

MANAGING PERFORMANCE FOR CUSTOMER SATISFACTION THROUGH QUALITY SERVICE DELIVERY

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ABSTRACT

If performance management is described as an integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them, consideration needs to be given to what signals success in public institutions in South Africa. If it is improved or accelerated service delivery, or quality service delivery, again a question needs to be posed, namely what can be considered as quality?

Users of services judge the quality of services according to two criteria: *firstly* whether services help them to achieve the outcomes they aspire to and *secondly* whether services are delivered in ways which empower them. The principle of quality is consequently examined as aspiring to meet what customers expect, as opposed to merely meeting specifications. In support, performance management can be used to *firstly* keep employees informed of what the organisation is setting out to do or what quality means to this organisation based on customer expectations; *secondly* how well it is doing in delivering quality by satisfying those expectations and thirdly and most importantly what part they can and do play as team members.

If quality management is approached as cyclical in nature, public institutions will realise that evaluation should be based on customer expectations if they aim to become institutions that are truly responsive to people's needs. Apart from performance management supporting quality management in itself focusses on continuous improvement. If public institutions allow customer expectations to inform standards and performance expectations, the principle will automatically be adhered to that quality is what the customer perceives it is.

INTRODUCTION

The role of government could be defined in terms of its goals. The goals of the modern state are based on a democratic political system, where the Rule of Law applies, where rational human rights are protected by the constitution, and where

government interference in the social and economic life of the individual is limited to the utmost minimum; in other words the creation of a good quality of life for all citizens. To understand the service delivery responsibility of government, it is important to consider the point of view that public institutions ultimately exist to render a service to the community.

THE SERVICE DELIVERY RESPONSIBILITY

Service can be defined as the performance of work or duty by an official or an act of helping others, or power to control or make use of resources, or an organisation or system providing the public with something useful or necessary (The Universal Dictionary 1961: 1394 – 1395). The act of delivery can be defined as producing or performing, handing over, taking goods to the intended recipient, or producing results as promised or expected (The Universal Dictionary 1961: 413). These definitions are adopted by Riekert (2001: 90), arriving at a combined definition which reads as follows: "Service delivery is concerned with the provision of a product or service, by a government or government body to a community that it was promised to, or which is expected by that community".

Hanekom *et al.* (1987: 11) are of the opinion that the real core of public administration is the basic services performed for the public, such as policing and the protection of property. Cloete (1978: ii) adds that governmental institutions are continuously called upon to render with even greater intensity, a larger number of public services.

To execute their functions in order to realise their goals and objectives, governments are bound to supply and deliver public goods and services to their communities. Du Toit *et al.* (2002: 24) are of the opinion that services refer to the results emanating from the execution of a variety of functions or processes, while public services are considered to be some of the most tangible outputs of administrative agencies (Sharkansky 1975: 334). Service delivery is defined in the *Public Administration Dictionary* as the provision of public activities, benefits or satisfactions (Fox & Meyer 1995: 118). In the context of governance, consumers (or customers) are those who use the services and products delivered and provided by government institutions (Fox *et al.* 1991: 22). Customers as the users of services are as concerned about the nature of services as they are about what those services can help them achieve. Services should be a means to an end and that end is a better quality of life.

RESPONSIVE PUBLIC ADMINISTRATION AS THE REQUIREMENT FOR THE DELIVERY OF QUALITY

T hornhill & Hanekom (1995: 195) state that in the public sector the endeavour should always be for action which will lead to the improvement of the quality of service rendered by public institutions. Mitchell (1991: 72) supports this by adding that public institutions should constantly strive towards improving their service delivery. There is no such thing as *arriving* when it comes to service delivery.

Gilbert (2004: 7) defines quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. This definition

can be summarised as consistent conformance to customers' expectations, as opposed to fitness for purpose. Deming (1986: 34) draws the same distinction by considering quality as *delighting the customer*; establishing a direct link to personal experience, as opposed to conformance to specification. Even though governments impose some services on people for the common good and ration others, the challenge of delighting the customer should lead to better treatment and possibly better outcomes than simply conforming to specification. If the users then are actively involved in developing specifications, the service is even more likely to at least meet expectations, if not actually to bring delight.

The primary objective of quality management is thus to create and maintain a system of practices and procedures that will assure that an institution's services satisfy its customers. Grenier (1988: 1) is of the opinion that customer satisfaction is achieved by economically delivering services that meet customer requirements. Ovetveit (1992:2) describes quality as fully meeting the needs of users of a service, at the lowest possible cost to the institution, within the directives set by authorities.

At this point it is important to review the customers that are referred to. Riekert (2001: 88) states that all citizens making use of a particular service are in fact customers and that a customer can be defined as a person with whom you must deal, or a person or institution who buys goods and services. The term customer is used interchangeably with the term citizen throughout the *White Paper on Transforming Public Service Delivery*, or the *Batho Pele White Paper* of 1997 (Notice No. 1459 of 1997).

Quality management for quality service delivery

Based on the definition of quality established earlier, quality approaches with a customer focus are emphasised, rather than approaches like quality assurance, which can be defined as the prevention of quality problems through planned and systematic activities, emphasising systems and procedures, rather than outputs or outcomes. In effect the quality assurance approach means that perfect systems can be developed – to produce goods or services that nobody wants or needs (Oakland 1989:10).

Customer focussed quality approaches involve programmes and actions which emphasise the importance of the customer – users, citizens and communities as opposed to the service. Through these approaches programmes range from conventional customer-care training to all services that are labelled as *customer first*.

Total Quality Management (TQM) is one such managerial technique that aims to inspire the behaviour and interactions of people in work situations, through their attitudes, aspirations and motivations, to produce quality service (Pike & Barnes 1996: 54). The main concern in TQM is self-improvement and group-improvement through team building and commitment to more efficient working practices and all three of the basic TQM models (process analysis, integrated and charismatic) focus on the customer in order to determine what actions the institution should take in order to improve itself. TQM aims to gradually change people's behaviour towards the tasks they perform and their attitude towards other people. TQM can thus be summarised as a process of change with the following characteristics (Gilbert 2004: 1):

- focus on customer expectations;
- prevention of problems;
- building workforce commitment to quality; and
- open decision making.

In order to grasp the link between quality management and quality service delivery, it is essential to refer to the philosophy underpinning quality management – continual improvement, and the cultural change which it can bring about, meaning that the desire is always to firstly perform better than the specification and secondly to always persist in improving on own past performance (Gaster & Squires 2003: 321).

Quality management as a process of continuous improvement

Apart from quality being essential for the survival and growth of any institution, the philosophy of continuous improvement can aid the Public Service in fulfilling its service delivery or welfare function in that it addresses the management challenge of increased outputs with limited means to meet the ever-increasing needs of society.

The methodology of continuous improvement involves analysing the pattern of demand for a service, paying particular attention to understanding the causes of successes and failures. An improvement statement is then prepared using data such as public consultation results and complaints, as well as internal data and information. This identifies variations and indicates what is to be improved, such as reducing task time or error rate. Performance measures also need to be developed for these factors. The entire system or process is to be examined, that is, from the effects of inputs on the system to the results as outputs and the level and nature of satisfaction of customers, as feedback. The system is to be flowcharted and redesigned on the basis of an analysis of which actions are essential and which could be changed or omitted. The effects are monitored using agreed performance measures. From then on the process is repeated so that improvement is indeed continuous. In terms of feedback, the size of the gap between expectations (as input) and experience (with output) is what produces high, medium or low levels of satisfaction with service quality. When aiming to determine what influences customer satisfaction, research has shown that customers as service users judge the quality of services according to two criteria: *firstly* whether the services will help them achieve the outcomes they aspire to, and *secondly* whether services are delivered in ways that empower them (Evers *et al.* 1997:78).

If the aforementioned definition of quality as consistent conformance to customers' expectations is considered, determining the quality of a service could be as simple as asking customers regularly how satisfied they are (Gilbert 2004: 8). Thus, no public institution should seek to assess the quality of services without drawing on the experience of those who use the services, as both government policy and good practice require those who use services to be consulted about and involved in their development and improvement. It is the experience of those who use the services that is the ultimate test of their quality and sustainability. Services, after all, exist for users – that is their prime purpose and func-

tion (Gaster & Squires 2003: 176). However, when aiming to implement the continuous improvement process by seeking customer feedback, public institutions should keep in mind that citizen involvement is not an end in itself, but rather a means of effecting the required changes in the outcome of services.

From improvement to quality

No consensus exists on a definition of public sector quality. The most satisfying combination seems to be that of the four dimensions of quality: the technical (what?), the non-technical (how?), the environmental (where?), and the democratic dimension (for whom?). This means that a quality service needs to (Gaster & Squires 2003: 253):

- do what it was designed to do, meeting the requirements of those for whom it was designed;
- be provided in such a way that the relationship between those providing the service and those receiving it, makes the experience of the core service better or at least more acceptable;
- be provided in surroundings that are efficient and easy to understand and give the message to external and internal customers that they are valued; and
- involve citizens as customers from beginning to end.

A service that conforms to the abovementioned requirements has a good chance of being reliable, providing useful and relevant information, in a timely, accessible and helpful manner. These characteristics, set within the four quality dimensions are some of the aspects of public services that have been shown to be highly valued by the public, providing a good starting point for analysing the present state of services.

A fundamental measure of quality is the satisfaction a customer experiences with a process and its outcome. The principle steps through which *Six Sigma* quality initiatives measure customer satisfaction are (Tennant 2001: 54):

- identify customers;
- clarify core processes and their relevance to customers;
- gain insight into current process and quality weaknesses;
- identify customer needs and convert them into requirements;
- transform requirements into actionable *Critical to Quality* (CTQ) characteristics; and
- monitor ongoing performance.

Six Sigma emphasises both general customer information and feedback, as well as highly specific information, to lead to firm CTQ specifications, which then drive quality improvement and the measurement of success. According to *Six Sigma* the key to success is to pay very careful attention to customer feedback. The raw, verbatim information gathered is termed the *voice of the customer* and one of the more complicated stages in a *Six Sigma* quality programme involves gathering a sufficient quantity of customer information of sufficient quality and then converting such material into sensible and useful conclusions (Kristensen *et al.* 2002: 281).

The main reason why institutions conduct any form of customer research is to find out how satisfied customers are. The aims of such an activity would generally be to quantify customer satisfaction, to consider areas of concern and to make a choice between alternatives in service features.

Excellent quality is associated with satisfied customers and customer satisfaction comes from fully meeting deep-seated customer needs and requirements. It is therefore vital to capture the essential characteristics of services that either directly or indirectly give rise to customer satisfaction, and to list these as well-defined customer needs and requirements for each process. This step can be difficult to carry out, since often customers themselves are not consciously aware of their own needs and requirements and it is important to fully explore all aspects of a process to locate every conceivable element that affects customer satisfaction. Major problems with service quality often arise because customer needs are overlooked or taken for granted. Safety and accuracy, for example, are always vital to good service and are critically important to almost every customer of any process, and failure to deliver as expected dramatically curbs customer satisfaction and hence, quality. For this reason, more institutions are realising that customer expectation can be surpassed by providing solutions to needs customers were not aware of or had no expectation of being met by the process (Fornell 1992: 13).

Customer needs and requirements such as *lack of queuing* in themselves do not generally align well with real process issues that are measurable and open to change and improvement. One of the difficult aspects of the *Six Sigma* approach is the appropriate translation of often intangible customer *wants* to firm and measurable CTQ characteristics with defined numerical limits and targets. Only when an institution has arrived at a set of well-defined CTQs can the process of quality measurement and improvement begin in earnest. Scientific and repeatable measurement is the basis of the *Six Sigma* approach and it is necessary to determine a list of CTQ characteristics for the process that are not only measurable, but also actionable. Such customer needs as *speed* and *no queuing* must be converted into CTQs such as *takes no more than five minutes to be served* (Juhl *et al.* 2003: 329).

As the *Six Sigma* approach relies on CTQ characteristics for measurement, so does performance management rely on the setting of standards, because this is how it supports quality management: by focussing on continuous improvement through regularly reviewing and raising standards of performance.

PERFORMANCE MANAGEMENT FOR QUALITY MANAGEMENT

Quality management can be defined as an effective system for integrating the quality development, quality maintenance, and quality improvement efforts of the various groups in an organisation so as to enable production and service at the most economical levels which allow for full customer satisfaction. Quality management thus emphasises the role and responsibilities of all staff members in ensuring quality, by encouraging the empowerment of individuals to improve processes within their responsibility areas (Feigenbaum 1983: 35).

The 14 points towards total quality of Deming (1986:12) emphasise the importance of performance management by focusing on driving out fear and instituting programmes of continuous education and retraining. The *European Foundation for Quality Management (EFQM) Excellence Model* focuses on, amongst others, what it terms people results and key performance results by addressing how the organisation manages, develops and releases the knowledge and full potential of its people at an individual, team and organisational level by tending to employee motivation, satisfaction and performance, and planning activities in order to support its policy and strategy. The *South African Excellence Model (SAEM)* and the *Investors in People Programme (IIP)* also directly relate performance management to quality improvement. The IIP accepts the equation that better people equal better business by recognising organisations that value the contributions of their people and who manage them well and develop them effectively and by so doing reach their organisational goals by achieve higher levels of productivity.

The *Public Service Regulations, 2001*, (Notice No. 21951 of 2001) stipulate that performance management should be undertaken as a partnership between employees and their immediate supervisors. It should take place as an ongoing two-way communication process that involves the establishment of clear job expectations and an understanding not only of the essential job functions an employee is expected to perform, but also:

- an indication of how the employee's job contributes to and is aligned with the strategic goals of the organisation and
- what the quality requirements are and how they will be measured.

As with quality management, so too during performance management there should be an emphasis on reviewing performance as a continuous process. As opposed to having it be an annual event, performance should be reviewed on a regular basis to ensure that performance management indeed takes place as intended. Benefits of regular performance review include that employees who are used to regular review with accompanying feedback are usually better motivated; and regular performance review aids the organisation in developing an achievement, or quality culture (Armstrong & Baron 1998: 60).

How performance management supports quality management

Two types of continuous performance monitoring that are required by customer-driven quality are *firstly* the customer's evaluation of whether total customer satisfaction is being achieved and *secondly* the evaluation of performance. When asking how performance could influence the delivery of quality, one of the answers could lie in motivation, with the latter referring to the behaviour of an individual whose energy is selectively directed toward a goal. Performance is the result of having the ability and the motivation to do a task (Chell 1992: 74).

Performance management can enable managers to sustain quality management processes and initiatives as vital parts of the organisation's culture by (Armstrong & Baron 1998: 211-212):

- recognising that all employees in the organisation are internal customers to the performance management process and should therefore be involved in the design and operation of this processes;
- emphasising the importance of continuous improvement;
- providing a basis for the systematic measurement and evaluation of the impact of the organisation's systems and work processes on team and individual performance and what can be done to improve those systems;
- obtaining improvements through a partnership between managers, their teams and the individuals in those teams;
- ensuring that, as internal customers, employees know what the organisation is setting out to do, how well it is doing and the part they can play as team members or individual contributors;
- ensuring that the expectations of customers, not merely job descriptions, generate the performance expectations of individuals and teams;
- spelling out the values of quality performance and customer satisfaction that everyone is expected to uphold, and reviewing performance in the light of these values;
- ensuring performance expectations include behavioural skills that make a real difference in achieving quality performance and customer satisfaction; and
- providing for employees to be active participants in the process, as opposed to merely being drawn into management actions.

Implementing performance management to support quality management

In asking how to use the performance management system to continuously improve, the answer might lie in one of the principles behind quality management: that one seeks every possible avenue for feedback. The idea then is that performance appraisal could be a way to provide feedback about an employee's ability to work individually, but think collectively, as quality management requires the optimum degree of alignment between individual goals, team goals and organisational goals for meeting customer requirements.

Organisations should focus on improvement in the appraisal process. Here it is important to be clear on a rating that would equate to high quality performance. For example, mastering job requirements or being able to accomplish them should only result in meeting the standard, that is, simply doing a good job should not equate with excellence and a high rating. What is valued in quality management is the willingness to improve the job and the manner in which things are done, as well as to improve personally and professionally at the same time. This means that to achieve high performance ratings, an employee should continuously improve the manner in which a job is done (Pedler et al. 1986: 56).

The *Public Service Regulations, 2001*, (Notice No. 21951 of 2001) not only stipulate that the performance management system of the Public Service should be developmental in nature and allow for individual and team performance to be linked with strategic goals; it also specifies that all employees should take responsibility for the implementation of the system, so that public institutions may arrive at an integrated approach enhancing motivation and commitment for improvement.

Barkley & Saylor (1994: 437) suggest seven steps in the use of performance appraisal towards individual continuous improvement, or individual quality management: envisioning personal improvement, enabling personal improvement, focusing on improvement, improving the job, improving self, helping others improve, and evaluating own improvement progress.

Envision personal improvement

Before employees can begin improving their performance, they need to realise that there is a need for improvement and then determine the general emphasis of their improvement effort. In this way they build up their own self-awareness of the need to improve. This step also involves assessing relationships with the organisation and internal customers, so that expectations can also be developed for own behaviour.

Enable personal improvement

Personal improvement starts with self-education about which improvements are considered as high priority. This step assigns employees the responsibility of seeking training in skills and principles considered as essential to their effort. Enabling should be embraced as a process of learning about opportunities for development, or getting ready to improve, as well as seeking the support of others, or soliciting their help in removing barriers to the improvement effort.

Focus on improvement

Focusing on improvement entails establishing goals for the improvement effort and then ensuring that improvement activities are aligned with the overall goals. A clear development strategy should be developed to guide efforts and the strategy should ultimately be used to evaluate the success of those efforts. Making improvement a high personal priority and creating time for improvement activities are vital to this step. As a plan, they are a clear demonstration to self and others of commitment to improvement.

Improve the job

An employee's job could be defined as the collection of processes they own. An employee should established control over their job by defining their processes and understanding of how those processes interrelate and relate to others. By removing unnecessary complexity from processes and pursuing small, incremental improvements, employees could increase the effectiveness of their own performance in their job, and thereby personal improvement and ultimately quality.

Improve self

Leadership could be demonstrated in the overall quality improvement effort through commitment to personal improvement. This means that a structured, disciplined approach to improvement is established and adhered to that clearly defines goals and requires steady, consistent improvement in personal performance. Employees should strive to improve communication with others, so as to seek their assistance and to eliminate fears of change and improvement. The vision should be referred to as guide for improvement and for maintenance of momentum.

Help others improve

Through their own improvement efforts, employees should help their team as a whole to improve. An essential part of employees' personal improvement efforts should be to help others improve themselves and the organisation. Employees could enthuse others by training and coaching, by eliminating barriers and by encouraging.

Evaluate own improvement progress

Success should then be measured in efforts to improve. This step involves employees measuring their performance against their vision and their plan, documenting improvement efforts, so that they could be shared with others. Through evaluation, the improvement effort in itself should become rewarding and should provide further incentive for the continuous improvement effort. This step should allow employees to celebrate their own success as well as that of others.

CONCLUSION

What is being advocated as a first step for the South African public service towards ensuring quality service delivery, is allowing citizens to claim their rightful place as consumers with a real and equal say in decisions which affect their lives. Even though continuous improvement is emphasised in attempting to deliver quality, the point is made that there are instances when simply improving on existing processes is not sufficient. That is why public institutions must also foster development and innovation, so that new services can be developed and new ways of delivering them can be identified and put in place.

Thus, is striving for quality through customer satisfaction, public institutions could utilise performance management to firstly keep employees informed of what the institution is setting out to do or what quality means to the institution based on customer expectations; secondly how well it is doing in delivering quality by satisfying those expectations and thirdly and most importantly what part they can and do play as team members.

In addition, public institutions should allow performance management to support quality management by elevating the importance of self-development, by subscribing to the quality management principles of a willingness to improve the job and the manner in which it is done, as well as to improve personally and professionally at the same time. This means that to achieve high performance ratings, an employee should continuously improve the manner in which a job is done, as this should bring public institutions closer to delivering services that truly meet customers' needs. This is the only manner in which public institutions can effectively become institutions that deliver quality, because ultimately quality is what the customer says it is.

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