

Unit 20: Principles of Customer Service Management

Unit reference number: A/506/4217

QCF Level: 4

Credit value: 8

Guided learning hours: 80

Unit aim

This unit gives learners knowledge and understanding of customer service principles and the systems required in a management role. The unit also looks at the links between management responsibilities and the key principles.

Unit introduction

Organisations have developed a language and approach for customer service that are recognised and understood as the basic principles for service excellence. In this unit, you will understand and explain the key principles of customer service and the way they can be applied in specific customer service management situations in a more strategic way. The basic principles defined in this unit underpin all aspects of making customer service work, they will enable you to put professional customer practice into the context of your occupational sector and organisation.

Management responsibilities in a role directly related to customer service, generally involve a set of skills, knowledge and understanding of systems that might be expected of any manager. However, the nature of customer service means that there are further skills and knowledge needed when specific customer service responsibilities are undertaken. In this unit, you will consider the links between management responsibilities and the key principles of customer service.

Achieving excellent customer service depends on the skills and knowledge of the staff who provide it. To be effective, organisations need to constantly review how effective their customer service is and what improvements should be made.

Sometimes customer service improvements will depend on the training and development of staff skills. In this unit, you will consider the development and training needed for staff, what options should be considered, and how the success of the development and training should be monitored.

Improvements to customer service are based on an awareness of customer wishes and expectations. In this unit, you will learn how to gather information on customer awareness by seeking structured feedback from customers about their experiences. When this information has been collected it must be analysed and interpreted in order to use it for making improvements to customer service.

Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

On completion of this unit a learner should:

Learning outcomes	Assessment criteria
<p>1 Understand the principles of management in customer service</p>	<p>1.1 Evaluate how management and leadership styles impact on customer service</p> <p>1.2 Explain how customer service systems and processes balance:</p> <ul style="list-style-type: none"> • customer satisfaction • financial considerations • legislation <p>1.3 Evaluate the importance of developing customer service policies that support the culture and ethics of the organisation</p>
<p>2 Understand how to manage recruitment and training to support customer service</p>	<p>2.1 Analyse the personal and professional skills required to deliver effective customer service in the organisation</p> <p>2.2 Explain how to recruit and select staff for a customer service role</p> <p>2.3 Analyse methods used to train and develop staff in customer service delivery</p> <p>2.4 Explain the relationship between staff training, experience, personality and customer service delivery</p>

Learning outcomes	Assessment criteria
<p>3 Understand the management of customer service delivery</p>	<p>3.1 Analyse the roles and responsibilities of customer service management in relation to:</p> <ul style="list-style-type: none"> • the organisation's service offer • customer expectations • customer satisfaction <p>3.2 Appraise the use of customer service as a competitive tool by the commercial sector</p> <p>3.3 Appraise the use of customer service as a contribution to best value in the public or third sector</p> <p>3.4 Evaluate how customer service values and ethics are demonstrated and maintained</p> <p>3.5 Appraise the key features of a customer service culture within an organisation</p> <p>3.6 Analyse how technology can be used to improve customer service delivery</p>
<p>4 Understand the value of monitoring, evaluating and continuous improvement in customer service delivery</p>	<p>4.1 Explain the importance of monitoring the delivery of customer service within the organisation</p> <p>4.2 Evaluate the methods for monitoring customer service performance</p> <p>4.3 Explain how risk assessment is applied within customer service delivery</p> <p>4.4 Evaluate ways in which an organisation can seek continuous improvement in customer service</p> <p>4.5 Explain the importance of establishing collaborative partnerships in customer service</p>

Unit content

1 Understand the principles of management in customer service

Customer service management: definition of customer service; customer service management role, e.g. setting SMART team objectives, linking performance to customer-focused objectives, creating a customer-focused culture, motivating and leading a team to deliver effective customer service, communicating, building customer relationships, managing conflict, handling customer complaints, effective decision making; identifying key features of good customer service in other organisations; understanding organisation's aims for customer service excellence; translating organisational aims into team actions

Management and leadership: management, e.g. planning, organising, co-ordinating, controlling; leadership attributes and skills, e.g. delivering results, showing enthusiasm, integrity, courage, sensitivity, commitment; communicating the vision clearly; cultivating key relationships; creating sense of common purpose with team; taking responsibility for making things happen; encouraging and supporting others; application of leadership behaviours and styles to work groups, having a good cultural fit within the organisation; theories of leadership qualities, e.g. Adair, Peters, Kanter, Mintzberg; emotional intelligence

Impact of management and leadership style: styles, e.g. autocratic, charismatic, persuasive, participative; influences on style, e.g. culture of organisation, beliefs and values of manager/leader; Blake and Mouton's Managerial Grid

Organisational systems and processes: importance, e.g. for developing plans for customer service operations; working within budgets and balancing financial considerations, e.g. investment in staff, materials; compliance with legislation and regulatory organisations, e.g. Ofsted, Ofqual, Financial Services Authority, Office of Rail Regulator, Ofcom; balancing needs of organisation, e.g. role of regulations with setting standards, ensuring parity across sector, ensuring range of services offered, consumer protection, health and safety, equal opportunities and discrimination, data protection; surpassing customer needs and/or expectations, providing a personal service

Customer service policies: types, e.g. staff training, handling customer queries and/or complaints, keeping customer records, updating customers; procedures for improving or introducing new products and/or services; pricing strategies; adapting policies and procedures to find solutions to customer problems; communication within organisation; completing financial transactions; importance of developing a customer service strategy, e.g. to gain a competitive advantage, ensure customer satisfaction; contributing to the ethical and values base of the organisation, e.g. sourcing raw materials, reducing carbon emissions, fair trade; being consistent with organisational practice; using ethics base as part of customer service promise; impacts of unethical behaviour, e.g. reduction in customers; recommending changes to policies and procedures

2 Understand how to manage recruitment and training to support customer service

Skills to deliver effective customer service: personal skills; importance of interpersonal communications, e.g. body language, active listening, questioning, assertiveness, successful negotiation; personal presentation; professional skills; the importance of coaching and mentoring staff; using occupational standards to identify competencies, product knowledge

Recruitment and selection: scope of job role; meeting organisational policies and procedures for recruitment and selection; employment legislation relating to pay, discrimination, equality, contractual terms and conditions

Training and development: importance of staff development in customer service delivery, e.g. to improve customer service, implementing standards, to maintain team focus, to motivate; identifying training needs; ways of developing the team, e.g. on-site and off-site training, identifying appropriate qualifications, making it systematic with service standards, service measurement; benefits and drawbacks of different training and development methods; reward and recognition for team members, using technology in the team to support customers, using systems and processes; supporting team, e.g. through delegation and empowerment, motivation and inspiration; assessing impact of training on customer service performance, e.g. planning appraisals, knowing team's strengths and weaknesses, providing feedback via appraisal, meetings, email, newsletter; threats to team development, e.g. high turnover, weak or authoritarian leadership, poor definition of goals; importance of developing own team leader/manager performance; relationship between staff training, experience, personality and customer service delivery

3 Understand the management of customer service delivery

Customer service delivery: the organisation's service offer; the extent and limits of the offer according to type of sector, e.g. private sector as a competitive tool, public and third sectors to provide best value; aim to be over and above what an organisation would usually do; customer service promise, e.g. several customer service offers packaged together

Customer expectations: meeting and exceeding expectations, e.g. anticipating customer needs, prompt and polite service, availability of products, and services, ensuring safe and hygienic products, services and environment, providing accurate and up-to-date information, ensuring appearance meets organisational profile/image

Establishing customer service culture: key features of a customer service culture, e.g. having a customer focus, demonstrating good customer service skills, demonstrating communication and listening skills with internal and external customers, managing change, service recovery and complaint handling; importance of maintaining customer service values and ethics, e.g. competitive advantage, enhanced public image, repeat business

Use of technology to improve customer service delivery: website forums for customers to access; email for quick responses to customer enquiries and requests; customer relationship management software, e.g. data-gathering tools to analyse customer behaviour; features and functionality of technology; evaluating options for using technology

4 **Understand the value of monitoring, evaluating and continuous improvement in customer service delivery**

Monitoring: purpose, e.g. to evaluate quality of customer service, meeting organisational standards, enhanced public image, customer satisfaction; monitoring customer loyalty, e.g. repeat business, new customers; monitoring techniques, e.g. mystery shoppers, comment cards, observation; monitoring and measuring team performance, e.g. staff turnover, customer feedback via surveys, informal comments, level of complaints; benefits and drawbacks of options for monitoring performance; using financial data, e.g. turnover, repeat business; analysing statistical data; taking corrective action, e.g. supporting and developing under-performing team members, reviewing and evaluating team responsibilities and working arrangements; making recommendations and presenting information

Risk assessment: importance of managing risk; carrying out risk assessment and implementing it in relation to customer service problems, e.g. identifying risk in different stages of customer service process and its consequences, probability of the risk occurring; types of customer service risk, e.g. financial, reputational, health and safety, delivering sub-standard services or products; importance of identifying and assessing individual risks so that they can be classified and prioritised; identifying trends and patterns; actions to minimise risks, e.g. carrying out a cost benefit analysis, SWOT (strengths, weaknesses, opportunities, threats) analysis; developing staff awareness of identified risks

Continuous improvement: importance of monitoring for future performance of customer service, e.g. efficiency of operation, to bring about improvements; methods, e.g. staff training, staffing levels, employee of the month, reviewing products and services offered, loyalty schemes' assessment criteria; planning for change in competitive environment, e.g. improvements to quality of service, reliability, keeping staff by improving job satisfaction, working environment, attracting new customers, increasing turnover, complying with legal obligations; establishing collaborative partnerships and network of contacts

Essential guidance for tutors

Delivery

Learners are expected to enquire into the topics under discussion, to question theory and to compare and contrast theory with their professional knowledge and practice. For some learners this will mean building on existing knowledge and earlier studies, while for others it will mean drawing on experience gained in a work environment.

Delivery will be through blended learning, using business resources and class-based teaching. Standard tuition materials, texts, business simulations, exercises and formative assessments can be used. Other delivery techniques can also be used, for example, practical work, role play, guest speakers, tutorials, seminars and discussion groups where personal and professional practice can be shared and discussed can also be used. Learners are encouraged to engage in social learning to carry out practical work, discuss problems, consider experiences, work on case studies, prepare reports for presentation and carry out research on customer service management. Learners in work are expected to use their working context and roles to learn about the practical techniques associated with customer service management.

Assessment

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

It is important that suitable organisations are chosen for investigation so that learners can acquire the information they need to meet the assessment criteria.

Evidence can be presented as written reports or case studies, records of activities undertaken and presentations. If presentations are used, then copies of slides, handouts and presenter notes must be included, as well as learner observation records completed by the tutor.

For assessment criterion 1.1, learners will need to demonstrate that they have researched enough information to explain the relationship between management and leadership, including the skills and knowledge needed. Learners should evaluate how management and leadership styles impact on customer service by relating it to a customer service management role and responsibilities.

For assessment criterion 1.2, learners will need to consider how effective customer service depends on a combination of organisational systems and the skills of those responsible for customer service delivery. Learners should use examples from their selected organisation to explain how customer service systems and process balance customer satisfaction, financial considerations and the requirements of legislation, for example relating to consumer protection, data protection and health and safety.

For assessment criterion 1.3, learners need to evaluate the importance of developing customer service policies that support the culture and ethics of the organisation. Learners should examine the ethics and value base of their selected organisation and assess how organisational policies affect the approach to customer service while meeting the needs and objectives of the organisation.

For assessment criterion 2.1, learners need to analyse the different personal and professional skills needed for effective customer service delivery. They should complete a self-assessment of their skills and use examples from at least two different job roles involving customer service in their selected organisation, to provide a comparison of key skills and attributes for the different types of role and responsibilities.

For assessment criterion 2.2, learners need to explain the policies and procedures for recruiting and selecting staff for an identified customer service role in their selected organisation.

For assessment criteria 2.3 and 2.4, learners need to analyse the different methods used by an organisation to train and develop staff in customer service delivery. They should examine how training needs are identified in an organisation and assess the benefits and drawbacks of different methods used, focusing on how this contributes to effective customer service delivery. This will enable learners to explain how effective customer service delivery by staff involves a combination of skills acquired through training, experience and personality.

For assessment criterion 3.1, learners need to analyse an organisation's customer service management role and responsibilities in relation to its customer service offer, customer expectations and customer satisfaction. Learners should identify the policies and procedures used by the organisation to deliver effective customer service and continuously meet the expectations of customers in different customer service situations.

For assessment criteria 3.2 and 3.3, learners need to consider how customer service is used in different sectors. Examples should be given to help appraise how it is used by a commercial organisation to gain a competitive advantage and deliver a competitive service, as well as how it is used as a contribution to best value in the public or third sectors.

For assessment criteria 3.4 and 3.5, learners need to evaluate how customer service values and ethics are demonstrated and maintained. This will include an appraisal on the key features of a customer service culture in an organisation and the importance for the organisation of maintaining the values and ethics.

For assessment criterion 3.6, learners must analyse how technology can be used to improve customer service delivery. They should examine options for technology that will improve customer service delivery, drawing on examples to support it, such as the use of web forums for reviewing products or services.

For assessment criteria 4.1 and 4.2, learners need to give reasons for monitoring customer service in an organisation and consider the options for monitoring customer service performance, evaluating the benefits and drawbacks of each option.

For assessment criterion 4.3, learners need to explain how risk assessment is applied to customer service situations and problems. Learners should explain how to evaluate risk according to probability of occurrence and consequences of occurrence, and explain the techniques used for assessing financial, reputational and health and safety risks.

For assessment criterion 4.4, learners need to outline the steps an organisation takes to monitor and maintain effective delivery of customer service and evaluate how this promotes continuous improvement in customer service delivery.

For assessment criterion 4.5, learners need to explain the importance of establishing a strong network of contacts with similar interests in customer service, giving examples of collaborative partnerships.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

Indicative resource materials

Books

Buttle F – *Customer Relationship Management: Concepts and Technologies* (2nd edition) (Butterworth-Heinemann, 2008) ISBN: 9781856175227

Cross A and Hailstone P – *Managing Customer Service* (Management Pocketbooks, 2008) ISBN: 9781903776926

Gold G, Thorpe R and Mumford A – *Leadership and Management Development* (Chartered Institute of Personnel and Development, 2010) ISBN: 9781843982449

Journals

Customer First – Institute of Customer Service

Management Today – Haymarket Business Media

People Management – Chartered Institute of Personnel and Development

Professional Manager – Chartered Management Institute

Training Journal – www.trainingjournal.com

Websites

www.instituteofcustomerservice.com – Institute of Customer Service: information on customer service

www.leadershipnow.com – LeadershipNow: resource for articles and blogs on leadership challenges

www.managementhelp.org – Free Management Library: articles and blogs on planning leadership development

www.managers.org.uk – Chartered Management Institute: a searchable database which members can use to access journal articles and other publications