Critical Service Encounters: Employee’s Viewpoint a Study on Transport Services in Dhaka City

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Abstract: The purpose of the study is to evaluate critical service encounter or the critical moment of truth and the customer behavior in the case of bus services in Dhaka City, Bangladesh. The scope of the study is the frontline employees of different transport (bus) service industries of Dhaka City. Data were collected using the critical incident technique (CIT), through structured, open-ended questionnaires. The results were then content analyzed to examine employee’s perspective of critical service encounters of bus service. The research was conducted over 50 sample units (employees of different bus service provider) using the convenience sampling technique. Finally, the qualitative data was put into quantitative analyses. The most notable finding of this research is that problematic customers are the root cause for mass dissatisfaction. Then employee response to service delivery system failures, employee response to customer needs and requests and finally, unprompted and unsolicited employee actions are respectively the critical factor for the dissatisfaction for the user of the bus service in Bangladesh. In conclusion, it can be concluded that both the behavior of the problematic customers as well as employee response to customer needs and requests are the primary challenges for the transport (bus) industry and these issues need to be addressed carefully.

Keywords: Critical service encounter, customer behavior, bus service

INTRODUCTION

Quality movement has swept the manufacturing sector over the last decade is beginning to take shape in the service sector worldwide (Business Week 1991; Crosby 1991, Bitner et al., 1994). According to some, the shift to a quality focus is essential to the competitive survival of service business, just as it has become essential in manufacturing (Heskett et al., 1991; Schlesinger and Heskett, 1991, Bitner et al., 1994).

Service quality researchers have suggested that “the proof of service [quality] is in its flawless performance” (Berry and Parasuraman 1991), a concept akin to the notion of “zero defects” in manufacturing. Others have noted that “breakthrough” service managers pursue the goal of 100% defect-free service (Heskett and Sasser, 1994; Bitner 1999). Customers consider that the most immediate evidence of service occurs in the service encounter or the ‘moment of truth’ when the customer interacts with the firm. Thus, ‘zero defects’ in the service is the most expected goal to achieve a 100% flawless performance in service encounters. Here, flawless performance is not mean to imply rigid standardization, but rather 100% satisfying performance from the customers’ point of view. The cost of not achieving the flawless performance is the ‘cost of quality’, which includes the costs associated with redoing the service, or compensation for the poor service, lost customer, negative word of mouth.

In Dhaka City, Bangladesh the town services as well as inter-city bus transport significantly improved through introduction of many large bodied modern buses. The roads and highways were upgraded by renovation and extension. The different types of registered vehicles playing in the roads of the country in 1997 included 24,882 buses and minibuses (Banglapedia, 2006).

BRTC, the government organization responsible for public transportation had been a losing concern until 2000. It had a fleet of 273 vehicles to provide daily transportation service to 84,000 passengers. In 2001, BRTC’s 561 buses including a good number of double-deckers carried 300,000 passengers daily and the operating profit in the year was Tk 167.01 million (Banglapedia, 2006). The number of BRTC’s city service buses and inter district luxury coach service and town service in private sector have significantly increased following the renovation and expansion of roads and highways. Bangladesh catering the transport services to more than 14 million people, faces numerous and significant challenges. The complex and the heterogeneous services of the transport industry are largely dominated by the behavior of the employee in handling a critical situation. The factors also contribute enormously to the behavior of the customers as well, and the situation that by accounts is deteriorating rapidly.

Although more firms are realizing the importance of service quality and customer satisfaction, it is not always clear how to achieve this goal (Bitner et al., 1994).
Situations arise in which the quality of the service may low and the problem is recognized both the customer and the employee but there may be disagreement on the causes of the problem and the appropriate solutions. In service encounters such disagreements, sure to diminish customer satisfaction. The transport industry should understand the encounter from multiple perspectives, so that they are able to design processes and educate their employees to achieve quality is service encounters.

The literature shows that previous research in the context of the restaurant, hotel and airline industries identified categories of events and behaviors that underlie critical service encounters from the customer’s point of view (Bitner et al., 1990) and employee’s point as well (Bitner et al., 1994). But in Bangladesh none took place regarding the critical service encounter of the transport services. The primary purpose of this study is to examine the contact employee’s perspective of critical service encounters and to understand, in the context of the transport service industries, the kinds of events and behaviors that employees believe underlie customer dissatisfaction. The scope of the study is the bus service provider of Dhaka City.

THE BACKGROUND OF THE STUDY: CONTACT EMPLOYEE VIEWPOINTS

Frontline personnel are a critical source of information about customers. There are basically two ways that customer knowledge obtained by contact employees is to improve services: firstly, such knowledge is used by the contact employee themselves to facilitate their interactions with customers and secondly, it is used by the firm for making decisions. Employees often modify their behavior from moment to moment on the basis of the feedback they receive while serving customers. Schneider (1980) argues that people who choose to work in service occupations generally have a strong desire to give good service. To the extent that this is true, contact personnel can be expected to look frequently for cues that tell them how their service is received by the customers. The more accurate their perceptions are, the more likely their behavioral adjustments are to improve customer satisfaction.

Second, because contact personnel have frequent contact with customers, they serve a boundary spanning role in the firm. As a result, they often have better understanding of customer needs and problems than others in the firm. Researchers have theorized and found some evidence that open communication between the frontline personnel and managers is important for achieving service quality (Parasuraman et al., 1990; Zeithaml et al., 1988 ). Schneider and Bowen (1984) argued that the firms should use the information which they gathered from their contact employees in their strategic planning, especially in new service development and in service modifications.

According to the Bitner, Booms and Mohr (1994), accurate employee understanding of customers enables both the employee and firm to adjust appropriately to customer needs. However, Schneider and Bowen (1985) and Schneider et al. (1980) found high correlations (r = 0.63 and r = 0.67, respectively) between employee and customer attitudes about overall service quality in a banking sector. Their results are contradicted, however, in a study by Brown and Swartz (1989). Similarly, another study of 1300 customers and 900 customer service professionals conducted by Development Dimensions International found differences in perceptions between the two groups (Service Marketing Newsletter 1989). Customer service professionals in that study consistently rated the importance of particular service skills and competencies. In the same way, Langeard et al. (1981) found that field managers at two banks tended to overestimate (compared with customer ratings) the importance of six board service delivery dimensions. Other studies have found differences when comparing the service encounters in three industries, examined from the perspective of the customer, led to the identification of three types of employee behaviors (ultimately labeled recovery, adaptability, spontaneity) as sources of satisfaction and dissatisfaction in service encounters. Prior to their research, much of what scholars understood about such evaluations was limited to global assessments of satisfaction or abstract concepts (e.g., service quality). On the basis of the knowledge gained from the 1990 study (Bitner et al., 1990) extended the generalizability of
the 1990 study by investigating the service encounters across a broad range of service industries. In a recent study, Bitner and colleagues used the CIT method to examine self-service encounters where there is no employee involved in service delivery (Meuter et al., 2000). The findings from this study suggest a different set of factors are sources of satisfaction and dissatisfaction when service is delivered through technology-based means. As these studies suggest, the CIT method is flexible enough to allow service encounters to be extensively studied in a variety of ways. Bitner's research on service encounters has focused primarily on customers' cognitive response and/or assessments of service encounters.; Van Dolen et al. (2001) have extended service encounter research by focusing on understanding affective consumers' responses in service encounters by examining the emotional content in narratives of critical incidents. Keaveney's (1995) study on service switching also illustrated the contribution that the use of the CIT method has made to service research. In her study, Keaveney employed the CIT method to understand reasons service customers switch providers. Her analysis of more than 800 critical behaviors of service firms (critical incidents) led to the identification of 8 distinct categories of reasons why customers switch providers. Prior to her CIT study, most research attempting to identify causes of service switching focused on issues related to dissatisfaction. Although some causes are fairly predictable dissatisfaction-related issues (e.g., core service failure, service encounter failure, recovery failure), other causes fall outside the satisfaction-dissatisfaction paradigm (i.e., customers were satisfied, but they still switched). Keaveney pointed out convenience, competition, involuntary switching, and pricing issues to be considered if service switching behavior is to be understood. Thus Keaveney's application of the CIT method has opened the door for a much wider and more comprehensive switching behavior paradigm.

Overview of the Critical Incident Technique: CIT, a method that relies on a set of procedures to collect, content analyze, and classify observations of human behavior, was introduced to the social sciences by Flanagan (1945) 50 years ago. Flanagan conducted a series of studies focused on differentiating effective and ineffective work behaviors; in the beginning, his research teams observed events or “critical incidents” and over time reports provided by research subjects were used in place of direct observation. Since its introduction, the CIT method has been used in a wide range of disciplines. Chell (1998) provided the following description of the CIT method: “the CIT technique is a qualitative interview procedure which facilitates the investigation of significant occurrences (events, incidents, processes, or issues) identified by the respondent, the way they are managed, and the outcomes in terms of perceived effects. The objective is to gain understanding of the incident from the perspective of the individual, taking into account cognitive, affective, and behavioral elements”.

Bitmer et al. (1990) defined an incident as an observable human activity that is complete enough to allow inferences and prediction to be made about the person performing the act. A critical incident is described as one that makes a significant contribution, either positively or negatively, to an activity or phenomenon (Bitmer et al. 1990). Critical incidents can be gathered in various ways, but in service research, the approach generally asks respondents to tell a story about an experience they have had.

Strengths and Advantages of the CIT method: The CIT method has been described by service researchers as offering a number of benefits. First, the data collected are from the respondent’s perspective and in his or her own words (Edvardsson, 1992). The CIT method therefore provides a rich source of data by allowing respondents to determine which incidents are the most relevant to them for the phenomenon being investigated. In so doing, the CIT is a research method that allows respondents as free a range of response as possible within an overall research framework. The CIT method reflects the normal way service customers think (Stauss, 1993) and does not force them into any given framework. During an interview, respondents are simply asked to recall specific events; they can use their own terms and language (Stauss and Weinlich, 1997). Second, this type of research is inductive in nature (Edvardsson, 1992). Consequently, this method is especially useful (a) when the topic being researched has been sparingly documented (b) as an exploratory method to increase knowledge about a little-known phenomenon, or (c) when a through understanding is needed when describing or explaining a phenomenon (Bitmer et al., 1990). CIT can be particularly effective when used in developing the conceptual structure (i.e., hypotheses) to be used and tested in subsequent research (Walker and Truly, 1992). The CIT method does not consist of a rigid set of principles to follow, but it can be thought of as having a rather flexible set of rules that can be modified to meet the requirements of the topic being studied (Burns et al., 2000; Hopkinson and Hogarth-Scott 2001; Neuhaus, 1996); indeed, the CIT method is effective in studying phenomena for which it is hard to specify all variables as priors (de Ruyter et al., 1995). Third, the CIT method can be used to generate an accurate and in-depth record of events (Grove and Fisk 1997). It can also provide an empirical starting point for generating new research evidence about the phenomenon of interest and, given its frequent usage in a content analytic fashion, has the potential to be used as a companion research method in multi-method studies (Kolbe and Burnett, 1991). Fourth, the CIT method can provide a rich set of data (Gabott and Hogg, 1996). CIT can be adapted easily to research seeking to understand experiences encountered by informants (Burns et al., 2000), particularly in service contexts. The verbatim stories generated can provide powerful and vivid insight into a phenomenon (Zeithaml and Binter, 2003) and can create a strong memorable impression on management when shared throughout an organization. Critical incidents can
also be easily communicated to customer-contact personnel, particularly when describing what behaviors to do and not do in order to satisfy customers (Zeithaml and Binter, 2003). Finally, the COT method is particularly well suited for use on assessing perceptions of customers from different cultures (Stauss and Mang, 1999). In their study, De Ruyter et al. (1995) characterized the CIT method as a “culturally neural method” that incites consumers to share their perceptions on an issue, rather than indicate their perceptions to researcher-initiated questions.

Drawbacks and Limitations of the CIT Method: Although the benefits of using the CIT method are considerable, the method has also received some criticism by scholars. For example, this method has been criticized on issues of reliability and validity (Chell, 1998). Problems may also arise as a result of ambiguity associated with category labels and coding rules within a particular study (Weber, 1985). CIT is a naturally retrospective method. Thus, the CIT method has been criticized as having a design that may be flawed by recall bias (Michel, 2001). Similarly, this method may result in other undesirable biases, such as consistency factors or memory lapses (Singh and Wilkes, 1996). The nature of the CIT data collection process requires respondents to provide a detailed description of what they consider to be critical incidents. However, respondents may not be accustomed to or willing to take the time to tell a complete story when describing a critical incident (Edvardsson, 1992). Because the technique requires respondents to take note and effort to describe situations in sufficient detail, a low response rate is likely (Johnston, 1995).

MATERIALS AND METHODS

Data Collection: The scope of the study is the frontline employees of different transport service industries of Dhaka City. Data were collected using the critical incident technique (CIT), a systematic procedure for recording events and behavior that are observed to lead to failure on a specific task (Ronan and Latham, 1974), in this case, dissatisfying the customer. Using the CIT, data are collected through structured, open-ended questions and the results are content analyzed to examine employee’s perspective of critical service encounters and to understand, in the context of the transport service industries, the kinds of events and behaviors that employees believe underlie customer dissatisfaction. The research was conducted over 50 sample units (employees of different transport industries) using the convenience sampling technique. The bus service providers were interviewed and asked to recall critical service encounters that caused dissatisfaction for customers of their transport. Finally, the study attempted/considered the qualitative data into quantitative analyses. The issues that are focused in the focused group discussion are given below (Table 1).

RESULTS AND DISCUSSION

Classification of Employee Reported Incidents: Zeithaml and Binter (2003) classified the employee reported incidents into four major groups. The critical incident classification system based on incidents gathered from customers consists of four major groups of employee behavior that account for all satisfactory and dissatisfactory incidents:

- Employee response to service delivery system failures
- Problematic customer behavior
- Employee response to customer needs and requests
- Unprompted and unsolicited employee action

Employees Views of Dissatisfactory Encounters: Here the study examine the proportions of employee accounts in the four groups and the categories as shown in the Table 2, it should be noted that the proportions shown in the table reflects numbers of reported events. Here, the descriptive analysis done just to identify the reasons of the service delivery failure of the transport industry in Bangladesh. However, the discussion focuses on the four major groups. To facilitate understanding, the employee reported incidents are summarized and ranked according to the percentage of incidents in the four major incidents groups. The highest ranking 42% of the customers are problematic customers, secondly the dissatisfactory incidence occurred when the 28% of the respondents are response to failure, 19% of the respondents are response to request and finally 11% dissatisfaction for the unprompted action.

Coping-Problematic Customers: Employees consider that customers were the cause of their own dissatisfaction. Such customers are basically uncooperative customers; they are unwilling to cooperate with the service provider, other customers, industry regulations and/or policies and the law. In this case nothing the employee could do would result in the customer feeling pleased about the encounters. The term ‘coping’ is used to describe these incidents because the term generally required of employees to handle problem customer encounters. According to the employees of the transport industry of Dhaka City, problematic customers are the root cause for mass (customer) dissatisfaction (Table 1). As they got dissatisfactory service they became engage with the verbal and physical abuse (16%) to the service provider and as a result they try to break company policies and law (14%). They became the uncooperative customers (12%) who engage with negative word of mouth (Table 2). Binter et al. (1994) shows, problematic customers are the second reason for mass customer dissatisfaction. But in the present finding of the study on transport industry, the behavior of the problematic customers is the core reason for dissatisfaction of the general customer.
Recovery-Employee Response to Service Delivery System Failures: In the case of service delivery, there is any failure in the service delivery system and an employee is required to respond in some way to customer complaints and disappointment. The content or the form of the employee’s response is what causes the customer to remember the events either favorably or unfavorably. One of the root causes of the customer dissatisfaction is the employee response to service delivery system failure (Bitner et al., 1994). According to the service providers of the transport industry of Bangladesh, the failure of the service delivery system is the second most important reason for customer dissatisfaction (Table 1). In explaining the reason for slow service they shared few external reasons. The service delivery system fails firstly because of the slow speed of the service (4%) which is results from the troubling engine of the bus or the unavoidable heavy rain or traffic jam. Secondly, if the service is not available (16%), the specific reason is not known by the employees, it depends on the management. Some times they blame each other. According to them if the driver or contractor absent then they cannot move. In addition, the employees shared that the failure of the core service (8%) sometimes depends on the mood of the driver. It can be concluded that employee response to service delivery system failure is the second reason for customer dissatisfaction and the employees should be in ‘recovery’ mood to handle the customer encounters.

Adaptability-Employee Response to Customer Needs and Requests: Satisfaction or dissatisfaction in service encounter depends on how adaptable the service delivery system is when the customer has special needs and requests that place demands on the process. In these cases, customer judge service encounter in terms of flexibility of the employees and the system. Customers request for customization of the service to meet a need. The third important reason for customer dissatisfaction is employee response to customer needs and requests, which has a similarity with the study findings of Bitner et al. (1994) (Table 1). The employees feel that they should consider the special needs of the customer (4%) to satisfy them. But it is really difficult to pay customer attention to each individual customer. 13% of the employees consider that they should admit customer errors. For example, if the customer forgot to purchase ticket or forgot to bring ticket, then they should consider their problem, otherwise customer will be dissatisfied.

Spontaneity-Unprompted and Unsolicited Employee Action: Even when there is no system failure or no special requests or needs, customer can still remember service encounters as being very satisfying or dissatisfying. Employees spontaneity very good or poor service. Satisfying incidents in this group represents surprising events for the customers (special attention, being treated royalty, receiving something nice but not requested) whereas dissatisfying incidents in this group represents negative and unexpected employee behaviors (e.g., rudeness, stealing, discrimination, ignoring the customer etc.). Unprompted or unsolicited employee behavior means unexpected employee behavior. They consider that if the employee do not act according to the cultural norms or in adverse conditions then the customers are dissatisfied. According to the present study, unprompted and unsolicited employee action is the forth reason for customer dissatisfaction (Table 1). Again the present study has similarity with the research findings of Bitner et al. (1994).

RECOMMENDATIONS

- Employee training. The employee should have a through training on recover, adaptability, spontaneity and coping in handling customer.
- Availability of compensation. Both financial and verbal compensation should be available.
- Trained driver. The driver should be well trained.
- New Bus. New buses should use replacing the old bus for the faster service.
- Strict starting time. The schedule should be maintained in case of the bus services.
- Complementary services in case of core service failure.
- Demonstrate company policy.
- Take feedback from employee. The management should take feedback from the frontline employee.
- Motivate employee. The company should motivate the employee for better service.

According to Zeithaml and Bitner (2003) the do’s and don’ts of General Service Behavior, are summarized (Table 3).
Table 3: General Service Behavior, Do’s and Don’ts

<table>
<thead>
<tr>
<th>Theme</th>
<th>Do</th>
<th>Don’t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery</td>
<td>Acknowledge problem</td>
<td>Ignore customer</td>
</tr>
<tr>
<td></td>
<td>Explain causes</td>
<td>Blame customer</td>
</tr>
<tr>
<td></td>
<td>Apologize</td>
<td>Leave customer to “lend for himself”</td>
</tr>
<tr>
<td></td>
<td>Compensate/upgrade</td>
<td>Downgrade</td>
</tr>
<tr>
<td></td>
<td>Layout options</td>
<td>Act as if nothing is wrong</td>
</tr>
<tr>
<td></td>
<td>Take responsibility</td>
<td>“Pass the buck”</td>
</tr>
<tr>
<td>Adaptable</td>
<td>Recognize the seriousness of the need</td>
<td>Ignore</td>
</tr>
<tr>
<td></td>
<td>Acknowledge</td>
<td>Promise, but fall to follow through</td>
</tr>
<tr>
<td></td>
<td>Anticipate</td>
<td>Show unwillingness to try</td>
</tr>
<tr>
<td></td>
<td>Attempt to accommodate</td>
<td>Embarrass the customer</td>
</tr>
<tr>
<td></td>
<td>Adjust the system</td>
<td>Laugh at the customer</td>
</tr>
<tr>
<td></td>
<td>Explain rules/policies</td>
<td>Avoid responsibilities</td>
</tr>
<tr>
<td></td>
<td>Take responsibility</td>
<td>“Pass the buck”</td>
</tr>
<tr>
<td>Spontaneity</td>
<td>Take time</td>
<td>Exhibit impatience</td>
</tr>
<tr>
<td></td>
<td>Be attentive</td>
<td>Ignore</td>
</tr>
<tr>
<td></td>
<td>Anticipate needs</td>
<td>Yell/Laugh/Swear</td>
</tr>
<tr>
<td></td>
<td>Listen</td>
<td>Steal from customer</td>
</tr>
<tr>
<td></td>
<td>Provide Information</td>
<td>Discriminate</td>
</tr>
<tr>
<td></td>
<td>Show empathy</td>
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</tr>
<tr>
<td>Coping</td>
<td>Listen</td>
<td>Take customer’s dissatisfaction</td>
</tr>
<tr>
<td></td>
<td>Try to accommodate</td>
<td>Let customer’s dissatisfaction affect</td>
</tr>
<tr>
<td></td>
<td>Explain</td>
<td>others</td>
</tr>
<tr>
<td></td>
<td>Let go of the customer</td>
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</table>

Source: Zeithaml and Bitner, 2003

CONCLUSION

The behavior of the employee in the critical moment has a direct impact on the firm. Present study has specified to identify the critical factor for the dissatisfactory service delivery in case of bus services in Dhaka City, Bangladesh. In particular, the research explicitly recognized those critical factors and measured the factors using descriptive analysis.

The most notable finding of this research is that problematic customers are the root cause for mass dissatisfaction. Then employee response to service delivery system failures, employee response to customer needs and requests and finally, unprompted and unsolicited employee actions are respectively the critical factor for the dissatisfaction for the user of the bus service in Bangladesh. This implies that the employees should more careful on handling the problematic customer and the service delivery failure.

While the results of this research were based on the descriptive statistics and thus it is acknowledge the need to replicate this work. In conclusion, the findings can be applied to different critical analysis of the transport service experiments and hope that future researchers will expand and improve upon this work.

REFERENCES


Service Marketing Newsletter, 1998. Recent study shows gap between customers and service employees on customer service perceptions.