



Articles & Commentaries



p-Watch — Australia



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Customer Service in the Public Sector (Part 2)

The workforce in the service of the public can often find itself in a situation we describe in Australia as being "between a rock and a hard place" or in a "no-win" situation. This can occur because the definition of "the customer" becomes confused. It happens when the political bosses make demands on the workforce concerning public policy matters on one hand, and on the other the general public has growing expectations of improved customer service levels from all organizations. The question is: whom do I serve?

To clarify this dilemma for the whole organization, it is important to define who the customer is. In an Australian Public Service training manual the customer is defined as "any individual or organization that wants or needs a product or service from an agency. Services can be those which ensure that legislation is met, and customers can include those with voluntary and obligatory relationships with the agency. Some terms that are used for such customers in the public sector may include: client, beneficiary, taxpayer, patient, superannuant, pensioner, prisoner, veteran and members of the public."

This model used by the Australian Public Service shows a suggested framework to keep in mind when applying the principles of customer focus to a public-sector agency (*see figure*). While the principles of customer focus differ little between the public and private sectors, the environments in which they are applied vary.

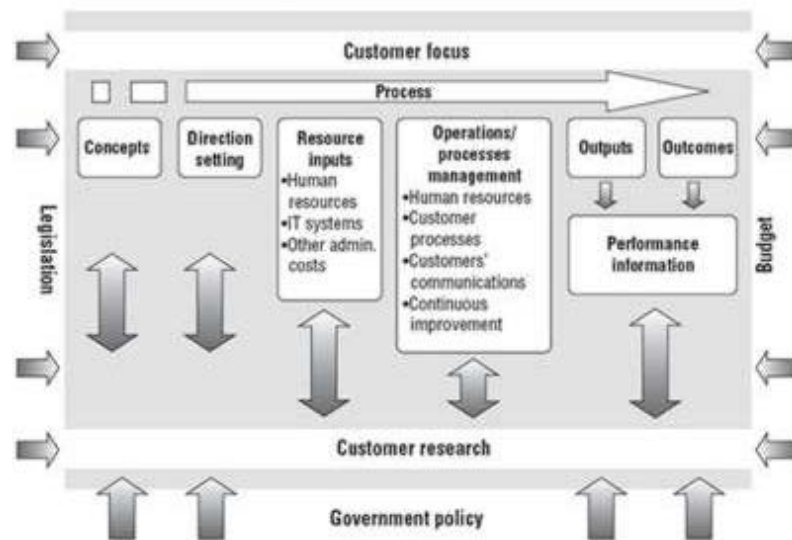
Tackling customer service improvement raises some very important questions, such as:

- ▶ Why do I want to do this?
- ▶ Where do I start?
- ▶ Who should be involved?
- ▶ What do I have to find out?
- ▶ How do I commence the improvement process?

The "why" is often a result of the financial situation, change in policy direction, change in leadership or management reorganization, perception or knowledge of poor customer service, or a combination of these and other productivity issues. The "why" provides a reason to act.

"Where" we start is seeking data and information relating to customers and the broken processes that impact most on them. Having the curiosity of a child is very helpful. Asking "why" many times very quickly leads to the root cause. However, data collection and analysis are vital to verify opinions and perceptions and to seek customer complaints from all possible sources in the organization.

Figure. Public-sector environment.



"Who" participates? Customer service will quickly collapse without strong and enthusiastic leadership support. The customer complaints process needs to be managed through a system that ultimately reports to the top management team and reviewed as an integral part of the management's measurement system. This level of management focus sends positive signals to the workforce that management is serious about improving customer service.

Past CEO of Motorola George Fisher stated: "Organizations are not built to serve customers; they are built to preserve internal order. To customers the internal structure may not only mean very little, it may serve as a barrier." This is particularly true of most public-sector organizations. Very often they are caught up in policy paralysis and drained by total inertia. Breaking free from the clutter of bureaucracy is not easy. However, the paradigm change that has occurred over the past decade or so and is continuing in most public-sector organizations throughout Australia at all three levels of government and in public utilities has meant that productivity gains have flattened or reduced the rate of increase in taxes and charges to taxpayers and the private sector. These productivity/cost savings in turn have made the private sector more competitive and helped keep the inflation rate low, thus enabling the economy to grow.

In my previous column (see *December 2003 issue*) I pointed out that Australia Post had maintained its postage at the same rate for 10 years by improving productivity and customer service. This meant that business postage costs were also contained over the same period. Another productivity example includes the electricity generation and distribution system, which has moved from full government ownership and inefficiency to largely privately owned or corporatized (managed and expected to perform like a private-sector enterprise

including making a profit for the owners, i.e., the government) enterprises which are more efficient and productive. The power cost savings to the manufacturing sector has been significant over the past 10–12 years.

"What" we have found out is not simply about process assessment, analysis, and improvement, but demands a paradigm shift to a positive attitude and supportive management throughout the workforce. For example, ensuring a complaints-handling and management system is in place to track and measure this process is vital for ongoing improvement. A culture of "welcoming complaints" needs to be encouraged by top management, and it should not be seen as a method or reason for criticizing individuals.

"How" do we start the improvement process? In my experience and that of other experts I have talked with, an awareness or sensitizing program throughout the organization is an important first step in improving customer service. This requires a well-structured strategic plan, with input from the workforce at all levels and functions. The establishment of an empowered executive-led task force representing a slice of the workplace will lead the change. Please refer to the Figure to study the process.

Although the various public-sector agencies differ, the customer service focus in the public and private sectors is very similar. In the end, everyone is dealing with the same customer base. Although outcomes and measurements may differ, the methodology for improvement is common to all.



[Back to list](#)

To top of page