



## Articles & Commentaries



### p-Watch — Australia



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#### Customer Service in the Public Sector (Part 1)

We can all identify poor customer service when we experience it, whether it is waiting in a queue, hanging on a telephone while it rings and no one answers, unfriendly encounters with service providers, delays in response to phone calls, or response to correspondence that is late, incorrect, or with insufficient or inaccurate information to satisfy our request.

When we experience bad service, it creates a poor impression on us as customers and we often complain to our friends and associates about the experience. A poor service quality image of the organization is spread around. Bad news travels faster than good news: it is estimated that bad reports far outnumber good reports by about 200:1.

Just recently I was in a "customer service" queue at an international airport waiting to collect prepaid airline tickets. My expectation was that I would be able to collect my tickets in a 10-minute time frame. It took 50 minutes. The queue stretched out from eight when I joined to 32 people while I waited. Everyone was unhappy. While this delay continued I decided to collect data on this apparently broken customer service process so I could offer advice for improvement to the organization's management later. I am sure that you have encountered these examples of queue delays in banks, public utilities, post offices, retail shops, and other organizations. Poor customer service is not the exclusive problem of any one sector. Just pause to consider the loss of personal productivity and inferior service delivering poor customer outcomes.

Outstanding customer service very often makes the difference in the marketplace. When different service providers such as airlines or banks use essentially the same equipment, infrastructure, systems, and processes, what is it that differentiates them in the market so that they are more successful than their competitors? As productivity specialists, we quickly come to the conclusion that it is the way they handle their customer service in the whole supply chain.

Some airlines and banks with worldwide operations remain publicly owned. Postal services remain public entities in a competitive market with other privately owned service providers. Yet many of these public service organizations are as

good as if not better than their private counterparts.

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Some years ago Australia Post embarked on a quality service (QS) improvement program. Through enterprise bargaining (workforce) agreements, the management and unions covering the workforce committed themselves to the QS process. This involved workplace self-assessment and contained sets of quality criteria such as:

- ▶ Quality commitment
- ▶ Staff involvement
- ▶ Training and development
- ▶ Safety improvement
- ▶ Customer focus
- ▶ Innovation and
- ▶ Quality achievement

Staff in each workplace agreed on how to approach the QS process. The staff and managers involved undertook a self-assessment, rating the current position of the workplace on each criterion, with the assistance of a facilitator. Where the criteria were not being met, a plan for continuous improvement was developed and implemented. When the new performance level was achieved, a QS report and application were developed and endorsed by the facilitator. This went to a QS panel and if approved the panel accredited the workplace or team with the QS standard. When QS1 and QS2 were met, a small recognition bonus was paid to the members of the workplace team.

The Australian government's industry support agency, AusIndustry, has developed a Customer Service Charter which is published on the Internet for its clients and all to see ([www.ausindustry.gov.au](http://www.ausindustry.gov.au)). This charter sets out Customer Service Timeliness Targets:

“AusIndustry is committed to quality service delivery. Our customers can expect us to:

- ▶ Be friendly and professional
- ▶ Answer all calls to hotline or call centre in 10 seconds
- ▶ Return telephone messages within one working day
- ▶ Respond to more difficult queries within three working days
- ▶ Respond to requests for printed information in three working days
- ▶ Reply to correspondence to complex issues in 10 working days
- ▶ Make payments due within 30 days of receiving an invoice.”

It also publishes product service targets and measurements for various industry groups it is required to service. The Web site also advises customers how to go about complaining about any poor performance compared with these targets.

In a recent public-sector seminar conducted by an NPO, some 30 different

public-sector agencies indicated that they considered a “customer complaints process” was essential and common to all. A customer complaints process is found in competitive private-sector enterprises and offers a common process for self-assessment and later benchmarking for improvement across all sectors.

Improvement to customer service processes in the public sector has become a priority in many countries. The customer base knows what good service is, and has come to expect it in all organizations. Improving customer service in the public sector is a very useful productivity improvement focus area. However, management must recognize that improvement in customer interface must be matched by process improvement for the internal customer as well, or the customer service value will be lost and amount to nothing more than “smile training” because the support processes will still remain chaotic and underperforming unless the customer service focus is systemic.

Improving customer service provides a productivity improvement leap, reduces waiting time and costs to clients, and results in a flow to a more profitable private sector, which pays the taxes to support the public sector.

As a footnote, Australia Post was able to retain its internal postage rate at the same price for 10 years through its (quality service) productivity gains. This productivity improvement has had a direct impact on customer costs, resulting in improved profitability. It is one of the most admired enterprises in Australia and a public-sector organization.



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