



## Course Learning Outcomes for Unit III

Upon completion of this unit, students should be able to:

4. Analyze the advantages to an organization offering quality customer service and human resources.

## Reading Assignment

**Chapter 7:** Quality Organizations and Service

**Chapter 8:** Human Resources and Policies

Click [here](#) to access the Chapter 7 PowerPoint Presentation. (Click [here](#) to access the PDF version of the presentation.)

Click [here](#) to access the Chapter 8 PowerPoint Presentation. (Click [here](#) to access the PDF version of the presentation.)

## Unit Lesson

“Hello, how can I help you?” How many times have you heard this question asked while out shopping? It seems as though retail stores have been offering customer service for several decades. Naturally, a retail establishment likes to see the store full of customers. Typically, when we think about customer service, we immediately think about service offered toward a paying consumer. Is that how customer service started, in a retail shop? Well, we like to think that customer service has been around since humans began speaking to one another. Providing customer service can involve more than a paying consumer. This unit focuses on the advantages of providing quality customer service to not only external customers but also internal customers.

One major lesson to take away from this unit is the overall impact customer service has on organizations. Customer service not only impacts an organization’s quality but also creativity, innovation, and the company’s bottom line—profit. Customers are the core reason a business exists. Remember the saying, “a happy employee is a productive employee”? That holds a lot of merit. Some organizations use different types of innovation to deliver outstanding customer service. The Ritz-Carlton empowers their employees to act upon their own creativity to deliver exceptional customer service to their guests. Every employee is allotted up to \$2,000 to satisfy and serve an unhappy customer. It appears that the Ritz-Carlton fully understands it is every employee’s job to deliver quality service, supporting what many researchers have concluded that a happy, productive employee is more likely to provide high-quality customer service. This in turn should have positive results throughout the company.

It is important to note that organizations have both internal customers as well as external customers. Each has a direct impact on an organization. Internal customers are typically directly connected to the organization as buyers representing a division or a receiver. Many organizations have internal customers who serve as a means of training individuals on how to handle external customers effectively as well as enhancing the quality of service. External customers are typically “purchasers” of the product and/or service. External customers are not directly connected within the organization yet are gravely important due to their purchases of the organization’s products and/or services. The difference between internal customers and external customers is that the internal customers are directly connected to purchasing from within an organization and often receive a better price, while external customers do not have that close relationship. However, both internal customers and external customers are treated with the highest regards, and companies continuously maintain harmonious relationships with them.

Whether you work directly or indirectly, servicing the customer is critical throughout the organization. Remember, you only get one time to make a first impression, so make the most of this lasting impression. That is one reason why quality customer service is important. Suttle (n.d.) shares five of his top views on why customer service is important to an organization:

- The first reason is *significance*. By default, customers have an expectation to receive a quality product, and when there is a problem, customers ask for and should receive an informative exchange of communication that resolves their issue.
- Second is *identification*. Most companies do not have large monies designated to advertising and publicity. What every company does have is the opportunity to self-promote and share the uniqueness of their company that sets them apart from all others. Identifying with the customers allows employees to establish rapport.
- Third, is *function*, which elaborates on excellent customer service and often results in repeat business. We all know it is more expensive to advertise for a new customer than it is to simply retain an existing one.
- The fourth reason for the importance of customer service is *publicity*. Statistically, negative customer service is more quickly relayed than positive customer service.
- Finally, *prevention/solution* is important for customer service within an organization. Offering products and services that are free from defects is not only expected from customers, but it is also less damaging to a company. Not every product or service can be completely free of defects, but it is the responsibility of the company to continuously work toward that goal. However, when a problem does arise and a solution cannot immediately resolve the issue, customers do have a right to contact the Better Business Bureau as well as the Federal Trade Commission.

Customer service is not only important to an organization but also the management within an organization. Managers should be abreast on each aspect of customer service. One area of customer service that can be particularly beneficial to managers is to identify how both positive and also negative customer service can impact sales and revenue. “Good customer service results in increased personal and business purchases while bad customer service drives customers to find alternatives. Interestingly, customer service experiences are judged more on the timeliness of the interaction than on the final outcome” (Zendesk, n.d., para.3).

One department within an organization that can drive the culture of customer service is the human resource (HR) department, which continues to evolve and expand in multiple roles within an organization. Typically, the HR department is the first stop for most employee relations whether it is hiring, training, developing, or exiting. The overall synopsis of Chapter 8 is common practices and resources in human resource departments. Additionally, the chapter details the importance of an employee orientation program, the purpose of an employee handbook, types of employee status, evaluations, and a general overview of employee benefits.

Additionally, HR’s role has changed over the years, but one constant is the building of quality team employees through the hiring process. Among the many services provided by HR departments is the responsibility of hiring, which is a critical component to customer service. Look at it this way, it is much easier to be selective hiring the right employee with a focus on customers than to try and teach the unique skill to just any employee. Those employees that understand how to easily serve the customer tend to be higher producers in satisfying the customer. Organizations with high customer satisfaction ratings tend to have more loyal, repeat customers and also have a tendency to prosper, regardless of the economy. Southwest Airlines is one example of customer service prevailing and actually prospering during the 911 attacks. On the other hand, an organization that provides poor customer service may suffer tremendously before eventually experiencing bankruptcy. Keep in mind that the approximate “cost” incurred in acquiring new customers is mathematically five times higher than that of providing and servicing the existing ones. An example being Kmart, whose poor customer service is one factor that has led to numerous customers fleeing to competitors and may eventually lead to not only the company filing bankruptcy but also the closing of the entire corporate chain.

## Learning Activities (Non-Graded): A Worksheet to Practice Critical Thinking

As you work through the material for this unit, consider completing a worksheet that contains valuable activities for practicing critical thinking toward ethics, accountability, and workplace relationships. Click [here](#) to access the worksheet. This is a non-graded activity, so there is no need to submit it. If you have questions, contact your instructor for further guidance and information.

### References

Suttle, R. (n.d.). Why is customer service important to an organization? Retrieved from <http://smallbusiness.chron.com/customer-service-important-organization-2050.html>

Zendesk. (n.d.). The impact of customer service on customer lifetime value. Retrieved from <https://www.zendesk.com/resources/customer-service-and-lifetime-customer-value/>

## Suggested Reading

The following article provides thoughtful insight into how advantageous it can be to integrate positive customer service within an organization:

Joseph, C. (n.d.). What are the benefits of delivering great customer service?. Retrieved from <http://smallbusiness.chron.com/benefits-delivering-excellent-customer-service-2086.html>

## Learning Activities (Non-Graded)

The following clip covers the essentials of great customer service. Key training points include how to make a great first impression, how to make customers feel special, how to earn the respect of customers, how to listen actively, and how to solve customers' problems. Also, the presentation covers many topics from Chapters 7 and 8 within your textbook:

Kantola Productions. (n.d.). *Comedy Central presents; the essentials of great service* [Video file]. Retrieved from <http://www.kantola.com/The-Essentials-of-Great-Service-PDPD-22-K.aspx>

In this video, customer service and communication expert *Barbara Khozam shares the importance of customer service in human resources*. The presentation covers many topics from Chapter 7 and 8 of your textbook:

Khozam, B. (n.d.) Importance of customer service in human resources [Video file]. Retrieved from <http://smallbusiness.chron.com/importance-customer-service-human-resources-69550.html>

Non-graded Learning Activities are provided to aid students in their course of study. You do not have to submit them. If you have questions, contact your instructor for further guidance and information