

THE LISTENING ORGANISATION: A SEGMENTATION APPROACH TO SERVICE QUALITY INFORMATION

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Introduction

In today's turbulent business environment, it is becoming increasingly difficult to predict changes with sufficient accuracy and reliability in order to permit a timely response. This difficulty is clearly documented in both the service quality and customer service literature. According to Parasuraman (1995: 144), the growing recognition that superior customer service is necessary for competitive differentiation in a wide variety of markets, has spawned considerable practitioner interest in assessing and improving service quality. Delivering quality services or products means informing and conforming to customer expectations on a consistent basis. Consequently, there is increasing pressure on companies to listen and to have the "right information" about customer expectations at the right time in order to make the best decisions. Information is the basis for effective decision making and it has been referred to as the "fifth critical resource of the firm" in addition to money, materials, machines and people (Kötler, 1988).

Information gathering and interpreting is synonymous with the act of listening. It can be argued that leadership and decision making are as much the art of listening as they are the skill of doing (Covey, 1989). Leadership is first the art of listening and then the art of talking. Effective leaders are information gatherers who listen to their subordinates and to sources outside the organisation, especially customers.

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They share and disseminate information appropriately within the organisation (Locke 1991; Zeithaml and Bitner 1996).

Service Marketing Intelligence

A market-oriented organisation can be characterised as having a knowledge of customers and an ability to satisfy those customers. Such organisations: 1) focus on their customers; 2) disseminate market intelligence; and 3) respond to that intelligence on an organisation-wide basis (Kohli and Jaworski, 1997). The utilisation of market intelligence has become a central issue for corporations which are striving to become more market oriented (Kohli and Jaworski, 1990). A marketing-oriented firm looks outward to the environment in which it operates so that it can take advantage of emerging opportunities and can minimise potential threats. The marketing concept is evidenced by the existence of a marketing orientation which is defined by Kohli and Jaworski (1990) as "intelligence generation and dissemination and responsiveness to information." The priority that a company affords to information concerning its markets, its customers, its competitors and its environment appears to be a key barometer of its marketing orientation. This view is reflected in the Marketing Science Institute's (1990) compilation of research priorities for the 1990s. Their ranking scheme gives top position to "improving the utilisation of market information".

In order to successfully manage the service exchange process, the service organisation needs to develop market intelligence, which not only endeavours to understand the needs of the external customer, but also examines the needs of the internal customer in themselves, and their relationship to the needs of the external customer (Glynn and Lehtinen, 1995). The process of understanding needs, wants and demands is basic to marketing (Kotler, 1980). What is emphasised in relation to services marketing is the interrelationship between internal and external customers. In this context, internal marketing is concerned with the development of a customer orientation, the alignment of internal and external marketing ensures coherent relationship marketing (Christopher, Payne and Ballantyne 1991).

Internal market research involving employees is considered of equal importance to external customer research when it comes to service improvements (Berry, Parasuraman and Zeithaml, 1994). Employees as customers of internal service are the only people who can assess internal service quality. The link between internal and external service quality further legitimises the need to measure internal serv-

ice quality. In addition, employees' experience of service delivery on a daily basis places them in an ideal position to identify sources of service quality problems in the organisation. Employee research can also identify potential solutions to these service quality problems. More urgently, experienced employees can often identify service quality inadequacies before external customers notice them. Addis emphasises the need to involve both employees and customers, when the service organisation sets out to address customer satisfaction issues (Addis, 1990). Stershic further suggests that on-going customer service satisfaction research should be related to similar research designed to assess the service organisation's internal service culture and to determine the required level of service quality reinforcement (Stershic, 1989).

The employee's role in information-processing and external representation is influenced by the degree and nature of social encounters with customers as partial employees (Aldrich, 1979). Those who support the views of the technical-core-buffering "manufacturing school" fear that the physical and psychological closeness of employees to customers is likely to spawn interest group allegiances at the expense of corporate goals (Aldrich and Herker, 1977). Contrary to this opinion, proponents of the "service systems school" view employee socialisation with customers as likely to result in a sympathetic understanding of customer problems and a more informed source of new product/service ideas. In this way, "Front-line employees can be valuable sources of information about customer preferences when decisions are being made about what new services to offer and how to deliver them" (Bowen, 1986). In participating in important management decisions affecting customers, employees play the role of proxy customers (Bowen and Schneider, 1985). The psychological closeness of front-line service employees and customers has been demonstrated in three studies of employee and customer attitudes to service quality and climate in banks (Parkington and Schneider 1979; Schneider, Parkington and Buxton, 1980; Schneider and Bowen 1985). All three studies found correlations of between ($r = .6$ and $.7$, $p < .01$) in relation to employee and customer perceptions, attitudes and intentions. This closeness has a significant implication for the marketing of service both within and without the boundaries of the organisation.

Scientific and Narrative Information

In any service organisation, profit or non-profit, managing service quality can be seen as an extension of the marketing function and

hence it is an important boundary spanning activity acting as a linkage between the organisation and its customer base. Information is a dynamic force in this interactive process and is part of the exchange process itself. Information is the effective force which enables employees to carry out their organisational tasks. It is not a purified and homogenised commodity or a resource that can be stockpiled. It is a skilled human accomplishment (Giddens, 1979). It is necessary, however, to recognise that information can exist and be defined in many varied forms - not alone in terms of the standard constructs of data, information and knowledge but also in the sense that it can range from the scientific/objective to the narrative/subjective.

Lyotard (1991) and other philosophers would argue that there are different approaches to knowing or to becoming informed. These are referred to as scientific information and narrative information. While both are considered worthwhile and valuable, their legitimacy and validity are supported by two very different philosophical temperaments. Scientific type information, including quantitative and qualitative research data, is formal and systematic in structure, frequently in written form and puts a high value on objectivity. Information gleaned from structured surveys, in-depth interviews and focus groups are examples of scientific information. Conversely, narrative type information is subjective, personal, informal and frequently delivered in oral form. Personal reflections on experience, hall talk and conversations with customers and work colleagues are examples of narrative forms of information.

The strategic management, organisational theory and to a lesser extent marketing theory literature argue that the ways of getting to know, to scan or to interpret the business environment does indicate that a "duality of vision" perspective is current practice within organisations and is an accepted tenet of management theory (Aguilar, 1967; Keegan, 1974; Daft and Weick, 1984; Daft and Lengel, 1984; Nevett, 1991; Brannick 1996). The validity and legitimacy of both scientific/formal and narrative/informal sources of information is accepted doctrine. The most appropriate way to scan an unanalysable and unpredictable external environment is to use informal and personal or narrative sources of information. When events in the environment are known to exist and are analysable, formal and impersonal or scientific sources are used.

Service Quality Information (SQI): Sources, Dissemination and Usage

Berry and Parasuraman have called on service providers to establish ongoing listening systems using scientific and narrative methods among different customer and employee groups. They consider a single service-quality study to be a snapshot taken at a point in time and from a particular angle. They go on to extol the merits of a series of service quality snapshots as yielding deeper insight and more informed decision making through systematic listening leading to the holy grail of service quality improvement (Berry and Parasuraman, 1997). Unrelated, incomplete studies, outdated research, and findings about customers that are not shared provide insufficient support for improving service. However, a service quality information system incorporating both structured, quantitative studies and qualitative research such as service reviews and focus groups does not replace the need for managers and employees to interact directly and informally with customers. These ad hoc reflections and observations are key to any service quality information system. The best service-quality information systems are built with qualitative and quantitative databases as well as narrative information.

Research Methodology

This paper examines the role of information collection, dissemination and usage in the delivery of an excellent service. A segmentation approach is adopted whereby the establishments are grouped or clusters along a number of information factors which include scientific and narrative information sources as well as the usage and dissemination of such information. These ideal cluster types are described along a number of company characteristic variables and other information factors. The research findings presented in this paper draw from a recent comprehensive survey of work organisation practices conducted at the Michael Smurfit Graduate School of Business at University College Dublin. The survey, *Irish Management Practice in the Changing Marketplace*, examined a range of issues including human resource management and work organisation, manufacturing/ services management, quality practices, business performance and buyer - supplier relations. Administered as a postal survey, the study covered workplaces/plants/establishments in all areas of the private sector, with the sole exception of the construction industry, and also included commercial semi-state companies. Plants/establishments in

which separate managers were responsible for human resources and operations/services management received two questionnaires. A questionnaire covering operations/services and incorporating more detailed questions on quality practices, quality performance, business performance was sent to the designated production or services manager. Another questionnaire covering HRM issues was sent to the designated human resources manager. Plants/workplaces where one manager was responsible for both areas received a composite but shorter version of both questionnaires. The results presented in this paper are based on the combined responses of services managers and managers with a general brief including operations issues in services establishments.

The survey fieldwork was conducted between mid 1996 and mid 1997 and was administered by the Survey Unit of the Economic and Social Research Institute (ESRI), Dublin, in conjunction with the authors. As no reliable population list of Irish workplaces existed, a two-stage sampling strategy was followed. Stage one involved drawing a sample of enterprises from the enterprise population file maintained by the ESRI. The population for this stage comprised all enterprises in the sectors employing more than 20 persons. Stage two involved inspecting the sample of enterprises to distinguish single and multi-establishment enterprises. For 39 per cent of firms, the enterprise and the workplace were not synonymous. All multi-establishment enterprises in the sample were then "decomposed" into their constituent workplaces/plants using a range of sources and business directories, and in many cases following detailed discussions with managers in the enterprises concerned. The multi-site sample companies were then re-sampled and the selected plants/workplaces/establishments were added to the single-establishment sample.

A disproportionate stratified probability procedure was employed whereby a proportionately higher number of larger enterprises were selected at stage one. The overall response rate was 36 per cent — very much higher than is common for postal surveys see Table A1. The total effective Services sample of 231 in the case of the *Services Management Survey* was then re-weighted to restore the number of cases in each stratum to their proportion in the population. All data analysis presented in this paper are carried out in respect of the re-weighted sample of 438 see Table A1. Table 1 shows employ-

ment size and ownership (foreign/indigenous) by a traditional standard sectoral classification.ⁱ

TABLE 1: EMPLOYMENT SIZE AND OWNERSHIP BY A STANDARD SERVICES CLASSIFICATION

	Percentage				
	Financial	Retail	Distribution	Transport	Total
Employee Size					
20<50	34%	34%	71%	47%	51%
50<100	16%	24%	14%	28%	19%
100<200	7%	25%	10%	9%	13%
200 Plus	40%	17%	5%	17%	18%
Ownership					
Foreign	32%	26%	13%	11%	20%
Indigenous	68%	74%	87%	89%	80%
Total	110	94	172	57	433
Row %	25%	22%	40%	13%	

Service sector organisations tend to be small with 51 per cent employing between 20 and 50 employees and Irish owned. This percentage rises to 71 per cent in the distribution sub sector and declines to 34 per cent in the Financial and Retail and other services sub sectors. The largest establishments are in the financial sectors. Establishments in the financial and retail and other services sub sectors are more likely to be foreign owned.

Classifying Services

In the proper development of descriptive theory, the basic definitions of the discipline are achieved through classification. The American Marketing Association's Committee on Definitions has adopted two classification schemes in the establishment of descriptive theory: 1) classification by rate of consumption and tangibility; 2) classification by purchase behaviour (Alexander 1960). Both of these classification schemes have been applied to services.

ⁱ This classification is used by Dun and Bradstreet and ESRI as a convenient way to group service sector establishments.

In the light of increased diversification of services and technological advances, the increasing number of exceptions to the generalised characteristics of services argument have encouraged researchers to segregate services-based specific criteria (Lovelock, 1983; Roberts and Kelley, 1985). In attempting to classify services, researchers are faced with the challenge of capturing their wide diversity, e.g., the type and nature of the service offered by a telephone operator is quite different from the service offered by a lawyer. Also, the difficulty in clearly identifying where the product ends and where the service begins makes classification of any kind a little grey at the edges. With these challenges in mind, many researchers have attempted to classify services (Judd, 1964; Rathmell, 1966; Hill, 1977; Grönroos, 1979a; Albrecht and Zemke, 1985; Vandermerwe and Chadwick, 1989; Lovelock, 1992; Tinnilä and Vepsäläinen, 1995). With such a large selection of classification schemes on offer the researchers found ample evidence to support the argument that services are complex phenomena. When customers evaluate service, they tend to talk in terms of the delivery of the service rather than the nature of the core business. For this reason and for the purposes of this study the researchers have decided to use the Lovelock "Flower of Service" classification system Lovelock (1992). Table 2 below reports responses based on the Lovelock service delivery classification by sectoral grouping.

The table below is a clear illustration of the difficulty faced by practitioners and researchers alike when attempting to understand even the most basic aspects of service, i.e., classification. The traditional service classification of financial, retail, distribution and transport sub sectors overlap and conflate with Lovelock's service delivery classification system. Table 3 presents a breakdown of the traditional sub classification of services by service customisation and service costs.

TABLE 2: THE ANCILLARY SERVICES* OFFERED TO CUSTOMERS BY SECTORAL GROUPING

Ancillary Services	Percentage Yes				
	Financial	Retail	Distribu- tion	Transport	Total
Product/service information	80%	68%	76%	64%	74%
Consultation services	56%	56%	45%	39%	79%
Order-taking facilities	31%	37%	60%	67%	49%
Hospitality	23%	34%	31%	23%	28%

Customer care /follow-up services	58%	45%	75%	46%	60%
Customer complaint handling	83%	51%	73%	58%	64%
Billing facilities	34%	38%	40%	56%	40%
Payment facilities	57%	34%	47%	54%	47%
Special customer re-requests and problem solving facilities	48%	48%	51%	63%	51%
Other (please specify below)					10%
Total	110	94	172	57	433
Row %	25%	22%	40%	13%	

* Lovelock's (1992) Service Delivery Classification System

TABLE 3: THE AVERAGE A) PERCENTAGE OF SERVICE INCOME ACCOUNTED FOR BY THE VARIOUS CATEGORIES OF SERVICE CUSTOMISATION; B) PERCENTAGE SERVICE COSTS ATTRIBUTABLE TO THE VARIOUS CATEGORIES BY SECTORAL GROUPINGS

	Average Percentage				
	Financial	Retail	Distribu- tion	Transport	Total
a) Service Customisation					
Totally custom-ised services	41	35	36	30	36
Partially custom-ised services	18	30	17	10	20
Totally standard-ised services	41	36	47	60	45
b) Service Costs Attributable to					
Direct labour	48	43	28	36	38
Purchased materials	18	28	55	28	35
Overhead	34	29	17	35	27
Total	110	94	172	57	433

Financial services are somewhat more likely to deliver a total customisation service while totally standardised services are most likely to be provided by the transport sub sector. The cost of delivering a financial service is more likely to be attributable to direct labour while purchased materials is responsible for a significant proportion of the cost of a service in the distribution sub sector. This analysis also shows the difficulties associated with the standard classification system.

Service Quality Information

Berry and Parasuraman (1997) have called on service providers to establish ongoing listening systems using scientific and narrative methods among different customer and employee groups. Other researchers such as Youngdahl and Kellogg (1994) have analyzed critical service incidents and identified seven customer costs of service quality categories and two categories relate to information. The seven costs are; positive expression, negative expression, preparation, information providing, information seeking, involvement, and relationship building.

TABLE 4: FREQUENCY WITH WHICH MANAGEMENT MEASURE/SURVEY CUSTOMERS' OPINIONS OF ESTABLISHMENT'S SERVICE QUALITY (SCORE RANGE (1-6))

Frequency	Percentage
Once per month	11%
Once per quarter	11%
Once per half year	8%
Once per year	11%
Not at regular intervals	26%
Never	33%
Total	438

The majority of the establishments, nearly 60 per cent, rarely or never ascertain customers' opinions on service quality

The establishments in this study collect customers' service quality information for two main reasons a) for competitive purposes, and b) to meet internal quality standards.

TABLE 4A: REASONS FOR MEASURING/SURVEYING CUSTOMERS' SERVICE QUALITY REQUIREMENTS RANK THE THREE MOST IMPORTANT REASONS

Reasons	1st	2nd	3rd	No Rank
To meet internal quality standards	19%	12%	30%	39%
To meet external quality standards	21%	14%	10%	55%
For marketing strategy purposes	17%	22%	15%	46%
To meet professional/industry standards	12%	5%	7%	76%
To meet government regulations	-	-	2%	98%
For competitive purposes	30%	26%	14%	30%

TABLE 4B: INFORMATION COLLECTION TECHNIQUES EMPLOYED TO MEASURE CUSTOMERS' SERVICE QUALITY REQUIREMENTS

Techniques	% Yes
Narrative Information	
Informal personal contacts with customers	50%
Scientific Information	
Structured personal interviews	22%
Customer focus groups	9%
Telephone interviews	15%
Mail questionnaires	24%
Customer comment cards	14%
Scientific Index (Score range 0-5)	
No Scientific Technique Used	54%
One or two Scientific Techniques	35%
Three-Five Scientific Techniques	11%
Scientific + Narrative Index	
Narrative Only	19%
Narrative + Scientific Techniques	31%
Scientific Only	16%
No Information Collected	34%
Total	438

Nineteen percent of establishments use Narrative information sources such as informal personal contacts, 16 per cent use Scientific techniques such as focus groups and structured surveys and 31 per cent use both narrative and scientific techniques and thirty four percent of establishments never collect any customer information. The majority of the establishments, 52 per cent, rarely or never ascertain employees' opinions on service quality.

TABLE 5: FREQUENCY WITH WHICH MANAGEMENT MEASURE/SURVEY EMPLOYEES' OPINIONS OF SERVICE QUALITYⁱⁱ (SERVICES MANAGER)ⁱⁱ?

Frequency	Percentage
Very frequently	2%
Frequently	47%
Rarely	40%
Never	12%
Totalⁱⁱⁱ	248

Because most service products are information rich they lend themselves well to the extraction of the information components of the service which can then be communicated by technology. Customer service employees will have easy access to both organisational and customer data when this information is scanned into a central database and made available to all customer service employees. An appropriate usage of IT will give all employees the information required to assist them in dealing with customer requests immediately without recourse to follow up within other departments of the organisation. IT will also have the effect of widening all roles to become market involved (Gabbott and Hendry, 1999).

ⁱⁱ This question was included only in the services manager questionnaire. See Research Methodology section (pp. 59-60) for discussion on questionnaire administration.

TABLE 5A: ESTABLISHMENTS STATE OF INFORMATION TECHNOLOGY EQUIPMENT RELATIVE TO INDUSTRY SECTORⁱⁱⁱ (SERVICES MANAGER)ⁱⁱⁱ

Category	Percentage
Absolutely state-of-the-art	11
Better than most companies in the industry	38
About equal to the industry average	34
Below the industry average	9
In need of replacement	9
Totalⁱⁱⁱ	248

Just under 50 percent (49 per cent) of establishments stated that their information technology equipment was better than most companies in their industry sector.

Dissemination and Usage of Service Quality Information

All employees are decision makers as they regularly make decisions that determine the effectiveness of their actions; therefore a service quality information system should disseminate relevant service information to everyone in the organisation. Companies miss an important teaching, reinforcing culture-building opportunity when they don't share relevant service information with employees lower in the hierarchy. (Berry and Parasuraman, 1997).

The responses to the fourteenth item dissemination and usage of service quality information scale are shown in Table 6. The lowest percentage agreement tends to be for items which focuses on the utilisation of information for internal human resource management issues. This is particularly true for items 4, 5 and 7.

ⁱⁱⁱ This question was included only in the services manager questionnaire. see Research Methodology section (pp. 59-60) for discussion on questionnaire administration.

TABLE 6: BASED ON YOUR EXPERIENCE OF THE DISSEMINATION AND USAGE OF SERVICE QUALITY INFORMATION AT YOUR ESTABLISHMENT, PLEASE INDICATE THE LEVEL OF YOUR AGREEMENT/DISAGREEMENT WITH THE STATEMENTS BELOW

	SA	A	U	DA	SDA	NA	MI
1. Employees are only interested in service quality information which is relevant to their immediate area of responsibility	7	54	15	20	1	2	1
2. Relevant service quality information is targeted at the appropriate people and/or departments	9	67	14	6	2	—	2
3. Service quality information is useless unless it is actionable	32	42	10	13	2		2
4. Service quality information is used to measure employee performance	6	37	24	24	2	6	2
5. Service quality information is used to reward employee performance	3	31	27	27	4	7	2
6. A formal dissemination policy is used in our establishment	7	25	30	23	3	10	3
7. Service quality information is used in designing employee selection and recruitment procedures	4	34	31	16	2	9	2
8. Service quality information is used in our sales/marketing activities	19	54	11	10	2	2	2
9. Service quality information is used to design our employee training programmes	10	48	19	13	5	4	2

10. All employees receive the same service quality information	7	42	17	28	2	4	3
11. Service quality information is used to develop new products/services	9	48	17	12	2	10	2
12. Service quality information is used to allocate budgets in our establishment *	2	13	19	12	6	3	45
13. Service quality information is reported to owners/shareholders *	7	22	12	8	4	3	45
14. Service quality information is used on an ongoing basis to improve our overall sales performance *	11	30	7	6	1		43

* Service manager questionnaires only. SA – Strongly Agree; A – Agree; U – Neither Agree or Disagree; DA – Disagree; SDA – Strongly Disagree; NA – Not Applicable; MI – Missing Information.

Three items,^{iv} which were included in the service manager questionnaire but excluded from the general manager questionnaire were not included in the factor analysis.^v The remaining eleven item dissemination and utilisation service quality information scale was factor analysed¹ and it produced two factors whereby five items loaded on factor one and four items loaded on factor two. Two items, 1) Employees are only interested in service quality information which is relevant to their immediate area of responsibility and 2) Service quality information is useless unless it is actionable, did not load on either of the two factors see Table 7.

^{iv} Items 12, 13 and 14.

^v See Research Methodology section for discussion on questionnaire administration.

TABLE 7: TWO FACTOR SOLUTION FOR THE UTILISATION SERVICE QUALITY INFORMATION SCALE

Items	Internal Customer	External Customer
Relevant service quality information is targeted at the appropriate people and/or departments	531	-
Service quality information is used to measure employee performance	.780	
Service quality information is used to reward employee performance	.793	
A formal dissemination policy is used in our establishment	.650	
Service quality information is used in designing employee selection and recruitment procedures	.790	
Service quality information is used in our sales/marketing activities		.695
Service quality information is used to design our employee training programmes		.712
All employees receive the same service quality information		.625
Service quality information is used to develop new products/services		.738

The Internal Customer factor focuses on a) the utilisation of service quality information to reward and measure employee performance and to design employee selection and recruitment procedures and b) on a targeted formal dissemination policy. The External Customer factor focuses on the utilisation of service quality information when devising a marketing strategy and disseminating information to all employees. Both factors straddle the two dimensions of dissemination and utilisation. This was a somewhat unexpected finding. For both factors a low score indicates a high level of utilisation while a high score indicates a low level.

Cluster analysis was used to segment establishments into groups, of similar orientations and dispositions, toward service quality information² (see Table A2). The cluster centre scores and related statistics produced by the four cluster solution are shown in Table 8a and

Table 8b. As indicated by both the F-Ratio and the cluster mean score the two behavioural indexes, scientific and measure, make substantial contributions to the formation of the four-cluster structure.

TABLE 8A: FOUR GROUP CLUSTER ANALYSIS: CLUSTER CENTRE SCORES AND SIGNIFICANCE LEVELS FROM HIERARCHICAL RESULTS

Factors and Indexes	Cluster Centres				Analysis of Variance	
	One	Two	Three	Four	F-Ratio	Prob
Utilisation Factors						
Internal Customer	3.8	2.6	2.5	2.8	81.8	0.00
External Customer	3.7	2.4	2.3	2.2	91.6	0.00
Behavioural Indexes						
Measure	5.7	5.5	4.0	1.7	877.3	0.00
Scientific	0.05	0.2	2.4	1.2	198.7	0.00
Number of cases	77	150	80	110		
Percentage Row	18%	36%	19%	26%		

TABLE 8B: CLUSTER GROUP DESCRIPTOR: MEAN SCORES AND PERCENTAGES

Descriptors	Clusters			
	Group One	Group Two	Group Three	Group Four
Information Factors				
IT Equipment relative to Industry * % Yes (Better than most)	17%	45%	70%	49%
Narrative – Informal Personal Contacts %Yes	26%	45%	50%	75%
Employee Survey* %Yes (Very Frequently and Frequently)	13%	53%	73%	57%
Meet External Standards Ranked(1,2,3) %Yes	13%	11%	36%	48%
Meet Internal Standards Ranked(1,2,3) %Yes	4%	30%	53%	38%

Dissemination and Usage of Service Quality Information (SQI)				
Employees are only interested in SQI in own area of responsibility % Agreement	64%	57%	55%	72%
SQI is useless unless actionable % Agreement	76%	75%	78%	72%
SQI is used on an ongoing basis to improve sales performance * % Agreement	35%	75%	96%	84%
SQI is reported to owners/ shareholders * % Agreement	37%	46%	57%	69%
SQI is used to allocate budgets * % Agreement	0%	31%	36%	37%
Company Characteristics				
Service Category				
Average % Income				
Totally Customised	24%	38%	35%	37%
Partially Customised	21%	22%	26%	13%
Totally Standardised	53%	41%	40%	50%
Company Ownership				
Irish	90%	81%	75%	77%
Foreign	10%	19%	25%	23%
Company Size				
20<50 employees	70%	58%	35%	43%
51-100 employees	9%	24%	11%	18%
101-200 employees	8%	9%	19%	14%
201 plus employees	12%	9%	33%	25%
Traditional Industrial Classification				
Distribution				
Financial	51%	40%	36%	33%
Retail and other Services	19%	20%	34%	30%
Transport	5%	24%	24%	31%
	24%	16%	6%	6%

*Service manager questionnaires only

The following section portrays the four cluster centres or four modal types identified in Tables 8a and 8b.

Cluster One

The Deaf Organisation

Eighteen percent of establishments are classified as cluster one and from an information perspective they resemble a deaf organisation. They rarely or never measure customers opinions on service quality. On the odd occasion that they do they rely solely on a narrative mode such as personal contacts with customers (26 per cent) and they never use a scientific method such as a focus group or a structured interview. As expected these organisations report that internal or external standards are not important reasons for collecting customer views. Very infrequently, in about 13 per cent of cases, they seek employee views on customer service. In only 17 per cent of cases is their IT equipment better than their industry standard. As there is an absence of both an internal and an external flow of information it is not surprising that customer views are rarely considered when devising human resource policies or marketing strategies.

Deaf organisations tend to be engaged in the delivery of a totally standardised service, they are small in size employing between 20-50, Irish owned and are classified as in the Transport and Distribution sub sectors.

Cluster Two

The Hard of Hearing Organisation

Thirty six percent of establishments are classified as cluster two and from an information perspective they resemble the hard of hearing organisation. Similar to deaf organisations they infrequently measure customers opinions on service quality. On an occasional basis they employ scientific techniques such as structured surveys but in as many as 45 per cent of the establishments they depend on a narrative mode of data collection. This cluster is internal in focus and in 53 per cent of the establishments they conduct employee surveys. This internal focus is also manifested by the fact that their information policy is designed to meet internal standards rather than external standards. This positive position with regard to internal information flows is also reflected in the status of their IT equipment This limited service quality information is of central importance when devising human resource strategies and of considerable importance when developing marketing strategies.

To understand service quality requirements these establishments rarely look to their external customers and some look to their internal customer

The hard of hearing organisations are as likely to be engaged in the delivery of a totally standardised as a totally customised service, they are small to medium in size employing between 20 - 100, tend to Irish ownership and do not dominate any one of the traditional sectors.

Cluster Three

The Selective Listening Organisation

The trademark of this cluster is that by adopting a tunnel vision approach they hear only what they want to hear. They are in regular contact, on average about once a year, with their customers re service quality issues. They rely heavily on the scientific mode and use on average two to three different scientific data collection techniques. Fifty percent of the establishments use narrative approaches to collect customer data. This reliance on scientific information is also reflected in the status of their IT equipment with 70 per cent of the establishments having IT equipment better than the industry average. This cluster is internal in focus and in 73 per cent of the establishments they conduct employee surveys. This internal focus is also manifested by the fact that their information policy is designed to meet internal standards rather than external standards. In addition these establishments adhere to a targeted formal dissemination policy. To understand service quality requirements these establishments look to their internal customer and they use a mono scientific system on an irregular basis to monitor their external customers.

The selective listening organisations are as likely to be engaged in the delivery of a totally standardised as a totally customised service, they are medium to large in size employing 200-plus persons, tend to be foreign owned. They are more likely to be classified in Financial and Retail and other Services sub sectors than in Transport.

Cluster Four

The Total Listening Organisation

This cluster focuses on the external customer by adopting a dual approach. This stereo system uses both narrative and scientific data

collection techniques. These establishments are in frequent contact, on average about six times a year, with their customers re service quality issues. They rely on both scientific and narrative modes of communication. Three quarters of the establishments use informal personal contacts to collect service quality information from their customers. This duality of vision approach is also reflected in the status of their IT equipment with 57 per cent of the establishments having IT equipment better than the industry average. Although the main focus of this cluster is external these establishments also take their internal customers views into considerations. Just under sixty percent of the establishments survey their employees. This bifocal approach with a leaning towards the external customer is also evident by the fact that their information system is designed to meet external standards and to lesser extent internal standards. This multi-faceted service quality information is of central importance when devising business plans and marketing strategies and is of considerable importance when developing human resource strategies. In addition these establishments adhere to a company wide dissemination policy which also includes shareholders and owners. At the same time they are also more likely to acknowledge that employees are only interested in SQI relevant to their own area. To understand service quality requirements these establishments look to both their internal and external customers and they use a integrated stereo information system.

The total listening organisations are slightly more likely to be engaged in the delivery of a totally standardised rather than a totally customised service. They do not dominate any employment category and tend to be foreign owned. They are more likely to be classified in Financial and Retail and other Services sub sectors than in Transport and Distribution.

Summary and Conclusions

This paper is attempts to address and expand upon the issues raised by Berry and Parasuraman in their 1997 *Sloan Management Review* paper (Berry and Parasuraman, 1997; Glynn, 1997). In addition to their work, this paper adopts a user's perspective and regards information as that which alters a mental representation. It is the changes in the beliefs, values or behaviour in a person from an encounter with any stimuli (formal written reports, numeric quantities, dialogue, non verbal behaviours, personal reflections) which are significant. The alternative and more commonly held conceptualisation of information

focuses on the nature, the content and the structure of the message/stimulus being delivered. This approach to information is neither appropriate nor of any consequence in the context of the user perspective which is adopted by this study. Berry and Parasuraman by focusing on the content and structure of information put heavy emphasis on a scientific approach to information management. This paper by adopting a user's perspective acknowledges two, scientific and narrative, equally legitimate but different forms of information.

This empirical investigation of Irish practitioners working in the services sectors shows clearly that companies have very different information cultures with regard to service quality information. The segmentation analysis identified four listening clusters; the deaf organisation, the hard of hearing organisation, the selective listening organisation and the total listening organisation. These four clusters can be found in any of the four sub sectors, in both Irish and foreign owned and in all company sizes. However there is a tendency for small Irish companies in the transport and distribution sub sectors to pay little attention to information on service quality and are more likely to be labelled "deaf" organisations. On the other hand large, foreign owned companies in the financial, retail and other services sub sectors tend to embrace and have a more positive relationship with service quality information.

Many individuals and organisations as can be seen from this research are poor listeners. Listening is difficult and costly and it is usually more satisfying to be on the offensive. Listening is often more tiring than talking and it demands intellectual effort (Robbins, 1989a). In the future, "The successful leader will have not the loudest voice, but the readiest ear" (Bennis, 1993). Empathetic, active, and interested listening is a key to success. Empathy means listening from the other person's point of view and active listening means being involved in the listening process.

The business world allocates a vast amount of financial and human resources for listening to customers. Marketing firms are continually conducting customer surveys and opinion polls in the hope of identifying future needs and public trends. Listening to the customer and translating what is heard into an action plan is a mark of a successful organization (Scarnati, 1998). Intuitively, it makes sense that delivering quality service helps a company at the bottom line. Indeed accumulating evidence suggests that excellent service enables a firm to strengthen customer loyalty and increase market share. A well-designed broadly-based service quality information system raises the probability that a company will invest service improvement money in

ways that actually improve service. A service-quality information system should include the impact of service performance on business results. The researchers are currently investigating the link between service quality information or the listening organisation and business performance.

TABLE A1: SAMPLE REPRESENTITIVENESS: POPULATION AND SAMPLE DISTRIBUTIONS OF SERVICES SECTOR BY SIZE AND STANDARD INDUSTRIAL GROUPING

Number of Employees	Popula- tion %	Contact Sample %	Response Sample %	Weighted Sample %
20-49	56%	33%	16%	52%
50-99	19%	28%	26%	18%
100-249	13%	20%	23%	13%
250-499	4%	8%	12%	7%
500 plus	7%	10%	23%	10%
Industrial Grouping				
Distribution	50%	45%	34%	40%
Financial	17%	22%	34%	25%
Retail and other Services	24%	22%	21%	22%
Transport	9%	10%	11%	13%
Total	2,295	640	231	438

Endnotes:

¹ Factor Analysis

The objective of factor analysis is to determine the underlying dimensions of the data and in doing that it summarises a large number of original variables into a small number of factors or dimensions. A number of factor analysis techniques is available and in this study a principal component analysis followed by a varimax rotation was considered to be the most appropriate. The dissemination and utilisation service quality information scale had to be developed from first principles. Identifying and describing the problematic and multi dimensional nature of information utilisation and dissemination and was

itself one of the objective of the study. The items for the scale were developed from the limited amount of existing literature, the theoretical perspective of study and consultation with practitioners. In carrying out the factor analysis the number of factors expected was unknown and the naming of the factors emerged depending on what items loaded strongly on what factor. This exploratory factor analysis went through many iterations. The final factor solution was decided by a combination of statistical adequacy and meaningful interpretation and labeling of the factors.

² Cluster Analysis

The objective of the cluster analysis was to segment establishments into groups, of similar orientations and dispositions, toward service quality information. Two information utilisation factors which resulted from the factor analysis and two behavioural composite indexes, all at a metric level of measurement, were used in the analysis. The approach employed in this study followed the standard two-stage approach. The first stage used the hierarchical procedure to identify the appropriate number of clusters. The second stage involved using a non-hierarchical procedure to adjust or refine the results from stage one. The results from stage one shows that a three or four cluster structure is an appropriate cluster solution

The cluster (agglomeration) coefficient shows that the largest change in the increase occurred between cluster 5 and 4 (see Table A2).

TABLE A2: ANALYSIS OF AGGLOMERATION COEFFICIENT FOR HIERARCHICAL CLUSTER ANALYSIS

Number of Clusters	% Change in Agglomeration Coefficient to Next Level
10	8%
9	3%
8	0.3%
7	9%
6	2%
5	2%
4	23%
3	15%
2	39%
1	-

In performing the second stage, both four and three cluster solutions, utilising the initial seeds from stage one, were tested. Very similar results emerged from both cluster solutions and the only difference was that one of the groups from the three cluster solution subdivided into two groups. The interpretation and validation of the three group solution was almost impossible. The four cluster solution was also performed using randomly selected initial seed points and this result was very similar to the specified (from stage one) seed solution. In an attempt to establish the stability of the four cluster structure the sample was randomly sub-divided into two groups and both samples were separately cluster analysed. The validation process also involved profiling the four group solution from the different sub samples.

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