
Panel Discussion--Customer Satisfaction Surveys: Looking Toward the Future

Mary Batcher, IRS; Lynda T. Carlson, EIA; Jerry L. Coffey, OMB; Mary Ann Guadagno, NCHS; Brenda Stup, SSA; Clyde Tucker, BLS; Andrew A. White, NCHS

In 1993, President Clinton issued Executive Order 12862, which effectively changed the way the Federal Government does business. This Executive directive required Federal agencies to survey customers *to determine the kind and quality of services wanted and the level of satisfaction with existing services*. The goal is to bring the Federal Government up to par with the best customer service in the private sector. Over the past two years, Federal statistical agencies have been involved in many customer survey efforts. Most Federal statistical agencies now have a basic understanding of why Customer Satisfaction Surveys are needed and how to conduct them. But many agencies are beginning to ask for clarification on how to sharpen the focus of customer surveys and link results directly to the achievement of identifiable agency performance levels. This panel of Federal agency leaders briefly summarized what their agencies have done to develop and use Customer Satisfaction Surveys. Panelists discussed how to build and integrate the new customer survey process into existing operations, explained how research can be designed to achieve actionable results in support of an agency's mission, and made recommendations for immediate and future customer survey developments across Federal agency lines.

■ Introduction

The Special Contributed Panel Discussion on customer satisfaction was organized by Mary Ann Guadagno, in collaboration with Andrew A. White, both from the National Center for Health Statistics (NCHS), at the request of Carolyn Shettle, National Science Foundation, for the 1996 annual meeting of the American Statistical Association, Government Statistics Section. A distinguished panel of speakers participated, representing agencies that have provided leadership on Customer Satisfaction Surveys. The panel included: Mary K. Batcher, Internal Revenue Service (IRS); Lynda T. Carlson, Energy Information Administration (EIA); Jerry Coffey, Office of Management and Budget (OMB); Brenda Stup, Social Security Administration (SSA); and

Clyde Tucker, Bureau of Labor Statistics (BLS).

Andrew A. White served as the session Chair and set the stage for discussion with prefatory remarks about the status of Federal Customer Satisfaction Surveys. Each panelist was asked to prepare a 15-minute presentation relative to the theme, "Customer Satisfaction Surveys: Looking Toward the Future." Lynda T. Carlson discussed "What We're Learning from Our Customers"; Mary K. Batcher talked about "The Use of Customer Satisfaction Surveys in Product Development"; Brenda Stup illustrated how the Social Security Administration is "Using Customer Service in Support of the Commissioner's Goal To Provide World-Class Service"; Jerry Coffey speculated on "What's the Future for Statistical Agencies?"; and Clyde Tucker served as Discussant. Brief presentations by the panelists were followed by an intrapanel discussion and finally a question and answer session with the audience.

■ National Center for Health Statistics: Prefatory Remarks

Andrew A. White opened the session explaining how the Federal Customer Survey Initiative was stimulated by an Executive Order calling for a customer service "revolution within Federal Government to change the way it does business" (Clinton and Gore, 1994). The order required all Federal agencies to conduct Customer Satisfaction Surveys and develop customer service standards by September 1, 1995 (OMB, 1993).

Dr. White gave a brief overview of recent Customer Satisfaction Survey efforts at the National Center for Health Statistics. For the past two years, NCHS has initiated and implemented a multidisciplinary effort among statistical, cognitive, and data dissemination professionals to adapt traditional focus group methods to survey NCHS customers from a wide variety of backgrounds (Guadagno, White, Weinzimer, and Jackson, 1994, 1995, 1996). Finally, Dr. White reviewed the session agenda with the audience and introduced the panelists.

■ **Energy Information Administration: What We're Learning from Our Customers**

Lynda T. Carlson explained that EIA has conducted data user need reviews for the past 20 years and program-specific reviews for the last 10 years. In 1995, the agency conducted its first agencywide Customer Satisfaction Survey as part of the EIA *Quality Council Initiative*. Staff across the agency were involved in a telephone survey with select customers. About 94 percent of the customers surveyed were satisfied with EIA customer service; 86 percent were satisfied with EIA information, in general.

Results stimulated management support for an Internet Home Page, CD ROM forecasts, and early release of preliminary data. Furthermore, the Customer Satisfaction Survey initiative stimulated a major re-design of how the agency collected and processed data.

A second Customer Satisfaction Survey was conducted by telephone in February 1996, about one year after the initial pilot study. Customer satisfaction overall was measured, as well as select dimensions of customer satisfaction like: ease of use, courtesy, familiarity with data, promptness, etc. Results from 1996 showed an increase in the use of electronic products since 1995. Dr. Carlson speculated that this trend was due to the introduction of EIA's Home Page on the Internet.

In looking toward the future, EIA Management would like to examine customer satisfaction by targeted customer segments, such as electronic customers, potential customers, CD ROM users, and WWW customers. They believe customer surveys will be of greatest value to an agency's mission if they are conducted at the program level.

■ **Internal Revenue Service: The Use of Customer Satisfaction Surveys in Product Development**

Mary K. Batcher explained that IRS conducts two major types of customer surveys: annual national surveys and more targeted point-of-service surveys. A National Customer Satisfaction Survey for IRS has been

conducted for several years by telephone. Results are linked to IRS objectives and incorporated into the Annual IRS Business Plan. Questions focus on key IRS issues such as: voluntary compliance; maximizing customer satisfaction and reducing burden; achieving quality-driven productivity; managing accounts, for example, timeliness and accuracy; ensuring compliance; informing and educating the public; and confidentiality.

Point-of-service surveys conducted by the IRS take three forms: (1) report cards; (2) short targeted mail or telephone surveys; and (3) *shopping* surveys. Customer satisfaction report cards are particularly good at capturing the views of customers with extreme opinions, customers who are very satisfied, or those who are very dissatisfied with customer service. However, since there is no control over the sample and no possibility of nonresponse followup, there are definite bias problems with these surveys. They can still be useful in identifying major problem areas and successes.

Mail or telephone surveys are also used for product development purposes by IRS. These are usually short targeted surveys in which IRS can control the sampling and survey process for a particular product interest. With nonresponse followup, response rates generally range from 70 to 80 percent for these surveys.

These short quick turnaround surveys were used to good effect in the development of the IRS TeleFile system. This is a program that began as a limited pilot study conducted in Ohio during 1992-93 to allow individuals filing simple forms to file using the push buttons on their telephones. The TeleFile program is now available nationwide. Throughout its existence, the development and addition of new features have been guided by the information obtained through these focused Customer Satisfaction/Product Useability Surveys.

The IRS Integrated Test Call Survey System is a program in which reviewers pose as taxpayers calling IRS offices with scripted problems about the filing of individual returns (Batcher and Scheuren, 1989). Results are scored for accuracy, and feedback is provided to each office weekly for the immediately preceding week. This program has been in effect since 1987; during its first few years, overall telephone accuracy in-

creased by over 20 percentage points.

■ **Social Security Administration: Using Customer Service in Support of the Commissioner's Goal to Provide World-Class Service**

Brenda Stup indicated that the Social Security Administration (SSA) has conducted annual Customer Satisfaction Surveys since 1984. Significant downsizing efforts at SSA in the early 1980's led to the need for these early customer surveys. Reduced staffing necessitated a modernized approach to service delivery, including an appointment system and electronic claims-filing. To assess the effects of these changes on customer satisfaction, the agency needed feedback from customers regarding how their Social Security transactions were being handled. A mail survey was developed and sent to about 1,500 people who had recent claims-related transactions. Results are used to set priorities for implementing improvements in service to customers.

SSA has modified its service delivery procedures over time to meet challenging customer demands, and the survey has changed to reflect this (Molnar and Stup, 1994). Overall, about 79 percent of respondents in this national survey rate SSA service favorably. This assessment has remained fairly stable over the last several years.

Noting a trend toward lower satisfaction rates among disability program clients, SSA has undertaken a dramatic redesign of its disability claims process. Another useful and significant finding based on customer satisfaction data is that customer satisfaction ratings for all attributes of telephone service drop dramatically when customers have to make multiple attempts to reach SSA by telephone. The same effect is evident when customers indicate that SSA was slow in responding to mail inquiries, or when customers report having to wait more than 15 minutes for in-person service.

In other surveys of customer satisfaction, SSA segments its customers by transaction type to obtain feedback for process improvements. Both qualitative and

quantitative studies are conducted by in-house evaluation staff. SSA is one of the few Federal agencies to have its own focus group research facilities in-house.

SSA has collaborated with other Federal agencies, such as OMB and the National Center for Health Statistics (NCHS), on methodology for its customer surveys. The agency is presently testing results of Customer Satisfaction Surveys using a four- versus five-point Likert-type scale and experimenting with the nominal descriptors, e.g., excellent, very good, etc.

SSA is totally committed to the Federal Customer Satisfaction initiative. The Commissioner of Social Security is Chair of the President's Management Council Workgroup on Customer Satisfaction. Her goal for the agency is to provide the American public with world-class service.

■ **Office of Management and Budget: What's the Future for Statistical Agencies?**

Jerry Coffey from the Office of Management and Budget (OMB) provided an historical perspective on Customer Satisfaction Surveys in the Federal Government. He mentioned that a great deal of Customer Satisfaction Survey work started before the National Performance Review (NPR) initiative. Under the Paperwork Reduction Act of 1980, OMB had substantial discretion in dealing with public comment on data collection proposals, though the general policy was to allow at least 30 days for comment before any clearance decision. This discretion was a key element in OMB's development of *generic* clearances (since many of these proposals lack the specific details that permit the public to understand and comment on plans). When NPR started looking at private-sector methods to improve customer service, they found that many Customer Satisfaction Surveys could be done using simple methods (e.g., report cards or complaint cards) that were virtually free of controversy. In discussions with NPR, OMB agreed that there was a class of such surveys that did not require an opportunity for public comment. This OMB decision permitted a streamlined review strategy to get agencies moving on customer satisfaction mea-

surement.

In 1993, OMB outlined its efforts to facilitate the development, review, and operation of customer surveys in the Federal Government. Activities included: preparing the *Resource Manual for Customer Surveys* (OMB, 1993); employing generic clearances to expedite approval of certain voluntary customer surveys; and offering shared expertise through statistical agency contracts and the Joint Program in Survey Methodology (JPSM).

OMB had already worked with units within Census and the Bureau of Labor Statistics (BLS) on several types of generic clearances to promote methodological testing. Federal Cognitive Laboratories at Census, BLS, and NCHS were a natural resource for agencies wanting to develop customer satisfaction questionnaires, and other statistical agencies also offered their services and advice. To accelerate the development of tools for measuring customer satisfaction, OMB proposed that agencies create one or more generic data collection plans, which would be reviewed quickly, without the usual requirement for public comment. This approach is spelled out in section 5 of the *Resource Manual*.

Most initial attempts at customer surveys have been focus groups or complaint-type surveys (described in the *Resource Manual* as "qualitative surveys"). Agencies with more ambitious plans learned some hard lessons. For example, measuring opinions raises some difficult analytical issues, e.g., the fundamental mathematical deficiencies of some types of opinion scales for certain analytical strategies--many such scales do not conform to the axioms of arithmetic, so that even simple "average" scores behave badly. IRS has done some useful work in defining true "interval" scales that avoid errors in arithmetic operations on the scores. Another hard lesson is that reliable quantitative measurements require much more rigorous sampling methods than those needed for qualitative efforts. Substantial variations in data quality can defeat efforts to compare results across agencies or even across different units in the same agency. The Social Security Administration, with one of the most mature programs of customer satisfaction measurement in the Federal Government, recently had

to tighten its internal methodological standards to ensure that comparisons of satisfaction measures across its many programs were reliable and fully credible for front-line managers.

The 1995 Paperwork Reduction Act (PRA) has presented us with a new set of ground rules. While OMB had some discretion concerning public comment under the old law, the new law requires both sponsoring agencies and OMB to provide opportunities for public comment on the full particulars of each data collection proposal (for 60 days and 30 days, respectively). Some observers saw this as the death knell for generic clearances, but this is not so (I invite you to look at the National Park Service scheme in Section 5 of the *Resource Manual* for an example of a generic plan that can satisfy the new law). However, some existing generic plans are too vague to meet the letter or the spirit of the 1995 PRA.

To buy some time to develop other generic strategies that satisfy the new law, OMB granted 2-3-year extensions to existing generic plans prior to the effective date of the new law. OMB is still working with several agencies on model generic packages that satisfy the new law. Key elements in these strategies are: (1) providing very complete and detailed descriptions of planned surveys (including complete methodological details of any options to be considered) in Federal Register notices, and (2) avoiding potentially controversial methods or content, i.e., any controversy in an individual task may result in severing that task from the generic package and subjecting it to separate public comment and review.

Many agencies are now well up on the learning curve for simple surveys, but more ambitious quantitative efforts stimulated by both the Customer Service Executive Order and the Government Performance Results Act (GPRA) remain a significant statistical challenge. Dr. Coffey emphasized the need for Federal agencies to pay more attention to data collection and analysis procedures if customer satisfaction measurements are to realize their full potential. He assured the audience that OMB will pay more attention to these issues with the next wave of generic clearances.

■ Bureau of Labor Statistics: Discussant

Clyde Tucker (BLS) served as the Discussant for this session. He suggested that the Federal Government needs to redirect its focus on analysis and methodological issues as it moves forward with the Customer Satisfaction Survey initiative. Specifically, he identified four areas for further development: (1) improve methodological capabilities for Customer Satisfaction Surveys across Federal agencies; (2) train agencies to define and identify their customers; (3) train agencies to define and classify their products and services in ways easily understood by customers; and (4) develop new methodology or modify private-sector methodology to better meet the needs of the public sector.

There is a need for talent and collaboration in the development of Customer Satisfaction Surveys in the public sector. For example, BLS has contracted with IRS to help IRS develop Customer Satisfaction Surveys. He suggested that the Federal Government may also want to turn to the private sector for this type of expertise. For agencies that need help, the Federal *Resource Manual for Customer Surveys* (OMB, 1993) is now on the WWW Home Page under the listing *Federal World*. It lists the names of resource people available in Federal agencies for advice and assistance on Customer Satisfaction Surveys.

How do Federal agencies identify their customers? Although, at first, this seems like an easy task, it is a critical and often difficult undertaking for most Federal agencies. As public servants, many agencies have multiple levels of customers; for example, a Federal statistical agency may have customers who are: data users, policymakers, Federal employees, academics, other State or Federal agencies, the general public, etc. The public sector needs to be trained to identify the most cogent level of customers to query for specific satisfaction information purposes.

What do we mean by Government *products and services*? A challenge similar to training the Federal workforce to define its customers is training them to

identify Government products and services in language that is meaningful to everyone. For example, how can the Federal Government design Customer Satisfaction Surveys about Federal products, such as highways, parks, or national monuments? Some Government services may be difficult to describe because they are not typically found in the private sector, for example, inspection and rating of meat or the testing and labeling of drugs, etc. In this regard, many citizens do not realize they are customers.

Finally, Dr. Tucker pointed out that we need to develop methodology or modify private-sector methodology to better meet the needs of the public sector. For example, the Federal Government has a far more complex set of decisions to make than the private sector when identifying customers. Customers in the public sector may be citizens, Government employees, enterprises, etc. Customer relationships are not always as clear in the public sector as they are in the private sector.

Federal Government methodologists will also need to develop customer satisfaction measures that may not be available or used in the private sector. For example, the private sector is profit-oriented, so *price or cost* is a commonly used anchor variable in studies of customer satisfaction. Since Federal Government products and services are frequently provided at no charge to the American public, Federal methodologists will be challenged to develop key variables relative to customer satisfaction that deal with more intangible attributes of public goods and services.

Several valuable suggestions and solutions were offered to help Federal agencies prepare for the future. Dr. Tucker suggested that agencies: (1) use surveys to make longitudinal comparisons of customer satisfaction over time; (2) develop more careful and robust measures of customer satisfaction than are currently used; (3) use behavioral as well as attitudinal measures of satisfaction; and (4) collaborate more across agencies over time to produce the most valid and reliable customer surveys possible. He cautioned not to hold on to bad measures for the sake of maintaining comparability over time.

■ Panel Discussion and Audience Participation

After the panelists made their presentations, about 15 minutes were allowed for a discussion among panelists. Another 10 minutes were provided for questions and answers with the audience. Questions posed by the audience seemed to focus on: (1) how to obtain assistance on customer surveys from other Government agencies; (2) the impact of Customer Satisfaction Surveys on program areas; (3) how to define the customer base; (4) whether or not, and the extent to which, the Federal Government should emulate private-sector Customer Satisfaction Surveys; and (5) methodological issues, such as how to deal with response rates and nonresponse error.

Next Steps: Over the past 30 years, Customer Satisfaction Surveys have created a revolution in the way the private sector does business (Barsky, 1995; Horovitz and Panak, 1994). With the Government Performance Results Act (GPRA), customer satisfaction measures will also be a required part of all Federal agency performance evaluation programs. Agency performance will no longer be measured by counting only inputs, activities, and outputs, e.g., whether the agency has spent its budget by the end of the fiscal year or produced a certain number of reports (Guadagno, White, Weinzimer, and Jackson, 1996). Instead, agencies will be evaluated and rewarded on program effectiveness, measured in part by considering customer views and suggestions. Thus, customer satisfaction measures will become part of all Federal agency strategic plans by 1997 with full implementation in Fiscal Year 1999. These uses will subject customer satisfaction measures to a lot of scrutiny and potential criticism, and this, in turn, will place a premium on sound statistical methods that support reliable analysis.

With this Executive Director, the future of Customer Satisfaction Surveys within the Federal Government looks relatively certain. There will be a continued need for cross-agency teamwork and collaboration to develop customer satisfaction questionnaires; better define customer bases; consult on survey methodology; and develop and test appropriate research methods, including

scaling and measurement concerns, response rates, and nonresponse error.

Note: *Mary Ann Guadagno is now at the National Institutes of Health, National Institute on Aging, Gateway Building, Room 2C212, 7201 Wisconsin Avenue, Bethesda, Maryland 20892-9205.*

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