

CPSU Submission on Telstra's Proposed Customer Satisfaction Bonus

Introduction

Following an announcement by Telstra CEO David Thodey to introduce an organisation-wide customer satisfaction bonus, the CPSU asked our Telstra members for their views.

The overall opinion of members was that, due to organisational factors, the current levels of Telstra customer service are not of a high standard and that steps need to be taken in order to improve the experience for customers.

The respondents to the survey were spread across the organisation and across the country. Areas where respondents worked and the type of work performed varied widely. Some of the different roles identified by staff were:

- Customer Service
- Analysis of Customer performance
- Helpdesk positions
- IT support
- Staff training
- Business Customer Relations
- Operational Support
- Credit Management
- Technical Support/Assistance
- Public relations
- Customer data management
- Service Reporting
- Infrastructure Designs and Construction
- Sales Support
- Cheque Production
- Contract management
- Project Management
- Online service
- Billing areas
- Network repair
- Sales specialists
- IT management and Development
- Events and Sponsorships

It is clear from the survey that our members work across the whole of the organisation and that the work they do contributes not only to direct outcomes for customers but to the operation of Telstra as a whole.

Survey Results

Measures of customer satisfaction

In the CPSU consultation with members we asked how customer satisfaction is currently measured in Telstra in their work areas. The response varied, showing that there is no consistent approach to measuring and reviewing customer satisfaction across Telstra.

Following an analysis of the comments it was apparent that the responses fell roughly into four broad categories. The four categories are:

1. Customer satisfaction is not currently measured
2. Customer Satisfaction measured by a survey or scorecard approach
3. Don't know
4. Other

These are discussed in turn below.

Customer satisfaction is not currently measured

- These respondents identified that there was not a specific, direct or formalised approach to measuring customer satisfaction in their area of work.
- This category comprised 23.8 per cent of all respondents.

Customer Satisfaction measured by a survey or scorecard approach

- These respondents identified that customer satisfaction in their area was measured either through Customer satisfaction surveys or Customer value analysis, Scorecards being sent to customers, Customer transaction surveys or other forms of online or phone survey.
- This category represented 28.6 per cent of all respondents and was the second biggest category.

Don't know

- These respondents were not aware of any measures of customer satisfaction occurring in their work areas.
- This category was the smallest at only 15.2 per cent of all respondents.

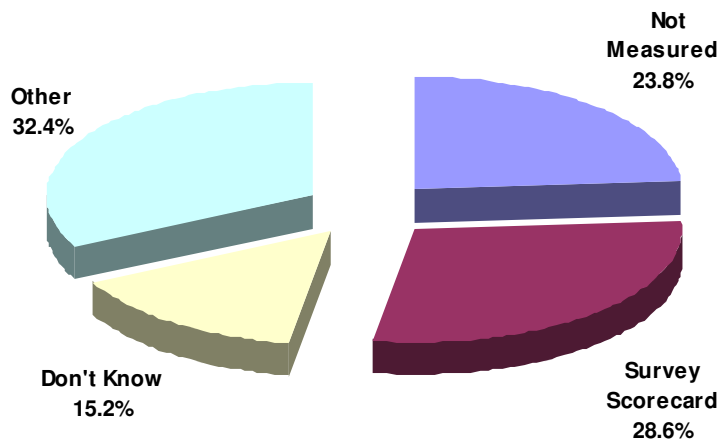
Other

- This final category covers a broad range of methods currently being used to measure and track customer satisfaction. These included first call resolution, receiving direct feedback from clients, reduction in complaints and the meeting of specific targets or project deadlines.
- This was the biggest category, representing a third or 32.4 per cent of survey respondents.

Table 2: Measures of Customer Satisfaction

Not Measured	23.8%
Survey/Scorecard	28.6%
Don't Know	15.2%
Other	32.4%

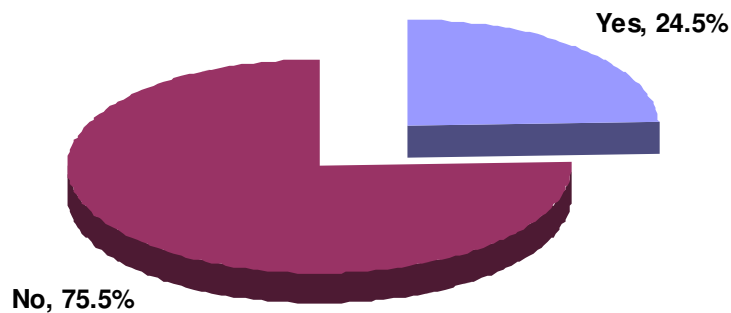
Figure 1: Measure of Customer Satisfaction %



Customer Service

The overall response from CPSU members when asked about customer service in Telstra was that currently Telstra customer service is not of a high standard. In response to the question ‘Do you think Telstra provides good customer service?’ three quarters of respondents answered no (Figure 2).

Figure 2: Questions 4 Results %



These results support the emphasis of Telstra’s leadership team on customer service. In CPSU’s experience, Telstra staff care greatly about outcomes for Telstra’s customers, and we think there is benefit for the company in focussing time and resources in this area, and working with staff to improve the levels of service provided by the organisation. Telstra staff have the knowledge and experience to help management develop solutions to improve customer service and satisfaction .

CPSU members made suggestions as to solutions that Telstra could look to implement to improve customer service. These are explored in further detail below.

Problems

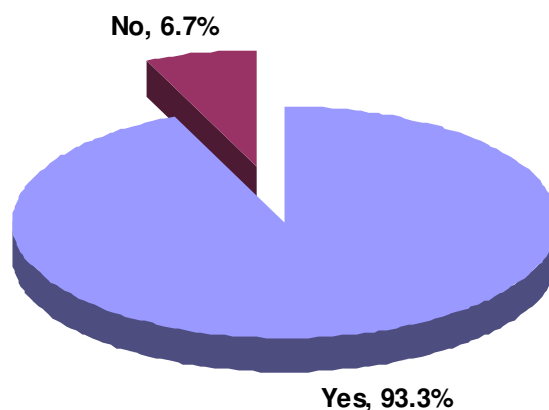
Telstra staff identified a range of problems that were affecting their ability and the ability of the organisation as a whole to deliver high quality outcomes and customer service. As one member explained:

Telstra used to have good customer service. Then their focus switched to Sales and from then on it went down hill. I used to enjoy working as a customer service rep but when sales came in and made the push to sell on every call I changed my field to technical. I think Telstra needs to take responsibility of its call centres, bring them all back to Australia, get rid of all these systems that are meant to make it easier (when they actually make it harder), and let customer service reps have delegation again to fix customers issues on the spot, instead of making the customer run round in circles pulling their hair out. Internal staff get stuffed around enough - I feel sorry for real customers.

The feedback from CPSU members was that too much of Telstra's customer service and customer relations is focussed on meeting targets and statistical measures – not on holistic customer service. A common problem identified by survey respondents was that staff have a limited ability to resolve customer issues individually, rather they have to send the customer to several different areas to talk to several different people. This does not create a seamless customer experience and instead makes it difficult for staff to track customer issues and resolve problem in an efficient and effective way.

Another problem identified by survey respondents was outsourcing. CPSU members are concerned that the customer service provided through outsourcing is not up to the same high standards as the work that they do. In response to the question 'Do you think outsourcing has impacted on Telstra's "customer satisfaction"?', 93.3 per cent answered 'yes' (Figure 3).

Figure 3: Question 6 Results %



A few respondents explained their views on this issue in more detail. They felt that outsourcing had an incredibly negative impact on Telstra's ability to

provide good customer service and therefore to achieve high levels of customer satisfaction. For example, CPSU members wrote:

I believe outsourcing has reduced Telstra's customer satisfaction.

Outsourcing is a big mistake. Customers are angry that the person who answers their call cannot answer their question!

Telstra should GET RID of outsourced call centres as much as possible (especially ones that deal with high value customers/complex issues).

Solutions

Many CPSU members felt that the solution to improving Telstra customer service and therefore customer satisfaction was bringing back work from off shore and investing in training people in Australia.

Members felt that quality could not be maintained and monitored when providers are out of the country and employ staff who are not properly trained to deliver high quality customer service.

In addition to this, several members also said that customer service could be improved through better resourcing of work areas and maintaining better IT systems. The final suggestion made by staff for improving customer satisfaction and service was providing better training and support for staff, giving them better knowledge of products and the organisation, so they are better able to meet to needs of customers.

Customer Satisfaction Bonus

The views of CPSU members varied widely on whether a customer satisfaction bonus should be implemented and if such a bonus was to be implemented what form it would take.

There was a group of respondents who specifically stated their opposition to the introduction of a customer satisfaction bonus and felt that it would not achieve good outcomes for customers.

There should be no bonuses for customer satisfaction. If we are allowed to do our job without all the constraints that are put on us and we are supported by the reliability of systems and red tape then customer's will be taken care of and customer's will be satisfied. Are we a customer service centre or a sales centre?

Many respondents to the survey felt that the paying of the bonus would be unfair for a number reasons including; that it would be difficult to assess customer satisfaction across different types of work and, that customers may not distinguish between their satisfaction with staff and their satisfaction with Telstra products or Telstra's corporate image. Some comments included:

Customers should be surveyed as to their satisfaction with the STAFF MEMBERS providing service rather than their satisfaction with products

and services. The survey should be conducted in such a way as to exclude off-shore contractors from being mistaken by customers as Telstra staff.

If you survey customers in business or wholesale the level of satisfaction will vary depending upon the users interviewed. So in business you may be giving excellent service to the people you interact with but at the management level they may be unhappy with the price or availability and therefore mark you down. So the survey can give vastly different results depending upon who in the organisations is surveyed.

Our customers give us a rating for our project management - unfortunately most of what we are managing is out of our control and dependant on other Telstra groups to do their work. I can't see how it can ever be managed fairly in our case.

In contrast to the views above, many who answered the survey were not necessarily opposed to the introduction of a customer satisfaction bonus and suggested a range of specific ways customer satisfaction could be measured:

Reduction in call handling / answering time. Response & resolution time reduced, but this will require fixing billing issues / Seibel and an investment in staff training, tools and more human resources.

Number of complaints going to the industry ombudsman. Reduction of time for fault rectification. Reduction of billing disputes. Improved customer survey results.

Customer complaints, expressed customer satisfaction (we used to do random calls to measure customer satisfaction with installs etc - we should do this again for installations and faults etc)

However there was disagreement amongst supporters of the bonus about whether the bonus should be measured on an individual or team level:

I not agree with the customer satisfaction bonus of \$1000. It should be on an individual basis. While there are many staff who are pro-active and responsible, there are still staff who are not held accountable and do not care.

Should be more team based, and based on overall section results. Individual targets on simplistic tasks just encourage individuals to focus on the barest minimum requirement to ward off the TM's 'stick'.

In addition to the above comments, some respondents outlined the need for better resourcing across the organisation, including increasing staff number and improving IT systems.

The overall theme running through CPSU members' comments was that Telstra needs to focus more on customers and staff: customers through listening to feedback and providing better products and complaints management, and staff through increased training, better IT systems and better tailored performance targets.

What was also clear from the survey was that a simple one size fits all approach is not viable for a diverse organisation such as Telstra. There was recognition from members that customer service does need to be improved but the solutions need to be tailored to specific sections and roles to ensure that all staff are given the opportunity to do their job without having to meet inappropriate goals or targets.

This is an issue that the CPSU will be monitoring closely and discussing further with members. We strongly urge Telstra to consult with staff and their unions before any bonus or other customer satisfaction measure is introduced, given the complexity of the issues under consideration.

Conclusion

The survey results were unequivocal that there needs to be improvement in the quality of customer service across Telstra. However the introduction of a customer satisfaction bonus was not viewed by a majority as a solution to the problem. Rather reversing the outsourcing of customer service roles, adequately resourcing work areas and providing better training for staff were suggested as improvements.

Recommendations

- That Telstra reconsider outsourcing arrangements and focus on bringing customer service back into Telstra.
- That Telstra start consultation with staff and their union about how customer satisfaction can be improved.
- That Telstra seek further input from staff and their unions prior to implementing a customer satisfaction bonus.