Developing Service Force Effectiveness: an Exploratory Study

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Abstract

The study sought to: (1) evaluate the predominant service styles, the service effectiveness, and the relationship among service style flexibility, service effectiveness and customer satisfaction level of several organizations, and (2) develop, implement, and evaluate a complementary Service Training Program. To identify the predominant service styles, as well as the service effectiveness of the 200 involved servicepersons, of the involved organizations (15), it has been used an closed instrument available in the market. To compute the customer satisfaction level of the involved organizations, a survey using a questionnaire was conducted involving samples of customers of each organization. To investigate the relationship between service flexibility, taken the average value per organization, and the customer satisfaction level of each organization, it has been used the linear regression statistics computing the linear correlation coefficient between the before mentioned two variables. To investigate the relationship between service effectiveness, taken the average value per organization, and the customer satisfaction level of each organization, it has been used the linear regression statistics computing the linear correlation coefficient between the before mentioned variables. To assess the Service Training Program three variables were selected: selling style flexibility, selling effectiveness and customer satisfaction level. A quasi-experimental design consisting of a pretest-posttest nonequivalent control group was used involving two organizations service force in the experimental group (30 servicepersons) and 13 organizations in the control group (170 servicepersons). Analysis of means, variance, Pearson **r**, and Student **t** test were used for data analyses. The study has uncovered lack of flexibility regarding the service styles, presenting styles of clarifying and involving as dominants. The study also showed that the service effectiveness of the involved servicepersons was at a low level before any training efforts. The research also pointed out a high positive relationship between service flexibility and customer satisfaction level, as well as service effectiveness and customer satisfaction level. Finally, the research uncovered a high positive influence of the service training efforts on the service flexibility, service effectiveness and customer satisfaction level.

1. Introduction

In the present world the importance of customer service has become everyone`s job. How well we provide service has become one of the best predictors of organizational health. It is not just the product that the client buys, it is our service. The heightened attention to customer care has lifted the role from something nice to do, to one of critical professional skill set. The major problem is that from all the subjects related to management service and sales, probably, is the one which receives less attention from the researchers (Stewart, 2006). This behavior reflects what the Business Schools' clients are searching for their executive development. There are few people participating on a MBA program dreaming to go directly from the program to a service or selling area in the organization. Collins (2010) states clearly that without a strong emphasis in learning from the market place the companies tend to disappear. Kotler (2006) calls the attention for the need to the broadening concept of marketing which implies in the conciliation between service, sales and marketing. Tidd (2005) emphasizes the growing complexity of products and their impact on the commercialization process, enhancing the role of service. McDonald (2001) elaborates on how to assure profitability with key-clients on a B2B environment. Organizations and sellers continuously are looking for "miracles" involving methods and techniques leading to sales increase (Gitomer, 2011). Rackham (2011) explores the reasons behind the success on huge selling. On the other hand, Francis "Buck" Rodgers, ex-Marketing Vice President of IBM (1974 – 1984) enhanced the importance of continuous training of the sales and service forces.

Customer satisfaction is the critical requirement for success in all sectors of the economy. There is a wide ranging set of marketplace dynamics bring this about: (a) increasing global and domestic competition, (b) intensified quality awareness, (c) deregulation of major industries, (d) explosion of the service and information economies, (e) rising consumer life-styles and expectation, (f) a desire for personalized service, and (g) minimal product differentiation. Studies (U.S. Office of Consumer Affairs, 2000) show that, regardless of the industry, an average loss of over 10% of annual revenue is attributable to customer dissatisfaction. That means that loyalty pays.

The research sought to identify the relevant aspects of the servicepersons behavior which lead them to reach effectiveness in their efforts to provide differentiated services, taking as basis the Situational Service Model developed by Hersey (2000), which analyses the competence of the service provider in diagnosing the customer readiness of the client, and if the serviceperson matches his or her service style and communication with the demands of the situation determined by the customer readiness of the client.

1.1 Service Model – an approach for increasing service effectiveness

The objective of this topic is not to review all the literature on service. On the contrary, it will be explained why a particular service model, namely Situational Service has been chosen. Situational Service was developed by Paul Hersey and Don Brown (2000) at the Center for Leadership Studies (USA). Apart of trait and attitudinal approaches to service, Hersey-Brown tridimensional serviceperson effectiveness model was selected as more appropriate due the fact it was designed to measure three aspects of serviceperson behavior which were suitable to answer the research questions of the study. These three aspects of serviceperson behavior are: a) style, b) style range or flexibility, and c) style adaptability or serviceperson effectiveness.

A serviceperson's style involves some combination of product or service guidance behavior and supportive behavior. The two types of behavior, which are central to the idea of service styles, are defined as follows: a) product/service guidance behavior – the extent to which a serviceperson provides the what, how, where, and who to the customer, and b) supportive

behavior – the extent to which a serviceperson engages in two-way or multi-way communication. The behaviors include facilitating, encouraging, and problem-solving.
The effectiveness of the servicepersons, on the other hand, depends on how appropriate their influence style is to the situation in which they operate. This appropriateness comes from the matching of serviceperson style and the customer readiness of the client. Readiness in Situational Service is defined as the extent to which a client demonstrates the product/company information and the product/service satisfaction at the time. The Figure 1 below summarizes the model. The Situational Service Model provides the framework from which to diagnose different situations and select the service style that has the highest probability of success. The curved line through the four service styles represents the highest probability combination of directive behavior and supportive behavior. These combinations correspond to the readiness levels directly below it.
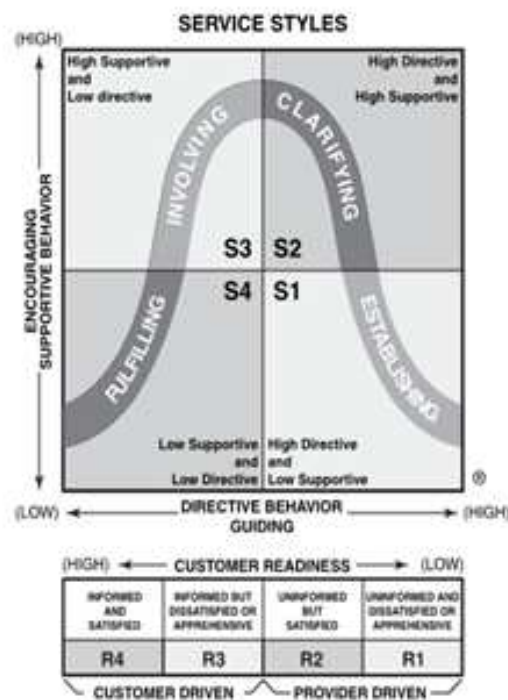

Figure 1 – Situational Service Model

The continuum of buying readiness can be divided into four ranges. Each represents a different combination of product/company information and product/service satisfaction:

> ➤ R 1: uninformed and dissatisfied or apprehensive;
> ➤ R 2: uninformed and satisfied;
> ➤ R 3: informed and dissatisfied or apprehensive; and
> ➤ R 4: informed and satisfied.

To use the model, select a point on the readiness continuum that you feel represents the customer`s readiness. Then, draw a perpendicular line to a point where it intersects the curved line above. This point indicates the most appropriate combination of directive behavior and supportive behavior for that specific situation, that means, the best style.

1.2 Service Training Program

Many service training have been structured worldwide. Grikscheit (1981) discussed the interaction among psychological, managerial and marketing on effective selling and service. Demarco (1982) stressed the importance for the success of a sale and service the domain of the core competencies: diagnostic skills, adaptive skills, and communication skills. Hassan (2006) discussed in details the importance of the serviceperson differentiation in the eyes of the clients by demonstrating product knowledge (features/benefits).

The program explored primarily the core competencies and the behaviors of the servicepersons, not only in terms of "what" the serviceperson should do, but including "when" to do it.

1.3 Research Questions

The study sought to answer the following research questions:

1. What is the predominant serviceperson style?
2. What is the serviceperson service effectiveness?
3. Is there a relation between service style flexibility and service effectiveness with customer satisfaction level?
4. Does the Service Training Program influence positively the service style flexibility, service effectiveness and customer satisfaction level?

2. Method

2.1 Sampling

It has been randomly selected 200 servicepersons involving 15 organizations operating in Brazil and South America, encompassing medium and low size ones. They were healthy organizations with ages varying from 6 to 36 years old in the fields of transportation and logistics, departmental stores, car dealers, food, software house, cutting tools, machining, domestic utilities, men's wear, insurance, motorcycle dealers, vehicles battery, and fringe benefits cards. The majority of the executives were Brazilians (160) and some foreigners (40), being 60 females and 140 males with ages varying from 28 up to 55. The majority of the sample (70%) has shown university degree and 30% with technical degree.

2.2 Data Gathering

To measure the serviceperson behavior the Situational Service Model has been taken into account and the SERVICE self instrument, developed at the Center for Leadership Studies (Hersey, 2000), has been used. The three aspects covered by the model are: a) style, b) style range, or flexibility, and c) style adaptability, or service effectiveness. The SERVICE self has been used and it yields four ipsactive style scores and one normative score, namely adaptability or effectiveness. This kind of instrument needs to be statistically validated in terms of items and reliability only once. The 12 item validities for variability score ranged from 0.11 to 0.52 and 10 of the 12 coefficients (83%) were 0.25 or higher. Eleven coefficients were significant beyond the 0.01 level and one was significant at the 0.05 level.

The reliability of the SERVICE self was moderately strong. In two administrations across a six-week interval, 75% of the managers maintained their dominant style and 71% maintained their alternative style. The contingency coefficients were both 0.71 and each was significant at the level 0.01. The correlation for the adaptability scores was 0.69 at the 0.01 level.

Service style flexibility is defined as the number of style score equal or above two divided per four (number of styles in the model) multiplied by 100, and is given in percentage. Service

adaptability or effectiveness is a number in between zero and 36 gathered from the test computation.

To compute the Customer Satisfaction Level regarding the perceptions of the clients of the involved organizations a standard attitudinal instrument available in the literature (Gerson, 2001) was used with adaptations, involving samples of clients per organization (minimum 12 clients per organization). The Customer Satisfaction Level – CSL is the percentage of the actual score divided by the total possible score, after the statistical validation of the instrument, per organization. The validity of the instrument was assessed by means of item analysis, and instrument reliability. The item analysis revealed: (a) the average rating per scale across 50 respondents randomly chosen was about 3,5 (scale end-points 1 and 4), taking into account only the validated items; (b) item-test correlations were acceptable. On the first point, the average seemed high, but this fact was expected once the middle point of the scale was deliberately avoided. Regarding the instrument reliability the test-retest reliability was very high, being over .80. The split-half technique was used, so the final reliability coefficient was given by the Spearman-Brown prophecy formula (Schmidt, 1975).

To analyze a possible relation between the average servicepersons' style flexibility and average customer satisfaction level, per organization, originated from a survey involving a sample of clients, the linear correlation coefficient was calculated taken into consideration the set of paired data involving the before mentioned variables per organization, therefore the computation involved 15 pairs.

To analyze a possible relation between the average servicepersons' style adaptability and average customer satisfaction level, per organization, originated from a survey involving a sample of clients, the linear correlation coefficient was calculated taken into consideration the set of paired data involving the before mentioned variables per organization, therefore the computation involved 15 pairs.

To assess the influence of the Service Training Program on service performance a quasi-experimental design was defined consisting of a pretest-posttest nonequivalent control group involving the 200 salespersons of 15 organizations, being 30 persons in the experimental group and 170 in the control group. The selected criteria variables were the service style flexibility, service style adaptability or effectiveness, and customer satisfaction level. Considering that: (1) both groups, in spite of the fact of not being randomly selected, were similar (same educational and skill levels and seniority, and balanced in terms of sex and age); and (2) these tree selected variables were normally distributed; the test of significance adopted in the statistical analysis was the same used for Design 4 Experimental Design (Campbell and Stanley, 1963). Therefore, the test consisted in computing for each group pretest-posttest gain scores and to calculate a two-tailed Student "t" between experimental and control groups on these gain scores, at a level of significance $p \leq .0001$.

2.3 Service Training Program
Based on the literature review cited beforehand a service training program for servicepersons was structured as shown in the Appendix.

3. FINDINGS AND ANALYSES
To answer the two research questions regarding service person style the data were summarized in two groups: service person style range or flexibility, and service person style adaptability or service effectiveness.

Table 1 shows the profile of the professionals involved regarding service styles.

Table 1. Profile of Servicing Styles of a Sample (200) of Salespersons

Style	Frequency Distribution (%)
S1 – Establishing	15.2
S2 – Clarifying	49.3
S3 – Involving	29.6
S4 – Fulfilling	5.9

Source: Research Data.

As depicted in Table 1 this sample of service persons is perceived as using predominantly styles S2 - Clarifying and S3 - Involving. So they tend to do well working with clients of average levels of customer readiness.

However, they face difficulties communicating with uninformed and dissatisfied customers (low customer readiness) and particularly with informed and satisfied clients (high customer readiness). Service persons whose servicing behaviors are predominantly in Styles 2 and 3 tend to be able to spark customer interest and analyze needs. They often have difficulties penetrating new areas and making cold calls. The S2-S3 tends to be comfortable in the traditional servicing role as long as they are introduced or have a third party to use as a reference. They feel that when the service is finished, the process is complete. As such, they can miss opportunities to expand existing accounts and maintain long-term customer satisfaction.

The results of servicing effectiveness are shown in Table 2. They have been grouped in quartiles covering a response interval from 0 to 36. While Style Range refers to the extent to which style can be varied, Style Adaptability or Effectiveness indicates the degree to which changes in styles are appropriate to the level of the customer readiness in different situations.

Table 2. Summary of Servicing Effectiveness of a Sample (200) of Service Persons

Score Interval (scale end points 0 and 36)			Servicing Effectiveness Level	Frequency	
				Absolute	Relative (%)
27	To	36	High	10	5
18	To	26	Moderate	80	40
9	To	17	Low	108	54
0	To	8	Very low	2	1

$\chi^2 = 874.78 > \chi^2$ crit. $= 11.3$; df $= 3$; p $\leq .01$.

Source: Research Data.

As shown in Table 2 this sample of service persons has predominantly a low to moderate level of servicing effectiveness. It indicated a need for self-development to improve the ability to diagnose customer readiness and use appropriate servicing behaviors.

In order to verify if there was a relation between service persons style flexibility – SF, servicing effectiveness - SE and customer satisfaction level (CSL), the average values per

organization were computed and the data grouped involving the 15 organizations as shown in Table 3.

Table 3. Servicing Style Flexibility, Servicing Effectiveness, and Customer Satisfaction Level

Nb.	SECTOR		SF (%)	SE	CSL (%)
1	Transportation	O 1	25	20	65
		O 2	50	20	65
2	Car Dealers	O 3	25	21	65
		O 4	50	23	80
3	Food	O 5	50	21	65
4	Departmental Store	O 6	50	22	70
5	Software House	O 7	75	24	85
6	Cutting Tools	O8	50	23	60
7	Machining	O 9	25	21	50
8	Domestic Utilities	O10	25	24	70
9	Men`s Wear	O11	25	23	70
10	Insurance	O12	75	26	95
11	Motorcycle Dealer	O13	50	22	70
12	Vehicles Battery	O14	50	23	70
13	Fringe Benefits Cards	O15	75	24	75

Key: O = Organization, SF = Servicing Style Flexibility (average), SE = Servicing Style Adaptability (average), and CSL = Customer Satisfaction Level.
Source: Research Data.

Considering the variables servicing style flexibility (SF) and customer satisfaction level (CSL) related to the 15 organizations, the result was a **linear correlation coefficient of +0.72**, showing a moderate to high degree of positive relation between the two variables (Schmidt, 1975).

On the other hand, considering the variables servicing style adaptability, or effectiveness (SE), and customer satisfaction level (CSL) related to the 15 organizations, the result was a **linear correlation coefficient of +0.76**, presenting a moderate to high degree of positive relation between the two variables (Schmidt, 1975).

Finally to assess the influence of the Service Training Program on the servicing flexibility (SF), the servicing effectiveness (SE) and the customer satisfaction level (CSL), a quasi-experimental design consisting of a pretest-posttest non-equivalent control group was used involving two organizations in the experimental group (30 service persons) and 13 organizations in the control group (170 service persons). The results of the experiments were positive as shown in Tables 4, 5, and 6, as follows:

Table 4. Comparative Servicing Style Flexibility Results Between Experimental and Control Groups

Measurement	Experimental Group	Control Group
Pre-measurement Average (%)	50 (N = 30)	50 (N = 170)
Standard Deviation	4.5	4.6
Post-measurement Average (%)	75 (N = 28)	50 (N = 160)
Standard Deviation	4.3	4.6
Gain (%)[1]	25	0

[1] $t = 27.16 > t$ crit. $= 3.3$; $df = 192$; $p \leq 0.0001$
Source: Research Data

Table 5. Comparative Servicing Effectiveness Results Between Experimental and Control Groups

Measurement	Experimental Group	Control Group
Pre-measurement Average	22 (N = 30)	23 (N = 170)
Standard Deviation	2.5	2.6
Post-measurement Average	26 (N = 28)	23 (N = 160)
Standard Deviation	2.4	2.5
Gain[1]	4	0

[1] $t = 7.83 > t$ crit. $= 3.3$; $df = 192$; $p \leq 0.0001$
Source: Research Data

Table 6. Comparative Customer Satisfaction Level Between Experimental and Control Groups

Measurement	Experimental Group	Control Group
Pre-measurement Average (%)	70.5	69.3

	(N = 30)	(N = 170)
Standard Deviation	3.6	3.7
Post-measurement Average (%)	79.6	71.2
	(N = 28)	(N = 160)
Standard Deviation	3.5	3.6
Gain (%)[1]	9.1	1.9

[1] $t = 11.43 > t$ crit. $= 3.3$; df $= 192$; $p \leq 0.0001$
Source: Research Data

The variables, Servicing Flexibility (SF), Servicing Effectiveness (SE), and Customer Satisfaction Level (CSL) were positively influenced by the program. The Student "t" statistic (two-tailed) used to test the difference of gains between the experimental and control groups revealed in the case of the involved variables that the null hypothesis could be rejected, at a level of 0.0001, that means the results were not influenced by chance.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions
The following conclusions were reached based on the research:

1. The results of service style flexibility and service effectiveness lead us to the conclusion that this group of service persons needs to receive training in terms of service skills, once they need to have more flexibility of styles and to be able to use the appropriate style depending on the situation. Previous studies (HERSEY, 2000) suggested that by having this new profile this group of service persons will be able to deliver superior services and build the rapport necessary for strong and enduring customer relationships.
2. Once the study uncovered a moderate to high positive relation between service persons' servicing style flexibility and servicing effectiveness with the customer satisfaction level, this reinforce the need for training enhancing the improvement of the relationship between service persons and clients, which is beyond any service technique (Leboff, 2011).
3. The research has shown a positive influence of the Service Training Program, as delineated in the Appendix, on the day-to-day service variables either in terms of physical significance or of statistical validity of the results.
4. The Situational Service Model helped in providing the service persons with a practical way to deliver superior services and build the rapport necessary for strong and enduring customer relationships. Its diagnostic procedures and prescriptive actions prepare the service persons to math appropriate servicing behaviors with varying degrees of customer readiness. By understanding and applying the model the service persons can develop the competencies necessary to be a true professional in a world where the unique competitive advantage through which any organization define itself is the service.

4.2 Recommendations

4.2.1   General

1. The use of the presented Service Training Program should be done cautiously due to the fact that the study was limited to two Brazilian organizations, using rather small samples.
2.   The Service Training Program should not be seen as an isolated contribution in the process of improving sales performance. Rather, it must be inserted in the course of a company-wide and multidisciplinary effort to reach paramount performance results. This effort should involve people of all levels in the organization and should be congruent with the philosophy of the company.

4.2.2   Specific

1. The samples used in the study were rather small, therefore any extrapolation from the results of the research must be done with caution.
2. In future studies of the same nature a 360 degree appraisal, as far as service style, style flexibility and service effectiveness are concerned, would be highly recommended.
3. Additional researches of the same nature involving bigger sample sizes, other types of organizations and conducted in other cultures are highly recommended.

Appendix – Service Training Program

The program has been structured in order to integrate the three core competencies: diagnostic skills, adaptive skills, and communication skills, as well as the behaviors which define the total sales/service process and most importantly when to use these behaviors, providing the servicepersons with a practical way to create service and build the rapport necessary for strong and enduring customer relationship. The program was divided into two phases: a. service competencies development, and b. behavioral dimensions development related with the interaction between client and service provider.

a. Situational Service Model (Figure 1) – this phase lasts an average of 16 hours involving the servicepersons (20 to 30 persons). It provides service people with a diagnostic procedure for assessing the customer readiness of the client regarding specific products or services. In addition, the model serves as a prescriptive process for selecting service behaviors that will have the highest probability of success. The instructional material involves: participant workbook, an audio-visual package presenting the model with the instructor explanations and debates, and application of the instrument SERVICE self with feedback for the participants regarding their service styles flexibility and adaptability profile with discussions.

b. Modeling the behavior of service people – this phase deals with the behaviors demanded from the service people during a service process (calls or face-to-face). Besides an audio-visual package showing wrong and right interactions of clients and service providers, in different situations, some role-playings were conducted involving three roles: service person, client and observer (to give feedback). The behaviors which receive primary attention are clustered into six categories:

1. Uncovering Needs – there is a direct relationship between the number of identified needs and the success of the initial contact;

2. Questioning Skills – questions are used to gather information and uncover needs;

3. Acknowledging Needs – serves the function of building and maintaining rapport with the customer; needs, casual remarks, and even objections must be acknowledged, once it was found to have a significant impact on the outcome of the contact;

4. Providing Specific Benefits – this allows the service person to introduce the appropriate benefit that satisfies a particular customer need, and successful contacts were shown to have significantly more specific benefits stated;

5. Closing – is best made by summarizing the needs and benefits the customer accepted, proposing an action plan, and asking for the order, this procedure significantly increased positive outcomes; and

6. Recognizing Client Attitudes – four customer attitudes are linked to service success: acceptance, skepticism, indifference, and objection, therefore providing an appropriate response is crucial to the service process effectiveness, it is how and when the service person responds that is linked to successful outcomes.

Remarks:

An important point to be considered during the sales training program is that in the interaction between client and service provider the influence dynamics are changed because the service person, unlike the leader, must influence others without any position power. Service people must rely on their personal power (expert, information, and referent). Additionally, when making a presentation, try to pace with the: visuals (diagrams, flowcharts, and graphics), digitals (defining terms, providing order and sequence), auditories (moving around, energizing, and varying voice speed), and kinesthetic (relaxed and non-threatening position). The service persons need to practice and learn to become proficient in all of the representational systems. This kind of behavioral adaptability will help them to close services, expand business, and build ongoing relationship. In short, the service persons need to match words with rep systems.

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