

NCS011

PURPOSE

LEARNING OUTCOME 1

Establish a working relationship with a client

PERFORMANCE CRITERIA

- **Clients are greeted appropriately**
-
- **The needs of the client are clarified**
-
- **Active listening skills are employed**
-
- **Suitable questions and questioning techniques are used**
-
- **Discretion and confidentiality within the interaction are exercised where appropriate.**
-
- **Interaction is consistent with the organisation's financial and other needs based on analysis of the situation**
-
- **Interaction is consistent with client needs**
-
- **Appropriate follow-up steps are outlined to the client**
-
- **Suitable interpersonal skills are used**
-
- **Client satisfaction is promoted**
-
- **Clients are greeted appropriately**
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- **The needs of the client are clarified**
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 - **Appropriate follow-up steps are outlined to the client**
 -
 - **Suitable interpersonal skills are used**
 -
 - **Client satisfaction is promoted**
 -

The importance of clients

The role of client is played out by us a number of times during a single day. Whether it is as a listener to a radio station that eats as our alarm in the morning, a consumer of breakfast cereals that provide that necessary catapult in the day or as a viewer when we select between television news broadcasts at night.

As clients we are continuously making consumer decisions and as a consequence, consciously or subconsciously, reflecting upon the quality of the product and services we receive. It is as clients that we determine the worth or otherwise of products and services and, indirectly, the success or failure of those in individuals or organisations providing them. The future of an organisation is determined by how well it satisfies the needs of its clients, or, in other words, how well it can provide quality. This applies particularly to real estate agents.

What is a client?

The Macquarie Dictionary defines a client as:

“one who employs or seeks advice from a professional adviser”.

A more colloquial definition provided by the Macquarie is:

“a person one has to deal with!”

All real estate agencies have felt or even suggested less affirming definitions of their clients. These are expressed particularly if clients are demanding, rude or if we are experiencing high levels of stress within our job. However, ultimately, the agent's clients determine the quality of the agency's service. It is the client of the real estate agent who is able to evaluate the quality of the service provided by the agency. The client's feedback to the agent as we will see is most important.

Self help exercise

(Do not send to your supervisor)

Consider appropriate definitions of a typical real estate agency's clients from your perspective as an agent and then from a typical clients perspective.

Differing perspectives of the agent and client

A client is the person who keeps us in a job and is the reason I have a job.

Client perspective

In exploring the concept of client writers have suggested the following:

- a person who pays my wages
- the lifeblood of our business
- not just a statistic, a real person
- part of my job
- someone for whom I can do something positive
- not dependent on the organisation but the organisation depends on them,
- doing us a favour when they require our service or product
- not an interruption to our job but the purpose of it
- a part of our business, not an outsider
- deserving of the most courteous and attentive treatment I can give them.
- one of the chief reasons for our existence in the workplace
- a person without whom we would have to close our doors.

Self help exercise

- 1 Using all the definitions above write those that you agree with or those that are most applicable within your own workplace.

2 Write your own definition of a client that could be added to the list above.

What is a real estate agency client ?

A client is any person, or persons, for whom a real estate agent can provide a service or whose performance is affected by the agency's service. Under modern law of negligence the advice must be professional.

Poor client service

If clients are not satisfied today, they will be the agent's clients tomorrow and if they are not clients tomorrow, the agency will not have a business tomorrow.

Self help exercise

Identify those experiences, particularly real estate experiences where you have received poor quality service.

Also list those characteristics you used to identify the service as poor quality.

Client response to poor service

You get the service you deserve. The real estate client determines the

quality of service we receive. It has been suggested that Australians compromise their potential through lack of regard and care to detail and attention. This is because Australian clients fail to actively express their dissatisfaction to real estate agents.

We get the quality we deserve!

Most dissatisfied clients don't actively provide feedback to the agent on poor quality service they have received. Research has shown that:

- **about 96% of dissatisfied clients will not complain to the provider.**
- **about 90% will not come back**
- **each of the 90% will tell at least 9 people of their dissatisfaction**
- **about 15% will tell 20 people of their experience.**

Therefore, it can be seen that poor service offered by a real estate agency can result in a large network of people knowing about it.

How do clients respond to poor quality service by a real estate agent?

How have you responded in the past to poor quality service. Do you passively withdraw such as refusing to enter the agency again? Do you aggressively complain to the salesperson or property manager and fail to realise that maybe it is the failure of management to provide adequate training or resources to their staff?

On the other hand do you risk embarrassment or the unknown and actively identify the source of dissatisfaction to someone who can do something about it? Do you think agents' clients do this?

Quality

The Federal Government Inquiry into the Manufacturing Industry (commonly known as the *Foley Report*, 1987) made the following statement about quality:

Quality issues are at the heart of Australia's economic problems ... and newer approaches to management.. require all people within enterprises to be responsible for quality.

The report stated that the provision of quality products and services is essential to Australia overcoming some of its crippling economic problems.

Definitions of quality

Fitness for Purpose

In discussing client service quality we need a definition of *quality*. Traditionally the word *quality* described excellent or prestigious and linked to a high price tag. A Mercedes Benz has been perceived as offering high quality but such a use of the word may not be useful for in defining quality products or services.

Quality can be defined as *fitness for purpose*. A Mercedes Benz may be quite inappropriate to drive across the desert where a rugged four wheel drive vehicle is more appropriate. It is not fit for the purpose required and therefore, in that context not a quality product

Dr Edwards Fleming, a pioneer in the field of quality teaching and after whom the Japanese named their annual quality award, suggested that:

Good quality does not necessarily mean high quality. It means predictable degree of uniformity and dependability at low cost, it's a quality suited to the market".

Another definition:

Quality is what the client says it is not what you think it should be

- came from flow Chemicals after developing a "great" product that the Customers didn't want.

Australian attitudes

Do some of these attitudes work against the provision of quality?

- she'll be right
- close enough is good enough
- if its not broke, don't fix it.
-

Any others you would add?

Management has also expressed attitudes which have worked against providing quality:

- quality means higher costs
- quality is achieved only by inspecting the end product
- quality is obtained by reworking defects.

Self help exercise

What arguments would you use to promote higher quality in your own work area?

Delighting the client

Dr Karl Albrecht in his book *The Only Thing that Matters* has suggested there are four levels of quality or client satisfaction. His ideas could be applied to a train journey:

- **Basic:** Ultimately I do get to my destination
-
- **Expected:** I reach my destination reasonably close to the advertised arrival time and in reasonable comfort.
-
- **Desired:** I arrive exactly on time, in comfort and with the support of a respectful and helpful staff
-
- **Unanticipated:** How would you define it? You are the client at would delight you as unexpected or unanticipated quality service?

Total quality management (TQM)

TQM defines quality in the context of the total organisation.

QUALITY is a characteristic which extends beyond product and service performance to management and every other aspect of organisational life. It is a work culture which means do it once and do it to the highest standard in every operation within the organisation.

- Graham Spong, General Manager Australian Quality Foundation Awards

Self help exercise

Has your job become more client oriented? What are the reasons for this?

If your answer was no, what could you be doing differently if you work is client oriented?

Identifying the positives

Earlier we identified experiences of receiving poor quality service. In the following exercise we want to identify examples of good quality. If your experience is like others this exercise may be more difficult than the earlier one.

Persist with it as it will help you to identify the basis of your own judgments.

Self help exercise

Identify two experiences where you have received good quality custom

service. Also list those characteristics you used to identify the service as good quality.

Service characteristics

Identifying clients

To provide a quality service to a client it is essential firstly identify and assess the customers requirements. Many greet service as have the providers of that service failed to identify clients and their needs clearly. At times it is relatively easy to identify the client, at other times it is not.

Real estate agents are increasingly being called upon to account for the services they provide. The essential element in this accountability is the requirement to clearly identify the customer and then to tailor the product or service to their needs.

At various times an agent will fulfill the role as a provider of real estate services to others. In addition, he/she also fulfill the role of client to other members of staff. External clients require quality services and so do internal customers.

Identifying the clients the agent serves can provide insight into the importance of his/her role. Further, it can help determine how the quality of the agency service can be measured.

Internal clients

Earlier a client was defined as:

Any person or group of persons for whom you provide a service or whose performance is affected by the work you do.

Using this definition it is logical that an agent's clients can exist both externally to and internally within a real estate agency. For some staff it may be easier to identify internal clients than external clients. An internal client can therefore, be defined as another employee within the agency whose work is dependent to some degree on the service the agency provides.

An alternative definition is:

Internal clients are those people within the agency to horn other

people in the organisation provide services, thus contributing to the service provided externally by the agency. In an agency the person on the front counter who provides advice or a service to the public is a client of those people who made the policy and wrote the guidelines.

Within the bounds of this definition the managing agent, real estate salesperson and property manager can provide those they supervise with services. For example, the agency manager can provide the assistant property manager with a service in the form of specific training. If the property manager supervises others, they could be responsible for providing another member of staff with a service in the form of a report. Therefore by both those who supervise and those who supervise a staff member, the staff member can be regarded as their client. Of course the reverse may also be true.

Identifying clients

To provide a quality agency service to a client it is essential firstly to identify and assess the client's requirements. Many great services have failed because the providers of that service failed to identify their clients and their clients' needs clearly. At times it is relatively easy to identify the customer but at other times it is not.

Real estate agents are increasingly being called upon to account for the services they provide. An essential element in this accountability is the requirement to clearly identify the customer and then to tailor the product or service to their needs.

At various times an agent may fulfill the role as a provider of a service to others. In addition the agent must also fulfill the role of client to other members of staff.

External clients

External clients require quality services and so do internal customers. Identifying the clients the agent serves can provide insight into the importance of the agent's role. Also it can help determine how the quality of the service can be measured.

Identifying customers

Who do you think are some or an agent's clients? Identify as many you can reflecting the diversity of a real estate agency's activities.

Internal client service

I can think of no company that has found a way to look after

external clients without abusing internal clients. The process at meeting customer needs begins internally.

Torn Peters - Popular writer on management (see bibliography for details)

The interesting aspect of this definition is that probably all of us can immediately identify with its sentiments and can recount experiences of poor internal client service that we have received. The important aspect of this experience is that probably the individual employee providing the poor service may be only partly responsible for the poor quality. At least they should not be held totally responsible. For example, sometimes they may wish to provide quality but are hindered by the system.

Research has shown a number of factors that can lead to poor quality service. These include:

- a inadequate induction or training of staff
- inflexibility of policies or procedures
- poor internal communication
- d inadequate systems or resources
- e an unwillingness of staff to take personal responsibility for customer service.
- an organisational culture that rewards employees for conforming rather than for taking an initiative.

The strength of a real estate agency is an ability to satisfy the demands of its external clients will be greatly determined by the quality of its internal client service. As the quality jargon suggests, "If you are not serving a customer, then you are probably serving someone who is"

Seeing clients as partners

Dr Edwards Deming an American, is one of those management experts who is seen as providing the Japanese with insights that have led them to be so successful in providing quality products and services.

A radical element of Dr Deming's philosophy is his emphasis on the importance of clients. His perception was that clients should be seen not as external and apart from the organisation but internal to it. Many Australian businesses are finding great benefits in including their external clients as partners in their external planning and decision making activities.

If a real estate agency is to partner its role effectively, such a change in focus and ways of working will need to cv vs??? When identifying clients, develop partnerships and open communication channels with them,

Self help exercise

Having identified some of an agent's clients, pause to consider the following:

- to what degree are these clients perceived as being within the organisation?
- how might they be brought more into planning and decision making?
- on the operational level is there a need to develop the concept of treating clients as partners?
- in your own area of responsibility, do you have any contact with customers?
- would your clients perceive themselves and the agency as working in partnership?
- what advantages can you perceive in building closer links with our clients?

Products, Services and Quality

The company or government department may provide both products and services for its clients.

Product

A product is normally identified as the physical result of someone's labour or service. On the other hand, it can be less tangible but often adds to the quality of a product.

Self help exercise

Using your list of clients as a basis, identify some of the products and services you provide to clients. If you do not work for a company or department ask your friendly local real estate agent what services or products he/she would identify .

For this exercise, identify at least five.

Self help exercise

Your needs as a client

As an internal client within your company or government department you receive products and services from other employees. Spend around twenty minutes on the following exercise:

List some of the products and services you receive from other staff. These could be in the shape of an administrative document, oral or written information, a physical resource, a completed form, the results of a test, etc. Be as specific as possible

Each of these products or services should be ones that you require or that help you to do your job. Some examples are listed below. Build on these to produce your own list:

- **computer support**
- **measuring equipment**
- **leave application form.**

Once you have completed your list below, against each item list one or two words or phrases to describe what you think should be characteristics of this product or service. In other words, what do you need to do your job well? what would make your job easier, more efficient, more effective or simply more enjoyable? How would you define a "quality" product?

Examples

- **production service**
- **ideal characteristics**
- **computer support on call**
- **clear explanations in non technical language**
- **measuring equipment accurate and available when needed**
- **leave application form easy to complete.**

Company and departmental ideal characteristics

- staff involvement in providing quality
- ownership of the service
- empowerment to service the client.

The theme of industrial democracy and worker participation has been around now for a number of years. The move towards providing quality products and services must proceed in an environment of participation and employee decision making especially as it impacts upon areas that affect them.

Insights for change

In this section we will explore the notion of client. Your customers can be external and internal to your government agency. If you cannot directly identify your external clients then the proposition that if you are not serving a client, then you are probably serving someone who is or maybe useful.

Identifying our own clients can be a very challenging task because it forces us to reevaluate when we may have been doing for some time. If our activities have not been satisfying the needs of our clients we will probably have to change how or what we do. Yet, ultimately, providing quality services and products not only produces satisfied clients but can also increase our own job satisfaction, sense of purpose, self esteem and job security.

Communicating with customers

Clients are the lifeblood of an organisation in a competitive environment, the reason for its existence. Within a large real estate firm, the customer is often less visible but of no less significance to the health and vitality of the organisation.

To provide services and products that satisfy or even delight the real estate client encourages a sense of purpose and commitment among staff and ensures efficiency and effectiveness in the organisation's activities. An essential element or requirement in this process for an individual or an organisation is identifying client needs- Experience suggests that these needs are not always easy to discover or articulate.

As clients, many of us have been conditioned to simply accept what is given at other times, having received poor quality, we simply disappear without communicating our dissatisfaction In order to provide quality products or services, the provider must communicate with the client.

Central to achieving international best practice in manufacturing or service delivery must be the client. A product or service, no matter how good it maybe in a technical or qualitative sense, is of little value if it is not what the client wants. While this is recognised as true for the manufacturing sector, it is even more important for the service sector including real estate agents.

Feedback

The term *feedback* is applied to the means by which a person or organisation looks at the result of a process, compares the actual result with the intended result and uses any difference to adjust or modify the process. Feedback can be very informal and non verbal reflected in an individual's body language. It can be an invaluable clue to identifying client response in a face to face conference . Non verbal feedback though will often need to be checked out because it is open to varying interpretations.

More formal feedback can be the result of a very systematic approach determining client response. Market research has a very sophisticated set of tools such as surveys, polls and interviews to provide accurate and timely information on client response to products and services. The appropriate feedback mechanisms used will be determined by the frequency, type and quality of information required.

Common client responses

One of the surest signs of a bad or declining relationship with a client is the absence of complaints. Nobody is ever that satisfied, especially over an extended period of time. The client is either not being candid or not being contacted.

Complaints

The quality of service provided by someone is very much determined by the response of the client. Therefore, if a client complains about the service, an apology will be given and, if the company wants to stay in business, reparation?? made and an improvement will follow.

Alternatively, if the client accepts that inferior level of service, then that level will probably be maintained. In a competitive commercial environment though, if clients are not happy with the product or service they receive, and they don't complain, then often they will seek that product or service elsewhere.

It is possible to interpret a complaint as a commitment to that organisation. It provides a real opportunity to maintain the support of a dissatisfied customer if that complaint is responded to in a proactive and effective manner.

Avoidance - why don't clients complain?

Customers often don't complain for the following reasons:

- the client doesn't believe that complaining will do any good.**
- clients often find the experience of making a complaint very difficult**
- the behaviour in making a complaint for many clients feels awkward or pushy.**
- the client rationalises that poor service is all they can expect and they accept a lower level of service.**

Sometimes organisations encourage clients not to complain. The process of offering complaints or feedback is made difficult. They make these tasks even more uncomfortable than many of us already feel??

There are two kinds of companies:

- the most typical views complaints as a disease to be got over, with memory of the pain rapidly suppressed.**
-

- the complaint is seen as an opportunity.

The real estate experience

Laymen rarely understand the real estate or conveyancing process and leave much of the service provided in the hands of the agent without comment. Clients that receive inferior service commonly say nothing or even worse don't even recognise that it is an inferior product.

Recognition of an inferior service comes about when the client talks to friends and colleagues about the service they received when they sold or bought their house. Further, he/she will perhaps perceive inferior service eventually because the process of selling or buying their own home arouses and interest in the system and they for example, take greater notice of what the competition is offering by way of real estate services. However, in both cases it is too late for both the client and agent. The client's immediate contacts will be most aware of the inferior service and with the compound effect of verbal transmission can have a devastating effect on the reputation of the agent.

If clients need something in a hurry or to a required standard they will use indirect routes to achieve their aims recognising that the formal route will not provide the quality service or product they require. Either way, this reinforces a system that will ultimately provide an inferior real estate product to the agent's external clients.

If we are to provide a quality client service to our external clients, where better to begin than by encouraging quality service within. As Tom Peters observed, The process of meeting client needs "begins internally."

Learning outcome 2

Plan for the maintenance of a working relationship with clients

Performance criteria

- **Appropriate and practicable option for reestablishing and maintaining a cooperative client relationship are described.**
-
- **Arrangements for obtaining clients' evaluation are built in ways in which the organization will seek to make clients feel valued are described.**
-
- **An understanding of the economic and industrial relations implications of the proposal is demonstrated.**
-
- **Appropriate and practicable option for reestablishing and maintaining a cooperative client relationship are described.**
-
- **Arrangements for obtaining clients' evaluation are built in**
-
- **Ways in which the organization will seek to make clients feel valued are described**
-
- **An understanding of the economic and industrial relations implications of the proposal is demonstrated.**

Your clients

We have already considered individuals or groups that you identified as possible real estate clients and identified a number of products or services that you as an agent provide to *internal customers*.

Our task should now be to determine how the quality of these products and services might be measured. In other words how do you know that what you produce fits your clients needs. Are there aspects of what you do that

can be improved or adapted to more fully satisfy the needs or requirements of your clients.

Initially you probably will think this is too basic a task or that you know what is required. However, you may be surprised or at least have clients that will initially not know how to respond to your questions.

Interviewing

You will need to interview your clients. This may be done person, by telephone or by fax. You will need to prepare a set of questions.

The initial awkwardness that you and your clients may feel in such an exercise is simply a reflection of the fact that so often this elementary task of identifying client requirements is omitted. So often assumptions are made or clear communication is presumed that this basic step in providing quality products or services is ignored and frustration, rejection or resigned acceptance is the result.

Serving your clients

If your workgroup is to provide a client focused service, all staff members must be aware of and put into practice behaviours that produce favourable responses in its customers. That principle applies to all clients, internal as well as external.

Therefore, your workgroup must provide its own client service ("we se to give service"). Having done this, you must strive to *promise good and deliver great*. You will have created an expectation that must be met.

Your workgroup must maintain a consistent level of service from all staff members, and attempt to improve that level. It must therefore monitor its service consistently, come up with changes if these are needed, and mentor the changes. In particular, your workgroup must not experiment with an improved level of service and then drop back to a 'normal' level of service; clients will continue to expect the higher level.

Staff must be trained in how to put effective behaviours into place, including any changes to existing behaviour. All members of staff must follow the workgroup's agreed principles for both internal and external clients.

Self help exercise

An organisational snapshot

In this exercise you are asked to identify how you think various elements your agency perform as a customer focused operation. This analysis is of course subjective and limited to your own experiences. That's OK, your perceptions are as valid as anyone else's in the organisation. Use the parameters in the comparison chart before to help you determine your measurement.

Re??? as nest as you can be. Use a cross to identify your choice.

Identify where you think your workgroup may be on the client focus continuum:

o E s 7 8 10
Low level of High lev l of
client focus client ocus

Identify where your own department, division or work group may be on this continuum:

o E 6 7 E 10
Low level of High le el or
client focus custorne focus

Identify where you believe you are on this continuum:

o 1E2ES 4-5 6 7 s 10
Low level of High level of client focus customer focus

Is there someone else that might provide you with honest feedback about how they perceive you on this scale?

From your own experience or by reputation, list two or three are a of your agency (or workgroups or individuals) that you consider provide a high level of client service.

What rating would you give them?

1

2

Creating change

Initiating and supporting change is never easy unless it is precipitated by a crisis

and has clearly defined processes to offset the impact. Often change is accompanied by a mixture of unplanned impacts and unexpected reactions. For many changes occurring within your agency may generate an ambivalent mixture of anxiety and challenge.

For most of us, most of the time, change forced upon us can be very uncomfortable. To initiate change, particularly as it has to do with our lifestyle.

can seem almost impossible particularly if it has to do with major change. Time

change required in moving to a more commercial environment is also likely to

cause stress and discomfort. To develop a strongly customer focused organisation

will involve both individual and cultural change. It is this mixture of individual and

cultural change that is required if the organisation is to be successful in the future.

Karl Albrecht's Total Quality Service model

Karl Albrecht in his writings and videos suggests a five pronged approach to developing a service focused organisation. For him each element is essential and must be integrated into the other tasks.

1 Market and client research

We have already identified the process of clarifying client expectations at the individual level. This should also be undertaken at the agency and workgroup levels using tools identified earlier. Using a formal process provides accurate and actionable information on which a strategy can be based.

2 Strategy formulation

A strategy is simply a plan of action based upon available information. Strategic plans can be developed for the organisation as a whole, for the work group or the individual. Developing a strategic plan is essential if successful change is to take place.

3 Training, education and communication

A successful change program will incorporate informal training, formal education and effective communication processes. These

programs and processes should be developed as part of a strategic planning process and supported by all within the organisation.

4 Process improvement

As processes are put into place to effectively meet strategic plan, you must avoid complacency. A commitment to continually improve those processes needs to be a primary focus. In a competitive environment you must be committed.

5 Measurement, assessment and feedback

How do you know that you are meeting your goals unless you are continuing to measure improvements? Developing a client focus will not be achieved unless a strategy is developed. It cannot be sustained unless feedback is provided on your success. A total quality service program must be measured and assessed to ensure that goals are met and the change process is maintained.

Four levels of organisational change

Four levels or degrees of organisational change can be identified;

- *Fine tuning* - continuous small-scale improvement
- *Incremental adjustment*- distinct modification, but not radical change
- *Modular transformation* - radical change of a part of the organisation
- *Corporate transformation* - radical change affecting the whole a transformation.

Change to a customer focused organisation

Richard Whiteley in his book *The Client Driven Company* (p 120) suggests that moving to a client driven company means the following shifts:

- 1 Moving from motivation through fear to motivation through shared vision and loyalty from an attitude that says to own era flip of every problem that affects the client or the way we've always to continuous improvement done in
- 2 From making decisions based to doing it with data and facts based on assumptions from everything begins and to everything begins and ends with management with clients.

3 From functional stove pipes where to cross functional cooperation departments base decisions solely on their own criteria

4 From being good at crisis to doing it right first time management and recovery from depending on heroics to driving variability out of the process from a choice between participative to participative and scientific and scientific management.

Self help exercise

Cultural and behavioural shift

Use the following grid and the preceding set of parameters to explore our ideas of the types of change required within your agency in order to make the cultural shift to a client focused organisation. Firstly, think about one aspect of our own job. How would you change to a stronger client focus? Work from the 4 levels of change indicated below.

Identify below a number of areas where you believe change is required:

Changes required

A _____ E

B _____ F

C _____ G

D _____ H

Then identify the type of change process that is appropriate to achieve desired outcome.

Fine tuning incremental modular corporate

Adjustment transformation transformation

Change at the managerial level: One of the most challenging aspects of the change required in moving a client focused organisation is the changes required in the practices and attitudes of some supervisors and managers. The role of a manager has evolved from one who used his (and it was normally his) power and authority to give direction and maintain control over subordinates to one responsible for motivating, developing and empowering his or her staff.

Theory X and theory Y managers

Douglas McGregor reflected these changes in his distinction between theory X and theory Y managerial behaviours. The grid below summarises these differences.

Theory X, theory Y

Employees inherently dislike work and employees can view work as being as
wherever possible will attempt to avoid natural as rest and play.

Since employees dislike work they must???employees will exercise self direction
be coerced or threatened with and self control if they are commmd to punishment to achieve goals. the objective. Employees will shirk responsibility and the average person can is rn to seek formal direction wherever possible accept or even seek responsibility.

Most employees place security above all. Creativity is widely disperse throughout
other factors associated with work and the population and not necessarily the
will display little ambition province of those in management.

Self help exercise

Which style do you think would be more supportive of a client focused organisation? Can you identify from your previous work experience, examples of both types of managers?

The Inverted Triangle

Another way of identifying changes in the managers role is by using triangles. The National Industry Extension Service has modeled two approaches in the diagram below.

Traditionally organisations have been represented as a triangle with senior management at the top and the employees at the bottom with first line management and middle management in the middle. It reflected a traditional perspective and behaviour, with lower levels reporting to higher levels and clients not even recognised. If internal clients existed they were senior management with junior management and the workers serving higher levels. The emphasis is on pleasing the boss This approach is represented by the upper triangle in the diagram.

The development of a new approach has seen the triangle reversed. The inverted triangle identifies clients at the top and recognises the importance of the relationship between clients and front line staff A manager in this structure has a primary role of ensuring that resources and support are available to staff who are responsible for providing quality products and services to the client. As one writer said, "Today's subordinates are tomorrow's clients." This development shows a change in organisational orientation from pleasing the boss to serving the client.

The new approach is represented by the lower triangle in the diagram

Who do People Serve?

**Pleasing
the boss**

**Conflict between
Departments**

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E;t; e;#&Lt½:tt£::t;tTh3tt: Client
SupEn44nr.Y.E -

Relationships
E between peopleE

MESE
rotor Quo! fry Manogernen

Self help exercise

Look at the triangles in the diagram. What changes would you expect in now managers manage their work groups? What may they be doing differently as they move from the first approach to the second?

If you are working in a group, use your individual observations as a basis for discussing the ideal.

Japanese perspective (the basis of their success?)

The fundamental principle of successful management is to allow subordinates to make full use of their ability. The term human implies autonomy and spontaneity. People are different from animals and machines. They have their own wills, and do things voluntarily without being told by others. They use their heads and are always thinking.

Management based on humanity is a system or management that lets the unlimited potential of human beings blossom. Top management and middle managers must be bold enough to delegate as much authority as possible. That is the way to establish respect for humanity as your management philosophy. It is a management system in which all employees participate, from the top down and from the bottom up, and humanity is fully respected.

- Kaoru Ishikawa (less), *What is Total Quality Control? The Japanese Way*,
Prentice & Hall, Eaglewood Cliffs NJ

Managers are responsible for processes

In any quality program, managers are responsible for the overall programs and processes that will produce the quality products and services. It is they who are responsible for ensuring that these processes are efficient and effective in the results they produce. This does not mean though that they are the only ones who have insights into why these processes may not be producing or into how they might be improved.

Some managers have felt threatened by any idea that their staff may have ideas that are better than their own. By utilising the experience and insights of their staff, managers can provide better products and service as a result of the processes they are responsible for and at the same time increase morale and motivation within their work groups.

Delighting the client

Providing a quality product or service does not simply mean conforming to set requirements or expectations. It requires moving beyond what is expected and developing an approach that is continually seeking to find ways of improving.

Japanese models can provide insights into how it is possible to continue the improvement process that goes beyond satisfying the client to delighting the client. It is this approach that ensures success in a highly competitive environment.

Process in the provision of services

"We are all involved in processes." This observation, although basic, is to many of us who are often isolated from the total context or picture in which we operate. A process is a series of events that produce some type of product or service. In fact getting up in the morning and arriving at work involves

us in a series of processes. Within the context of our work we are also involved in processes- for instance there is a process involved in applying and being granted annual leave Whether it is in preparing a sample for analysis, writing a ministerial, preparing a report or inspecting a product, these can all be regarded as processes and "we are all involved in processes".

One of the strengths of the Japanese is their commitment to continual improvement of the processes in which they are involved. It is by understanding the processes we are involved in that we can begin to find ways to improve that process and as a result hopefully delighting the Client, the user, of that final service.

Self help exercise

Identifying the process to improve the result

As an introductory exercise in exploring the idea of process improvement list three products or services provided by your agency or workgroup. Against these three products or services, identify what may be used to measure the quality that product.

For instance, it was stated earlier that an application for leave is an example of a service. Two measurements of the quality of the product may be the accuracy with which that information is transferred into the system and the speed with which it is processed.

The third step is to imagine how that process may be improved. It was suggested that instead of an application being made on paper it could be integrated into the computer network Therefore, as soon as I complete my application it is sent to my immediate supervisor for his/her approval. Once approved, it is then sent immediately to personnel and, after a final check, I receive news through the network of the result of my application. A not particularly original idea but one that would certainly speed up the process and delight me with the speed of the response.

Product or Service Quality Measures Possible Improvements

The processing of speed introduces a means whereby application

forms Accuracy applications can be made via the network when completed it is automatically transferred to the supervisor/manager's in tray through the network to personnel.

On final decision a message is sent, via the network, back to me signifying approved or not approved.

Now it's your turn be as creative and innovative as your imagination allows you.

Think about the practical improvements and the more imaginative.

Product or Service Quality Measures Possible improvements:

1

2

3.

Quality control and quality assurance

Two traditional means of ensuring quality have been through process of quality control and quality assurance.

Quality control is commonly identified as a process of final inspection. It is only at

the end of the process where a product is identified as acceptable or no

acceptable, eg products for export, completed administration forms, materials.

This has been traditionally a very common and very effective means of ensuring

quality. Criticisms of this technique though are that it can often result in lot or

waste (rejected products), or that sometimes it is not as efficient as it could be in

being labour-intensive or time consuming.

Quality assurance on the other hand is a process whereby the standard of the

processes that are involved in producing a product or service are identified step by

step, often in procedure manuals. These quality assurance processes are designed

so that if they are followed they will ensure a quality product or service which

conforms exactly to the specifications required.

An example of a quality assurance system is one designed for the operating theatre of a hospital- Here procedures must be followed exactly to ensure the health and safety of those involved In this context a quality control process that involves inspection at the end of the process would not be acceptable.

Both quality assurance and quality control processes can produce very acceptable results If used correctly, their only weakness is that they are static In her words they are not oriented to continually improving the quality of the product r service, but seek only to ensure an acceptable quality standard. In the competitive environment in which we live end work, the pressure to either decrease costs or improve quality is constant We need to develop new ways of working,

Self help exercise

Both quality control end quality assurance processes may be used within your real estate agency or workgroup. Can you identify an example of each?

Attitudes that inhibit progress

Earlier we identified some attitudes that discouraged or worked against providing

quality products or services. These included attitudes such as:

- near enough is good enough
- they won't notice the difference
- I am not provided with quality so why should I provide it to anyone else
- management doesn't care.
- I am not rewarded for delighting the customers.

Other attitudes also work against us in trying to improve what we do such as:

- don't mess with success
- if it ain't broke don't fix it
- leave well enough alone.

Australian innovation

As Australians we traditionally have seen ourselves as great at sport or relaxing and having a good time but have been self critical in other areas of achievement. In fact Australians have a history as innovators and inventors in comparison to the Japanese for instance we have a higher number of Nobel prizes for the sciences such as medicine, chemistry and physics.

Perhaps our self critical attitude has arisen because we are embarrassed by success (the *tall poppy syndrome*) or that we have developed a complacency that was built upon our reliance on primary and mineral exports. No longer can we accept an attitude that discourages innovation and improvement. We need to celebrate our successes and honour those that can provide us with direction and a striving for improvement

Innovation

The Macquarie Dictionary defines innovate as "to bring in (something new) for the first time." The Macquarie Thesaurus links the word innovator with original thinker, a breath of fresh air, reviver, restorer, revolutionary. Whatever word we use to describe the direction we need to take, inevitably innovation means change.

The overseas experience; Kaizen - continuous improvement

Those who have analysed Japanese successes, particularly in the manufacturing field, have identified a number of factors as significant. Surprisingly, the Japanese are not perceived internationally as great inventors. For instance, the Japanese have captured a large slice of the watch market and have far out paced the Swiss who were traditionally leaders in this field. The Japanese have gained this superiority through the development of the digital watch. Yet it was not the Japanese who made the invention. It was actually invented by the Swiss. What the Japanese did was to see the potential and through continuous innovation and improvement ultimately become the largest producer of watches. The same applies to the transistor.

Integral to the Japanese experience and success has been the practice called Kaizen. Very loosely translated it means improve, improve, improve. The Japanese writer, Maseaki Imai in his book Kaizen, the Key to Japan's Competitive Success declares Kaizen as the single most important concept in Japanese management - the key to Japanese competitive success". In a Japanese organisation, Kaizen means "ongoing improvement involving everyone - top management, managers and workers". Interestingly Imai points out that the use of the term is not simply associated with the workplace but is integral to many aspects of Japanese life. As he later says "Kaizen is one of the most commonly used words in Japan. In the newspapers and on radio and TV, we are bombarded daily with statements of government officials and politicians regarding the Kaizen of our trade balance, the Kaizen of our diplomatic relations with country X, and the Kaizen of our social welfare system. Both labour and management talk of the Kaizen of industrial relations.

With such a public commitment to continuous improvement, no wonder

that

Japanese industries have been so successful. As our sports stars have been so successful through their personal commitment to continuous improvement, so must we in our workplaces if we wish to be more than a "banana republic".

As the Japanese have shown us, most productivity improvements come not through the major innovations of the researchers, although these are very important. Japanese success has been built upon the ongoing small improvements introduced by those in the workplace who are involved within workplace processes.

An interesting comparison was made between suggestion schemes operating in the United States and in Japan. Research has revealed that of the US companies conducting suggestion schemes, only 8% of employees participated and an individual cash awards averaged \$605. In Japan employee participation averaged 67%, and in half the companies it was more than 90%. The reward for suggestion was equivalent to a mere \$3.25.

How might we develop a culture of continuous improvement within your agency, your own workgroup, and within your own work practices?

The DULUX experience - quality improvement teams and empowerment

Dulux Australia has successfully introduced quality circles into its quality program. Senior management were concerned that quality circles might fail. People in the circles had come to believe that their recommendation would not be implemented because of inertia or resistance by management. Dulux decided to introduce a policy that would overcome these potential problems and further empower employees. Where a recommendation for an improvement was made to senior managers, they had to show, within 72 hours, why they could not adopt the recommendation. If they did not do this, the recommendation was automatically put into practice.

Summary

Everyone is involved in providing products or services. Everyone should

also be committed to providing quality products and services, and to improving them. So standards of quality of service must be identified, and processes of quality control and quality assurance need to be established. Organisations need also to initiate processes in support of continuous improvement, perhaps by following the Japanese notion of Kaizen, or by introducing innovative schemes (at least in Australia).

7. Innovation and continuous improvement: the key to success

In identifying the way forward, we cannot argue whether we want innovative change or continuous improvement. We need both if we are to provide the quality of products and services that will delight our customers. Masaaki Imai differentiates between innovation and continuous improvement by drawing out the differences. Enlightened management will support both to ensure quality products and services.

KAIZEN Innovation

1 Effect Long term and long-lasting Short term but dramatic but undramatic

2. Pace Small steps Big steps

3. Time frame Continuous and incremental Intermittent and non-incremental

4 Change Gradual and constant Abrupt and volatile

5. Involvement Everybody A few selected champions

6. Effort orientation People Technology

7. Practical Requires little investment Requires large investment

requirements but great effort to maintain it but little effort to maintain it

8. The use of quality circles or quality improvement teams

A further development¹ again built upon the Japanese experience, is the use of quality circles. These are groups of employees meeting as volunteers on a regular basis who are given training in problem-solving techniques. They identify problems or opportunities for improving processes in which they are directly involved. Through identifying and evaluating solutions, and presenting these to management for acceptance, they are participating in an organisational program designed to support continuous improvement processes.

Quality circles were introduced into many Australian organisations in the early 1970s and 1980s. Not all were successful. Experience reflects that a quality circle program must be supported by senior management and effective training of circle participants, and led by trained leaders. It must reflect a cultural commitment by the organisation to continuous improvement.

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A series of three videos:

- 1. Client Value: The Only Thing That Matters**
- 2. The TOS Model**
- 3. The Fizzle Factor**
- 4. The Only Thing That Matters**

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