

The managerial consensus on the personnel training needs and importance in customer satisfaction development

Mikko Mäntyneva

ABSTRACT

The article studies on the managerial consensus between marketing management and human resource development management on issues relating personnel training needs and importance on customer satisfaction development. It was hypothesised that there is a managerial consensus between marketing management and HRD management among the training needs and importance in customer satisfaction development programs. Two separate samples were collected from large and medium sized Finnish companies. Empirical findings indicate that the consensus dealing with both training needs and importance of various items on customer satisfaction development does exist. HRD management evaluated the training needs somewhat larger than marketing management.

CUSTOMER SATISFACTION DEVELOPMENT THROUGH PERSONNEL TRAINING

The importance of customer satisfaction has grown during past few years. It can be seen as the key to future corporate success (Müller, 1991). Customer satisfaction is defined here as perceived performance in relation to customers' expectations prior to purchase (Parasuraman – Berry – Zeithaml, 1990). In case the company does not have a satisfied clientele while it fails to meet customers' expectations, the company is not likely to be successful in the future. The unsatisfied customers are not about to repurchase company's products, especially in case there is a viable alternative (Anderson – Sullivan, 1993). High level of customer satisfaction is among the best indicators describing company's profitable operations in the future (Kotler, 1991).

The companies need empowered skilled personnel to take care of their customers. Training is a primary tool to build and maintain the cus-

tomers focus and to keep the current customers (Desatnick – Detzel, 1993). Personnel training should be integrated with the corporate strategy (Catalanello – Redding, 1989 and Cocheu, 1992). Company's human resource development function should be able to allocate training resources to the most important areas so that corporate objectives are met.

TRAINING NEEDS AND IMPORTANCE

Company's management should allocate company's resources including training resources to the right targets (Hobbs, 1990). Training decisions should be based on the actual training needs and importance of different training areas. The training needs assessment consists of determining whether training can be assumed to be a solution for the existing need or problem and what the training program objectives should be in that particular case (Brinkerhoff, 1988, p. 17). It is important that the people who make the training decisions and the people, whose departments they mainly effect, have a common understanding, what is needed and what is important?

In the case of customer satisfaction development the consensus between marketing management and human resource development is important. There should be a mutual consensus about the training needs and importance. Mutual consensus is here defined as a common understanding on the future goals and suitable measures to reach those goals and the actual measures follow the mutual understanding. In case mutual consensus does not exist the HRD function is not necessarily able to provide the training support the company's marketing activities require. This view on consensus is based on the assumption that there is a clear goal and suitable measures should be taken to reach that goal. In this particular case it is seen that customer satisfaction development is a clear goal everybody should

work for. However, in a situation where the goal is more vague and there are alternative solutions a less top-down approach, i.e., an approach that can be described by a cycle of search for solutions and learning, could better serve the organisational learning objectives. In a case of vague objective and unclear solutions managerial consensus is not as beneficial as in a case on which a clear objective exist and there are clear measures how to reach that particular objective.

While building up and maintaining a loyal customer base is a high corporate priority, personnel training efforts should be directed to improve customer-service quality, customer satisfaction, and repeat-purchase loyalty (Stum – Church, 1990). In the customer satisfaction related training, the training areas can be divided for example in the following manner:

- 1) Sales skills
- 2) Customer interaction
- 3) Quality and attitude
- 4) Social skills
- 5) Practical work

Sales skills

Training salespeople to meet customers' expectations can improve customer satisfaction to a great extent (Franco, 1990). The sales process includes various skills among these are sales presentation skills, product knowledge and deal closing techniques (Kossen, 1982). Sales skills are mainly human interaction skills that can be trained.

Customer interaction

Many companies recognised for their service excellence put a great deal of attention on the interpersonal skills while recruiting people, understanding that training only enhances talent which already exists (Armistead – Clark, 1992). However, this does not mean that customer interaction skills should not be trained.

Front-line employees need to be trained in customer-handling skills. The customers needs should be identified through effective listening and questioning. Understanding the customers' needs and their behaviour is essential for organisations to be able to fulfil the needs in a way that customer satisfaction is created (Whiteley, 1991). After identifying the needs it is easier to explain the product or service benefits based on

the customer's actual needs – not the supposed ones (Stum – Church, 1990).

It is outmost important that the personnel is constantly informed about the customers' needs and development of their behaviour. The companies should be able to communicate the new developments in this field constantly (Horovitz – Jurgens-Panak, 1993). Personnel training is a good method to communicate the marketing research results including the results of customer satisfaction studies to the personnel, and this way build up the organisations competence to take better care of customers needs.

Taking care of customer complaints is important. Effective complain management is an ideal way to get feedback what is wrong and how the customers feel it (Armistead – Clark, 1992). It is much better to have some complaints than no complaints at all, which may sound an ideal objective for some people. Customer feedback through complaints is valuable while developing business processes and therefore it should not be suffocated (Plymire, 1991). Of course, there are always those difficult customers who complain on everything possible. However, the personnel should be trained to handle these customers and response to the justified complaints in a manner that creates customer satisfaction.

Quality and attitude

The customers require quality service. Actually, the service quality should at least meet if not exceed the customer's expectations to create satisfied customers (Berry – Zeithaml – Parasuraman, 1985). Continuous training helps personnel to perform better on tasks requiring service and quality skills (Cornish, 1988). Personnel training is an integral part of company-wide service quality programs (Foster – Whittle – Smith, 1989).

The personnel's attitude towards the customers is most important. The traditional customer service training has been concentrated on 'have a nice day' approach. This is not necessarily enough, while the personnel should have a real positive attitude towards customers. They are finally the ones who pay the salaries.

Social skills

There is a large amount of seminars offered on employee's interpersonal skills, which are mainly targeted to the employees working at the

customer interface (Stum – Church, 1990 and Chaston, 1993). Customer service teams at all levels of the organisation are being used in the organisations most successful as customer service leaders. Customer-focused teamwork benefits any organisation (Desatnick – Detzel, 1993). However, this requires that the personnel has the required skills for effective teamwork.

Practical work

Increasing personnel's problem solving skills make them better able to take care of occurring problems instantly, which improves the customer interaction, while things are done in a proper manner in spite of the existing problems (Whiteley, 1991). The service professionalism including problem solving skills can be increased through committed training (King Taylor, 1992).

It is important that the personnel do understand the business process the company is involved. Knowing the business practices makes it easier to take into account the potential problems in the interaction between the customer and the organisation. Training for multifunctionality increases organisations elasticity and ability to react fast. Some organisations prefer on-the-job training and rotation within the company and the others appreciate that the employees have gained knowledge of the business practices by working in various positions even in various organisations (Horovitz – Jurgens-Panak, 1992).

HYPOTHESIS BUILD-UP

The management's commitment to training on customer satisfaction is very important for the training to be successful (Whiteley, 1991). The management should support the training and therefore they should move from the role of administrator to the role of coach (King, 1993). In some cases even if the customer focus has been a widely accepted goal, senior management and training departments may continue to struggle with how to effectively to respond to the training needs (Van Zwieten – Britton, 1989). This will not lead to optimal results and therefore the senior management should encourage the line management including human resource management to agree on what are the actual training needs and what are the important matters so that the training resources can be allocated effectively.

Human resource management is likely to be

most effective if it is based on a partnership between HRD professionals and other line managers. In the specific case of customer satisfaction development the partnership between marketing management and HRD professionals is important. Therefore it is hypothesised that there is a managerial consensus between marketing and HRD managers on the training needs and importance on customer satisfaction development.

EMPIRICAL FINDINGS

Sample and data collection

The research sample was collected from a population representing large and medium sized Finnish companies. A questionnaire was used as a research instrument. The questionnaires were sent separately to Human Resource Development professionals and marketing management in 200 sample companies. The mailings were done at different times and while the sample was randomised, also all the companies are not the same. However, this is not considered to be a threat as the reliability of the data. The amount of responses received at the given time period were HRD management 94 (47 %) and marketing management 103 (52 %). All of the responses were applicable for the study. A mail survey was used in the data collection while it was seen to provide reasonably accurate data while economical considerations were simultaneously considered. The respondents were asked to evaluate various training needs and importance of these items on scale 1 to 5.

Analysis of the data

Two methods were used to analyse the data. Descriptive statistics were used to describe the variables and their interrelatedness. Student's t-test was used to test the hypothesis. The empirical measurement is divided into two parts 1) consensus on training needs and 2) consensus on the importance of different areas on customer satisfaction development. The descriptive statistics as well as the results of testing the consensus hypothesis relating the training needs are described in the Table 1.

The most difficult points to reach the consensus on the training needs were dealing product knowledge and approaching customers ($p < .01$). Also opinions on the training needs dealing with

Table 1. Evaluations on the training needs.

	MARKETING			HRD			t-value	d.f.
	Mean	s.d.	N	Mean	s.d.	N		
Sales skills								
Sales presentation skills	3.21	1.02	101	3.03	1.00	93	1.24	192
Product knowledge	3.01	1.05	102	3.44	1.20	93	2.67	193 **
Closing the deal	3.32	.99	102	3.34	.94	93	.14	193
Customer interaction								
Approaching, assisting customers	3.43	.87	102	3.78	.81	93	2.90	193 **
Customer behavior	3.18	.93	100	3.50	.86	94	2.48	192 *
Handling difficult customers	3.42	.97	102	3.39	.99	94	.21	194
Quality and attitude								
Personal quality	3.67	.90	99	3.73	.89	94	.47	191
Positive thinking	3.46	1.05	102	3.49	.91	94	.21	194
Social skills								
Interpersonal communication skills	3.64	.89	102	3.91	.78	93	2.24	193 *
Teamwork skills	3.21	1.01	102	3.41	1.02	94	1.38	194
Practical work								
Problem solving	3.58	.91	102	3.78	.86	94	1.58	194
Business practices	2.67	1.02	101	2.83	.93	94	1.14	193

*** p<.001

** p<.01

* p<.05

customer behaviour and interpersonal communications skills differed significantly. Overall results on the training needs show that HRD management estimate the training needs to be somewhat larger than marketing management. The descrip-

tive statistics as well as the results of testing the consensus hypothesis relating the importance on the customer satisfaction development are described in the Table 2.

In general there was a consensus between

Table 2. Evaluations on the importance on customer satisfaction development.

	MARKETING			HRD			t-value	d.f.
	Mean	s.d.	N	Mean	s.d.	N		
Sales skills								
Sales presentation skills	4.00	.87	103	3.93	.85	94	.57	195
Product knowledge	4.34	.80	102	4.44	.68	94	.94	194
Closing the deal	3.94	.91	103	3.66	1.04	94	2.02	195 *
Customer interaction								
Approaching, assisting customers	4.13	.93	103	4.29	.75	93	1.32	194
Customer behavior	3.99	.90	101	4.07	.79	94	.66	193
Handling difficult customers	3.99	.90	103	3.96	.90	94	.23	195
Quality and attitude								
Personal quality	4.32	.80	100	4.23	.75	94	.81	192
Positive thinking	3.94	.97	103	3.98	.85	94	.31	195
Social skills								
Interpersonal communication skills	4.30	.78	103	4.37	.67	94	.67	195
Teamwork skills	3.47	1.06	103	3.54	.95	94	.49	195
Practical work								
Problem solving	4.25	.89	102	4.23	.82	94	.16	194
Business practices	3.49	.93	101	3.56	.92	94	.53	193

*** p<.001

** p<.01

* p<.05

marketing management and HRD professionals on the importance of various training subjects to develop customer satisfaction. However, marketing management evaluated the skills related to the deal closing more important than HRD management did ($p < .05$).

CONCLUSIONS

Based on the research findings it can be concluded that in general there seems to be a consensus between marketing and HRD management on training needs and importance of items relating customer satisfaction development. However, this does not mean that there would be a consensus in all individual companies on this specific area. Also, studying other training areas could lead to a different outcome. While building up corporate competence by increasing required skills of employees the company also improves its competence to take a better care of its customers. This is about to lead to an increasing customer satisfaction. Training resource allocation decisions should be based on the actual training needs. In this research it was found that usually HRD managers evaluated the training needs somewhat larger than the marketing management. Often in customer satisfaction development programs it is the marketing management who through marketing research and other methods figures out what is important and what the actual needs are. Through open communication between marketing and personnel departments it is possible to allocate the available training resources in the most efficient way. The training should be based on the long-term objectives and not just consist of the picking up one course here and one course there. While the samples are seen to cover the large and medium sized Finnish companies and the received responses represent the samples well enough the results are seen as valid and reliable.

One of the most important tasks of the senior management is to point out the strategic direction of the company. Successful strategy implementation requires teamwork from the management. Open communication develops mutual understanding about the real development needs and available resources. In case the direction is clearly understood, there is a much better chance that there is a mutual understanding among different managers, what is important and what is not. If a consensus like this does not exist, people are about to pull to different directions. This,

of course, does not lead to an optimal outcome. The consensus is most beneficial in cases of stable growth and mature industries. However, major changes in industry and organisation may require for more authoritarian leadership and management. Rapid growth often leads the organisation to an unstable situation on which it is very difficult to reach a consensus between the line management. Growth pressures and the constant change make it difficult to see things on a long perspective and therefore the line management may often end up to internal disputes. If a company operates in an industry which is in a rapid expansion and development, also the senior management may have an unclear vision about the future. In such a situation it could be better to emphasise organisational learning and adaptation to the existing situation than ask for managerial consensus. Additional research is required to find out those situations on which managerial consensus is beneficial and on which it may not lead to neither positive nor optimal outcomes.

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