UNIT - 3
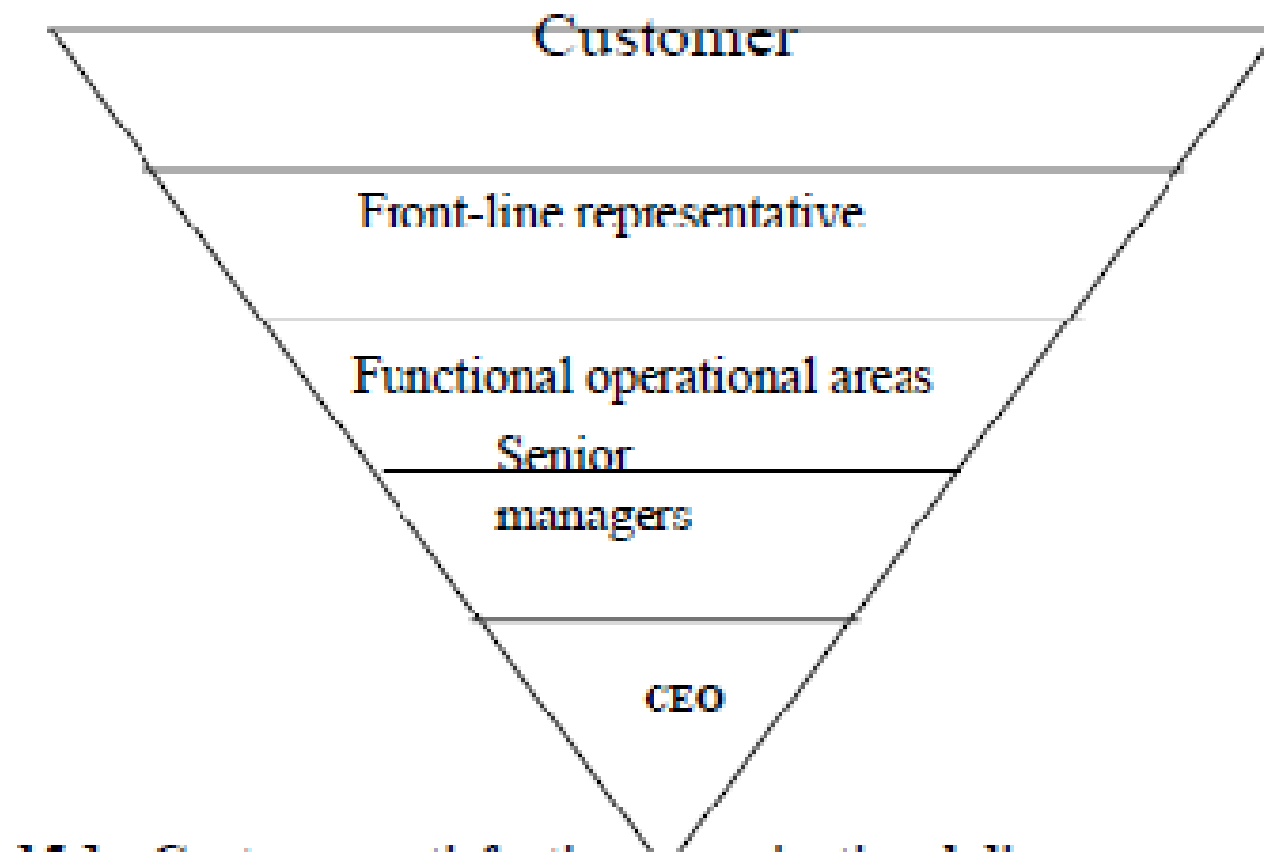# Customer Satisfaction and Customer Involvement

Introduction

The most important asset of an organization is its customer.

An organization's success depends on how many customers it has, how much they buy and how often they buy.

Customers that are satisfied will increase in number, buy more and buy more frequently.

Satisfied customers also pay their bills promptly, which greatly improves cash flow - the lifeblood of any organization.

- Increasingly, manufacturing and service organizations are using customer satisfaction as the measure of quality.

- The importance of customer satisfaction is not only due to national competition but also due to worldwide competition.

- This fact is reflected in the Malcolm Baldrige National Quality Awards, where customer satisfaction accounts for 30 percent of the total points.

- Similarly, customer satisfaction standards are woven throughout ISO 9000:2000.

- Customer satisfaction is one of the major purposes of a quality management system.

The most successful TQM programs begin by defining quality from the customer's perspective.

Quality means meeting or exceeding the customer's expectations.

Dr. Deming added that quality also means anticipating the future needs of the customer.

Customer satisfaction, not increasing profits, should be the primary goal of the organization.

It is the most important consideration because satisfied customers will lead to increased profits.

Company offer

Company
offer
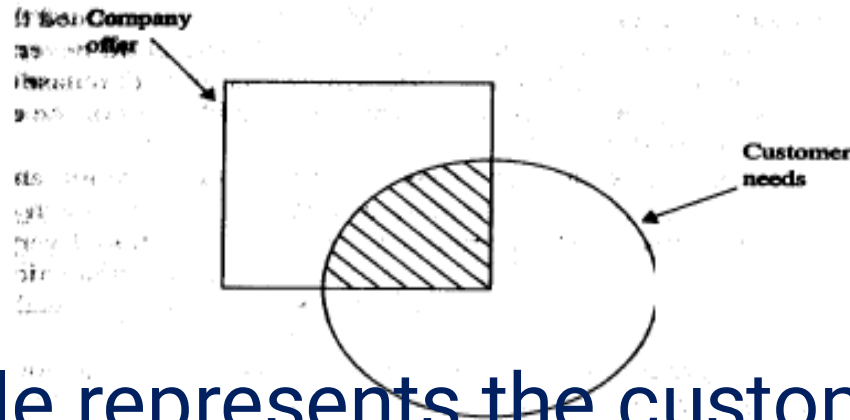
Customer
needs

The circle represents the customer's needs and the square depicts the product or service offered by the organization.

Total satisfaction is achieved when the offer matches the need, or the circle is superimposed on the square.

The goal is to cover the expected performance level better than the competitors.

The customer as satisfying perceives that part of the square that lies within the circle and the part of the square outside the circle is perceived as unnecessary.

It is important that the organization listens to the "voice of the customer" and ensures that its marketing, design, production and distribution processes truly meet the expectations of the customer.

Customer satisfaction seems simple enough and yet it is far from simple. Customer satisfaction is not an objective statistic but more of a feeling or attitude.

Although certain statistical patterns can be developed to represent customer satisfaction, it is best to remember that people's opinions and attitudes are subjective by nature. Because customer satisfaction is subjective, it is hard to measure.

- If customer satisfaction strategies are developed around clearly stated, logical customer opinions and the emotional issues of a purchase are disregarded, this can be a **costly** mistake.
- The value customers place on one product compared to another may be a better indicator of customer loyalty.
- Customer loyalty can be sustained only by maintaining a favorable comparison when compared with competitors.

Who is the customer?

- There are two distinct types of customers-- external and internal.

- An external customer can be defined in many ways, such as the one who uses the product or service, the one who purchases the product or service, or the one who influences the sale of the product or service.

For instance, McDonald's determined the customer to be the child when they introduced their "happy meals." The child never paid for the meals but the child influenced the sale.

Oftentimes, parents purchase mobiles and yet the teenage children use the mobiles.

The identity of the external customer is not always easy to determine.

- An external customer exists outside the organization and generally falls into three categories--current, prospective and lost customers.

- Each category provides valuable customer satisfaction information for the organization.

- Every employee in an organization should know how his or her job enhances the total satisfaction of the external customer.

- Performance should be continually improved in order to retain existing customers and to gain new ones.

- An internal customer is just as important. Every function, whether it is engineering, order processing, or production, has an internal customer-- each receives a product or service and, in exchange, provides a product or service.

Every person in a process is considered a customer of the preceding operation. Each worker's goal is to make sure that the quality meets the expectations of the next person.

When that happens throughout the manufacturing, sales and distribution chain, the satisfaction of the external customer should be assured.

Who is the customer

Inputs from External Customers → Internal Customers → Outputs to external Customer

Customer/supplier chain
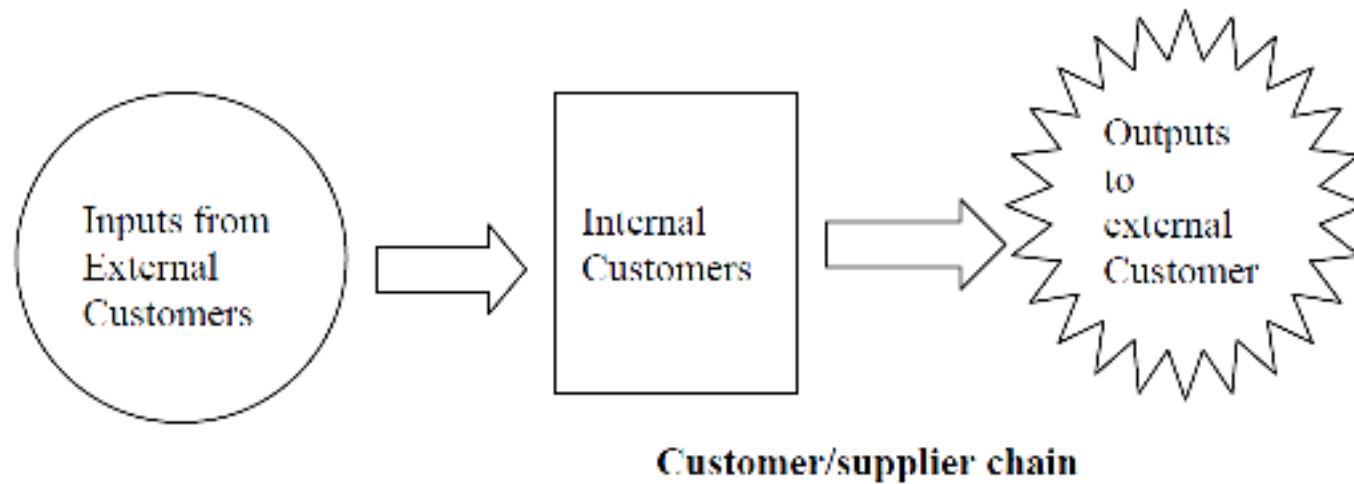
The formula for successful internal customer/supplier relationships varies. But it always begins with people asking their internal customers three basic questions.

1. What do you need from me?

2. What do you do with my output?

3. Are there any gaps between what you need and what you get?

Customer Perception of Quality

- Before making a major purchase, some people check consumer magazines that rate product quality.

- During the period 1980 to 1988, the quality of the product and its performance ranked first, price was second and service was third.

- During the period 1989 to 1992, product quality remained the most important factor, but service ranked above price in importance.

- An American Society for Quality (ASQ) survey on end user perceptions of important factors that influenced purchases showed the following ranking:

Customer Perception of Quality

■

Performance
- Features
- Service
- Warranty
- Price
- Reputation

Performance

- Performance involves "fitness for use." It is a phrase that indicates that the product and service is ready for the customers use at the time of sale.

  Other considerations are as follows:

- Availability which is the probability that a product will operate when needed.

- Reliability which is freedom from failure over time.

- Maintainability which is the ease of keeping the product operable.'

Features

Identifiable features or attributes of a product or service are psychological, time-oriented, contractual, ethical and technological.

Features are secondary characteristics of the product or service.

For example, the primary function of an automobile is transportation, whereas a car stereo system is a feature of an automobile.

Service

- An emphasis on customer service is emerging as a method for organizations to give the customer-added value.
- However, customer service is an intangible, i.e. it is made up of many small things, all geared to changing the customer's perception.
- Intangible characteristics are those traits that are though not quantifiable yet contribute greatly to customer satisfaction.
- Providing excellent customer service is different from and more difficult to achieve than excellent product quality.
- Organizations that emphasize service never stop looking for and finding ways to serve their customers better, even if their customers are not complaining.

Warranty

- A product warranty represents the organization's public promise of a quality product backed up by a guarantee of customer satisfaction.

- Ideally, it also represents a public commitment to guarantee a level of service sufficient to satisfy the customer.

- A warranty forces the organization to focus on the customer's definition of product and service quality.

- A warranty generates feedback by providing information on the product and service quality.

- It also forces the organization to develop a corrective action system.

- Finally, a warranty builds marketing muscle. The warranty encourages customers to buy a service by reducing the risk of the purchase decision and it generates more sales from existing customers by enhancing loyalty.

Price

- Today's customer is willing to pay a higher price to obtain value.

- Customers are constantly evaluating one organization's products and services against those of its competitors to determine who provides the greatest value.

- However, in our highly competitive environment, each customer's concept of value is continually changing.

- Ongoing efforts should be made by everyone having contact with customers to identify, verify and update each customer's perception of value in relation to each product and service.

Reputation

Total customer satisfaction is based on the entire experience with the organization, not just the product.

Customers are willing to pay a premium for a known or trusted brand name and often become customers for life. Because it costs five times as much to win a new customer as it does to keep an existing one, customer retention is an important economic strategy for any organization.

Investment in customer retention can be a more effective bottom-line approach than concentrating on lowering operational costs.

An effective marketing retention strategy is achieved through using feedback form information collecting tools.

FEEDBACK

Customer feedback should be continually solicited and monitored as customers continually change. They change their minds, their expectations and their supplier.

Customer feedback is not a one-time effort. In fact, it is an ongoing and active probing of the customers' mind.

Feedback enables the organization to do the following:

- Discover customer dissatisfaction.
- Discover relative priorities of quality.
- Compare performance with the competition.
- Identify customers' needs.
- Determine opportunities for improvement.

Listening to the voice of a customer can be accomplished by numerous information collecting tools. The principal ones are the following:

i) Comment cards

ii) Questionnaires

iii) Focus groups

iv) Toll free telephone lines

v) Customer visits

vi) Report cards

vii) The Internet

viii) Employee feedback

ix) Mass customization

x) The American Customer Satisfaction Index

i) **Comment Card**

It can be attached to the warranty card and included with the product at the time of purchase.

The intent of the card is to get simple information, such as name, address, age, occupation and what influenced the customer's decision to buy the product.

Generally, people respond only if something very good or very bad has happened.

Comment cards are also used in the hospitality industry. Restaurants and hotels provide them at the ends of tables and in hotel rooms.

They can even be found at the bottom of the restaurant sales receipts.

ii)Customer Questionnaire

A customer questionnaire is a popular tool for obtaining opinions and perceptions about an organization and its products and services. However, they can be costly and time consuming.

Surveys may be administered by mail or telephone. In the form of questionnaires, the customer is asked to furnish answers relating to the quality of products and services.

Most of the surveys ask the customer to grade the question on one-to-five scale or a one-to-ten scale, where the highest number typically has a description like "highly satisfied."

To make surveys more useful, it is best to remember the following eight points.

1. Clients and customers are not the same.

2. Surveys raise customer's expectations.

3. How you ask a question will determine how the question is answered.

4. The more specific the question, the better the answer.

5. You have only one chance and only 15 minutes.

6. The more time you spend in survey development, the less time you will spend in data analysis and interpretation.

7. Who you ask is as important as what you ask.

8. Before the data is collected, you should know how you want to analyse and use the data.

iii) Focus groups

Customer focus groups are a popular way to obtain feedback, but they too can be very expensive. These groups are very effective for gathering information on customer expectations and requirements.

Surveying a focus group is a research method used to find out what customers are really thinking. A group of customers is assembled in a meeting room to answer a series of questions.

These carefully structured questions are asked by a skilled moderator who probes into the participants' thoughts, ideas, perceptions or comments.

The moderator has a clear understanding of the type of information wanted and a plan for obtaining it.

The people selected to participate have the same profile as the customers that the organization is trying to attract. As an incentive to participation, these people are reimbursed for their time. Focus groups are sometimes used with an organization's employees to examine internal issues.

Imprint analysis is an emerging technique used in focus groups. This is a good way to obtain the intrinsic feelings associated with a product or service.

For instance, a major ice cream company discovered through customer satisfaction surveys that their customers wanted to eat healthier. Before implementing a line of low fat ice cream, the company decided to do an imprint analysis.

The imprint analysis discovered that these customers would consume low fat foods and deprive themselves of desserts during the week.

But on the weekends, these same people wanted a super rich ice cream, containing more fat than any ice cream presently on the market. These customers wanted to reward themselves for eating healthy during the week.

Needless to say, the ice cream company launched a new, full fat and extra creamy product and sold it at a premium. Their market share increased significantly, creating many loyal customers due to the extra insight that the imprint analysis provided.

iv) Toll free telephone lines

Toll free telephone numbers are an effective technique for receiving complaint feedback. With the help of these, organizations can respond faster and more cheaply to the complaint. Such a number does not, however, reach those who decided not to buy the product or those who discovered some likable feature(s) on a competitor's product.

Toll free numbers are in use by atleast 50% of all organizations with sales of at least $10 million.

Implementation of toll free telephone numbers has grown tremendously. In six years, the Cadillac division of General Motors has added 24 toll free numbers. In response to what customers said, Cadillac eliminated deductibles on warranties and pioneered 24-hour roadside service.

v) Customer visits

Visits to a customer's place of business provide another way to gather information. An organization can proactively monitor its product's performance while it is in use and there by identify any specific or recurring problems. Senior managers should be involved in these visits and not delegate them to someone else. However, it is a good idea to take along operating personnel so that they can see firsthand how the product is performing.

A site visit by L-S Electro Galvanizing Company made to its customer, General Motors, produced a surprisingly simple idea. An arrow was needed on the finished 25-ton rolls of steel to show which way the steel unrolled. Previously, GM employees had to guess and often times had to re-summon a crane to turn the roll around which wasted 30 minutes.

vi) Report cards

Another very effective information-gathering tool is the report card.

It is usually sent to each customer on a quarterly basis. The data are analyzed to determine areas for improvement.

For instance, the University of California in San Diego uses a report card to grade the quality of campus business services such as the payroll department and the bookstore.

Quality Report Card

To our customers

We are continually striving to improve. To assist us in this endeavor, we need your feedback. Would you please grade our performance in each category? The grading scale is as follows:

A = Excellent
B = Very good
C = Average
D = Poor
F = Failing

1. Product Quality   Grade _____
Comments: _____

2. On-Time Delivery   Grade _____
Comments: _____

3. Services   Grade _____
       Comments: _____

4. Overall   Grade _____
       Comments: _____

Signed _____ Date _____
       Title _____ Organization_____

vii) The Internet and Computers

Some managers are beginning to monitor discussions that take place on the Internet to find out what customers are saying about their products.

Internet users frequently seek advice regarding their everyday activities or activities related to specific interests, hobbies or sports.

Monitoring interest conversations is timely, the cost is minimal and it can be a source of creative ideas.

There are even Internet sites that take consumer complaints and compliments about businesses and give organizations grades based on their ratio of complaints to compliments.

For example, planetfeedback.com also sends letters to companies on behalf of consumers. The organization's Web page also provides an easy way for customers to e-mail the company with their thoughts on the organization's products and services.

viii) Employee feedback

Employees are often an untapped source of information. Employee groups can brainstorm ideas to come up with solutions to problems that customers have identified.

Customer research reveals what is happening and employee research reveals why it is happening. Employee feedback should be proactively solicited, instead of checking the wooden suggestion box once a year.

For instance, Chrysler regularly surveys employees for issues because employee are timely compared to customer surveys. When staff members cannot get what they need or have low morale, they cannot provide good service. Chrysler requires that management share the survey results with employees and uses the findings to make substantial changes.

ix) Mass Customization

The ultimate in customer satisfaction is giving customers exactly what they want. In the past, the price tag for this was prohibitive.

But mass customization is a way to provide variety at an affordable cost. It is a direct result of advances made in manufacturing, such as flexible manufacturing technologies, just-in-time systems and cycle time reduction. It has been done in the car industry for years.

Customers determine what type of seat coverings, color and stereo system they want. Mass customization is now being used in many other industries too.

Levi Strauss customers are measured for jeans, choose the fabric and choose the pattern at a local store. The custom fit jeans are then manufactured to order at a central factory and sent to the local store. The voice of the Levi Strauss customer is heard at the fabrication stage of production.

Dell assembles computers according to each customer's requirements by adding or subtracting components from one of several base systems. In this way, customers get the computer they want at a reasonable price through mass customization at the assembly stage.
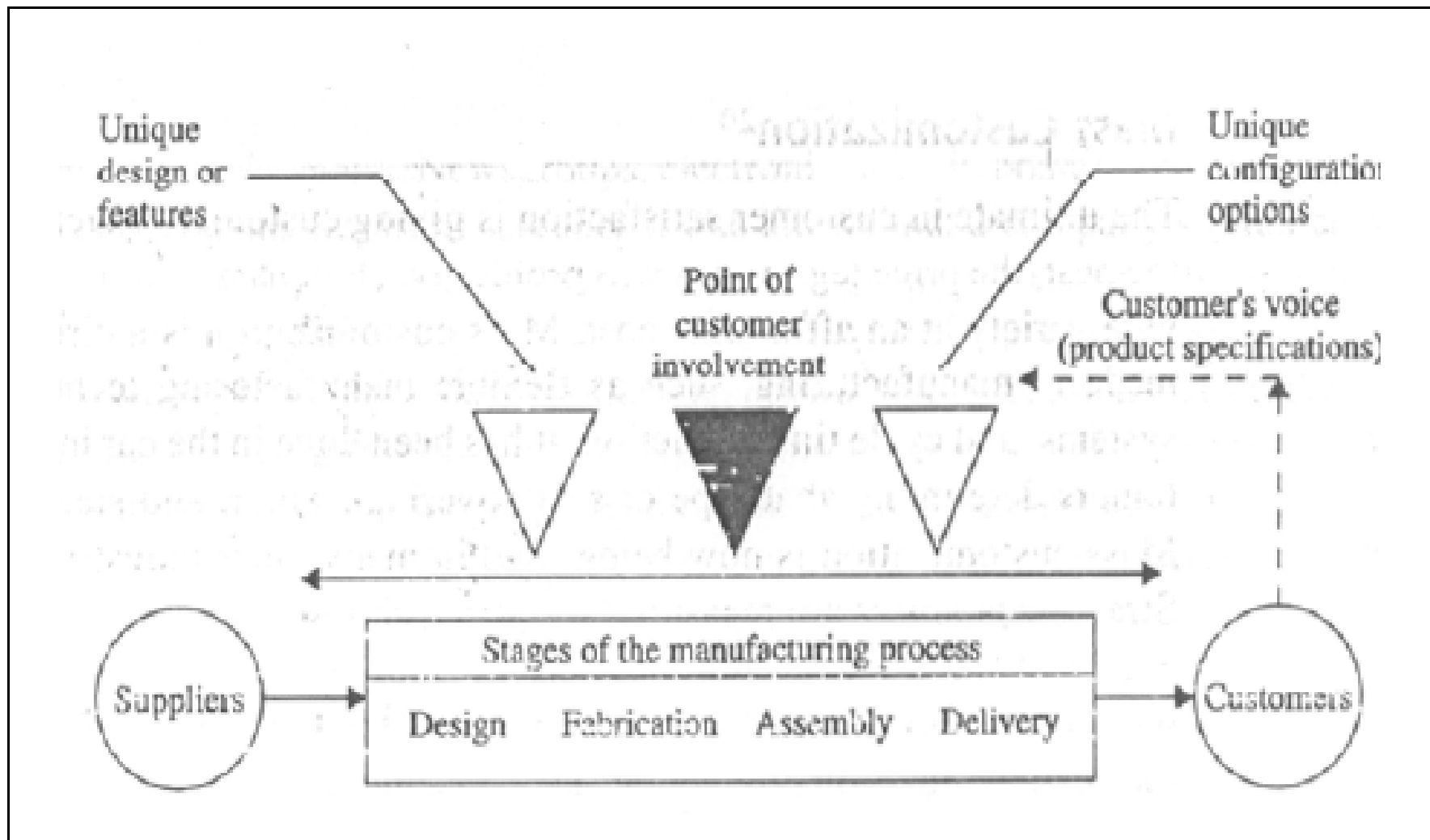
Point of customer improvement

x) The American Customer Satisfaction Index

ACSI established in 1994 as a joint project b/n University of Michigan and the ASQ, quantifies quality and customer satisfaction and relates them to firm's financial performance.

ACSI looks at products sold in US and not just those produced in US. In this way , US quality is compared to international quality.

ACSI reports scores on a 0-100 scale at the national level. It also produces indexes for 10 economic sectors, 44 industries and for more than 200 companies.

Ten sectors of the economy are:

1. Transportation and warehousing.
2. Manufacturing(nondurable)
3. Manufacturing(durables)
4. Healthcare and social assistance.
5. Accommodation and food services
6. Information
7. Public administration/government
8. Retail trade
9. Finance and insurance
10. E- commerce

Each sector has industries , and under each
industry are specific companies.

ACSI score structure is regularly reviewed and
updated to add newer sectors and industries.
Whenever new sectors are added, year of addition
is taken as baseline scores.

ACSI allows comparisons b/n individual firms,
comparisons b/n firms and the industry average,
and comparisons over time.

ACSI is considered to be one of the forecasts of
consumer spending in United States.

Customer Satisfaction Surveys in India

Using Customer Complaints

Although complaints are reactive, they are very vital in gathering data on customer perceptions.

A dissatisfied customer can easily become a lost customer.

- Some actions organizations can take to handle complaints are as follows:

1. Investigate customer's experiences by actively soliciting feedback, both positive and negative, and then acting on it promptly.

2. Develop procedures for complaint resolution that include empowering front- line personnel.

3. Analyze complaints, but understand that complaints do not always fit into neat categories.

4. Work to identify process and material variations and then eliminate the root cause. "More inspection" is not corrective action.

5. When a survey response is received , a senior manager should contact the customer and strive to resolve the concern.

6. Establish customer satisfaction measures and constantly monitor them.

7. Communicate complaint information, as well as the results of all investigations and solutions, to the people in the organization.

8. Provide a monthly complaint report to quality council for their evaluation and , if needed, the assignment of process improvement teams.

9. Identify customer's expectations beforehand rather than afterward through complaint analysis.

Service Quality

Customer service is the set of activities an organization uses to win and retain customer's satisfaction. It can be provided before, during or after the sale of the product or exist on its own. The elements of customer services are as follows:

Organization

- Identify each market segment

- Write down the requirements

- Communicate the requirement

- Organize processes

- Organize physical spaces

Customer Care

- Meet the customer's expectations

- Get the customer's point of view

- Deliver what is promised

- Make the customer feel valued

- Respond to all complaints

- Over-respond to the customer

- Provide a clean and comfortable customer reception area

Communication

- Optimize the trade-off between time and personal

  attention

- Minimize the number of contact points

- Provide pleasant, knowledgeable and enthusiastic

  employees

Front-Line People

- Hire people who like people

- Challenge them to develop better methods

- Give them the authority to solve problems

- Serve them as internal customers

- Be sure they are adequately trained

- Recognize and reward performance

Leadership

• Lead by example

• Listen to the front-line people

• Strive for continuous process improvement

Additional comments

Characteristic	Expectation
Delivery	Delivered on schedule in undamaged condition
Installation	Proper instructions on setup, or technicians supplied for complicated products
Use	Clearly-written training manuals or instructions provided on proper use
Field Repair	Properly trained technicians to promptly make quality repairs, customer service, friendly service, representatives to answer questions
Warranty	Clearly stated with prompt service on claims

Characteristics and expectations

# Translating Needs into Requirements
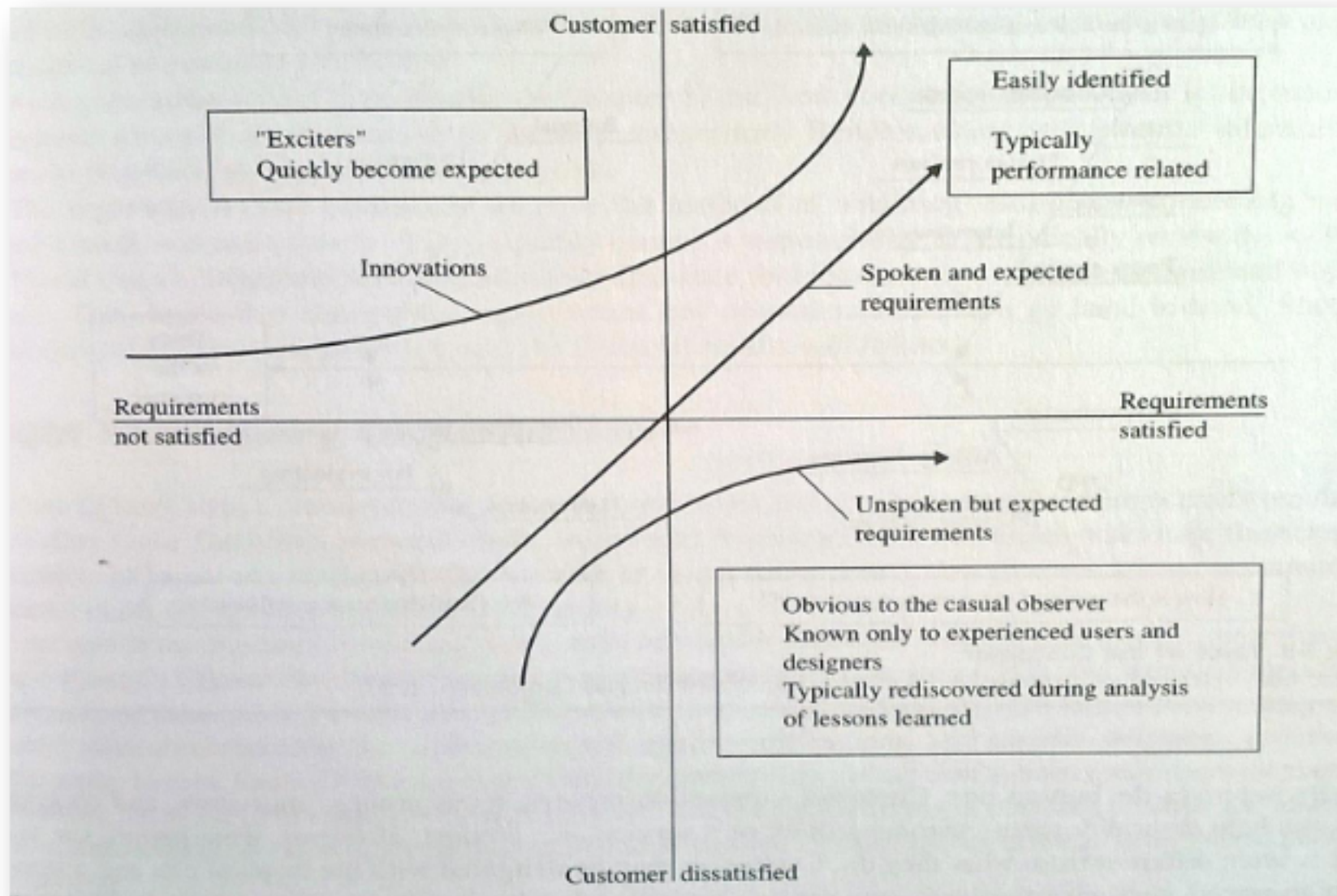
Kano model

Customer Retention

The following steps are important for customer retention.

1. Top management commitment to the customer satisfaction.

2. Identify and understand the customers what they like and dislike about the organization.

3. Develop standards of quality service and performance.

4. Recruit, train and reward good staff.

5. Always stay in touch with customer.

6.Work towards continuous improvement of customer service and customer retention.

7. Reward service accomplishments by the front-line staff.

8. Customer Retention moves customer satisfaction to the next level by determining what is truly important to the customers.

9. Customer satisfaction is the connection between customer satisfaction and bottom line.
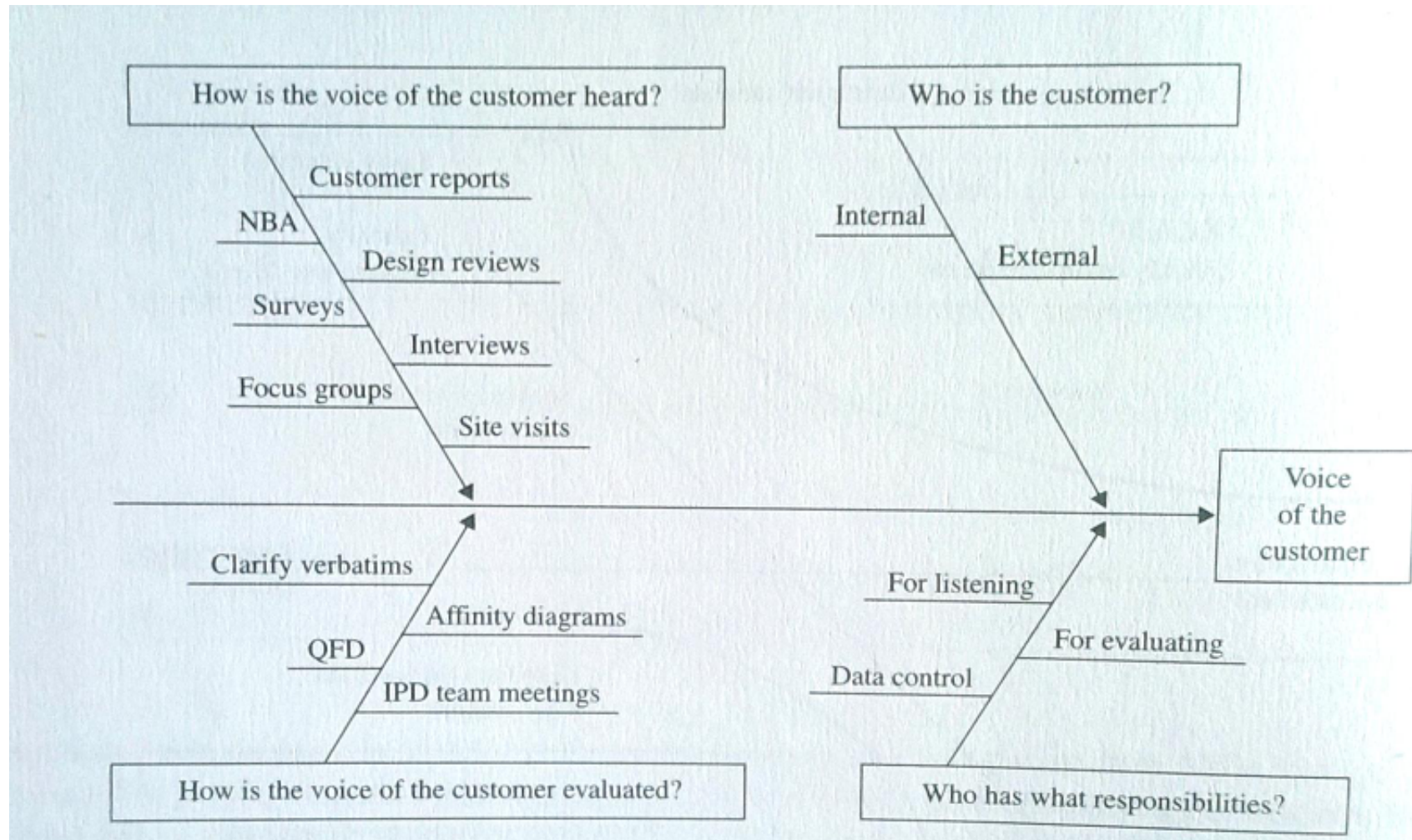
Voice of a customer

Employee Involvement

Motivation

Employee surveys

Empowerment

Teams

Suggestion system,

Recognition and reward

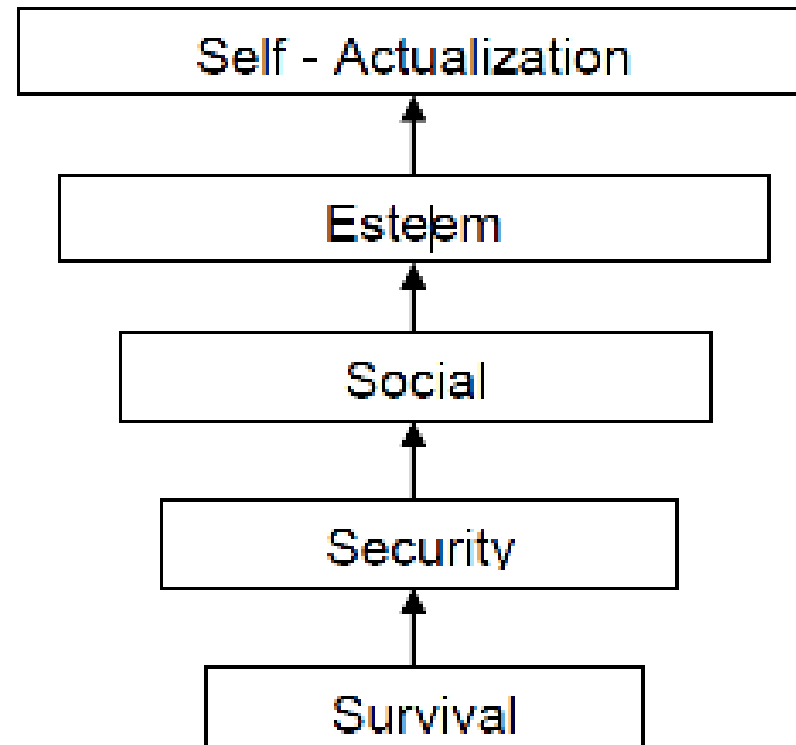Gain sharing

Performance

Appraisal
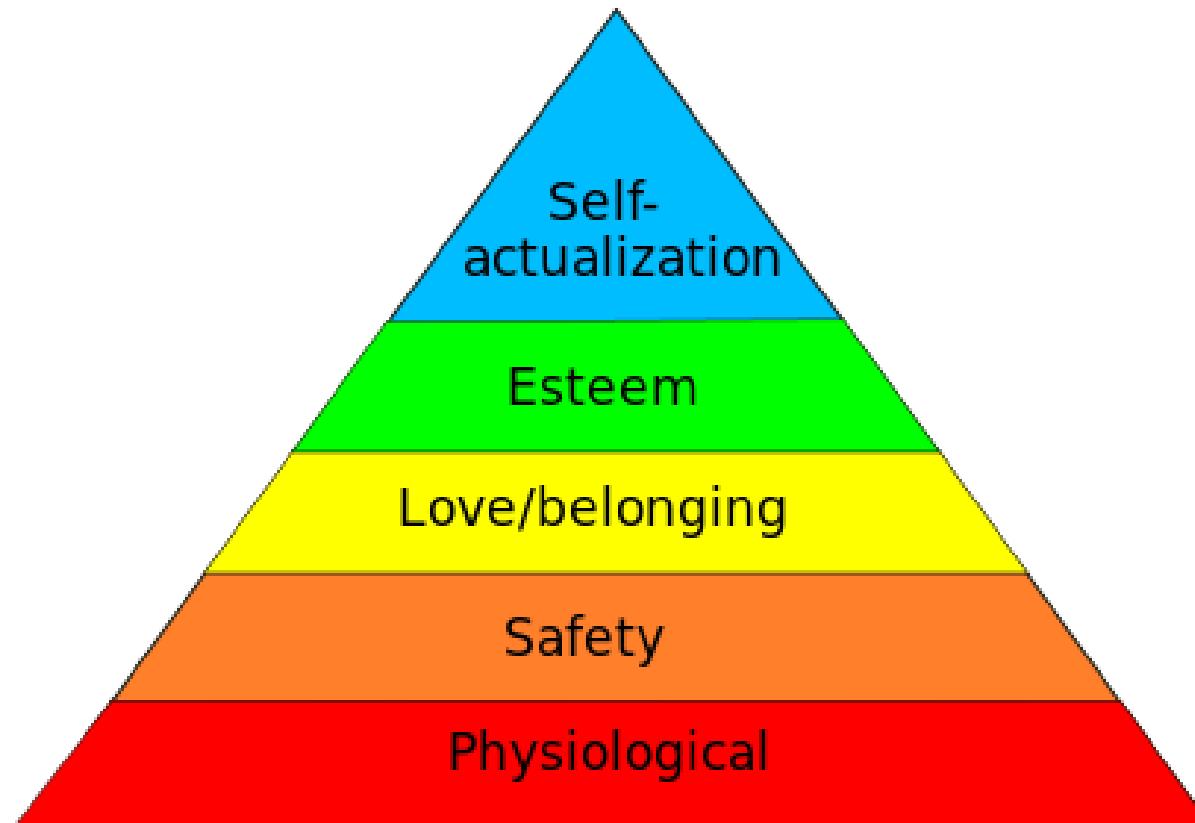
Unions and employee

involvement

Employee involvement is one approach to improve quality and productivity.

It is a means to better meet the organization's goals for quality and productivity.

MOTIVATION

```
┌─────────────────────────────┐
│      Self - Actualization    │
└─────────────────────────────┘
              ↑
┌─────────────────────────────┐
│           Esteem             │
└─────────────────────────────┘
              ↑
      ┌───────────────────┐
      │       Social       │
      └───────────────────┘
              ↑
        ┌─────────────┐
        │   Security   │
        └─────────────┘
              ↑
        ┌─────────────┐
        │   Survival   │
        └─────────────┘
```

Maslow's Hierarchy of Needs

Herzberg's Two Factor Theory

Two-factor theory distinguishes between:

Motivators (e.g. challenging work, recognition for one's achievement, responsibility, opportunity to do something meaningful, involvement in decision making, sense of importance to an organization) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth

Hygiene factors (e.g. status, job security, salary, fringe benefits, work conditions, good pay, paid insurance, vacations) that do not give positive satisfaction or lead to higher motivation, though dissatisfaction results from their absence.

The term "hygiene" is used in the sense that these are maintenance factors. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary.

Employee Wants

Factor	Employee Rating	Manager Rating
Interesting work	1	5
Appreciation	2	8
Involvement	3	10
Job security	4	2
Good Pay	5	1
Promotion/ growth	6	3
Good working conditions	7	4
Loyalty to employees	8	7
Help with personal problems	9	9
Tactful discipline	10	6

Achieving a Motivated Work Force

1. Know thyself.

2. Know your employees.

3. Establish a positive attitude.

4. Share the goals.

5. Monitor progress.

6. Develop interesting work.

   - Job rotation

   - Job enlargement

   - Job enrichment

7. Communicate effectively

8. Celebrate success.

Employee Surveys

Employee surveys help managers assess the current state of employee relations, identify trends, measure the effectiveness of program implementation, identify needed improvements, and increase communication effectiveness.

STEP 1 : The Quality Council to create a multifunctional team

STEP 2 : The Team will develop survey instrument using in- house

and external expertise.

STEP 3 : Administer the survey

STEP 4 : Results are compiled and analysed

STEP 5 : Determine areas for improvement

Empowerment

Empowerment is investing people with authority. It's purpose is to tap the enormous reservoir of potential contribution that lies within every worker.
In order to create the empowered environment, three conditions are necessary.

1. Everyone must understand the need for change.

2. The system needs to change to the new paradigm.

3. The organization must enable its employees.

TEAMS

➢ Employee involvement is optimized by the use of teams.

➢ A team is defined as a group of people working together to achieve common objectives or goals.

➢ Teamwork is the cumulative actions of the team during which each member of the team subordinates his individual interests and opinions to fulfil the objectives or goals of the group.

Why Teams Work

1. Many heads are more knowledgeable than one.

2. The whole is greater than the sum of its members.

3. Team members develop a rapport which each other.

4. Teams provide the vehicle for improved communication.

TYPES OF TEAMS

1. Process improvement team.

2. Cross – functional team.

3. Natural work teams.

4. Self – Directed / Self – Managed work

teams.

CHARACTERISTICS OF SUCCESSFUL TEAMS

1. Sponsor

2. Team Charter

3. Team Composition

4. Training

5. Ground Rules

6. Clear Objectives

7. Accountability

8. Well-Defined decision procedure

9. Resources

10. Trust

11. Effective Problem Solving

12. Open Communication

13. Appropriate Leadership

14. Balanced Participation

15. Cohesiveness

TEAM MEMBER ROLES

Team Leader

- Ensures the smooth and effective operation of the team.

- Facilitates the team process.

- Serves as a Contact Point.

- Organizes the implementation of changes.

- Prepares the meeting agenda.

Facilitator

- Supports the leader.

- Focuses on the team process.

- Acts as a resource to the team.

- Provides feedback to the team.

Recorder

➢ Documents the main ideas of the team's discussion, the issues raise, decisions made, action items etc.

➢ Presents the documents and distributes the MOM.

➢ Participates as a team member.

Timekeeper

- Ensures that the team maintains the schedule.

- Participates as a team member.

Team Member

✓ Contributes best, without reservation.

✓ Respects other people's contributions.

✓ Listens carefully and asks questions.

✓ Works for consensus on decisions.

✓ Supports the decision of the team.

✓ Understands and is committed to the team objectives.

✓ Respects and is tolerant of individual differences.

✓ Acknowledges and works through conflict openly.

✓ Carries out assignments.

Effective Team Meetings

- Meeting should be regularly scheduled

- Development of an agenda

- Agenda should have opening focus, previous meeting feedback, agenda review ;

- Periodic meetings.

Stages of team development

- Forming

- Storming

- Norming

- Performing

- Adjourning

Ten common people problems and their solutions

1. Flounder Floundering

2. Overbearing participants

3. Dominating participants

4. Reluctant participants

5. Unquestioned acceptance of opinions as

   facts

6. Rush to accomplish

7. Attribution

8. Discounts and plops

9. Wanderlust

10. Feuding team members

COMMON BARRIERS TO TEAM PROGRESS

- Insufficient training.

- Incompatible rewards and compensation.

- First-line supervisor resistance.

- Lack of planning.

- Lack of management support.

- Access to information systems.

- Lack of Union support.

- Project scope too large.

- Project objectives are not significant.

- No clear measures of success.

➢ No time to do improvement work.

➢ Team is too large.

➢ Trapped in groupthink.

Training

- Training is essential for an effective team.

- Experimental

- Credibility

- Awareness about training program.

- Action oriented trainings results in a right way.

- Team leader role

Suggestion system

Ground rules for suggestion system

1. Be progressive

2. Remove fear

3. Simplify

4. Respond quickly

5. Reward the idea

RECOGNITION AND REWARD

Various ways for Recognition and Rewards are

1. Recognition can be expressed using verbal and written praise.

2. Rewards may be in the form of certificates and plaques.

3. Reward is normally in the form of cinema tickets, dinner for family etc.

4. The financial compensation (for recognition) can be paid in terms of increased salaries, commissions, gain sharing etc.

5. The efforts of employees can be recognized by promotions, special job assignments etc.

6. A letter of appreciation from the CEO or the Top Management will increase the employee's involvement.

7. Reward may be delayed but recognition should be in a timely basis.

8. Rewards should be appropriate to the improvement level.

9. People like to be recognized than any reward.

10. Special forms of recognition include pictures on the bulletin board, articles in news letters, letter to families etc.

11. Supervisors can give on-the-spot praise for a job which is done well.

Gainsharing

Potential income = 535000

Labor cost as a percent of sales = 27%

Team goal = 535000 * 0.27 = 144450

Actual team cost = 138365

Gain = 144450 − 138365 = 6085

Appraisal format

Type	Description
Ranking	Compares employees ranking from highest to lowest
Narrative	Gives a written description of employee's strength and weakness
Graphic	Indicates the major duties performed by the employee and rates each duty with a scale, which is usually from a(poor) to 5(excellent)
Forced choice	Places each employee in a category with a predetermined percentage – for example, excellent 10%, very good – 25%, good- 30%, fair – 25% and poor 10%

Suggestions for rating employees

1. Use rating scale that have fewer rating categories.
2. Require work team or group evaluation that are at least equal in emphasis to individual-focused evaluations.
3. Require more frequent performance reviews where such reviews will have a dominant emphasis on future performance planning.
4. Promotion decisions should be made by an independent administrative process that draws on current job information and potential for the new job.
5. Include indexes of external customer satisfaction in the appraisal process.
6. Use peer and subordinate feedback as an index of internal customer satisfaction.
7. Include evaluation for process improvement in addition to results.

Union and Employee involvement

BENEFITS OF EMPLOYEE INVOLVEMENT

Employee involvement improves quality and increases productivity because
- ✓ Employees make better decisions using their expert knowledge of the process
- ✓ Employees are better able to spot and pin-point areas for improvement.
- ✓ Employees are better able to take immediate corrective action.
- ✓ Employee involvement reduces labour / management friction.
- ✓ Employee involvement increases morale.
- ✓ Employees have an increased commitment to goals because they are involved.