Evaluating customer service

The organization of interest for the study will be referred to as the Administration is the federal government agency responsible for administering social insurance programs (retirement benefits, survivors' benefits, supplemental security income, and disability benefits) in the United States and abroad. The Administration presently employs over 65, 000 employees and has 1, 500 Field Offices (FO), seven Program Service Centers (PSC), and one data operations center in the United States.

It received more than $532 billion in FY 2004 Congressional appropriations (SSA, 2005). The Office of Central Operations (OCO) is the third largest component of the administration. OCO directs service to customers by scheduling claims appointments, handling inquiries regarding recurring monthly payments, overpayments, and interruption of benefits. This department employs approximately 6, 000 employees to conduct its operations, and received more than $495 million in FY 2004 Congressional appropriations (SSA, 2005). Statement of the Problem

The problem is that the customer service technicians are not conforming to production standards and are continuously receiving low efficiency ratings. A review of internal and external call monitoring, surveys of external customers to determine their satisfaction, abandoned calls, and the average time customers spent in the queue waiting to speak with a representative are possible contributors to low efficiency ratings. Training requirements vary by industry. Almost all customer service representatives are provided with some training prior to beginning work and training continues once on the job.

This training generally will cover four primary components: training on customer service and telephone skills, training on products and service or common customer problems, training on the use or operation of the telephone and/or computer systems, and training on company policies and regulations. Length of training varies, but it usually lasts at least several weeks. Because of a constant need to update skills and knowledge, most customer service representatives continue to receive instruction and training throughout theircareer. Purpose of the Research Study

The purpose of this study is to evaluate customer service at the Administration and recommend strategic interventions from best practice strategies found in literature on training for customer service in the government. Research Questions The research questions in this study will focus on the training and effectiveness of customer services. Today people start new business ventures with different expectations than it was to be in the past. As many entrepreneurs come with new businesses and production techniques, ways and means of dealing with customers also changes.

The newtechnologyto many people has brought a lot of significant changes in the global businessenvironment. All the business sectors including private and government sectors are currently doing reengineering on how businesses are operated (Buhler, 2007). This is happening because of the competition that is brought by the introduction of the new information andcommunicationtechnology. In all organizations both public and private bodies employees training is one of the best business practices that managers and supervisors of different organizations should adopt.

However management of sustainable performance results is quite a challenging task and should be based on a comprehensive, holistic approach to performance improvements and management. All the organizations through their leaders should ensure that all organization functions should be integrated putting emphasis on meeting customer's needs and organization objectives (prof Zairi, 2005). Among the organizational functions that should be integrated may include marketing, finance, design, engineering and production and finally the customer services.

New production approaches require total quality management in order to improve production of good and services. In any organization training is a very vital tool aimed at improving the organization results. For customer's satisfaction, customer's services training are viewed as a key to an organizations satisfaction and success. Most companies have realized the benefits of having customers service department in their organization. Customer service generally has proved to be one of the most important elements in a business.

These organizations nowadays have started focusing on customer services training programs, which are geared towards training employees on skills required for customer services (Kamin, 2002). Supervisors of different organization are faced with tasks of supervising the various works done by different employees in their organization. The team manager or the supervisor is charged with theresponsibilityof supervising the employees in customer services. These people are concerned with coaching, motivating, training, developing and guiding employees' performance through various formulas.

For instance, they may useobservationtechniques, metric analysis and feedback devices form customers systems. By doing this supervisor should have properleadershipskills that will help to manage transition? The current business environment requires organization to shift from the traditional way of production to the modern way in order to satisfy the customers' needs. Strong knowledge of customers systems is therefore very vital to meet customer's services objectives. Staffs or employees abilities should be constantly evaluated and reevaluated to meet these objectives.

One of the objectives in any organization is to ensure that employees operate at highest level of quality and productivity. This can only be met when they observe the various ethical behaviours and integrity. This can only be done through training. Those in the customers service department are always concerned with handling customer complaints and acting towards them appropriately. Most organizations have ignored this area ending up failing to achieve their objectives. Best business practices are one of the ingredients towards the success of a company.

New management of business require the manager and supervisors to be prepared for change Management skills is not the only task that is expected of these firms but multitasking and flexibility are keys to keeping on in today's fast – paced work environment where experienced managers are required. Customer service department is one of the areas that have to be closely monitored by the organization leaders. The team manger or supervisor should be responsible for resource management of all customer service and operation functions for market including meeting productivitygoals.

For the productivity goals to be improved and increased employees responsible for handling customers need some training (John, 2003). The way in which customer service staff handles calls from different clients and customers should be evaluated. The productivity in any firm will only increase if customers are handled in an honest and fair manner. Training should be provided to these staff members on how to handle and treat customers. Along term relationship should normally exist between the employees and customers. As call centers continue to increase in number, what constitute effectiveness in increasingly becoming difficult to measure.

However what is important is whether the metrics used focus on the following areas: quality, accessibility, efficiently, cost performance and strategic impact. The effectiveness of service delivery across all contact channels needs to be assessed for good relationship to be built between the customers and employees. The strategic impact on customer services satisfaction concerns with quantifying impact of service delivery on customer satisfaction. It also concerns with assessing employee satisfaction and other supporting activities.

Customers service training help the management staff in customers service department with a variety of useful skills and knowledge when carrying out their duties. First the staff will be able to know what customers want from the staff and the business in general. Generally customers need to be treated with a lot of diligence andrespect. They should feel that they are honored in order to motivate them. (Buhler, 2007). Customers are also people who have feelings and interest. Front –line service employees and

managers who mange front line people should be in a position of knowing what customers do not want.

Customer's service training is therefore very important in providing skills and knowledge in common customer service mistakes that might drive customers away. Frontline service employees and mangers should also know the importance of a positive attitude and approach to customers. They should learn to develop the power to smile in order to attract employees. (Kamin, 2002. What should be noted is that successful businesses and managers, realize the importance that their customer service employee play when coming into direct contact through interaction with customers on a daily basis.

These people should be viewed as useful people in the organization. They are charged with the responsibility of interacting with customers face to face on a daily basis thereby promoting and representing the organization in a good way. However, the effectiveness of this interaction will depend on the quality of customer service skills these frontline employees have at their fingertips. (John, 23). Customer service training also provides necessary skills on the various types of necessary contacts that are more beneficial in building customer satisfaction. This can be in different types.

The personal and human interaction is vastly superior. The way greetings are conducted by receptionists, letters are delivered and how clerks handle their clients matters a lot. Positive approach and attribute from these people may help in promoting a long lasting partnership and relationships with customers. Tentatively a negative approach will send customers away this might bring a big blow to the company. The success of any organization will

depend on the quality of customer service skills employees working in the customer service department possess. Good approach will make customers have positive attitude to wards the company.

They will therefore appreciate the way business is done in such an organization and finally this will attract many of them. Customer relation will therefore determine whether the business will succeed or fail. (Renee, 2005). Having seen the need for training of customer service employees and managers, it is therefore important to look at how training of customer service will be useful to the SSA. The social security administration is faced with numerous challenges as it tries to satisfy the need of all its customers. The research question in this proposal is based on what best practices of customer's service training should be implemented.

The questions to be addressed in this study are as follow: - 1) How should the effectiveness of the current training program be measured? 2) Is customer service training useful in improving customer service in order for social security administration (SSA) to meet its requirements in future years? 3) Have there been any good results from organizations that apply the tool of customer service training? 4) Is there any difference in quality of service offered to customers between employees who have undergone customer service training and those who have not?

5) Is it important to provide customer service training whenever new changes and systems are introduced in an organization for example the SSA? 6) What are the problems likely to be faced when new systems are created without proper customer services training? Social security administration is burdened by various challenges as it tries to satisfy the needs of all its

customers. This is because of the challenges brought by the introduction of the new system of serving its customers. What is needed therefore that might help in a kind of best practices of customer service in a government agency that covers reforms and interventions.

These are to help in improving the customer service and can only be helped through evaluating the various customer service-training tools. Chapter 2: Review of the Related Literature Introduction The Social Security Administration (SSA) is one of the largest government agencies, and is notable for the fact that most of its business deals directly with members of the general public (Auster, 2006; Barnhart, 2007; Bovbjerg, 2003; FOIA, 2006; Liebman, 2005). The SSA " pays retirement, disability and survivors benefits to workers and their families" (Claritas, 2006, p.

1). As a result, the SSA " promotes the economic security of the nation" through this disbursal of funds (Barnhart, 2007, p. 363). Payments to retired persons are managed through the Old-Aged, Survivors, and Disability Insurance, " universally known as Social Security" (Barnhart, p. 363), while the Supplemental Security Income program provides temporary funds " for low-income aged and disabled individuals" (Barnhart, p. 363). As a result of these services, the SSA pays out around $40 billion in benefits to more than 50 million people every month" (Barnhart, p. 363).

In the process of doing so, the agency processes " more than five million new claims for benefits each year, handling approximately 61 million phone calls to its 800-number, and issuing 136 million Social Security statements" (Barnhart, p. 363). In addition to these primary activities, the agency also undertakes other supporting tasks, " including issuing Social Security

numbers, maintaining earnings records for wage earners and self-employed individuals, updating beneficiary eligibility information, educating the public about programs, combating fraud and conducting research, policy analysis, and program evaluation" (Barnhart, p.

363). Because of the enormous responsibilities that rest with the management of the Social Security Administration, in recent years administrators have become concerned that " Social Security itself is showing signs of insecurity" (Barnhart, 2007, p. 366). Because of the fact that the Baby Boomers (persons born between 1945 and 1963) are now reaching retirement age, combined with the fact that life expectancy has improved to nearly 80 years old, it is expected that the current system is well on the " path to insolvency" (Barnhart, p. 366).

It is projected that " Social Security costs [will] exceed annual cash revenues starting in 2016, and the gap between costs and revenues will continue to grow thereafter" (Barnhart, p. 366). Until 2038, tax revenues will be tapped in order to make up the shortfall, but after that such revenue will also " only cover 73 percent of currently scheduled benefits" (Barnhart, p. 366). Others argue however that at late as 2050 SSA will still be able to cover 73 percent of benefits, and thus " the perception that Social Security will not be there at all for today's younger workers is a myth" (Liebman, 2005, p. 30).

One of the reasons why the SSA is facing some future difficulties is that it continues to operate on a " pay-as-you-go" basis, " meaning it doesn't set asidemoneyin advance to pay retirees' benefits" but rather " uses Social Security taxes withheld from today's workers to pay benefits for today's retirees" (Auster, 2006, p. 1). This system " works well as long as enough

workers are contributing taxes to cover the cost of benefits" (Auster, p. 1). However, as mentioned, given the size of the Baby Boomer generation, compared to those of younger ages continuing to work, this system will skew out of balance in the coming years (Auster, 2006).

While the problem could resolve itself if more immigrants come to the US, if the birth rate rises again, or if many Baby Boomers put off retirement, it is still expected that the pay-as-you-go system will experience some imbalance (Auster, 2006). Added to the overall problem of the future effectiveness of the SSA is the fact that Americans are saving less. SSA benefits were never meant to cover the entire income needs of elderly Americans, only to supplement income and thus " provide a solid foundation for financial well-being" (Liebman, 2005, p. 2).

Unfortunately, at present, " one third (of all recipients) receive 90 percent or more of their income from Social Security and almost two-thirds receive more than half their income from the program" (Liebman, p. 2). In order to restore some balance to this picture the SSA has had to begin to promote the idea of savings, and encourage recipients as well to establish personal retirement accounts so that they can live comfortably during retirement (Liebman, 2005). Because of this danger, the Social Security Administration's current way of doing business has become the subject of heated political debate.

Overall, reformers on both sides of the political fence are calling for a modernization of the SSA in order to streamline its operations, and modernize all of its programs in a manner that will ensure their cost-benefit survival (Barnhart, 2007). The call to modernize the SSA emerged twenty

years ago, when, in 1987, the GAO called for the agency to " develop an agency-wide, long-range plan and revise its system modernization strategy to be consistent with it" (Govinfo, 2001, p. 3). The strategic plan called 2000-A Strategic Plan was published in 1988, and formed the basis of a long-range strategic plan to reform the agency.

Efforts to modernize operations within SSA were then used to model a government-wide reform effort in the Government Performance and Results Act of 1993, wherein strategic management was to be implemented in all government agencies. In the process of implementing such thinking, reformers began to acknowledge that " the real challenge is creating an environment and the processes that support acultureof active strategic management Such strategic management involves, " planning, budgeting, implementing, tracking and measuring in both the administrative and policy-making arenas" (Govinfo, p.

1). It also involves thinking, which is " seeing the strategic value of work being done and recognizing when no strategic value exists" (Govinfo, p. 1). A major element of administrative reform in the Social Security Administration is the movement toward a more streamlined, customer-friendly service. One of the primary ways in which this may be done, according to reform ideology going back to the Master Plan of 1975, is to replace the current procedures of SSA with a paperless office or bureaucracy.

The Master Plan itself " foresaw fundamental changes moving the Agency toward a paperless process in all major workloads" (Govinfo, 2001, p. 2). It was projected that such reform would allow new efficiencies undertaken by technology, and involving the hiring of more people to operate the

technology. A generation later, looking back on the Master Plan, current administrators in SSA see that " virtually all the key systems and work process goals of the Master Plan have been achieved through the continuity of plans and design" (Govinfo, p.

2). One of the signal technological developments in making the SSA friendlier to customers was the implementation, in the early 1990s, of an 800 number hotline. The 800 number provided immediate access to service for any customer anywhere in the US, twenty-four hours, seven days a week (Nelson, 1991). The 800 number replaced a clumsy and inefficient preexistent toll-call system whereby a customer would call a local or regional teleservice center, and then be connected to the party they needed.

The 800 number provides toll-free access to customer representatives trained to respond to all primary queries, and pass customers along if they have questions requiring further help (Nelson, 1991). Though the 800 number system had a number of helpful routing protocols that made the system more helpful to all, it is also true that in the last fifteen years " 800-number access is greatly improved, with calls being answered within 5 minutes of the time an individual first calls over 90 per cent of the time" (Govinfo, 2001, p.

17). In addition to providing improved customer service, the SSA is also noted for " measuring the work it does" in order to ensure the maintenance of high quality service (Govinfo, 2001, p. 10). The Agency has " established many measures of Agency workloads and performance, primarily concerned with inputs and outputs of the process" (Govinfo, p. 10).

The SSA also measures the results of its service, as, for example, it annually measures " the number of people whose incomes Social Security benefits raised above thepovertylevel" (Govinfo, p. 10). Much of this information is used to inform employees of strategic changes in the administration and " why they were important to our success as an Agency" (Govinfo, p. 9). Since the mid-1990s, most of these initiatives have focused on improving the Agency's ability to meet and satisfy customer expectations.

In order to so do, SSA managers have been encouraged to " think strategically about the relationship between the decisions they were making day by day and the ultimate aims of the organization" (Govinfo, p. 9). As an example of the kind of business-oriented customer-service changes initiated by these processes, the process by which people made initial disability changes was " reengineered" using technology and a " start from scratch" approach to designing the process, resulting in a more efficient way to process new disability claims (Govinfo, p.

8). More and more processes continue to be streamlined by means of the use of technology. That said, these reforms, while streamlining the process of claims, for example, have also caused concern by others that technology would result in " a movement away from SSA's traditional local-office based values in terms of service" (Govinfo, 2001, p. 4). For some, this process began with the introduction of the aforementioned 800 number.

While a number of people saw the introduction of the number as an optimal way to help Americans conduct their business with the SSA with greater access, and thus a major service improvement" (Govinfo, p. 4), others, including many employees at the SSA, saw the number " as reducing on a

grand scale our hands-on relationship with our customer" (Govinfo, p. 4). The plan also involved encouraging customers to accept " direct deposit" as the primary means by which the SSA would makes its payments to individuals.

Many saw this as improving both service and the cost of making payments, but others argued that this move was being made " at the expense of the desires of the people we served" (Govinfo, p. 4). Indeed, " even the use of the word ' customer' conjured up in some the vision of a business rather than that of the helping social agency that we considered ourselves to be" (Govinfo, p. 4). Thus, even now, debate continues on how best to improve " customer service" but retain the agency's special relationship with those whom it serves.

The debate over customer service and modernization in the SSA is more broadly framed in the overall issue of the ability of the agency to meet its requirements in future years. For some, the only answer is to privatize the payment system of the Agency. While some argue that the SSA should stay as is, others argue that it should be privatized, which means that rather than just make payments, customers should be allowed to manage their own personal retirement accounts (PRAs).

Some plans for PRAs may help to raise the standard of living of retirees, and also " preserve the social-insurance features of the current system" (Liebman, 2005, p. 30), while other PRA plans " have no economic benefits to offset their high administrative costs" (Liebman, p. 30). Liebman (2005) argues, however, that PRAs are probably the only feasible approach to redressing imbalances as the other option, raising taxes to cover the shortfall, seems unlikely in the " current anti-tax environment" (p.

5). Moreover, tax increases will most likely be needed to salvage Medicare and Medicaid. The upshot of the debate is that with PRAs on the horizon it appears that the Social Security administration is going to become involved in a new kind of customer service, making sure that individuals receiving benefits do not mismanage their accounts either by investing in mutual funds with high expense ratios or by investing in an inappropriate portfolio.

Formerly, it is " not the government's role to prevent customers from making bad choices" (Liebman, p. 6). However, " in the case of Social Security, the government has an interest in preventing people from making stupid decisions because people who end up destitute in old age will become a public responsibility" (Liebman, p. 6). How might this customer service be provided by the SSA?

Columbus (2004) argues that " what is needed is a hosted, secure platform that includes strong analytic tools for evaluating investment scenarios" (p. 2). That is, the SSA must provide its customers with " guided selling interfaces," and these must be qualitatively different than the so-called online customer service of the past generation, where " investment portfolios were pushed around like Lego blocks instead of being treated as crucial personal assets" (p. 2).

It seems likely to Columbus (2004) that, because only a few companies provide investment advice to employees, and then usually only executives, and also because " investment firms are only reaching the most dedicated investors," the onset of a PRA-system means that the SSA will have to get into the business of providing guided selling platforms and investment

advice for many of its customers. Finally, the introduction of PRAs will cause a number of auxiliary problems as well.

For one thing, because the average amount placed in a PRA will end up being smaller than the payments made now, most of the public will see this change as a " government taking money away from account holders" (Liebman, 2005, p. 7), and thus, there is a public relations problem in explaining how the system works. Second, also because the payments into the PRAs will be smaller, there is the issue of the cost-effectiveness of this approach. Small PRAs are " unlikely to be cost effective, as a plan probably needs to have contributions that are at least 3 percent of payroll to be worthwhile" (Liebman, p.

8), and thus administrative costs of maintaining such accounts might be prohibitive. This may entail limits being placed on services, in order to reduce costs, and may even involve charging customers for telephone inquiries, all of which may impair the perception of customer service. Finally, the PRA system will no doubt necessitate the creation of a number of guides and other publications, and also greatly increase the number of inquiries made by customers (FOIA, 2006). This too may weaken customer service.

In the SSA, many changes that improve customer service involve issues of employee workload and the use of technology. Many argue that only by improving its business practices, will the SSA be able to maintain a high level of customer service among the larger population of Baby Boomer retirees (Barnhart, 2007). Moreover, " unless SSA improves upon its current business processes by investing in and making use of technology improvements,

resources may not be able to meet workload demands over the next 10 years" (Barnhart, p. 270).

One primary area in which this process is proceeding is Internet presence. The SSA " has rapidly expanded the types of online interactions that customers can conduct, such as filing claims for retirement benefits over the Internet" (Barnhart, p. 370). The SSA, indeed, " has a broad strategic goal of attaining a paperless environment by 2010" (Barnhart, p. 372). Other services provided online in the past two years include providing " Medicare replacement cards, online " account" status, access to change one's address and telephone number, and direct deposit" (Barnhart, p.

372). Overall, " the SSA will give high priority to E-government projects that will result in large productivity increased by improving the business process, such as with the ' e-dib' project, a paperless process centered on employees sharing an electronic folder in a secure environment to review disability beneficiaries' files" (Barnhart, p. 372). Finally, the Social Security System must also abide by reforms caused by the current political climate.

For example, The Freedom of Information Act gives citizens new rights in terms of inquiring after confidential records held by the government. Thus, in addition to satisfying customers, the SSA must also respond to public requests for confidential information of various kinds. In fact, the SSA compares favorably to other agencies in terms of responding to FOIA requests, as, for example, " the SSA processed over 17, 000, 000 FOAI and Privacy Act access requests in over 1, 400 locations during fiscal year 2005" (FOIA, 2006, p.

1). The primary problem in terms of customer service with these requests is that, more than any other form of request, these requests are " the most time intensive" in that " the material requested is very voluminous or the issues are very complex and necessitate research and consultation with other SSA components" (FOIA, p. 1). The Office of Public Disclosure has 21 analysts who process about 2500 requests per year, including appeals (FOIA, 2006).

An added problem in recent years, and a major concern since 9/11 is the confidentiality of Social Security Numbers, and the prevention of identity theft and fraud. As a result of security concerns, the SSA has " a unique role in helping to prevent the proliferation of false identities" (Bovbjerg, 2003, p. 1). Whereas SSNs were formerly issued in a somewhat automatic fashion, all field officers must now first crosscheck any request for a new SSN with the Department of Homeland Security (Bovbjerg, 2001).

The SSA has also established a service to help states verify the SSNs given to them in the process of persons applying for a driver's license, even though many states have not utilized this service due to " factors such as cost, problems with system reliability, and state priorities…and policies" (Bovbjerg, p. 1). Vulnerabilities have also been found in the process by which the SSA continues to issue new SSNs to children under the age of one, and also in the means by which the SSA prevents SSN fraud.

Indeed, " SSNs are often the identifier of choice among individuals seeking to create false identities," and so the SSA has become the target of number fraud attempts. The fact that SSNs end up on various and numerous records held by states and localities makes prevention of fraud even more difficult.

SSN theft can allow persons to compromise confidential databases, and can also gain them access to public records of all sorts.

In order to forestall these efforts, the SSA has " increased document verifications by requiring independent verification of the documents" with other agencies, including the Department of State. However, in practice, many field office staff continues to simply verify documents by visual inspection, which is believed by many to no longer be an adequate protection in an era of sophisticated document forgery (Bovbjerg, p. 7). In order to compensate for some field office weaknesses, the SSA has also experimented with creating specialized centers devoted solely to the verification of documents.

In order to further bulwark SSN validity, the SSA in 2002 began to phase in an " Enumeration at Entry" procedure, in which new immigrants under the jurisdiction of the State Department were granted authenticated numbers as they enter the country, thus preventing them from applying for fraudulent numbers once they are beyond State Department control (Bovbjerg, 2003). Finally, SSA has up to now had fairly lenient policies regarding lost card replacement, with SSA policy allowing a person to replace a card up to 52 times per year.

As a result, " of the 18 million cards issued by SSA in fiscal year 2002, 12. 4 million, or 69 percent, were replacement cards" (Bovbjerg, p. 9). These policies are being tightened. Also, weaknesses in the on-line verification process of SSNs have also been addressed, in order to prevent the overloading and thus disabling of the system.