Korean conglomerates' service recovery platform: A Rating

Hae-Jeong Kim

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Korean Conglomerates Service Recovery Platform: A Rating

By

Hae-Jeong Kim

A thesis research submitted to the
Faculty of the School of Food, Hotel, and Travel Management
at
Rochester Institute of Technology
in partial fulfillment of the requirements
for the degree
of
Master of Science

May 1997
ROCHESTER INSTITUTE OF TECHNOLOGY
School of Food, Hotel and Travel Management
Department of Graduate Studies

M.S. Hospitality-Tourism Management
Presentation of Thesis/Project Findings

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Acknowledgments

First of all, I would like to attribute my gratitude to God for His wisdom and strength which guided me through the studies and also for allowing the opportunity to pursue my masters across the pacific.

Next, I would like to express my gratitude to my thesis committee; Dr. R. Marecki, Dr. J. Jacobs, and Dr. S. Bissell. Their guidance and feed backs were valuable for this research. I would like to say many thanks to all the people, especially Gary & Mikyung Yee and Yong-In Park, who helped me administer the instrument which was an important element for this research. I would like to remember Kristine Anderson and Performance Research Associates for their assistance and generosity for allowing me to use their instrument.

Last but not the least, I would like to thank my parents for their love and support which enabled me to pursue my dreams and goals. I dedicate my master to both of you.
Korean Conglomerates Service Recovery Platform: A Rating

Hae-Jeong Kim

Abstract

This is a research study rating ten major Korean Conglomerates' Service Recovery Platform. The study used self-administered test from Performance Research Associates to rate the platforms. The demographics indicate that the areas of business these conglomerates involve in are: Electronics, Machinery, Automobiles, Heavy Industry, & Shipping, Construction, Telecommunications, Information and Communication, Trading, Finance, Insurance, Hotels & Leisure, and other integrated businesses. The test consists of five categories; 1) Systems, Policies, & Procedures, 2) Evaluating Service Performance, 3) Customer Focus & Commitment, 4) Recognizing & Rewarding Service, and 5) Training & Support.

The results are reported using scoring master sheet provided by Performance Research Associates. Each category has minimum comfort zone which respondents can compare with their own score. Minimum comfort zone is a benchmarking level that PRA came up with after testing top service quality performers in North America. The research identified the strengths and weaknesses of Korean conglomerates' service recovery platform. The data indicated that most of the companies are strong in training and support. It also revealed that they are weak in categories such as Customer Focus & Commitment and Recognizing & Rewarding Service.

Only one company from the sample passed overall comfort zone level. The rest were below the comfort zone.
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Chapter I

Introduction & Statement of the Study

Introduction

Producing distinctive, high-quality, customer-satisfying outcomes in the marketplace of the 1990s requires more than high quality processes and effective marketing. It requires the ability to make difficult strategic and tactical trade-offs. The key to those trade-offs is value creation. Industry-leading companies have concentrated on one of three value disciplines: product leadership, customer intimacy, or operational excellence. As effective as the product-leadership strategy can be, customer intimacy and operational excellence (the customer service-oriented disciplines) seem to offer significant opportunities for strategic differentiation.

Designing, developing, and delivering distinctive customer service is a special practice with unique problems and opportunities. It is unique because every customer’s expectation is different and its solution cannot be uniformed. It also provides opportunities when the problems are appropriately addressed, they will provide information for continuous improvement and also potentially increase customer retention. Hence, it must be approached as such. To create a distinctive level of customer service, management must understand the customer’s pre-purchase expectations. It must also influence the customer’s evaluation of post-purchase quality, and ensure that the process of being served is trouble-free as well as enjoyable.

One true test of an organization’s commitment to customer satisfaction is in the way the company responds when things go wrong for the customer. Customers who
complain and have their complaint satisfied are more likely to purchase additional products than are customers who have experienced no problems with the organization or its product and services. Swift and effective service recovery enhances customers’ perceptions of the quality of products or services they have already purchased. It enhances their perception of the organization’s competence. Good recovery enhances the perceived quality and value of other products and services the organization offers.

Increased customer satisfaction requires a change in thinking about the infrastructure that delivers service. A customer service view includes obtaining support from top executives, receiving support from middle managers, hiring the right people, creating training support, and ongoing evaluation of service encounters with assessment tools.

**Problem Statement**

Intensifying competition, industry maturity, and in many markets, Recessionary pressures require organizations to shift their marketing focus to broader and long term relationships with customers. Long term relationships can be established through a strong customer service program and particularly through swift and effective service recovery. It is important to analyze the strength and weaknesses of an organization’s beliefs about customer service, particularly commitment to service recovery.

It is my intent to examine Korean Conglomerates (Chaebol) in terms of their beliefs about service recovery. During the past two decades, the Korean Economy has been one of the fastest growing economies in the world. Chaebols have been the major
factors in the growth and "miracles" of Korean economy. They account for 48 percent of total exports and 45 percent of total imports of Korean economy(970311,KSP). And, the Chaebols' impact on the economy will continue to be strong unless the structure of the Korean economy changes drastically. Yet, as the world market continuously shifts toward free and open trade, the growth of Korean economy will not be as consistent as to current state. It will probably be slower and steadier. It was reported that the 30 top Chaebols recorded 2.3 billion, USD. in trade surplus in 1995, but in 1996 registered a trade deficit of 4.0 billion, USD. Chaebols are hard at work in a serious attempt to reduce the nation's trade deficit as is the government of Korea. The new Trade-Industry Minister Lim Chang-ryul, had announced that he will pursue an offensive policy to improve the trade deficit. In addition to this announcement, the minister explained some of the causes of the trade deficit by pointing the to the fallen price of semiconductors and the rise in the price of international crude oil. What is interesting to note is that he also pointed to Korean neglect of strengthening international competitiveness as one of the causes. It is not necessary to emphasize that international competitiveness comes from value creation which means quality product and service. The US has been struggling with the quality issue since the Japanese dominated roam of its markets. The US quality movement has developed and expanded into TQM, Empowerment, Customer Satisfaction and now Service Recovery. In order to maintain continuous growth in the global market and also to be competitive, an examination of the beliefs of Korean Conglomerates (Chaebol) about service recovery is warranted and will be beneficial for their future growth as well as the Korean economy's.
Background

South Korea has experienced an incredible economic upturn in recent years due to focusing on exports. It has been successful so far due to Koreans competitive labor force and its protected market. As trade barriers fall away, as flow of foreign direct investment increase, new competitors enter the marketplace, creating new opportunities for consumers. Given globalization, deregulation and the active role of the WTO (World Trade Organization), the future growth of Korean businesses will be determined by two factors; advancement of technology and quality of service. It is not necessary here to emphasize the importance of technology. However, the issue of quality of service and especially of service recovery needs to be addressed. This is the area where retaining a customer for life or not is determined. The success of service recovery systems depends on how much and how far these recoveries are supported by effective systems, policies, and procedures. It also depends on management commitment. It is necessary to approach the goal of service recoveries from a systems thinking perspective in order to examine its effectiveness. How much it is operationalized and supported by the upper management will influence how satisfied a customer is when service recovery is delivered. Depending on the quality and satisfaction of the recovery, the customer will decide whether or not to continue to use the product/service in the future. It doesn’t matter what kind of service recovery program a company might have when the company’s system, policy, procedure and training don’t support it.

It is not the responsibility of employees when customers switch to competitors. It may be the lack of the state of the art of product/service technology that caused customers
to defect. It might have been the short-term, quick fixes to address problems that alienated customers. It might have been the complicated procedures that turned the customers off. Or it might just have been not reading the customers’ expectations correctly. No matter how much quality control a company might have in place, there always will be mistakes and defects. When there is a problem, managers tend to solve it through short-term benefits without analyzing the root of the cause for long-term benefits. Systems thinking will expand that linear thinking. It is the responsibility of a company’s operational commitment to customer satisfaction that will retain customers long-term and lead to future strategies of marketing.

For Korea expanding and maintaining the export market can be enhanced through service recovery system. The reason for assessing the conglomerate, so called “chabeol” is that they are the leaders of Korean economy and that they are the ones that have to compete with other foreign giants in the global market. This study will provide an opportunity for Korean companies to think about their beliefs about service recovery. In order to maintain competitiveness in the global market, it is time for Chaebols to seriously assess their service recovery platform.

**Purpose**

The purpose of this study is to assess the service recovery platform of the ten major Korean conglomerates (Chaebol) using Performance Research Associates Inc., Self-Assessment Test.
Significance of the Study

As the global market becomes more competitive, Korean economic success relies on the quality of its product and service. Assessing the belief of service recovery through a systems approach will identify processes involved in service recovery. The Performance Research Associates Service Recovery model will show the interrelationships of a structure that trigger organizational behaviors. It will help to see interactions which are easily overlooked. The study will identify status of process and will address the areas for improvements. It is important to analyze all elements of the whole service recovery system as it is adopted by an organization. In addition to detailed measurement and analysis, full commitment and support of everyone involved is required. That means the entire management and employees, need to be aligned with the system. The analysis will demonstrate the importance of looking at every detail of the entire process and system. Through the model analysis, assessment of the Korean conglomerates will allow chaebols to strategically align themselves for better service recovery systems. The study will also be useful if it is applied on a broader scale in an organization for assessment of each of its operation.

Hopefully, this study will prompt Korean businesses to acknowledge that there will not be a continued growth without investing their time, resources, and commitment to quality of service, especially service recovery.
Nature of the Study

As descriptive research, strategies in this study will be examined in the present environment. This study will describe the extent and degree of beliefs about service recovery of Korean conglomerates. It is carried out utilizing Performance Research Associates Inc. Self-Assessment questions which are adopted from Service Management Practices Inventory (TM). The study will explain the survey and also the interrelation among the five sections which consist in the survey.

Performance research associates' service recovery model

Values about customer focus and commitment establishes an organizational support system. This system must be converted into service tools through training and supporting. Values are continuously enhanced by recognizing and rewarding service performance. Similarly, service performance measurements enhances overall values.

FIGURE 1. Performance Research Associates Service Recovery Model
Performance Research Associates Inc.'s “Self-Assessment Test” has been used to examine and rate organizations’ beliefs about service recovery in the United States. The instrument is divided into five sections; 1) Systems, Policies, and Procedures 2) Evaluating Service Performance 3) Customer Focus and Commitment 4) Recognizing and Rewarding 5) Training and Support which can be analyzed and interpreted on their own. However, it is important to emphasize not to overlook to assess the interrelation among those sections in the service recovery process. Interaction that takes place in the whole process is very important because it is related with value of an organization. It is the underneath force that creates, demonstrates, and sustains the value. Therefore, service recovery model, a model which is adapted from the instrument itself through a systematic approach needs to be utilized to interpret the instrument’s results. The Service Recovery Model provides a means to determine, examine, and critique the processes involved in service recovery from every aspect. Identifying how each section is interrelated conveys the message that each section’s results influence one another and also requires an effort to see it from the bigger picture of the whole operation.

Statistical analysis of the survey

The research will use “Self-Assessment Test” created by Performance Research Associates, Inc. The questions in the test are adapted from the Service Management Practices Inventory™, a data base of over 150 questions and responses from 37,000
managers and customer service employees in more than 200 companies, and from the Recovery Readiness Inventory™.

The test consists of five sections: 1. System, Policies, and Procedures, 2. Evaluating Service Performance, 3. Customer Focus and Commitment, 4. Recognizing and Rewarding Service, and 5. Training and Supporting. Each section of the test will identify the extent or the degree to which it realizes its role in the service recovery processes. The test is designed to be self-administered so when a respondent has completed the questions, he/she can grade it by himself/herself using the scoring sheet. However, in this research, the scoring sheet will not be provided to the respondents. The researcher will grade each test after it is collected. This will be done so for convenience, consistency and for the accurate grading in consideration of the interpretations and translation limitations.

The totaled scores divide into five ranges: A+ 91-106, A 85-90, B+ 80-84, B 75-79, and any score less than 79 points is interpreted as "Not Any Worse Than Anybody Else and Not Any Better".

The percentages of Korean conglomerates that occupy each bracket will be analyzed. Each section of the survey will be compared with one another to identify an organization’s performance strengths and weaknesses. Also discussed will be what it means to be strong in certain sections which can be advantageous for value creation.
**Literature Review**

Topics that will be reviewed will include: Service Recovery, System Approach, Organizational Behavior, Customer Satisfaction, the Korean economy, and Survey technique and method.


Most of the readings involve service recovery and system approach concepts as they relate to value creation of an organization for future market competition.

**Hypothesis**

I believe Korean conglomerates have various service recovery programs in place but are not fully committed to its value. It is expected the results of the survey will show 85 percent of Korean Conglomerates rate below 79 points.

**Null Hypothesis**

Results of self-assessment questions will show fifty percent of the Korean conglomerates will be below the 79 points and fifty percent will be above.
**Definition of Terms**

*Service recovery:* A focused effort by a service provider to return the aggrieved customer to a state of satisfaction with the institution after a service or product breakdown.

*Chaebol:* The South Korean conglomerates. *The Portable Encyclopedia of Doing Business In Korea,* describes chaebol as “huge, big-name, highly diversified, often vertically-integrated conglomerates with a distinctly Korean flavor. Each group usually has a minimum of 20 subsidiaries and operates in all major industries across the economy.”

*Systems Approach:* a methodology that analyzes the inputs into the organizational system, the organization systems themselves and the outputs of the systems to maximize organizational effectiveness.

**Ideological Assumption**

South Korean conglomerates, or “chaebol” play a far more important role in Korean economy than do comparable large firms in the United States’ and Japanese economies. An important assumption is that the chaebol’s business beliefs and practices significantly influence the quality of Korean products and services. I will assume that Korean conglomerates have service recovery program in place. No matter what the cultural differences might be no business can afford to avoid the issue of quality in product/service in the future global market.
**Procedural Assumption**

The Korean economy is part of global competition. In order to be competitive, quality of service will be a strategic advantage for the Korean economy. It will be a strong weapon since proliferation of service philosophy is growing and becoming more and more the basis for training and organizational behavior. By extending service quality practices, the Korean economy will be globally competitive. Further focusing more on service recovery is a necessary requirement for the future and applying it effectively will reap abundant rewards.

The validity and reliability of the instrument will not be questioned because many organizations in the US have used Performance Research Associates' Self-Assessment questionnaire to examine and rate their service recovery platform.

**Scope and Limitations**

This study is based solely on Performance Research Associates Instrument. The study does not look into other organizations beyond ten major Korean conglomerates. This research is thus limited due to time constraint including over seas communication and a short time line.

The survey is only intended to examine the beliefs about service recovery and rate them. The study will not go into the other issues regarding service recovery such as how well operations of various companies comply to their service recovery platforms.

Given that the survey is created for the US organizations, it is reasonable to question how well it assess non-US organizations. After the completion of this study,
gaps, which were not previously identified, will probably be identified. This study will hopefully set a stage for creation of a survey for Korean organizations that address those gaps in the near future. For now, this tool will be a stepping stone toward acknowledging the necessity to create an instrument that could be useful for continuous improvement in service recovery for Korean organizations.

**Procedures**

The population for this study will be Korean conglomerates. The samples will be ten selected companies from top ranking Fortune Korean businesses. Since the study is using self-assessment questions, each conglomerate will be contacted to obtain voluntary participation.

The independent variables in this study will be the five sections of self-assessment questionnaire: 1. Systems, Policies, and Procedures, 2. Evaluating Service Performance 3. Customer Focus and Commitment 4. Recognizing and Rewarding Service 5. Training and Supporting. The dependent variables are the scores of the results. The intervening variables would be beliefs about service recovery of respective companies.

Data gathering will be done through administering Performance Research Associates' self-assessment questionnaires. The survey will be translated into Korean so that the respondents will not be inconvenienced by a language barrier. However, instead of mailing questionnaires, this study hopes to speed up the data collection process by use of fax and/or electronic mail system. I will also try to contact companies through phone for follow up.
Each Chaebol will receive one booklet of questions. Due to the difference in organizational structure, it is anticipated that if an organization does not have independent customer service department, it would be forwarded to the Planning & Strategic Department. From my experiences of Korean companies, the Planning & Strategic department usually is the place which oversees general operation of a company therefore it will be the most appropriate place to respond to the questions.

Once the collection is completed, I will analyze the data through the recovery report card. I will present the data through graphs and figures of percentages. Overall, I will assess what percentages of Korean conglomerates are ready for service recovery.

**Long Range Consequences**

Should the findings of this study be in accordance with the hypothesis, further studies should be undertaken to prepare and improve Korean businesses for service recovery.

Should the results be contrary, the perception of customers toward the performances of service recovery of Korean conglomerates needs to be measured to determine if any gaps exist.

Should the results be equivocal, then further studies along these lines should be undertaken.
Chapter II

Review of Literature

Service Management Models

Service Management, as Karl, Albrecht have said in the At America’s Service (1992), is a total organizational approach that makes quality of service, as perceived by the customer, the number one driving force for the operation of the business. There are many models that discuss the effective way to manage this objectives. All the organizations have system which they operate and a structure which enable them to interrelate to each other as a whole. It is easy to see and operate part of the structure individually. The models help us to see the structure and the interrelationship as a whole. Here are some models which are frequently used to evaluate service quality management.

The service triangle.

This is the model Albrecht have created after investigating service firms with outstanding performance and after many discussions with executives of excellent service companies. Three characteristics in the model are the key ingredient to the success of these excellent service businesses. The three factors are: 1. A vision, or strategy for the service product. 2. Customer-oriented front-line people. 3. Customer-friendly systems. The service triangle is a way of diagramming the interplay of these
three critical elements, which must perform together to maintain a high level of service quality (Albrecht, 1988)

![Service Triangle Diagram]

**FIGURE 2.** The Service Triangle


_Service quality gap model._

Service quality model indicates that consumers’ quality perceptions are influenced by four gaps between: 1. Consumer expectations and management’s perception of these specifications, 2. Management perception of consumers’ expectations and
service quality specifications, 3. Quality specifications and the actual service delivered, and 4. Delivery and communication regarding the service to consumers. To understand main organizational factors responsible for gap size, overall measures of the gaps and the organizational strategy variables and other factors must be developed and analyzed.

FIGURE 3. Service quality gap model.


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Service recovery encounter model.

Based on relationships reported in Hart, C., Heskett, J.L., and Sasser, W.E. Jr., "The Profitable Art of Service Recovery," Harvard Business Review (July-August 1990) the relationships in the service recovery process, there are three “moments of truth” in the encounter at which: (1) the service is performed well, or poorly, (2) having performed a service poorly, the server either does or does not elicit a complaint, and (3) having elicited a complaint, the server does or does not achieve effective service recovery. At each of these stages, satisfied or dissatisfied customers may tell other customers, potential customers, service intermediaries, people who generally are consulted for advice on services, other servers, and potential employees of the service organization.
FIGURE 4. Important relationships in the Service Recovery Encounter


Each model has its advantages in identifying the problems which an organization might face with service quality. It is also useful in its own way for identifying the areas for continuous improvement. Yet, they all lack in viewing the organizations’ whole system in detail. All the models are mostly focused on customer perception. Because the research is about rating the service recovery platform of Korean conglomerates, it is necessary to look closely of structure involved in the service recovery system itself. For this reason, I have chose to use Performance Research Associates Model to rate the service recovery platform of Korean conglomerates. Zemke has explained major areas that are involved in service recovery in his book, Service Recovery: Fixing Broken Customers. It is written in brief, clear, and detailed form so that managers can apply it with some ease. There is a survey instrument attached in the book at the end. Anybody who is interested identifying where they are in service recovery, can easily assess themselves. It is a way to have the readers participate and also put it into an action of what they have read.

**Performance Research Associates Service Recovery Model**

The Performance Research Associates Model consists of five components: Values: customer focus & commitment, Support: systems, policies, and procedures, Tools: training and supporting, Internal Customer Support: recognizing & rewarding services, Assessment: evaluating service performances. The model also shows the interrelationships
and interdependencies of these components. It is important to have an understanding of each components in order to have an effective service recovery.

\[ \text{FIGURE 1. Performance Research Associates Service Recovery Model} \]

\textbf{Value: customer focus & commitment.}

Quality of service and customer loyalty translate into profit in most industries. They offer competitive advantages and opportunities of growth. They are the main focus of service strategies in best performing organizations. They are also indications to employees
that they are working for Quality-Conscious organization (environment). Any organization interested in executing quality of service can not achieve its objective without focusing on external customers and committing to serve them. Customers will not be loyal to companies that do not show commitment to them or to the quality of service. Differentiating itself from competitors through commitment to customers and quality of service will put ahead of the competition.

According to Albrecht, service improvement starts at the top; managers must “walk their talk.” (1988). Commitment to quality of service and focus on customers do not spontaneously ignite in organizations. They must intentionally start from the center of influence, which is the top management of an organization. Senior management must firmly believe them first before convincing employees to follow them. Management must set the tone for solving customers’ problems through collecting customer centered-data base and asking customers’ expectations. They must make policies based on customers’ expectations. They must also offer service recovery to existing customers to show their efforts and interest in correcting any problems that caused inconveniences. They must engage in long-term relationships with their customers. Therefore, values about customer focus and commitment establishes an organizational support system.

Supports: organizations’ systems, policies, and procedures.

Systems, policies, and procedures reflect what values and orientations an organization practices. They set the guide lines of behaviors for internal customers who
are the employees and for external customers. External customers have no idea how to effectively lodge a complaint or report a problem when there is no recovery oriented system, policy and procedure in place. Accordingly, internal customers also do not know how to respond to it either. Further more, policies and procedures that narrowly define employees responsibilities and roles severely limit the initiative and risk an employee will take for an complaining customer. Formed systems, policies, and procedures reinforce the value that solving customers problem quickly with a minimum of inconvenience for the customer is important.

**Tools: training and supporting.**

The system, policies, and procedures must be converted into service tools through training and supporting. Systems, policies, and procedures lay directions for employees while training and supporting gives them method to execute them. Having both directions and methods will allow employees to take full charge in their service recovery performance so they can go above and beyond customers expectations. Training is especially important. “Employees charged with service recovery need a capacity to respond to customers beyond set rules and regulations. Employees in a service recovery environment need to know the organization’s products and services intimately as well as in the ins and outs of who does what for whom within the organization. They need to be trained as the most knowledgeable and clever in the organization.”(Zemke,1996)
Internal customer supports: Recognition and rewarding services.

No matter how well trained and equipped with supporting, employees need to be recognized and rewarded. Positive feedback for their work motivates employees to continuously to be productive and take pride in what they do. Recognition and reward are reinforcement of systems, policies, and procedures. They also confirm the value of the organization. Therefore, values are continuously enhanced by recognizing and rewarding service performance.

Supports can take many forms, from supervisory encouragement and backing to recognition for recovery well done. Another important support is interdepartmental support in solving customer problem. Employees often see this kind of support as a sign that they are empowered to do whatever needs to be done to solve customer problems and to be creative in their delivery of solutions.

Assessments: evaluating service performance.

Organization’s capacity needs to be assessed in order to identify areas for improvement and the changes taken for the improvement also needs to be assessed for continuous improvements. Assessment includes not only the key characteristics of the service recovery itself, but also the characteristics of the delivery process that the customer perceives. Assessment enables an organization to track recurring problems and remove them from the delivery system. Assessment gives the organization a second
chance to correct the customer's problem when the first effort falls short of the customer's expectations. Assessment shows indications how well the value of the organization is understood to internal and external customers.

Assessment starts the thinking process for designing and delivering service recovery. It can be used as the basic measurement scheme in a regular process of measuring customers' perceptions of the quality delivered. It also can be used as a communication vehicle to help employees understand how to approach their customers more effectively. A valid and reliable assessment can serve as the foundation of the entire organizational thinking process about service recovery.

**Interdependence and Interactions: Systems Thinking**

Performance Research Associates Service Recovery Model is used to show in detail how each of the five components are closely interrelated and interact. The model has been examined and interpreted with systematic approach. Senge has explained in *The Fifth Discipline* (1990) that individuals as well as organizations are good at reacting to sudden threats to our survival but are very poor at recognizing slow and gradual threat. He also emphasizes that managers need to think out of the box. When problems occur in customer service department, service managers tend to examine the problem only under his management control. He does not look beyond or underneath the structure to find out the cause of the problem. Instead he is trying to find quick, fast, short-term solutions.
Senge’s Fifth Discipline is about convincing managers that short-term solutions which brings results is only blinding himself of long-term disaster unless he produces significant, enduring improvement. Senge explains the cause of this blindness to our practice of linear thinking rather than systems thinking. Senge talks about “leverage”, which is small well focused actions or changes that can sometimes produce big results. But the areas of highest leverage are often the least obvious to managers because we are not trained to think systematically. There is a fundamental gap between the nature of reality in complex systems and our predominant ways of thinking about that reality.

Examining a process of an operation is not much different. Particularly with examining the process of service recovery. Many problems of poor or mediocre service originate in system, procedures, policies, rules, and regulations, and lack of support and training. Too often, it is blamed on the employees for poor service, when the real problem could be systems that don’t work or inconsistent with the value of the organization. For this reason, it is necessary to examine of the service recovery process with systems thinking. Systems thinking will help see the interrelations and interactions that take place underneath the whole structure of the service recovery process.

Here are some of the important definitions we need to reexamine in order to have a better understanding of systems thinking. Senge has redefined following terms which help managers to understand better why they need to approach problems and solutions in systems thinking.
• **Compensating feedback**: well intentioned intervention call forth responses from the system that offset the benefits of the intervention. The more effort a manager extend trying to improve matters, the more effort seems to be required.

• Feedback: in systems thinking, is any reciprocal flow of influence rather than just gathering opinions about an act that have undertaken.

• **Cause**: the interaction of the underlying system that is most responsible for generating the symptoms, and which, if recognized, could lead to changes producing lasting improvement.

• **Effect**: the obvious symptoms that indicate that there are problems. Senge points out that cause and effect are not closely related in time and space. What managers and most of us tend to think the solution of a problem lies in responding to the cause by eliminating it. If there is high defection of customers, managers think the front line employees need to be retrained when the cause might be related to a bigger procedural problem. In systems thinking it is an axiom that every influence is both cause and effect. Nothing in ever influenced in just one direction.

• **Dynamic Complexity**: situations where cause and effect are subtle, and where the effects, over time of interventions, are not obvious

• **Leverage**: small, well, focused actions can sometimes produce significant, enduring improvements if they are in the right place. The real leverage in most management situations lies in understanding dynamic complexity, not detail complexity.

*Principle of the system boundary*: the interactions that must be examined are those most important to the issue at hand, regardless of parochial organizational boundaries. Systems
thinking does not mean that every organizational issue can be understood only by looking at the entire organization. Some issues can be understood only by looking at how major functions interact; but there are other issues where critical systemic forces arise within a given functional area, others where the dynamics of an entire industry must be considered. What needs to be addressed is managers tend to divide complicated problems into pieces and examining them as separate pieces while the leverage of the complicated problems lie in interactions that cannot be recognized unless they are seen as whole. That is why the practice of systems thinking is essential to find the appropriate leverage.

The art of systems thinking lies in being able to recognize increasingly complex and subtle structures (wealth of details, pressures, and cross currents) that attend all real management. The essence of mastering systems thinking as a management discipline lies in seeing patterns where others see only events and forces to react to.

When reading a feedback circle diagram, the main skill is to see how the structure creates a particular pattern of behavior (or in a complex structure, several patterns of behavior) and how that pattern might be influenced. Reading the Performance Research Associates Service Recovery Model has been explained in detail in the diagram above.
Chapter III

Methodology

Data Collection

In this study, the Service Recovery Self-Assessment Test by Performance Research Associates was used to rate the platform of service recovery of ten major Korean Conglomerates. The Self-assessment test was borrowed with permission from R. Zemke of Performance Research Associates, Minneapolis, Minnesota.

Zemke’s service recovery self-assessment test is composed of forty-six intervening variable questions within five independent variable categories. The test is adapted by Performance Research Associates (PRA) from their Service Management Practice Inventory (SMPI). SMPI is a statistically validated system. It is a database of over 150 questions and responses from 37,000 managers and customer service employees in more than 200 companies; and from the Recovery Readiness Inventory. (Zemke, 1995) These questions were the results of critical incident research done by PRA. SMPI was then, correlated into Likert scale and PRA took items of questions which were most predicted from SMPI and came up with forty-six questions with five categories for the Service Recovery Self-Administered Test.

The first category is entitled “Systems, Policies and Procedures.” It describes the extent to which systems, policies and procedures make it easy for front-line and support employees to deliver quality service in face of a service breakdown, and the degree to
which systems, policies, and procedures are seen to support rather than inhibit good service recovery.

The second category is entitled “Evaluating Service Performance.” It describes the degree to which clear, customer-focused standards for service recovery are established, and the extent to which quality of work performance is measured against those standards.

The third category is entitled “Customer Focus and Commitment.” It describes the degree to which the organization, and its employees as individuals, think about, focus on, and are concerned with satisfying our customers on a day-to-day basis.

The fourth category is entitled “Recognizing and Rewarding Service.” It describes the degree to which individual group efforts to prevent, spot, and solve customer problems are recognized and rewarded in a department/unit/division.

The fifth category is entitled “Training and Supporting.” It describes the degree to which employees are trained and supported to do what is necessary to meet customers’ needs and solve customers’ problems.

The researcher has translated all of these five categories and its questions into Korean so that the respondent will not have difficulty in understanding the questions and also for the convenience. Korean translations were placed right under English questions.

The service recovery self-assessment test was distributed by fax to ten major Korean conglomerates with a cover letter stating the purpose of the research and also assuring them of their anonymity. Ten major Korean conglomerates were selected on the bases of Korean business directory which ranked companies with top sales in 1995. They
were also selected after reviewing how often or how much the companies were covered in articles by popular press. Each company was given identical questionnaires without the scoring masters sheet. Even though it is a self-administering test, it was considered much easier and less confusing for the respondent if the grading was done by the researcher. The scores of report would not have much significance unless it is interpreted with insights to each questions and categories or compared with other companies. Therefore, at the end of the test, (see Appendix ) the researcher attached Researcher Information and inserted an item where respondent can request the result of the findings if they desire to.

Of the collected tests, a sample of six were collected. The researcher conducted the test from April 22 through May 31. For the convenience and to enhance positive response, the test was faxed to Korea to each contact person for each organization. When there was no contact person for an organization, the researcher faxed the test to the company addressed it to customer service department. Tests administered with contact people had better positive response rate compared to no contact person. The researcher has tried several attempts to collect more data but total of six was maximum response. The researcher made follow-up calls and requested for a response to those companies that have not answered but was in vain. The researcher also re-faxed but did not have much luck either.

The demographics indicate that the respondents’ business areas are: Electronics, Machinery, Automobiles, Heavy Industry & Shipping, Construction, Telecommunications, Information and Communication Trading, Finance, Insurance, Hotels & Leisure, and other integrated businesses.
Rating Scale

The results were collected and graded using the scoring masters sheet prepared by PRA. Each question received a rating of one, two, or three points, dependent on the answer and the importance of the question, as determined by PRA. Each category was then separated to provide a concise view of the strengths and weaknesses of each area. Individual categories of the Service Recovery Self Assessment Test have "minimum comfort zones." The comfort zone was determined by PRA after conducting the tests to top performers of service quality in industries while doing research to write The service edge: 101 Companies That Profits From Customers Care (Zemke, 1989) The top performers for that research were selected from reviewing industry publications, popular press, and proprietary research. Most of the companies are located on North America. The comfort zone numbers are the average of the result from those top performers. The minimum comfort zones for five categories are twenty-two, sixteen, sixteen, twelve, and twelve, respectively. Each comfort zone adds up to 79 points which makes up overall comfort zone. The minimum comfort zone of 79 is the benchmark score. According to Kristen Anderson at PRA, when PRA conducted SMPI to top performers the average score came around to 79 points. Additionally, category summation "Recovery Report Card" rates 91-106 as an A+; 85-90 as an A; 80-84 as a B+; and 75-79 as a B. It is also noted that a summation score of less than 79 points is "in not any worse than similar establishments, however, it is also not any better."

All data was entered into Minitab statistical process program. Descriptive statistics show the sample size, mean, median, tri-mean, standard deviation, standard error
or mean, minimum, maximum, first quartile, and third quartile. The data is also displayed in histogram to indicate the frequency of each category and also to indicate the range of the data and the shape of the distribution.

All data was interpreted as mentioned above. Recommendations were sent to those organizations who have requested on the Researcher Information attached to the self assessment test.
Chapter IV

Results and Findings

The results of self assessment test were entered into a personal computer using Minitab. Below are the results of graphs categorically. Each category is labeled and presented in ascending order. Six responses in each specific category are first determined with descriptive statistics. The descriptive statistics consist of: category, sample number, mean, median, standard deviation, and standard error of the mean.

Table 1.
Descriptive Statistics Results of Self-Administered Test to Korean Conglomerates

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<th>Standard Deviation</th>
<th>Standard Error of the Mean</th>
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Report card of each organization is presented. Names of the organizations are not revealed due to the requests of the companies. Among the six companies only one company was rated 79 points. The rest remained below 79 points. Most of the companies rated high on Training and Support category compared to other categories. Also most of the companies rated low on Customer Focus and Commitment category.

Table 2:

Report card of Organization A

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<th>SYSTEMS, POLICIES, AND PROCEDURES</th>
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MINIMUM COMFORT ZONE: 22
MINIMUM COMFORT ZONE: 16
MINIMUM COMFORT ZONE: 16
MINIMUM COMFORT ZONE: 12
MINIMUM COMFORT ZONE: 12

Score of Korean Conglomerate A: 23

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MINIMUM COMFORT ZONE: 22

MINIMUM COMFORT ZONE: 16

MINIMUM COMFORT ZONE: 12

MINIMUM COMFORT ZONE: 12

Score of Korean Conglomerate B 18

- 13 - 11 - 3 - 19

RECOVERY REPORT CARD

91-106 A+ 85-90 A 80-84 B+ 75-79 B

TOTAL: 64
Table 4.

Report Card of Organization C

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RECOVERY REPORT CARD

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TOTAL: 56
Table 5.

Report Card of Organization D

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RECOVERY REPORT CARD

91-106 A+ 85-90 A 80-84 B+ 75-79 B

TOTAL:43
### Table 6.

**Report Card of Organization E**

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<tr>
<th>SYSTEMS, POLICIES, AND PROCEDURES</th>
<th>EVALUATING SERVICE PERFORMANCE</th>
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<th>RECOGNIZING AND REWARDING SERVICE</th>
<th>TRAINING AND SUPPORT</th>
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<th>RECOGNIZING AND REWARDING SERVICE</th>
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</table>

**Score of Korean Conglomerate F**

- **91-106 A+**
- **85-90 A**
- **80-84 B+**
- **75-79 B**

**TOTAL: 75**
As seen from this histogram most of companies are below the comfort zone. The minimum comfort zone, given by Performance Research Associates (PRA) is twenty-two. Only company A was over the comfort zone. Two companies B and F rated 18, which is a little under the comfort zone.

The most missed questions which four or more respondents who answered “No” in this category are questions 2., 5., 7., and 10.. Question 2. Asked whether the way a department/unit/division is organized makes it easy for employees to solve customer problems quickly. Question 5. Asked whether a department/unit/division has clearly defined procedures for what to do when mistakes are made or errors are discovered.
Question 7. Asked whether when problem solving takes longer than the initial contact, we have a system in place for staying in touch with the customer and updating him or her on the progress of the recovery process. And Question 10. Asked whether when a customer problem is corrected, employees are confident that it will not reoccur… at least not for this customer.

Figure 1-2. Scores of Evaluating Service Performance

The minimum comfort zone for this category is sixteen. As seen from the graph, most of the companies are in the range of fifteen. Company A surpassed the comfort zone by five points. Company F rated fifteen and companies B and C rated thirteen.

The most missed questions in this category are question 2. And question 10.

Question 2. Asked whether the companies standards are based on customer input rather
than on internally generated technical criteria. Question 10. Asked whether some of the standards are tailored to specific customers with unique requirements.

![Figure 1-3. Scores of Customer Focus & Commitment](image)

The minimum comfort zone for Customer Focus and Commitment is also sixteen. As seen from above none of the Korean conglomerates passed the comfort zone. As matter of fact they are much below the comfort zone. The highest score is thirteen by company D.

The most missed questions for this category are questions 1., 3., 6., and 8.. Question 1. asked whether employees feel empowered to take action to fulfill out of the ordinary customer needs or solve unusual problems without special permission. Question 3. asked whether employees are not “afraid” to ask customers about their satisfaction with our products and services; employees are comfortable acting on information about
customer dissatisfaction. Question 6. Asked whether there is good teamwork between individual employees and departments when solving customer problems. And Question 8. asked whether it is not at all unusual for employees to spot and solve potential customer problems before the customer is even aware of them.

![Bar chart](image)

**Figure 1-4.** Scores of Recognizing and Rewarding Service

The minimum comfort zone for this category is twelve. As seen above, all of the companies are below the comfort zone. Recognizing and rewarding service is not practiced much in these companies. It is interesting to see how both customer focus and commitment and recognizing and rewarding service are both much below the comfort zone. This again supports the service recovery model that how both customer focus and commitment and recognizing and rewarding service is closely interrelated.
The most missed questions for this category are questions 2., 4., 6., and 7.

Question 2., asked whether employees are frequently “spot” rewarded in a tangible way for their efforts to take a personal interest in resolving customer complaints and problems. Question 4., asked whether employees who err while working on behalf of a customer are confident that they will not be “punished.” Question 6., asked whether an organization has a formal system that allows employees to recognize and thank other employees for their assistance in solving a customer’s problem. And question 7., asked whether an organization has a formal system that encourages our customers to recognize employees for their assistance in preventing or correcting a service breakdown.

![Figure 1-5. Scores of Training & Support](image)

This category’s minimum comfort zone is twelve. As seen above most of the companies are above the minimum comfort zone. It is also the category that rated the most high among the five categories. Referring back to the model, training and support
have to link to recognizing and rewarding services in order to have a continuous improvement.

The most missed questions in this category are questions 2. and 4. Question 2., asked whether employees believe that their “above and beyond” efforts for customers are recognized and valued. Question 4., asked whether an organization takes specific actions to help employees deal with the stress that comes from customer contact.

![Bar chart](image)

**Figure 1-6.** Scores of Total Scores of the Service Recovery Self-Administered Test

The minimum comfort zone for overall is 79 points. None of the companies rated over 79 points. Company A is the only company that rated 79. As the hypothesis projected less than half of the Korean conglomerates in this study rated above the minimum comfort zone level.
Chapter V

Conclusions and Research Implications

Conclusions

As shown in the results and findings, the companies participating in the research rated below the minimum comfort zone. It would be too quick to judge and generalize that Korean conglomerates are not prepared for service recovery with such a small sample. During the study, the researcher recognized that assessing associated affiliates of each conglomerate would have given more sample and more detailed analysis and thus would be able to come to a more generalized conclusion. Still, the respondents are from the major ten Korean conglomerates, who affect the behaviors of Korean economy. Their responses provide the study to project the situation of service recovery platform of Korean conglomerates. Accordingly, how small a sample might be, the researcher can support the hypothesis based on the results from the findings that less than half of the Korean conglomerates are below the minimum comfort zone level. They showed somewhat strength in the categories such as systems, policies, and procedures and training and support. While they showed weakness in the categories such as customer focus and commitment and recognizing and rewarding service.

Referring back to the service recovery model, an effective service recovery process, should have all of the five categories closely interrelated. Customer focus and commitment, which is an important value in service recovery, establishes the systems, policies, and procedures. This system must be converted into service tools through
training and supporting. The values are continuously enhanced by recognizing and rewarding service performance. Similarly, service performance measurements enhances overall values. This process is not being implemented in the companies that the researcher tested. First of all, the findings show that most of the companies are not committed to customer focus. This category was to examine the degree to which an organization and employees as individuals, think about, focus on, and are concerned with satisfying their customers on a day to day basis. Most of the employees participating in the study did not feel empowered to take action to fulfill out of the ordinary customer needs or solve unusual problems without special permission. They were also “afraid” to ask their customers about their products and services. They did not feel comfortable acting on information about customer dissatisfaction. They answered there was no good teamwork between individual employees and departments when solving customer problems. They also answered it is unusual for employees to spot and solve potential customer problems before the customer is even aware of them. However, all of the participants of the study answered that they understand that retaining current customers through effective problem solving is every bit as important as gaining new customers. They also agreed that they know the “dollars and sense” of customer retention.

The systems, policies, and procedures rated fairly higher compared to other categories, but it seems they are not practiced as such. All of the participants said that assisting customers with problems is a clear priority in their companies. All front-line and support employees know what they personally can do to solve customer problems. Most of them have a formal process for collecting data on errors, complaints and comments,
analyzing their significance, and modifying their systems accordingly. However, they do not have clearly defined procedures for what to do when mistakes are made or errors are discovered. They also do not have a system in place for staying in touch with the customer and updating the customer on the progress of the recovery process when problem solving takes longer than the initial contact. The structure of the organizations are not organized to make it easy for employees to solve customer problems quickly.

Training and Support category is the highest rated of all the categories. Most of the employees are trained and supported to do what is necessary to meet customers’ needs and solve customers’ problems. They are encouraged to go “above and beyond” for customers yet not many believe that their “above and beyond” efforts for customers are recognized and valued. This also reflects that they are not empowered to do the job properly. Another interesting point is that most of the companies did not take specific actions to help employees deal with the stress that comes from customer contact. The need to focus on the internal customers satisfaction is again identified with the low rating in the category of recognizing and rewarding service performances. The enhancement of the customer focus and commitment will not be supported without the focus on internal customer satisfaction.

The demographics of the respondents showed the highest ranked order in sales of the conglomerates did not necessary match the ranking in this test. I would hoped and expected higher the ranking a company received in sales better the test rating.
**Research Implications**

The present study provides an initial assessment of service recovery platforms of Korean conglomerates using self-administered test. Research in needed to refine and further develop the measurement method introduced here. In addition, alternative approaches to the assessment of service recovery platform might be developed. Further research might compare how the service recovery platforms are perceived by the external customers. Consideration of the perception of the external customer make it possible to evaluate the impact of the service recovery platform associated with customer satisfaction.

Finally, I would like to address here to organizations, especially to Korean conglomerates, who have shown concerns and have raised questions as to how accurate and reliable are these measurements of service quality including the service recovery self-administered test. If no efforts are made to measure service quality, where would an organization begin to improve their service quality performance. Where and how would they start to identify opinions and perceptions of their products and services. I like to make a point that at least an organization can start its continuous improvement from these measurements rather than doing nothing and further improve the measurement process from then on.
References and Bibliography


Appendix A:

Booklet of service recovery self-administered test by Performance Research Associates. This booklet were faxed to Korean conglomerates.
5. Everyone who works for me meets or exceeds those standards on a regular basis.

Yes ________________  No ________________

6. Our standards reflect "customer fixing" activities and outcomes as well as "problem fixing" activities and outcomes.

Yes ________________  No ________________

7. We ask customers to evaluate us on the results of every service recovery effort.

Yes ________________  No ________________

8. Customer evaluations include some elements of each of the following: reliability, responsiveness, assurance, tangibles, and empathy.

Yes ________________  No ________________

9. We "shop" and/or "ride alongs" with service representatives on a regular basis (at least twice a year).

Yes ________________  No ________________

10. Some of our standards are tailored to specific customers with unique requirements.

Yes ________________  No ________________
Customer Focus and Commitment

The degree to which we as an organization, and our employees as individuals, think about, focus on and are concerned with satisfying our customers on a day to day basis.

우리 회사는 한 단체로서 그리고 우리 회사의 직원들은 개인들로서 고객을 만족시키는데 관해 일상 업무에서 얼마나 생각하고, 얼마나 중심을 두며 얼마나 관심을 두고 있는지 알아 보고자 합니다.

1. Employees feel empowered to take action to fulfill out of the ordinary customer needs or solve unusual problems without special permissions.
   직원들은 고객의 요구 사항이나 평범 이상의 문제가 생겼을 때 특별한 허가가 필요 없이 해결 할 수 있도록 각자가 자치권을 가지고 있다고 느낀다.
   
   Yes ____________  No ____________

2. Employees feel a personal sense of pride and ownership when they are able to use their service recovery skills to help customers.
   직원들은 각자가 지난 서비스 회복 능력이 고객의 문제 해결에 도움이 될 수 있었을 때 자부심과 각자가 회사의 주인임을 느낀다.
   
   Yes ____________  No ____________

3. Employees are not "afraid" to ask customers about their satisfaction with our products and services; employees are comfortable acting on information about customer dissatisfaction.
   직원들은 고객들에게 우리 회사 제품이나 서비스 만족도에 대해 물어보는 것을 두려워 하지 않는다; 직원들은 고객의 불만족도 내용에 대해서 해결책을 마련하는 것을 편안하게 생각 합니다.
   
   Yes ____________  No ____________

4. We make a policy of asking customers what they expect from us when problems occur.
   문제가 생겼을 때 고객에게 해결책으로써 우리 회사로부터 무엇을 기대하는지 물어보는 것을 회사의 정책으로 하고 있습니다.
   
   Yes ____________  No ____________

56
5. Our current standards are a result of asking customers what they expect of us when problem situations occur.

우리 회사의 현재 서비스 품질 기준들은 문제가 생겼을 때 고객들에게 우리 회사로부터 무엇을 기대하는지를 물어본 내용들의 결과로 이루어져 있습니다.

Yes __________  No __________

6. There is good teamwork between individual employees and departments when solving customer problems.

고객의 문제를 해결할 때, 부서들과 각 직원들 사이에는 좋은 팀워크가 이루어져 있습니다.

Yes __________  No __________

7. We almost always follow up with customers to be sure fixed problems stay fixed.

우리 회사는 해결된 문제가 확실하게 해결되었는지 확인하기 위해 거의 언제나 고객에게 제확연을 합니다.

Yes __________  No __________

8. It is not at all unusual for employees to spot and solve potential customer problems before the customer is even aware of them.

우리 회사의 직원들이 고객에게 인지할 수 있는 잠재적 문제들을 고객들이 인식하기도 전에 미리 발견해 해결하는 것은 특별한 일이 아닙니다.

Yes __________  No __________

9. Everyone in my organization understands that retaining current customers through effective problem solving in every bit as important as gaining new customers.

우리 기관의 모든 직원들은 효과적인 문제 해결을 통해 신중하는 고객들을 보유하는 것은 새로운 고객들을 유지하는 것만큼 중요하다는 것을 이해하고 있습니다.

Yes __________  No __________

10. Everyone in my part of the organization knows the "dollars and sense" of customer retention.

우리 부서에서 일하고 있는 모든 직원들은 실존 고객 보유의 "경제적 가치와 의미"를 잘 알고 있습니다.

Yes __________  No __________
Recognizing and Rewarding Service

The degree to which individual and group efforts to prevent, spot and solve customer problems are recognized and rewarded in my department/unit/division.

각 부서/국/과에서 고객의 문제를 해결 뿐만 아니라 발견하고 또 발생하는 데 열중하고 있는 개인이나 그룹이 노력하는 것이 얼마나 인식되어지고 보상되어지고 있는지를 알아봅니다.

1. Managers and supervisors in my department/unit/division/ constantly look for evidence of employees who take a personal interest in resolving customer complaints and problems.

우리 부서/국/과 관리자들은 고객의 문제를 해결하는데 개인적인 관심을 보이는 직원들의 훌륭한 활동을 찾고자 합니다.

Yes ____________________________ No ____________________________

2. Such employees are frequently “spot” rewarded in a tangible way for their efforts.

이들 직원들은 종종 그 자리에서 실질적인 방법으로 보상을 받습니다.

Yes ____________________________ No ____________________________

3. Employees who practice good service recovery are held up as role models for other employees.

모범적인 서비스 회복의 예를 실행한 직원들은 다른 직원들에게 포럼이 됩니다.

Yes ____________________________ No ____________________________

4. Employees who err while working on behalf of a customer are confident that they will not be “punished”.

직원들은 고객을 대신해서 일을 처리하던 중 과실이 발생했을 때, 그 일로 인해 자신이 처벌 받지 않을 것을 확신합니다.

Yes ____________________________ No ____________________________

5. Employees know that their ability to prevent, spot and solve customer problems plays an important part in performance reviews and advancement decisions.

직원들은 고객의 문제를 방지, 발견 그리고 해결할 수 있는 능력이 업무 실적 평가나 승진에 있어서 중요한 역할을 한다는 것을 알고 있습니다.

Yes ____________________________ No ____________________________
6. We have a formal system that allows employees to recognize and thank other employees for their assistance in solving a customer's problems.

우리 회사에는 직원들 사이에 한 고객의 문제를 해결하는데 도움을 준 직원에게 감사를 표하고 또 그 행동을 인식하게 할 수 있는 공식적 제도가 마련되어 있습니다.

Yes ____________________ No ______________

7. We have a formal system that encourages our customers to recognize employees for their assistance in preventing or correcting a service breakdown.

우리 회사에는 서비스에 문제가 생겼을 때 고치거나 방지하는데 도움을 준 직원들을 고객들이 표창하도록 권장하는 공식적 제도가 마련되어 있습니다.

Yes ____________________ No ______________

Training and Supporting

The degree to which employees are trained and supported to do what is necessary to meet customers' needs and solve customers' problems.

고객의 요구 사항을 받고 문제를 해결하는데 필요한 것을 직원들이 할 수 있도록 어느 정도 훈련을 받으며 어느 정도 지지를 받는지 알아 보십시오.

1. We encourage employees to go "above and beyond" for customers.

직원들에게 고객들을 위해 기본 이상과 그 밖을 행하라고 권장합니다.

Yes ____________ No ____________

2. Employees believe that their "above and beyond" efforts for customers are recognized and valued.

직원들은 그들이 고객들을 위한 "기대 이상과 그 밖을 넘는" 노력이 인식되며 높이 평가될 것을 믿습니다.

Yes ____________ No ____________

3. We train customer contact people in the "How-Tos" of:

고객들과 직접 접촉하는 사람들에 다음과 같은 방법론을 훈련 받습니다.

A. Listening carefully and fully to customers. 고객의 말을 신중히 그리고 완전히 듣는다.

Yes ____________ No ____________
B. "Reading" customer types and/or moods.

Yes ____________ No ____________

C. Making a positive impression during problem fixing.

Yes ____________ No ____________

D. Dealing with angry customers.

Yes ____________ No ____________

4. We take specific action to help employees deal with the stress that comes from customer contact.

Yes ____________ No ____________

5. When an employee does not feel capable of dealing with a particular customer or customer problem, he or she knows exactly whom to ask for assistance.

Yes ____________ No ____________

6. Managers and supervisors in my department/unit/division regularly meet one-on-one with employees to coach them on service recovery skills.

Yes ____________ No ____________

7. Employees regularly meet together - without a manager present - to discuss "tough" customer problems and to exchange information on solving customer problems.

Yes ____________ No ____________
Company (회사) : __________________________

Department (부서) : __________________________

Respondent (응답자) : __________________________

Fax phone : __________________________

I like a summary of the results. YES _____ NO _____

If yes, Mailing Address (주소): __________________________

Comments and Suggestions:

Thank you again for your valuable time and information.

귀하의 소중한 시간과 정보를 할애해 주셔서 매우 감사합니다.
### Appendix B: Performance Research Associates' "Scoring Master Sheet"

<table>
<thead>
<tr>
<th>SYSTEMS, POLICIES, AND PROCEDURES</th>
<th>EVALUATING SERVICE PERFORMANCE</th>
<th>CUSTOMER FOCUS AND COMMITMENT</th>
<th>RECOGNIZING AND REWARDING SERVICE</th>
<th>TRAINING AND SUPPORT</th>
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| MINIMUM COMFORT ZONE: 22          | MINIMUM COMFORT ZONE: 16        | MINIMUM COMFORT ZONE: 16        | MINIMUM COMFORT ZONE: 12         | MINIMUM COMFORT ZONE: 12 |
|                                  | RECOVERY REPORT CARD             |                                 |                                  |                       |
| 91-106 A+                        | 85-90 A                          | 80-84 B+                        | 75-79 B                          |                       |

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