.1 Motivation

Motivation is a term that is widely used, yet, many managers know little about how it really works. "Motivation" is one of those words commonly used to describe the fuzzy notion of "why we do what we do." There are numerous ironies about motivation that make the topic all the more difficult to understand. By examining these ironies more closely, we can avoid their pitfalls (Nelson, January 1999).

Delivering quality products and services should be an obvious goal of every business. What is often overlooked, however, is that the search for quality in products and services has proven to be a powerful motivational tool which can be used by supervisors to raise interest among employees, provide a feeling of empowerment and achieve linkage and teamwork throughout the organization (Miller, September 1998). Employees may be regarded as a service organization's greatest assets therefore; treating them as such will reap rewards (Nelson, January 1999). Motivated people get more work done, enjoy working, and feel a sense of accomplishment. They have more initiative to solve problems and overcome obstacles, they are concerned with the quality of work, and are dependable and responsible (Galpin, 1994).

"Great managers and great companies start with great people" (Adler, 1998). Since people can be a service organization's most important asset, the challenge of finding, hiring and retaining the best people can be frustrating and the ramifications of failure can be serious. Like the hiring process itself, motivation of employees doesn't just happen. It must
come from a concerted effort to create and put into action new and innovative ways to inspire the best in every employee at every level (Half, 1993).

Since people are different, each responds to different types of motivators. A performance-based hiring process can create an employee base that will effectively support the organizations’ mission, vision and goals. To be successful, service organizations must start with the right people, then motivate and keep them. Time honored principles and approaches must be blended with new and creative ideas to create a service organization’s overall approach to staffing and motivating (Half, 1993).

Current trends require companies to accomplish more with fewer people, therefore quality people are paramount and employee turnover can be deadly to a service organization (Half, 1993). Service industry management must be more effective by first building the game plan, then finding the right people to execute it (Adler, 1998). Service organizations that establish an enlightened policy of “hiring smart,” training, and retaining will be poised to flourish in the difficult years ahead because their people will be the best, will stay and grow with them, and will demonstrate a level of performance that is vital to long-term success.

To successfully motivate employees, organizations must do more than just pay well (Sethi, December 1998). Many of today’s workers view compensation as a right, but value recognition as a gift. Most organizations do a poor job of recognizing people’s contributions (Nelson, January 1999). However, today’s leading service organizations do realize that long term employee retention is built upon more than money (Harris, April 1999).

When it comes to motivating employees, money alone may not be sufficient. Workers today are looking for more than a paycheck, as evidenced by national surveys ranking good wages fourth or fifth among rewards people want most from a job (Leland,
March 1999). Human resource and hiring managers have discovered that money is a highly selective motivator if it motivates at all. What inspires people to work hard today is often not the same that encouraged their parents’ industriousness (Kennedy, May 1998).

In fact, some motivational experts claim that cold, hard cash is actually a de-motivator. They say that extrinsic rewards, rewards derived from outside sources (including money), distract people from self-motivated, or intrinsic, reasons for doing a good job. In a corporate arena, money becomes a dirty word (Kinni, August 1998).

If money is not a good motivator, then what is? Many experts believe that people want to be treated as human beings—cared about, listened to, treated fairly, and respected for their individual contributions as well as their role in the overall process. Creating a culture in which people can’t wait to come to work each morning and feel good when they leave at night begins with always assuming each and every person wants to do a better job and grow (Leland, March 1999).

The following sections of this study will inspect some of the motivational methods and techniques that are being used successfully in today’s service industry. These include empowerment, self-directed work teams, coaching, continuous training, pay-for-performance programs, recognition, and other motivational techniques used to encourage employees to deliver quality service.

1.2 Empowerment and Teamwork

An organization’s survival depends on its ability to utilize human capacity through empowerment. Empowerment means pushing decision-making power down to the lowest levels of the service organization. It means granting customer contact personnel the authority to make important decisions about serving these customers (Zeithaml, Parasuraman and
Berry, 1990). Empowered employees bring their best ideas and initiatives to the workplace, act with responsibility, and put the best interests of the organization first. People already have power through their wealth of knowledge and motivation; empowerment is letting this power out.

The act of sharing information is absolutely crucial to empowering an organization and can be encouraged with the implementation of self-directed work teams (Blanchard and Randolph, 1996). Leading-edge organizations are switching to team models in an effort to increase efficiency, improve decisions, speed up implementation, enhance employee satisfaction and reduce employee turnover (Self Directed Work Teams, 1999). These organizations are empowering employees by treating them as members of the team, caring for them, building on their strengths, investing in their potential, sharing information and enabling them to be their own authority.

Empowering employees increases productivity by instilling desire instead of fear (Rinke, April 1989). When front-line employees are empowered to make decisions, address complaints and take action, the level of service they deliver to their customers increases dramatically. The more that people are in control of their work, the greater their self-esteem, energy, enthusiasm, productivity, and attendance (Umiker, November 1997).

1.3 Coaching and Continuous Training

Typically, each service establishment is a virtual melting pot of diverse cultural and multi-lingual backgrounds of experiences and personal differences. Few employees are likely to be the same. The concept of creating a successful service-oriented team is based upon the ability of a varied group of people to merge their duties, beliefs and work ethics to meet mutually desirable goals. The coach plays a key role in accomplishing this feat.
Traditionally, leaders analyze, make decisions, provide direction, then judge their performance. This directive, authoritarian management approach is very different from a participatory coaching style of managing in which the manager-leader acts as a player-coach. Coaches show their support of the company vision by supporting the changes required to achieve it. They encourage employees to take initiative, give them the power and necessary resources to effect change, and energize their teams to perform enthusiastically in making the vision a reality (Conway, 1992).

The art of coaching demands the planning, thinking, and caring on the part of an emotionally competent and involved person; a leader who can drive, motivate, and meld a group of individuals together to think and act almost as one. A coach constantly monitors the work and emotional state of everyone on the team to maintain an equilibrium, so all can handle their particular roles and share the pressures and responsibilities for the mutual good of the group (Gottlieb, November 1985). Coaching as part of a subordinate development program can mold and develop people into individuals capable of achieving their highest potential for performance and give employees a sense of accomplishment (Bielous, July 1998).

Employees also want the chance to grow inside the service organization, becoming more valuable to the organization. Service organizations should present opportunities for growth and encourage skill development (Leland, March 1999). Service organizations that have made a commitment to customer service training have happier, better-satisfied employees and employees with better work performance, greater productivity, and higher self-esteem.
Training should be seen as a long-term investment (Losyk, 1995). Organizations that excel in service quality typically invest heavily in employee training and in the overall process of communicating quality. These organizations view the investment in training as just part of the cost of doing business. They see training and development of employees as product development. They realize that service employees are the "product," for the most part, and they deserve adequate attention to make sure they are the best product possible.

Too many organizations place their employees in customer service training with no preconditioning or follow-through. Although this "quick-fix" training investment usually results in enhanced service, the improvements are almost always short-lived because nobody is continuing to advocate customer service. For a service quality program to work effectively, training must be part of an overall implementation with a concerted follow-through process to make it stick (Albrecht, 1992).

1.4 Pay for Performance and Recognition Programs

An organization should have a competency-based pay plan as well as a performance-based system to motivate performance. Competency-based pay systems pay employees for their demonstrated competencies. Competencies are knowledge, skills and behaviors that enable performance. Rewarding each individual's performance can motivate them to improve (Hiam, 1999).

Competency-based pay systems are needed because traditional salary ranges no longer work in today's organizations and because traditional compensation programs fail to promote organizational strategic values and goals. By identifying and defining the competencies required for the organization to achieve its business strategies, organizations can focus on the job, not the person (Jahha and Kleiner, September 1997). Pay for
performance programs are good for the service organization if they help support specific corporate goals (Hays, February 1999). Giving incentives, rewards and cash bonuses to your employees for specific performance related to your business’ mission, vision, values and goals helps focus on results and the customer, and help deliver services more efficiently and effectively using available resources (Laabs, February 1998).

The basic reason to reward people is to help motivate them now and in the future. Rewards and recognition tell people that their work is appreciated. According to Bob Nelson, author of *1001 Ways to Reward Employees*, recognition and rewards are distinct but related. Recognition reinforces progress toward desired results by letting people know that the effort they put into their work is noticed. Rewards, tangible symbols of appreciation for a job well done, are given after the desired results are achieved (Galpin, 1994).

Recognition can reinforce customer service by doing things such as encouraging employees to be proactive in meeting customer needs. Public recognition of individual achievements can contribute significantly to lifting employee morale (Sunoo, April 1999). Organizations should respect employees and give recognition to good work. Praise is better than a raise. Salary and benefits must be competitive, but there should be parallel payment in the form of challenge, respect, and recognition (Half, 1993).

1.5 *Job Enhancement.*

To positively motivate employees, managers should focus on making the job interesting. “If you want someone to do a good job, give them a good job to do” (Nelson, December 1997). Increase visibility; everyone appreciates getting credit when it is due. Being given new opportunities to perform, learn and grow as a form of recognition and thanks is highly motivating to most people (Nelson, December 1997). People are motivated
by excitement and fun. With games and sports, you know the goals and how to measure your progress, you receive regular feedback or coaching, and you get rewarded for your efforts. Using game-like techniques to establish an atmosphere that will foster employees' internal motivation can lead to successful management of human performance (Galpin, 1994).

Organizations can improve creativity at work by matching workers with challenging assignments (Amabile, April 1999). Most employees have a keen desire for challenging work and an opportunity to use all their talents. They crave an opportunity for advancement and want to feel that when a better job opportunity opens up, they will be given a fair chance at it. Most valuable employees are likely to require that their jobs help them grow as individuals, thus discovering new employee strengths and improving the productivity of the organization (Pollock, March 1999).


In today's competitive environment, customers are always looking for better service. Overseeing business processes, measuring effectiveness and motivating employees toward outstanding performance is more important now than ever before (Ricciardi, March 1996). Based on the results of this study, a hands-on guide that can be used by service organizations to improve morale, motivation and productivity of their customer service employees was developed. By using this guide as an evaluation and training tool, managers will have at their disposal, a standardized system, which can be used to reduce customer service defects and increase service quality. The model presented in Diagram 1: Motivating to Achieve Service Quality, illustrates the relationships between the motivational techniques and strategies recommended in the hands-on guide. This model was developed as a result of this study to
emphasize the overriding influence that motivation has on the ability of a service organization to deliver quality service to its external customers.

**Diagram 1: Motivating to Achieve Service Quality**
Chapter 2. Methodology

To prepare this study, a thorough literature review was conducted to explore how effectively hospitality as well as similar service industries motivate employees to achieve service quality. To provide a basis for understanding motivation, this study began with a comprehensive explanation of motivational theory and its importance in the service industry. Then, based on the examination of current literature, a hands-on guide was developed to aide in employee selection and to improve morale, motivation and productivity of customer service employees. This guide consists of:

- Employee selection guidelines and training strategies to locate, hire and keep the best employees.
- Job enhancement strategies to make employment more interesting, challenging and rewarding.
- Essential keys to foster empowerment enabling organizations to move from a control-and-be controlled mindset to a supportive, responsibility centered environment in which all employees have the opportunity to do their best.
- Procedures for establishing pay-for-performance programs that will enhance service and profitability.
- Coaching techniques to motivate and develop service staff
- The use of self-directed teams to promote independence, self-sufficiency and competitiveness.
- Examples of simple and inexpensive ways to recognize and positively charge employees.
Chapter 3. Understanding Motivation: Why We Work

The modern idea of motivating people to accomplish work really came into its own in the 1950’s and 60’s with the rise of the humanist school of thought. Prominent among the school’s members were thinkers such as Abraham Maslow, Frederick Herzberg, and Douglas McGregor. Maslow theorized that humans are driven by a hierarchy of needs. “Maslow’s hierarchy” composed of progressive levels, starts with basic psychological needs such as warmth, shelter, and food. The pyramid ascends to more complex needs such as love, belonging, esteem and knowledge. Finally at the top of the pyramid is self-actualization or the realization of one’s full potential.

Herzberg described motivation in terms of two factors: hygiene and motivational factors. Hygiene factors roughly correspond to Maslow’s basic needs. Motivational factors represent more sophisticated needs.

McGregor offered theory Y: the idea that people actually care about doing a good job and that they need achievement and satisfaction from their work. The common recurring theme in all of these thinkers’ beliefs is that once basic needs are satisfied people require praise and recognition, not money to perform at higher levels. An advocate of this thinking is Alfie Kohn, whose 1993 book “Punished by Rewards” attacks incentive, pay for performance and other reward systems. Kohn’s argument that pay is not a motivator can be illustrated by an ill-fated General Motors program in the mid-1980’s that paid workers $50 for every three months of perfect attendance and an additional $300 for perfect attendance all year. The plan cost the company $400 million, but absenteeism did not drop. Apparently the reason for the program’s ineffectiveness was that $50 a quarter was not perceived as that big of an incentive compared to employees’ regular wages, and only about five percent of the
company's workers were regularly absent. The program was actually paying the other 95 percent of the work force for doing what they were inclined to do anyway, while giving workers the impression that regular attendance and responsible behavior were things that deserved to be rewarded (Kennedy, 1998).

The General Motors example typifies how organization's today do a less than adequate job of recognizing people's contributions. Study after study has shown that employees are less than concerned about money as long as they feel they are making a contribution at work. For most individuals, this feeling of value is a function of having the respect of peers and colleagues, having managers who tell them when they do a good job, and being involved and informed about what is going on in their departments or organizations (Nelson, 1999).
Chapter 4. Motivating Employees: Why is it Important?

A strong team of enthusiastic customer service professionals who are motivated to satisfy customers can give an organization a competitive edge. Continuing customer research shows that many service firms are paying a terribly high price in the “opportunity cost” of lost business due to mediocre service. In many industries, both market share and market volume are easily gained by firms that can achieve a truly differentiated position around service excellence (Albrecht, 1992). Finding, training, and retaining good customer service employees is a major issue for today’s customer service managers who need frontline professionals able to keep pace with the increasingly complex and stressful job of representing an organization to the customer.

A service organization’s relations with customers mirror its employee relations. As service organizations continue to expand their operations, one significant challenge human resource professionals face is learning how to design a recognition program that motivates people (Nelson, 1998). Motivated people get more work done, enjoy working, and feel a sense of accomplishment. They have more initiative to solve problems and overcome obstacles (Galpin, 1994). Simply put, the better an organization treats its customer service representatives, the better they will treat customers, thus the more satisfied customers will be.

Management at Dierbergs Family Market, a supermarket chain with 16 stores in the St. Louis area, understands that it takes commitment to create customer satisfaction. Dierlings has received industry praise for customer-focussed stores through implementation of an “Extra Step” philosophy. Its basis is one that encourages all of Dierbergs 4,000 associates’ efforts and activities to have a positive impact directly or indirectly on its mission of customer satisfaction. Personally delivering groceries inadvertently left behind by
customers and pitching in to help change a flat tire in the parking lot are examples of going the extra step to meet customer needs. For every “Extra Step” taken, associates are given gift certificates, balloons, candy, movie passes and even lunch with the CEO. The practice has been successful, in an independent survey of retailers Dierberg’s was rated number one in customer satisfaction and awarded the Arthur Anderson Award for Best Practices for Motivating and Retaining Employees (Sunoo, 1999).

According to a summary of employee opinion surveys conducted by REACON Management, Inc., Toronto, companies classified as service leaders treat their employees better than service organizations which are considered to deliver average or poor service (Harps, 1993). Highlights of the survey summary include:

- Service leader companies empower their employees. When asked if “management allows employees to adjust rules, “77% of service leader employees said yes, compared to just 58% of average service and 50% of problem service companies.

- Teams at service leader companies are more effective: 85% of employees at the service leaders said team members work well together, compared to 78% at average service and 72% at problem service companies.

- 77% of employees at service leader companies rate training as effective, compared to only 58% at average service and 42% at problem service companies.

- 79% of employees at service leader companies rated their workplace as “one of the best,” and 83% rated their job as satisfying, despite the fact that only 43% described pay as very good, and only 29% felt the chance for promotion was good.
The findings reinforce the idea that motivational factors stronger than money are evident at service leader companies. In light of this knowledge, a good manager should grasp that customer service people who enjoy their jobs will not only perform those jobs better but will also create a striking positive image of the service organization in every customer contact. Conversely, discontented, “stressed-out” employees are de-motivated, error-prone employees who may be antagonizing and alienating hard-won customers.

Managers who are serious about motivating customer service professionals understand that it requires something a little more personal and substantial than pizza parties to fire up employees. The time spent on motivating customer service representatives will have a definite payback in terms of increased productivity and loyalty, reduction in absenteeism, turnover and stress-related illnesses.

Why motivate customer service professionals? Because an organization’s customers’ satisfaction depends on it.
Chapter 5. Hiring the Right People

All the motivation in the world will not make people stay, if the wrong people have been hired. Hiring smart takes a commitment to a carefully conceived and constructed hiring and retention philosophy and program (Hiam, 1999). Service organizations are taking increasingly greater care to ensure that they are hiring the right people for customer service positions. It is vital to get the right kind of people in customer service positions; customer service people who become demoralized will not last. They will be frustrated and uncomfortable throughout their tenure. Whereas the right customer service people will provide the right level of service to customers and be satisfied in their employment, as will the customers be satisfied with their service.

Most service organizations strive to hire superior people. Yet the criteria that most managers use to define the work, write employment advertisements, filter resumes and interview candidates are based on a profile that defines at best, basic competency. Effective hiring starts by preparing a performance-based job description (Adler, 1998). Performance-based job descriptions define what needs to be done, not the needs and skills the candidate needs to have. It has been shown that the ability to achieve measurable objectives is a better predictor of future performance than a candidate’s level of skill or experience. It is relatively common for recruiters to focus too closely on a job candidate’s technical experience and the pedigree of former employers, while giving little consideration to what kind of person they are talking to (Liddle, 1997).

Many service organizations are now moving away from skills-based job descriptions, recognizing their inadequacies. Microsoft and Intel for example now consider performance and potential over skills. Job descriptions usually include the expected deliverables the
candidate must provide in the first 12 months (Adler, 1998). Performance based approaches have also been utilized successfully in Ruby’s restaurant chains in Southern California. Ruby’s, a chain of 1940’s theme diners, has traditionally had problems staffing their restaurants with enough managers and service staff. To broaden their pool of qualified applicants, the chain shifted its emphasis to restaurant experience and highlighted performance requirements. Requirements such as the need to be proactive in dealing with people, and an ability to deal with the job’s physical demands were stressed. As a result of the new hiring focus, Ruby’s, for the first time in history, was able to staff each of its 40 restaurants with no compromises made on the quality of people hired (Adler, 1998).

Every customer service position has several critical performance factors that ultimately determine success. These performance factors fall within categories such as effectively dealing with people, achieving objectives, organizing teams, solving problems, and making changes. In preparing a performance-based job description, two or three performance objectives are developed in each category to make sure all job issues are considered. The performance objectives should be specific, measurable, action-oriented, and result and time-based. Being specific is important, if the objectives cannot be quantified; employees never know when they have achieved them. Therefore objectives should be measurable, either in percentages or absolute terms. An example of a measurable customer service objective might be “to reduce customer wait time by 10%.” Identifying typical problems is a good way to establish performance objectives for entry-level positions. For a waitress, a typical problem is a mistake on an order and an irate customer. Handling these problems effectively is essential for success (Adler, 1998).
When interviewing would-be customer service representatives, the performance based approach warrants the interviewer to describe a problem recently encountered in the organization and ask the candidate how they would have handled it. The idea is to get at the logic and thinking behind the candidate’s response. How he or she would have calmed the customer, made amends, and balanced the needs of the group waiting for the new meal to arrive. Marriott and Southwest Airlines use this approach to hire service personnel. Through examining past performance and developing a clear set of objectives, the two service leader companies developed an ideal set of traits, behaviors, experiences, and skills necessary for employees to do the job (Adler, 1998). Terry Harris, president of Chicago Consulting, customer service consultants has identified 45 “most wanted” characteristics that the majority of successful front-line customer service personnel possesses (Exhibit 1). The thrust of the checklist is to ascertain if a candidate has the ability, confidence, willingness, and interpersonal skills necessary to be a customer service representative (Harps, 1993).

From the standpoint of making a hiring decision, nothing better indicates a candidate’s confidence than his or her view of the world in general. Are they optimistic or pessimistic? Do they view the proverbial glass as half empty or half full? People with a positive worldview are more likely to be happier, more productive, and more efficient. They are easier to motivate, quicker to learn and adapt to a variety of situations, and, in general, have greater potential to become stars in the company (Half, 1993). In line with this approach for evaluating competing candidates for a job, when all else is equal, choose the person who wants the job most. To help in selecting the best customer service representatives, the following interviewing ideas are provided (Harps, 1993):
• Conduct part of the interview over the telephone. This creates a stressful situation, and will allow you to learn how the candidate will react under stress. In addition, the applicant will never sound any better talking to a customer on the phone than he/she will sound when talking about a job he or she really wants.

• Ask interviewees what type of person irritates or frustrates them, then assume that personality during role play to see how the applicant might handle that type of person on the job.

• Have applicants spend time in the department. Many managers are now exposing job candidates to the actual working environment. Some ask applicants to come in and work for an afternoon or a day, and pay them for the hours worked. Other managers have applicants listen to tapes of actual conversations between customer service representatives and customers. Some candidates may realize that the job is not right for them, and remove themselves from consideration.

• Consider having applicants be interviewed by their peers. Some managers find this has key benefits: 1) applicants are able to ask customer service professionals what the job is really like, 2) the customer service team has a voice in the selection of peers and be motivated to help those people succeed, 3) the “real” person usually surfaces, not the interviewee.

• Do not oversell applicants on the job. A manager should be realistic about the job when interviewing applicants instead of selling the applicant on the position. Being candid about the frustrations and stresses of the job can help head off disappointment and stresses in the future.
Investing time in recruiting, interviewing and hiring pays off, because having the right people in customer service is one of the best foundations for motivating employees.
Chapter 6. Growing the Job

Defining the customer service front-line job and developing it so that it is interesting, challenging, and rewarding is an important step in motivating service professionals. Each customer service employee is unique, however most organizations tend to overlook much of what makes employees different. Developing a highly motivated service staff requires attention to their individual capabilities. It is important to get to know employees to find out what motivates them. No one desires to do the same boring job over and over, day after day. While there will always be repetitive mundane tasks in any job, all employees should be highly interested in at least part of their job (Nelson, 1997). The trick to getting the most out of individuals is to structure their tasks based upon their level of competence, commitment, and maturity.

Competence level is specific to the task you want them to do. Building a solid foundation of competence is an important step for any manager. Often employees who seem unmotivated and who deliver poor performance were never properly prepared for their work in the first place (Hiam, 1999). When experienced, mature employees have to learn a new task, like how to operate a new piece of equipment, they should be treated like a beginner. To maintain interest, managers should inform employees about new tasks, direct their initial efforts, and develop their competency. To ensure customer service representatives are matched with assignments that are challenging and motivational, a task analysis worksheet should be provided (Exhibit 2). The questions posed by the worksheet attempt to clarify what the task is, why it needs to be done, and how it should be done. Once the task in question has been analyzed, the manager is free to evaluate how competent employees are on each of the specific skills or abilities the task requires (Hiam, 1999). For example, the
common task of answering phone calls from customers or clients is so simple most managers do not take the time to analyze it. Nonetheless it is an important duty and can have a destructive effect on a business when incorrect messages are taken or customers are not treated with proper respect. In truth, handling customer’s calls requires many competencies such as:

- Sufficient knowledge of the business to answer questions appropriately and professionally.
- An ability to write down names and numbers 100 percent accurately.
- Excellent phone manners.
- Knowledge of who the important customers and prospects are and how to treat them.
- Knowledge of how problems should be handled.
- Technical knowledge of the phone system so as to transfer customers appropriately without cutting them off.

Like all tasks in business, answering the phone is more complex than it seems. Unless managers take the time to analyze the competencies involved, chances are the employees will not possess the sufficient competencies to succeed in the task and will lose interest (Hiam, 1999).

People are motivated because they enjoy achieving things and gaining a sense of involvement. Front-line customer service jobs need to be continuously designed and upgraded so that they are not perceived as dead-end jobs with no chance of advancement. Growing the customer service job and giving the customer service professionals the
opportunity to grow through involvement and career pathing can be highly motivational (Harps, 1993).

- **Involvement.** Service organizations have had great success in motivating customer service professionals by involving them in such things as developing training modules, training new hires, writing customer service manuals and conducting research projects (such as gathering information on a pressing business problem) as well as having them participate on a wide variety of cross-functional process improvement teams. For example, using the old but effective employee suggestion box, service managers may simply ask operational staff to suggest ways to simplify tasks and reward employees for effective suggestions. Other successful ideas include having customer service representatives tackle activities away from work that focus on individual leadership skills, working with new people, and learning to influence and persuade. Examples include becoming active in a professional organization, going to a campus as a recruiter, serving at a trade show booth, or joining the board of a community or civic organization. Other service organizations have employees do course work and take coaching assignments that are intellectually challenging and require learning something new. Such assignments can lead to increased self-awareness. They include teaching a course or workshop or doing a self-study project.

- **Career Pathing.** Having a clear-cut career path for customer service professionals can sustain their motivation and give them something to work for. Career pathing can take many forms. Several firms have developed their telemarketing units as an entry-level position for new employees. Starting, as a telemarketer is an excellent way for employees to learn about the service organization and its corporate culture, products and
customer databases (Mills, 1993). The experience gained can be quite helpful in other sales and marketing positions within the service organization. Career possibilities within the company should be personally discussed with each service staff member. The net result will be a positive impact on performance, increased company loyalty, and a reduced turnover rate.
Chapter 7. Motivating By Empowering

Empowering customer service providers can be tremendously motivating for the right people, in the right situation. The Merriam Webster dictionary defines to “empower” as “to authorize or delegate or give legal power to someone.” Managers today are faced with an incredible number of opportunities and problems, as the speed of business continues to increase dramatically, the amount of time that managers have to make decisions continues to decrease (Nelson, 1997). Involving employees in decision-making, especially when the decisions affect them directly, is both respectful and practical.

Empowered employees benefit the organization and themselves. They have a greater sense of purpose in their jobs and lives, and their involvement translates directly into continuous improvement in the work place systems and processes (Blanchard, 1996). No one is in a better position to improve a job than the person that performs that job day after day. In an empowered organization, employees are encouraged to bring their best ideas and initiatives to the workplace with a sense of ownership, excitement, and pride. Highly talented people like to work in empowered environments. The more people are in control of their work, the greater their self-esteem, energy, enthusiasm, productivity, and attendance. Creating an empowered workplace requires a significant change in most bosses’ leadership style. The traditional management-model of a task-oriented boss must be replaced with a leader who makes things happen through people. Ultimately, many managers fail to comprehend that people already have power through their knowledge and motivation, and that empowerment is merely letting this power out (Blanchard, 1996).

The journey to empowerment is a three-step process in which: 1) information is shared with everyone; 2) management articulates goals, purpose, roles and objectives and

28
gives autonomy to the employee to achieve them and 3) managerial hierarchy is replaced with self-directed work teams.

Information is power, and employees want to be empowered with the information they need to do their jobs better and more effectively. Moreover, employees want to know how they are doing in their jobs and how the service organization is doing in its business. Whether through company newsletters, videoconferences, taped news broadcasts, innovative question-and-answer or discussion sessions, or other forms of media, the goal is to energize employees by getting them the information they need quickly and efficiently (Nelson, 1997).

People will never be empowered if they are not sure what their job is. Without goals and objectives people will wait for someone to give them a task to complete and when they are done with that, wait for another task to be handed to them. Goals provide employees the vision they need to see how his or her contribution makes a difference. Affording employees the autonomy to achieve goals unleashes the energy and effort in people to persist in their actions until the goal is reached.

7.1 Guidelines for Effective Goal Setting

Today’s organizations in the wake of global competition have become leaner to survive. The old hierarchy was too slow to stay in tune with changing customer needs. Leading edge organizations are switching to self-directed work teams to make and implement decisions. Self-directed work teams composed of a functional group of employees accountable for the entire process of a service or product are better than individuals because they provide more diverse perspectives and insights. Studies have shown team-based organizations are more productive, more adaptive and less costly than other organizations.
(Self Directed Work Teams, 1999). The main reason work teams are formed is to have people working together to achieve a common goal.

There are many levels of empowerment evident in service organizations. In general the more a service organization needs to provide customized services to its customers, the greater that company’s need for empowerment. Ritz-Carlton for example is a complex organization which gives employees free reign to make decisions to satisfy a guest. The Ritz-Carlton encourages its staff to take initiative by stating in the company’s “Gold Standards” that any employee that receives a complaint owns that complaint. To ensure a policy of instant guest pacification, employees are empowered to:

- Move heaven and earth to satisfy a customer.
- Contact appropriate employees to help resolve a problem (a technique known as lateral service).
- Spend up to $2,000 in order to satisfy a guest.
- Decide the acceptability of products and services.
- Become involved with setting the plans of their work area.
- Speak with anyone regarding any problem.

With these empowerment principles in place, Ritz-Carlton’s employees are managing customer satisfaction at the individual level, not the manager’s (Mene, 1994).

Not every service organization can afford to employ the mass customization approach utilized by Ritz-Carlton. Nonetheless, if an organization’s goal for empowerment is to achieve customer satisfaction, it will not be achieved without giving additional flexibility to the front-line service staff. The following four areas are crucial when addressing empowerment in any service organization:
• Front-line Flexibility. Providing the person who provides service to the customer the ability to satisfy customer needs on the spot.

• Input. Find ways for the customer service provider to have an ability to influence others. This can be achieved by allowing employees to make recommendations regarding customers or their own work life.

• Involvement. This entails involving employees so they get to make decisions or become part of the decision-making process.

• Systems Changes. Managers need to look at the systems that effect the employee’s ability to be empowered. In a hotel for example, if the information about a customer’s account is not on-line, even the clerk with the best judgement in the world is not going to be able to make a decision in a timely way for the customer.

Successful empowerment at any level requires a climate of trust between employees and management. It is essential for managers empowering a person to give that person permission and protection. Permission has to do with telling an employee that when he or she encounters a “moment of truth” with the customer it is okay for him or her to make decisions. Protection means providing a safety net so that when something goes wrong the employee is coached, not punished. Overreacting to mistakes will result in customer service providers being afraid to take risks of any size.
Chapter 8. Motivating With Money – Pay for Performance

Employees can be one of the most important assets that a service organization possesses. To keep good employees, jobs have to allow room for growth, and people have to be motivated by things other than titles. One way is through performance-based pay, in which employees are paid for their demonstrated competencies. Organizations can no longer afford to pay an employee whose performance does not support business strategies and organizational goals. Performance, rather than seniority, must be the key driver to retain today's top talent. Too often, in traditional compensation plans, there is a very narrow compensation spread between poor performers and excellent performers (Sethi and Pinzon, 1998).

Establishing a pay-for-performance program for front-line staff can have a major payoff in increased service, productivity and morale. To be successful, pay-for-performance programs must be defined at the senior executive level, and program objectives must be consistent with the organization’s overall mission, vision, values, and goals (Laabs, 1998). The desired service levels must meet customers’ expectations and needs, and customer input and feedback must be sought when setting the standards. Only then can customer expectations be converted to measurable performance standards, which form the core of the pay-for-performance program.

The next step in establishing a pay-for-performance program involves determining what it will cost the service organization to deliver a specified level of service. To help in determining cost, management will need to analyze the internal cost structure by identifying various quality and productivity performance standards. For each standard identified, both
the minimum acceptable performance level ("Meets Standard") and unacceptable performance ("Does Not Meet Standard") must be defined.

The last step to conquer before implementation of the pay-for-performance program is to introduce the detailed program to the front line. Ideally, the customer service staff will participate in the data gathering and have a key role in developing the performance standards. When customer service representatives are included in the development of the program, their response can be positive. In contrast, when customer service representatives are not involved in the process, there is a tendency toward greater distrust and a feeling that management is trying to get something for nothing.
Chapter 9. Motivating With Good Management
( Coaching Vs. Direct Supervision)

A supervisor’s performance can have a negative effect on customer service representatives’ morale and productivity. The traditional notion of leader supremacy over employees is being replaced with that of leader-employee partnership in which leaders are more like coaches and less like bosses (Bielous, 1998).

A successful customer service manager is one who acts as a coach, who is able to lead, rather than do the job him/herself. People need feedback and coaching to learn, grow, and improve. A good manager has good human relations skills, is flexible, and an excellent developer of people.

Unfortunately many managers find it too difficult to give feedback and provide coaching. Few managers know the words to say, and fewer know how to say in order to achieve the results they want and preserve the dignity of the service provider. Often it is a set of “limited beliefs” the managers have that keep them from effectively coaching teams. These beliefs include: (Galpin, 1994).

- I might embarrass them
- They know they are doing well.
- They might start to slack off and take advantage of me.
- They might want a raise.
- I might sound insincere.
- They should know what needs to improve.

The art of coaching uses communication (i.e. feedback) to increase employee awareness in order to capitalize on employee strength and improve on their weaknesses. For
example, suggesting that cashiers at checkout stands greet each customer with a hello and a smile helps the cashiers to capitalize on their strengths (smiling and saying hello to each customer). After suggesting and reinforcing the smiling behavior, a manager may mention to the cashier that an additional way to improve would be to offer a thank you at the end of each transaction explaining that this will help him or her to become an even better cashier. An act such as this is representative of positive feedback and coaching. Using good communication skills as a base, coaching enables managers to help customer service employees improve their performance.

An effective coach constantly monitors the work and emotional state of everyone on the team to maintain an equilibrium or balance, so all can handle their particular roles and share the pressures and responsibilities for the mutual good of the group. To be successful, coaches must meet the following criteria (Gottlieb, 1985):

- Set minimum standards of efficiency so that you will be able to monitor and rate levels of productivity and objectives.
- Set objectives for increases in sales volume and profits and/or decreases in costs that are reachable.
- Create the feeling of excellence through teaching and training that will allow service staff members to learn, practice, repeat and achieve above par productivity, and for it they should be recognized.
- Create a measurement system that lets employees know if they are meeting their goals.
- Maintain a policy of open communication, fairness, and honesty with all staff workers at all times.
Human beings are by their very nature an insecure lot. The thrust behind utilizing a coaching versus a direct supervision approach (Figure 1), hinges on the notion that people care about their work and want clarity on what they are to do (Harps, 1993). They need to feel they can talk to bosses about anything without being insulted or belittled. Ultimately the coach, by being an approachable leader, can drive, motivate and mold service staff to be open enough to try new ideas and feel free enough to give spontaneous levels of customer satisfaction.

<table>
<thead>
<tr>
<th>Coaching</th>
<th>Direct Supervision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary concern: building relationships</td>
<td>Primary concern: the task</td>
</tr>
<tr>
<td>Assumption: employees care about their work</td>
<td>Assumption: employees do not care</td>
</tr>
<tr>
<td>Mistakes are temporary setbacks and OK</td>
<td>Mistakes are punished</td>
</tr>
<tr>
<td>Risk is good</td>
<td>Risk is dangerous</td>
</tr>
<tr>
<td>Honest, open communication</td>
<td>Manipulation of truth</td>
</tr>
<tr>
<td>Caring (empathy) for employees</td>
<td>Self interest/survival</td>
</tr>
<tr>
<td>Express concerns, doubts, benefits</td>
<td>Suppress doubts</td>
</tr>
<tr>
<td>Maintain integrity of personal value system</td>
<td>Deny integrity of personal feelings</td>
</tr>
<tr>
<td>People deserve respect and honor</td>
<td>People are commodities</td>
</tr>
</tbody>
</table>

Source: Harps, 1993
Chapter 10. Motivating through Training

Training in all too many customer service operations is restricted to newly hired customer service employees. However, organizations that excel in service quality typically invest heavily in employee training and in the overall process of communicating quality. For those organizations, the investment is just part of the cost of doing business. These organizations realize the employees are the product for the most part, and they deserve adequate attention to make sure they are the best product possible (Albrecht, 1992). According to a 1998 survey by the American Management association, companies that increase long-term training activity after downsizing are:

- 80 percent more likely to increase productivity.
- More than twice as likely to report improvements in quality.
- 75 percent more likely to increase operating profits.
- 80 percent more likely to increase the value of their stock.

In addition to these statistics, 70 percent of companies that expanded their long-term training programs also reported bigger operating profits (Hubbard, 1999).

Methods and Options for Training

One effective method for delivering customer service training combines regular formal training and group and individual projects with one-on-one coaching and counseling and a formal monitoring or service evaluation program. This training approach is a great motivator for many reasons; 1) it improves the service representatives skills, thus giving them greater feeling of control, greater confidence and self-esteem; 2) it adds variety to the day; 3) it makes them feel involved; 4) it gives them time off the telephone; 5) it provides customer service employees an opportunity to talk over and discuss problems and solutions;
6) the training can be done by customer service employees themselves; 7) it provides more professional customer service representatives who in-turn receive greater recognition from customers and from management. Topics covered in this program should include: product/service knowledge, company organization, customer relations, organizational skills, complaint handling, policies and procedures, telephone techniques, problem-solving, listening skills and time/stress management (Harp, 1993).

A basic two-day workshop is also a popular and logistically convenient choice as well. Fast paced and intensive, it concentrates a great deal of ideas and skill building processes in a short time (Albrecht, 1992). Many employees that are geographically separated from one another can routinely convene in groups for short session courses.

Service businesses, such as hotels and restaurants, run into difficulties taking large numbers of people from their jobs at the same time without adversely affecting the operation. The level of customer service in hotels and restaurants would decline rapidly if the whole staff were to spend two entire days training. In cases such as these, it may be more practical for service outlets to train people in small groups for short periods of an hour or two and to spread the training over several days or weeks. Ritz-Carlton employs training in such a fashion through an on-going training event known as the daily line-up. To promote learning without taking up large chunks of time, employees literally line-up each morning before their managers to cover topics pertinent to the department, as well as to reaffirm the service organization’s commitment to service quality by including a subject of the week and quality tool or measure of the week. An example of a quality tool or measure taught to employees during daily line-ups is the Pareto chart. Employees are taught how to construct these charts to explore the causes of customer complaints, by ranking in order of importance, the causes,
sources and types of reasons for problems and/or opportunities. An example Pareto chart is provided in Figure 2. The chart can be used as a tool to help employees track reasons for customer complaints during a given month.

**Figure 2: Pareto Chart of Customer Complaints for April**

The chart shows that price was by far the most common customer complaint. Thus, working to establish a better pricing strategy should be the top priority for eliminating customer complaints. The Pareto principle is the idea that you should work first on those
things that will yield the biggest improvements. In the above example, 45% of the complaints are from price, 65% from price and gift shop selection, etc. This information is invaluable to employees because it helps put in perspective how many areas to work and in what order.

**Training Pitfalls**

Training will have minimal impact if supervisors are not part of the planning and implementation process or if they are not “walking the talk.” Trainers often decree how important it is to pay attention to the needs of customers and to use a customer-first attitude all the time. But the supervisor tells them what to do, when to do it, and how to do it. If the supervisor is not a willing participant in the training process from development to delivery, the message of the training is lost.

In an effort to improve service, many organizations simply provide their staff with customer service training, with no pre-conditioning and no follow-through. Some gains can be realized for a short period following training but eventually the initiative is lost because supervisors fail to emphasize what was learned on a daily basis. Training in this fashion can be a waste of money since it fails to fully capitalize on the energy and enthusiasm of employees. For a service quality program to work effectively, training must be part of an overall implementation with a concerted follow-through process to make it stick (Albrecht, 1992).
Chapter 11. Motivating through Recognition

Recognition of a customer service provider’s achievements can be a powerful motivator. Recognition can be as simple as a “thank-you” or as elaborate as an award given out at a formal banquet. When it comes to motivating customer service employees, money is not everything. Workers today are looking for much more than a paycheck, as evidenced by national surveys ranking good wages fourth or fifth among rewards people want most from a job (Leland, 1999). Study after study has shown that what tends to motivate employees to put forth their best efforts and to perform at higher levels is praise and recognition (Nelson, 1999).

Creating a culture in which people are enthusiastic about coming to work each morning and feel good when they leave at night begins with the understanding that employees crave praise and recognition to boost their confidence and make them feel good about their work. Today’s leading service organizations realize that lack of recognition is one of the chief reasons for top talent leaving (Sethi and Pinzon). Recognizing individual and team achievement effectively requires an investment of time and effort, however, the return in terms of increased productivity and profitability is invaluable. Initiating a successful recognition to bolster an organization’s performance does not have to be complicated or expensive, to key is to make recognition timely, creative and consistent. The following tips are provided to help managers lead their customer service representatives to higher levels of service quality:

- Recognize and reward employees achievements, both individually and total team efforts. Schedule regular recognition meetings to commend employees. One effective form of recognition is to have project teams present their accomplishments to groups
including top management. This serves the dual purpose of recognition and training. People are motivated by examples of success and learn from them (Conway, 1992).

- Designate a bulletin board to post your team’s achievement, both in exceeding company commitments and in recognizing outstanding individual performance (Nelson, 1999).

- Encourage and praise people who perform outstandingly as well as employees who help solve problems or make decisions. Tektronix, Inc., a manufacturer of electronic instruments instituted a simple way for managers and employers to focus on recognizing others for doing something right. Simple memo pads printed had a cartoon heading “You Done Good Award” which could be given to anybody in the company from anybody else in the company. On it, individuals state what was done, who did it and when, and give the memo to the person (Nelson, 1999).

- Implement fun, simple, and creative rewards as an excellent way to recognize and motivate employees. Often the fun aspects of a celebration make recognition a positive and motivating experience. At Walt Disney World in Orlando, Florida, one of the 180 recognition programs is called “The Spirit of Fred award” for an employee named Fred. When Fred first became an employee, he was taught the values necessary for success at Disney. “Fred soon became an acronym for Disney values: friendly, resourceful, enthusiastic, and dependable. Originally given as a lark, the award has come to be highly coveted in the organization (Nelson, 1999).

- Promote revolving recognition given from peers to instill a high degree of respect and identify outstanding performers. The U.S. Office of Personnel Management in Washington D.C. bestows the Wingspread award to employees. A beautifully engraved plaque is given first to a person identified as a “special performer” by the department
head then passed on later by that person to another person who is believed to truly deserve it (Sunoo, 1999).

- Encourage managers receiving letters praising the firm’s quick response or service forwards the letter to the company president, who writes comments on the letter, which is then posted on the department’s “Wall of Fame” a high-visibility bulletin board where complimentary letters are posted (Harps, 1993).

- Use printed materials to recognize customer service representative’s professionalism. Business cards can be printed up for each employee. Some service organizations have found that using business cards imprinted with the customer service person’s photo has an important side-benefit of allowing customers to see what their service representative looks like, thus personalizing the relationship. Similarly, brochures with photographs and names of all customer service employees’ help to show case service staff and personalize the customer-employee relationship (Harps, 1993).

    The more that recognition activities and programs are geared toward driving significant organizational performance and strategic results, the more successful they will be for the organization. The on-going challenge for sustaining and improving recognition initiatives is determining how to evaluate the program’s organizational impact. This best way to achieve this is to begin with the end goal in mind. Starting with a clear vision of the company’s goals will help to strengthen the link between recognition programs and results. Presented below is a simple test to determine if an organization is doing enough to recognize achievement (Cochrane, 1997):

- Is there a program in place that offers recognition and rewards at least once a year?
• Does the recognition program reach down into the individual divisions and departments?

• Does the recognition program offer an award that is more than 20 years old?

• Does the organization have any recognition programs that are directed toward teams rather than individuals?

• Does the recognition program reach out to include not just employees, but also their spouses and families and perhaps even customers?

If the answer to three or more of the aforementioned questions is no, then chances are the organization is recognition starved.
Chapter 12. Conclusion

Motivating customer service employees to deliver service quality is a concept that depends, for the most part, on ordinary people doing largely routine things. Despite advances in technology and management science, service managers continue to face the perennial dilemmas of low employee motivation, inconsistent service delivery, and customer defection (Shames, 1997). Maintaining superior employee performance is a multi-leveled task that requires a great deal of planning and creativity. Monetary incentives can influence performance, but service managers should not overlook the management techniques and simple recognition ideas that may have an even more impressive impact.

In today's rapidly changing service environment, it behooves service leaders to pause and reflect on their effectiveness as managers. Management effectiveness produces motivated employees who can deliver quality products or services to customers. In other words, management effectiveness, is grounded in a manager's ability to facilitate motivated behavior in employees (Rantz, 1996). Facilitating motivated behavior that produces superior service quality involves a number of variables. One of these variables is hiring the right people based on a previously defined set of ideal traits, behaviors, experiences, and skills necessary for employees to do the job (Adler, 1998). Once hired, defining the customer service front-line job and developing it so that it is interesting, challenging, and rewarding is an important step in motivating service professionals. The key is to get the most out of individuals by structuring their tasks based upon their competence level, commitment level, and maturity.

Empowerment plays an increasingly important role in service delivery systems. By replacing heavily standardized and mechanistic approaches for dealing with customers with
looser structures that allow employees to individualize their skills and methods, service industry leaders can create empowered employees able to quickly eliminate problem situations and satisfy customers (Zeithhamel, 1990).

Empowered employees are the basis for the building of an achievement culture. It is very expensive for organizations to pay an employee whose performance does not support business strategies or organizational goals. Establishing a pay-for-performance program for front-line staff can result in a major payoff in increased service, productivity, and morale.

In the pursuit of service quality, managers must manage people, their cultures and the social processes that regulate their interaction (Shames, 1997). A successful customer service manager is one who acts as a coach, who is able to lead and socialize employees, and who provides staff with a sense of direction. An effective coach constantly monitors the work and emotional state of everyone on his or her team, listens to the workers, recognizes them, and helps them feel that they are an important part of the social system.

Employee training is an on-going effort. Organizations that excel in service quality typically invest heavily in employee training and in the overall process of communicating quality. For them, the investment is just part of doing business. These service organizations realize employees are the "product" and that employees deserve adequate attention to make sure they are the best product possible (Albrecht, 1992). Giving employees the attention they desire involves creating a culture in which people look forward to going to work each day and feel good about their accomplishments at the end of the day. Employees crave praise and recognition to boost their confidence and make them feel good about their work.

Managing an organization requires skills and knowledge in a variety of areas. A good leader knows how to motivate employees, please customers, and make the service
organization profitable. An organization's success in the new millennium may require an ample amount of coaxing from its leadership to be able to deliver goods and services of the highest quality. To ensure survival, it is important for service leaders to employ effective motivational techniques that promote consistent quality service with minimal defects.
Exhibits

1. Customer Service Representative Requirements Evaluation Form
2. Task Planning Worksheet
Exhibit 1: Customer Service Representative Requirements Evaluation Form

Instructions:
Skip individual items that do not apply in your particular situation. Total all ratings entered. Divide this number by the total number of items scored in order to obtain the average score.

Rating Guidelines:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Explanation</th>
<th>Rating</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unsatisfactory</td>
<td>6</td>
<td>Better than average</td>
</tr>
<tr>
<td>2</td>
<td>Very poor</td>
<td>7</td>
<td>Good</td>
</tr>
<tr>
<td>3</td>
<td>Poor</td>
<td>8</td>
<td>Very Good</td>
</tr>
<tr>
<td>4</td>
<td>Below Average</td>
<td>9</td>
<td>Excellent</td>
</tr>
<tr>
<td>5</td>
<td>Average</td>
<td>10</td>
<td>Exceptional</td>
</tr>
</tbody>
</table>

Personality Traits

Intelligence
- Above-average IQ
- Common sense
- Quick Thinker
- Decision maker
- Requires minimal instruction

Maturity
- Independent
- Resists internalizing problems
- Deals well with irate customers

Empathy
- Relates well to customer

Job commitment
- Will (wants to) work overtime as needed
- Will (wants to) travel
Exhibit 1: Customer Service Representative Requirements Evaluation Form

<table>
<thead>
<tr>
<th>Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can deal with confusion</td>
</tr>
<tr>
<td>Handles the unexpected well</td>
</tr>
<tr>
<td>Can keep several tasks going simultaneously</td>
</tr>
</tbody>
</table>

**Communications Skills**

<table>
<thead>
<tr>
<th>Listening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empathy</td>
</tr>
<tr>
<td>Comprehension</td>
</tr>
<tr>
<td>Elicits needed information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Writing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grammar</td>
</tr>
<tr>
<td>Spelling</td>
</tr>
<tr>
<td>Composition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Speaking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone voice</td>
</tr>
<tr>
<td>Grammar</td>
</tr>
<tr>
<td>Expresses spoken and written thoughts clearly and logically</td>
</tr>
<tr>
<td>Quick to gain rapport with persons of varied background</td>
</tr>
<tr>
<td>Maintains a professional demeanor</td>
</tr>
</tbody>
</table>

**Skills, Knowledge, Experience**

<table>
<thead>
<tr>
<th>Organizational Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sets priorities</td>
</tr>
<tr>
<td>Plans/schedules time effectively</td>
</tr>
<tr>
<td>Problem preventing and solving capabilities</td>
</tr>
<tr>
<td>Knowledgeable about requirements of overall work flow</td>
</tr>
<tr>
<td>Can visualize the end product from the productive steps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reading Comprehension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding</td>
</tr>
<tr>
<td>Insight</td>
</tr>
<tr>
<td>Discrimination</td>
</tr>
</tbody>
</table>
### Exhibit 1: Customer Service Representative Requirements Evaluation Form

<table>
<thead>
<tr>
<th>Technical skills</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Can operate computer</td>
<td></td>
</tr>
<tr>
<td>Basic typing and composing skills</td>
<td></td>
</tr>
<tr>
<td>Copies information with a minimum of errors</td>
<td></td>
</tr>
<tr>
<td>Can reference manuals or instruction guides easily</td>
<td></td>
</tr>
<tr>
<td><strong>Mechanical Aptitude</strong></td>
<td></td>
</tr>
<tr>
<td>Undaunted by technical situations</td>
<td></td>
</tr>
<tr>
<td>Readily determines parts of an assembly</td>
<td></td>
</tr>
<tr>
<td><strong>Mathematics Comprehension</strong></td>
<td></td>
</tr>
<tr>
<td>Does basic level of math with the aid of machines</td>
<td></td>
</tr>
<tr>
<td>Knowledge of U.S. Geography (or other as appropriate)</td>
<td></td>
</tr>
<tr>
<td>Can name and locate most states on map</td>
<td></td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>Some college or degree</td>
<td></td>
</tr>
</tbody>
</table>
### Exhibit 2: Task Planning Worksheet

**TASK PLANNER**

**WHAT:** (Define/describe the task)

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**WHY:** (Relate the task to an important goal)

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**HOW:** (Key skills/issues for performing task well)

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

References


Harris, J. (April, 1999). How Other Firms Play the Retention Game. *American Management Association, HR Focus*, 4 (76), 8.


Nelson, B. (December, 1997). Low Cost Ways to Energize Employees. HR Magazine, 12 (42), 45.


