

**Customer retention through the equal
incorporation of continuous improvement
(CI), culture and customer service.**

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Doctor of Business Administration

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Abstract

Customer retention has long been considered an important element in achieving competitive advantage for business organisations. The increasingly turbulent economic environment has brought this again to the fore for many organisations. Through the development of a practice based guiding framework for the improvement of customer retention this study investigates the complex relationship between the concepts of customer service, continuous improvement and organisational culture across a variety of business sectors. Drawing from a systematic literature review, initial links were made between the concept of using the 4P cycle of continuous improvement and the key elements of world class service as tools of understanding.

The main study involved the use of the Delphi technique, through which a qualitative and systemised approach to data gathering was achieved using semi-structured and structured interviews and utilising the findings from each set of interviews to inform the following set of interviews. Three rounds of interviews took place with 9 industry experts across different sectors, with the investigation taking a director level review. After the first two rounds of interviews the framework for customer retention was developed and introduced to the participants for evaluation before the final interview stage.

The findings from the study show that the proposed framework is a workable tool, however in order to fully benefit from its use, specific organisation contextualisation is required and should be supplemented by the gathering and utilisation of customer research, the development of a holistic company approach to customer retention involving all organisational departments and the empowerment of employees. Further, the study shows that buy in is required from all senior management and that overall buy in would be aided by open communications within the business. Overall there was a consensus that employing the right person was vital to customer retention and ultimately the success of a company. The usefulness of the application of the practice based guiding framework, though beyond the scope of this study, was also addressed through the participants own use of some of the study findings within their current roles across a variety of business sectors.

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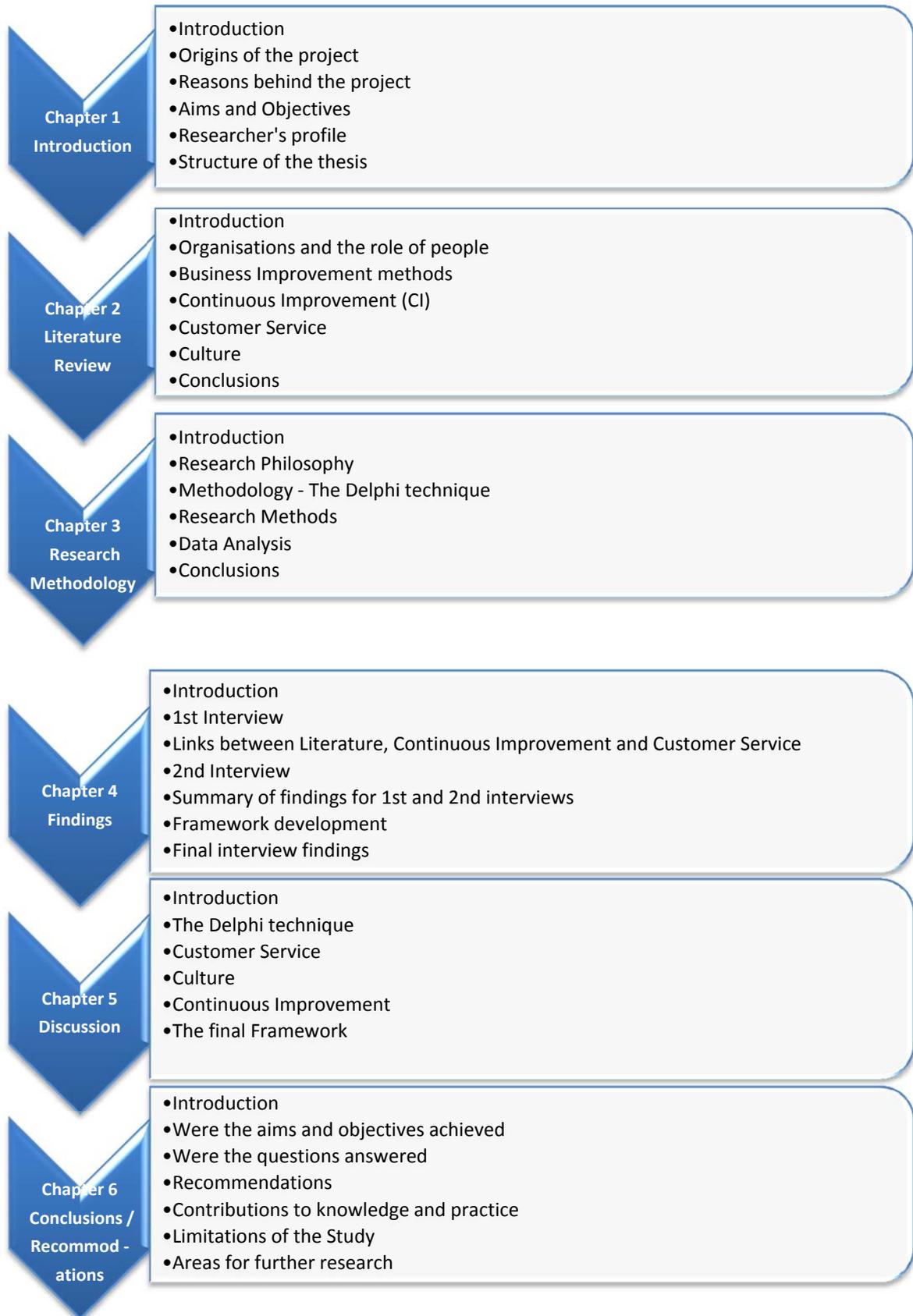
Declaration.

I declare that this Doctorate of Business Administration thesis is my own work and that all sources literary and electronic have been properly acknowledged as and when they occur in the body of the text.

Barbara McCrory

Date:

Schematic of the thesis structure.



Chapter 1. Introduction



Introduction
Origins of the project
Reasons behind the project
Aims and Objectives
Researcher's profile
Structure of the thesis

1.0 Introduction

This chapter provides an outline of the research project. First, the main aims and expected outcomes of the research are discussed. The chapter then describes the areas focused on in the literature review followed by a brief description of the methodology, data analysis, findings, conclusions and recommendations. An outline of the companies involved in the study is given and a profile of the researcher is included.

1.1 Origin of the project.

In 2009 the researcher was the UK Sales Director of a successful Property Investment and Management Company. Until 2008 the company's winning formula was to work with an investment model of purchasing properties on behalf of investors, renovating and letting to students throughout the UK. The company expanded into 12 UK cities with a portfolio of almost 2,000 properties. However, from the beginning of 2008, and as the credit crunch put a halt on investments, the company focus changed solely into the management and letting of properties. It transpired, after detailed investigation, that the investment side of the business was in fact substantially subsidising the lettings side, which had been running at a loss. This fact had gone unnoticed but the realisation of it created a requirement to fully and comprehensively review the business processes, as decisions needed to be made regarding the direction the company should take next.

1.2 Reasoning behind the research.

This review concluded that the company had operating within a compensation culture rather than a culture of issue solving. Customer complaints were spiralling, creating difficulty in letting the properties. The company's reputation was being affected. The sales team complained that the poor service the company was providing to customers was making it impossible for them to let properties. All service activities were centralised in the head office, resulting in all service calls funnelled into a team who apparently took little responsibility regarding service.

Consequently a number of problems arose: calls went unanswered, communications to landlords and tenants were inadequate, contractor’s instructions were in disarray, and accounts were mislaid or incorrect. The company experienced a loss of landlords, suppliers refused to carry out repairs, tenants were upset, and properties were in disorder. This resulted in empty properties, tenants and landlords leaving, and negative publicity for the company, leaving disillusioned staff and unhappy clients, culminating in a significant staff turnover (figure 1). Unless these issues were corrected and customer service improved the company would continue into decline. With 84 employees leaving over a 16 month period meant the company was continuously working with insufficient and untrained staff. The cost of this in terms of service, continuous recruitment, training and the pressure on employees was contributing to the overall demeanour of the staff and the company’s ability to run efficiently.

Figure 1. Landlord and Staff Turnover 2008 to 2009

Lost landlords <i>Jan 08 to Oct 09</i>	76	
Lost staff <i>April 08 to Oct 09</i>	84	<i>(Miller, 2009).</i>

Finally, in 2008, recognising the importance of customer service in the overall sustainability of the company, a programme of investigation and change was initiated. This was undertaken with the aim to change the culture of the company to that of a Value Driven Company. (Appendix 1) The aim of this was to clearly identify and establish the company’s values and to focus all staff on these values. The aim was to change the cultural attitude to one of pure customer service leading from the top down. However, in early 2009 this process was discontinued due to the recession, which when happened required the closure of 7 offices throughout the country. It is the argument of this thesis that providing good customer service should result in the retention of customers.

1.3 Outcome of the above

The effectiveness of the researcher’s sales team was hugely reduced due to the negative publicity surrounding the company’s issues. The researcher subsequently decided to continue her learning into how to instil a holistic company approach to customer service by undertaking the Doctorate of Business Administration with Edinburgh Napier University. However, after the commencement of the DBA the researcher was made redundant by this

company and now has her own consultancy firm focusing on helping companies grow and develop. It was decided to continue to investigate the topic and use the findings if possible within this consultancy business.

1.4 Aims and Objectives

Venetis and Ghauri (2004), Daffy (2001) and Haran (2005) all concur that quality and service are critical factors in the retention of customers. Research also shows that of the customers that leave up to 70% do so due to poor customer service (Rich, 2009; Thompson, 2005; Daffy, 2001; Mintel, 1999; Tayfon, 2006; US Chamber of Commerce, 2006; Thomas 2003). The aim of the project is to understand if a relevant practice based guiding framework could be developed for the improvement of customer retention. This framework once proven will be used within the researchers practice as a mechanism for companies to understand the key areas and steps that need to be considered in order to instil a customer service culture.

Objectives

- To understand the key issues surrounding customer retention.
- To investigate if there is a convergence between continuous improvement and good practice in customer service.
- To research a number of different settings to establish usability across sectors.
- To develop an academic piece of work applicable to the practitioners world in order to make recommendations for the improvement of customer retention.

To meet these objectives, it was important to have a range of companies, if the study was restricted to a limited number of industries it could potentially narrow down sales opportunities or result in the gathering of insufficient relevant information. Thus, selecting the right types and sizes of companies required some deliberation.

1.5 The researcher's profile

The researcher has over 20 years in the field of buying and selling at director level. She started her trade in retail working her way up to Trading Director in one of the top retailers with a final responsibility for over £400 million sales and a team of over 30 people. Her career expanded into different industries. She has written and delivered successful training programmes and seminars to FMCG Directors and key account managers, focusing

on selling, business development and internationalisation. She is also a business consultant and has worked with some of the biggest and well known brand names and now has her own business consulting company. She also undertakes one to one training, consulting and mentoring including a number of years as a facilitator with Plato; a business development programme set up to assist companies with a focus on survival and growth and is a business mentor with Edinburgh Chamber of Commerce. She holds an MBA from Stirling University and a BA in Marketing.

1.6 Structure of the Thesis

1.6.1 The Literature Review

The literature review took the form of an initial review of different topics including organisations, Customer Service, Continuous Improvement, Company Culture and Competitive Advantage; from these topics three key areas were identified:

1. Continuous Improvement (CI)
2. Customer Service
3. Company Culture

A review was undertaken looking at the role CI takes in implementing a good customer service strategy. A number of different models were identified which agreed with the notion that creating a customer service environment requires the correct people, management, processes and the capacity for internal change. It was found that some of the models reviewed were process and procedure driven and potentially could neglect people through their focus on cost savings.

Two models were used in an attempt to find links between CI (fig. 8) and Customer Service (fig. 13). These were chosen mainly due to their depth and focus and included areas that were mentioned in the literature review. In the area of customer service writers such as Cook (2011), Wellington (2010), Zemke and Woods (1998), and the Institute of Customer Service and in the topic of CI, Deming (1992), Heskett et al., (1997) Schlesinger and Heskett (1991) Marsh (1998) and Juran (1989 and 2003) were reviewed for possible models to use, most contained acceptable representations but in comparison to the chosen models tended to be either too simplistic, used checklists or had too many separate models and were subsequently too complicated to enable linkages to be made. Most importantly, the chosen models took a holistic approach and included culture and leadership, which dovetailed into the literature findings (see also appendix 9).

The thesis then focused more specifically on the following categories:

- Using the key components of the CI framework to critically explore a Customer Service strategy.
- Using the literature in the areas of CI and Customer Service investigate the links if any to each other.
- Investigate the role of CI in implementing good customer service strategy.
- Can a framework guide be developed for use by practitioners?

1.6.2 Research Design. - Philosophy and methodology

Chapter Three considers different philosophical positions and the rationale for choosing a critical realist position for this piece of work. It then describes the methodology chosen: the Delphi technique. This technique uses a qualitative and systemised approach to data gathering by using semi-structured interviews. This method facilitates confidential interviews with industry experts to draw out opinions and prompt discussion until a form of consensus is achieved (Rowe and Wright, 2011; Gupta and Clarke, 1996; Woudenberg, 1991; Browne, 1968). The Delphi technique allowed the researcher to revisit the industry experts, permitting the analysis of the findings from the previous interviews and discussion of the results in more detail with the respondents until a form of consensus was reached. It is suggested that a minimum of two interviews are completed with a minimum of six industry experts (Rowe and Wright, 2001). For this piece of research nine companies were selected in nine different industries and three interviews undertaken. Chapter Three considers the advantages and disadvantages of The Delphi Technique.

The chapter then looks at the ethical issues and how these considered. Issues of reliability and validity are then discussed and how these were addressed through triangulation. The chapter then discusses the three pilot studies undertaken and the changes implemented from these studies. This is followed by a review of the data collection method using voice recording, transcribing using Express Scribe, and the use of themed analysis and coding. The chapter finishes with a conclusion of the discussions above.

Figure 2 below lists the nine participating companies, the turnover of the company and staff numbers, the industry they are involved in and the position held by the respondent.

Figure 2. Profiles of Participating Company's

Company	Employees	Turnover Million	Industry	Interviewee Position	Age of company	ISO 9001	Investors in people
A	100	4M	Property	Director	15 years	No	Yes
B	8	2.5 M	Hydraulics	Owner	11 years	Yes	No
C	6	1.4M	Distribution	Owner	5 years	No	No
D	1,500	83M	FMCG	Director	125 years	No	No
E	3,500	16M	Non Profit	Director	55 years	No	No
F	450	1.031 B	Banking	Director	34 years	No	No
G	14	2.6M	Consulting	Owner	11 years	No	No
H	10	6.3M	Media	Owner	14 years	No	No
I	38	70M	Finance	Owner	38 years	No	No

Company A's director is a director in the property firm described above. An analysis of each company's internal information was conducted; this included internal documents such as customer service posters, customer value statements, brochures and policy documents. Each of the company's websites was reviewed and showed that regardless of the company's customer service statements, 77% of the websites made no mention of the customer and in the remaining 23% the reference was perhaps more about company values rather than service. The same applied to the company's brochures and leaflets. The researcher was allowed to view some internal customer service statements, which were found in eight companies to be very broad. One company was very specific on the value they place on their customer; a copy of their company values is shown in Appendix 2. All interviews were carried out in confidence and with the utmost anonymity assured. Verbatim quotes from the first round of interviews were used to inform the second round. The combined results of the first two interviews were used to develop the framework. Each of the interviewees received a copy of the framework as part of the final round of questions.

1.6.3 Data analysis and findings.

Chapter Four presents and discusses the findings from the 3 rounds of interviews. It first presents findings from the first interviews, then from the second round of interviews. A combination of these findings, the models in figure 8, figure 13, and the findings from the literature review were compared and used to develop the framework. The third interview showed participants the new framework and a summary of the findings, and the 3rd

questionnaire was then broken into product (the framework) questions and process questions (implementation). The findings from these interviews are then described.

1.6.4 Discussions, Recommendations and Conclusions

The findings from all 3 interviews are discussed in Chapter Five. From these discussions and recommendations the new framework was developed. Chapter Six contains overall conclusions and recommendations and considers whether the aims and objectives were achieved. Chapter Six also focuses on the contribution to knowledge and practice and outlines some ways the respondents considered using the framework. Limitations of the project and areas for future research are also considered.

Chapter 2. Literature Review



Introduction
Organisations and the role of people
Business Improvement methods
Continuous Improvement (CI)
Customer Service
Culture
Conclusions

2.0 Introduction.

This literature review investigates the writings surrounding Continuous Improvement, linking it to the literature surrounding Customer Service with an aim of Customer Retention. It highlights three important areas: Continuous Improvement (CI), Customer Service and Company Culture. These are described at the beginning of the review. The review is then structured as follows: it describes an organisation and the role of people within it. This is followed by reviewing a number of business improvement methods and some of the key writers in these areas such as Juran, Suzaki and Deming. The 4P Cycle of CI (Bruelens et al., 2002) shown in figure 8 is the CI model used throughout as a comparative representation, it encompasses the key areas discussed within the business improvement methods, but in one area. The review continues by considering Customer Service and Customer Satisfaction and the model of the Key Elements of World Class Service developed by Daffy (2001) and shown in figure 13. This is the second framework chosen for comparison. It includes the areas discussed above and includes topics such as leadership and people. A review of the gaps in customer service and a figure showing the reasons why customers leave companies are considered (fig. 9). The final area for review is Company Culture, and a model of the Hierarchy of Corporate Culture is shown (fig. 17), indicating that cultures of change are the cultures of survival. This review concludes with an overall summary of the findings from these reviews.

As noted in the introduction there were three key areas identified within the literature review as being important to this piece of work they were:

- 1) Continuous Improvement (CI), or the constant gathering of relevant information based on customer experiences and needs, then feeding this back to the company to implement improvements (Juergensen, 2000; Elefsiniotis, 2002).

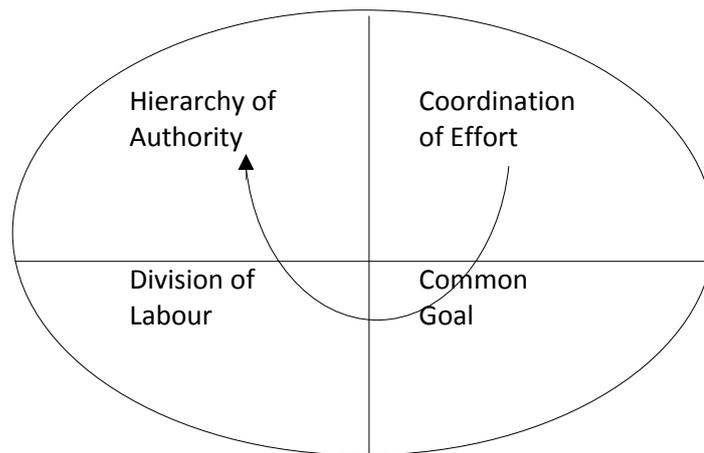
2) Customer Service, or the service provided in support of the company's products (Zeithaml and Bitner 2003). Pride and Ferrell (1988) and Gentle (2002) describe Customer Service as the top priority for companies, without which there would be no profit. Drucker states that profit should not be the key aim for companies; creating customers should be (cited in Swaim 2010, p. 14) and organisational excellence is the sum total of the impact of decisions made every day by individuals. These decisions are vital to a company's competitiveness (Eldridge and Crombie, 1974). It is at the 'moment of truth' or the point of delivery that the employee defines the company's success or failure in the eye of the customer (Arussy, 2008; Bowen et al., 1989). Danziger (2004) understands that customer service is whatever is important to the customer.

3) The Culture of an organisation refers to a distinctive make up of people and activities that are pooled together to achieve aims (Smith et al., 2007). A company's culture lies in its belief systems, the rites and rituals and most importantly values (Schein, 2004). Thus it is imperative a company incorporates customer experience in their values and all employees strive to deliver excellent customer service to retain and build the customer bank.

2.1 Organisations and the role of people

Robbins (2007) describes an organisation as an organic structure that develops as time passes. These developments are necessary due to the increasing developments in technology, markets, and resources. To survive flexibility is now a company requirement in these dynamic environments (Robbins, 2007). Paton and McCalman (2003) describe an organisation with three main concepts; 1. People make up an organisation. 2. Performance is dependent on people's ability to manage and 3. People are an organisation's main asset; their motivation and skills make up the capabilities for an organisation to grow. The classic organisation definition from Bernard (1968) is still in use today as a system of one or more people synchronising activities.

Figure 3. Four characteristics common to all organisations



(Buelens et al., 2002, p. 508)

An organisation is a set of strengths, resources, competencies and capabilities which should lead to a competitive advantage (Ireland et al., 2012). Figure 3 depicts a very simple identification of the key areas required to allow a company to function; however, it fails to mention the human aspect or the cultures that the structure works around. Much research (e.g. Buelens, et al 2002, Larreche 2000, and Patterson, et al. 1998) claim that people are the key to success for example; Henry Ford stated *“You can destroy my factories and offices but give me my people and I will build the business right back up”* (cited in Buelens et al., 2002, p. 6) and Richard Branson agreed stating *“There is only one thing that keeps your company alive and that is the people you work with, all the rest is secondary”* (cited in Buelens et al., 2002, p. 6). To an extent these broad statements neither state how to identify and attract the ‘best’ people. A study by the University of Sheffield revealed that people management was considered to be the most critical factor in company performance (Patterson, et al., 1998). Notably, Larreche (2000) undertook an investigation of over 263 organisations and concluded that the most harmful thing for competitive organisations is that top managers are often unable to relate to people. It is therefore prudent to employ the correct people; the challenge is in identifying them (Kohli and Jaworski, 1990).

However, people centred practices are strongly associated with higher profits and lower employee turnover (Harter et al., 2002). According to Pfeffer and Veiga (1999) there are seven people centred practices in successful companies.

1. Job security
2. Careful job fit
3. Empowerment

4. Reward for performance
5. Lots of training
6. Team building
7. Trust building and communications

Pfeffer and Veiga suggest that companies should integrate these practices. Adams (1996) and Edquist and McKelvey, (2000) suggests that in an environment where cost cutting is a necessity to profitability, if these cuts affect people, this decreases employee loyalty.

Structure is also important to achieving an edge. There are many different company structures for example Gitman and McDaniel (2009), state that structures could be flat, centralised, decentralised, mechanical or organic. All have their own advantages and the industry they work in the culture of the company or a company's newness could dictate how they are configured (Hill and Jones, 2008). Organisational definitions usually mention management; that is working with and through others to achieve the organisations objectives where successful managers need to be team players, empowered by the active support of others (Dauphinais and Price, 1998). Research has shown that an empowered workforce feels more secure; takes more pride in their work, are more loyal, and delivers higher targets (Suzaki, 2010; Dauphinais and Price, 1998). Individuals are often seen as the saviours of companies in favour of teams, with participative management and empowerment being used as effective tools to achieve a competitive advantage (Williams, 2008; Gremler et al., 2002; Oliver, 1999; Champney, 1995). From the above research it is noted that if, as stated, people are a vital part of the business, perhaps more emphasis should be placed on ensuring people and structures are correct with equal emphasis placed on strategy and profit. Companies must arguably encompass all areas of a business as a continuous flow; if not there is the possibility that strategies will not be achieved, communications will breakdown and businesses will not perform to their best (Carroll, 2010; Deming, 1991; Rowlands, 2008; Suzaki, 2012). This too applies to CI and Customer Service, Merchant (2010) identifies a gap between high level strategy and the reality of delivery and to avoid this he suggests collaborating with all individuals whose job it is to make decisions and choices, but most importantly the need to have up to date valid information to reduce the risk of failure, and induce cooperation within the business (Underhill, 1999; Anderson and Kerr, 2002; D'Aurizio, 2008).

Communication and leadership is seen to contribute to the overall success of a project or company, indeed without successful leadership DuBrin (2010), McGahan (2008)

and Crosby (1980) consider that a company will not sustain profitability or good customer service. With advances in technology, the volume of information available and the growth of multi-sites, companies now require leaders to have different skills (Mobley, 2009; Leatherman, 2008). There is the assumption that a good leader will provide good results and a motivated and satisfied team, however Marturano and Gosling (2008), argue that this may be too simplistic and that there could be many factors that result in a successful team. Tracy (2010) suggests that real leaders will naturally attract followers, and George (2003) suggests that leaders should have integrity, values and instil trust, listing many skills that non managerial employees also hold; therefore it could also be assumed that non leaders could possess some of these skills without the ability or interest in leading a company.

In terms of this DBA the importance of employees, company communications, changes in technology, leadership, management and empowerment are all topics identified as being crucial to the overall success of a company's strategy and the ability to identify if any gaps exist between the strategy and the delivery. Also important are topics surrounding the continuous flow of information, and the competitive advantages that can be achieved by uniting the whole system or company together in line with a CI initiative. These areas are included in the first questionnaire (see appendices 6 and 7).

2.2 Business Improvement Methods

Since the early 1900's writers have investigated the potential to review business processes and how to make improvements. For this DBA a review was taken of some key improvement methods and how they could or should affect, improve, or dovetail into either a Customer Service culture or a CI initiative.

Lean

Lean principles can be traced as far back as the early 1900's when Taylor looked to introduce time in motion programmes (Kanigal 2005). Taylor considered people's ability to behave as machines and compared the productivity of each. Although less humanistic than future business improvement writers, Taylor was once held as an efficiency expert (Kanigel, 2005). Lean philosophy looks at waste which is eliminated during the manufacturing process while production time and costs are reduced focusing on speed and efficiency (Womack and Jones, 2003; Laureani et al, 2010). In a simplified format Liker (2004) describes Lean as

having 4 key areas (4P's) Philosophy, Process, People and Problem Solving with an additional 14 management principles within these areas.

1. Long Term Philosophy over short term goals
2. The right process equals the right results
3. Challenge your people to grow
4. Continue to problem solve and learn

The Kazien Institute founded in 1995 and is seen to be one of the world's leaders in the development and delivery of lean principles. As well as the 5 steps below (fig.4) the Kazien method also looks at Total Change Management including tools such as Total Flow Management, Total Production Maintenance, Total Quality Management, and Total Service Management

Figure 4. The Kazien 5 Key principles of the lean process

1. **Identify Customer Value** – Once a company can clearly identify what adds value they can remove the waste activities.
2. **Identify and Map the Value Stream** – This involves all parts of the company that deliver the product or service. The key is to identify how companies deliver what their customer wants.
3. **Create Flow by Eliminating Waste** – It would be normal after mapping the Value Stream to find that only 5% of activities add value in a product or 45% in a service. By eliminating the remaining waste ensures that the product or service flows to the customer.
4. **Respond to Customer Pull** –Once a customer required a product it should be available on demand. Therefore companies should only produce what the customer requires thus eliminating waste.
5. **Pursue Perfection** – Once the flow and the pull is understood, this starts the radical reorganisation of the company's process steps, as this continues more layers of waste become visible and the process continues towards perfection, where every asset and every action adds value for the end customer (Womack et al., 2007; Jones, 2003; Kazien, 2010).

Total Flow Management

Total Flow Management or Value Stream Mapping, visually presents a manufacturing or service trail from the beginning of the process to the finished product or service. It can be used as a communication tool, a business planning instrument, or a method to manage change. It brings a company through from recording the current state to a plan to achieve the future state, removing waste along the way (Kazien, 2012).

Total Productive Maintenance focuses on manufacturing and improving equipment with a view to reduce costs, improve quality and deliver consistency. TPM has been used in many market sectors where cost is very much driven by equipment performance (Kazien, 2012).

Total Service Management is about correctly recording whether the key performance areas are working and if not then implementing improvements with a view to CI. It includes any area that will lead to bottom line business improvements using KPI (key performance indicators), including the identification of accountabilities and responsibilities. This area focuses more on people involvement rather than management. This is to allow the teams to become more involved and empowered (Kazien, 2012; Bento and White, 2010)

Just-In- Time (JIT)

JIT processes looks at inventory costs and logistics and the ability to take costs out of the manufacturing process by ordering materials in the quantities needed when needed and delivered when required. This reduces costs in inventory, warehousing, logistics and insurance. It streamlines production runs, reducing overtime and extra staff (Kee-Hung and Cheng, 2009; Hiroyuki, 1989, 2009).

The above systems tend to be focused on cost savings by looking at the processes or the ways their employees and teams work. Reducing waste is one of their key requirements. In terms of this DBA study all of these methods are viable and relevant providing they support the end user or customer and deliver a service that encourages their customer to return on a continuous basis. However they have been criticised for their lack of focus on the customer or employee (Dale, 2003; Lagrosen, 2001; Dale and McQuarter, 1998; McQuarter et al., 1995) therefore although they can be drawn upon they do not necessarily fit the ideal of being able to bring together a CI and Customer Service strategy in one place.

Total quality management (TQM)

TQM has a long and much lauded history of research and implementation having a number of proficient writers on the subject of which Deming and Juran would be considered 2 of the most influential. Juran and Deming's philosophies are still in use (cited in DeFoe and Barnard, 2004; Endres, 1999).

Sashkin and Kiser (1993) describe TQM as consisting of a three pronged approach:

1. Training in the tools available to solve issues and improve processes.
2. The customer must become the centre of the process
3. Company culture should be one of agreed values and leadership direction.

TQM can also be seen to consider employees as their no. 1 asset where companies must instil values and aims before attempting to drive for customer quality. Further, in order for companies to perform to the optimum all elements must be aligned, companies could damage their strategy by not taking into account all areas of business functionality (Asif et al, 2009; Harvard Business Review, 1999; Ishikawa, 1990). Criticism is still aimed at TQM as not being sufficiently customer focused or not having a company culture to support it (Dahlaard, 2006; Irani, 2004; Godfrey et al., 2002).

Jones (2008) discusses the process of bringing TQM and Lean Management together as a means of CI, and considers a companywide approach, using employees to identify and run projects. He suggests seven areas for review including an increase in market coverage and using employees to identify and run projects. However, Jones's steps are internally focused and not focused on customer experience; in fact they do not mention the customer at all. Although Jones discusses customer satisfaction as a potential part of the projects, it still echoes an internal waste management system. In contrast, Marsh (1998) describes TQM as based on internal leadership and the difficulties in getting leaders to change behaviour and become completely customer focused, he is of the opinion that leaders are the most important cog in the process (Champney 1995). As a result, this thesis looks at the role leaders take in the implementation of a company culture focused on customer service and how leaders interact within their businesses to ensure all employees understand and follow the company's policies and strategies with regard to customers.

Six Sigma

Although Lean and Six Sigma are often seen as the same process; Lean looks to process flow whereas Six Sigma tends to focus on process variation taking a right first time approach and focuses on precision and accuracy (Laureani et al., 2010). Lean Six Sigma however is the amalgamation of both philosophies using both principles in the implementation of improvements (Laureani et al., 2010)

Juran (1989) describes Six Sigma as having 5 measured steps: Define, Measure, Analyse, Improve and Control (also shown in fig. 5 and 7). Indeed Dahlgaard and Dahlgaard-Park (2006) argue that Lean philosophy and Six Sigma steps are essentially the same and conclude that Lean, Six Sigma and TQM philosophies are focused on training people in tools and techniques with too little focus on understanding the human factor (Dale and McQuarter, 1998; Dale, 2003; McQuarter et al., 1995; Lagrosen, 2001). This thesis will attempt to address the issue of human involvement by ensuring customers are a key component in the overall framework.

Figure 5 Juran's Sigma steps verses Crosby's business improvement model.

In its simplest format Juran's sigma method contains 5 basic steps.

1. Define the issue to be resolved and the basic deliverables
2. Identify what is to be measured
3. Analyse how this will be achieved.
4. Design the process to deliver the project
5. After delivery verify the project is working.

Crosby's Quality Model contains 4 steps

1. Identify the customers' needs.
2. Prevent the fault
3. Zero Defects as standard
4. Quality is measured by non performance

(Bose, 2011; Stamtis, 2003; Crosby, 1995; Juran, 1989).

Figure 5 shows where Crosby's starts the process focussing on the customer whereas Juran on initial view seems more focused on the process, however it cannot be assumed that the issue to be resolved is not a customer issue. Crosby (1995) is concerned with the amount of defects sanctioned by using Six Sigma and Lean. He advocates zero faults but is also concerned that managers need to be trained in the tools to improve (Arya et al., 2003). In all cases statistics are used freely, with the objective of getting management to look at annual improvements. Stamis (2003) agrees with Juran that quality should be designed into the process, information must feed downwards with responsibilities clearly assigned, and management should empower employees and allow them to take responsibility (Dale, 2003;

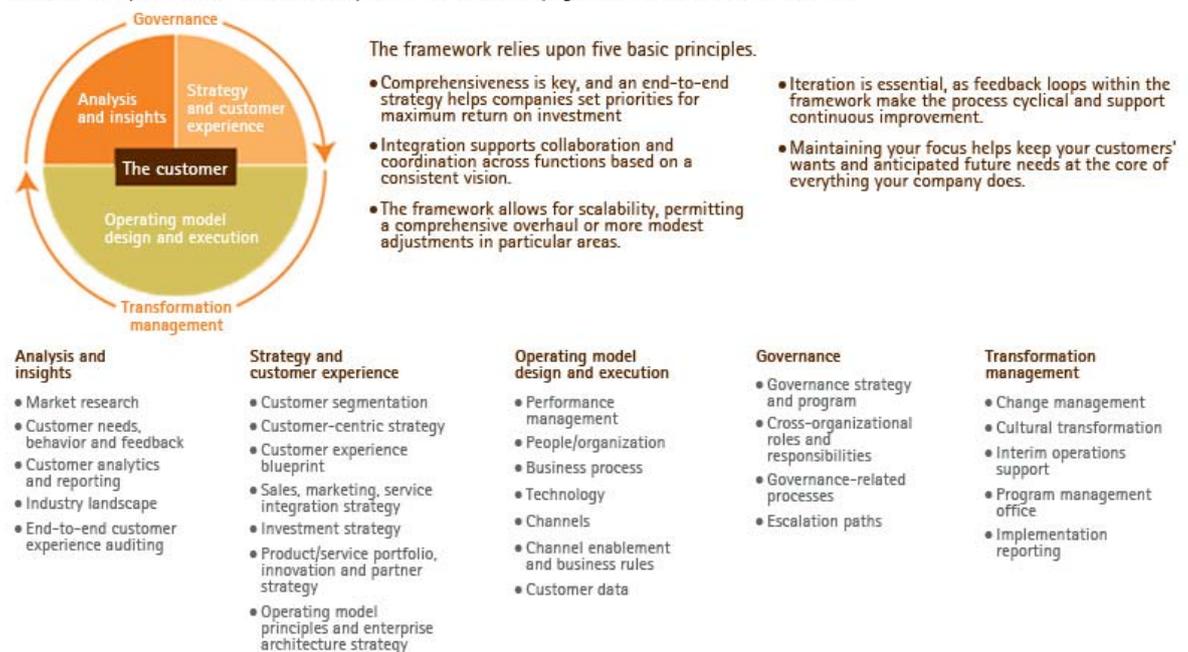
Kuber, 2002; Sashkin and Kiser, 1993; Bono and Judge, 2003). This all concurs with Likert (1976), who discusses peoples understanding of the way they should be treated, discussing a win- win problem solving tool helping management solve issues whilst keeping employees motivated and on board. Notably, Batt (1999) found a 17.4% sales increase when a team managed itself as opposed to no perceived increase using a TQM system, with these effects persisted over time. Larson (2003) endeavours to demystify the Six Sigma process and discusses its attempts to engage people to perform to the required level and take ownership of the process and experience. Again, however, all this discussion is internally focused on processes and waste reduction rather than externally focused to the customer.

It could be envisioned that these processes could become part of the implementation of the overall framework implementation but not the framework itself, and may be suitable for certain parts of the implementation process.

Accenture Customer Centric Framework.

The Accenture Customer-Centric Operating Model Framework

The Accenture Customer-Centric Operating Model Framework is designed to be used by companies at any stage of maturity on the journey to customer-centricity. Whether a company is looking for smaller "quick win" enhancements or is in need of a comprehensive transformation, it can use this framework to translate customer-focused strategies into execution. The framework helps organizations guide efforts to build and integrate the foundational and customer-facing functions and capabilities that drive customer experience, while always keeping the customer at the focus of its efforts.



The above model is a practice based framework used by Accenture. Absent from this model is any references to an academic grounding and inquiries were not fruitful in ascertaining the origination of the framework. The framework itself is very simplistic but with the

explanations attached it is easier to understand its use. It could also be argued from the above that analysis, insight and customer experience could be a similar topic with a company strategy developed from the findings and analysis. The existence of such models clearly shows the importance of the topic, but a key point is to improve the provenance of such models by giving them academic weight and underpinning. This thesis aims to do just that.

Similarly to the business improvement methods mentioned above, this framework also recommends its use either holistically or for individual department change and is identifying that 50% importance surrounds company process design, However based on the academic literature, it should be asked whether a holistic approach with customer service, continuous improvement and culture would have a stronger standing (Lee, 2011; Merchant, 2010; Van de Berg 2007; Nolon, 2005; Kumar and Petersen, 2005; Suzaki 2002 and Porter, 1998;). Also and again based on the academic literature whether the role of the leadership team should be identified at the outset and indicated as an important key in the implementation of change (see fig. 24), (Swaim, 2010; Liaw et al., 2010, Rowlands, 2008; Champney, 1995; Klie 2007) .

2.3 Continuous Improvement (CI)

CI gives a company the ability to continuously collect relevant information with a view to making improvements to assist in the delivery of improved internal and external customer service. CI is described as the improvement of initiatives that increase successes and reduce failures and is the discipline of implementing change within an organisation by continually researching the needs and wants of customers and employees. It includes the integration of all areas of the business, communications from top down and bottom up and making necessary changes to processes, people, technology and training in line with the company strategy in which the whole company is in alignment (Berry and Parasuraman, 1991; Berry, 1995; Suzaki, 2002; Juergensen, 2000; Buelens, et al., 2002). Deming (2000) argues that issues are usually the fault of the system and not of people and that in a manufacturing process there are many variations of the same product that require the use of statistical analysis and controls (Aqua 1991). In contrast, Deutsch et al., (2006) argue that issues or conflict occurs for many and varied reasons, and finding resolutions can be challenging and depend on the personalities, communications and processes involved. They argue that change will not occur unless all parties recognise its need and are willing to execute it (McLagan, Krembs, 1995; Remington and Pollack, 2007; Zulnaidi, 2002).

Therefore vital to the success of its implementation is the buy in from all parts of the organisation, where no one department is in a position to implement change without understanding or discussing the impact on all other departments. Figure 6 shows a Standard company (as defined by Deming) and a Deming run Company:

Figure 6. A standard company verses a Deming company.

Standard Company	A Deming Company
Quality is expensive	Quality leads to reduced costs
Defects are caused by workers	Most defects are caused by the system
Buy at a lower cost	Buy from vendors committed to quality
Play one supplier against another	Work with good suppliers
Fear and reward are proper ways to motivate.	Fear leads to disaster

Deming (2000).

Deming (2000) and Crosby (1980) argue for consistency in all products or service and agree it is management's responsibility to lead and implement change. Deming (2000) believes that there should be no need for mass inspections as these can be done by statistics instead; he would like to see fear driven out of work practices to reduce barriers and suggests the removal of numerical goals. Problems are allocated to management to resolve and employee training is vital and as important as supervision (The Emerald Group, 2009). Deming (2000) advocates the construction of internal structures to implement increased production (Crosby, 1995; Deming, 2000). Rowlands (2008) adds to this by including people, with clearly stated responsibilities and accountabilities. Rowlands and Kuber (2002) and Crosby (1995) agree with Deming (2000) in that delivery and communication is the responsibility of the leadership team and that improvement is a continuous process that requires monitoring, leadership input and support (Rowlands, 2008; Champney, 1995; Klie 2007).

Arguably therefore, company culture should hold the value that everybody in the organisation is committed to delivering quality and CI (Rowlands, 2008; Bartley et al., 2007). Indeed, Suzuki (2002) notes the focus that Total Quality Management and Just-in-time programmes put on eliminating waste and increasing value, yet bemoans the waste in the use of human skills and talents, and resultant imbalance in the work / life equilibrium. He suggests a more holistic and humanistic approach to improvement, advocating data collection to fully understand issues before solutions are agreed and implemented. He suggests dividing each department into mini – companies with the responsibility of each

department to perform and contribute to overall profit. Suzaki (2002) further suggests that management must spend time on the work floor to understand employee and customer experiences. Suzaki argues this will bring many benefits ranging from the humbling of management to a broadening their knowledge, and mean that problems are addressed at source through a total company involvement that creates increased motivation and self-management. However in order to implement this, continuous research into all areas of business is required to help employees understand customer and company needs. Such research will streamline companies, eliminate waste and allow for a clear understanding of company requirements.

CI is therefore a key area to help companies understand their business and achieve a competitive advantage (Barlow and Stewart, 2005). Porter (1995) emphasises continual learning about both customers and competition, and to do that a company needs information (Goodman, 2009). Figure 8 suggests four areas for inclusion in a holistic CI initiative (Buelens et al., 2002 p. 8). Bhuiyan and Baghel (2005) also note the general agreement that CI and quality management programmes work together as both seek process excellence through implementing improvements. Taylor (2010) considers issues around adopting new initiatives, and argues that without continuous communications, motivation and issue resolution it is unlikely to happen. Implementing new systems is more about communications, skills requirements, aligning targets to strategies, planning, experience and psychology rather than dictating (Osterwalder and Pigneur, 2009; Kaplan and Norton, 2001, 2006). Correct implementation can increase adoption (Christopian, 2008; Phillips, 1998).

Figure 7. A comparison of Marsh, Deming and Juran CI models.

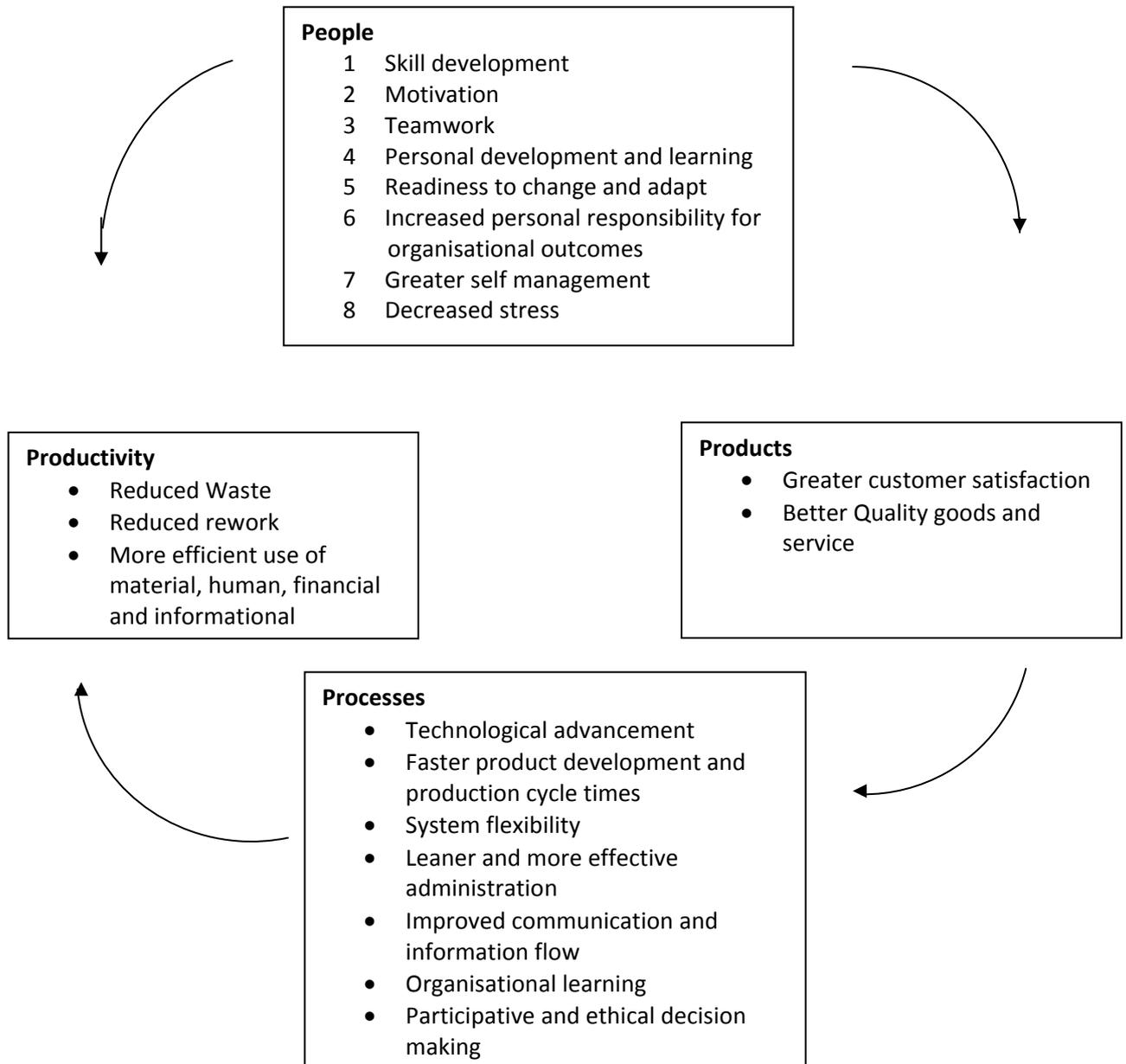
Marsh (1998)	Deming (1997)	Juran (1989)
Define	Plan	Define the issue
Analyse	Do	Identify what is to be measured
Improve	Study	Analyse how to measure
	Act	Design the process
		Verify the process is working

(Marsh, 1998; Endres, 1999).

Although figure 7's models first appear quite simplistic and similar in approach, within each area there are many tasks. These happen on a continuous basis and can be used in all areas or departments, and could be used in Suzaki's (2002) mini companies'

suggestion. Similar to Suzaki (2002), Larson (2003) and Armstrong (2000) tend to focus on employee engagement and skills and the importance of instilling a companywide CI culture, of which TQM and Six Sigma become an integral part. The 4-P Cycle of CI goes some way to incorporate many the facet of the business environment.

Figure 8. 4-P Cycle of CI. (Buelens et al., 2002, p. 8)



This model is arguably somewhat simplistic in its implications, for example within the product area it describes how the customer will feel or the delivery of quality goods and

services. These are merely statements and in other parts of the cycle it describes the actions that need to be taken such as developing skills, or increasing responsibility. However, Porter (1998) advises caution regarding the error of potentially jumping from one strategy to another, as this takes the focus away from implementing any one strategy correctly. Also, a clear leadership plan and direction is essential to make strategy available (Swaim, 2010; Liaw et al., 2010).

2.3.1 The Cost of Quality – PAF

The Preventative, Appraisal and Failure model is used to describe the costs of quality within a business (Seokjin and Behnam 2008, Beecroft et al., 2003). In general the costs associated with attaining quality surround areas such as waste management, i.e. unnecessary work carried out or scraps which refers to products that do not meet the quality standard and are defective. Other forms of costs include making corrections, or re-working goods or the necessity for continuous inspections and any activity necessary to find faults in either products or services, These descriptions involve internal costs of quality, there are also costs associated with external issues such as repairs, servicing, warranties or complaints and returns handling including the cost of reputation and resource (Oakland 2004).

Prevention – This is the cost of any action taken to investigate and prevent non conformance, such implementing processes, CI or training to ensure errors are not made.

Appraisal – This refers to actions that verify, check or evaluate to ensure quality is achieved.

Failure refers to examining costs from product and services that did not meet requirements. There are two parts to this cost that is internal, referring to products or issues that arise before the product reaches the customer, and external, where costs are incurred when the customer finds the fault (Truscott, 2003).

In general, where quality performance is low, the cost of failure and rectification follows (Oakland, 2004), and companies should understand the costs involved with non conformance or failure and address it. However, Oakland (2004) also notes that it is sometimes difficult to separate costs into PAF categories, especially where companies are already focused on quality achievement. Oakland (2004) also notes that this model shows no consideration to any increase in sales or profit if companies are already achieving advantages by following a high quality strategy. Further, if companies find there is a trade-off between the cost of investment and the cost of failure, this may go against their CI philosophy (Oakland, 2004). Cosby was of the opinion that quality is not a gift but is free

(Truscott 2003 pp. 29) and if quality is right first time then the savings in the above costs should increase profitability substantially.

Using a CI process allows companies to understand their internal and external customer needs, it is important therefore that companies not only use this information to improve but also to ensure that when improvements are made they focus on both cost reductions and improvements in customer experience. It is also important to consider the communication and implementation of any new strategy to ensure usability and internal uptake. In conclusion it transpires that Six Sigma, Lean, TQM, JIT and other business improvement processes are vital cogs in the process of CI but not the process itself, they go some way to instilling a method of running businesses but of equal importance is the leadership, culture, people, skills and communications throughout the process: i.e. every aspect has to be integrated in the approach.

2.4 Customer Service.

This section provides a definition of customer service and considers the issues that can occur in service, leading to a loss of customers. A number of models are shown to indicate the importance of delivering excellent customer service and also show the potential size of the loss if companies deliver poor customer service.

Customer Service: is the service provided in support of the company's products and promises made (Zeithaml and Bitner, 2003; Bitner et al., 1990) and where all business processes and individuals are focused on the customer (Coelho and Henseler, 2012; Bolton, 2004; Bitner 1995).

Customer satisfaction: A customer finds the service so good the trust the company in all respects at all times (Hart and Johnson, 1999)

2.4.1 Gaps in customer service.

In order to understand the value of CI, companies need to understand what happens to their customers in terms of the delivered service from their employees.

Figure 9 indicates a number of reasons why customers leave companies:

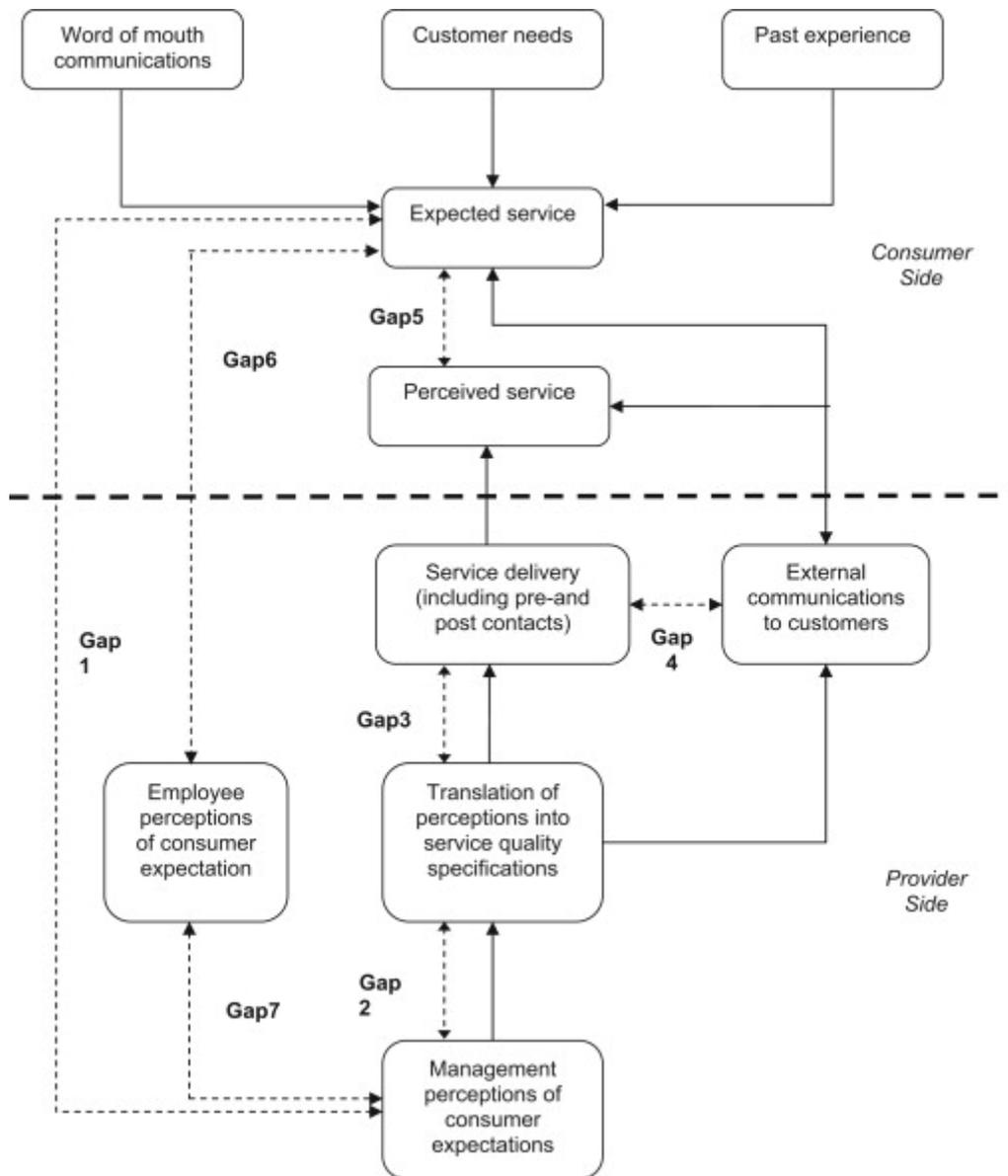
Figure 9. Of the people who leave companies they leave for a number of reasons;

Mintel (1999) (Financial Service)	Daffy (2001) (General Business)
1. 41% due to continuous bad service	1% die
2. 36% if products are uncompetitive.	3% move away
3. 46% would go to another provider	4% continuous movers
4. 29% if they find a better service.	5% move on recommendation
5. 17% change for loyalty schemes	9% move on price
6. 13% change for convenience or location	10% chronic complainers
7. 26% will never change because of inertia	68% leave because of bad service

In addition to these figures, when the Mintel figure for continuous bad service (41%) is added to the - to find a better service (29%) they equal 70%, a very similar figure to Daffy who also states that 68% of people who leave will do so because of the perceived delivery of bad service. This indicates a similar figure for different sectors and other research shows that it is considerably cheaper to retain customers than it is to acquire new ones and it can deliver a competitive advantage (Siti, 2011; Bishop, 2009; Hayes and Dredge, 1998). 71% of business leaders believe that customer experience is the next corporate battleground (Keiningham et al., 2008; Shaw and Ivens, 2002). If a company understands where the service delivery fails then they can start to implement improvements to address the issues (Helms and Mayo, 2008; Fink, 2001).

According to Zeithaml, et al., (1990) there are potentially 4 service gaps, they include issues such as not understanding what a customer expects, not having the correct service design and standards in place, not delivering to these standards and not matching performance to the expected or promised standards. Figure 10 shows these gaps in a model format.

Figure 10. Gaps Model of Service Quality



(Zainal et al., 2012, pp. 148, Zeithaml et al., 1990 p. 532)

The customer gap 5 above the line indicates a gap between the service the customer expects and what they actually receive. Any expectations can be built up via a number of areas for example advertising, word of mouth, and artefacts (fig. 16). Ideally, the two should match (Millard, 2006).

Gap 1 is that between customer expectations of service and lack of company knowledge of what the customer expects. There can be many reasons for gaps such as insufficient, inconsistent or unused market research, lack of, or poor communication,

employee commitment or understanding and lack of a recovery strategy (Gibson, 2012; Hess et al., 2003)

Gap 2 looks at the ability to design operational standards that deliver an excellent customer service. This gap occurs for a number of reasons: complicated processes, a lack of management standards, not understanding client's needs. Indeed, Ulwick and Bettencourt (2008) argue that less than 5% of companies actually understand their customers' needs.

Gap 3 discusses the non-delivery of service standards. Employees or processes do not perform to the highest standards, the wrong people or processes may be in place, or the reward system and empowerment are not in line (Halkais, 2007). If service providers and staff are not performing, quality issues and stock shortages occur, and a company's reputation may be affected. Only people can deliver effective customer service, processes do not. (Wellington, 2010; Brown, et al., 2002).

Gap 4 happens when the promise communicated by marketing and the service provided are not harmonised, for example: over promising, departments not being aligned, multi sites delivering different standards and mismatched strategies (Sparrow et al., 2004).

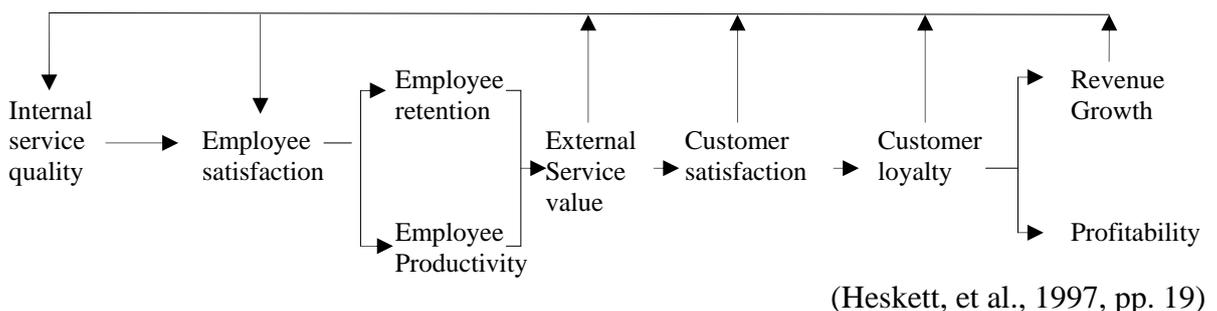
Gap 6 and 7 were added to Zeithaml et al.'s model by Luk and Layton in 2002 to include the providers interaction in the process (Brinkkemper and Slinger 2012), Gap 6 is the difference between what the employee perceives the customer expectation is and the actual expectation of the customer a misunderstanding will under deliver on quality. Gap 7 shows the expectation between what management expect and what employees deliver. The gap widens if the employee hold a different perception of what the customer expects which differs to that of management.

Companies must arguably manage all communications throughout the company internally and externally to manage the expectations of customers and employees (Haran, 2005). The key to closing the customer gaps are making sure they are understood and corrected; any shortfall will be a letdown for the consumer (Garber, 2005; Zeithaml, et al., 1990). This concurs with a CI position, where it is recommended that all departments are aligned and communicate on a regular basis, and that research is undertaken to understand and meet customers' needs (Berry and Parasuraman 1991, Berry 1995, Suzaki 2002, Juergensen 2000, Buelens, et al. 2002). Zeithaml, et al., (1990) and Bolton (2004) also claim that companies must understand their customer's needs, have a company wide customer focused policy and standards that are achievable and measureable. Gronroos (2007) suggests that no communication within the company should make agreements or promises that cannot be fulfilled. Expectations are unique to each person and change regularly thus delivering an

ongoing challenge (Harris, 2007). Throughout all this research, people are identified as one of the most important parts of the process; internally, in training, empowering, communicating and identifying and keeping good staff and externally by understanding and delivering a customer's needs. Using research to close any identified gaps in service delivery is essential; not doing so is arguably a waste of resources in time, money and especially customers. If a company undertakes CI programmes, which include research and communications, these gaps should be identified early and companies can focus on not just serving but actually delighting their customers (Daffy, 2001) reducing the amount of staff and customers leaving the business (Fox, 2008). One of the aims of this thesis is to explore links between CI and customer service.

Pride and Ferrell (1989) describe customer service as the top priority for companies, without which there would be no profit. It is difficult to find exceptional customer services companies but when encountered they stand out with characteristics that include high staff morale with low staff turnover, returning customers, low promotional costs and high number of referrals. They can normally achieve higher prices and receive relatively high profits (Heskett, et al., 1997). Customers must be seen as the most important part of business and understanding a company's customers is an essential guide for companies before even setting a company strategy (Williams, 2008; Porter, 1998). Customers should be integrated within the business culture (Heskett et al., 1997). Figure 11 attempts to make a direct link between the delivery of good service and the increase in profitability. By researching each area of the business, addressing issues both internally and externally, customers become more loyal and staff turnover reduces, by integrating this with excellent direction, training and communications, employees become more productive and revenues increase (Lawfer, 2004; Want, 2003; Conduit and Mavondo, 2001). This thesis thus includes both internal and external customer needs and feedback in the overall framework.

Figure 11. The service profit chain.



The service profit chain above is a simplistic model of both internal and external events that can effect company growth and profitability, it maintains that if employees understand and deliver, company led quality requirements this will lead to employee satisfaction and increased production and retention. Once the product or service is delivered to the required level the customer is also satisfied and becomes a loyal and returning customer in turn delivering increased profits. This process however neglects to mention how companies understand the quality required or that the process is holistic including all areas within a business nor the leadership requirements within the process. Heskett, et al., (1997) also suggest that successful companies may also begin to fail due to complacency or arrogance; this is also indicated in the predatory culture in Figure 17.

Figure 12. Recovered customers

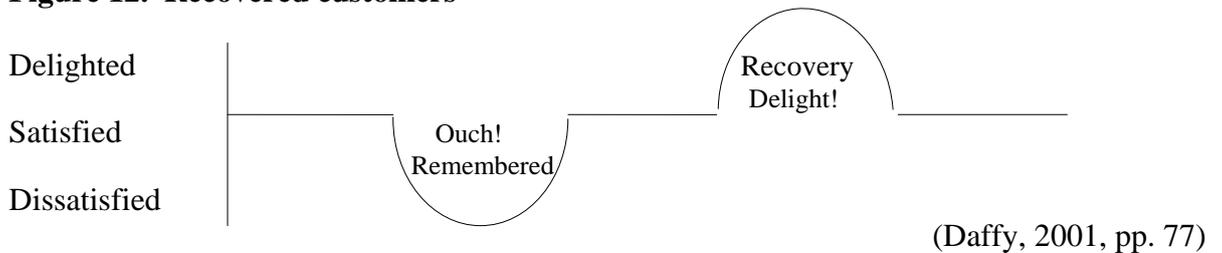


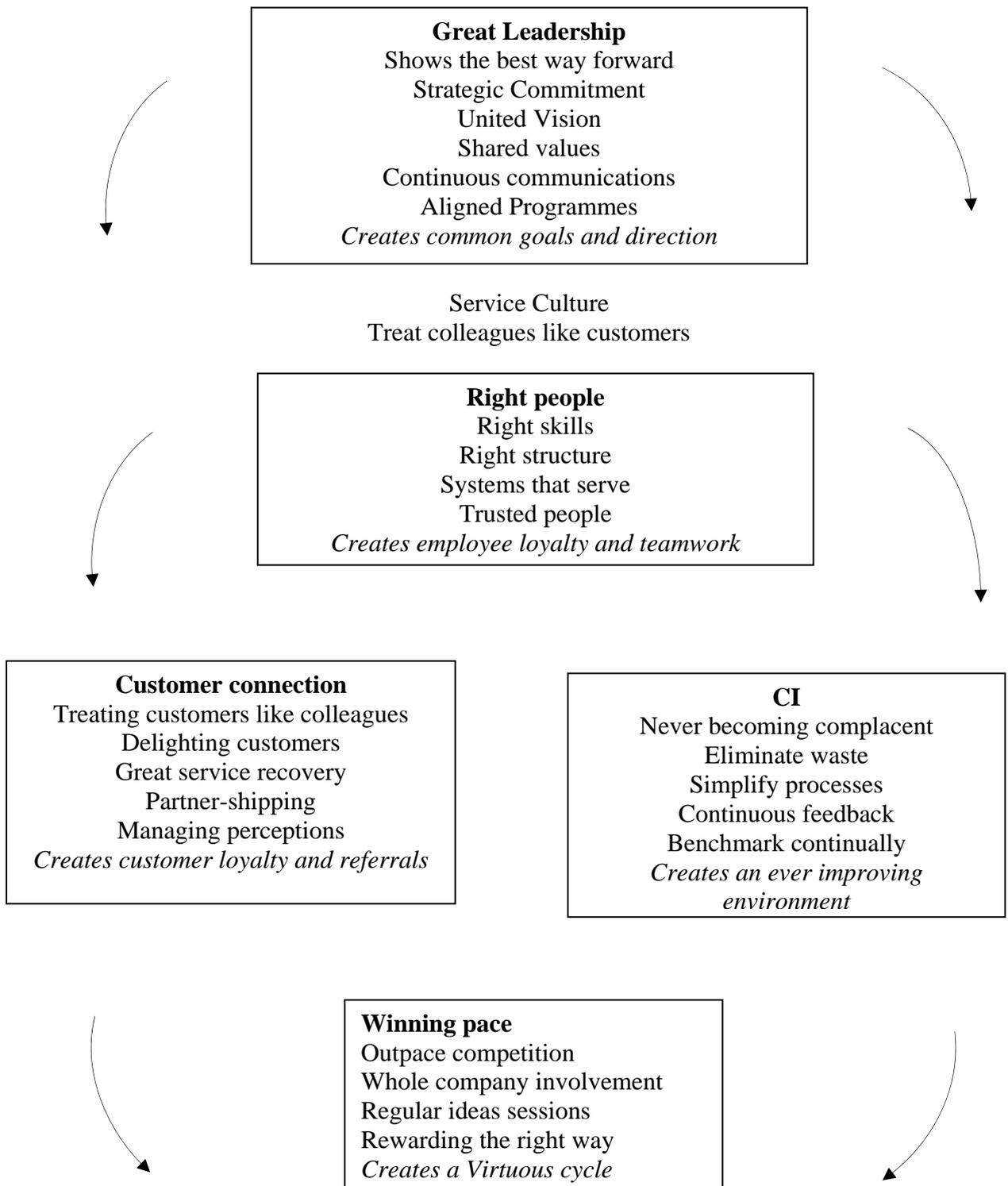
Figure 12 shows Daffy (2001) agrees with the above theorists but goes one step further. Daffy argues that companies should not be happy to just recover from bad service delivery, they must go further and delight their unhappy customer to ensure their ongoing loyalty (Komunda and Osarenkhoe, 2012; Daffy, 2001). Thus, if a company employs a CI strategy, the findings from the poor service delivery should be used to correct the service ensuring there is no reoccurrence (Mattila and Wirtz, 2004).

Figure 13 shows the key elements Daffy (2001) argues to be involved in becoming a customer service focused company. These key elements must be integrated to permit the implementation of a customer service values proposition, and to help close any gaps between customer needs and service. It shows the link between having a united vision and continuous communications which includes employing the right people, research, communications, processes and procedures, all focused in the same direction. It is continuous similarly to the dynamic environment businesses trade in. All of this is in line with the findings from the continuous improvement research, although the model in Figure 13 shows CI as one of the steps in the process, CI has been included in this thesis as an equal part of the overall framework.

2.4.2 Negative customers (Toxic customers)

Companies can experience what are termed as negative or toxic customers (Gallagher, 2013). These customers are described as customers whose actions can be detrimental to a company's reputation and profitability. These actions can take the form of abuse, non-payment, taking advantage of staff or companies (Schenck, 2005) or bullies who wish to have their way regardless of the consequences (Gallagher, 2013). Gallagher (2013) argues that with the right techniques such as listening, calm communications, under reaction to threats and acknowledging the truth, it may be possible to satisfy these customers needs, however in the long run it may be prudent not to continue to do business with them (Schenck 2005, Gallagher 2013).

Figure 13. The key elements of world class service



(Daffy, 2001, p. 223)

Within this thesis this model is used as a comparison with the 4P cycle of CI as shown in Figure 8 in an attempt to identify if there are links between CI and Customer Service.

2.5 Competitive advantage and customer engagement

Customer and employee engagement is crucial to both CI and Customer Service and both are vital to delivering a competitive advantage. Yet, depending on variables such as tiredness, culture, experience and mood, customers will perceive a ‘good’ service in a different way (Gratton, et al., 2003). Baker (2010) argues companies should have well trained flexible staff, with adaptability, and have the discretion to deal with customers as individuals. However companies need to support these values and put mechanisms in place to sustain them. To succeed there are a number of areas to consider ranging from, knowing what customers want to implementing a framework of continuous monitoring and improvement (Walker 1990).

However, according to McEwan and Fleming (2003), companies who simply measure customer satisfaction are not doing enough. Results show that even satisfied customers defect as they are not emotionally engaged. Thus, companies that do not delight customers are at risk of losing them, simply because they are buying their satisfaction through loyalty schemes, bonuses, gifts or discounts, when the real engagement measures should be confidence, integrity, pride all emanating from employees (McEwan and Fleming, 2003; Daffy, 2001). 16.85% of business leaders agree that traditional differentiators alone are no longer a sustainable business strategy (Shaw and Ivens, 2002).

Fleming (2005) describes 5 principles for customer engagement:

1. Customer and employee engagement are interrelated and must be measured as a whole.
2. Companies must acknowledge the human and emotional behaviour in the interaction.
3. Measurements must be in place from the top down and take into consideration local requirements.
4. These interactions must drive operational and financial targets.
5. Improvements to pay, recruitment, and promotions must support customer engagement strategies.

This implies that there is a need for a holistic approach between customer and employee engagement, and a link between measurable KPIs and pay and status. These engagement measures must be included in the company’s culture to ensure complete customer satisfaction, engagement and longevity (Smith, 2005). To enable a companywide customer focused policy the workforce must accept that it will have to change but management must communicate and support the changes (Cook, 2008). Companies that perform in delighting their customers should attain a competitive advantage and experience rewards such as a

happier and empowered workforce that solves problems, a clearer competitive edge and a growing business reputation (Harris, 2007; Daffy, 2001). According to Douglas, et al., (2010) loyal customers are returning customers and create profitability by their repeat business.

The ability to undertake a totally integrated customer services policy, culture, values and procedures is time consuming, difficult and costly, but should be beneficial (Gronroos, 2007). Many companies implement new customer service initiatives and expect profits without changing cultures or fully communicating the benefits of these systems (Newell, 2003). Thus, in terms of investigation for this thesis, areas such as customer research, data collection, employee empowerment, training and support are all included. Figure 14 below is similar to the CI models in figures 8 and 13 in that it attempts to integrate the company's workforce in a similar way, suggesting that a company can achieve a competitive advantage by having the correct people in place. Throughout published research there is reference to the fact that companies can achieve a competitive advantage by including people in their plans and strategies (Sita, 2011; Bishop, 2009; Lawler, 2008; Oliver, 2002; Gremler, et al., 2002; Champney, 1995). Figure 14 looks at the inclusion of training / development, performance measures and rewards as part of the overall objective, matching the company's long term goals to their business plans and filling any gaps that may occur thus leading to a competitive advantage to help provide customer value (Gopalani and Shick, 2011; Agrawal, et al., 2006; Porter, 1995).

Figure 14. Competitive advantage through people. (Gratton, et al., 2003, p.185)



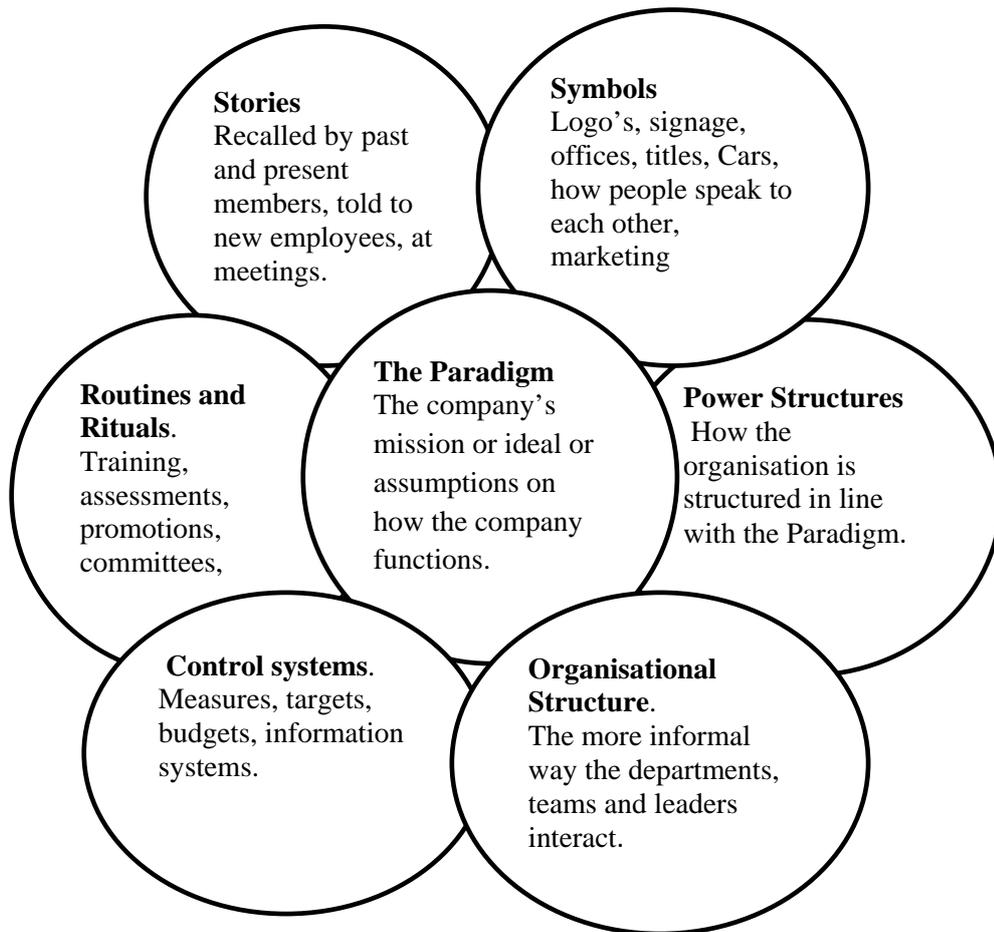
Figure 14 also suggests that the approaches should be interrelated, however it is suggested that in not doing so, failure is normally down to a few key areas such as the HR's strategy being out of line with the company plan and consequently skills and behaviours are thus out of line. On the basis of the above figure, 'people' (employees) must be central to the overall competitiveness and to the overall delivery of a customer service ethos.

2.6 Culture

Culture is the 3rd key area identified as being important to this investigation as culture is the structure a company is constructed around and takes guidance from (Drennan, 1992). The literature suggests that a company's culture can affect the way employees work and that company attitude to customers should be reflected in all its dealings. Culture explains company routines, processes, attitudes, and acceptable behaviours (Drennan, 1992), the beliefs, attitudes and values in a company (Williams, et al., 1993), and it can be fundamental to an organization (Johnson et al., 2008). Corporate culture is the way of doing business both internally and externally (La Wells, 2009). Rothwell (2010) argues that in the future companies will need to instil a regime of trust, loyalty, leadership, quality and job satisfaction (Pride 2008). Figures 15 and 16 show how culture is constructed around company ideals. Understanding company culture is vital when considering change as culture can affect the communication, implementation, adoption and speed of delivery. The cultural web (fig. 15) shows how company culture is constructed.

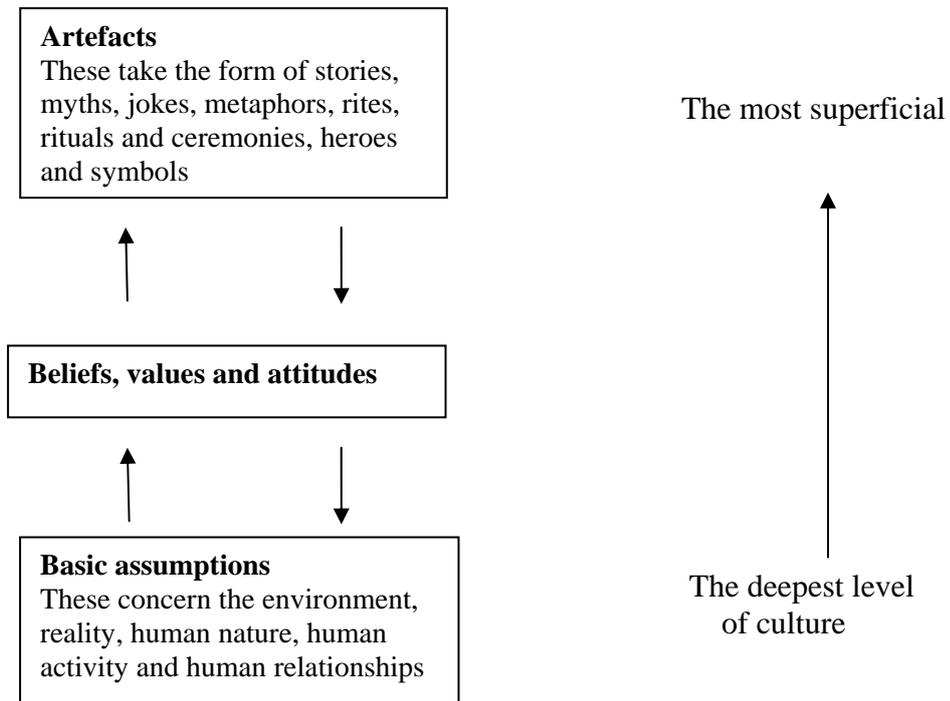
Figure 15. The Culture Web

(Johnson, et al., 2008, p. 202)



Schein (2004) shows that at the most superficial level (Figure 16 below) it is artefacts that are the most important reference for a company. Artefacts include reports, products, adverts, physical layout, location, systems, structure and material objects. (Johnson, et al., 2008). For this thesis the artefacts (websites, leaflets, brochures and internal procedures) of the respondent companies were researched and it transpired that 7 of the companies made no mention of the importance of the customer on their websites and the remaining 2 referred predominantly to company values rather than customer service. However as Schein (2004) notes, culture can also be much more primary and can be seen in the everyday behaviour of employees and the impact this behaviour can have on the overall business.

Figure 16. The levels of culture and their interaction

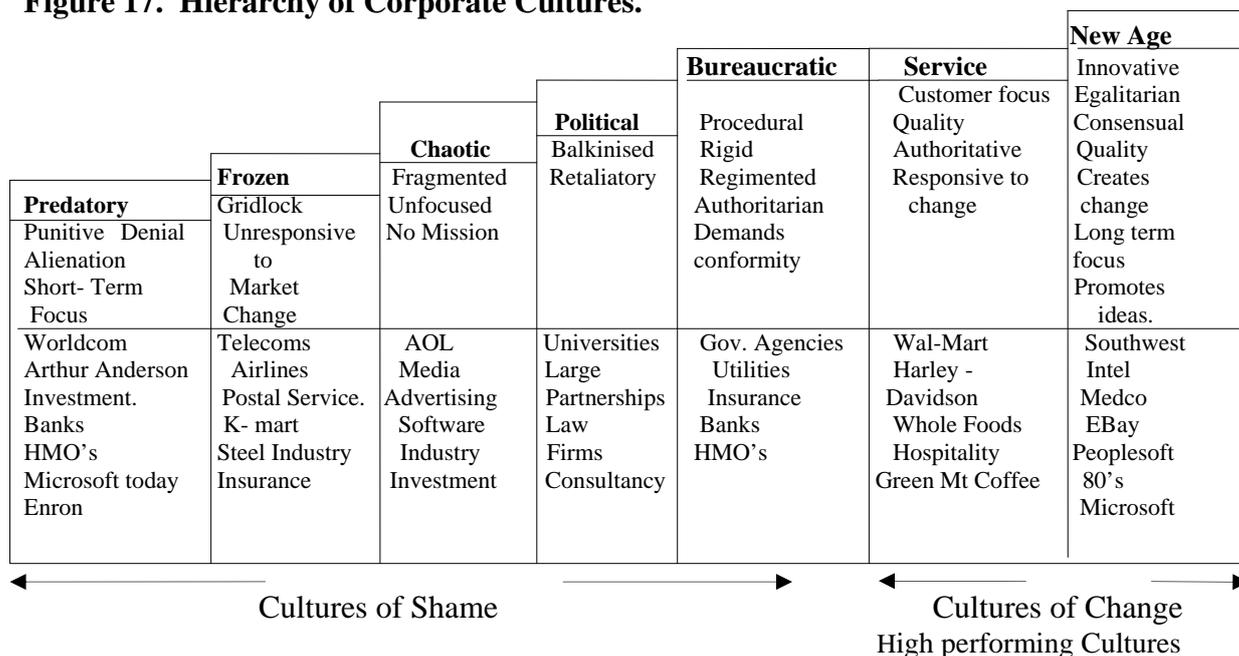


(Schein, 2004, p.17)

In order to change a business, arguably two factors must be considered: firstly culture is important and secondly, in order to change a culture it may be necessary to change the management team (Smerd, 2009). This may also require not tolerating employees who work outside the company's core values (LaWells, 2009). Yet, precisely how "not tolerating" is done is not explained by either Smerd (2009) or LaWells (2009) so for this thesis respondents were asked questions about implementing process change and how employees would react to change (see appendices 6, 7 and 8).

Figure 17 shows Want's (2003) 7 hierarchical cultures: the higher performing cultures are companies that do not withdraw from the need for change, they understand their customers (Want, 2003). The types of companies are described in more detail below.

Figure 17. Hierarchy of Corporate Cultures.



(Want, 2003)

According to Want (2003), cultures of change are cultures that are in control of their organisations and are responsive to change. They have high quality standards, are open to new ideas and take a long term strategic view. In contrast, Predatory cultures rarely change. Schein (2004) suggests that a strong leader can influence the culture of a company. Frozen cultures do not take risks, instead they continue to operate as normal without questioning, problems can be hidden and eventually cause major issues. Similarly, a chaotic culture is one where the company rarely has a sustainable competitive strategy, when a problem is realised, it is usually too late. (Want, 2003).

Political cultures are full of conflict but tend to have rules they do not break (Rudolph, 2003). Bureaucratic cultures places the customer's needs after the needs of the company, and companies with such cultures tend to be systems driven with high staff turnover (Oliver, 1999; Powell, 1995). Conversely, service culture companies start with the customer and work backwards, integrating processes to fulfil the customer's needs. The top performing culture is a New Age culture with a strong commitment to both customers and employees. Companies with new age cultures create change; they value employee opinions and are happy to innovate. Much research (Champney, 1995; Powell, 1995; Oliver, 1999; Want, 2003) argues that companies will only survive if they have cultures of strong people empowerment, flexibility, high ethical standards and quality. There should be integration

between company strategy and culture, most importantly; company culture must have full leadership support (Want, 2003). For this thesis, questions regarding company culture or ethos are covered in the first two interviews (Appendix 6 and 7) and company structure in the third (see Appendix 8).

Despite all of the above, not all researchers agree that company culture can be categorised so easily. Deal and Kennedy (1982) argue that no company fits into any singular culture. Similarly Cameron and Quinn (2005) argue that individuals have ideas, interactions, innovations, and that outcomes affect the status quo but within a set of rules. Nevertheless, it is arguable that if these findings are correct, individuals should not work outside the company's values, as doing so may direct the business away from its true beliefs.

Valentine et al., 2003 argue that companies can gain further employee commitment if they correctly communicate their company's ethics policy, increasing the belief that companies have strong values. A teaching culture where people know how to problem solve in an ever-changing environment is seen to be a method of sustainability (Baker, 2010; Burack, 1991).

As customers become more demanding company employees arguably need to behave differently. Most training focuses on requirements such as processes and procedures but may not take into account the dynamics of market conditions or potentially new ways of doing business. Baker (2010) suggests that history itself shows that the top down approach is most effective for organisational change. However, this assumes that management knows best, and does not consider the employee perspective that a bottom up approach may bring about faster change (Baker 2010). This thesis asks respondents about empowerment, training and company values, and their communications and implementation.

2.7 Conclusions

This section collects the findings from the literature review and summarises their links to the thesis. These have been broken into the three key areas of CI, Customer Service, and Culture.

2.7.1 Continuous Improvement

CI research shows many and varied ways of improving company performance. A number of the processes reviewed are successful in their various fields, however many are focused on internal processes and waste reduction. Various writers criticize the TQM process, which does include the customer in its procedures, but perhaps fails to go far

enough (Dale, 2003; Lagrosen, 2001; Dale and McQuarter, 1998; McQuarter et al., 1995), it also suggests the need for annual reviews, but these could be too late for a CI agenda (Ooi et al., 2011). Deming (1997) and Juran (1989) argue for a more integrated system including people but again focus on process consistency, structures and analysis. Rowland (2008) goes even further, and includes the leadership team with clearly defined employee roles and the need for continuous reviews; at this stage the process starts to take on a more holistic view. Notably, Porter (1998), Nolon (2005), Merchant (2010) Suzaki (2002), Harvard Business School (2009), Van de Berg (2007), Kumar and Petersen (2005) and Lee (2011) all agree that a holistic approach, including complete director buy-in, clear direction and collaboration using pertinent research and training, is essential to the implementation of relevant strategy. Paramenter (2007) suggests developing a set of key performance indicators will help deliver this aim by focusing employees in one direction, moving power to the front line, integrating measurements by linking reports to performance and performance to strategy.

This research leads to the 4P Cycle of CI (fig. 8). This model includes key facets of the discussions shown together in one framework. However there is no mention of the cost of implementing a CI strategy in the literature. This may be because the cost of gathering research on a continuous basis can be extremely expensive, and could potentially be outside a company's budget or it is possible that the cost may not be perceived to justify the required changes. This is especially in consideration of the fact that such research gathering can also be time-consuming.

This thesis investigated how companies collect and analyses data on their customers, how often they do this and what they did with the information. Within this CI area questions also encompassed change management, technology and communications.

2.7.2 Customer Service

Understanding customer needs and employing the right type of person are recurring themes in this review. Understanding and addressing these issues will arguably help companies go a long way to delighting and retaining customers. Customer Service research concurs with the CI discussions that companies must hold onto and support good people but keep the customer in mind at all times (Want, 2003). Figure 13 shows how elements of a business link together. The literature indicates that a key component of a good customer service policy is the need for a holistic approach, and that it is insufficient that only one department change (Gryna 1993). Gaps in service delivery should be identified and rectified

both internally and externally. Internal gaps occur when company strategy is not in line with customer needs or companies do not have the correct resources, training or procedures in place to deal with them, (fig. 14). Thus, communication must play a role, and in doing these tasks together it is suggested will create a competitive advantage for companies and the implementation of KPIs where customer service measures are included and used as a measure of career progression.

Figures 8 and 13 also share a comparable outlook in that they encompass the whole company, indicating that if change is to happen then maybe more than one department should be involved. This includes areas such as waste removal and simplifying procedures with the inclusion of people in the overall process. The need for CI rather than an annual review is also considered.

This thesis investigated key areas such as employing the right people and what 'right' actually means. It considers how to identify the right people and issues around interviewing. It also looks at the company's Customer Service policies and strategies and questions how these are communicated throughout the organisation with a view to understanding if a holistic approach is being achieved. The research also investigated whether respondents believed they understood the competitive advantage that good customer service delivery could bring.

2.7.3 Culture

The culture of a company plays a key role in the running of a business, and must permeate throughout the company. Culture can be influenced by leaders, and as figure 17 shows, this can have either a positive or negative effect. Cultures of openness and change are those that can produce a competitive advantage and sustainability. Similarly as with the business improvement, CI and customer service discussions, leaders can affect the success or failure of a strategy. The ability for companies to take a holistic approach can also depend on the culture of a company, as can the ability or eagerness to change. Companies that will survive tend to have cultures that embrace people empowerment, strong leadership, flexibility in its people and processes and hold high ethics and quality policies. Within the theme of culture investigations for this thesis related to the company's leadership team and their ability to implement their ethics and values policy, the company's ability and flexibility to change, whether employees are given clear guidance and training about what is expected of them.

2.7.4 Summary

The literature generally agrees that companies must gather relevant information about both internal and external customer needs and endeavour to achieve sustainability and a competitive advantage. In order to make changes to do this, however, an established culture of delighting customers, with clear staff direction, strong leadership, unambiguous policies and procedures, excellent communication, and training programmes to improve skills and instil employee empowerment are required.

Business improvement models such as TQM or Lean, although part of the process, arguably do not constitute the whole process. They can be somewhat process driven and less customer focused. To undertake a CI or Customer Service initiative, companies must consider all areas in relation to customer experience, ensuring all employees understand customer needs, and have the capabilities and empowerment to address them. It is acknowledged that employing the right person is considered the most important asset to a company. Yet, identifying and keeping the right people is a challenge (Soderlund and Rosengren, 2008). Rewards, targets and measurable KPIs must recognise the customer within the system and procedures must align with the company strategy.

Interestingly, throughout the research there is little mention of any increased profit by implementing a CI or customer service strategy. Arguably, by using a company measured figure of lost customers (fig. 9), companies could calculate the potential increased profitability from a CI initiative by calculating potential profit had these customers been kept. To do this however companies would need to measure how many customers they were losing and understand the average spend of a customer. The cost of information gathering, analysis and employee resistance, retraining and recruitment must also be considered.

Top management should understand their business from the front line upwards to enable them to develop and communicate any new strategies. It is generally proposed that directors spend time working throughout the business to achieve a full appreciation of everyday issues and encourage more open communications, both vital in implementing a successful customer-focused approach and culture (Rahim 2002).

Company culture has many facets and also impacts on all business areas. Research shows that companies with CI customer-focused culture, values and norms tend to be more successful. Thus, companies must motivate employees by setting clear guidelines surrounding their values and norms that must be followed.

Yet despite all of the above many companies still focus on sales, manufacturing and profit rather than customers, Based on this review this thesis attempts to investigate a link between the 4P cycle of CI (fig. 8) with the key elements of world class service, (fig. 13) to reveal if any relationship between CI and customer service exists (Appendix 9 and Table 3). Although this literature review has identified that many and varied links exist, none of the models are wholly inclusive, and the importance of a customer service lead company culture is not clear. The linkage chart (Appendix 9) therefore looks to show where the associations are between the CI and Customer Service models and the literature review. Subsequently, from this chart and the interview findings, the framework was developed. This process helped ensure all key areas were included, thus developing a framework guide amalgamating all areas.

This thesis now turns to the methodology and methods chapter to describe how the investigation for the thesis was undertaken.

Chapter 3. Research Methodology.



Introduction
Research Philosophy
Methodology - The Delphi technique
Research Methods
Data Analysis
Conclusions

3.0 Introduction

This chapter describes why the researcher took a critical realist philosophical position and explains the benefits and limitations of this philosophy for the research undertaken. The chapter addresses why the Delphi technique was chosen as the method for this piece of work and looks at the advantages and disadvantages of using this method. It continues by discussing the use of interviewing for data collection. A list of ethical issues is reviewed and accounted for within the context of this project. The chapter examines the ethical issues surrounding confidentiality, especially as the researcher was sharing information amongst anonymous interviewees who indicated serious concerns about revealing their own and their company's identities. Following this is a consideration of how reliability and validity were achieved. Changes that were adopted based on pilot studies are also described. The chapter also describes and discusses how the data was collected, coded and analysed and concludes with an overview of the section.

3.1 Research Philosophy.

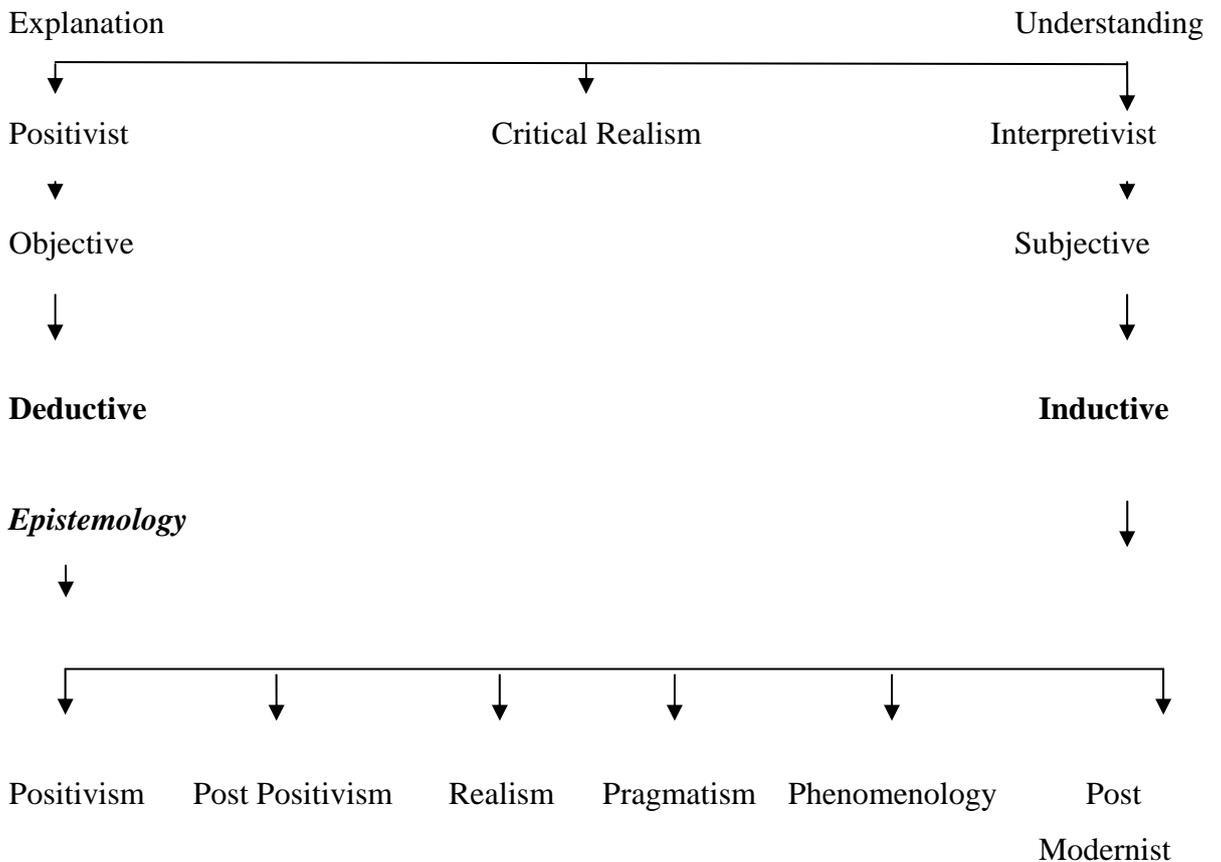
Figure 18 below is adapted from a number of sources and shows an amalgamation of paradigms in research philosophy. Most of the paradigms can be used in conjunction with each other with the exception of positivism and interpretivism which at the extremes, would not necessarily be used together (Gill and Johnson, 2010).

Positivism takes a strong scientific or number based testing approach and according to some can be measured through observations (Smith, 2008; Grix, 2004). Others argue that not all positivist approaches can be measured in this way, as some can be purely scientific and mathematical and not observational (Gray, 2009; Wince, 2003, 1990). Positivism takes a generally quantitative position and looks for consistencies in the data to understand laws (Wince, 2003).

At the opposite end of the spectrum is interpretivism, which is more involved in people, behaviours and actions. It takes more of a qualitative approach and deals with more social responses; assuming that people comprehend the world differently and are less likely to be open to scientific measurement (Benton and Craib, 2001). In the centre sits critical realism, which can transcend across epistemologies looking at objects as being independent and outside the control of the observer (Grix, 2004).

Figure 18. Paradigms in research philosophy

Ontology



(Adapted from: Gill and Johnson, 2010; Gray, 2009; Smith, 2008; Blaxter, 2006; Grix, 2004; Crotty, 1998)

3.1.1 Ontology and Epistemology

Ontology is a philosophical position that is the starting point in deciding a researcher’s research philosophy. It looks at the nature of interaction and how researchers see the world. (Gill and Johnson, 2009; Saunders, et al., 2000) There are two extremes showing positions of either fixed explanations or theories (objectivist) or the opposite extreme of understanding; for example looking at behaviour or actions (subjectivist).

Once the ontological position is decided the research then takes the form of either an objective or subjective role. The objective position accepts that truth is based upon facts and measurable laws which are ascertained through reasonable deduction, also known as deductive reasoning. Conversely, a subjective position accepts that truth is open to interpretation, can be in a state of flux and is normally observational or inductive (Gill and Johnson, 2009; Saunders et al., 2000).

Epistemology looks at the theory of knowledge as it is known (Benton and Craib, 2001). Not all epistemological positions are shown in figure 18 above.

Positivism: The positivist's epistemology is one of cause and effect, or theory testing and explanation (Williams, 2003). According to Caldwell (2007) its uses within the economic world have been in decline over the last twenty years. Caldwell (2007) describes positivism as being of use to those who will benefit from the rigours of scientific scrutiny, and suggests it be used in conjunction with other philosophies to achieve a fuller picture. In contrast Blaxter, et al., (2006) describe positivism as a logical way of research, and cite statistics or experiments as examples of positivistic measures, also called quantitative research.

Interpretivism described by Williams (2003) as making a shift away from explanation to interpretation, or from numbers to language. Winch (2003) argues that the social world cannot be measured by laws but it does have rules that are changeable depending on many factors, such as cultures, beliefs and experiences. Language is also an important factor as words have many meanings and can be interpreted differently. According to Williams (2003) interpretivism uses qualitative methods such as interviews as a mechanism to measure people's experiences and feelings.

Post Positivism holds a similar basic belief to positivism, but accepts that some methods can be flawed and goes on to use further techniques to validate results (Blaxter, et al., 2006; Groff, 2004). Gray (2009) describes post positivism as the rejection of the belief that it is possible to scientifically measure behaviour (Harrington, et al., 2006).

Critical Realism occupies a space between positivism and interpretivism, understanding the need to challenge both paradigms and looks to bring about change (Crotty, 1998). Data is gathered from more than one source (Archer, et al., 2004). Critical realist ontology favours

the use of a mixed methods approach or triangulation, which is the use of more than one method of measurement to induct reliability (Gray, 2009). It looks at the three post-positivist epistemologies: empirical, actual and deep investigations. As far back as 1975, Bhaskar who is considered one of the key writers in the field of realism, was unhappy with the stance of positivism, and from his dialectical (arriving at a truth by logical argument) standpoint looked for an account of science as an alternative to positivism, looking at a structured differentiating ontology. Bhaskar (2008) sees causes having an effect on outcomes and began the development of the realists positioning. According to Gill and Johnson (2010) the aim of critical theory is to empower and liberate those who are disadvantaged in organisations. Baker and Foy (2008) also assert that reality exists independent of the observer; there are many realities depending on the number of observers.

Post-modernism. According to Gray (2009), post modernists argue that an objective truth is unobtainable; there are only partial truths. Grix (2004) and Klages (2007) concur that in post modernism there is no certainty, and many truths. Postmodernism looks at smaller samples rather than the whole; it questions everything and makes no claim to absolute truth. All information is short term and temporary, and for that reason cannot guarantee stability (Sokolowski, 2008; O'Donnell, 2003).

Phenomenology. According to Collis and Hussey (2003), phenomenology looks at behaviours from the researchers' point of view. Moustakas (1994) describes phenomenology as measuring patterns over a minimum of a one-year time span, gathering in-depth information during this period. Smith (2008) states that the researchers own experiences can have an effect on this type of examination therefore potentially introduce interviewer bias.

Pragmatism. Jacobs (2004) describes a pragmatic research philosophy as being one that requires the researcher to examine the social consequences of their actions, use moral choices and learn from experience. He goes on to describe pragmatism as the truth being temporary. Easterby-Smith, et al., (2008) further expand on this, stating that experiences are continual and learned and that circumstances therefore continually change (Bacon, 2012; Hook 2008).

3.1.2 Critical evaluation of the researcher's research philosophy.

The researcher took a critical realist philosophical approach for this thesis. This philosophy discards the extremes of pure positivism or interpretivism and as described above, looks to explain more fully the issues being researched. This thesis is focused on the dynamic business environment and therefore is not testing theory or measuring figure-based data. Thus, a positivist approach may not be suitable. On the negative side, it is possible that choosing this philosophy will be more time consuming and costly due to the depth of investigation. Given the input, experience and close proximity of the researcher there is the possibility the researcher can influence or lead the respondent in their answers thus affecting the results or leading to bias. The critical realist's philosophical position however, sits best with the requirements of this thesis for the following reasons.

3.1.3 Justification of the chosen research philosophy for this study.

The research philosophy of critical realism has been chosen for a number of reasons:

- a) The depth of investigation involved in the critical realist's philosophical position is a benefit for this research piece due to the requirement for consensus and the mix of businesses involved.
- b) Critical realism is a philosophy based on instigating changes within companies for the benefit of individuals (Crotty, 1998). The use of a CI process may indicate many changes for the benefit of a company's internal and external customers.
- c) Triangulation can be used to ensure validation (Gray, 2009; Winter, 2000).
- d) Critical Realism it is not an extreme ontological position. The researcher's ontological position would not be an extreme one and therefore is a good fit. As a practitioner the researcher understands the need for, and has used, quantitative information in the past, she has also used qualitative information for business decision making. She is therefore very comfortable with the use of both methods which in her experience has normally assisted and contributed to a deeper understanding, allowing for better informed decision making, for example using sales figures as an indication of success or taste testing to develop new product variants.

- e) The research is not testing a hypothesis and is making no scientific claims (Grix, 2004). It is gathering various opinions using the experience of a range of experts in a range of industries to broaden the scope of the framework's usage.
- f) This philosophy can draw upon the best of both positivism and interpretivism in its position in understanding the benefits of both quantitative and qualitative research.
- g) Critical Realism understands the need to choose the most relevant and most appropriate research method for the study in hand, and allows for more than one method to be used. In this case it is gathering a view of reality from the expert's point of view, and integrating those perspectives into a consensus and then into a framework guide.

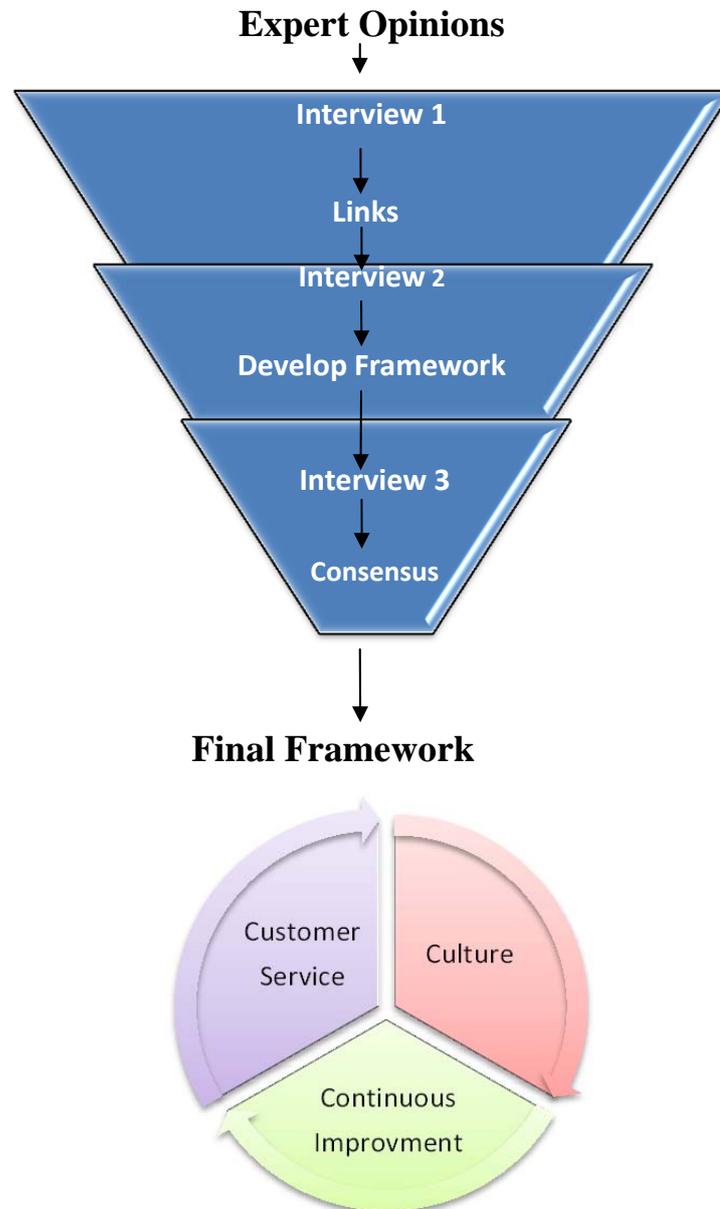
3.1.4 Limitations of other research philosophies.

In the context of the aims of this DBA thesis, other approaches are seen to have a number of limitations. A purely positivist approach would not allow for the depth of investigation and would limit the research to scientific validation and theory testing (Blaxter, et al., 2006). This would focus solely on quantitative methods and not allow for a mixed methods research project, limiting the breadth of information gathered and analysed. Postmodernism is also not very suitable as it takes a narrower view and does not look at the whole picture (Klages, 2007; Grix, 2004). It makes no promise of stability and has a moveable truth making it less attractive as a research philosophy for this thesis given the understanding that the results may be used in future business proposals. Phenomenology relies on patterns of data gathered over a minimum of a one-year time frame and allows for the experiences of the researcher to influence or direct the interview (Collis and Hussey, 2003). Pragmatism looks at the truth as being temporary and the researcher is constantly going through a learning experience which in itself is continuously changing (Easterby-Smith, et al., 2008). Looking at these last three positions together and taking into account the customer's actual experiences which are assumed to be legitimate and valid, if there is no sustainable truth it would be difficult to design a CI framework.

This thesis investigates the actual experiences and expert opinions that in turn will be used to develop potentially costly new procedures within companies. It is important that interviewer bias be considered and as far as possible kept to a minimum, and that actual experiences are recorded if companies are to be successful.

3.2 Methodology.

Figure 19. The Delphi technique.



3.2.1 The Delphi Technique

The method chosen for this project was the Delphi technique, which takes a qualitative and systemised approach. This method dates back to 1948 when it was known for its uses in forecasting and planning, from horse racing to weather forecasting (Gupta and Clarke, 1996; Woudenber, 1991). In the 1950s and 1960s it was used more prominently for quantitative assessments, and became more popular in the 1970s as a method of research investigation or a communications device (Woudenberg, 1991) that moved away from purely quantitative methods into the qualitative arena. This meant the move to the

undertaking of a number of interviews, both semi-structured and structured with industry experts, or, as Browne (1968) described it, a methodology used in the elicitation of opinions of experts. The Delphi technique combines the opinions of experts by controlling the exchange of information between anonymous interviewees using a number of rounds of interviews (Rowe and Wright, 2001). In 1996, Gupta and Clarke analysed a total of 463 papers, of which, 254 papers treated Delphi as the primary method of investigation with the remaining 209 using it as a secondary method.

The respondents were chosen due to both their experience and position within their organisations, all respondents were either responsible as directors for operations within their organisations or the owner of the organisation, under these circumstances the Delphi technique refers to the respondents as experts.

The Delphi technique does not seek indisputable fact, but rather represents an open and creative discussion aimed at promoting independent thought, but in a systematic and structured manner (Woudenberg, 1991). Powell (2003) describes the Delphi technique as a method of investigation that seeks to gain the most reliable consensus of opinion from a group of experts. Linstone and Turoff (1975) stated that the implementation of anonymity assists in the benefits of this method, and go on to state that there is a feeling of sharing of the responsibility for the outcome amongst the participants. In 2003, the Delphi method was used in the tragic Victoria Climbié case to achieve a level of consensus and understanding of the whole picture amongst the emerging themes from expert interviewees such as police, lawyers, teachers, medics, social workers and others involved in the case as to why Victoria had fallen outside the observations and controls of the children's social welfare system (Taylor, 2008).

The main characteristics of the Delphi technique are:

1. Anonymity
2. Use of industry experts
3. Several rounds of interviews are undertaken to achieve consensus and thus reliability
4. It takes a systemised approach
5. It uses qualitative methods such as semi-structured and structured interviews
6. Opinions are sought and shared
7. Feedback is given after each round

(Rowe and Wright, 2001; Woudenberg, 1991).

A minimum of 2 interviews is suggested with a minimum of 6 experts (Rowe and Wright, 2001; Woudenberg 1991). This piece of research used 3 rounds of interviews with 9 experts. At each round the data gathered was shared with each interviewee and new opinions were sought. The value of the feedback tends to be based on the experiences of the experts; therefore to ensure accuracy, experts of an appropriate level of experience are required (Rowe and Wright, 2001). Ettlíe (2006, p. 103) described it as “systematically asking and summarising expert judgement in successive rounds of interviews”. For this thesis, and after the first two sets of interviews, using the findings, the models (figure 8 and 13) and the literature review, the framework guide was developed. For the 3rd round of interviews the framework was shown to elicit industry expert opinion as to the suitability and ease of use of the framework in practice.

3.2.2 Critical evaluation of the Delphi technique

There are a number of limitations using the Delphi technique; however for this piece of research is it thought that they are outweighed by the advantages. Using the Delphi technique is time consuming, for example the first interview took almost 8 hours to complete, transcribe, code and analyse. 27 interviews were undertaken in total. The timing and the use of this technique was dependent on the availability of the experts and the interviewer. This in itself proved to be a challenge, and the 3rd interview was the hardest to agree and arrange.

One of the criticisms of the Delphi technique is that editing can lead to bias, yet this can be said for all interviewing techniques (Salkind, 2010; Sackman, 1974). In this case all comments were coded and placed into themes thus reducing the bias implied. Another criticism of the technique is that the experts will not all have the same experience, expertise or opinions. However this is one of the reasons that this technique should be used for this piece of research as it is the expert’s different experiences that were sought and were used to give structure to the final framework guide. Their opinions and honesty as to the usability of the framework were vital in understanding whether this was a guide that could be used in practice.

In line with this technique no company was aware of any of the other companies or industries. This also allowed for the researcher to discuss and probe in more detail for clarity or for further information and it allowed the participants to answer with confidence. For each round of interviews a pilot study was utilised. These studies prompted a number of changes to both the wording used and the position of the questions (Chapter 3.4).

Disadvantages of using the Delphi technique. (Salkind, 2010; Sackman, 1974)

- Time consuming.
- Needs commitments from all experts.
- With the interviews being anonymous it could lead to a lack of interest or responsibility for the answers given.
- It can be costly in terms of both time and money.
- Difficult to get all interviewees available within a time frame.
- Low responses can decrease the feedback and validation.
- Editing allows for bias due to interviewer interpretations.
- Assumption that all experts have the same experience, knowledge and expertise.

Advantages of using the Delphi technique. (Salkind, 2010; Woudenberg, 1991)

- Multiple interactions allows for reflection and modification.
- It encourages innovative thinking and consideration, especially when people know the information is shared.
- Anonymity encourages discussion especially if it's outside a group.
- May stimulate new ideas.
- Technology can now be used in the form of Skype.
- The ability to continue interviewing until a consensus is found.
- The use of industry experts in the process.
- Giving feedback allows for all participants to widen their knowledge.
- Participation can lead to ownership and result in implementing change.

In summary and for this thesis it is thought that the amount of rich knowledge shared from the experts far outweighed the volume of time and effort taken.

3.3 Method Used

3.3.1 Interviews: structured and semi-structured.

The experts selected were a convenient sample (Anderson et al., 2009) chosen because they were known to the researcher and were willing to participate in the research. The Delphi technique uses both semi-structured and structured interviews. For this thesis the first round of questions were semi-structured to allow for expansion and probing (Teche, 1990). These interviews were undertaken with nine directors (industry experts) across nine different industries and company sizes.

A broad industry view was sought largely due to the aim of producing a framework guide that could be used in the general business marketplace. The experts were asked to respond with a management /director level viewpoint and were assured of their anonymity.

An interview generally involves one to one interaction where the interviewer can ask probing questions; however, caution must be applied to avoid directing the interviewee (Goddard and Melville, 2001). There are a number of limitations using either semi-structured or structured interviews. Kothari (2004) and Salkind (2010) both note that the main issues tend to be around the expense of these approaches in both time and cost. This includes the transcribing, coding and the analysis of the data, which in this case occurred more than once. Another danger is that of interviewer bias, which can be introduced as the interviewer and interviewee become more familiar with each other. To help counter this bias the use of the Delphi technique allows for the data to be shared and discussed amongst the experts, albeit anonymously, with the aim to achieve a fuller understanding and eventual consensus and thus initiate validity and reliability. Using interviews in this case is utilising a qualitative and deductive approach and therefore statistical rigour is not a parameter by which they should be judged.

The second round of questions was more detailed and specific. The questions were developed from the findings from round one and shared in turn with each interviewee. Feedback, opinion, and answers were discussed. In round three the interviewees were shown the framework guide developed from the combined findings from rounds one and two.

In terms of the process of the data collection, each interview was taped, transcribed, coded and placed into themes by the researcher. All nine respondents were offered a copy of each of their nine transcripts and all declined. The interviews lasted between 45 minutes and 95 minutes. After the first transcription using only the voice recorder, transcribing was done with the use of Express Scribe and this substantially reduced the amount of time consumed.

The first two transcript findings were put onto an excel spread sheet and after discovering that this method became too cumbersome and difficult to use, all information was re-entered into a word document. This allowed for easier access and legibility of the information.

The interview questions were focused on 3 key areas as indicated from the literature review: Company Culture, Customer Service and CI.

The questions being researched fell under the following categories:

- Using the literature in the areas of CI and Customer Service to investigate the links (if any) between each.

- Using the key components of the CI framework to critically explore a Customer Service strategy
- Investigate the role of CI in implementing good customer service strategy

With regard to protocol before the 1st interview took place the following documents were sent to the interviewees for signing and review:

1. Introductory letter. Outlined the project, the process and the interviewees participation. It included the right to withdraw option and contact information for an independent person involved in the process. It also guaranteed confidentiality and anonymity (Appendix 3).
2. Consent Letter. Confirmed the interviewee understood the process and consented to participate and attained permission to use the voice recording device (Appendix 4).
3. Contact report. This form contained the date of the interview, the attendees, the location, environment and other relevant notes. It was used for all 27 interviews (Appendix 5).

3.3.2 Interview locations.

4 of the experts requested to undertake the interviews by Skype. This was mainly due to location and time restraints. The other interviews took place either in the expert's office or in a nearby hotel. The actual interview structure felt no different regardless of the method i.e. meeting face to face or Skype. The benefit from the use of Skype was that these interviews took part after work hours either in the evening or at the weekend. They tended to go on longer than the face-to-face meetings, the respondents appeared more relaxed and there seemed to be less of a time constraint. The required signed forms and letter for these four were emailed to each respondent and were signed, scanned and emailed back. The signed documents for the other 5 were exchanged at the meetings. Company information was posted to the researcher in all cases, except one who brought the information to the second face-to-face meeting. The disadvantage of meeting in hotels was that the background noise could be picked up making it harder but not impossible to hear the answers for transcription.

In terms of the stages of the actual interview itself, Berkeley (2004) proposes the use of a 3 phase interviewing process and this was used as a guide for this research. Table 1 below outlines the phased Berkeley suggests on the left hand side and the implementation used for this project listed on the right.

Table 1. The 3 phases in interviewing.

(Berkeley, 2004.)

<i>Berkeley</i>	<i>Research Project</i>
Phase 1 Introduction	
Greeting	<p>Before the meeting send the introduction letter, the consent form and the right to withdraw at any time.</p> <p>At the meeting commence with an introduction, a thank you and request the signed forms. Request permission to use a recording device and permission to take notes.</p> <p>Explain about discretion and confidentiality. Give assurances about anonymity and confidentiality and about non disclosure of identities or company information.</p>
Describe what the interview is about	<p>Explain that the 1st set of questions in the 1st interview are semi-structured and are around the findings from the literature review and they encompass areas such as: Customer Service, Company Culture and CI.</p> <p>Explain that the subsequent rounds of interviews are based on the findings of the previous interviews and the sharing of this information.</p>
Explain what the results results will be used for	<p>Explain that the aim is the achievement of a DBA for the researcher and the development of a workable framework guide for companies to</p>

assist them improve customer service and increase customer retention. Explain that potentially the researcher will use this framework in practice.

Time frame

Discuss the interviewee availability for 3 separate interviews of circa 30 - 60 minutes each. Commencing June 2011 completion May 2012.

Phase 2. Question and Answer

Questioning

Discuss the interview format of one semi structured interview for information collection and probing, followed by two developmental structured interviews for information sharing and further data collection.

Recording.

Request the permission to use a voice recording device and to also take some notes. Include this permission on the consent form.

Timekeeping.

Give assurance that the intension is to stick within the allocated time scale.
Arrive and finish on time.

Maintaining Rapport

Check all areas are covered and answered and the pace is fine for recording and writing purposes.
Check the understanding of the questions and ask if the interviewee considers anything is missing or would they like to add something.
Watch for flow and gaps in conversation, have a further set of questions available as prompt if necessary.
Confirm the environment is suitable and comfortable. Look out for signs of stress or anxiety.

Phase 3 Closing

Thank you

Offer thanks and follow up with a thank you email.
Ask if the interviewee would like to change anything for the following interview.

Follow up

Offer a copy of the transcript and explain that the interviewee will receive a copy of the framework for discussion at the last interview.
Confirm intention of second interview and future contact with date when known.

3.3.3 Ethical issues

Miles and Huberman (1994) ascertain that the research process can be full of ethical pitfalls. Correct ethics have an important relationship with the validity of the data collected. Arguably, if an interviewee does not feel the process is ethically sound, then they may feel less-inclined to disclose information, and thus the process may be less valid. One way to achieve this is, as Boeije (2010) suggests, through the establishment of a position of trust between researcher and interviewee. To establish this trust Boeije (2010) describes the following 6 issues as essential areas:

1. Confidentiality
2. Exploitation
3. Deception
4. Protected identity
5. Value for money
6. Who will benefit from the results

Table 2 has been developed to show the relevant solution used for each of these issues for this research piece.

Table 2 Ethical issues and Solutions

(Boeije, 2010)

Issue	Solution
Confidentiality	<p>A signed confidentiality agreement was given to each respondent (Appendix 3). Anonymity was guaranteed. All assurances were given to all participants that their identity will not be revealed nor will any reference to their company be printed within this research document unless agreed. This included company logos, websites, leaflets, posters, brochures, manuals and other materials.</p>
Exploitation	<p>Each interviewee was offered the opportunity of receiving a copy of the transcripts. The Delphi technique recommends transparency throughout the process. It is a method of knowledge sharing rather than exploiting.</p> <p>Companies who participated in the research receive a copy of the framework as they are being asked to review its usability in the final round of questions. They can then use the framework in their own businesses if desired.</p>
Deception	<p>To help avoid possible deception all interviewees were fully informed of the rationale behind the research and the aim to use the framework (if any) in the researcher's consultancy business. Further as mentioned above, access to the framework was made available. Copies of the respondent's transcripts were offered at each interview. Contact details of an independent person involved in this project were given in the introductory letter (Appendix 3) in the event further clarification or communications were required.</p>
Protected Identity	<p>As per the confidentiality agreement, identities were protected throughout. Assurances were given to the participants that their identity would not be revealed nor any reference to their company be printed within this research document and this included all information (Appendix 3).</p>

Value for Money.

There are a number of key areas seen as creating value:

1. The achievement of a DBA.
2. The development of a framework guide for use in the future.
3. Creating an academic piece of work for practitioner use
4. The opportunity for the researcher to become familiar with the Delphi technique for use in practice.
5. The ability to use industry expert opinions to inform the thesis.
6. A thesis grounded in a range of industries and company sizes.
7. Participating companies will automatically receive a copy of the findings as they examine the framework in the 3rd round of questions.

Who will benefit from the results?

1. The researcher will achieve a DBA.
2. The participants will receive the framework as the final part of the review and they in turn will be able to use this framework within their own companies if they wish.
3. Companies who implement the framework should see an increase in customer and employee retention and potentially increased profit.
4. One of the researcher's aims is to become a specialist in using the Delphi technique in business.
5. The researcher will benefit as the final outcome it may be used as a framework as part of a consultancy company.
6. Practitioners will have available to them an academic piece of work for use in the practitioner's world.
7. Using the framework as a means to improving Customer Service and retain the customer base should assist companies improve profitability.

3.3.4 Reliability and Validity. - Triangulation

Reliability: Data gathered should be dependable, consistent and accurate (Cohen, et al., 2007).

Validity: Research must measure what it intended to measure and is true (Grey, 2009; Patton, 2000)

Reliability and validity in this thesis was gained through triangulation i.e. data to be gathered from many and different sources, looking at events, cultures, observed information, policies, procedures, systems and relationships used for confirmation and looks to establish validity (Patton, 2000; Mathison, 1988). Cross checking the company websites, newsletters, process manuals and posters were also used in the validation of company information. Also used was the sharing of the respondent's company values and their own internal methods of interviewing and induction methods. Only two companies gave permission to use internal company data, albeit anonymously (Appendices 1 and 2). Undertaking three interviews with the same nine experts to gain a consensus in itself helped achieve validation as most reached agreement in the matters of relevance. The information was then compared to understand any links to establish confidence in the learning (Guion, et al., 2011; Easterby-Smith, et al., 2008).

A critical realist epistemology favours the use of a mixed methods approach, which is the use of more than one method of measurement to induct reliability (Gray, 2009). The literature review was the first step used for validation as apart from the depth of knowledge gleaned from this review, it lead to the two framework models used throughout this research and formed the basis of the 1st round of questions.

3.4 Pilot Studies

It was considered advisable to undertake three pilot studies as the Delphi technique requires a number of rounds of interviews and in this thesis that was three. Each one was carried out with the same expert and formed part of the overall data collection. The initial pilot study interview was the most in-depth as it included the initial process of signing the consent form, entering into discussions regarding confidentiality, gaining permission to use the voice recording device and the reasoning behind the research which was discussed in some detail. Some comments were made by the interviewee on the perceived bureaucracy surrounding the process, but after explanation there was an understanding that this needed to happen to validate the process. The interviewee felt that this made the whole process seem more "*official and serious*" (Company B). This discussion occurred several times over the

course of the nine interviews, and provided some comfort to the researcher as according to Sackman (1974) anonymity can create a lack of responsibility when answering questions, this felt like the opposite where the experts were taking the whole process in a more serious and helpful manner.

A semi-structured interview was used for the 1st interview and test to allow for in-depth discussions and probing into answers given as appropriate. The response from this pilot study was fruitful and the usefulness of semi-structured interviews became clear in the use of probing for further explanations and for clarification. The ability to question the answers if they were not clear proved valuable and led to the refinement of a number of questions (listed below). The interviewee was happy to participate in the study, as customer service was an area important to their business, they also indicated an interest in how other companies worked within the customer service arena, and liked the idea of information exchange. This led to a fuller discussion as they understood that their answers would be shared with the other interviewees and vice versa, thus increasing the sense of responsibility through sharing. (Linstone and Turoff, 1975).

3.4.1 Changes resulting from the pilot studies

1st pilot study interview

A number of changes to the 1st questionnaire were implemented from the pilot study:

1. The question: “How do you measure if your customer service policy is working?” was changed to: “How do you know your customer service policy is working?” This was due to the fact that the interviewee was unsure about the word measure. They understood how the company knew if their policies were working but they seemed to be searching for a figure of measurement which they could not find or explain. When it was reiterated in the above format they answered the question confidentially.
2. The question: “How do you measure your customer base?” was moved from the section Customer Service to the Company Culture section as it sat better with the questions about employees measured on customer retention and flowed better in interview.
3. The question: “How do you measure customer satisfaction?” was confused with the term Customer Service so was changed to “How do you know if your customers are satisfied?”

4. The question: “Do you measure how long customers stay with you?” Was moved from the Customer Service section to the Company Culture section as it also flowed more effectively as part of the measurement questions.

2nd pilot study interview.

The interviewee that undertook the first pilot study agreed to do the second and third. (Company B). In the second pilot study, quotes from the 1st round of findings were used, as prompts to the question. The respondent had no issues or difficulties with anything in the interview and all went well, however, when the quotes were sent to the respondents the majority of them did not want to use them for the interview and only wanted the questions. Therefore, after a number of interviews (three) the quotes were no longer used and the researcher reverted to the questions only. Ironically, many comments were also made that they liked the idea their quotes were used. The test respondent found it amusing to see some of their own quotes and it also seemed to make it more ‘real’ that they were participating in something that could be looked at for their own businesses where their opinion was sought, shared and used. They said it made them feel their “*opinion was of importance*” (Company B).

3rd Pilot study interview

In the third pilot study, each interviewee received a copy of the questions, the framework, a representation of a prism (fig. 23) and the findings from the first two interviews. The interviewee was not told why the prism would be part of the interview, showed no interest in it and found it confusing even after an explanation; they thought that too much information was being sent. With this in mind, only the framework, the summary and the actual list of interview questions were given to the respondents prior to the final interview, with a request that they were read before the interview. The prism was not sent.

The description of the word ‘leader’ also seemed to cause some confusion, it allowed for the test expert to veer off on a tangent describing leaders, leadership teams, and leadership strategies. This question was therefore changed to emphasise the context of the question, i.e. leaders within the framework context.

The pilot showed that respondent needed to read and absorb the findings that the framework was based upon before attempting to answer questions about it. Extra time was required with the test respondent to allow them more time to re-read the findings. They admitted that they had merely glanced over the findings and were unprepared. It was also

important to note that the framework by itself was insufficient to explain the process and required explanations i.e. the summary of the findings to make sense of it.

3.5 Excel versus Word.

An excel spreadsheet was first used to insert each coded theme under the 3 main headings Company Culture, Customer Service and CI. It was thought that this would allow for ease of analysis, yet the document soon became overly large and unwieldy to read or manage. The decision was made therefore to move the information into a more user friendly word document. As each interview was undertaken and coded it was added to this word document in exactly the same way. This then gave a fuller picture, and after analysis formed the basis on which the second round of questions were developed. A word document was then used to analyse all the findings from each round of questions.

3.6 Data Encryption.

A data encrypted device was considered but the University's advice on using these types of devices suggests that the master copy should not be encrypted as, in the event of a password error or failure data cannot be accessed once encrypted (Napier University, 2011). Given that these interviews are one offs and therefore master copies, it was considered more appropriate not to encrypt the information, but to use numbers rather than names to identify the companies.

3.7 Data analysis.

A taping device for voice recording and transcribing was used to gather the information. A contact summary sheet (Appendix 5) was completed after the interview by the researcher to describe the location, demeanour of the interviewee, and any relevant information gathered for future use. Notes were taken as a precaution in case of equipment failure or inaudible recordings. This proved unnecessary as all recordings were fine.

Company internal information and website addresses were given to the interviewer as part of the overall research into the company's customer service policies. Companies also shared how they gathered data (or not) on their clients and shared their company values if they had or knew them. One company's values were available on their website and permission was given to show these albeit without reference to the company (Appendix 2).

3.8 Transcribing

The first interview took over 4 hours to transcribe. A key lesson from this was to change over to using Express Scribe (NCH Software, 2012). This software proved useful in many ways: it was faster for rechecking; allowed ease of stopping and restarting and facilitated the rechecking process at a much faster pace. This reduced the time taken to transcribe by at least 20 to 30 minutes per interview

3.8.1 Themed analysis and coding

A theme refers to the experiences or comments that the interviewer sees as relevant to the research (King, 2008). The data was broken down into themes, or assembled into pools of meanings (Tesch, 1990) under the 3 key themes from the literature review (fig. 21 below), and a coding system was implemented (Tesch, 1990), (Appendix 10).

Figure 20. Construction of the 3 key category and themes within each

Customer Service	Culture	Continuous Improvement
Policy	Measures	Statistics /Research
Strategy	Anonymity	Exiting customers
Keeping Costly customers	Initiatives	Data
International policy	Communications	Responsibility
	Leadership	New Technology
	Listening	

Coding is the introduction of categories or themes and the links between them. Flick (2009) suggests a three step approach; a) open coding, b) structured coding and then c) focused coding, analysing the data along the way to understand and develop any associations between the data collected. One of the objectives of this thesis is to investigate links between Customer Service and CI. To do this a structured coding system was used to place each of the coded themes into one of the three key areas (Appendix 10). Themed analysis was chosen due to the volume of information collected and the relevance of this information to the three key themes.

Coding aims to uncover themes and identify structures common amongst those interviewed (Flick, 2009), or to separate data into meaningful parts to create order and

understanding (Boeije, 2010). Each time a comment or answer (theme) fell into one of the above categories this theme was coded and put into the relevant grouping. Some comments were relevant to more than one category and were therefore placed in one or more areas. Comments not subsumable within the three areas were listed under ‘miscellaneous’ and may not have been used within the project.

3.9 Conclusions

The researcher chose the position of critical realism as the preferred philosophy for this report. Critical realism allowed for a broader range of research methods to be drawn upon. It does not rely on philosophical epistemologies such as phenomenology, pragmatism or post modernism that embrace more fully the interpretive position where the truth is difficult to pinpoint and may change depending on timings, feelings and experiences. These positions identify that reality changes, and for that reason reality is harder to measure. Therefore, the impact critical realism can have on the outcomes can only be a positive one, due in part to the volume of information gathered, analysed and validated. Conclusions are validated by triangulation and not subjected to a narrow hypothesis or cause and effect measure. Validation and reliability was achieved with the support of internal company documentation and the literature review as well as the ability to continue to discuss and probe findings with nine industry experts over 27 lengthy semi-structured interviews until consensus was reached.

One of the reasons the Delphi technique was suitable for this task was based on the fact that an objective of the research was to develop a framework that was suitably tested across industries and informed by industry experts. This framework aimed to be an academic piece of work but remain relevant to everyday business practice. To achieve these objectives it was thought necessary to elicit expert opinion from industry, which concluded with a form of consensus, and to then align these opinions with academic literature and create a user friendly guide.

The Delphi technique is a systematic and qualitative methodology, using semi-structured and structured interviewing methods as a means to data gathering. The technique requires the use of a number of industry individuals or experts with the required experiences and skills to participate, offering their opinions and commenting of findings. One of the key principles of the Delphi technique is the use of anonymity and confidentiality to assure the respondents that all information will be dealt with in a professional manner and that no identities will be divulged. This included the printing or sharing of company information.

This confidentiality allowed for open and frank discussions and was an important issue for all of the respondents. 27 interviews took place in total, and a consensus was reached. An important component of this technique was the sharing of ideas and commenting on the other respondents' opinions. These findings were then used to inform the next set of questions. In this thesis three rounds of interviews took place with nine different industry experts. A breadth of industries was important as it is proposed to use the findings in practice. It was therefore important not to restrict the use of framework to any specific industry.

It is thought that the Delphi technique is time consuming, costly and difficult to organise. Although this is undoubtedly the case, the rich information gathered far outweighs these disadvantages. It is also said that the levels of experiences and skills held by the experts may have an effect on the results, but the researcher was happy with differing experiences and skills as this added to the discussion and depth of information gathered. The six key ethical issues identified were confidentiality, exploitation, deception, protected identity, value for money and the beneficiaries of the results. These were considered using introductory and signed consent letters, full and open honest explanations of the objectives of the proposal and by the respondents receiving a copy of the framework.

It was necessary to run three pilot studies as each round of questions needed to be tested before implementation. Any adjustments were made before any further interviews. These adjustments consisted mainly of word changes and the position of questions within the interview structure. The three key headings identified in the literature review: company culture, CI and Customer Service were used as headings for the themes identified. In the first instance the data collected from the first round of interviews were coded and placed under the relevant theme. These findings were then used to inform the second round of interviews, and the combined findings from rounds one and two were used to create a framework guide that was shown to the experts for their opinions on its viability and usability in practice. This thesis now considers and analyses the findings from the interviews.

CHAPTER 4. Findings and Analysis



Introduction
1st Interview Findings
Links between Literature, CI and Customer Service
2nd Interview Findings
Summary of findings for 1st and 2nd interviews
Framework development
3rd interview and findings

4.0 Introduction

Although only a small number of industry experts were interviewed for this thesis, the richness of the information gathered assisted in reaching an overall consensus after the final round. This chapter presents and discusses the findings from the 3 rounds of interviews. It first focuses on the findings from the first interviews. These findings are broken into the three key themes identified throughout this report. Following this are the findings from the second round of interviews keeping the themes intact. A summary is then given of the findings from these two interviews. This summary, and the models in figure 8 and figure 13 and the literature review findings are compared and used to develop the framework. The framework is shown in figure 21. The framework is seen through the lens of the leadership team almost as a prism, where each leader harnesses their individual view. The third interview focuses on the usability of the framework and broken into product questions (the framework) and process questions (implementation). The findings from these interviews are then analysed. Chapter 5 follows with a discussion of the overall findings.

4.1 Findings from the first interviews

The findings were coded and placed within the following categories and then into each category theme (Appendix 10)

- 1 Customer Service
- 2 Culture
- 3 CI

Each question was given a reference number and this number is used within the chapter for cross referencing.

4.1.1 Customer Service

4.1.2 Strategy and Policy.

All interviewees (referred to as ‘companies’ in this section) believed that every employee was responsible for delivering good customer service. One of the companies felt it was too small to have a customer service policy and stated that “*it’s down to the people you employ to look after your customers*” (Company G). Two of the companies were Franchisees and ran the master franchise policy; however one of them added to this policy for their own local needs. Two of the companies were regulated by the Financial Regulator, but one thought the regulator was “*too customer focused*” (Company C) and the other felt the policy was far too structured and restrictive. Only 1 company was in a position to discuss its policy content with any confidence. This company had customer service as part of its company values and used the customer service policy on a daily basis and as part of their review, compensation and promotion procedures. They felt this gave them a “*competitive advantage*” (Company D) and awarded employees who went above and beyond in facilitating excellent customer service. Each employee had to demonstrate how they delivered the five company values (Appendix 2) at each review and were compensated and promoted accordingly. Seven companies had a strategy, and one thought this worked so well it required no change due to the company’s success. However, one company was so busy that customer service was not “*on the radar*” (Company A).

To the majority of companies, customer service was understood to give a competitive advantage and held as a core competency. However, given that most of the experts were unaware of the content of their policy, it is difficult to see how it is communicated throughout their business as a core competency. If implementing a CI strategy can allow companies to better understand clients’ needs and in doing so create a competitive advantage, (Bishop, 2009; Williams, 2008; Juergensen, 2000) it is therefore hard to understand how this can be achieved if the directors of a company do not easily recall their own company’s customer service policy. Indeed, Porter (1995) and Swaim (2010) note that without good leadership, companies cannot develop a good strategy.

4.1.3 Customer Service as the ethos of business

On probing further, six companies revealed that customer service was the ethos of their business, with three stating that customer service was the value by which they ran their

company, for example: *“We wouldn’t have a company if Customer Service was not the ethos of the business; it is the values we run the company by, everybody is responsible”* (Company C). Schein (2004) and Want (2003) agree that having strong leaders with customer service as the ethos both internally and externally create higher performing companies with a higher probability of survival (Beitelspacher, et al., 2011).

However, Batt (1999) also found that staff who were allowed to self manage, performed better than staff that were controlled by strong leaders and processes. Thus, having leaders with a strong customer service ethos and empowered employees could be the most effective approach (Want, 2003; Caitlin and Matthews 2002; Casley, 1992).

4.1.4 The importance of people.

Six of the respondents commented on the fundamental importance of employing the right people. Companies must *“engage the right people on a continuous basis, no matter what policy you have in place, the wrong people may not follow your policies”* (Company E) and it is *“vital that you have the ability to run the company they way you set it up”* (Company H). One expanded somewhat, saying *“it’s really about employing the right people; nice people will treat people well anyway”* (Company G). One company mentioned the need to employ the right people for the role but said in all honesty that they had little time to check whether they had the right people in the correct positions. It was understood that if this was not the case it could have a detrimental impact on the business (Molina and Ortega, 2002). There was a general consensus that employing the wrong person affected performance of both the individual and the company (Cross, et al., 2007; Popescu and Diaconu, 2008). Identifying and employing the right type of person is a key theme that runs through the literature (e.g. Patterson, 1998) and Buelens (2002, p. 6) quoting both Ford, and Branson agreeing with this sentiment, identifying that people are the most critical factor to a business.

The key issue seems to be how to identify or even understand the qualities of the right person (Spencer-Matthews and Lawley, 2006; Want, 2003; Larreche, 2000). Larreche (2000) notes that people centred practices are associated with higher profits and therefore sustainability. However the ability to identify the right person was thought by the companies interviewed here to be a difficult task, and thus was an issue further discussed in the second round of questions. The “wrong” person was described as one who would not do as they were asked and who worked to their own set of rules (Company E). The ‘right’ person was described as one who could be empowered to do their role and undertake it in the manner

the company required of them, and who potentially went one step further (Company D). How to achieve this is discussed in further detail below.

4.1.5 The responsibility of customer service sits predominantly with the sales person

Two respondents felt the responsibility of customer service sat predominantly with the sales person. Three companies mentioned that if a customer left or if a “*sales person loses a customer they in effect could lose their job*” (Company C, B, H) this could be through lack of sales resulting in company failure. This issue arose again in the second interview as it conflicted with statements that everybody in the company was responsible for customer service.

4.1.6 Honesty and Transparency

Four companies mentioned the importance of either honesty or transparency in building relationships. One felt they were known for their openness, which helped them deliver great customer service (Company E). Another believed that honesty and transparency made it easier to have difficult conversations with clients who “*appreciated their honesty*” (Company B). One company was proud of their reputation for openness and honesty in their industry (Company H). Notably, neither of these issues arose in the literature review but seemed to be of sufficient interest to these companies to mention them.

4.1.7 Unused data

One company was so busy dealing with “*internal operational issues*” that they “*hoped*” the customer was being treated correctly (Company A). This company had a customer service policy, but no time to administer its implementation or review its impact either internally or externally. They gathered customer feedback, but the owner kept the information to themselves and did not share it with directors. This company had so many client service issues (also discussed as “*internal operational issues*”) that they had a weekly meeting just to address them. They felt they had a good customer service policy but potentially “*not the right people using it*”. Yet, it is questionable why money should be spent on researching customer feedback but not sharing the results or implementing changes based on the findings. Clearly, doing so could help address some operational issues.

Much literature maintains that having information on customers is possibly the best tool a company can have if used correctly (Ozimek, 2010; Duche, 2002; Anderson and Kerr, 2002). Yet less than 5% of companies understand their customers’ needs (Ulwick and

Bettencourt 2008). The results from the Delphi process here show that of the 9 companies interviews, seven collected information but only used it sporadically (see 4.3.4)

4.1.8 International Businesses

Six of the companies worked across countries, two of whom were franchisees who were contracted to follow the franchise policy, but had the freedom to implement local measurements on customer service and sales. One company worked across three different countries and felt they had employed the correct people to manage their customers locally, as they would be experts in their local customs and did not require a specific policy. One company worked globally and were developing a global system in an attempt to ensure all processes and procedures were the same across all their businesses. This company fully understood the need to take account of cultural differences and were of the opinion that this system could take three to four years to develop and “*get right*” (Company D). This refers back to the people issue, where it was felt that having the right people in place regardless of the country was the correct mechanism to succeed across multiple-sites, and which Mobley (2009) and Leatherman (2008) agree require a new set of skills. Interestingly, Company G was aware that given cultural differences the processes may change but his people policy of getting the right person in place from the start would not.

Toxic Customers

4.1.9 How did the companies deal with customers that continuously cost the company time and money?

Two companies stopped dealing with customers that cost time and money. Five companies felt that they managed such relationship and looked upon them as opportunities to improve and learn why their clients were unhappy. One company never measured such aspects and had no idea how many such customers they had. Only one company (Company A) was in a position to state how many of their clients actually cost them money, none of the others could identify how much it cost to appease them, nor measured whether they left ‘for good’ or returned once the issue was resolved. Working in a compensation culture was one of the reasons this piece of research was started, once the company (Company A) understood the high cost of appeasing its unhappy clients it then commenced a review of its finances and procedures resulting in highlighting the loss to the company. It would therefore be suggested that an analysis of costly customers may be relevant and advantageous for

some of these companies (Hart and Smith, 1998; Plowman, 1997; McDougall, et al., 1997; Kotler 1991). Arguably, it was the Delphi technique that allowed this topic to be revealed as an area neglected by the companies interviewed.

4.2 Culture

Leadership

4.2.1 Who leads the customer service policy?

Five companies believed they needed to lead from the top down, three of these appeared to control everything by keeping a tight rein on matters and were proud of this fact. These companies made decisions on all issues, and in one case all customer communications had to revert to the owner regardless of who was dealing with the client. This laid the issue of client management firmly within the owners remit, which again conflicts with the statement that everybody is responsible for customer service. TQM suggests that management must be fully involved in a quality process for it to work (Dale, 2003). On probing further, this company owner wanted control over all client communications, (Company B) taking responsibility away from the technician, whom it was felt was required to perform a technical role only. Leading from the top downwards is discussed throughout the literature (Deming, 2000; Rowlands, 2008; Marsh, 1998; Daffy 2001; Baker, 2010) where it is often noted leadership is key to build a successful business showing commitment, interest and involvement in the everyday running of a business. Yet, some literature notes good leadership may not be the only reason for success (Marturano and Gosling, 2008).

Empowerment, creating cultures of strong people, and clear leadership may reduce stress and create more successful companies (Want, 2003; Caitlin and Matthews 2002; Casley, 1992). All nine experts agreed the leadership team must be totally committed and give clear direction (see 4.6.2, 4.6.4) and six talked of the need to have the right people employed, dovetailing nicely into the empowerment comments and where employing the right people can contribute to company success (see 4.7.1, 4.11.10).

4.2.2 Bullying

One company in the financial industry was concerned about a newly developing “*bullying atmosphere*” (Company F) where people were being intimidated and dictated to by their managers as a mechanism to fulfil targets. This was leading to a fear that people were working under, and was being passed down from the top but seemed to be permeating

into other management practices, thus creating a disloyal environment where people were openly discussing the potential to leave. This alone was creating a negative working environment as they also felt that in the current environment the ability to leave was restricted, leaving them feeling trapped. People engagement is not reviewed within this thesis, however, the findings showed that all nine companies agreed that the sales person should not keep their job if they were not performing, however it was thought that support and retraining would be the first step rather than fear of dismissal (see 4.5.4).

Measures

4.2.3 How are companies measuring whether their customer service policy is working?

One company had very set criteria for customer service measurements and had weekly, monthly and annual KPI's in place. This same company measured against their company values, and felt that this meant all employees were "*joined at the hip*" (Company D) in terms of delivering their values. The achievement of these KPIs determines an employee's salary, promotion and bonuses. One company discussed the policy at monthly meetings, but said it would not be one of the key topics for discussion.

Five companies believed that sales were a good indicator and if sales were up they did not really concern themselves further. Due to time constraints one company did not measure if their policy was "*implemented, never mind working*" (Company A). This is the company that had so many customer service issues it was spending time resolving them rather than correcting them, and was running a compensation culture to resolve them.

When asked if staff were measured on their ability to retain customers, it transpired that there were no measurements in place. Although two companies commented that it was the sales person's role to keep their customers happy, no measures were in place to monitor this. According to McEwan and Fleming (2003), companies who only measure customer satisfaction are on the wrong track and should also measure if the customer is delighted and both they and Daffy (2001) feel that employee engagement is an equally valid measure. However, all this seems irrelevant if the company ignores or disregards any measures or data collected on both its internal and external employees (Ulwick and Battencourt, 2008). In this instance the interviews showed that seven of the nine respondents gathered data on their customers but only used the information sporadically. (4.3.3, 4.3.4)

Autonomy

4.2.4 Do employees have the autonomy to deal with service issues?

Six of the nine companies required their employees to revert to a director for any issue the employee had difficulty dealing with. These six companies had a monetary or % value in place at which point all communications reverted to a Director. Two companies were adamant that all issues be brought to the attention of the director. One company felt that it was up to the local employees to resolve issues, this was “*part of their role and they were completely aware of how angry they would be if they had unhappy customers*” (Company G). The policy of having a £ or % value that the employee was responsible for, allows the employee to feel responsible or empowered, which is one of the people centred activities in successful companies (Pfeffer and Veiga, 1999). It also allows for some comfort to be in a position to revert to a director in the event employees are unable to cope with a potentially stressful situation. Eight of the respondents agreed that if employees are given clear instructions and guidance they would perform better (see 4.7.1).

Initiatives

4.2.5 What happens if an employee comes up with an initiative?

One company stated that this was “*highly unlikely*” but they would be “*happy to listen*” (Company B). This was the same company that would not allow its technicians to converse with clients, although it is arguable that were technicians more involved perhaps they would be happy to share ideas. Seven companies encouraged the practice and were happy to implement any good ideas. Suzaki (2002) suggests that each individual department could be run as a mini company, allowing for management to implement new ways of doing business and contributing to the company’s overall profit. This could encourage employees to become more intrinsically involved in the business and develop their own skills (Banks and May, 2008; Caitlin and Matthews, 2002). One company stated that implementing new initiatives was part of their values. This is one of the most successful companies within the group of interviewees (Company D); again it could be questioned whether this is because of the employee engagement policy through their company values or whether they had employed the right people who were allowed to work on their own initiative to achieve the companies goals.

4.2.6 Would they receive a bonus for these initiatives?

Depending on the initiative and the value to the company four companies were happy to pay a bonus for new workable ideas, although this was not a company policy. Four others thought it was part of the employee's role to come up with initiatives and saw no need to award a further bonus. However, one company saw this as part of their values and had awards in place for employees who came up with the best initiatives. There is no evidence in the review to suggest that offering bonuses has any effect on performance, this topic has not been covered within this project.

Communications

4.2.7 How is the Customer Service Policy communicated throughout the Company?

Three companies introduced their customer service policy as part of their induction training. Two companies implemented it as part of their company values and it permeated through everything they did. One company also emailed it to their new staff. One uses their intranet and two felt that it was in their culture, and that they therefore did not have to communicate a specific policy. When ongoing customer service communications were discussed one company stated that they had a customer service poster on their office wall (company B). They went on to say that this became "*part of the furniture*" and as such was pretty much useless. One company continued to place customer service as part of their induction training. Four had regular internal meetings where customer service was part of the agenda. One undertook joint customer visits with their sales team and received feedback this way. One stated it is part of their company values and one continues to email their employees if any changes are made to their policy. Carroll (2010), Deming (1991), Rowlands (2008) and Suzaki 2012 agree that unless communications with employees are clear and consistently rationalised they will not be taken on board by staff.

Communication throughout the company is discussed as being vital to the overall success (Wellington, 2010; Dubrin, 2010; Bjorkman, 2009; Caitlin and Matthews 2002; Larson 2003). Company D discussed customer service as a matter of form, which is part of Pfeffer and Veiga (1999) 7 steps. However CI models such as the 4P cycle of CI show communication as a continuous process of gathering data for improvements and listening to employees and clients, Zeithaml, et al., (1990) concur that communications must be open and the data collected used for improvements. Daffy's (2001) model of customer service shows the link between continuous communication and the delivery of world class customer

service. The interview findings show that all respondents concur regarding clear communications (see 4.6.1)

Listening

4.2.8 How do the companies gather feedback from their customers?

Three companies undertook regular customer surveys, using survey monkey. Of these three, one company's feedback went to the owner, who did not share it with the staff, and the other two acted upon the findings. Two companies regularly spoke to their customers, received their opinions, and dealt with any issue that way, one used an outside agency to collect feedback and data, one used internal staff to mystery shop their customers and two did not actively gather information at this time. One company was of the opinion that they should start to collect feedback, another did not see any current issues and was not in a position to invest in data gathering but did see the benefit in it.

Six experts were of the opinion that communications were vital across all areas of business both internally and externally, as it needed to be a whole company approach. This concurs with Williams (2011) and Gryna (1993), Suzaki (2002), Buelen (2002) who all agree with the need for a holistic approach to quality throughout, something that many companies confirmed: *"There is no point making promises to clients that you don't agree with other departments, and other departments need to be flexible and listen to what is being asked of them"* (Company D). *"All departments need to be involved, otherwise it just won't work, what is the point of have a singular customer service policy for one department; they all need to be involved and take responsibility"* (Company B), Porter (1995). *"If changes need to be made then as a company they should be discussed and made, I do think however any changes need to be agreed before implemented otherwise there could be bedlam"* (Company D). La Wells (2009) also stated that no changes should be made within companies without agreement. Sharing information is seen to be necessary to understand strategies and tactics for the future.

Feedback is important from both internal and external customers. Porter (1995), Bank (1999) and Williams (2011) all argue that companies will have no business without using client and competitor information. Company C suggested that management should spend time on the work-floor, (Suzaki 2002), as it was thought that this will humble managers as they gain insights into the day-to-day functions of each department allowing for problems to be addressed at source. This would save time and money, employees would become more involved and take control and it could potentially develop highly motivated

people. It may therefore be more encouraging for employees if their management teams both listened to their ideas and also took more interest in the everyday operations of their roles, understanding their issues fully. Batt (1999) found that self-motivating staff performed better than controlled employees using TQM systems. Daffy (2001) also argues that all communications should be focused in the same direction, allowing open and free discussions especially in dynamic business environments where little remains static and changes are continuously required (Gyna 1993). This resonates with cultures of change where companies are open to implementing new business processes in line with customer needs (fig. 17).

4.3 Continuous Improvement.

Statistics

4.3.1 Were the respondents aware of any statistics on why customers leave companies?

None of the respondents were aware of any statistics surrounding the issues of customers leaving, of the benefits of retaining customers, or the cost of acquiring new customers. They were all, however, surprised at the size of the figure from recent research noting that almost 70% of lost customers left due to poor service (Rich, 2009; Hughes, 2007; Thompson, 2005; Daffy, 2001; Mintel 1999). However, all respondents were very aware that customers could leave because of poor customer service and were happy to share their own experiences. Most agreed that they as a customer would change purchasing habits if they had a bad service experience, except for banking which was seen to be too time consuming and awkward, so clients put up with bad service. This dovetailed nicely with the bankers comments (Company F) that the banks neither *“took nor felt any responsibility for their current clients positions”*.

It is noted that there is a clear gap between practitioner’s awareness of statistics and the literature whilst closing this gap and understanding customers’ needs could go some way to ensuring customers receive better service.

4.3.2 How do the companies react when a customer leaves

Two companies had never experienced a customer leaving, and one admitted this was possibly because they were a specialised service company with no near competition. Six companies were more concerned about sales growth; they did not really become involved with customers leaving as they felt their businesses were measured on sales and profit. One company sometimes kept in touch with a past customer but would do nothing to understand

why the customer left (company G). Zeithaml, et al., (1990), Daffy (2001) and Heskett, et al., (1997) note that fulfilling customers needs and thus retaining customers should lead to increased client satisfaction, revenue growth and company profitability. This in turn should also lead to employee retention and satisfaction as employees begin to operate in a more successful and empowered environment (Larson, 2003; Armstrong, 2000). Surely if companies retained their customers they could add to the sales figures they are measured on, as well as the new ones they are paying to attract. This is also a potential area to attain a competitive advantage if in fact their competitors are not attending to their own customers needs (see 4.6.4).

Data

4.3.3 Do the respondents keep a data base of customers?

Seven companies kept a database of customers, two companies did not.

4.3.4 What is done with this information?

One company kept contact details only and used these if they needed to get in contact with a customer; this information was not used for marketing purposes. Two respondents had a management information system but only used it sporadically. Two companies were developing a better system for sales delivery very much focused on customers' purchasing habits and how they can increase sales, i.e., cross selling. In contrast, two companies kept full information on clients such as start date, contact details, likes, dislikes and feedback. Again, this information was only used sporadically and one had feedback but did not share its content. Heskett, et al. (1997) suggest that successful companies may fail if they do nothing about client issues or become complacent or arrogant, this is also indicated in the predatory culture suggested by Want (2003) who suggests the need to continuously understand the customer, communicate with and train staff and continuously research internal and external customer needs. This is vital to the sustainability of a company (Want 2003). However, Ulwick and Bettencourt (2008) note that less than 5% of companies understand customer needs, and the above findings concur with this. Arguably then, a framework would help companies understand areas to address when attempting to implement a CI initiative aiming to improve customer service.

Responsibility

4.3.5 Is there one individual responsible for the overall delivery of the customer service policy?

Six companies had one individual responsible for delivering customer service, the three companies that did not stated that all employees were responsible for company customer service policy. It was mentioned that the person responsible for the policy can seriously influence its delivery and intensity; this therefore refers back to having the right person in place as not doing so could adversely affect the overall outcome and the importance of the support of the management team (Suzaki, 2002; Saskin and Kiser, 1993). Clearly, overall, companies approached having a person responsible for customer service, with the understanding that this person could influence its overall acceptance within a company.

New Technology

4.3.6 Are there controls in place on the use of Email, Skype, Twitter and Social Media etc?

Three companies felt it unnecessary to introduce any controls as they employed staff of a certain quality, and believed that they were sufficiently well educated to understand the need for restraint, and that email in a business context required they write information in a business fashion. No company thought about Skype or Facebook or the need to put in controls. One company always checked emails for spelling errors and one company regulated the use of these mechanisms (Company F). These discussions prompted a debate regarding the benefits or dangers of social media such as Twitter or Facebook and the fast pace these mechanisms are moving at, most felt they were being left behind and from this discussion were considering opening internal discussions to review these methods of communication.

In 2011 Baird and Parasnis discovered a requirement to connect between a company's CRM strategy and its social media programmes to endeavour to communicate in the fashion consumers now require, and the importance of recognising social media as a 'game changer'. There were also discussions around the respondent's age and both the ability to keep up or to have an interest in the advances in technology, one admitting to having no interest (Company E).

4.4 Links

From the findings and before the second set of questions were developed it was decided to review the linkages (if any) between Customer Service and CI using the models in figures 8 and 13 and the literature review (Appendix 9). Overall, there are links between the models and the literature and the 1st round of findings. Not all models or reviews covered all areas in each of the models and so some links were subsumed under the headings, for example the literature review did not go into details of processes and procedures.

The customer service model possessed the largest amount of key headings and the fullest explanations and the CI model covered very few of the customer service topics. The customer service model is therefore easier to follow and link due to its richness, albeit some of these headings were so wide they encompassed quite a variety of topics, for example whole company involvement transcended all topics under discussion, allowing for the interpretation of some of the headings as fitted most appropriately. Overall there are links between CI and customer service and in an attempt to understand the links more a breakdown of the key topics discusses under each of the areas is shown in table 3.

4.5 Findings from the second interviews

Staying within the context of the 3 key areas of customer service, culture and CI the second round of questions (appendix 7) were developed for a more focused semi-structured interview using a range of verbatim quotes taken from the transcripts of the 1st interview. These quotes were sent to each respondent before the interview to allow them time to prepare (Appendix 11). They were also presented to each respondent at the interview. Appendix 9 shows the quotes used, the question posed and the area within the models that identified the links.

Key findings from the second round of semi - structured interviews follow. As with the first round of interviews, these findings were re-coded into the original areas of customer service, culture and CI. Reference numbers were used for cross-referencing purposes.

4.5.1 Customer Service

4.5.2 “*Looking after clients is a sales person’s role*” (Company C)

Interestingly, all nine respondents disagreed with this comment, which for two people was the reverse of what they had said in the 1st round of interviews and where the quote was taken from (see 4.1.5). All nine respondents stated it was “*up to the whole*

company”, (Company C) and “*anybody with a touch-point with customers both internally and externally*” to look after clients (Company H).

4.5.3 “You must always employ and train the right people right from the start” (Company H)

All nine respondents agreed it was vital to employ the right person. All nine companies agreed there was a cost in terms of time, money, sales, reputation and effort to either re-employ or retrain employees. In agreement with Dandira (2012) it was agreed that retraining employees is less costly than re-employing. All nine companies agreed that there needed to be focus on the right person, this included a clear understanding of what the company was looking for in the right person, “*setting a success criteria*” (Company C), “*identify what company needs are* (Company F), “*be specific*” (Company E), “*set a success profile and a skills set before interviewing*” (Company H). The greatest challenge in the new economy is finding and retaining good people (France, et al., 2009; Kaliprasad, 2006).

Three experts commented on the need for a development plan for the employee with a performance appraisal and measurements against key competencies (Company I, E, and C). The appraisal should contain examples from the individual of how they delivered excellent customer service throughout the year. Interviewing was a significant topic where all companies discussed how to get to the truth, and a minimum of two interviews was recommended. Seven companies stated that there was a need to continuously question the candidate until the perceived truth was uncovered, “*be specific, use examples and probe and probe until you are comfortable with the answers*” (Company H). Two companies stated that they used their gut instinct and thought it was a 50/50 chance of getting it right (Company C and D). They both felt that regardless of the questioning undertaken “*a good sales person can fool you.*” (Company C). One company believed that lack of experience would not be considered a “*deal breaker*” (Company G) as training could be given and experience and personality would be considered more important. Schein (2004), Suzuki (2002) and Kotler (1990) all agree that having the right people is essential to the success of initiatives and the company, and that top management can struggle to communicate efficiently with employees (Larrache 2000). From the findings, setting the interview criteria was seen to be imperative, identifying success conditions and relevant questions. To reach the truth it was thought necessary to probe for specific examples until the interviewer was satisfied.

4.5.4 “If the sales person did not perform his role and kept customers happy he wouldn’t keep his job (Company B)

All nine companies agreed that the sales person should not keep his job but one company thought it best not to fire an employee but move them to another area. One felt from their experience there is the possibility that a “*bad manager*” could blame the employee for non-performance, covering up his bad management (Company F). The data show that the remaining eight agreed that if the company invested time and effort in training and retraining people and if eventually they still did not perform or work within company policies it was best for the company to let them go. Company I stated; “*It’s best to try to resolve the issue by training and retraining but in the end you have to be realistic*”. Gratton, et al., (2003) indicate the need for continuous training and measures across all departments, recognising the view that continuous communications and clear strategies will help employees to understand their required performance levels and key measurements, thus reducing stress (Rod and Ashill, 2010; Demerouti and Cropanzano, 2010) and highlighting early if there is a performance issue, which could be addressed early on.

4.5.5 “We have a complete transparency policy, we are completely open with our clients and assume they are with us, it helps to build trust in the partnership, and we always let them know what’s going on”. (Company B)

Following up the comments from the first round of interviews that were not mentioned in the literature review it transpired that it was an important issue for three of the respondents. All of the respondents liked the idea of complete transparency, but six did not think telling clients everything about their business was a good idea, and that clients did not need to know the intimate details of the company’s trading policies and results. They felt that honesty was the best policy and were happy to be open and share information when things went wrong, and that hiding issues tended to make things worse. Five mentioned getting issues fixed in a hurry was a much more effective policy and avoided drawing out problems. Two companies liked the idea of complete transparency in all dealings, but only 1 felt that they would be completely transparent (Company E). Honesty and transparency did not appear in the literature review; however the Delphi technique uncovered them as areas of concern. They were therefore added into the framework (see fig. 22).

4.5.6 “Our business is made up of 40% sales and 60% keeping the client happy, we are very successful and it works for us “(Company I)

This was the only company that looked at their business this way. No other company broke their business into quite the same way; two companies liked the idea, one would prefer to see a 50 / 50 split and one stated that they ran their company on a 100% sales basis which included customer service as part of the sale. They stated “*it’s all inclusive I would hate to think that anybody in the company saw it differently or separately*” (Company G). One company stated that you could spend a lot of time and money pampering people and their egos and still have issues, “*we work on a case by case basis, if its beneficial we will do it if not we won’t so it’s hard to measure in such precise percentages.*” (Company G). If delighting customers is seen as a competitive advantage (Hammer, 2001) and makes for a more profitable and sustainable company, measuring how many and why clients leave is arguably a necessity (Gratton, et al., 2003; Want 2003; Heskett, et al., 1997).

Most respondents focused more on sales than measuring and keeping what they had. If the statistics are correct and circa 70% of people leave a business due to bad service (Daffy, 2001), but nobody is measuring this, (Gratton, et al., 2003) it is hard to see how companies can understand how much business they are losing.

4.6 Culture

4.6.1 “We need to be joined at the hip in terms of good customer service; it’s at the heart of what we do” (Company D)

All nine respondents agreed with this statement, however, two stated that it was something they aspired to rather than actually did. All discussed in detail the need to communicate, coach, support and mentor staff to show the company believe in them and the need for continuous communications, where one described it as a “*continuous circle*” (Company C) similarly to Bhuiyan and Baghel (2005). One respondent went on to say that customer service could be neglected and that this was dangerous, as it was the “*bedrock of the business*” and required continuous discussion and communication (Company C). Eight stated that that this is what they aimed to do but in reality most directors would be a step or two away from the coal face and did not become that involved. All agreed that they expect their managers to be managing this process.

Four respondents mentioned the need for directors to support their employees, which is in line with Woodruff and Flint’s (2003) findings that directors must be fully committed

to business change and not necessarily rely on their management team to communicate changes, and with Suzaki's (2002) suggestion that directors should spend time with their workforce understanding first hand issues as they occur. Three respondents stated that this should be part of their company's values, and that by taking part in this process it has put customer service back on top of their agenda; they felt that unless it was discussed regularly it tended to be forgotten about. Four respondents talked about having the whole company pointed in the same direction by having the type of staff who wants to help the customer. This concurs with Bolton (2004), Juergensen (2000), Harvard Business Review (1999), Berry (1995) and Showalter and Mulholland (1992) who discuss the need for a holistic approach in order to succeed. For example, all respondents agreed that it is possible for directors to move away from the day to day workings of any business and most said it was important for the director team to spend time working within the lower ranks; one stated that he found it "A very humbling exercise" (Company C), another was not keen on the prospect (Company A). However, there was clear agreement that in order to set out clear plans, targets, training and feedback it is necessary to listen to the opinions of the workers, who would then potentially assist in implementing changes as their opinions had been sought and considered (The Emerald Group, 2009).

Service quality is vital for a business's long term survival only if senior management demonstrates its involvement (Macaulay and Cook, 1994). In terms of a CI approach, the interviews show that there was a consensus that companies needed to gather and share information, give and take feedback to enable businesses to develop a competitive advantage, it was thought to be "company suicide" not to understand what your competition was doing and what customers were saying about a company (see 4.7.3).

4.6.2 "You need to have the directors on board, if they believe in it and get behind it, it will work, but they need to keep control of it". (Company D)

All nine experts agreed that the directors or leadership team must be on board and fully committed to any new initiative for it to achieve whole company acceptance, for example; "Leadership is the key in implementing any new objectives" (Company D; Leatherman, 2008). The respondents were keen to point out that IT and Finance directors must also be included, as in many cases these departments tended to stay out of customer service initiatives or policy making, but they interacted with both internal and external clients and would therefore be required to participate fully. Understanding how to identify which director was paying "Lip Service" (Company D) was considered and one company

agreed with the concept of all the leaders being on board; however they felt that if there was *“too much control in place you show a lack of trust”* (Company E; Want, 2003). In contrast, six experts expressed certain concerns about the ability of their staff to make customer service issue decisions without the help of their managers (see 4.2.4).

Three companies stated that directors must show rather than dictate and the concept that directors were too far away from the day-to-day business arose again (Suzaki, 2002, Mobely, et al., 2009). A comment was made indicating that *“it’s actually quicker and easier to tell people what to do, but not necessarily the right thing to do”* (Company C). Four companies mentioned that directors needed to be seen amongst the business and that staff should show support, and in some cases needed to relearn the business through listening and discussion, and that it would do no harm for directors to be seen walking and talking to their staff (Company C, Suzuki 2002). All companies felt it would be right for directors to notice what was going on, look at the *“real situation, make corrections where necessary, if they spot issues correct it straight away”* (Company I). In fact, there was consensus that it was the director’s responsibility to ensure processes and procedures were adhered to (Marsh, 1998; Champney, 1995). Three respondents noted the *“ease at which bad habits start”* and stated that it was *“his company and he was the one to decide how it would be run and not staff”* (Company C). His advice was *“do not let lazy habits change your ways of working”* and not to allow changes to your ways of working without company agreement (LaWells, 2009). Another stated *“if my CEO does not agree it just won’t happen”* (Company D). Research concurs that if all leaders are not on board; initiatives are hard to implement (Rowlands, 2008; Marsh, 1998; Kuber 2002).

Similarly to Suzaki (2002), Deming (2000) agrees with these sentiments and argues it is up to the leaders to lead and make changes, that managers should resolve issues and lead the company forward (Mobley, 2009), however, to do this, it would be important to understand the issues and it is suggested the best way to do this would be to spend time, communicate and listen with and to employees (Rowlands, 2008). Marturano and Gosling (2008) also note that good leaders may not be the only reason companies are successful, this success may be the result of any combination of factors. However, all respondents believed that if leaders did not agree any task would be difficult to initiate. Cameron and Quinn (2005) also concur with their opinion that allowing employees to behave outside the company norms will divert the company from its true beliefs and be potentially damaging to that company. The findings concluded that company employees will follow the attitude of

the directors or person responsible for customer service. Thus, agreement that customer service is a key component to the success of a business is required (see 4.3.5).

4.6.3 “Customer Service wasn’t mentioned in my induction” (Company D)

All nine respondents noted the importance of implementing correct and ongoing training in skills knowledge and products (Agry, et al., 2003): *“Training in people skills is vital; it’s massively important so why would we train in product knowledge but not in how we treat our customers when they are equally important”* (Company D). Five companies favoured the idea of introducing KPIs as a measurement for both the company and for individuals (Laursen and Thorlund, 2010; Parmente, 2007). One company already had KPIs in place. Implementing relevant KPIs is thought to assist companies in driving sales and creating a focused and collaborative approach as each employee understands his tasks and getting all departments focusing in one direction (Van de Berg, 2007; Parmenter, 2007).

One company did not participate in inductions as they felt they empowered their staff instead and this was sufficient. Five companies stated that if it was not part of a company induction programme, it showed how little importance was placed on customer service within the company: *“If you don’t show your staff how you would like them to behave, they will do whatever they think will be suitable.”* (Company I) *“Clear values and competencies need to be embedded from the start”* (Company D).

With regard to how these comments compare to the literature, training and skills development is mentioned frequently. Well trained and skilled staff are thought beneficial to the overall performance, sustainability and profitability of a company including a well communicated culture of values that include customers as pivotal (Larson, 2003; Gratton, et al., 2003; Want, 2003; Suzaki, 2002; Buelens, 2002; Daffy 2002).

4.6.4 “Our customer service policy is sent out by the company intranet, we expect everybody to read and implement it.” (Company E)

The remaining eight respondents all agreed that communicating via the intranet is insufficient. Statements such as *“ridicules”*, *“absolutely not “*, *“It’s too important”* and *“it’s unlikely to be enough”* were used. All eight agreed that the intranet or emails were useful in their own right, but tended to be ignored depending on how busy people were. They also agreed that communication mechanisms used reflected on the importance placed on the task and the use of *“emails would not suitably reflect the importance of any*

communication regarding customers or policies” (Company H). “There needs to be an open interactions policy and method of communications and exchanges. The intranet will not allow for this” (Company H). “It should be a circle of communications with all departments interacting with each other”. (Company C).

Relevant communications processes and lines of communications were considered a necessity when informing employees of important items such as strategies and policies. Figures, 8, 10, 13 and 14 all concur with these views and actually go some way to show the circles or cycles of communications within a total business framework that could lead to competitive advantages and the delivery of improved customer service, therefore potentially retaining a company’s client base. The findings show that eight companies agreed that customer service policy needs to be simple; laying out clear values, and is easy and clear to understand, that it must be workable with agreed internal communications mechanisms.

4.6.5 “If Customer Service is not the Ethos of the company we won’t have a company” (Company D)

All nine companies agreed with this comment, although two commented on the differences with overseas cultures, one giving the example of one country where the policy seem to be that *“If they (the customer) do not complain then we don’t have an issue”* (Company G) this respondent was also in the process of trying to change this thought process and was struggling to get agreement on the changes. All nine respondents concurred that all directors must show they believed in policy not just in words but in their behaviour. *“If it’s your belief why would you let employees change it, you must stop bad behaviour and bad habits quickly, get rid of people who don’t believe or follow your policy”* (Company C), LaWells 2009), another went on to say that *“employees need to understand that if we have no customers they won’t have a job, but it’s up to the directors to help them understand this and how to go about keeping their customers happy”* (Company A) and another that *“Customers are the company”* (Company G).

In terms of how these views compare with the literature Schein (2004) suggests that a strong leader can or should influence the overall company ethos. Williams (1993) and Drennan (1992) consider that a customer service ethos should be the culture and heart of the business. Mechanisms such as TQM and Six Sigma should enhance customer experience but companies should aim for a CI ethos, and accept that errors will happen (Heskett, 1997; Walker, 1990) and that focus should be on an overall employee commitment to a CI strategy to improve performances across the board.

This ethos must come from the leadership team, be implemented early in any business, and allowing employees to change that ethos could have a detrimental effect on company profitability and success (Rowlands, 2008; Larsons, 2003). All nine respondents felt it was the remit of the board or owners to instil a customer service ethos. They stated that customer service is understood to be a competitive advantage and is held as a core competency (see 4.1.2) by the majority of the companies (see 4.1.3).

4.7 Continuous Improvement

4.7.1 *How do you think that your employees would adapt to any required changes?*

Eight companies agreed that a clear policy, message and measures went a long way to guide staff in understanding the tasks in hand, and that giving good feedback and listening to employees was important. They again re-iterated comments that staff probably know more about the actual day-to-day running of the business than directors, thus agreeing with Suzuki (2002) who believes directors are too far away from the coalface and with Haran (2005) who suggests directors should manage communication, making it clear and understandable and that directors be seen to work on or react to whatever they were being told were issues within their business. In the event an employee decided not to change or take on different roles it could potentially be detrimental the employees position.

Six companies again mentioned the need to have the right people employed in the first instance and this would then dovetail nicely into the empowerment comments where the right employees would see the benefits of change and not react against it. Indeed according to Wellington (2010) only people can deliver effective customer service, and processes alone cannot. Six respondents mentioned that there would always be some employees who would not change and who could be damaging to a company, one said in their experience at least 10% of employees would never change (Company C) and the solution was the same as before – “*let them go*”. It was thus considered that there will always be a percentage of employees who will not listen to the company’s requirements or act upon them. This percentage will also react against change and insist on “*working the system to suit themselves*” (Company I). If change was required and employees would not do so after retraining or other measures, dismissal was considered the next best thing (see 4.5.4).

Change management as an overall topic is not addressed within this project however Want (2003) suggests that cultures of change (fig. 17) are cultures more likely to succeed

and Valentine et al., (2003) believe that employees will become more committed if companies communicate correctly and show commitment to their policies.

4.7.2 “We don’t measure how many customers leave we only measure our sales versus last year.” (Company C)

Eight respondents never measured whether their customers left and why, concerning themselves more with increased sales and profit. Company A had figures on this measure but was also the company that did not react to the data they collected. This measure was described as “*paramount to your business especially now, I need to know why my customers are leaving is my offering wrong or are my competitors performing better?*”(Company C) and “*I need to know who my customers are going to and why*” (Company D) or, “*you must be mad if you don’t, you need to understand what is going on are they leaving because of the recession or are they going somewhere else*” (Company I). All companies discussed the need to look at this issue for their own current business, as a next step.

One company mentioned that a sister company was getting one third of their new business from returning customers, but confessed that “*we are just not good at it*” (Company B). There was consensus that information needed to be shared with relevant people to enable them to improve processes and work more effectively and measurement of all relevant information was imperative. “*If you don’t measure what’s going on how can you manage your business*”? (Company D). Fleming (2005) suggests that measures are part of customer engagement and, as the findings above show, eight experts agreed with this measure but did not implement it, therefore it would be suggested that this measure is put in place as part of the overall framework. Not having information on customers is detrimental to a business (Porter 1998) and the findings here showed that these companies were simply not doing this.

4.7.3 “We have lots of information on our customers but we only really look at it if somebody leaves. We never ask them why, I think it’s because people think they will get extra work if we need to change things”. (Company I)

Five respondents thought it was too late to collect information when customers left, albeit important to investigate why they left and react if necessary. They thought that this was a good example of non - focused customer service employees and one company thought that it could be true in their business as people were being asked to do more and more (see

4.7.1). One respondent would “*not be surprised at this attitude in the current atmosphere*” (Company C). Three companies mentioned that this would not be the case if they had the right people on board. One company stated that this should be an ongoing process “*You need to have data about both sets of customers (internal and external) that’s why it’s important to keep doing surveys and research, but act on them, its company suicide not to find out what your customers and competition are up to*” (Company D, Porter, 1998). Another company commented on the technology issue, stating that “*New technologies and changes in mobile applications demand we do this as things change faster than ever and clients can check your competition’s products and prices on line. But this also means an investment in keeping website completely up to date.*” (Company H). Five respondents believed that in order to understand what was happening in an organisation it was necessary to collect and use data from a number of sources such as mystery shopping, surveys, joining meetings, listening to calls, research and talking to customers. This information helped gain understanding of internal workings and customer feelings; both believed equally important.

All companies recognised the investment needed to keep technologies and external information up to date was significant, and six mentioned that they did not have the resource in monetary terms or manpower to undertake any development or research in technologies, processes and procedures in the current economic environment. All companies said that they appreciated that understanding customers would be considered best practice (Porter, 1998). The other three had a person or team in place to undertake this role in their marketing departments. If, according to Zeithaml, et al., (1990) and Wellington (2010), to understand customers and the gaps in a company’s service to clients, the collection of data is critical, if a company does not understand these gaps it is questionable whether they can improve the experience or entice customers back. The findings suggest that if a company investigates what they are spending on gaining new customers, maybe some of these funds could be diverted to exploring and addressing the gaps, as discussed in figure 10.

4.7.4 “*Our customer service policy is used throughout the company as a measure of competitive advantage and salary advancements. We talk about it all the time*” (Company D)

Three companies thought that using customer service measures for salary advancement and promotion was a highly effective idea and wanted to look at its use in their own company in the future. Paramenter (2007) expressed an understanding that implementing KPI’s can only have a positive effect by focusing everybody in one direction

and assisting in the achievement of clearly defined targets. One company believed it is necessary to have “*great customer service as the norm as your competition will and it won’t differentiate you, it’s just the way the industry runs*” (Company A), (Williams, 2008; Gremler, et al., 2002; Oliver, 1999; Champney 1995). Two others believed that if a company was servicing its clients correctly they would not feel the need to leave, and that “*this involves both internal and external competitive advantages, all our staff are measured against the company’s core values on a continuous basis and it become a competitive advantage for them if they are applying for an internal role and is a constant reaffirmation of what we are here to do, in order to do this, employees must understand, accept and live by the company core values*” (Company D). Both Oliver (1999) and Champney (1995) agree with this, and note the advantage ‘good’ people give to a company, as well as the competitive advantage good customer service brings. In addition, the importance of having a process of CI where in a competitive and dynamic work environment keeping abreast of customer and competitor movements are seen as vital cogs in developing a company that people would both like to work in and be a customer of. The findings showed that eight companies saw the delivery of good customer service gave a definite competitive advantage especially in the current economic climate where pricing was now seen as a differentiating factor but companies felt that there needed to be some other mechanism to distinguish a company from its competition.

4.8 Summary of the findings from the first two interviews

The following summary was used in conjunction with the models in figures 8 and 13 to develop the framework and used as the explanation for the respondents of its origin and context and given to each respondent with the developed framework guide (see fig 21)

4.8.1 Customer Service

Policy / Organisational Structure / Rules and regulations

1. A company’s customer service policy must be clear. Leadership needs to believe in it, explain it, mentor and support employees (see 4.7.1) by empowerment, training, listening, regular meetings, and operations training and manuals (see 4.2.1).
2. Company policy is seen as a continuous communications circle; people must be in a position to ask questions, give feedback and be supported (see 4.2.1, 4.6.1, 4.6.4).

3. An open interactions policy and method of communications and exchanges is needed (see 4.6.4).
4. There is a need to continuously monitor if the policy is followed rigidly. Do not let lazy habits change your ways of working (see 4.6.2).

Strategy / Better goods and service

5. Customer service is understood to be a competitive advantage and is held as a core competency (see 4.1.2) by the majority of companies. One suggested they would not have a company if Customer Service was not the ethos of the business (see 4.1.3).

People, Roles, Ethos / Clarity, Focus, Right People

6. Customer Service must be the Ethos of the business (see 4.1.3).
7. Employing the right type of person is essential, having the wrong person affects performance in terms of company and individual, motivation, control, responsibility, reputation, stress levels and the ability to run the company (see 4.1.4, 4.3.5, 4.5.3).
8. A minimum of two interviews is recommended to find the right person. Interview criteria are imperative, identifying the needs of the specific role, a criterion for success and relevant questions. To attain valid answers specific examples are required, as is continuous probing until the interviewer is satisfied (see 4.5.3).
9. Experience and personality may be more important than education (see 4.5.3).
10. Appraisals that include the delivery of the company's core values were thought to be an excellent idea, this included showing examples of where employees delivered excellent customer service (see 4.5.3).

International / Organisational structure and expectations.

11. All companies understood the need for local knowledge and direction and that one rule will not work across cultures (see 4.1.8).

4.8.2 Culture

Leadership / Motivation, Learning's and Ethics

12. Leadership is key for all companies involved, and directors and key managers must be on board, including finance, operations and IT departments. Without this, implementing any objective may fail (see 4.6.2).

13. It is a circle of communications. One area will not work without the other (see 4.2.8, 4.6.1, 4.6.4).
14. Directors must support the workers and show (direct) rather than dictate (see 4.6.1, 4.6.2).
15. People are crucial and all employees must understand, accept and live by the company's core values (see 4.7.4, 4.6.5).
16. It is necessary to employ the right people (see 4.5.3, 4.5.4, 4.6.1, 4.7.1).

Measurements / Improved information and increased customer satisfaction.

17. Understanding why clients leave is a useful source of information for future strategies, measuring clients after they leave may be too late (see 4.7.2, 4.7.3).
18. In order to understand what is going on in an organisation it is necessary to collect data from a number of sources such as mystery shopping, surveys, joining meetings, listening to calls, research and talking to customers (see 4.7.3).
19. Information needs to be shared to relevant people to enable them to improve processes and work better. If what is going on is not measured it would be difficult to manage a business (see 4.7.2).

Autonomy / Greater customer service and less stress.

20. Autonomy and responsibility should be handed to employees but with a measure of control in place (see 4.2.4).
21. You should not allow people to change ways of working without agreement (see 4.6.2).
22. Opening relevant lines of communication is fundamental (see 4.6.4).

Communications / Improving communications and information flow

23. Companies need to have and communicate very clear values and competencies and communicate them right from the start (see 4.6.3).
24. Communications via the intranet or email are not seen to be a viable (see 4.6.4).
25. The company employees will follow the attitude of the directors or person responsible for customer service. Therefore, agreement that customer service is a key component to the success of a business is required (see 4.3.5).
26. Customer service is considered a competitive advantage (see 4.1.3, 4.7.4).

Listening / Understand the company's requirements and Change management.

27. In order to understand the workings of the business, research is required; both internally and externally seem to hold equal importance (see 4.7.2, 4.7.3).
28. Most directors will have moved away from understanding the day-to-day workings of the business, so in order to set out clear plans, targets, training and feedback it is necessary to listen to the opinions of the workers, who will then potentially assist in implementing changes as their opinions had been sought and considered (see 4.6.1).
29. However, there will always be a percentage of employees who will not listen to the company's requirements or act on them. This percentage will also react against change and insist on working the system to suit themselves. In the event change was required and they would not come on board after retraining, dismissal was considered the next appropriate option (see 4.7.1).

4.8.3 Continuous improvement

Responsibility / empowerment and ability to change.

30. Each employee is responsible for delivering company customer service policy (see 4.5.2).
31. All directors are happy to empower staff but frontline employees may not be sufficiently commercial. Thus, controls need to be in place with most companies working a (%) percentage or (£) monetary target. Anything over this amount must be discussed at director level (see 4.2.4). The attitude of the person responsible will dictate the employee attitude in company customer service strategy implementation (see 4.3.5).

Training / Improved understanding, total buy in and teamwork.

32. It must be communicated to all employees that customer service is the bedrock of the business and this should be part of the overall induction (see 4.6.1).
33. Training must include people skills and customer service as well as product knowledge (see 4.6.3).
34. All companies were happy to retrain underperformers, if however they were still underperforming all were happy to move them on (see 4.5.4).

35. There is a cost in terms of time, money, sales, reputation and effort to retrain underperformers as well as new starters. It is seen that retraining is less costly if it works (see 4.5.3).

Technology / Organisational Learning, Product development, Improved marketing

36. No company considered the use of any controls on the use of email, twitter, facebook, or Skype (see 4.3.6).
37. After discussion there was an acknowledgement of the benefits and dangers of these mechanisms, especially Twitter and Facebook (see 4.3.6).
38. All companies were aware that the business environment is changing at a dramatic pace especially in the use of Twitter and Facebook (see 4.3.6).
39. Competition on product and pricing can be researched almost immediately using the internet and mobile applications. Therefore, keeping websites up-to-date is seen as a necessary investment in technology albeit in the recession some companies could not afford to do this (see 4.3.3).

Processes /Leaner, Process development, risk management and waste management

40. All companies understood the need to keep up-to-date on new processes and technologies but in the recession this was not a top priority (see 4.7.3).
41. Research on processes and new procedures are a costly expenditure and becomes less important during a recession (see 4.7.3).
42. There was consensus that it is the director's responsibility to ensure the processes are being adhered to (see 4.6.2).

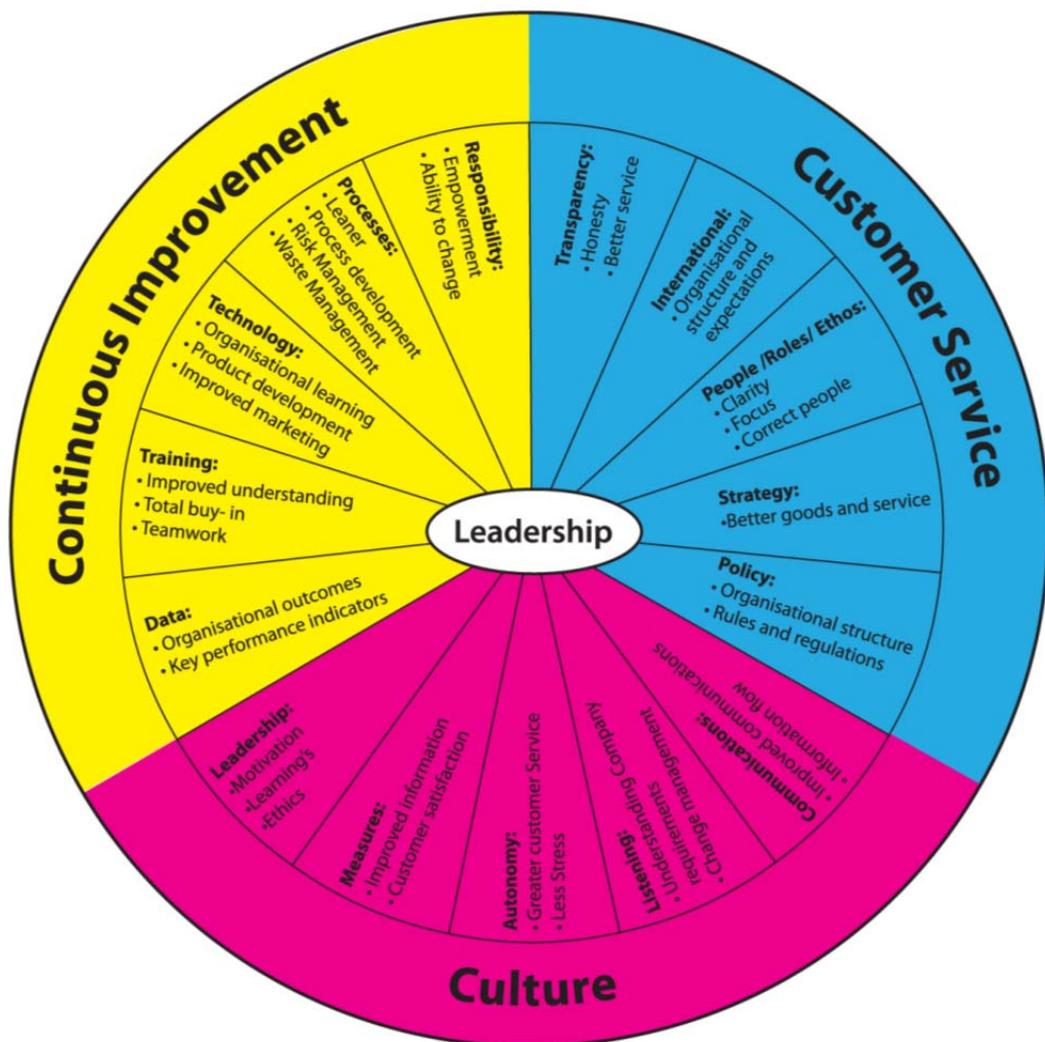
Data / Organisational Outcomes and Key Performance Indicators

43. It was thought to be company "*suicide*" not to establish what customers and competitors are doing (see 4.7.3).
44. Sharing information is necessary to understand strategies and tactics for the future. Feedback is important both internally and from external clients (see 4.2.8).
45. Data is vital in establishing what is going on. Understanding your customer would be considered best practice (see 4.7.3).
46. Companies need to establish measurable KPIs (see 4.6.3).

4.9 Framework Guide

Using the findings above, the literature review and the 2 models (fig. 8 and 13) the framework was designed. A framework has been described as a structure underlying a system to be used as a support or guide, or a set of logical relationships (Magretta, 2012; Oxford Dictionary, 2011; Rouse, 2005). The framework here is broken into the original 3 key areas identified in the literature review: Culture, Customer Service and CI. Each area is interconnected and can be described as a continuous circle where no area has more importance than the other but all are interrelated. Also shown is a representation of a prism, the prism functions to illustrate that all 3 key areas are viewed through the lens of the leaders whose visions set company customer service strategy and policy (see 4.6.2, 4.6.1, 4 7.4).

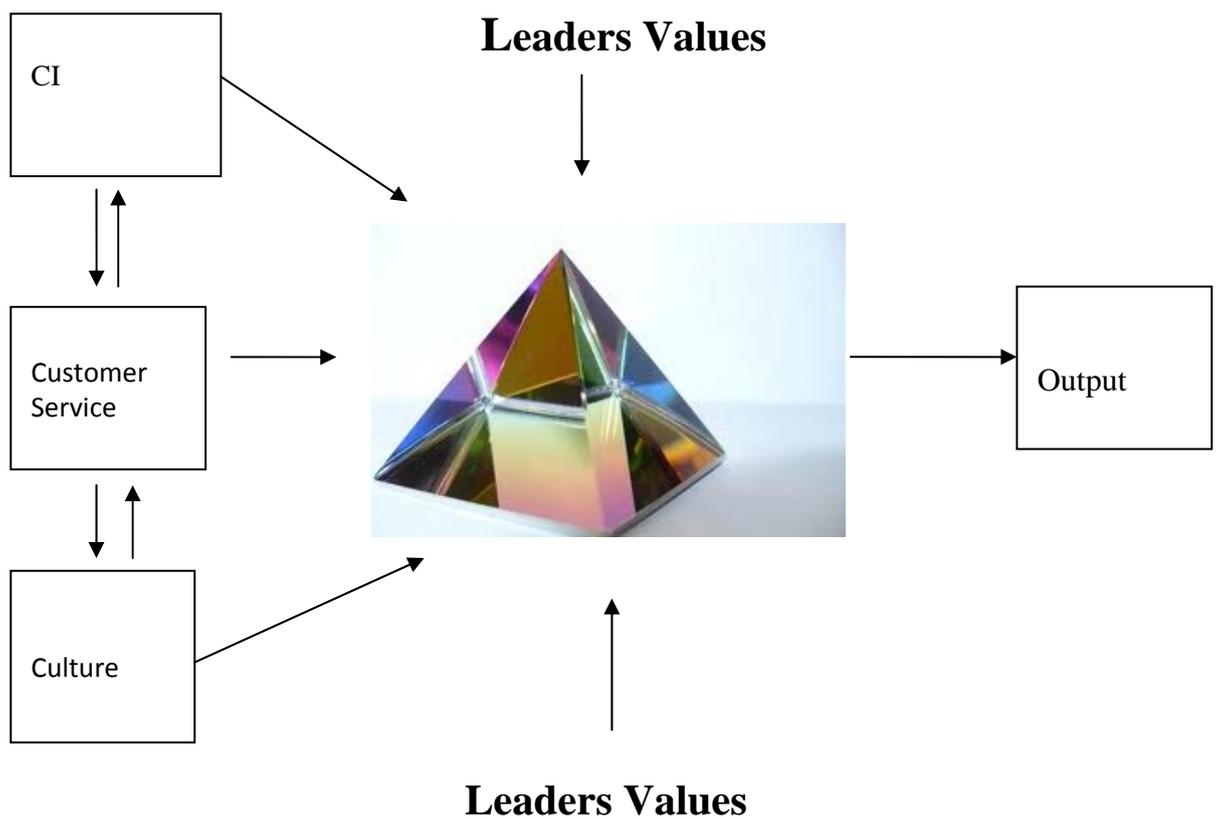
Figure 21. The Framework Guide.



4.10 Prism

A prism is usually a transparent straight lined solid that often has triangular ends and rectangular sides for dispersing light (Collins, 2003; Oxford, 2011). In this case it is used as a metaphor to show the leaders values or visions surrounding the areas of CI, customer service and culture being input into the prism and reflecting out the output from these values. The framework is looked at through the visions of the leaders (directors) who decide on the company's customer service strategy to achieve the final agreed outcomes under each of the headings. The light reflects any number of different potential views each of the leaders may have. However, after using the Delphi technique, once each area is discussed and a consensus is achieved, the agreed views were used to develop the framework.

Figure 22. The Prism



4.11 3rd and final interviews

The framework and the conclusions were then used as a basis for the final round of verifying and refining questions where a conclusion was sought regarding the feasibility of using this framework in practice. A focused semi-structured interview was used and list of

questions were drawn up (appendix 8). The questions focused on the ability to use the framework were called Product Questions and questions on how to implement the framework were listed as Process questions.

4.11.1 Final interview findings:

4.11.2 Could you give me your understanding of Leadership within this frameworks context?

One company believed it was everybody's responsibility to look after their clients (Company G) and one thought only the directors should be involved (Company B). However, the remaining seven stated that it must be both the directors and the managers or those who are "*looked up to*" and who lead teams or "*anybody who is managing people*" (Company D). George (2003) describes a leader as a person who has integrity, purpose and values, and is committed to making an organisation a better place to work. It would seem possible that there are people within industries that undertake these roles on a daily basis without any recognition or title. In order to make the most of these people the results suggest they be integrated into the company through induction and living by the company's customer service ethos, and are empowered to deliver an excellent customer service experience using relevant data (see 4.73, 4.67, 4.28).

4.11.3 Could you give me your understanding of Company Structure in relation to the framework?

All nine experts described company structure in more or less the same way, "*top down*", "*lines of management*", "*department set up or lines of roles*", "*physical structure of the company*", "*divisions or functions, how the company is set up*", "*chain of command*" "*hierarchy*", "*processes and procedures*". There was no mention or reference to culture, ethos or ethics, and there was a clear consensus that in this context the hierarchy was considered the company structure. A company's structure is dependent on many facets not only the hierarchal set up but industry norms and culture too can have an impact (Gitman and McDaniel, 2009). When discussing the framework with companies all references to company structure will refer to the hierarchy as described above.

4.11.4 Does the framework make sense?

Again there was consensus on the framework being understood. The respondents used words such as *“it’s logically linked and self challenging”*, (Company E). *“Absolutely”* (Company G), *“It all makes sense and I love the piece about directors showing rather than dictating”* (Company C). Anonymity was assured and adhered throughout the project (Linstone and Turoff, 1975) and the sharing of the responsibility for the outcome was achieved as some of the companies went on to use some of the findings within their own businesses. The following observations were also made:

“It absolutely makes sense but I would place the customer in the centre, after all aren’t they the people that are important, then all segments would be running off them, I would move the leaders into the culture section under leadership or management” (Company E). *“It completely makes sense, I need to think how we could implement it, we are so huge, I would need to maybe look at it by department, and break it down bit by bit.”* (Company F; Suzaki, 2002) and *“Absolutely, there is a lot of cross over between areas, this means you would have to have your policies and strategies agreed first (Dubrin, 2010) because they are so interrelated and then each area works better together. Each has a role to play”* (Company D). These comments show the advantages of the Delphi technique as the framework was developed from the views and consensus gained (Powell, 2003).

4.11.5 Would you consider it a simple or a complex framework and why?

Three respondents considered it a simple framework to look at and use, and it transpires that these three had read the findings in conjunction with the framework and worked around the circle of the framework, thus making sense of the information in hand. Another thought it was complex, but once it was explained to them, they found it straightforward, they also said they *“did not read the findings first, just looked at the framework”* (Company A). The remaining 5 companies were of the opinion that it was easy once the findings had been read.

Further comments:

“I think the colours should fade into each other” (Company H), *“I think it’s simple once you understand how it works, it can be used in a small area or in total. It gives me somewhere to get started and tells me what I need to consider”* (Company E), (Suzaki, 2002). *“It looks big to start with but once you get into it you see there is a lot of cross over. It shows what you need to focus on, the key indicators and this is important”*. (Company D, Paramanter, 2007).

Thus, there is a clear benefit of reading the findings in conjunction with the framework to help understand and implement it.

4.11.6 Can you see the framework working in practice

One respondent believed its viability depended on the buy – in from the management team: *“Without buy in you will never get any new initiative into a department let alone a company, we are far too focused on the current trading environment and have completely moved away from focusing on the customers to build our business. In fact we never really focused on our customers, we were giving loans out far too easily; it was like shooting fish in a barrel* (Company E), (Saskin and Kiser, 1993). Other comments included:

“Yes it graphically demonstrated what needs to be covered” (Company I) and *“I intend to take it to my new job; It will make me look good, coming in with a new idea”* (Company H). *“Definitely but I would start to implement it by breaking it into departments, giving them each a wheel to work on and get them to feed the results back into the overall Company wheel”* (Company E). *“Yes it would, but what I would like to see in place first is an analysis of where we currently are, then look at the company strategy and see where the gaps are, then look at how people work and how it all hangs together”* (Company D), (Porter,1995).

Thus, companies agreed that correct management and employee consensus were essential to implement new initiatives, indicating a need to encompass all areas of a business as a continuous flow. This also suggests that all areas should be integrated in order to achieve strategies, avoid communication breakdown, and help businesses perform to their best (Suzaki, 2012; Carroll, 2010; Rowlands, 2008; Deming, 1991). It is therefore essential for the framework to work, and for changes to take place, full commitment must be achieved at leadership level, as changes must be led by example and communicated downwards.

4.11.7 Do you agree or disagree with the frameworks content

There was a complete consensus on the contents:

“I agree with it all but would include Finance as a heading, it’s an important one, without it you won’t have a business, everything hangs on it” (Company E). *“Yes I can’t find anything I could disagree with”* (Company C). *“Yes I agree with all of it. I find it interesting that we think we are doing all of this until its put in front of you and you realise so much has fallen by the wayside.”* (Company D). *“I definitely agree; it’s all logically linked”* (Company H). *“Completely agree”* (Company I). *“It’s so full I agree with everything in it”* (Company F). *“I*

agree with it, I think the big question now is what your company strategy is? Once you have that the rest will fall into place” (Company B), (Merchant, 2010).

Porter contends that without leaders fully understanding the direction a company needs to follow, no strategy would be relevant. Thus, good leaders are more important than any strategy (Swaim, 2010, Crosby, 1995). It is also notable that the Delphi technique allowed for in-depth discussion regarding the leadership team’s commitment to change, and to their continuous improvement strategies focusing on the gathering and use of data. Without both it is hard to see how changes can be successfully introduced within businesses.

4.11.8 Is the framework missing anything?

“Yes, it’s missing the topic finance, I think it’s so important it should be in there, if you are not measuring your finances you won’t have a business, it feels like it would come under measurements but it should have a heading of its own” (Company E). No other respondent identified anything missing, although one mentioned that once a company started to use it, then issues may become apparent (Company A). It is significant that only one company felt that the framework was missing something, arguably indicating that the Delphi technique’s ability to encompass and uncover most areas surrounding a topic. In fact the technique identified topics of honesty and transparency, neither which appear to be addressed in the literature.

4.11.9 How would you then implement it or enable it to work within your business?

Six respondents stated that they would start at the top to introduce the process, and ensure other directors (leaders) were on board before progressing. One stated they would tell staff to *“JFDI (just f***ing do it) everybody needs to be on board and all working in the one way if they are not on board we need to look at their role within the company and basically get rid” (Company C), (LaWells, 2009)* and one would start by researching their current position in terms of strategy and customer feedback (Company D). Deutsch et al., (2006) discuss the potential for conflict resolution and agree that not everyone will come onboard, and in some cases a parting of the ways may be necessary. Carroll (2010) agrees and notes that information is vital to company strategy as without it strategy should not be enforced. During the third set of interviews language begun to be notably less formal, presumably from the relaxed atmosphere in the final round of interviews. Four companies mentioned the importance of having clarity around company strategy, *“all employees need to be facing in the same direction” (Company D).* The Harvard business review (1999) also

notes that functions and managers need to be aligned to implement any successful business strategy.

Other comments:

“My directors will love this, we are small enough to agree and implement right away” (Company G). *“I need to get everybody on the one page, that’s difficult because of our size therefore I would break it into departments, have the managers develop a plan, that ties them in, and give them support to show them the importance we are placing on it”* (Company E), (Merchant, 2010; Suzuki 2002). *“I need to get agreement from the directors and senior managers, this would be a priority, then you could work on a clear strategy, it needs to be very clear, getting the directors to agree will be a challenge”*(Company D), (Harvard Business Review, 1999). *“We need to develop a strategy collaboratively, get people talking about it, get a plan and agreement and then they are tied in and they will tell you the best way to implement it”*(Company F). Merchant (2010) agrees with a collaborative approach in an attempt to reduce risk and increase buy-in. *“I think I will test the waters by setting some KPIs and see what happens it should bring the discussion to the fore and take it from there”* (Company B), using KPIs has been shown to increase performance and bring employees together to achieve their targets (Parmenter, 2007), and become more collaborative (Van de Berg, 2007). *“We actually need to do this; the best idea once we get agreement internally would be to talk to our customers”* (Company B).

The Harvard Business Review (2008) argues that companies must understand their industry and keep their companies strategy in line, if not, they may well fail. Gathering relevant and useable data on internal processes and customer requirements was a recurring theme throughout the interviews (Merchant 2010; Buelens 2002; Suzuki, 2002; Daffy, 2001; Juergensen, 2000; Porter, 1998; Zeithaml, et al., 1990). Interestingly, from the above comments and the feelings of enthusiasm it can arguably be assumed that the framework will be used in respondents’ practices.

4.11.10 Would you see any specific priorities to start with, in the implementation of this framework?

One respondent thought if the framework was broken into departments then there would be no priorities as the departments would agree what needed to be according to each segment of the circle and overall all areas within the company would be covered once the departments put it back together again (Company E), (Suzaki, 2002). The right people, communication and company culture were all considered important factors. It was thought

that once the decision to start was made then the company needed to have a Customer Service focus and the culture needed to change to be in line. (Soderlund and Rosengren, 2008; Popescu and Diaconu, 2008; Cross, et al., 2007; Molina and Ortega, 2002; Rahim, 2002; Kohli and Jaworski, 1990).

Other comments:

“I would be selective, take it step by step, for me strategy is most important and once that is agreed the focus will be on being a pure customer service business and this means the culture will have to change” (Company A), (Marsh, 1998). *“I would start with finding out what our customers say about us and take it from there”* (Company F), (Porter, 1995). *“People and roles would be my starting point, check if they are right”* (Company C), (Kohli and Jaworski, 1990). *“You need your team to help with your strategy so talking to them would be a good place to start, need to get them motivated as well”*(Company I), (Wellington, 2010). *“Research and listening, both with the teams and with our customers.”* (Company B), (Goodman, 2009; Underhill, 1999). *“People and mind set change will be the first things to start with; if these are wrong then you are wasting your time”* (Company G), (Harvard Business Review, 1999). *“Getting everybody onto the same path, so talking and listening would be important and getting them motivated into doing this would be a pretty key necessity, we would be asking them to change and they need to understand why and knowing them they will ask what’s in it for them”*(Company H), (Rowlands, 2008; Dale, 2003; Kuber, 2002; Juergensen 2000).

The ability to adopt change is seen to be a challenge amongst business researchers (Taylor, 2010; Christopian 2008), one of the suggested ways to engage employees is around communication and collaboration at an early stage and ensuring the targets and strategies are aligned. Kaplan and Norton (2006) and Batt (1999) consistently found that self-management worked more effectively for companies than TQM.

4.11.11 In relation to the last question is there a least important area to look at and why?

One of the respondents was of the opinion that policies and rules were strangling companies; they felt that people would be happy to take responsibility if they were allowed. They felt that this framework would offer the opportunity to relook at company policies, they felt that they required a reduction in their current policy until a clear strategy was developed as they their current Customer Service policy too cumbersome in its present format (Company B), (Paramenter 2007). Three respondents mentioned technology as being

an area of least importance to them, although said this may be an age factor. *“I’m not able to keep up with all this twittering stuff so I just ignore it; it’s not for me”* (Company C). *“I think the use of technology will come after the strategy is set so not sure if it’s relevant or not. I’m not really good in this area; I’d have to let the IT guys decide”* (Company E). *“Technology but I think that’s because of my age, I’ve no interest in facebook and all that”* (Company A).

Similarly, Merchant (2010), Buelens (2002), Porter (1998), Boudreau and Watson (2006) note a clear and well communicated strategy with relevant up to date data is required to attain commitment. Regarding technology, training should be offered. This would reduce stress and increase motivation and adoption of new initiatives (Taylor, 2010; Christopian, 2008; Kaplan and Norton, 2006). In terms of CI and use of technology, directors must understand their implications and impact on business or competition.

41.11.12 What would be your biggest hurdle in getting buy-in to implement this framework, if any and why?

One company was based in three culturally different countries, and felt it would be a significant challenge to get all three sites to understand a company wide customer service policy (Company G), (Smerd, 2009). Again there was consensus on having the correct people, *“jobs worth’s, they need to be weeded out, this is an ideal time to do it; wrong people, wrong roles, can affect all areas, they just won’t see the vision”* (Company C)

Other comments: *“The complexity of our business will be a huge challenge, we would have to divide it into each division, they definitely need this framework, but we are very diverse and big, we would need to find the threads that run through the whole lot and hang the framework off them”* (Company E), (Suzaki, 2002). *“Timing could be an issue, having to implement changes and managing the business as well, I think I would struggle to get agreement at this point”* (Company A). *“We are far too big to implement this as a whole; also getting anybody to agree to changes at this point will be testing”* (Company F). *“Getting agreement and peoples attitude to change are two great big hurdles, so it’s back to having the right people, they don’t normally fight change and usually see the benefits”* (Company B). *“I see the hurdles being internal staff resistance and getting them to agree to change their ways”* (Company C).

Company size clearly affects ability to change as the challenge of communicating a) to the whole company, b) keeping the same message and c) attaining the same understanding is immense (Kaplan and Norton, 2006; Phillips, 1998; Crosby 1995). Yet, breaking the task

into manageable pieces, attaining agreement, and using a collaborative approach is most likely an effective starting point (Taylor, 2010; Parmenter, 2007; Van de Berg, 2007).

4.12 Conclusion

Arguably, these results show that implementing a customer service strategy and using CI as a method requires these areas to be linked for this framework. However, the literature in each of these areas is perhaps quite similar and in order to understand the differences, the researcher developed Table 3 from the literature and findings to understand each area clearer.

Table 3 CI key topics versus customer service key topics.

Continuous Improvement	Customer Service
Key research topics	Key research topics
a) Relevant information is vital	a) Gather research to understand the gaps in Service delivery
b) Learning never stops	b) Make improvements to fill the gaps
c) Leaders need to take responsibility	c) Leaders need to take responsibility
d) Empowerment works	d) Empowerment works
e) Profit is not important - customers are.	e) Excellent customer service will deliver profit
f) Training and mentoring help	f) Clear direction required
g) Reviewing processes and procedures should reduce waste.	g) Recovery is as important as improvement
h) People are important.	h) People deliver service, processes do not
i) Communications are vital	i) Communications are vital

Table 3 clearly shows the links between the two topics, but what it does not show are areas of finance, IT, and business improvement models. From the findings the main area for consideration was that a CI initiative considers quality improvement tools. Some such tools include the customer; however, they have been criticised for not going far enough in looking after the customer (Dale, 2003; Lagrosen, 2001; Dale and McQuarter, 1998; McQuarter et al., 1995). If they did, these two topics would arguably merge even further. In Customer Service it is maintained that profit will follow good service, whilst in CI profit is not seen to be important, the customer is the important factor. These statements may actually align.

Throughout the research no financial claims were made to a % or monetary value in increased profits regarding whether customer service is improved, although references were made to how many people would leave if they experienced poor customer service (Daffy, 2001; Mintel, 1999). Theoretically a lost sales figure could be calculated assuming the 70% of lost clients continued to repurchase. No questions or reference came up in the interviews regarding the savings or increased sales a company should expect if they implemented a customer service initiative. Not noticing the subject finance was not included as an individual topic, may well have links to the misconception that the finance and technology departments are not normally included in customer service initiatives (see 4.6.2).

It is suggested from the findings that implementing new initiatives has many challenges, yet the findings also indicate a commitment to the use of the framework within the respondents' practices. Significantly, this was unprompted by the researcher and initiated by the respondents. This again highlights the benefits of using the Delphi technique whereby respondents began to feel an association with the final outcome, in this case the framework.

In summary although there was consensus that the framework is a usable tool, in reality implementing changes within business requires careful consideration and planning. Nevertheless the findings show that respondents felt somewhat associated with the framework and the use of it within their own practice. It should however be noted that the framework on its own is not an easy to use tool and should be used in conjunction with the summary document (see 4.8) and explanations that accompany it. The following chapter discusses the overall findings and the recommendations that are derived from the findings.

Chapter 5. Discussion.



Introduction
The Delphi technique
Customer Service
Culture
Continuous Improvement
The final framework

5.0 Introduction

This chapter discusses the main findings and presents the revised framework. Significantly, there was a strong similarity in many answers and a very early emergence of consensus in the Delphi process. Notably, this was regardless of the industry or company size, thus suggesting strong transferability. This chapter discusses the findings in light of the literature and with regard to their importance for practice. It first briefly discusses the Delphi technique before discussing the findings in three sections: customer service; culture and continuous improvement. Finally the chapter describes and evaluates the resultant framework before moving to the conclusion and recommendations chapter.

5.0.1 The Delphi Technique

Enlisting the help of the nine interviewees to agree to the project was relatively straightforward; however, arranging an interview schedule was more challenging. Moving some of the interviews to Skype assisted in addressing this issue. The use of Skype proved to be beneficial as the respondents appeared more relaxed and contributed more regarding the depth of information they shared compared to the previous interview content and length. The use of the Delphi technique allowed for the collection of in-depth information from different industries and experts with differing experiences and skills. It also allowed for the collection of sufficient information to produce the final framework guide and achieve consensus. It allowed the researcher to become familiar with the use of this technique for future practical use of the technique in a consultancy business.

5.1 Customer Service

5.1.1 Policy / Organisational Structure / Rules and Regulations

Regarding policy, the results show the importance of having a clear customer service policy in place and in line with a continuous circle of communication. This must then be communicated throughout the business (Deming, 1991; Pfeffer and Veiga, 1999, Rowlands,

2008; Carroll, 2010; Suzaki, 2012). However, participants were concerned at having a too restrictive policy, thereby potentially stifling staff ability to deal with customers in an appropriate manner (Bolton, 2004; Gronroos, 2007). Thus, companies arguably need to find a balance between not having a too restrictive policy but, still having one that can be monitored. Policy should therefore be clear and accompanied by support mechanisms to allow open communication throughout the companies, including two way feedback, mentoring, regular meetings and training. Such communication may be achieved through careful explanation of the policy, and monitoring and management of the communication process (Deming, 1991; Gryna, 1993; Pfeffer and Veiga, 1999, Rowlands, 2008; Carroll, 2010; Suzaki, 2002). The in-depth interviews and rich data yielded through the Delphi technique repeatedly underlined and confirmed the importance of continuous communication to enable the successful implementation of the policy.

5.1.2 Strategy/ Better Goods and Service

The findings show that a company customer service strategy should be: (a) clear to understand; (b) agreed with the leadership team and; (c) indicate strategy direction and d) identify responsibilities. Participants considered 'good' customer service a competitive advantage (Barlow and Stewart, 2005; Porter, 1995) and something that should be, held as a core competency, included as part of the company's performance measures and held as a company value (Schein, 2004). Notably, the company's people were perceived as crucial to the process, and all employees should understand, accept and live by the company's core values (La Wells, 2009). However, how this would be achieved in practice was considered to be more problematic. Participants believed (some very strongly) that a clear and simple strategy firstly needed to be agreed with management (Porter, 1998; Swaim, 2010; Liaw *et al.*, 2010) before any changes were introduced to employees.

In agreement with the literature, participants felt the introduction of KPIs and the inclusion of customer service as a company value would help achieve the implementation of good customer service delivery in conjunction with the careful monitoring mentioned above (Laursen and Thorlund, 2010; Parmente, 2007). The discussion that arose from the use of the Delphi technique led some participants to introduce customer service measurement into their employee performance review process. This once again underlines how the Delphi technique can assist in informing change within organizations (see 6.5.4).

5.1.3 People, Roles and Ethos

Employing and retaining the ‘right’ people was one of the most discussed issues in the interviews. Participants felt that employees can affect performance in terms of company reputation, success, employee motivation and stress levels (Kohli and Jaworski, 1990). From the very start, there was a consensus that in order to identify the ‘right’ person a minimum of 2 candidate interviews was required and should be undertaken by competent and thoroughly prepared interviewers. The ability to continuously probe into answers until the interviewer was comfortable that the truth had been reached was also considered key (Soderlund and Rosengren, 2008). Given the perceived possibility that some employees may never perform to the required standard nor will ever accept new initiatives, participants felt it may be necessary to consider their dismissal.

On the subject of ethos, implementing a customer service ethos within a business was seen as fundamental to its success (Schein, 2004; Want, 2003). It was also considered necessary to implement an appraisal process that included the delivery of the company’s core value(s). This would assist the implementation of a good customer service ethos, ensure each employee understood the role they held, and allow each employee to showcase examples of where they had delivered excellent customer service. Similarly as with policy, participants felt that this required continual monitoring and careful implementation.

5.1.4 International Policy

For participants who worked in international companies there were additional considerations. In an international context, although there was similar consensus (to above) that every country required the right people in place to succeed across multiple-sites, it was felt a different set of skills, and sensitivity to local cultural differences and customs was essential (Mobley, 2009; Leatherman, 2008). This expands the picture of the fundamental need for careful monitoring and thorough preparation of a customer focused approach to be successful (Rowlands, 2008; Champney, 1995; Klie, 2007). It was felt by participants in international companies that such monitoring could only be done by local employees, even though this may require cultural change on the part of the local employees to be, for example, more proactive in implementing a customer service ethos.

5.2 Culture

5.2.1 Leadership /Motivation, Learning and Ethics

There was a consensus when the word 'leader' was used, that the participants were referring to people who led teams or managed people. When asked to describe a company structure, no reference was made by the participants to culture, or company ethos. All participants described the 'structure of a company' as the hierarchical construction of the organisation; describing the directors at the top and employees placed beneath them. Participants also emphasised how important it was for companies to lead their customer service policy from the top down (Crosby, 1980; McGahan, 2008; Dubrin, 2010). Indeed, participants stressed that no area was exempt and that company policy must include the departments that would normally be seen to sit outside any customer service initiative such as Finance and IT (Champney, 1995; Rowlands, 2008). It was seen as important that the directors support the workers rather than dictate (Marsh, 1998; Suzaki, 2002).

There was a clear consensus that introducing and achieving agreement with the leadership team to any initiative was a necessity (Deming, 2000; Rowlands, 2008; Marsh, 1998; Daffy, 2001; Baker, 2010) and that employees must understand, accept and live by the company's core values (Smerd, 2009; LaWells, 2009). Also considered to be of importance was the necessity to achieve complete leadership buy-in, if this is not achieved, it was considered more fruitful to wait until all directors and managers were in agreement (Champney, 1995; Klie, 2007; Rowlands, 2008). When attempting to introduce change there was a clear understanding of the value of collaboration throughout the business and that involving managers and employees from the outset, was essential to implementation (Kaplan and Norton, 2006; Batt, 1999). These findings emphasise the need for a holistic approach to customer service in which all departments are included and involved (Asif et al, 2009; Suzaki, 2002; Buelens et al.; Bhuiyan and Baghel, 2005). This is similar to 5.1.1 where it highlights the need for continuous communications to successfully implement company policy was stressed.

5.2.2 Measures /Improved information / Customer satisfaction/ Finance

Participants agreed that using customer service KPIs will allow companies to understand their delivery of customer service at all measured customer touch points (Bento and White, 2010; Kazien, 2012). Participants also agreed that measuring KPIs will assist in having all departments focused in one direction with the aim of achieving targets (Van de

Berg, 2007; Parmenter, 2007). These measures can then become part of employee performance reviews (as mentioned above), dictating salary, promotions and bonuses (Parmente, 2007; Laursen and Thorlund, 2010). The participants concurred that sales as a measure of company success is commonly used, but that understanding how many customers are leaving and why, would also be a good source of information. Measuring clients after they had left was thought to be too late (Juergensen, 2000; Elefsiniotis, 2002). The findings here also demonstrate one of the benefits of using the Delphi technique as consensus was reached across a number of issues.

5.2.3 Autonomy /Greater customer service and less stress

The participants recommended that employees should have a measure of autonomy, albeit not total freedom, (Pfeffer and Veiga, 1999) thus allowing employees some responsibility, and only requiring management intervention in certain circumstances (Pfeffer and Veiga, 1999). On the other hand, it was suggested that employees should not be in a position to change procedures without internal agreement, however to do this required open lines of communication and management (Williams, 2008; Gremler et al., 2002; Oliver, 1999; Champney, 1995). This was again in agreement with the Policy and Strategy issues (5.1.1 and 5.1.2) where a level of monitoring, control and open communications are required.

5.2.4 Communications / Improving communications and information flow

Participants agreed that communicating clear strategies and policies was considered fundamental to their implementation (Deming, 1991; Rowlands, 2008; Carroll, 2010; Suzaki, 2012). They also concurred that using intranet or email were not effective methods to communicate important changes or policies. Also of importance was the understanding that employees will follow the attitude of the person responsible for customer service, and that leaders must communicate good customer services, both verbally and non- verbally, to reiterate its importance (Daffy, 2001; Baker, 2010). In order to communicate change more effectively, continuous discussions, reviews, one to one and group meetings were considered effective to instil company policies (Wellington, 2010; Dubrin, 2010; Bjorkman, 2009; Larson, 2003; Caitlin and Matthews, 2002). The consensus was that, from induction, companies must communicate their values to employees, and that customer service was a companywide initiative. This represents a practical application of implementing the holistic approach mentioned above (Suzaki, 2002; Buelens et al.; Bhuiyan and Baghel, 2005) and a

practical application of how it will work. Again, this was discussed and agreed with the participants through the Delphi technique.

5.2.5 Listening / understanding the companies requirements and change management

Participants concluded that in order to fully understand the workings of a business, research from both internal and external sources was required (Zeithaml et al., 1990; Daffy, 2001; Hess et al., 2003; Gibson, 2012). Without this information it would be an almost impossible task to make improvements (Suzaki, 2002; Goodman, 2009). There was consensus that directors tended to move away from understanding the daily workings of a business (Suzaki, 2002) yet that in order to completely understand their business, there was agreement that directors should take time to work within the business (Suzaki, 2002). This would contribute to a better understanding of how systems worked, and the everyday experiences at each customer touch-point (Underhill, 1999; Daffy, 2001). This would also assist when developing strategies, targets and training requirements and help achieve employee buy-in, especially where employee opinions are sought and considered (Dale, 2003; Lagrosen, 2001; Dale and McQuarter, 1998; McQuarter et al., 1995). Participants also agreed that it would be considered best practice to dismiss employees who would not buy in to company change, but only after retraining had been undertaken (Gratton, et al., 2003). Another practicable application of using the Delphi technique in this instance was the indication of Company G to review their method of dealing with underperformers based on her learning from her participation in this project (see 6.4.5).

5.3 Continuous Improvement

5.3.1 Responsibility / empowerment and ability to change

The participants regularly discussed employees' understanding of their responsibility towards customer service. In agreement with the literature, participants noted that delivering good customer service was the responsibility of all employees, but that employee personality and ability to comprehend company needs affected the implementation and buy-in to any initiative (Dale, 2003; Bono and Judge, 2003; Kuber, 2002; Sashkin and Kiser, 1993). Changing employee attitudes was considered challenging; therefore, involving employees in the development of plans and strategies was considered a valid approach to achieving acceptance (Larson 2003; Batt 1999; Likert 1976). There was consensus that all employees needed to understand the importance of the value of customers and to take responsibility for

ensuring customers received an excellent experience at all times (Zulnaidi, 2002; McLagan and Krembs, 1995; Remington and Pollack, 2007). Chapter 6 (5.4) shows where participants proposed changes to KPIs or proposed implementing KPIs to ensure employees take responsibility for customer service and all departments are focused in the same direction.

5.3.2 Training / Improved understanding, buy-in and teamwork.

Participants agreed that implementing induction and ongoing training and mentoring in customer service were vital in showing a company's commitment to customer service (Buelens, et al., 2002; Suzaki, 2002; Berry and Parasuraman, 1991; Berry, 1995; Juergensen, 2000). Retraining was seen to be more cost effective than dismissal. Participants agreed that companies, who took customer service seriously and empowered staff, should also include company strategy and policy as part of any induction training programme in order to reiterate that customer service was the bedrock of their business. It was agreed that this may require the retraining of underperformers and the continuous updating of training mediums (Buelens, et al., 2002; Suzaki, 2002; Berry and Parasuraman, 1991; Berry, 1995; Juergensen, 2000). In agreement with the above; including customer service at induction will also reiterate how important delivering good customer service is to the company.

5.3.3 Technology

None of the participants considered using any controls on the use of emails or social media platforms. Nevertheless, technology was a contentious area with a number of participants, who were uncomfortable with the speed and effect social media was having on traditional marketing (Smith & Zook 2011). It was agreed that within a business environment it would be good practice to implement policies for the use of mechanisms such as Twitter, Facebook and YouTube (Mangold & Faulds, 2009). As information is now acquired at speed, including using the internet to research competitor products and pricing, it was thought imperative companies keep websites up-to-date. Regardless of the likes and dislikes directors hold towards technology, it was thought prudent to have somebody within the company to monitor changing trends. The Delphi technique allowed for open discussion (albeit confidentially) with participants on the uses of social media and how it could or should be affecting their business. More importantly, all participants agreed they needed to be more involved and understand the new marketing methods which they were ignoring due to their lack of knowledge of the topic.

5.3.4 Processes / Leaner, process development, risk and waste management

Participants concurred with the view that continuous improvement initiatives must be holistic and include continuous communication (Beulens, 2008; Bhuiyan and Baghel, 2005). They also agreed that for employees to communicate confidently, processes were required to allow for open communication and support. They also felt that to improve processes it was necessary to introduce practices to share, and most importantly use, information collected from the experiences of both internal and external customers (Porter, 1998; Suzaki, 2002; Nolon, 2005; Kumar and Petersen, 2005; Van de Berg, 2007; Merchant, 2010; Lee, 2011). It was also agreed that processes should not change without internal consultancy. Participants recognised the need to stay up-to-date with new processes but understood that in a recession this was unfortunately not a top priority. There was a consensus that it was the director's responsibility to ensure processes were adhered to (Swaim, 2012; DuBrin, 2010; Crosby, 1980). In the event that a total company implementation was considered too large an initiative, it was suggested the framework could be split into departments, feeding into the overall framework (Suzaki, 2002) and measured accordingly. Chapter 6.5.4 shows where participants considered the use of parts of the framework within their business.

5.3.5 Data /Organisational Outcomes

The majority of participants said they gathered customer information, although not all used this information. This corresponds with Ulwick and Bettencourt (2008), who suggest that less than 5% of companies actually understand their customers' needs. Research was considered a vital ingredient in establishing both internal and external customer needs (Underhill, 1999; Anderson and Kerr, 2002; D'Aurizio, 2008). It was considered good practice to share and use this information to make improvements, and thought to be company "suicide" (Company D) not to establish what a company's customers or competitors were doing (Juergensen, 2000; Elefsiniotis, 2002). It was recommended that research be undertaken to ascertain the company's current position before implementing changes and that this would also help assess the degree of any change required (Berry and Parasuraman, 1991; Berry, 1995; Juergensen, 2000; Suzaki, 2002; Buelens, et al., 2002). Arguably, the cost of collecting data could dictate the method and timing of its collection. The use of the Delphi technique allowed for agreement to the value of information gathering and discussion where the participants themselves identified the need to make changes (see 6.5.4) solely from their participation.

5.4 The New Framework Guide

The participants considered the framework useable, but that it must be read with the explanations attached (see 4.8). Although the true test of this is to see these changes implemented in practice, it was encouraging that some participants were suggesting changing current practices due to being part of this process and implementing changes in line with some of the findings. Paragraph 6.5.4 shows where the participants benefitted from being part of the project. It indicates the learning they stated they received and the changes they indicated they would make within their current roles, from their participation in the Delphi technique

5.4.1 Changes to the Framework

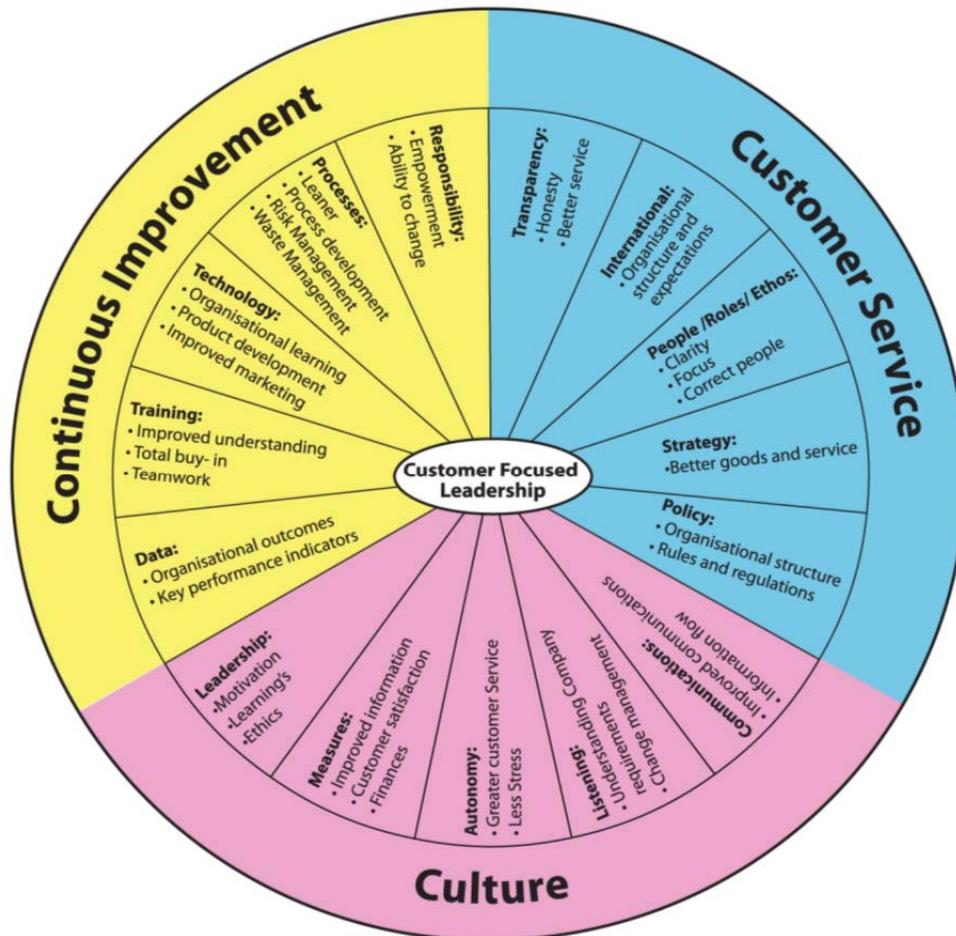
The Following changes to the framework were then agreed with the participants: Placing both the customer and the leaders in the centre indicating the importance of both in to a business. The inter-relationship and communication process between all departments was agreed to be important as the framework takes a holistic approach with all departments' involved on an equal footing and therefore involves all departments (including finance and IT) within the framework. Only one participant thought finance important enough to be included as a topic and the above review of models and literature shows little reference to finance in this area. Finance as a heading has been included under Measures within the Culture segment. When discussing the framework participants felt some colours were so strong that some wording was difficult to read; therefore the colours were toned down. It appeared that once the contextual information (see 4.8) was read, the framework made sense. It would therefore be difficult to introduce the framework independently of explanation. The participants that described it as simple had read the background information (see 4.8) in conjunction with the framework. One participant commented on the use of a fading colour approach from one segment to another but all others suggested that it may present an image of inequality in the segments which was undesirable. There was consensus that the framework could also be used as a map to indicate areas for inclusion in a customer service initiative. Participants who were implementing new KPIs stated they would use the framework as a guide, indicating how the process was also beneficial to them.

Overall, the participants strongly agreed the framework was a workable structure; three participants from the larger companies mentioned using it companywide but breaking it into departments and feeding into a larger company framework. Delivering good customer service was considered to give a competitive advantage and could therefore be considered

beneficial as a means of survival against competition during a recession or in intensely competitive times (Barlow and Stewart, 2005; Porter, 1995).

5.5 The New Framework Guide

Figure 23. A customer centred framework for retaining customers.



For convenience a copy of the findings that assisted in the construction of the framework is reprinted below, (see 4.8.1). In order for the framework to be fully understood it is necessary to use this summary in conjunction with it.

Customer Service

Policy / Organisational Structure / Rules and regulations

12. A company's customer service policy must be clear. Leadership needs to believe in it, explain it, mentor and support employees (see 4.7.1) by empowerment, training, listening, regular meetings, and operations training and manuals (see 4.2.1).
13. Company policy is seen as a continuous communications circle; people must be in a position to ask questions, give feedback and be supported (see 4.2.1, 4.6.1, 4.6.4).
14. An open interactions policy and method of communications and exchanges is needed (see 4.6.4).
15. There is a need to continuously monitor if the policy is followed rigidly. Do not let lazy habits change your ways of working (see 4.6.2).

Strategy / Better goods and service

16. Customer service is understood to be a competitive advantage and is held as a core competency (see 4.1.2) by the majority of companies. One suggested they would not have a company if Customer Service was not the ethos of the business (see 4.1.3).

People, Roles, Ethos / Clarity, Focus, Right People

17. Customer Service must be the Ethos of the business (see 4.1.3).
18. Employing the right type of person is essential, having the wrong person affects performance in terms of company and individual, motivation, control, responsibility, reputation, stress levels and the ability to run the company (see 4.1.4, 4.3.5, 4.5.3).
19. A minimum of two interviews is recommended to find the right person. Interview criteria are imperative, identifying the needs of the specific role, a criterion for success and relevant questions. To attain valid answers specific examples are required, as is continuous probing until the interviewer is satisfied (see 4.5.3).
20. Experience and personality may be more important than education (see 4.5.3).
21. Appraisals that include the delivery of the company's core values were thought to be an excellent idea, this included showing examples of where employees delivered excellent customer service (see 4.5.3).

International / Organisational structure and expectations.

22. All companies understood the need for local knowledge and direction and that one rule will not work across cultures (see 4.1.8).

Culture

Leadership / Motivation, Learning's and Ethics

12. Leadership is key for all companies involved, and directors and key managers must be on board, including finance, operations and IT departments. Without this, implementing any objective may fail (see 4.6.2).
13. It is a circle of communications. One area will not work without the other (see 4.2.8, 4.6.1, 4.6.4).
14. Directors must support the workers and show (direct) rather than dictate (see 4.6.1, 4.6.2).
15. People are crucial and all employees must understand, accept and live by the company's core values (see 4.7.4, 4.6.5).
16. It is necessary to employ the right people (see 4.5.3, 4.5.4, 4.6.1, 4.7.1).

Measurements / Improved information and increased customer satisfaction.

17. Understanding why clients leave is a useful source of information for future strategies, measuring clients after they leave may be too late (see 4.7.2, 4.7.3).
18. In order to understand what is going on in an organisation it is necessary to collect data from a number of sources such as mystery shopping, surveys, joining meetings, listening to calls, research and talking to customers (see 4.7.3).
19. Information needs to be shared to relevant people to enable them to improve processes and work better. If what is going on is not measured it would be difficult to manage a business (see 4.7.2).

Autonomy / Greater customer service and less stress.

20. Autonomy and responsibility should be handed to employees but with a measure of control in place (see 4.2.4).
21. You should not allow people to change ways of working without agreement (see 4.6.2).
22. Opening relevant lines of communication is fundamental (see 4.6.4).

Communications / Improving communications and information flow

23. Companies need to have and communicate very clear values and competencies and communicate them right from the start (see 4.6.3).
24. Communications via the intranet or email are not seen to be a viable (see 4.6.4).
25. The company employees will follow the attitude of the directors or person responsible for customer service. Therefore, agreement that customer service is a key component to the success of a business is required (see 4.3.5).
26. Customer service is considered a competitive advantage (see 4.1.3, 4.7.4).

Listening / Understand the company's requirements and Change management.

27. In order to understand the workings of the business, research is required; both internally and externally seem to hold equal importance (see 4.7.2, 4.7.3).
28. Most directors will have moved away from understanding the day-to-day workings of the business, so in order to set out clear plans, targets, training and feedback it is necessary to listen to the opinions of the workers, who will then potentially assist in implementing changes as their opinions had been sought and considered (see 4.6.1).
29. However, there will always be a percentage of employees who will not listen to the company's requirements or act on them. This percentage will also react against change and insist on working the system to suit themselves. In the event change was required and they would not come on board after retraining, dismissal was considered the next appropriate option (see 4.7.1).

Continuous improvement

Responsibility / empowerment and ability to change.

30. Each employee is responsible for delivering company customer service policy (see 4.5.2).
31. All directors are happy to empower staff but frontline employees may not be sufficiently commercial. Thus, controls need to be in place with most companies working a (%) percentage or (£) monetary target. Anything over this amount must be discussed at director level (see 4.2.4). The attitude of the person responsible will dictate the employee attitude in company customer service strategy implementation (see 4.3.5).

Training / Improved understanding, total buy in and teamwork.

32. It must be communicated to all employees that customer service is the bedrock of the business and this should be part of the overall induction (see 4.6.1).
33. Training must include people skills and customer service as well as product knowledge (see 4.6.3).
34. All companies were happy to retrain underperformers, if however they were still underperforming all were happy to move them on (see 4.5.4).
47. There is a cost in terms of time, money, sales, reputation and effort to retrain underperformers as well as new starters. It is seen that retraining is less costly if it works (see 4.5.3).

Technology / Organisational Learning, Product development, Improved marketing

48. No company considered the use of any controls on the use of email, twitter, facebook, or Skype (see 4.3.6).
49. After discussion there was an acknowledgement of the benefits and dangers of these mechanisms, especially Twitter and Facebook (see 4.3.6).
50. All companies were aware that the business environment is changing at a dramatic pace especially in the use of Twitter and Facebook (see 4.3.6).
51. Competition on product and pricing can be researched almost immediately using the internet and mobile applications. Therefore, keeping websites up-to-date is seen as a necessary investment in technology albeit in the recession some companies could not afford to do this (see 4.3.3).

Processes /Leaner, Process development, risk management and waste management

52. All companies understood the need to keep up-to-date on new processes and technologies but in the recession this was not a top priority (see 4.7.3).
53. Research on processes and new procedures are a costly expenditure and becomes less important during a recession (see 4.7.3).
54. There was consensus that it is the director's responsibility to ensure the processes are being adhered to (see 4.6.2).

Data / Organisational Outcomes and Key Performance Indicators

55. It was thought to be company "*suicide*" not to establish what customers and competitors are doing (see 4.7.3).

56. Sharing information is necessary to understand strategies and tactics for the future. Feedback is important both internally and from external clients (see 4.2.8).
57. Data is vital in establishing what is going on. Understanding your customer would be considered best practice (see 4.7.3).
58. Companies need to establish measurable KPIs (see 4.6.3).

Chapter 6. Conclusions and Recommendations



Introduction
Were the aims and objectives achieved?
Were the questions answered?
Recommendations
Contributions to knowledge and practice
Limitations of the Study
Areas for further research

Introduction

This chapter considers to what extent the aims and objectives of the thesis were achieved and to what extent the questions posed were answered. This is followed by a discussion of recommendations based on the findings and discussions in Chapters 4 and 5. It then considers the practical and knowledge contribution of the thesis. The chapter ends with a consideration of limitations and areas for future research.

6.0 Were the aim and objectives of the research achieved?

6.1 Aim

The aim of the project was to understand if a relevant practice based guiding framework could be developed for the improvement of customer retention.

This aim was met. Full consensus was achieved that the framework, together with guidance, was a feasible and practical tool to assist and guide companies in using continuous improvement methods showing the customer as central to the process and with complete leadership buy in, will allow companies more effectively meet customer needs. Meeting these needs should lead to improved customer retention. The true test of its usability is to use the framework in the workplace.

6.2 Objectives

The objectives were met in large part due to the use of the Delphi technique, which was informed by the literature review. The Delphi technique allowed for a wealth of information to be gathered from a number of key respondents and it transpired that the participants took some learning from the experience for use in their own business (see 6.5.4). The objectives are considered here individually:

Objectives

To understand the key issues surrounding customer retention.

By amalgamating the information gleaned from the literature review and the interviews using the Delphi technique allowed the researcher to meet this objective by understanding the key issues surrounding customer retention, the gaps in service delivery and the statistics surrounding the issue of why clients leave a company. This also allowed for an understanding of the importance of collecting and using research, the necessity to communicate in the correct manner, the benefits of having a company culture, ethos and values focused on the customer, and how the leadership team's buy-in can impact on new implementation initiatives and the important role employees' play in customer retention.

To investigate if there is a convergence between continuous improvement and good practice in customer service.

Table 3 shows how this objective was met by indicating the similarities between CI and customer service. From the findings it transpires that CI looks at the use of process improvement tools, some of which include the customer, however, some of the CI methods have been criticised, indicating that the customer tends not to be central to the process. A customer service initiative tends to focus more on the customer and then the processes focusing around the customer's needs.

To research a number of different settings to establish usability across sectors.

By using nine respondents who came from nine different industries and company sizes helped to achieve this objective, it also showed that the framework was not potentially restricted to one focused industry. The method allowed the researcher to gain experience using the technique and to understand that, by its use it could perhaps also bring reluctant employees on board simply by them participating, having a voice and listening to other people's experiences and suggestions.

To develop an academic piece of work applicable to the practitioners world in order to make recommendations for the improvement of customer retention.

Having access to industry respondents on three different occasions to gather in-depth information and finally achieve a consensus was a humbling, absorbing and immense learning experience. With the gravitas of having developed an academic project, the framework will be now used in practice. The Delphi technique in this instance seemed to fit

the requirements perfectly, and could be a useful tool from a meta-perspective in the implementation of the framework within practice.

6.3 Were the questions answered?

The questions being researched fell into the following categories:

Using the literature in the areas of CI and Customer Service to investigate the links (if any) between these to each other.

Links were found between the 2 models, the literature review, and the interview findings. This could be due to the fact that the customer service framework took a holistic view and therefore all areas of business would be seen as equally important and inclusive. This is fundamental to the overall aim of the thesis as it would be difficult to understand how a company would undertake a customer service initiative without looking at how it would change or impact the overall business; therefore, to understand how to ‘delight’ customers a company would need to research customer needs and implement processes to make any recommended changes.

Using the key components of the CI framework to critically explore a Customer Service strategy.

The framework went one step further in that it both critically explored a customer service strategy, linked 2 different models together (fig. 8 and fig. 13) and also used the findings as the key headings within the new framework (fig. 24). A CI model (fig. 8) requires the implementation of change within a company by constantly reviewing all areas so as to improve methods or close gaps to enhance processes and the experience of both customers and employees. The customer service model (fig. 13) requires research into areas that affect the customer, and using this information to make necessary change to fulfil the customers’ needs. The new framework (fig. 24) merges the research findings and the two models (fig. 8 and fig. 13) with the ultimate aim of retaining customers, dovetailing into the view that a holistic approach is required.

Investigate the role of CI in implementing a good customer service strategy

By investigating the two areas together, the findings indicated the need to amalgamate a CI initiative of continuous data gathering and use with a Customer Service initiative by putting the customer in the centre of the process and that leaders must have total

buy-in and responsibility for process implementation and change initiation; indicating the holistic requirement within a company.

6.4 Recommendations

The following is a gathering together of the recommendations based on the findings and discussion. They are presented in the three themes of Customer Service; Culture and; Continuous Improvement.

6.4.1 Customer Service

Policy

To be taken seriously, a policy must be clear and communicated throughout the whole business.

Policy should be workable and unrestrictive, but also monitored and supported by training.

Strategy

Strategy should be simple to understand and must be agreed at all levels.

Strategy should become the basis of a company's core values and its delivery part of the company's performance measures where the inclusion of customer service delivery should be included in the company's KPIs.

People

Having the right person to represent a company is suggested as key to the success of any business regardless of the role.

To find the right person a minimum of 2 candidate interviews is suggested, using competent and well prepared interviewers.

International

Here again, having the right person in place is seen as important regardless of location, but running a multi-site operation also requires local knowledge and skills.

6.4.2 Culture

Leadership

Directors should not dictate procedures and should spend time 'at the coalface' to understand everyday processes and occurring issues. This has a fourfold effect:

Employees feel they are being listened to.

Directors understand the workings of the business.

From the learning, strategies, targets and relevant initiatives can be developed.

Collaboration at all levels assists in the implementation of new initiatives.

Measures

Measuring sales alone was regarded as insufficient, however, including measurement of the number of departing clients was considered a better indication of success and measuring the volume of clients who left after the fact was considered too late. Thus, to focus employees in one direction, a KPI measure of lost clients and a review of why they left should be included. Customer service delivery can be used as a measure for employee development and career progression; delivery of this can be linked to salaries, bonuses and promotion.

Autonomy

In order to empower employees it is recommended they are allowed a measure of autonomy with some controls and monitoring in place.

Communications

A straightforward, clear and focused strategy is required that includes processes allowing for open communications including feedback. It is thus necessary to create and maintain an environment where employees feel confident to discuss research findings and initiatives in open discussion, meetings, training, and mentoring.

Listening

Gathering research and listening to feedback is vital to the success of a customer services focused company. It is important that information gathered is shared and used to make improvements. As noted above, with director involvement at lower levels, there can be a fuller understanding of the issues.

6.4.3 Continuous Improvement

Responsibility.

All employees need to understand the company needs and their responsibility towards delivering excellent customer service; this must be communicated from induction and monitored on a regular basis. In the event that all employees take responsibility for the delivery of customer service it could be foreseen that there may be no need for customer service departments.

Training

Companies who show commitment to customer service delivery will include customer service policies and strategies at induction, in training, and by mentoring. Retraining is a more cost effective method of improvement over dismissal and rehiring.

Technology

It is considered prudent to review and monitor changing trends

Processes

By amalgamating a continuous improvement initiative and a customer service strategy, processes become holistic, involving every department and by implementing a continuous circle of communication information is shared and used.

Directors are responsible for the implementation and success of procedures. Where the business is considered too large to implement a holistic implementation of the new framework, breaking it into departments and feeding into an overall company initiative could be considered.

Data

Data collected should be discussed, shared and used to understand customer needs.

It is considered good practice to research a company's current position and understanding of their delivery of customer service before making changes.

6.5 Contribution to Practice and Knowledge

This section considers the implications and learning from this thesis regarding its contribution to practice and knowledge.

6.5.1 Theoretical

The thinking behind using the Delphi technique in this context was the ability to structure a group communication to allow a collection of individuals, who never meet, to openly discuss an issue or problem, and by using the Delphi technique, its confidential manner allowed the prompting of more open discussion (Linstone and Turoff 1975). It is a method for the systematic collection of expert opinions on a specific topic and effectively focuses on the areas of confidentiality and the sharing of information. The anonymous nature of the exchange was of utmost importance to this particular range of respondents (and to the richness of the data gathered) as it allowed them to speak openly about the issues, some of which were quite sensitive. Both the exchange and the technique allowed for directional change within the interview and for the gathering of in-depth information and probing into areas that may not have been uncovered using different techniques.

6.5.2 Methodological

This thesis has shown the Delphi Technique to be effective in this context as a method of data collection within the qualitative arena. It allowed for in-depth questioning, for probing into topics that arose, and for the sharing of ideas and statements until a consensus was reached. It also allowed the researcher to work outside the restrictive confines of some other methods. It showed the technique to be suitable across a range of industries, company sizes and differing expert experiences and skills, with the arrival at a consensus in some areas at an early stage.

6.5.3 Practice

The framework was universally accepted by the nine expert respondents as being workable for use in business. With the exception of the heading 'Finance' there was no other topic indicated as missing. This topic has now been included under the Culture theme and under the heading of measurements. Nevertheless, it transpired that the framework alone is not sufficient to permit companies to immediately understand what it is attempting to achieve. This was not an unexpected finding as the framework only contains headings and it would be normal to include an explanatory piece to impart a fuller understanding (see 4.8). It is therefore fundamentally important to get recipients to actually read any attached documentation, either themselves or as part of a training session.

It was also interesting to hear the respondents talk about the framework as if they were going to use it imminently, albeit the researcher realised that using imaging (imagining

themselves in the actual situation) they allowed themselves to answer the questions by putting themselves or the company in that position, but they spoke in current terms rather than the future. That said if they could imagine the use of the framework in business this was a good indication of ability to use it. A clear manifestation of its use was the ability of the respondents to start to use parts of it or the findings within their current practices (see 6.5.4).

6.5.4 The respondents indicated their use of parts of the framework within their own businesses

Company E stated that they would commence a review of the company's policy on keeping people who are underperforming; they felt they left these decisions for far too long and in fact the indecision "*reflected badly on them*". They have made the decision to review underperformers and "*move them along*", and felt more confident to do this through the process of understanding that others had the same issues but reacted to the problems.

Company F's respondent was moving company and was bringing the framework with them to introduce and implement with their new team.

Company B stated that being part of this process had refocused them to put customer service back on the company agenda; they felt it had been somewhat neglected due to current work pressures and wanted to reinvigorate its importance within the company. They stated that they would use the framework as a guide to do this.

Company E indicated a change to their communications method; moving away from using the intranet and email when launching in-company initiatives to personal communications with department heads.

Companies B and F were compiling a list of KPIs in customer service as a test of how their teams would react if they were to introduce a complete customer service culture.

Companies C, F and H mentioned that using customer service performance measures as part of quarterly employee reviews was a good initiative that they will implement into their businesses if they can get internal agreement.

Company G works across countries and has decided to clarify and simplify their policy for good customer service. They understood the need to take local customs into account but felt this would be the start of internationalising the business by having a total company strategy.

All companies mentioned they would start to measure how many customers they were losing and why.

6.6 Limitations of the project

Indications show that the developed framework is simple and uncomplicated to understand when used in conjunction with the summary. However, one of the limitations of the project is that unless the framework is tested in practice it is difficult to say with any certainty how easy it would be to implement. This however was not one of the aims of the project and perhaps should form part of any future research undertaken within this project's context. Implementing changes within any business is not usually an easy task, and requires planning and communications throughout the company. The size and culture of a company also dictates the uptake of any initiative and although there is consensus that this framework will work, consideration must be given to the amount of potential change that may be required, spanning anything from director buy-in to process change, attitudes, skills, training, people's ability to change, empowerment or leadership and of course costs. This project has not covered the ability of companies to change, but has simply developed a framework to assist in identifying the areas that need to be reviewed when considering changing to focus on the customer. According to Cudney, et al., (2010) company and local culture and language barriers are seen to hinder the implementation of CI systems, this framework will not address these issues.

6.7 Areas for future research

There are many other areas the researcher would suggest that further research could be undertaken, for example topics surrounding organisational change management, employee empowerment and engagement, setting key performance indicators, understanding, developing and implementing company values and strategies.

There was no mention of the frequency of collecting research; this would be an important area for further consideration and may be dependent of the size of the business or the resources required. Also not covered were the low cost service providers and the service expectations, if any, of their customers.

As mentioned above it would be prudent to research the ease of implementing the framework in practice to test its viability.

In conclusion, another important area not discussed within the research piece is the financial cost of undertaking research internally and especially externally. There is a cost to gather, analyse and understand the data and there is a cost to make changes internally to company's processes and procedures. None of these costs have been taken into account as part of this research piece.

Chapter 7. References

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Appendix. 1 Company A's values.

We always:

- Listen to our customers and partners
- Take personal responsibility
- Talk to people about what is happening
- Make our customers feel special
- Are open and honest in what we can achieve
- We aim to create wealth and value for our clients
- We seek profit so that we can invest and grow our business
- We seek profit so that we can invest and grow our people
- We choose long term gain over short term profit.
- We use profit to put something back.
- Reduce carbon footprint
- Offset the balance by planting trees
- Recycle and reuse where we can
- Share our knowledge and ideas with others

Appendix 2 Company D's Vision and Values

At X we work in an exciting and entrepreneurial company and are proud of our success and heritage. We have a stretching vision to be the most coveted branded company in the world. We have two core assets: our brands and our people. Achieving our vision depends on the contribution and commitment of all our employees.

Our values shape the way we work together and living the values is one way of helping us achieve our vision. These five values are:

Be supportive

- Provide clear feedback to help others improve
- Share knowledge and skills with others

Be better

- Improve self through personal development
- Offer ideas or make improvements to business outcomes

Be pioneering

- Is positive and responsive to unconventional approaches that create value
- Embrace change

Be accountable

- Deliver what you promise
- Know and promote our brands

Be enthusiastic

- Bring energy and passion and commitment to work
- Celebrate success, recognise the achievements of individuals and teams

Appendix 3

Retaining customers by implementing a continuous improvement strategy

I would like to invite you to participate in a research study into customer service and the retention of customers within the Doctor of Business Administration programme at Edinburgh Napier University.

The purpose of the research study is to develop a framework guide for companies to implement a continuous improvement strategy so they can understand their customers' needs and meet them.

You have been invited to participate in the study because of your expertise and knowledge in your industry and your understanding of the importance of customer retention in the development of profit.

If you agree to participate in the study, you will be asked to;

- Participate in one to one interviews.
- I propose to use a technique call the Delphi technique which requires the use of experts and the participation in a number of interviews allowing us to build on and share experiences and information from other participants.
- The interviews should be no more than 1 hour in length and depending on the findings perhaps up to 3 interviews in total.
- Some of these interviews can be undertaken by Skype or phone.
- As these are interviews it is recommended that I tape the interview so it can be accurately transcribed at a later date.
- I will be the only person to analyse the data, therefore keeping and guaranteeing confidentiality and anonymity throughout the process.
- I would be happy to send you a copy of the final report in the hope it will assist you in the development of your business.

You have the option to decline to take part and are free to withdraw from the study at any stage; you would not have to give a reason.

All data will be anonymous, your name will be replaced with a participant letter and it will not be possible for you to be identified in any reporting of the data gathered

All data collected will be kept in a secure place to which only the nominated researcher has access. Please note you may not benefit directly from participation in this research study.

The results may be published in a journal or presented at a conference.

If you would like to contact an independent person, who knows about this project but is not involved in it, you are welcome to contact Dr Lois Farquharson, Faculty Director of Research Degrees, at Edinburgh Napier University (Tel: 0131 455 4345 Email: l.farquharson@napier.ac.uk)

If you have read and understood this Information Sheet and you would like to be a participant in the study, please complete the Consent Form overleaf.

Appendix 4

Consent letter

Retaining customers by implementing a continuous improvement strategy

I have read and understood the Information Sheet and this Consent Form. I have had an opportunity to ask questions about my participation.

I understand that I am under no obligation to take part in this study.

I understand that I have the right to withdraw from this study at any stage without giving any reason.

I agree to participate in this study.

Name of Participant: _____

Signature of Participant: _____

Date: _____

Researcher Contact Details: 07825992446 / 01506852476

Name of Researcher: Barbara McCrory

Address: C/O Dr Nick Pilchard
The Business School,
Edinburgh Napier University – Craiglockhart Campus
Edinburgh
EH14 1DJ

Email / Telephone: barbaramccrory@btinternet.com

Appendix 5

Contact Summary Sheet

Interview date:

Interviewer:

Interviewee:

Location:

Notes:

Appendix 6 Construction of questions into the 3 key themes (1st interview)

Round 1.

The first round of questions were developed from the Literature review.

They fell into 3 key themes. The figure below shows how the themes were constructed to allow for the development of the questions and for the coding once the interviews took place.

Customer Service	Culture	Continuous Improvement
Policy Strategy Keeping bad customers International policy	Measures Anonymity Initiatives Communications Leadership Listening	Statistics /Research Exiting customers Data Responsibility New Technology

1st round of interview questions

Customer Service

How would you describe your customer service policy?

Is it a international or local policy? Could you explain in a little more detail?

How do you know if your policy is working?

What is the company's strategy for Customer service?

How are you approaching it?

Do you measure the cost of keeping bad customers (customers who don't make your company money?)

Anything else you would like to add?

Company Culture

Are employees measured on customer retention?

Do you have targets?

Do you measure how long customers stay with you?

How do you measure your customer base? Do you measure their value – what does value mean?

Does your staff have autonomy in dealing with customers, if so how much?

To what extent are they aware of this? How do you know?

If an employee comes up with a customer retention initiative how is it dealt with in the business?

How do you communicate the customer service policy throughout the company?

Anything else you would like to add?

Continuous Improvement

Do you know the statistics on why customers leave companies?

Is there any follow up if customers leave?

How is customer information dealt with within the business?

How do you know it's communicated throughout the company?

How do you know if your customer is satisfied?

What is done with the information?

Do you have a person responsible for customer service within the company?

Given the use of new technology email, Skype etc have these been taken into account when looking at communications both internally and externally with a view to tone, content, writing etc.

Miscellaneous

Do you think CI /Customer Service is relevant to only a particular type of industry

How would you have answered this before the interview?

How did you feel throughout the interview?

Was it ok to record?

Did I give you enough time to answer?

What about the environment was it ok?

Do you think that I have left anything out of this questionnaire?

Appendix 7.

The second round of questions, the quotes used, the questions and linkages from

In order to show the different links the following colour codes apply:

Black = **Quote**

Purple = **Question**

Red, Orange, Green. = Linkages see Appendix 9

4-P Cycle of CI.

**Literature Review and
1st round of findings**

**Key Elements of
first class service**

Second Interview Questions and Quotes

Quote *“you must always employ and train the right people right from the start”*,

1. It was mentioned a number of times that “you must always employ and train the right people”, can you tell me how you would go about this? (**Personal development and learning, Company Values and Right skills**)

Quote *“If Customer Service is not the Ethos of the company we won’t have a company”*

2. There was a general consensus that it’s every employee’s role to think about customers throughout the day, how would you ensure that happens? (**Increased personal responsibility for organisational outcome, Responsibility and Right people**)

Quote *“Looking after clients is a sales person’s role”*

3. It was expressed a number of times that it was only the sales persons role to implement a good Customer Service policy, what do you think about this? (**Greater self management, Responsibility and Right people**)

Quote *“if the sales person did not perform his role and kept customers happy he wouldn’t keep his job*

4. It was also mentioned that “if the sales person did not perform his role and kept customers happy he wouldn’t keep his job”. How would you motivate him and reduce any stress levels in these circumstances? (**Greater self motivation and decreased stress, Right People and Right people**)

Quote *“We need to be joined at the hip in terms of good customer service; it’s at the heart of what we do”*

5. A number of companies stated that the Customer Service policy was the ethos and heart of the company and involved the whole company. If you wanted to implement a companywide Customer Service policy based on data and feedback

how do you think your company would implement this? (**Increased personal responsibility, Responsibility and Autonomy and Whole company involvement**)

6. And how do you think they would adapt to any required changes (**Readiness to change and adapt, Responsibility, Right skills and people**)

Quote “*You need to have the directors on board, if they believe in it and get behind it, it will work, but they need to keep control of it.*”

7. A large number of companies felt that they “needed to lead from the top down” or “control everything” what impact do you think this could have on employees from a management, learning, motivational point of view (**Motivation, learning, autonomy and responsibility and Right skills**)

Quote “*We have a complete transparency policy, we are completely open with our clients and assume they are with us, it helps to build trust in the partnership” we always let them know what’s going on.*”

8. Honesty, transparency and relationship building” were seen to be vital for some companies, how do you manage to do this? (**Better quality goods and Service, Honesty and Transparency and Partner - shipping**)

Quote “*We don’t measure how many customers leave we only measure our sales versus last year”.*”

9. Given the statistics that 70% of customers will leave because of bad Customer Service and it costs more to get new customers. Do you ever see a measure in place of “keeping your customers” as a measure of success rather than only sales (**Greater customer satisfaction, Measures, Data, Feedback and Delighting customers**).

Quote “*Customer Service wasn’t mentioned in my induction”*”

10. Customer Service seems to be forgotten for many companies in training or induction, only 3 companies actually trained in it and that was at induction. And some of the others assumed it was a given. All bar 2 communicated about it on a regular basis, what do you think about this? (**Improved communication and information flow, training, Communications and Right skills**)

Quote” *Our customer service policy is sent out by the company intranet, we expect everybody to read and implement it.”*

11. Do you think email the intranet or a wall poster are good ways to communicate with employees about Customer Service? if not what would you think could be a better way (**Improved communication and information flow, Technology and Continuous communications**)

Quote *“our business is made up of 40% sales and 60% keeping the client happy, we are very successful and it works for us “*

12. One of the companies has a 40/60 rule, 40% of the business is based on product sales or implementation and 60% on keeping his customers happy, what do you think of this. (**Improved communication and information flow, Feedback, Data and Continuous feedback, Delighting customers**)

Quote *“Our customer service policy is used throughout the company as a measure of competitive advantage and salary advancements. We talk about it all the time”*

13. Do you think it would be possible to put Customer Service on every meeting agenda? (**Improved communication and information flow, Listening, Measures, Feedback, and Benchmarking continuously**)

Quote” *We have lots of information on our customers but we really only look at it if somebody leaves. We never ask them why, I think it’s because people think they will get extra work if we need to change things”.*

14. Many of the companies collected customer data but did not use it, what benefit do you think it could be to your Customer Service policy? (**Organisational learning, right people, Feedback, and benchmarking continuously**)

Appendix 8. 3rd Questionnaire

Product questions Question	Further investigation	Aim
<p>Could you give me your understanding of Leadership within this frameworks context?</p>	<p>How far down the management line are you referring to when stating that leaders must be on board?</p>	<p>If the leadership team is vital to the overall success. Are the experts discussing the same thing when they say leaders or directors?</p>
<p>Could you give me your understanding of Company Structure in relation to the framework</p>	<p>The structure of a company in this context may mean different things to different respondents, what does it mean to you?</p>	<p>What do these experts understand as company structure in this context?</p>
<p>Does the framework make sense?</p>	<p>How could it make more sense for you?</p>	<p>Is the framework understandable in explaining what it is trying to do</p>
<p>Would you consider it a simple or a complex framework and why? Can you see it working in practice?</p>	<p>Is it a workable framework within the business environment?</p>	<p>Is it practical or theoretical?</p>
<p>Do you agree or disagree with the framework content?</p>	<p>Could you expand on why you agreed or disagree with the content ?</p>	<p>Are there things within the framework that should not be there?</p>
<p>Is the framework missing anything?</p>	<p>Do you think that the framework covers all areas in business?</p>	<p>Is there any area missing in the discussion to date</p>
<p>Process Questions</p>		
<p>How would you then implement it or enable it to work within your business?</p>	<p>Where do you consider would be the best way to get started - top down, by department or companywide?</p>	<p>What is the best way to introduce the framework to companies?</p>

Question	Further investigation	Aim
<p>Would you see any specific priorities to start with, in this framework?</p> <p>In relation to the last question is there a least important area to look at and why?</p> <p>What would be your biggest hurdle in getting buy in to implement this framework, if any and why?</p>	<p>Could you expand on why you see these as priorities?</p> <p>Can you explain why you see this as the least important area?</p> <p>Are they surmountable or would they be project stoppers?</p>	<p>What are the key areas to focus on to get started?</p> <p>Are there any areas that are not vital to the implementation?</p> <p>What could stop the implementation or sell in?</p>

Appendix 9 Links between frameworks and findings.

(For references see list at the end of the figure)

4P Cycle of CI	Literature Review and 1 st round of findings	Key Elements of First Class Service
People Skills Development	Leadership Right People Responsibility Communications Training	Great Leadership Right People Right skills Benchmark Continuously Whole Company Involvement Never become complacent
Motivation	Right People Responsibility Training Communications Empowerment	Right people Whole Company Involvement Rewarding the right way
Teamwork	Right People Empowerment Management Responsibility	Right People Partnershiping Whole Company Involvement
Personal Development and Learning	Company values Policy Right people Training	Right skills Whole Company Involvement Rewarding the right way
Readiness to change and adapt	Right people Responsibility Autonomy	Right People Right skills Never become complacent Whole Company Involvement
Increased personal responsibility for organisational outcomes	Autonomy Responsibility Initiatives	Trusted people Right skills Treating customers like colleagues
Greater Self Management	Responsibility Right People Autonomy Empowerment	Trusted people Right people Right skills Whole Company Involvement

4P Cycle of CI	Literature Review and 1st round of findings	Key Elements of First Class Service
<p>Productivity</p> <p>Reduce Waste</p> <p>Reduce rework</p> <p>More efficient use of material, human, financial and informational resources</p> <p>Products</p> <p>Greater customer satisfaction</p> <p>Better Quality goods and Service</p>	<p>Data / Feedback Gap analysis</p> <p>Data / Feedback</p> <p>Data / Feedback Measures Technology Internationalisation</p> <p>Strategy Company Values Feedback Data Gap analysis</p> <p>Strategy Transparency Feedback Data</p>	<p>Systems that serve Benchmark continually Simplify processes Eliminate waste Never become complacent</p> <p>Systems that serve Benchmark continually Simplify processes Eliminate waste Never become complacent</p> <p>Right skills Systems that serve Right structures Simplify processes Eliminate waste Never become complacent Whole Company Involvement</p> <p>Strategic commitment United vision Benchmark continually Continuous feedback Never become complacent Delighting customers Managing perceptions Whole company involvement Treating customers like colleagues</p> <p>Strategic commitment Continuous feedback Benchmark continually Never become complacent Great service recovery Delighting customers Whole company involvement</p>

4P Cycle of CI	Literature Review and 1st round of findings	Key Elements of First Class Service
<p>Processes</p> <p>Technical advancement</p> <p>Faster product development and production cycle times</p> <p>System flexibility</p> <p>Learn and more effective administration</p> <p>Improved communication and information flow</p>	<p>Skype, Intranet, Email, Facebook, Twitter, Websites</p> <p>Feedback Data Measures</p> <p>Feedback Data Measures</p> <p>Communications Feedback Data Measurements</p> <p>Listening Communications Feedback Data Measures</p>	<p>Right skills Benchmark continually Simplify processes Whole company involvement</p> <p>Right structure Benchmark continually Continuous feedback Simplify processes Never become complacent</p> <p>Aligned programmes Systems that serve Right structure Benchmark continually Continuous feedback Never become complacent Regular ideas sessions Whole company involvement Partnershiping</p> <p>Continuous communications Regular ideas sessions Right structure Benchmark continually Continuous feedback Simplify processes Never become complacent Partnershiping Whole company involvement</p> <p>Continuous communications Partnershiping Benchmark continually Continuous feedback Simplify processes Never become complacent Managing perceptions Regular ideas sessions Whole company involvement</p>

4P Cycle of CI	Literature Review and 1 st round of findings	Key Elements of First Class Service
Organisational learning	Data Feedback Measures	Benchmark continually Continuous feedback Never become complacent Partnershiping Managing perceptions Regular ideas sessions Whole company involvement
Participative and ethical decision making	Company values Polity / Strategy	Strategic Commitment Shared Values United Vision Regular ideas sessions Outpace competition Whole company involvement

Literature review references:

People: Robbins (2007), Paton and McCalman (2003), Buelens (2002), Larreche (2000), Patterson (1998), Rowlands (2008), Larsons (2003)

Company Values: Want (2003), Suzaki (2002), Daffy, (2001), Heskett, et al., (1997), Valentine, et al., (2003)

Customer Service Policy: Cook (2008), Gronroos (2007)

Responsibility and Autonomy: Deming (2000), Rowlands (2008), Suzaki (2002)

Leadership: Marsh (1998), Rowlands (2008) Suzaki (2002), Gratton, et al., (2003), Pride (2008)

Measures / Gaps: Zeithaml et al., (1990), McEwan and Fleming (2003) Daffy (2001), Gratton, et al., (2003)

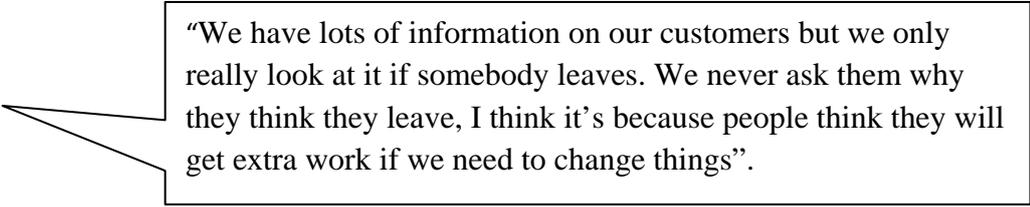
Communications / Listening Pfeffer and Veiga (1999), Deming (2000), Rowlands (2008), Suzaki (2012)

Technology Baird and Parasnis (2011)

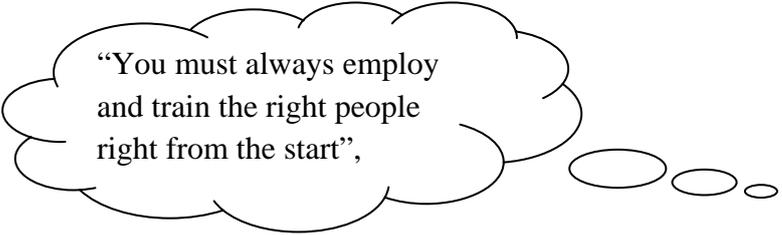
Appendix 10. Coding system.

A	=	Anonymity.
P	=	Customer Service Policy
S	=	Customer Service Strategy
D	=	Data / Research
ST	=	Statistics
M	=	Customer Service Measures
COM	=	Communications
L	=	Leadership
LIS	=	Listening
MISC	=	Miscellaneous
R	=	Responsibility
I	=	Internationalisation / Multi sites
In	=	Initiatives
T	=	New Technology

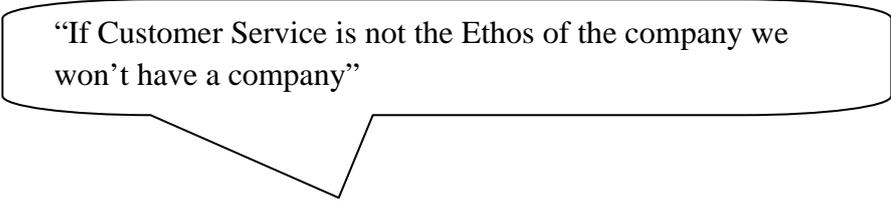
Appendix 11. Quotes Used



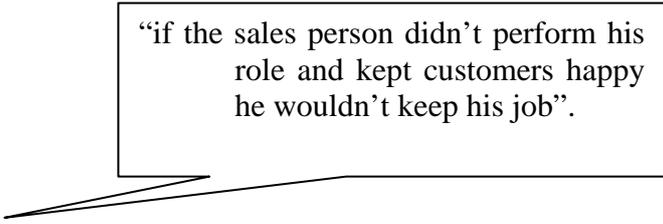
“We have lots of information on our customers but we only really look at it if somebody leaves. We never ask them why they think they leave, I think it’s because people think they will get extra work if we need to change things”.



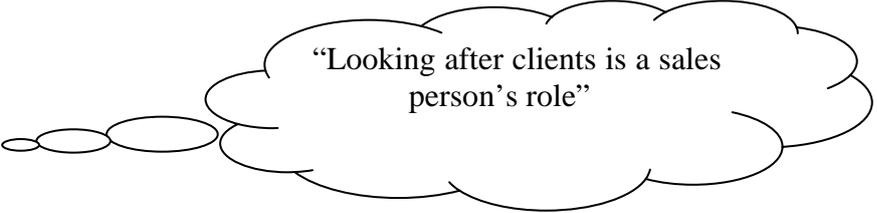
“You must always employ and train the right people right from the start”,



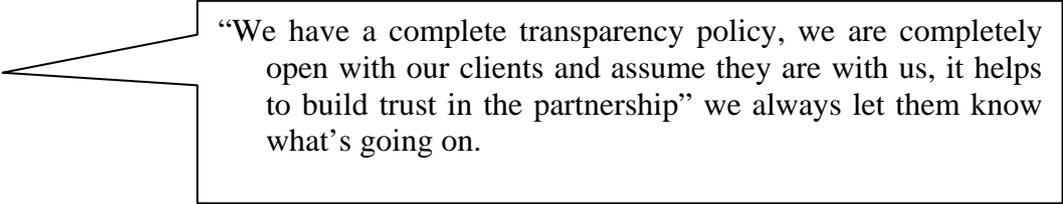
“If Customer Service is not the Ethos of the company we won’t have a company”



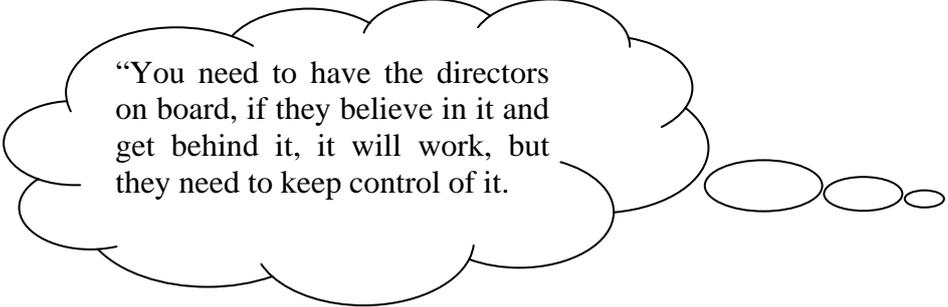
“if the sales person didn’t perform his role and kept customers happy he wouldn’t keep his job”.



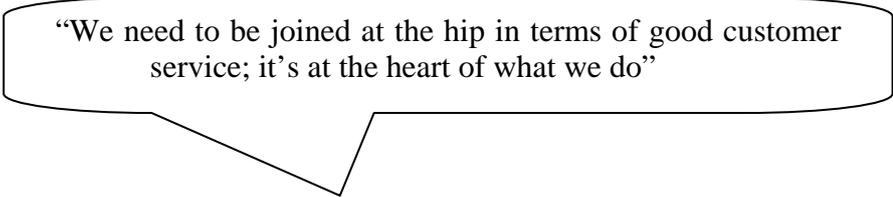
“Looking after clients is a sales person’s role”



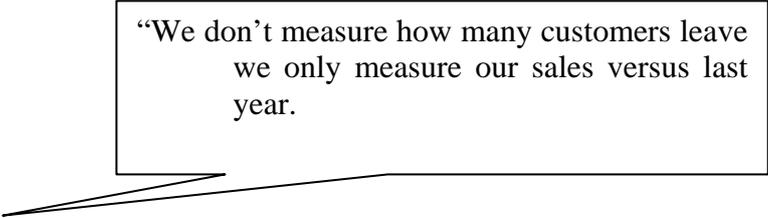
“We have a complete transparency policy, we are completely open with our clients and assume they are with us, it helps to build trust in the partnership” we always let them know what’s going on.



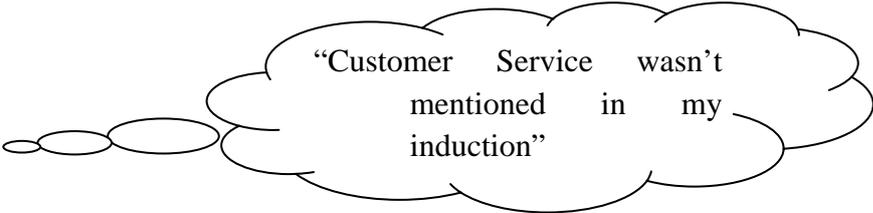
“You need to have the directors on board, if they believe in it and get behind it, it will work, but they need to keep control of it.



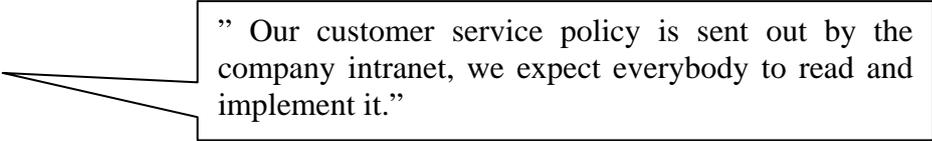
“We need to be joined at the hip in terms of good customer service; it’s at the heart of what we do”



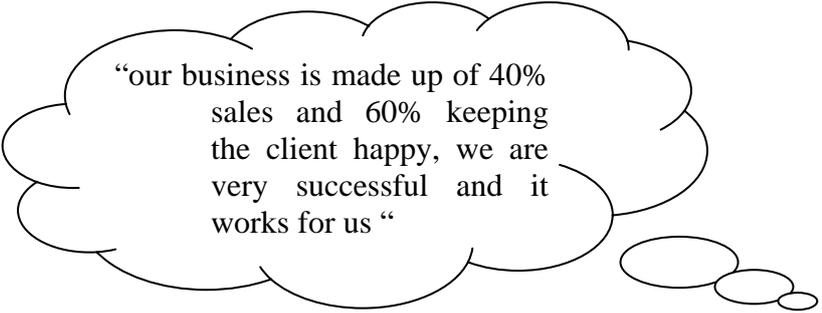
“We don’t measure how many customers leave we only measure our sales versus last year.



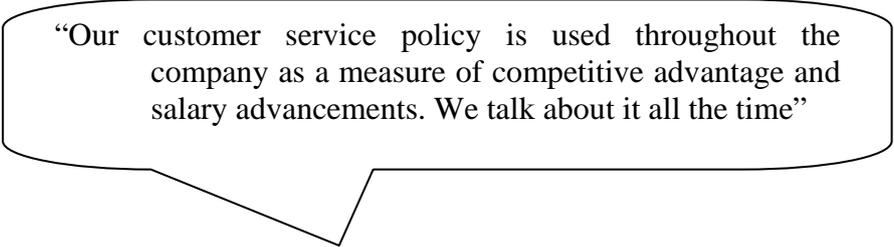
“Customer Service wasn’t mentioned in my induction”



” Our customer service policy is sent out by the company intranet, we expect everybody to read and implement it.”



“our business is made up of 40% sales and 60% keeping the client happy, we are very successful and it works for us “



“Our customer service policy is used throughout the company as a measure of competitive advantage and salary advancements. We talk about it all the time”