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ABSTRACT

This packet contains three papers from a symposium on developing employee competence. The first paper, "Coaching in Organizations: Self-Assessment of Competence" (Gary N. McLean, Min-Hsun [Christine] Kuo), reports on development and pilot-testing of an instrument to identify the developmental needs of managers and peers to function more effectively as coaches. Expert review and factor analyses yielded the current version of the instrument, containing four scales, with an overall reliability of .80. The second, "An Examination of the Role of Failure in the Development of Workplace Expertise" (Richard W. Herling) suggests that job-related experiences are the most important source of learning and that the experience of failure could be used to accelerate the development of expertise. The final paper, "When Caring Is Not Enough: Competencies Needed by Service Providers" (Darlene Russ-Eft, Caryl Berrey, Tim Boone, Julie Winkle), reports on a study that was conducted to identify competencies needed by persons providing customer service. In the study, 356 service providers from 31 organizations were identified. Based on 2,176 critical incidents reported by these providers, the following 5 major factors were identified to create the "SERVE" model: (1) see the big picture and how the customer fits in; (2) establish an authentic human connection with each customer; (3) render timely, accurate, and thorough service; (4) value and respond to unique customer needs; and (5) extend a hand to repair and strengthen relationships with customers who are upset or angry. The papers contain reference sections. (KC)

# 2000 AHRD Conference

# Developing Employee Competence



## Symposium 25



## Raleigh-Durham, NC

## March 8 - 12, 2000

# Coaching in Organizations: Self-Assessment of Competence

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*To identify developmental needs of managers and peers to function more effectively as coaches, an instrument was developed. After several versions had been pilot-tested, using scales that emerged from a literature review, followed by expert review and factor analyses, the current version emerged with four scales. Respective reliabilities (Cronbach alphas) were .68, .36, .51, and .74, with an overall alpha of .80.*

Keywords: Coaching, Management Development, Organization Development

The increasing pace of global, economic, and technological development makes change an inevitable feature of organizational life. Corporations today eagerly embrace innovations (work force diversity, re-engineering, empowerment, self-directed teams, learning organizations, customer service) to meet the forces posed by the changing nature of work, technological advances, and global competition. These forces are interrelated and changing rapidly, making a highly uncertain and chaotic environment for many organizations. Organization development (OD) is playing an increasingly key role in helping organizations to change themselves and improve organizational effectiveness and employee well being in order to survive in today's environment. A popular OD strategy is "coaching"--a management philosophy that significantly changes the relationship between manager and employee (Rothwell, Sullivan, & McLean, 1995).

The concept of manager-as-coach is increasingly important in the management literature (Graham, Wedman, & Garvin-Kester, 1994; Kanter, 1989; Orth, Wilkinson, & Benfari, 1987; Stowell, 1988; Sussman & Finnegan, 1998). Faced with demands for new approaches to problem solving, organizations are attempting to develop more self-managed teams to improve worker performance (Harper & Harper, 1992), and to develop more self-managing work teams to create organizations that can learn continually (Huisman, Peppel, & Nijhof, 1996). These changes call for managers to assume a greater role as coach.

## Statement of the Problem

Given the emerging role of managers (and sometimes peers) to function as coaches, an assessment method to determine developmental needs would be helpful. The question for this research is, Can a valid and reliable (at least .70 Cronbach alpha) instrument be developed with appropriate sub-scales to determine developmental needs of managers and employees to serve as coach?

## Review of the Literature

Traditional organization development methods, adult education, management training, industrial-organizational psychology, and general consultation skills blend to define coaching in organizations. Several other approaches contribute to diagnosing coaching behaviors. For instance, the theories and methodologies of clinical psychology, with its strong historical emphasis on diagnosing and changing the dysfunctional behavior patterns of individuals, are now being applied to consulting approaches used with executives in organizations (Kilburg, 1996). Zimmerman and Protinsky (1993) indicated that a family systems consultation approach can be used in coaching. A multi-disciplined approach may be needed to develop coaches.

### *What is Effective Coaching?*

The concept of coaching has been discussed in the field of sport behavior and psychology, youth and adult education, counseling, clinical psychology, family therapy, management training, industrial-organizational psychology, and so on. Sports coaching seems to be the origin of much of the talk about coaching in business/industry organizations. Not surprisingly, much research on sports coaching has been done. As just one example, Smith, Smoll, and Hunt (1977) developed the Coaching Behavior Assessment System (CBAS) that consists of twelve behavioral categories derived from content analyses of coaching behaviors during practices and games.

The application of coaching as a concept and set of techniques to the practice of management has grown rapidly through the 1980s and 1990s. In 1981, Personnel Decisions International (PDI) became the first management consulting firm to offer a coaching program that was both structured and personally tailored to accelerate individual change and development (Peterson, 1996). It defined coaching as "the process of equipping people with the tools, knowledge, and opportunities they need to develop themselves and become more effective " (Peterson & Hicks, 1996, p. 14). Two empirical studies showed that PDI's coaching program produced significant, observable changes that were sustained at least two years after coaching was completed (Peterson, 1996).

Recent literature on coaching in the field of management and consultation has discussed the new role of "manager as coach" as one way of changing the relationship between manager and employee (Evered & Selman, 1989; Geber, 1992; Orth et al., 1987). Orth et al. (1987) differentiated coaching from career counseling in organizations. They described coaching as a "management technique that is based on knowledge about how and under what conditions employees improve and grow and on specific skills that managers need to practice, develop, and incorporate into their management style" (p. 74). Other studies have focused on the perceptions of subordinates in a coaching relationship (Graham et al., 1993). All of these authors have different ideas of what a coach should do in organizations and what kinds of skills and characteristics a good coach should have.

Unlike prevailing management paradigms focusing heavily on control and order, coaching focuses on discovering actions that enable and empower people to contribute more fully, productively, and with less alienation than the control model entails (Evered & Selman, 1989). Drawing on direct experience of coaching and being coached, their observations of great coaches, and their review of literature, Evered and Selman (1989) defined ten essential elements or characteristics that not only define coaching as distinct from other techniques, but also express the core of coaching: developing a partnership, a commitment to produce a result and enact a vision, compassion and acceptance, speaking and listening for action, a responsiveness to employees, honoring the uniqueness of employees, practice and preparation, a willingness to coach and be coached, a sensitivity to individuals as well as to groups, and a willingness to go beyond what has already been achieved. Further, Zemke and Anderson (1997) stated that "the purpose of coaching is to help an individual customer service representative improve in a specific area of his or her job or enhance or extend a valuable skill in a new way " (p. 2). They emphasized the need to encourage managers to lead and improve performance, rather than to boss subordinates around ; to question and ask subordinates how to improve performance, rather than tell them what to do. This type of leadership is especially important for self-directed teams that need support and empowerment from the top rather than control.

### *Barriers to Effective Coaching*

Nevertheless, coaching still remains a neglected function in many organizations. Time constraints and changes in managers' attitudes are two perspectives from managers as to why coaching is neglected. As Kelly (1985) noted, "Coaching is too time-consuming," "I can't suddenly change my role as a manager," and "It takes forever to realize any change" (p. 54). In addition, Orth et al. (1987) pointed out that organizational climate is crucial in creating a coaching culture. Many organizational climates are not conducive to coaching, and managers are not rewarded for developing employees. As a result, managers are not motivated to initiate the new role of coach. In other words, without a management style that emphasizes coaching organization-wide, managers may not recognize the benefits of coaching to themselves nor to their subordinates.

### *Developing Coaching Competence*

Coaching skills can be enhanced through systematic training. Kelly (1985) and Geber (1992) described how to train managers for their roles as coaches. As Kelly indicated, "Forcing coaching down field managers' throats never seems to work. Using corporate training tools does. The systems include senior management's cooperation and field managers' performance evaluations, salary reviews and promotion reviews" (p. 54). Further, he acknowledged the difficult job of learning new coaching skills and behaviors and integrating them into one's management style. Geber (1992) also argued that the role of coach is ". . . the most difficult one to perform and requires the biggest paradigm shift of any in the new system" (p. 25).

Fortunately, coaching skills can be learned and developed through a combination of training and on-the-job follow-up (Graham et al., 1993), and a desired effect on manager coaching behaviors can occur when the training is an integral part of a coaching skills development program ( Geber, 1992; Kelly, 1985). However, as with any systemic approach to training, some form of needs assessment is needed (Swanson, 1999). The instrument developed in this research was designed to provide a self-assessment of such needs.

### *Issues Related to Coaching*

There are a number of issues associated with the implementation of coaching interventions in organizations. Some of these are described below.

#### *Losing Power and Control*

Fear on the part of management of losing power and control is highly associated with coaching (Foegen, 1998). Control over employees is traditionally a vital function of management and varies only in degree and style. Some control has already been decreased when hierarchy levels become flattened. In addition, as present management styles have emphasized decentralization and cross-functional teams, managers' power of controlling and ordering subordinates has declined. Graham et al. (1993) suggested that coaching skills are a complicated aspect of management because of the issue of span of control.

#### *Changing Roles*

Geber (1992) indicated that coaching is difficult to perform and requires perhaps the biggest shift of any in the new management system. Managers feel compelled to learn coaching skills and to transform into this new role quickly. Subordinates will also have difficulty in a coaching relationship if the managers do not want to change their perceptions of managerial behavior and attitudes.

#### *Gender Differences*

Millard (1996) found that male coaches engaged in keeping control and general technical instruction more frequently and in general encouraged less frequently than did female coaches. Chelladurai and Saleh (1980) concurred that leader characteristics, including gender, do affect leaders' behaviors

Gender is significantly related to role preference (Bain & Wendt, 1983). Their study showed that male subjects indicated a greater preference for the coaching role than did female subjects. In contrast, Jambor and Zhang's (1997) study, using the Revised Leadership for Sport Scale (RLSS) to determine differences in leadership behaviors, showed no significant differences between male and female coaches and no significant interactions between gender and coaching level.

#### *Conflicting Roles*

Most of the literature on individuals who are both coaches and managers has failed to distinguish between role conflict and role strain. Role conflict and role strain may be experienced by individuals who simultaneously occupy multiple roles. Role strain, in contrast to role conflict, is an exposure to demands which require more time, energy and commitment than one can provide ( Bredemeier, 1979). Occupying the dual role of manager/coach seems to be a source of stress, but researchers are uncertain as to the extent to which the stress results from extra time demands and to what extent from contradictory role expectations.

Another aspect of role conflict is the expectation of subordinates compared with the understanding of managers relative to what a coach should do. Stowell's (1988) study showed that managers prefer to talk about their employees' personal style, skills, and communication, while employees would rather stick to task-related or job-related issues in the coaching process.

*Impact of Coaching Behavior on Psychosocial Behavior*

Within the sports coaching literature, it has been determined that coaches' behaviors impact subordinates' psychosocial behaviors. Black and Weiss's (1992) study indicated that young athletes' self-perceptions and motivation are significantly related to the quantity and quality of coaching feedback they receive for performance success and errors. Additionally, Smith et al. (1979) found that coaches who displayed more encouragement, positive reinforcement, instruction, and less criticism had players who enjoyed baseball more and had higher levels of self-esteem. Thus, sports coaches' behaviors, at least, not only influence work enjoyment and self-esteem, but also influence perceived success, effort, and preference for optimally challenging activities.

*Numbers of People Coached*

"Should everyone be coached?" One of the concerns of management is that they will be faced with time constraints in providing the coaching desired by subordinates. As a result, empirical evidence suggests that personal coaching and counseling are selectively targeted toward those whom senior managers believe will be successful (Sussman & Finnegan, 1998). If managers coach only those who are potential stars or who fail to meet the standards, instead of coaching everyone in the organization, will the problem of time constraints be solved?

In Graham et al. (1993), the results indicated that those managers with fewer subordinates often received higher scores on eight coaching behaviors. Further, they pointed out that managers who had eight or fewer people to supervise generally received slightly higher preliminary ratings on coaching skills than those who supervised more people.

***Measurement of Coaching Competence***

The review of the literature on coaching demonstrates that there is an extensive history and broad empirical base available on the general topic of coaching, especially in athletics and dealing with the problems of special needs populations. Though the application of coaching as a concept and set of techniques to the practice of management has been growing rapidly since the early 1980s, the scientific basis for these applications is extremely limited at this time.

Instruments designed to test the relationship between coaching behaviors and psychosocial variables can be used indirectly to provide needs assessment of coaching competence if desired. Such literature is centered on earlier coaching behavior studies. Besides the CBAS that was used to code systemically what kind of behaviors coaches have in games and practices and could further be used to assess what kind of skills coaches need to have, the Leadership for Sport Scale (LSS) is another kind of instrument developed. Chelladurai and Saleh (1980) investigated five leadership behaviors which were used to measure coaches' perceptions of their own behavior and developed the Leadership for Sport Scale (LSS), including five leadership behaviors (training and instruction, democratic, autocratic, social support, and positive feedback). Later in 1997, Jambor and Zhang modified the LSS to a Revised Leadership Scale for Sport (RLSS) by adding situational consideration to the variables used in the LSS to provide another behavior in which leaders may operate. The scales by Chelladurai and Saleh (1980) and Jambor and Zhang (1997) include methods for assessing athletes' perceptions and preferences and coaches' perceptions. All of these examples, however, are related to sports, not business.

In addition to research-based instruments designed to measure coaching behaviors and competence as described above, instruments developed by consulting firms are used and available in business workshops. For instance, Phil Lowe (1995) from Harbridge Consulting Group provided five skills of coaching to clients, including providing structure, active listening, asking questions, making suggestions, and giving feedback. In spite of various techniques and exercises to practice the skills, Lowe did not provide theoretical backgrounds as to how the skills were identified and developed. Berry, Cadwell, and Fehrmann (1995) developed the Coaching for Results Assessment Instrument (CFRAI). This instrument

was designed to act as an indicator of coaching skill development need. Thirty-six skills were developed within fourteen modules. Module numbers refer to the number assigned to the training session that deals with that particular skill. Unlike other instruments, CFRAI is designed so users can evaluate themselves and request their managers to evaluate them. It is also suggested that users solicit the opinion of their managers, subordinates, and coworkers to ensure a full 360-degree evaluation of their coaching skills.

## Methodology and Results

This section describes the steps taken to develop a self-perception needs assessment of coaching competence, including item development, validation, reliability, pilot tests, and statistical measures used. The results of each step are reported after each stage of the process is described.

### *Item Development*

Several approaches were used to insure that appropriate items were selected for the profile instrument. One approach was behavioral observation. Each of the authors (Tolbert, Larkin, & McLean, 1998) has been involved as a mentor and as a mentee, as have the ten members of the national expert panel used to validate the instrument. The initial pool of items was influenced by their experiences of what seemed to work and not to work in these relationships. This list was checked against the literature relating to coaching.

### *Model Development*

This information was used to create a four-factor model for coaching: Interacting (Closed/ Open), Advising (Telling/Exploring), Collaborating (Independent/Interdependent), and Supporting (Discouraging/ Encouraging). The dichotomous nature of these four factors led to the decision to develop forced choice items, with a response representing each of the dichotomies. With these categories in mind, a large number of potential pool items was written. The authors refined these items, resulting in 20 items within each category. The desired outcome was a minimum of ten items in each category; creating 80 items would allow for a reduction of 50% based on expert review and psychometric findings.

### *Review by National Experts and Target Respondents for Face Validity*

Ten national experts were identified based on three criteria: active in the field of human resource development, experienced as a coach/mentor, and the inclusion of coaching as a core component of their business. Attempts to have the ten experts categorize the 80 items proved not to be useful, both because of wide discrepancies in how they classified the items and because it was unnecessary due to subsequent psychometric analyses. However, their review did confirm the usefulness of all 80 items for a coaching instrument and also provided useful feedback on clarity, wording, and potential uses of the instrument.

In addition, the 80 items were administered to 56 graduate students enrolled in two Organization Development classes and one Managerial Communication class. The majority of these students are employed in businesses that are potential users of the instrument. A fourth class, in Educational Psychology, was also used because of the expertise of these students in psychometric matters. All students made comments on the instrument with recommendations for change.

Based on this input, revisions were made, maintaining the construct of the four factors with dichotomous choices. An additional 20 items were also developed reflecting various philosophies of coaching, with the idea of determining whether one's philosophy about coaching and mentoring would determine how they responded within each of the four factors.

### *Beta Test*

The revised instrument was administered to 475 respondents. Respondents reflected a broad range of industries, job positions, and ages, and reflected almost equal male-female participation.

*Psychometric Analyses*

Several analyses were run to reduce the length of the instrument, to determine the validity of the four factors hypothesized in the development of the instrument, and to determine reliability.

a. A frequency count was run to determine the ability of each item to discriminate between the two dichotomous options. When one option was selected by 89% or more of respondents, it was eliminated from the pool as being overly socially desirable. This process eliminated 13 of the 80 items from the initial pool, leaving 67 items.

b. An item-total test correlation was run for each of the remaining items. While the overall reliability was .83, there were 7 items for which the relationship was negative or less than .1 (individual reliabilities are generally lower with dichotomous variables than for Likert-scale variables because there is less item variance). Because these items were judged not to be contributing to the overall construct of coaching and mentoring, they were removed from the pool of items, leaving 60 items in the pool.

c. A principal components factor analysis was then run on the remaining 60 items. An eigenvalue chart was constructed based on the results. The chart flattened after the 7th factor, suggesting that the top seven factors were contributing significantly to the coaching construct. The first seven factors were then examined. The first six factors were fairly easily labeled, as they were similar to three of the four factors hypothesized in the beginning, only with more detailed distinction among the factors. The seventh factor, however, could not be labeled, as the items in that factor exhibited no cognitive fit. This resulted in the elimination of 6 items. Five items were also eliminated from the first six factors because they did not fit cognitively. The total pool was thus reduced to 49.

Because of the removal of these items, it was necessary to run the factor analysis one more time to determine the appropriate assignment of an individual item to a factor. Seven factors were again determined; while all factors could be easily labeled, the 7th factor contained only three items, which was deemed to be too few to provide reliable feedback to respondents. Thus, these three items were eliminated, resulting in a final pool of 46 items with an overall reliability of .81, with all individual item-total instrument reliabilities significant at $p < .05$ and greater than .1.

The six-factor analysis was reviewed to determine if all items could be classified within the six factors; several items that were in this analysis did not fit cognitively the factor to which it was assigned. The decision, then, was to use the first six of the seven factors in the seven-factor analysis. It was not necessary in this analysis to omit any item from any factor to provide cognitive fit. The resulting six scales were, from strongest to weakest: Individual-Team Perspective, Closed-Open Interactions, Focus on Self-Others, Status Quo-Risk Taking, Limited-Expansive Thinking, and Discouraging-Encouraging Support. The only one of the original four factors not to emerge was Advising (Telling/Exploring). Each of the other three factors emerged with two in their original form (Closed-Open Interactions and Discouraging-Encouraging Support). The Independent-Interdependent factor emerged as two factors: Individual-Team Perspective and Focus on Self-Others.

*Instrument Revision*

With the above information, it was decided that greater variability was needed to strengthen the items because of the restriction in variability found in a dichotomous scale. , the instrument was rewritten using a Likert-scale of seven items. Randomized polarity was used (i.e., based on the research, some items had the desired items on the left, while others were on the right).

This revised instrument was again submitted to the panel of ten experts, with eight responding. It was also given to a selected group of graduate students employed in HRD in industry. The combined feedback from these groups was used to revise the instrument. A 36-item instrument resulted, based on four factors: Communication, Performance, Support, and Challenges. Within each factor, a dichotomous relationship existed within the Likert scale for each item: independent and private vs. interdependent and open (Communication), focus on self vs. focus on others (Performance), results-oriented vs. explorative (Support), and risk-avoidance vs. risk-tolerant (Challenges).

The revised instrument was administered to four graduate Organization Development classes and an International Human Resource Development class, for a total of 97 responses. Greater variability did result, with all 36 items having a standard deviation of .99 or greater. The change to a Likert-scale definitely overcame the problem of restriction of range in the responses that had existed with the forced-choice responses.

The Cronbach alpha results of the second beta test have resulted in disappointing scale reliabilities, respectively .68, .36, .51, and .74. Two met (or almost met) the pre-established target of .70 (Communication and Challenges). However, two scales were considerably below the target (Performance and Support). Overall, however, the Cronbach alpha was .80--well above the pre-established target. The results suggested that the instrument was a reliable measure of overall coaching competence, but only two of the scales would provide reliable information at the detail level.

Another principal components factor analysis was run to verify or reject the current version of the instrument's four factors. Twelve factors had eigenvalues in excess of 1.0, accounting for 68.7% of the variance, while the eigenvalue chart tended to level after six factors, explaining 47.1% of the variance. In general, the categories were confirmed, with greater detail: (in order) Comfort with Ambiguity, Closed, Relationships, Other-Focused, Confront Criticism, and Anonymity. However, only the first two had sufficient items to be useful in providing feedback: 7 and 4.

**Conclusions and Recommendations**

Three years' of development on this instrument, and the careful application of psychometric measures, has resulted in an instrument that meets the pre-established standards for overall feedback on the self-assessment of coaching skills. However, it has still not resulted in an instrument that meets the standards established by the authors based on the established scales. A decision must now be made to abandon the process of working on scales or to undertake at least one more major revision.

Failure to develop an acceptable instrument to date raises several questions. First, are the constructs related to coaching still not well enough developed in the literature to provide the necessary direction needed to develop an instrument? It is clear from the differences seen in the literature review that there is not yet an accepted set of competencies required of coaches in the business setting.

Second, the problem may be that self-assessment does not provide sufficiently accurate and discriminating information to provide meaningful feedback that will assist in development. Perhaps having subordinates, peers, and supervisors complete the instrument might provide more effective discrimination that would be more useful in providing information for training and development professionals. However, McLean's (1997) cautions about the use of multirater evaluation is likely to apply here as well. McLean also suggested, however, that such an approach can be useful if used solely for developmental purposes.

Finally, we may be faced with a theory/practice dichotomy. The instrument has been developed based on the research. However, the experts used and the respondents tend towards a practice orientation. As in other areas of human resource development, practice may not coincide with theory, creating difficulty in having the constructs identified through the literature confirmed in the application. The existing instrument appears to meet all necessary criteria for overall feedback. Nevertheless, efforts to establish a useful instrument must continue if coaching is to remain an important approach in the business setting, and if human resource development professionals are to help managers in developing coaching competence.

**Contributions to New HRD Knowledge**

First, this study has shown that a valid and reliable instrument for self-assessment of coaching skills can be developed. Use of this instrument will help HRD professionals to assist in developing coaching skills. Second, this study has confirmed the ongoing difficulty of identifying a coherent, valid, and reliable subset of skills that account for overall coaching skills. Third, as instruments do exist for measuring coaching skills that do not provide psychometric information, the difficulties encountered in this study require HRD to continue to be vigilant in demanding appropriate psychometrics for any instrument used in practice.

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# An Examination of the Role of Failure in the Development of Workplace Expertise

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*Of increasing importance to an organization is its ability to effectively develop the skills of its workforce. Research indicates that, in the development of workplace expertise, job related experiences are the most important source of learning. There is a general belief that people learn from their mistakes, which implies that experiences of failure could be used to accelerate the development of expertise. If true, this could have a significant impact on the field of HRD.*

Keywords: Expertise, Informal Learning, Failure

During the 1990's, the field of business management began to recognize and promote the organization's human resources as a source of significant and sustainable competitive advantage (Prahalad & Hamel, 1990;Senge, 1990; Quinn, 1992; Pfeffer, 1994, 1998). The source of this competitive advantage is acknowledged to be the capacity to do work that groups of individuals bring every day to the organizations they serve. This capacity to do work, generally defined by the term employee competence, stems from the knowledge, skills, and abilities possessed by the organization's employees that enables them to act efficiently and effectively in a wide variety of situations. This combined set of knowledge, skills, and abilities possessed by the organization's employees is what is commonly termed workplace expertise (Swanson, 1994). Having recognized the importance of workplace expertise many organizations are expecting their HRD professionals to respond with solutions that promise the rapid development of workplace expertise and individual competence.

## The Role of the Learning Experience in the Development of Workplace Expertise

Individual competency is commonly defined as a cluster of related factual knowledge, skills, experiences, attitudes, and value judgements directly related to one's job (Parry, 1998). The ability to transform one's knowledge, skills and experiences into consistently demonstrated actions which are both optimally efficient in their execution and effective in their results has been operationally defined as human expertise (Herling, 1998). Workplace expertise thus consists of job-related knowledge and experience which forms the basis of real understanding and from which the individual can derive insightful solutions to progressively difficult problems.

Based on the identification of these three components of workplace expertise – job-related knowledge, experience, and problem solving heuristics - the task of developing workplace expertise has definition. The means by which this task can be completed has also been identified. Research on human expertise, specifically in the fields of athletics and the performing arts, has shown that expertise is developed through extensive and intensive training and practice (Ericsson & Charness, 1994). However, knowing that expertise can be developed through intensive training does not address the problem the HRD professional is now being tasked with, that of reducing the amount of time required to develop workplace knowledge and skills.

Unfortunately, this problem is not so easily solved. First, to become an expert, researchers have postulated that it requires approximately 20,000 hours, or roughly 10 years, of combined education, training, and experience (Posner, 1988; Bereiter & Scardamalia, 1993). Due to the rapid and constant changes in both technology and the marketplace, organizations are simply not afforded the luxury of having years to develop their workplace expertise. In addition, research that has been conducted in areas of study other than that of human expertise (Zemke, 1985) seem to contradict the findings of the expertise research of Ericsson and Charness, indicating that extensive training is not the means through which workplace expertise is developed.

Jacobs and Jones (1995) noted that between 80% and 90% of an employee's job knowledge and skills (workplace expertise) are learned on the job, attaching to this statement their observation that much of this learning occurs in an unstructured manner. Although their specific source of this interesting statistic was not identified, as a

generalized statement it is possible to draw a similar conclusion from the findings of research conducted between 1979 and 1985 relating to how managers within the Honeywell corporation learned how to manage.

From the results of a survey given to 3600 Honeywell managers it was concluded that job-related knowledge and skills are acquired from three primary sources. Based on the Honeywell study the foremost source of learning was derived from the kind of job experiences and assignments the individuals received. The second source of learning was attributed to the working relationships these individuals had with others in the organization, and particularly with their supervisors. The third significant source of learning was attributed to the formal training these individuals had received, with the disclaimer that this meant it only referred to training that had occurred at the right time, meaning at or near the time of the change in their job assignment. From these same survey results it was estimated that the three sources of learning contributed 80 percent, 10 percent, and 10 percent respectively to the development of the manager's expertise. From the analysis of additional data collected from follow-up interviews conducted with 10 percent of the original survey group this ratio was revised to 50 percent, 30 percent, and 20 percent respectively (Zemke, 1985). Thus, assuming that the process of learning how to be a manger is representative of the process required for learning any other job function, it could be concluded that 80 percent of what an individual learns about doing his or her job occurs either directly or indirectly as a result of actually having to do the job.

More importantly, what the Honeywell study suggests is that workplace expertise is not developed from extensive and intensive training and practice. Workplace expertise is instead acquired through experience gained from having to actually perform the tasks and make the decisions required to fulfill the obligations and responsibilities associated with the specific job. This possibility, that workplace expertise is result of acquired workplace experiences, carries with it significant implications for the practice and profession of HRD as related to the training and development of the individuals that comprise the organization's workforce.

If experience is the primary source of workplace expertise then the key to the development of workplace expertise resides in the selection and provision of appropriate and meaningful experiences. As Bereiter and Scardamalia (1993) observed in the performance of equally experienced schoolteachers (based on equality in both the training received and the number of years worked) accumulated experience "distinguishes old-timers from beginners, but does not distinguish experts from experienced non-experts" (p. 81). Experience that contributes to the development of expertise is heavily dependent upon the type and quality, as well as the quantity, of the events the individual participates in or is exposed to. It therefore stands to reason that if, from all the workplace experiences an individual encounters, only those experiences that actually contribute to the development of workplace expertise could be identified and replicated then the time required to develop an employee's workplace expertise could be greatly reduced.

**The Difficulty of Identifying Learning Experiences that support the Development of Workplace Expertise**

The identification of experiences that contribute to the development of workplace expertise is in essence a task of separating learning experiences from non-learning experiences. Based on research examining the nature of learning in small business environments it was concluded that "learning occurred when experience was transformed into new knowledge, skills, or attitudes that led to changed behavior" (Ziegler, 1999, p. 58). This benchmark provides a standard for the identification of learning experiences based on observed outcomes.

Related research on organizational learning, a second study specific to how managers learn, observed that "the extent to which learning will occur within such experiences depends on the degree to which (individuals) are attentive to their environments and open to changing old mindsets" (Dechant, 1999, p. 45). Thus the level of individual attentiveness to any given task serves as a predictor of learning experiences.

It therefore seems reasonable to expect that, equipped with both a standard and a predictor, one should be able to observe a series of workplace experiences and be able to distinguish those that are learning experiences from those that are non-learning experiences. Unfortunately, this does not appear to be the case, as demonstrated by the acknowledged existence of tacit knowledge, which is recognized to be the result of unconscious involuntary learning. As summarized by Durrance (1998), tacit knowledge guides how people behave and act. Tacit knowledge is considered to be deeper (less tangible) than explicit knowledge because it is internalized when individuals are least conscious that learning is taking place, implying that not all learning experiences are easily identified, even by the individual being subjected to the learning experience.

The difficulty in simply separating learning experiences from non-learning experiences arises from the fact that on the job learning can occur in a number of different ways. Marsick and Watkins (1990) have examined, described, and as a result categorized the nature of learning in the workplace as being either informal or incidental.

Reber (1989) noted that learning on the job can also be implicit, or a process by which knowledge is acquired independently of conscious attempts to do so. Thus, when viewed from the perspective of the individual, it can be seen that learning, as a result of events experienced or actions taken on the job, can be intentional (informal learning), unintentional (incidental learning), or non-intentional (implicit learning).

Watkins and Marsick (1990) have defined informal learning as an explicit activity that is "predominantly experiential and non-institutional" (p. 7). Although informal learning will vary from event to event, in terms of the degree of control exercised by the learner, the location, and the predictability of outcomes, it is an activity that the individual intentionally engages in with an expectation that he or she will "learn something."

While informal learning takes the form of self-directed learning activities, coaching, mentoring, networking, and even trial-and-error experimentation, incidental learning is completely unintentional. It is the by-product of some other activity the individual has engaged in, and one that carries with it no expectation of either having learned something or of having one's behavior modified. Incidental learning includes learning from mistakes and learning by doing, and because this learning takes place without intention and in the normal course of daily events, the lessons being conveyed are often hidden within the interaction (Watkins & Marsick, 1990).

Both informal and incidental learning will produce explicit knowledge, and upon reflection of the associated experiences, the individual will recognize that learning occurred. This will not usually be the case regarding implicit learning. Implicit learning produces tacit knowledge, and tacit knowledge is abstract, representative of the structure of the individual's environment, and used implicitly to solve problems and make accurate decisions about novel circumstances (Reber, 1989). Reber (who coined the expression implicit learning in 1967) has defined implicit learning as "the acquisition of knowledge that takes place largely independently of conscious attempts to learn and largely in the absence of explicit knowledge about what was acquired" (1993, p. 5). As a result, the experiences that produce tacit knowledge, a significant part of workplace expertise, may be the hardest to distinguish from non-learning experiences.

Implicit learning aside, the separation of learning experiences from non-learning experiences has the characteristics of an improbable task. Nonetheless, being able to identify those experiences that directly contribute to the development of workplace expertise is still a worthy objective.

**Using Failure as a Means of Identifying Relevant Learning Experiences**

All actions taken by an individual, regardless of their relative importance or complexity, can be readily classified as either being successful in achieving their intended outcome, or as having failed to do so. Marsick and Watkins have noted that people will learn from their experiences when they are faced with a new challenge or problem because this condition triggers a fresh look at their situation. Recognition of the problem is then followed by a search for alternative responses. This in turn results in new (modified or adjusted) actions being taken to rectify the problem, and finally concludes with an evaluation of results, with this sequence of steps being repeated until the problem is solved or the challenge is overcome (Marsick, Volpe, & Watkins, 1999). While all challenges and problems faced by an individual are not the result of failure (actions taken that did not achieve their intended outcomes), failed actions and mistakes generally present themselves as problems, and therefore as learning experiences.

In fact, it is a generally accepted principle that we learn from our mistakes. A perception that is supported by the accounts of 230 managers, all claiming to have learned from their mistakes, and many claiming that the lessons learned could not have been gained in any other way, or resulted in having learnt them more strongly (Pearn & Honey, 1997). Nierenberg (1996) believes that creative people in particular use failure as an opportunity for discovery because they take time to analyze errors by applying to their own mistakes the tools of common observation, self-inquiry, reflection, and the acquisition of additional knowledge.

Of course, not everyone buys into this belief that one learns from one's mistakes. In the first place, there is the recognized effect of positive reinforcement that supports a belief that what one learns is derived from one's successes and not from their mistakes. Then, there is the corollary to the espoused learning-from-one's-mistakes principle that implies that mistakes tend to be repeated, with the end result being that people and organizations do not learn from the results of their own actions or from the actions of others (Feldman, 1986). Marsick, Volpe, and Watkins (1999) appear to support this premise, having suggested that people often do not learn from their mistakes, instead, they tend to reinforce their mistakes because they do not examine the reasons, causes, or decisions that led to their failure.

I propose that the power of failure, and the experiences of failure, should not be so readily dismissed. Whether or not we are cognizant of it at the moment of occurrence, learning is a dynamic process based on association between stimuli, responses, intended outcomes, and realized outcomes. I would suggest that in the

workplace, success is the outcome that brings the learning process to a conclusion whereas it is the experience of failure that initiates and fuels the process. As Bronowski (1977) observed, if you put a mouse in a maze and it gets it right the first time it has not learned to run the maze, and it will not learn to run the maze until it makes some mistakes and learns to avoid them.

The subject of human error has been the focus of rigorous research. This research appears to be little known outside of the settings where there is risk of catastrophic failure, specifically the fields of nuclear power generation, aviation, and health care. Research on human error, which has been predominately conducted within the derivative fields of cognitive psychology, cognitive science, and cognitive engineering, has generally focused on the causes, prediction, and correction of error (Senders & Moray, 1991; Denning, 1990; Reason, 1990, 1987b; Johannsen, 1988; Green, 1988; Rassmussen, 1987b). The overarching questions of these research efforts have related to why do we make mistakes and how do we detect errors in our actions and the actions of others. There has been some research related to learning from failure (Salas, Prince, Bowers, Stout, Oser, & Cannon-Bowers, 1999; Fortune & Peters, 1995) but the focus of this research was in the area of error prevention. At the time of this writing there is no evidence that any research has been completed that is related to how, or to what extent, experiences of failure have contributed to the development of workplace expertise.

**A Belief Examination of the Characteristics of Failure**

Everyone is subject to errors in both belief and action. Nierenberg (1996) claims that 30 to 40 percent of all workers' and executives' time is spent in preventing, participating, correcting, or handling errors. Although this may seem unrealistic, an analysis of any task will show that there is usually only one way to do the task correctly but many ways to do it wrong. It should come as no surprise then that, as Feldman (1986) has noted, the research literature is replete with studies of error rather than accuracy. The odds against error free performance are overwhelming, providing good reason to believe that during any given day we will make numerous errors and, because of the sheer numbers, that many of these errors will be similar if not identical to errors that we have made before. It is therefore reasonable to assume that we dont learn from *all* of our mistakes. However, Reason (1990) has observed that in comparison to the vast potential for failure, human error is not abundant. The implication of this apparent paradox is twofold. First, that we must be learning from most of our mistakes or we would lack the ability to prevent them and failure would be more abundant, second, that not all mistakes are created equal.

Up to this point the terms error, failure, and mistake have been used somewhat interchangeably. Before proceeding it seems advisable to provide some clarification. Error has been the favored term of the research where it is used as a general descriptor to indicate any inappropriate action or decision taken or made by the subjects of the study. Within the pages of this discussion, failure is being viewed and used as the overarching concept for defining and describing the results of unsuccessful actions or decisions. The decision for this deviation from past practice is based on the fact that the focus of human error research has typically been on the causes of incorrect actions whereas this discussion is interested in the results of those actions.

To each unsuccessful action or decision can be attached one or more attributable causes and a consequence, or unintended outcome. Based on the attributed cause of unsuccessful actions and their resulting consequences, failures have been categorized as slips, lapses, errors, mistakes, blunders, and catastrophic failures (Nierenberg, 1996).

In earlier paragraphs, those specifically discussing the possible relationship between learning and failure, the term of unintentional outcome was used several times. Reason (1990) has argued that the notion of intention and error (the wrong action or decision) are inseparable. Reason has stated that to define error one must begin by giving consideration to the variation that exists in intentional behavior. In other words, from a research perspective, one begins the analysis of error by asking if the actions of the individual were directed by some prior intention.

The result of intended actions that do not achieve their desired end, in other words intentional but incorrect actions that are successfully executed, are viewed as mistakes. Intended actions can also result in blunders and catastrophic failures, mistakes of such magnitude that they conclude in the loss of human life and limb, or of large sums of money (Nierenberg, 1996). Blunders and catastrophic failures are generally the result of a snowballing series of compounding incorrect actions and inappropriate decisions initiated by a small mistake or a simple error.

Errors are the result of unintentional actions, or planned actions that did not proceed as planned (Nierenberg, 1996). From the perspective of outcomes, an error is the result of a deviation from a standard situation in which one has a certain degree of control.

The results of non-intentional actions, actions that are not planned but have supplanted an intended action, are either slips or lapses.

A related term, one that may seem to have gained some importance at this point if only by its omission, is accident. If there is no intention in either the actions or thoughts of the individual, in other words the action was completely involuntary, the result is an accident. Accidents are not included on the continuum of failure even though the consequences of accidents can be identical to those of any of the identified forms of failure.

As stated, the results of non-intentional actions have been identified as either slips or lapses (Nierenberg, 1996). Slips and lapses result from either a failure in the execution of an intended action (a slip) or a failure in the recall of an action sequence (a lapse). Slips and lapses are generally related to failures associated with tasks we have correctly performed many times before, such as the misspelling of a common word, inadvertently substituting the names of family members, or the forgetting to turn-off the stove after we have cooked a meal. Because these failures are associated with tasks that we tend to perform sub-consciously, and tasks that we also tend to perform correctly most of the time, our common response to a slip or a lapse is that we just werent thinking. Revisiting the two arguments: we learn from our mistakes, and we keep making the same mistakes ergo we dont learn from our mistakes, the latter one is clearly referencing slips and lapses.

The types of failure identified as slips and lapses are closely linked to actions and intentions that are based on the knowledge and skills one has already mastered. As a result, these types of failure could hardly qualify as being learning experiences and therefore would play no role in the development of workplace expertise. With the elimination of slips and lapses, what remains are the failures that are the result of conscious and intentional action, failures that do not occur on a daily basis and therefore potentially represent the learning experiences from which expertise evolves.

In a discussion on human error and the search for blame, Denning stated:

> When I say I made a mistake I usually mean one of two things. I may mean that I misjudged the consequences of an action I took and the consequences had an unwarranted or unreasonable cost that must now be compensated. Or, I may mean that I had no way of foreseeing the unintended consequence, and now I regret having taken the action. In the first case I had a choice but took action in the fact of the risk, while in the second case I was blind to the consequences and had no real choice at all. (1990, p.6)

What Denning's perspective on the causes of human error suggests is that at the root of failures of conscious intended actions and decisions (mistakes and errors) lies either a failure of expertise or the lack of expertise. A failure of expertise means one has the necessary knowledge and skills required to achieve a successful outcome, but as a result of choosing the wrong action, poor execution of the correct action, poor planning, or poor decision making is unable to do so. In contrast, a lack of expertise suggests that one does not have the required knowledge or skills and is forced to create a plan of action relying on whatever relevant knowledge is currently possessed.

Feldman (1986) reported that the process of learning involves the creation of cognitive structures. It was his contention that what is learned from experience is dependent on the individual's pre-existing mental structures, environment, type of task, and type of feedback. Feldman believed that culture, training, and background influence the drawing of one's attention to the various cues presented during an experience, and to the interpretation of those cues. In other words, what one learns from an experience is, in part, is a function of what one already knows because of our tendency to pay greater attention to the things that contradict what we already believe to be true. This tendency encourages the practice of trial and error, which Feldman has suggested plays a significant role in learning from our experiences. A position that is supported by Detrich Dörner's research in the field of complex and dynamic decision-making. Dörner (1996) has noted that free experimentation, or trial and error, is the simplest and most applied cognitive tool we have for narrowing a problem. He notes that in any given problem situation we will try everything conceivable to derive a solution, using trail and error as a means of introducing mutations into our planning process. In novel situations, where we lack expertise, we not only expect failure to result from our initial decisions and actions; we accept it as a reasonable outcome, and, in the process steps outlined by Marsick and Watkins (Marsick, Volpe, & Watkins, 1999), we use it to benchmark our next set of actions.

The stimuli, or cues, resulting from one's actions are identified as feedback. As previously noted, Feldman (1986) believed that what was learned from experience was dependent, in part, on the type of feedback one received. Outcome feedback, reflected in the consequences of actions taken, was seen to have less of an impact than process feedback, which is reflective of the correctness of reasoning.

However, it was Feldman's position that one of the most potent factors in learning from experience was the nature of the task itself. From the research Jens Rassmussen conducted on the subject of human error, he concluded that the types of errors individuals made were directly related to the types of tasks they were engaged in. He associated all tasks, and subsequently the different types of errors, with a pattern of cognitive behavior based on schema structure (mental models), and categorized the nature of tasks as being either skill-based, rule-based, or knowledge-based in their behavior (Reason, 1990; Rassmussen, 1987a).

Tasks that are skill-based rely on stored patterns of preprogrammed instruction. They are the tasks or actions we execute subconsciously. The errors occurring at this level, predominately slips and lapses, are typically related to intrinsic variability of applied or resisting forces and the coordination of space and time (Reason, 1990). Simply put, skill-based errors are generally the result of either inattention or overattention. As previously noted, slips and lapses hardly qualify as being learning experiences and therefore are not considered as contributors to the development of workplace expertise.

Tasks that require rule-based solutions are governed by stored rules of if-then actions or diagnosis. Errors at this level (lapses, errors, and mistakes) are typically associated with the misclassification of situations leading to the application of the wrong rule or the incorrect recall of procedures (Reason, 1990). In general, rule-based errors are the result of the misapplication of good rules or the application of bad rules. Rule-based errors can be seen as failures of expertise.

Tasks that require knowledge-based performance and solutions represent novel situations where actions must be planned on-line using conscious analytical processes and stored knowledge. Feldman (1986) would identify these tasks as being of an intuitive nature requiring the cues received to be weighted, correlated, and combined in an attempt to select a solution. Because there are no accepted organizing principles, and the correctness of intuitive solutions are subjective, errors occurring at this level arise from resource limitations and incomplete or incorrect knowledge reflecting a lack of expertise (Reason, 1990). Knowledge-based errors reflect a lack of expertise and thereby suggest that they represent the kind of experiences that provide the greatest opportunity for the development of workplace expertise.

## Conclusions and Implications

There is research to indicate that workplace expertise is predominately developed on the job through the experience of having to successfully perform the tasks and make the decisions related to a specific job. However, it is recognized that not all experiences (many of them being repetitive in nature) contribute to the development of workplace expertise. Marsick and Watkins (1990) have proposed that, in the workplace, people learn most effectively through interactions with others when the need to learn is greatest. Feldman (1986) has stated that in order to realize that learning is necessary one must notice errors. Errors, as a general term used by researchers to describe incorrect decisions and inappropriate actions (which clearly serve as an indication of a potential need for learning) result in, or are representative of failure. Experiences of failure thus appear to represent the greatest opportunities for developing workplace expertise. This possibility carries with it several implications for the field of HRD, each stressing the need for a deeper understanding of failure and the role it actually plays in the development of workplace expertise.

Although there has been extensive research conducted in the study of human error, it is not apparent that any of this research has either directly or indirectly considered the role failure plays in learning. As Marsick and Watkins (1990) have suggested, in regards to the informal learning that occurs in the workplace, people do not always learn from their experiences and often times what is learned in this manner may reinforce inaccurate ways of doing things. The implication of this is twofold. First, there is a need to be able to identify the job-related experiences that are supportive of learning from those which are not. Second, that the use of experiences, which are based on failure, may have to be structured in their presentation to ensure that they constructively support the development of workplace expertise.

According to Nierenberg (1996) and Reason (1990), individuals are prone to error and they spend a considerable portion of their time preventing, detecting, and correcting errors. Marsick and Watkins (1990) have submitted that learning from and through experience is representative of the way in which people make sense of the situations they encounter in their daily lives. One of the indirect outcomes of the research on human error is the classification of failure. Based on cause and consequence, several different types of failure have been characterized. According to Rassmussen (1987a) the greatest number of human errors are attributed to slips and lapses, or errors associated with the subconscious execution of well-established procedures and actions. It is unlikely that experiences of failure of this nature hold any significant meaning to us as individuals, for as Feldman (1986) noted, "learning from experience may be said to occur when an inaccuracy in prediction is made salient and the resultant feedback is usefully encoded" (1986, p. 268). We appear to pay little attention to slips and lapses, if publicly made simply we excuse ours oversight, make the correction, and continue on with whatever we were doing.

In contrast, human errors specific to failures of conscious intended actions and decisions are attributed to either a failure of expertise or the lack of expertise. In all likelihood these experience of failure do have meaning to us. The question of importance is to what extent does failure of this nature contribute to the development of

workplace expertise. Not only is this relationship unclear but it implies that there are very specific experiences of failure that support the development of workplace expertise.

Based on the proposition that people learn most effectively through interactions with others (Marsick & Watkins, 1990), an additional question is raised regarding how much of what we is learn is the result of the observation, and the awareness, of the failures of others.

It is clear that failure does play some role in the development of workplace expertise, what is unclear are the related questions of what, where, why, when, and how and is alone emphasizes the need for extensive research. For the HRD professional in general it is evident that there is a need to develop a deeper understanding of failure as a learning experience. For the HRD professional specifically involved in the training and development of an organization's employees the implications of learning from failure are significant when failure is viewed as a tool for developing workplace expertise.

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# When Caring is Not Enough: Competencies Needed by Service Providers

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*The purpose of the study was to identify competencies needed by those providing service to today's customers. A total of 356 service providers were interviewed from 31 different organizations throughout the U.S. Based on 2176 critical incidents, five major factors were identified to create the SERVE model: See the "big picture" and how customer service fits into it; Establish an authentic human connection with each customer; Render timely, accurate and thorough service; Value and respond to unique customer needs; and Extend a hand to repair and strengthen relationships with customers who are upset or angry. Implications were discussed for HRD practice and future research.*

## Theoretical Framework

Organizations recognize the importance of customer relationships, customer satisfaction, and customer loyalty (Band, 1989; Bleuel, 1990; Hart & Johnson, 1999; Iacobucci, Grayson, & Ostrum, 1994; Jevons & Pidgeon, 1999; Parasuraman, Zeithaml, and Berry, 1985, 1988, 1991). Patterson, Johnson, and Spreng (1997, p. 4) suggested that increased interest by academicians and practitioners in the topic results from "... the fact that a satisfied customer is viewed as an indispensable means of creating a sustainable advantage in the competitive environment of the 1990s." Furthermore, Reichheld, et al (1999) indicate that simply satisfying customer demands is necessary but not sufficient to win their loyalty in highly competitive markets.

Given this interest in customer satisfaction and loyalty, we might expect a rich literature on customer service competencies. Indeed, identifying such competencies could contribute to selection purposes, training and development, and performance management (McClelland.1973; Russ-Eft, 1995; Spencer & Spencer, 1993; and Spencer, 1997).

Although much practitioner and academic literature has been devoted to customer concerns, relatively little work has focused on the competencies needed by customer service providers and others within organizations to win and maintain customer loyalty. Models of customer service competencies appear or can be gleaned from the following: Berry, Parasuraman, and Zeithaml (1994), Bhote (1996), Bitner, Booms, and Tetreault (1990), Corcoran et. al. (1995), Learning International (1991), Levesque (1995), and Zemke (1995). Based on these models, all of which were developed in the late 1980s or early 1990s, the following competencies emerged as common across the various reports: (1) listening and communicating, (2) being reliable, consistent, and dependable, being respectful, courteous, and fair, and (3) solving problems. Note, however, that only the Berry et. al. (1994), Bitner et. al. (1990), Corcoran, Petersen, Baitch, & Barrett (1995), and the Learning International (1991) studies were based on primary data collection; the first used various focus groups and surveys of customers and interviews of customer service personnel; the second used critical incidents gathered from customers; and the latter two used interviews of managers and customer service personnel or sales personnel.

As organizations enter the 21st century, changes are occurring which may affect customer service. For example, some e-business companies are now beginning to provide "live" people for customers to interact with online or by phone (Mandell, 1999). To determine the nature of new challenges facing customer service, Russ-Eft (1998) undertook a survey of organizational decision-makers and identified four tough business challenges facing the customer service function.

- The customer's need for value balanced against the shareholder's need for profit
- The customer's need for special attention balanced against the manager's need for productivity

• The organization's need to appeal to more "profitable" customers balanced against its commitment to serve all customers
• The customer's new demands balanced against the organization's ability or willingness to meet those demands
Successful organizations will be the ones that can turn these apparently "either/or" conundrums into "both/and" solutions in which everyone wins: the customer, the provider and the organization.

**Research Questions**

Given the changes in organizations and the challenges facing the customer service function, the research questions are: What are the customer service competencies needed in today's organizations? To what extent are the same competencies identified by customers, customer service personnel, and other employees within organizations?

**Methodology**

*Subjects.* A stratefied, random sample of 40 different North American organizations, based on industry and geographic location, were contacted for their participation. Of the 40 organizations, 31 agreed to participate in the data collection. These 31 different organizations came from the manufacturing, high-tech, service, government, energy and health-care sectors. Each organization was asked to provide the names of at least 10 people who had direct contact with customers. A total of 356 interviews were completed.

*Data collection approach.* Interviewers used the critical incident approach, in which respondents were asked to recall incidents when they or someone else provided good or poor customer service. All respondents were asked to provide two positive situations and two negative situations. Examples of the basic questions were:

Think of a time in the past month when you or someone else provided outstanding customer service.

Think of a time in the past month when you or someone else failed to meet the needs of a customer.

All respondents were then asked to describe the situation, what the provider did, what results the behavior produced, who was involved and how the customer reacted, and what were the results. These data were gathered in 30 to 40 minute telephone interviews.

The power of the critical incident methodology is that it asks people for top-of-mind recollections—customer service interactions that made enough of an impression to be memorable, either positively or negatively. It does not ask people what they think customer service should be or which customer service skills they think are most valuable. The result is a series of often small but telling moments which, taken together, define the realities of good and bad service. From all these "candid verbal snapshots" it is possible to distill what people like— and don't like— about customer service, and potentially what affects customer loyalty. (See Russ-Eft, 1995, 1999 for more discussion on the use of the critical incident method.)

*Analysis.* The responses to each question were entered into a database (using ACCESS) along with information identifying the characteristics of the participants, such as type of industry and position of respondent. Each incident identified as "critical" by the respondent, or judged by the analyst as so intended, was considered as a separate event. If a response included more than one incident, duplicates of the entire response were entered as separate incidents. For example, a response might involve a specific type of service problem and the intervention of the manager. Such an incident would be coded as two incidents: (1) the service problem and (2) manager intervention. This procedure permitted the analyst to review the different incidents for classification purposes, while still being able to identify the entire response.

Analysis of the incidents followed the guidelines set forth by Flanagan (1954, 1974) and detailed by Russ-Eft (1995, 1999). Two experts with over five years of experience working in or consulting with customer service functions undertook the independent check on the categorization for this analysis. Note that the critical-incident methodology does not involve a statistical analysis of a representative sample. The purpose is to uncover the full range of critical attributes that comprise service to customers.

**Results**

More than 2,100 individual customer service incidents were collected using this methodology. They were first

grouped into 85, then 53, then 19 subcategories of behaviors. They then were grouped into five customer service factors that represent the core of customer service: See the "big picture" and how customer service fits into it ; Establish an authentic human connection with each customer; Render timely, accurate and thorough service; Value and respond to unique customer needs; and Extend a hand to repair and strengthen relationships with customers who are upset or angry. Table 1 presents a description of the five factors.

**Table 1**
Description of Customer Service Competencies

| Competency | Number of Incidents | Description |
|---|---|---|
| See the "big picture and how customer service fits into it. | 342 | Understands organizational, customer; personal/job consequences; helps, trains colleague; compensates for colleague's error, failure or absence; fixes product or system; develops new system. |
| Establish an authentic human connection with each customer. | 265 | Avoids phone frustration; calms upset customer; makes customer feel valued; acts with patience; provides friendly, courteous service. |
| Render timely, accurate and thorough service. | 880 | Gathers information; listens; helps customer through the process; thoroughly explains services/procedures; keeps customer informed; follows up; solves problem; finds alternate product or service; expedites request; takes action that was the responsibility of other departments; provides complete and detailed service. |
| Value and respond to unique customer needs. | 459 | Bends rules involving information, price or fees, procedures, warranty/insurance; accommodates special need or request; responds to urgent request; works off-hours to complete request; gives extra service beyond those contracted; does a kind act; fixes a customer's mistake; provides extras. |
| Extend a hand to repair and strengthen relationships with customers who are upset or angry. | 230 | Recovers by speeding up process, payment/price accommodation, giving special attention, fixing the problem; replacing product/service, having manager solve the problem; goes outside organization to help customer; calls another organization to complete own job; helps confused customer who called the wrong organization; refers customer to competitor or other service. |

Our research shows that these factors capture all of the service behaviors or competencies, which produce the types of positive, memorable interactions that help create or maintain customer loyalty. They include the basic interpersonal competencies that are traditionally part of customer service, along with competencies that require the provider to take a more strategic,"big picture", view of his or her role. Note that the distribution of positive and negative incidents can be considered immaterial for development of the competency model. All of these behaviors and factors are critical for customer service. Positive incidents point to important behaviors that are needed; negative incidents point to behaviors to be avoided.

Table 2 presents a different break-down on the data appearing in Table 1. Specifically, Table 2 shows the number of incidents as reported from the perspective of customers, customer service providers, and others (such as

sales personnel, nurses, and technicians).

Table 2
Customer Service Competencies by Reporting Perspective

| Competencies | Customer | | Provider | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| See the "big picture" | 3 | 1% | 274 | 21% | 65 | 17% | 342 | 16% |
| Establish human connection | 114 | 25% | 108 | 8% | 43 | 11% | 265 | 12% |
| Render service | 226 | 49% | 512 | 38% | 142 | 37% | 880 | 40% |
| Value and respond | 60 | 13% | 312 | 23% | 87 | 23% | 459 | 21% |
| Extend a hand | 55 | 12% | 128 | 10% | 47 | 12% | 230 | 11% |
| Total | 458 | 100% | 1334 | 100% | 384 | 100% | 2176 | 100% |

**Discussion**

See the "Big Picture" and How Customer Service Fits Into It.

This factor energizes service providers to take action in the growing number of customer interactions where policies and procedures fail to offer guidance. Providers who adopt this strategy see themselves as business owners. Because they have a long-term perspective, they are willing to provide extra service even if there are no immediate short-term results, because they understand that their extra efforts will pay off in the long run. However, it should be noted that customers do not tend to report on such incidents (only 1%), perhaps because they do not see or recognize the system issues.

Providers with a business owner attitude found ways to build customer loyalty by helping their "co-owner" colleagues. One respondent described a meter reader who left his normal route and spent an hour of his time with a fellow meter reader who was helping a customer un-jam a rock from a sprinkler system.

Some providers identified and resolved situations that needed fixing. For example, a service rep at an insurance company realized the company's system made it difficult for customers to track their losses and premiums, and took the initiative to suggest and implement adjustments to the system.

One provider observed a situation where an untrained associate brushed off a customer. She took action by bringing up the need for better training in a meeting. "I am sure it will start a discussion about how we can handle this differently in the future."

Unfortunately, in many more examples, providers reported being blocked in their attempts to make improvements. In one case, a service rep felt that the company's return policy was unfair but did not think that it would change. "The customers are often misinformed. I feel for them, but I feel limited— cut off. I can't help them. ... They will probably spread the bad news about us."

Establish an Authentic Human Connection With Each Customer.

One of the most surprising findings in this study is how very differently customers and service providers value "the human connection." Customers are three times more likely than providers to recall the human element in a transaction (25% of customer incidents as compared with 8% of provider incidents). Perhaps because service providers are employed to provide good service, they tend to focus on the business side of the transaction. In contrast, when customers feel unsure of themselves, they tend to remember providers who help them feel competent and significant.

There were many examples of making customers feel valued from hotels, restaurants and other industries

in which customers recalled interactions characterized by unexpectedly delightful little extras. For example, a woman had a very basic transaction with a phone rep at a catalog company. 'She answered promptly, didn't put me on hold and was very pleasant," the customer said. 'I had that warm, fuzzy feeling talking to her."

Sometimes a friendly tone of voice seemed to make all the difference. "While I was in the market for life insurance many years ago," a respondent reported, 'I had a wonderful experience with an agent. It was only on the phone. Her voice was positive, upbeat and she sounded as if she genuinely cared about my questions. I've since had positive experiences with this company and must have recommended them to over 200 people."

To do this well, providers needed to maintain their own emotional readiness (e.g., Ashford & Humphrey, 1993). Although it may be easy to establish a human connection when you feel like it, service providers must do it on demand. As one respondent said, "You really have to leave your life behind when you face the customer."

Many of the negative critical incidents suggested a lack of emotional readiness, although few as openly as the following classic example: 'Early one morning, I got a call from someone who was really curt," said a financial services rep. 'He wanted to have everything his own way. He asked for a $15 adjustment to his account and, when I said I couldn't do that for him, he wanted to escalate his request. Unfortunately, I hadn't even had my coffee yet. I told him I wasn't in the mood— and hung up."

Render Timely, Accurate and Thorough Service.

This strategy sums up the core of what customers want from service providers: timely, accurate, and thorough service. Indeed, all three groups, customers, providers, and others supply the most incidents in this factor. Successful service providers seem to act as knowledgeable guides— men and women who help customers avoid problems, find the best deal, and who take the time to work through a maze of often complex regulations and choices (particularly mentioned by customers in the banking, utilities and insurance industries.)

Successful providers listened and explained knowledgeably and patiently. By providing a thorough explanation, a medical technician was able to alleviate the apprehension of a patient who had an X-ray. 'Before the test, I was apprehensive and jittery," the patient said. "After the medical technician explained things to me, I felt safe. I feel that I can now explain the test to others and make them feel less nervous."

Providers gave customers alternatives, if needed. Instead of just saying "no" when they did not have what customers want, effective providers used their expertise and creativity to come up with alternatives. For example, as an alternative to a loan a customer did not qualify for, a vice president for underwriting found another loan that satisfied the institution's guidelines and met the customer's needs.

Providers knew how to speed up the process and found short cuts, such as:

- Walk a request through each step of a process to get something delivered overnight that had already taken two weeks— and then call to confirm its arrival.
- Get an insurance policy quote to an agent in two days, when such a request usually takes two months. (Ideally, this example should prompt the insurance company to take another look at the quote-production process.)

Effective service providers kept the customer informed— even if there was no progress to report. For example, a Chicago passenger on a delayed flight to San Francisco appreciated being kept informed about what was going on. 'They kept talking to us, and they were honest. I took them up on their offer to put us on a flight to San Jose. When the plane took off, the pilot gave us free headsets so we could all listen to the Cubs game. Every airline employee seemed able to make decisions in our best interest. I'd pay extra to fly with this airline in the future."

Sloppy, inaccurate service topped the list of negative incidents for this strategy. Sometimes the problem seemed to be simple laziness, as in the case of the counter clerk who told the owner of an impounded car that he didn't have the documents he needed to release it— when they were underneath the counter all along. In another incident, a technician had to come back a second time to fix a meter, because he had neglected to check his work the first time.

Value and Respond to Unique Customer Needs.

Many of the customers in the critical incidents needed— and/or asked for— special treatment. In some cases, their need stemmed from cultural or language difficulties, age, physical limitations, or tough financial circumstances. Sometimes their "premier customer" status warranted special treatment. In other cases, they wanted the rules bent to accommodate their failure or unwillingness to follow the rules. Finally, some customers asked for special treatment without any specific justification. These are the times when it is most challenging to integrate what the customer wants with what the organization can provide, and when service providers most need the skill of

saying "no" gracefully.

The positive incidents (74 percent of the total for this factor) painted a picture of highly responsive service providers willing to go to almost any length to meet these needs. They became tenacious problem-solvers, doing everything they can to get customers what they need.

Positive incidents showed providers who gave of their own time:

- A team of technical service reps at an airline manufacturing company spent 13 hours, including most of one night, troubleshooting a problem.
- A cashier at a city government office stayed after work so a customer who came in late could pay off her parking tickets and get her vehicle registered.
- A service rep at a mail order prescription company personally drove a refill to a customer who couldn't wait the two weeks it would have taken for delivery by mail.

They "bent the rules" on behalf of the customer, as in the following example. A utility company employee: "A customer had just moved into her home. Normally, customers need to place a deposit for new services before they can get their lights turned on. Since the customer was elderly, we turned her lights on right away, and we waited for the deposit."

In at least one instance, a service rep expressed the concern that today's extra effort could become tomorrow's "business as usual". When a customer requested a part for his airplane, the manufacturing rep drove to the plant, picked up the part, had it inspected, delivered it to the airport, and placed it on the plane. "The only bad thing," the rep said, "is the customer might expect this from now on. It's kind of a double-edged sword."

Many negative examples centered on systems that were seen as inflexible and stupid— by the customers as well by the service providers. For service providers, examples like the following created feelings of helplessness, empathy for the customer, and resentment at being placed in untenable situations. "A customer received a $25 water bill for a vacant apartment. I explained that was the base rate for having an account with us, whether any water is used or not. The customer was very hostile and upset. He said he would write the utilities commission and complain about me, even though I must follow the company's policy."

Extend a Hand to Repair and Strengthen Relationships with Customers who are upset or Angry.

A service provider uses this factor when the customer is angry or upset because of a mistake the organization has made. It also can come into play when the customer is extremely upset, even though the organization is not at fault. It stands out as one of the most powerful creators of customer loyalty; when it's performed well, the customer relationship is not only "recovered," it is also made stronger than before the problem occurred.

Successful providers accepted full responsibility. The following incident showed how to recover a customer relationship and create a positive story to replace a negative experience. A woman used her local florist to order flowers for someone in another city. The florist at the other end botched the job, but when the woman called to complain, that florist refused to take any responsibility. The woman then called her own florist to warn against using that shop again. "My florist stepped in and turned the situation around," the woman said. "She ordered a new arrangement at her cost and made sure it looked good. She will definitely get referrals from me."

Providers made gestures of atonement when appropriate. These "extras" seemed to serve a combination of functions: (1) they stand as tangible proof of exactly how much the organization values the customer; (2) they indicate their receptivity to customer feedback; and (3) they underscore the organization's plea for the customer not to defect. It would be interesting to know how much these gestures create subliminal customer guilt— enough to bind them a little more closely to the organization.

Providers acted quickly to restore customer confidence. In addition to making up for problems or embarrassment, service providers also needed to show that their organization's product or service is worthy of continued use. In one example, a securities company manager spelled out the specific long-term benefits of restoring customer confidence. One of the company's biggest customers was a busy physician who was irate that he could not get online in the evening to do his trading at home. The manager quickly tracked down the problem, got him technical help and alerted the evening manager to call him at home whenever he was having problems. "He has turned out to be a pussycat," the manager said. "He has become a lot more forgiving of things. He is more ready to see solutions, not problems."

Many critical incidents described completely botched or partial recoveries:

- A company forgot to enter an order for a part a customer needed for some work that had to be finished very

quickly. The company ended up having to reduce the price of the part and pay another company to perform the work, thus losing thousands of dollars. When all was said and done, the customer was still angry.
•A customer forced to wait for a reserved car received an apologetic phone call from the agency a few days later. The customer's reaction? "The upshot is I am not as negative about the company as I used to be. I will use them again." The bottom-line for the company? They retained a customer, but not a very enthusiastic one.

**Implications for Practice**

Customer service does not exist for its own sake. While the overall impact of the SERVE factors is to create customer loyalty, they also produce bottom-line payoffs. For example: Zeithaml, Berry, and Parasuraman (1996) examined the behavioral consequences of service quality and linked these to sales and customer retention. In a specific case, as described by Stuller (1999), Powell Taylor, who created the GE Answer Center in 1981, reported that GE looked for people with certain personalities and social graces. Such service employees soon learned that a well-handled customer call opened an opportunity to sell more products. Also, Tucker (1997) indicated that the lifetime value of a pizzeria customer is $8,000; a supermarket customer, $380,000; a General Motors customer, $400,000. And selling to existing customers is far more profitable than selling to new ones.

As a result, HRD interventions to improve customer service competencies and processes present critical business initiatives. The SERVE model provides a starting point for determining training and development needs. Rather than presenting a merely theoretical model of customer service, it is based on actual customer-provider interactions. Thus, it can be used as the basis for developing needed training indicating behaviors leading to success and behaviors leading to failure. Also, positive and negative incidents can be used to develop scenarios for skill practice and assessment center situations.

**Implications for Further Research**

The present study represents a next step in defining customer service competencies beyond those previously identified and described in the "Theoretical Framework" section. One extension of the present research would be to compare competencies emerging in different industries and different positions. Also, customers and those providing service to customers exist throughout the world. Whether these same competencies appear or are as critical in other parts of the world needs to be examined. Indeed, the Jevons and Pidgeon (1999) comparing service quality in Vietnam and Australia did identify some important differences. Future research would extend this data collection effort to other countries and other continents.

The results of the present work can be used to design and validate instruments to measure the competencies. Such research would, in addition, provide some further validation of the factors in the SERVE model.

Evaluation of an HRD intervention to improve service to customers provides another line for future research. Using the critical incident method, validated instruments and/or other data collection approaches, the evaluation can examine the process for the intervention as well as the impact of the intervention. Finally, another area of research would involve an investigation of the business challenges identified at the beginning of the study. To what extent do providers recognize these challenges? To what extent are they able to resolve them? And, what are the successful and unsuccessful ways in which they deal with these dilemmas? Such research would help to expand the usefulness of the SERVE model.

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