The impact of re-engineering on customer perceptions of service quality
- a Telkom case study -

by

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ABSTRACT

Telkom is currently busy with extensive re-engineering of its customer interface operational structures. The primary goal of this study is to measure the impact of these re-engineering processes on Telkom customers' perceptions of service quality by way of tracking the impact of the current Telkom re-engineering process on customer satisfaction.

The study consists of both a literary review and an empirical survey. The literature review consist of a study of service quality, the re-engineering process required in order to improve service quality, and service quality improvement in the South African environment with specific reference to Telkom. The empirical survey consist of comparing two research reports on customer service quality in Telkom. The research reports are the result of the customer satisfaction satisfaction monitor program that Telkom initiated to track customer perceptions of service quality. The main conclusions of the study are as follows:

Many organisations' transformation efforts fail because of ineffective planning and execution. Research have identified various reasons why transformation efforts fail and what steps are crucial to the success of any transformation process. The studies have shown that there are no single success recipe when it comes to organisational transformation methodology. The micro environment as well as the macro environment influencing the organisation determines the manner in which a transformation process is structured, implemented and managed. This includes the strategic intent guiding the organisation, the architecture (or design) of the organisation; and the relationships between all the organisational stakeholders.

The implementation of a chosen transformation process is essentially a team effort with strong leadership crucial to its successful management. The process can succeed or fail depending on the success of this alone. Culture change within the organisation is also crucial to success. The hardest part of

transformation is getting employees not only to act differently, but to think differently as well. Employee's styles (the ways they think and behave) and their attitudes (what they believe is important about their work) must be realigned to fit the new process.

It appears that South African organisations are not sufficiently prepared for the opening of its markets to international competition. Especially in highly competitive environments, a lot of South African organisations have been adversely affected. These organisations have not planned sufficiently for this threat and as a result few or no transformation efforts have been initiated to improve service levels to the standards of their international competitors.

Telkom will play a key role in the future competitiveness of South African businesses. Through the effective provisioning of telecommunications, businesses are provided with one of the most essential competitive tools. According to the Telecommunications Act no 103 of 1996, Telkom are excluded from competition for the largest part of its business until 2001. Telkom has until then to raise service levels to international levels so as to attain customer loyalty when the period of exclusivity expires. To be as successful as possible in this task, Telkom started on a road of transformation in order to attain maximum effectiveness. Part of this transformation includes the constant re-engineering of processes and procedures involving all levels of Telkom. Telkom's Total Quality Management initiatives together with the Customer Satisfaction Measurement programme is geared toward identifying the critical areas where customers perceive Telkom to provide ineffective service quality, implementing action plans to improve the service level standards in these areas and continuously tracking the effect of these improvement initiatives on customer satisfaction levels.

The crucial first step for Telkom in becoming the provider of choice is creating a satisfying experience at each point of the customer interaction. The current re-engineering effort to achieve that is however having the opposite effect. It is a strategic imperative to structure Telkom's internal processes in order to lay this foundation.

The core service processes to be re-engineered include service ordering, service activation, and maintenance and repair. The following changes need to be introduced:

- Make ordering services simple and convenient.
- Reduce service activation time.
- Increase network quality and reliability through improved maintenance and repair.

In the customer contact areas programs are proposed in order to improve:

- overall communications,
- overall efficiency and competence,
- overall attitude, and
- overall administrations procedure.

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1.1 INTRODUCTION

The world is changing in both pace and magnitude. South Africa has re-joined a community of nations which has, in its absence, become an interconnected, global economy. In this arena, Telkom as the national telecommunications operator, faces what is unquestionably the most challenging period in its history.

International competition is fierce and the expectations set for South Africa to perform are clear. Telkom has a vital role as catalyst for the growth and development of South Africans and the South African economy. Each person across the nation must be provided with the means to communicate, to accelerate personal and economic growth. Simultaneously, South African organisations must be provided with quality telecommunication services and solutions that will allow them to compete successfully in this global economy. The impact of Telkom's efforts must be felt at all levels of society - from the individuals who do not yet have access to phones, to corporations demanding sophisticated telecommunications products and services.

Telkom's purpose is to enable its present and future customers to tele-communicate and exchange information, when, where and how they want. This can be achieved only by creating shared corporate priorities and focusing all its energy on the tactical actions required to be successful.

This chapter discusses the background to Telkom's current state and future direction with respect to its customer base, its place in the future South Africa and its priorities. Short introductions to organisational re-engineering and service quality is given. Lastly, the research study are discussed together with a introduction of the Telkom customer satisfaction monitor programme.

1.2 BACKGROUND TO THE PROBLEM

1.2.1 Telkom in context

Apart from being South Africa's only licensed provider of switched telecommunications services, the Telkom Group is one of the largest in South Africa, with annual revenue in excess of R16 billion, fixed assets of more than R16 billion, and some 57 500 employees. Some 4,3 million working lines are in operation, of which 72,1 percent are connected to digital exchanges (Clarke, 1997: 2) .

Traditionally, Telkom's business focus has been on stable telecommunications services, with the emphases on voice and data services. Telkom are now moving into a far more comprehensive delivery environment, offering the full spectrum of telecommunications solutions to an increasingly diverse customer base.

1.2.2 Telkom's changing customer base

Clarke (1997), made certain observations on the subject at the 1997 Tel.Com conference. Clarke (1997: 2) stated that for historical reasons, Telkom's traditional customers have been contracted mostly in the large metropolitan areas, in line with the development of its network infrastructure, which has been skewed in favour of developed parts of the country. Essentially, residential customers, large commercial enterprises and some 300 top corporate customers have formed Telkom's core customer base.

However, the customer base is changing - and growing - rapidly. First, as economic empowerment gathers momentum in the country, the growth of the small and medium-sized business sector is accelerating, particularly in previously disadvantaged communities. At the same time, an increasingly affluent middle class is emerging in the residential sector.

Second, the corporate sector is becoming integrated with the global economy, with a corresponding rise in demand for the most modern, value added services. In addition, an increasing number of international players, particularly from Asia/Pacific, are setting up in South Africa.

Third, there are millions of South Africans who were previously denied access to even basic telephony. The need for dramatically improved tele-accessibility, accompanied by affordable pricing, is pressing. Unless this happens, whole communities will continue to be cut off from the economic mainstream, with little hope of an improvement in quality of life or economic circumstances.

The need for tele-accessibility and affordable pricing is underlined by the current imbalance in telecommunications coverage in South Africa. While the average teledensity in South Africa is 9,6 lines per 100 people, teledensity varies widely between urban and rural areas. Some areas, such as Gauteng Central, have European teledensities whereas many rural areas have teledensities as low as 0,4 lines per 100 people.

Almost without exception, lowest teledensities are found in the former TBVC areas, whose telecommunications enterprises were incorporated into Telkom as recently as 1 April 1996. In the former Transkei, for instance, the teledensity figure was 0,44 main service for every 100 people at the time of incorporation, and 1,32 in Venda (Clarke, 1997: 2).

1.2.3 Telkom's challenges

Telkom's challenges as it moves towards the new millennium are myriad. First and foremost, it must meet the divergent needs of all customers, from the emerging market to top corporate customers, who generate more than 20 percent of its revenue. Telkom cannot afford to neglect the needs of any of its customers.

Considering the current imbalance in coverage, a priority must be to extend the reach of the network to areas not previously covered, while dramatically improving accessibility and affordability. At the same time, Telkom must cater for the needs of the business sector, particularly as far as advanced and value added services are concerned. Service delivery is a critical area, particularly service activation and repair. Customer support systems must be put in place to offer improved levels of customer service with respect to order processing, enquiries and flexible billing.

Telkom also faces the challenge of a new regulatory environment, signalling the countdown towards full competition. With the recent finalising of the new telecommunication licences, granted in terms of the new Telecommunications Act, definite parameters and performance expectations have been set (Clarke, 1997: 3).

1.2.4 Immediate priorities

The telecommunication sector has long awaited the new regulatory environment and the liberalisation accompanying it. Telkom itself, in tracking global industry trends, has been preparing for the changes since early 1995. Aware that global forces has to be harnessed to the benefit of South Africa's economy, Telkom conducted benchmark studies to compare Telkom's performance with that of international operators.

Having identified shortcomings and developed a number of future scenarios, Telkom drew up a holistic transformation strategy intended to enable the organisation to make the transition towards becoming world class and internationally competitive. It is Telkom's intention to complete the major part of the transformation strategy by the year 2 001. It is recognised, however, that the transformation process may take several years before the new culture is firmly embedded in Telkom's way of life.

Success depends on concentrating external and internal energy for the immediate future on two key priorities:

- Be customer focused in all actions.
- Get the basics right. This includes actions to improve basic processes to seamlessly deliver excellence to customers while ensuring that organisational policies, practices, and structures support the first priority (Clarke, 1996: 33).

1.2.5 Introduction to re-engineering

Re-engineering is the fundamental re-design of business processes to achieve dramatic improvement in performance in order to be competitive. It consists of various techniques to identify, study and document business processes to ensure they are as effective, efficient and flexible as possible. The process can involve many stages, including top level reviews of existing processes, documenting the weaknesses, the establishment of new business criteria often based on benchmarking, re-design of business processes and implementation (Rakowski, 1994: 27).

For re-engineering to be effective, the underlying strategy must be directed to better service quality. Every employee must believe that:

- every job in the company is essential and important,
- customers, not management, pay the salaries,
- everyone is part of a team, success or failure are achieved as a team, and
- constant change and learning is part of the job (Fourie, 1996: 19).

1.2.6 Customer service quality: an essential part of re-engineering

Customers in general frequently have to suffer the disinterest and inefficiency of organisations who fail to deliver the goods on time, who make little effort to reduce waiting times or improve telephone responses (Freemantle, 1993: xiii). In many instances Telkom is no exception.

Service quality begins with determining where you are, deciding where you want to go, mapping a route - an action plan - that will enable you to find your way (Berry, Bennett & Brown, 1989: 106). Service quality improvement is also not only a case of improving two or three major shortcomings by 50 percent; it is also taking 100 little things and making them 10 percent better.

It is furthermore important that service excellence should be established throughout an organisation as an ongoing effort, a real and permanent change. It is important to realise that the impetus for service improvement may start at the top on a strategic level, but service quality happens at the grass roots. Service quality must therefore be addressed at both these levels to be successful.

1.3 PROBLEM STATEMENT

Ongoing service quality research enables management to track progress and monitor shifts in both employee performance and customer expectations, as well as evaluate the impact of internal developments ranging from new training programs to key personnel changes (Berry *et al*, 1989: 108).

The current customer satisfaction measurement reports on Telkom gives only the status of customer satisfaction at a specific time. To be effective in measuring the effect of Telkom re-engineering on customer satisfaction, it is necessary to compare research reports, identify trends and prioritise weaknesses for the purpose of developing action plans to eliminate these weaknesses (Andersen Consulting, 1995: 12).

1.4 OBJECTIVES

The primary goal of this study is to measure the impact of re-engineering on Telkom customers' perceptions of service quality, by way of tracking the impact of the current Telkom re-engineering process on customer satisfaction.

The theoretical objectives of this study are to:

- discuss customer service quality and its advantages,
- explore the re-engineering process in order to effectively apply it in an organisation, and
- highlight certain quality improvement efforts in South Africa and its consequences.

The specific objectives pursued in this study is to:

- measure the current level of customer satisfaction through Telkom process area performance,
- compare the current level of customer satisfaction with that of six months ago,
- compare the performance of Telkom process areas with international norms,
- determine the resultant level of Telkom's perceived service quality compared to six months ago, and
- obtain suggestions on how Telkom can be among the best companies in the world.

1.5 METHODOLOGY

This study utilise a literature study as well as empirical surveys in order to meet its objectives.

The study firstly consist of a literature review of:

- service quality,
- the re-engineering process required in order to improve service quality, and
- service quality improvement in the South African environment with specific reference to Telkom.

The empirical survey consist of comparing two research reports on customer service quality in Telkom, namely:

- National Transaction Measurement Report - December 1996, also referred to as TM2.
- National Transaction Measurement Report - April 1997, also referred to as

TM3.

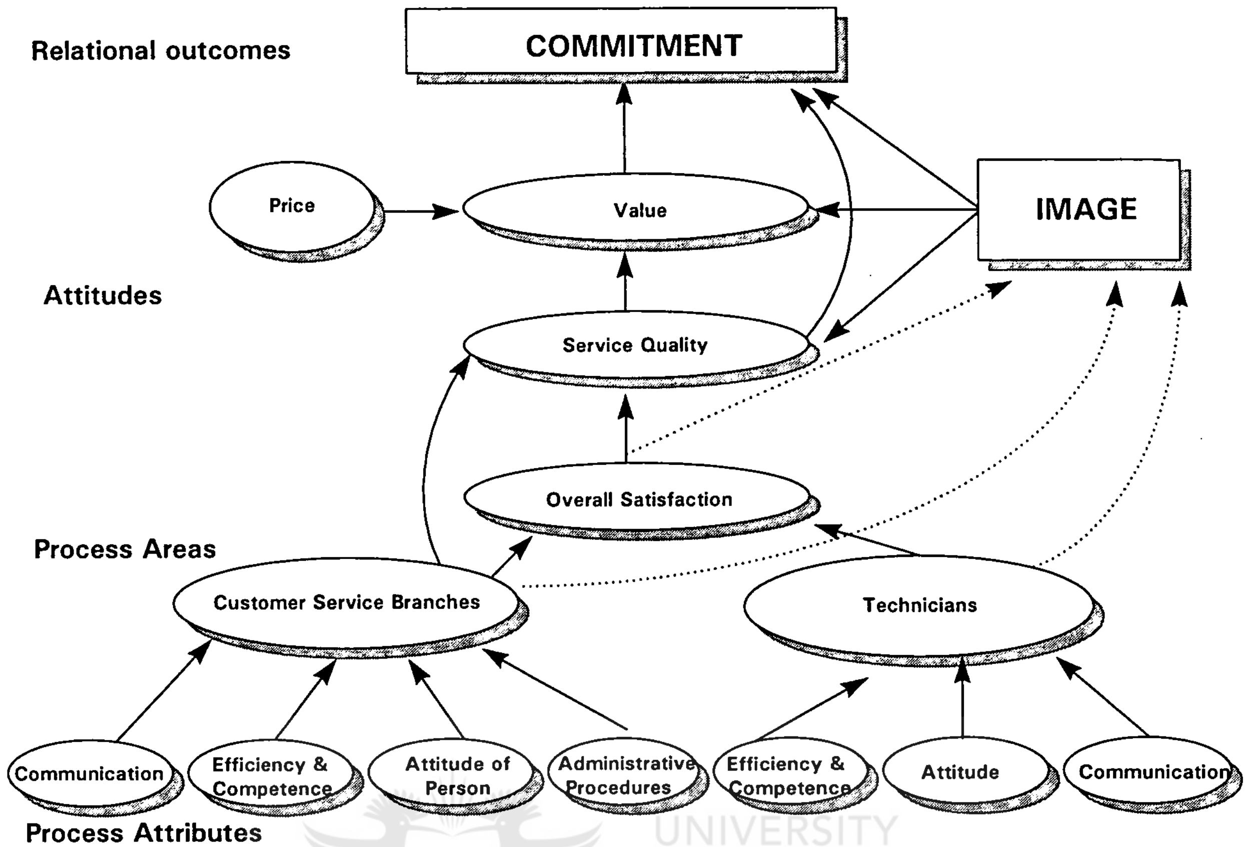
The research reports are the result of the customer satisfaction monitor (CSM) program that Telkom initiated to track customer perceptions of service quality. Following are a brief overview of the reasons, principles and elements of the satisfaction monitor as well as the Telkom customised framework.

1.5.1 The Telkom customer satisfaction monitor programme

One of the major goals of Telkom's current process of transformation is to become customer focused and ultimately to provide higher levels of customer satisfaction. It is therefore important for Telkom to measure and evaluate the probable impact of the re-engineering process on Telkom's customers.

The overall CSM model measures the level of customers' satisfaction with Telkom. This model is shown in figure 1.1. Customer satisfaction is measured in terms of customers' willingness to recommend Telkom, their continued usage thereof and intention to use additional services. These are known as relational outcomes.

Figure 1.1 Telkom CSM model



Source: Markinor, 1997: 29

These relational outcomes are dependent upon customers' attitude - the extent to which they feel they are obtaining value for money from Telkom. A major component of value for money is quality of service.

Customers' opinions of quality of service are a result of their points of contact with Telkom. These are known as "process areas". In the Telkom context, these process areas includes the following:

- Customer Service Branches.
- Technicians.

Within each process area, details are measured via specific components, known as "process attributes":

- Customer Service Branches:
  - efficiency and competence,
  - attitude,
  - communication, and
  - administrative procedures.

- Technicians:
  - efficiency and competence,
  - attitude, and
  - communication.

This study concentrates on the influence that the re-engineering of customer service branches and technical sections have on customer satisfaction and the resulting perceived service quality of Telkom.

1.5.2 Interviewing method

For the empirical survey use was made of telephone interviewing. The interviewing technique employed the CATI system, i.e. Computer-Assisted Telephone Interviewing, where the interview is programmed and conducted on computer.

1.5.3 Timing

Fieldwork was conducted between August and September 1996 for TM2 and between March and April 1997 for TM3.

1.5.4 Universe

The universe comprised business customers of Telkom who had reported a fault or requested a service installation, in about a month's period before fieldwork started for each TM report.

All six of Telkom's regions were covered.

1.5.5 Sampling procedure

A probability sample of customers who had reported a fault or requested a service installation within a certain period was provided by Telkom's Comtel billing system.

1.5.6 Sample composition

A total of 2 345 interviews were conducted with business customers.

1.6 CONTENT OF STUDY

The general theory of service quality, including the reasons for pursuing service quality, reasons why quality efforts fail and resultant ways to avoid failure, is discussed in Chapter 2. Chapter 3 deals with business transformation to improve service quality to the point of it being a competitive advantage. The chapter covers certain problems experienced during business transformation efforts and how to avoid them to be successful. Chapter 4 deals with the service quality standards of South African organisations in the new competitive international arena. It identifies some of the reasons why there are such a negative attitude in the South African business market and how to overcome this attitude. Telkom's initiatives regarding Total Quality Management are then presented. Chapter 5 deals with the research strategy and research objectives as well as the research approach taken. The results obtained through the comparison of research results are also discussed. Chapter 6 consists of the summary, conclusions and recommendations of the study.

CHAPTER 2: CUSTOMER SERVICE QUALITY

2.1 INTRODUCTION

For both organisation and customers, the idea of service quality has become a superficial and fashionable phrase which in practice has very little meaning. Customer service is based on two fundamental assumptions:

- Customer service is all about getting some basic things right.
- The process of getting them right is all to do with good direction and management (Freemantle, 1993: xiii).

The problem, however, is that many organisations ignore these basics, concentrating their energies on product, marketing and financial performance at the expense of the customer. Customer service should be a fundamental and integral aspect of any business and should be given equal weight in strategic considerations about the organisation's future. With the increasing availability of modern technology, organisations will find it relatively easy to compete on the basis of product features. What they will find more difficult to do is to compete on service, for service not only depends on modern technology, but also on the attitude of its people and therefore the capability of its managers.

In order to understand what is measured in this study, an understanding of customer service quality and elements that influences it, is necessary. This chapter therefore looks at some fundamental service quality shortcomings organisations can experience and how to correct them. In this regard it examines the reasons why organisations fail to live up to their customers' expectations and promises of improved service quality. Various opinions of service quality are discussed, including the costs and benefits of improving service quality for the sake of competitive advantage. Hints that must be kept in mind when venturing on a quality improvement exercise are provided in conclusion.

2.2 REASONS WHY SATISFIED CUSTOMERS LEAVE

Customer retention is often either overlooked or devalued when it comes to strategy development (DeSouza, 1992 : 24). It is overlooked that as customer retention goes up, marketing costs goes down. Loyal customers also brings in new customers on a frequent basis. The true cost of losing a customer is the amount that a person could have spent while involved in a business relationship with the organisation over a lifetime.

There are numerous reasons why a seemingly satisfied customer on a day just decide to do business elsewhere. According to Jones & Sasser (1995 : 88), the majority of reasons has to do with the misconception by organisations and its management team, that they know what is best for the customer and that a certain level of satisfaction is sufficient to keep the customer loyal. They also ignore the fact that there are numerous other factors that also contribute to customer loyalty other than the following beliefs widely held by these organisations:

- It is sufficient merely to satisfy a customer, in other words, a level of satisfaction below complete or total satisfaction is acceptable.
- The investment required to change customers from satisfied to completely satisfied will not provide an attractive financial return and therefore is not worth the extra resources. Striving to understand the causes of dissatisfaction of customers in the lowest-satisfaction categories and concentrating efforts on addressing them is the best use of resources (Jones & Sasser, 1995: 88).

This school of thinking, however, either ignore or do not accord enough importance to the following aspects of the relationship between the organisation and its customer:

- Except in a few rare instances, complete customer satisfaction is the key to securing customer loyalty and generating superior long term financial performance.
- Even in markets with relatively little competition, providing customers with outstanding value may be the only reliable way to achieve sustained customer satisfaction and loyalty.
- Very poor service or products are not the only cause - and may not even be the main cause - of high dissatisfaction. Often the organisation has attracted the wrong customers or has an inadequate process for turning around the right customers when they have a bad experience.
- Different satisfaction levels reflect different issues and, therefore require different actions.
- Even though the results of customer-satisfaction surveys are an important indicator of the health of the business, relying solely on them could be fatal (Jones & Sasser, 1995: 89).

DeSouza (1992 :25 - 26) grouped customers that normally leave an organisation into six different types of "defectors":

- Price defectors: customers who switch to a low-priced competitor.
- Product defectors: customers who switch to a competitor that offers a superior product.
- Service defectors: customers who leave because of poor service.
- Market defectors: customers who are lost, not to a competitor, but to the market as a whole.
- Technological defectors: customers who convert to a new product offered by an organisation from outside the industry.
- Organisational defectors: customers who are lost because of internal or

external political consideration

To avoid the above "defections" an organisation should include the following four aspects in designing a successful customer retention strategy:

- *Measure customer retention*. Without measurement, there is no impetus to do better. If customer retention is not measured, it will not be managed.
- *Interview former customers*. There is no need to guess why customers leave when one can ask them. The information they provide is likely to be more specific and actionable than usual market research.
- *Analyse complaint and service data*. Complaint data must be statistically analysed. The results may be invaluable to the analyst who wants to identify problems that cause customer defections. Listening and acting on these grievances can help retain not only the customers who complain, but more important, those who did not.
- *Identify switching barriers*. A good retention strategy must move beyond problem resolution. It should identify barriers that will prevent a customer from switching to a competitor, even one who is perceived as offering a better product at a lower price. Creating switching barriers often requires a willingness to spend, to experiment, and to break with industry tradition. To the extent that customer retention actually improves, the expenditures are a justifiable investment. There are few things that are more closely associated with superior business performance than a high rate of customer retention (DeSouza, 1992 : 25 - 28).

2.3 THE QUALITY PHILOSOPHY

Everybody have needs. Some needs can be satisfied by the individual, but in a modern economy people have to rely on others to satisfy the majority of their needs. These needs are generally satisfied by receiving a product, service, remuneration or recognition from another.

The most efficient way of getting a second party to satisfy our needs is first to satisfy theirs. This is called the Quality Philosophy. For example, an employee might be able to improve her salary because her expertise adds value to the organisation. A manufacturer is able to put a premium price on a new product because research has shown that it caters for a particular need as no other product can do. The motive for supplying quality products and services is therefore not altruistic, but rooted in self interest - an enlightened form of self interest that invariably produces win/win results.

The philosophy is associated with showing respect and, although this is not its fundamental motivation, the philosophy manifests itself more readily in a culture where respect for other human beings is highly regarded.

In South Africa, with its diversity of languages and cultures, and different levels of education and wealth, the philosophy could become a very common denominator. South Africans interact with one another daily as consumers, parents, motorists, employees, executives, educators, shopfloor operators, and so forth. Each individual can satisfy needs that others have and by doing so with respect and tolerance for the other's differences, we can experience the win/win rewards of the quality philosophy (Luyt, 1997: 41).

2.4 A BRIEF HISTORY OF QUALITY

The quality concept can be traced back many centuries, but in recent times is best remembered by that almost vanished breed of artisans and craftsmen who had personal pride in their work.

The era of mass manufacture and the replacement of skills, carefully passed on through apprenticeship, by automated machines, killed off most of this individual self-esteem, often reflected in the quality stamp in the form of the worker's initials or number being the seal of approval. Quality in fact became too time consuming and piecework meant that financial reward equalled quantity, not excellence.

How did the need for quality arise again? It was driven by the requirements of two world wars, as here there is no second chance. A bullet that sticks in a chamber because it is a few microns to large is not acceptable. This marked the emergence of quality control in which all items manufactured would be subject to test and acceptance. Large reject rates were unacceptable and in fact the world war united nations with workers realising that the parachutes they folded would be used by one of their pilots in an attempt to avoid death. The ethos was right and quality thrived.

With the cessation of hostilities came a new era of food and petrol shortage, unemployment and an increase in demands for commercial goods. The global economy was in the distant future and in a low competition market, quality was regarded as an expensive and unnecessary evil. Countries like Japan, recovering from total economic devastation after World War 2, were viewed as capable of producing only low calibre imitations of European and American consumer commodities. In this post-war era the quality philosophy was finding acceptance in Japan rather than in the more affluent western world.

The 'zero defect' concept appeared in the in the early 1960's and this, more than anything, allowed safe space travel and the first landing on the moon in 1969. Unfortunately confidence breeds complacency and the tragic loss of the space shuttle Challenger, less than two decades later, was probably attributable to a reduction in quality control measures by NASA (McDowall, 1997: 42-44).

In the eighties and nineties, the concept of service quality started to receive more and more impetus. The fact that quality measurement and control can no longer be limited to tangible products, but are also applicable to intangible products, was increasingly embraced by the providers of services. This opened a whole new field of quality studies.

2.5 SERVICE

Before service quality is discussed further, the concept of service must be defined. According to Berry *et al.* (1989: 23) a service is first a process. Whereas goods are objects, services are performances, deeds or processes.

Services have the following unique characteristics:

- *Intangibility:* Services are intangible. In contrast to goods, they cannot be touched, tasted, smelled or seen. Consumers who shop for services typically have nothing tangible to place into a shopping bag. Tangibles like plastic credit cards, telephones or paper checks may represent the service, but are not the service itself.

- *Heterogeneity:* Services vary in quality. Because they are performed - usually by human beings - services are difficult to standardise. Even the most courteous and competent front office personnel can have off days for any number of reasons and inadvertently project negative attitudes or mistakes on to the customer.

- *Inseparability of production and consumption:* A service is generally consumed while being performed, with the customer often involved in the process of service delivery. A tasty restaurant meal can be spoilt by surly or slow service, and a routine financial transaction marred by long waiting lines or unknowledgeable personnel.

- *Perishability:* Most services cannot be stored. If a service is not used when available, the service capacity is wasted.

These characteristics - especially the first three - pose quality challenges unique to services. The invisibility of services places a special burden on tangibles associated with them (for example service facilities or the appearance of personnel) to convey the proper "quality message."

2.6 SERVICE QUALITY

Nel (1996: 15) believes that, for most organisations, service quality in itself is just a means to an end. He believes organisations strive for service quality simply to retain and gain more customers to increase profits and not because of some higher purpose.

Tom Peters appropriately entitled his book: In Search of excellence, with the latter word being simply a synonym for service quality, in the sense of a total quality culture.

For McDowall (1997: 42), quality means "that you can have confidence that a product or service will do what you want it to do and will give pleasure in performance and pride in ownership." It implies sticking to a delivery date, good after sales service and that the organisation's name is itself a guarantee of confidence.

Quality service is not "conformance to specifications", as it is sometimes defined, but rather "conformance to the *customer's specifications".* There is a difference between the former and latter perspectives. Service organisations that do the wrong things for customers - no matter how skilfully it is done - are not delivering quality service. Service quality is both reality and perception - a chemistry of what actually transpires in the service encounter, and how the customer perceives what transpires based on pre-service expectations. It is customer's service desires that shape their perceptions of an institution's service quality (Berry *et al*, 1989: 25-26).

Sutter (1997: 52) suggests that businesses need to change their understanding of quality. It is no longer a department, a discipline or a measure of compliance or conformance. Quality is a value no different from integrity or honesty. It is not an objectively measured attribute as much as it is a way of business.

Quality does not start with the design, engineering or production, but with the customer. The fundamental lesson that organisations must learn is that dissatisfied customers only rarely complains; they switch suppliers. A manufacturer can easily calculate the cost of defects on the production line, but the cost of just one dissatisfied customer is incalculable - as a personal reference of product satisfaction is worth a hundred self congratulatory advertisements.

Crosby (1984 : 60) simply defines quality as conformance to requirements. It can be taken further to say that service quality is conforming to customer requirements.

Khumalu (1997: 48) gives a more holistic view of the spirit of service quality. He sees service quality as a state of the mind. It is the spirit of progress, of continuous improvement on what exists today. It is the determination to improve on yesterday's performance, and to do even better tomorrow. It is the will to improve on the current situation; regardless of how good it may seem or how good it may be. It is the standard effort to apply new techniques and methods. It is faith in progress.

2.7 SERVICE QUALITY PROVIDES COMPETITIVE ADVANTAGE

Crossley (as quoted in Telkom, 1992 :1) foresees that quality will not only be a competitive advantage in the future, but that it will become the essential requirement for corporate survival. Service quality or the lack thereof, often stands between an organisation achieving significant success and struggling to survive. Proper quality discipline can provide a significant reduction in the cost of non-conformance as well as increasing the quality of the services provided and the profits realised. A quality approach in organisations constitutes a durable means of keeping markets and combating the relocation of jobs to low wage countries.

According to Visser (1996 : 16) a country cannot be competitive, only individual suppliers of products and services compete internationally. It is essential that a country's domestic policies should be such that they do not impair the ability or potential of domestic producers to compete internationally. Factors that determine the competitiveness of domestic firms revolve around price, quality of products and quality of service. Unless all three are optimal, it will be difficult for any firm to be competitive.

Among the elements which influences competitiveness are the management of quality and efficiency. Financial aspects such as the cost/benefit balance of quality forms part of the search for competitiveness. The more qualitative aspects of the advantages of quality in both internal (strong involvement of the employees in the work, etc.) and external (improvement of the image of the organisation, etc.) terms are also part of the points which are important for the economy of an organisation (Rickenbacher, 1996:24).

2.7.1 The costs of quality

Rickenbacher (1996: 24) states that the costs of quality cover two related concepts: the cost of quality and the cost of non-quality. The first concept includes all the investments connected to the introduction of quality into the organisation such as the adoption of quality system. The second concept corresponds with the direct and indirect costs both internal (rejects, reworking, etc.) and external (refused products, loss of customers, etc). A recent study in France found an average 'cost of non-quality on turnover of 4,2 percent and an average 'cost of non-quality on value added' of 9,7 percent.

Crosby (1984 : 85) divides the costs of quality into two areas, namely the price of non-conformance and the price of conformance. Prices of non-conformance are all the expenses involved in doing things wrong. This can include the efforts to correct salespersons' orders when they come in, to correct the procedures that are drawn up to implement orders and to correct the product or the service after it has been delivered. Added up, these costs can represent 20 percent or more of sales in manufacturing companies and 35 percent of operating costs in service companies (Crosby, 1984:85). The price of conformance is what is necessary to spend to provide quality products or service. This includes most of the professional quality functions, all prevention efforts and quality education. It also covers such areas as procedural or product qualification. It usually represents about three to four percent of sales in a well-run organisation.

2.7.2 The benefits of quality

A number of studies show that improvement in quality can be associated with improvement of financial results, in particular through its impact on the reduction in the costs connected to non-quality.

According to a survey carried out in 1994 (Rickenbacher, 1996: 25), the management of quality is one of the important factors leading to an improvement in results. To the question: "In the case of your organisation, would you say that better organisation of quality management is or would be a factor in an improvement of the results?" the answer of 91 percent of respondents were very positive.

This survey also identified important advantages of a quality system as indicated by organisations surveyed:

- Increase numbers of customers (11 percent).
- Profit increase (11 percent).
- Better work organisation (22 percent).
- Good customer relationships (20 percent).
- Customers' loyalty (17 percent).
- Employee motivations (16 percent).

One study (Lo, 1997 : 336) showed remarkable benefits through the application of Deming's 14 principles of quality management. In the fiscal year of 1994, the total business revenue increased by more than 30 percent over 1993, reaching US$53 million. Cost reduction of over US$3 million and productivity improvement of 6.5 percent were achieved.

A study done in Singapore involving a comparison of six companies (half of which was ISO9000 certified and half not), revealed the following benefits of improved service quality:

- increased customer preference,
- improved company quality image and competitiveness in the market,
- compliance to customer requirements,
- streamlined procedures and documentation, and

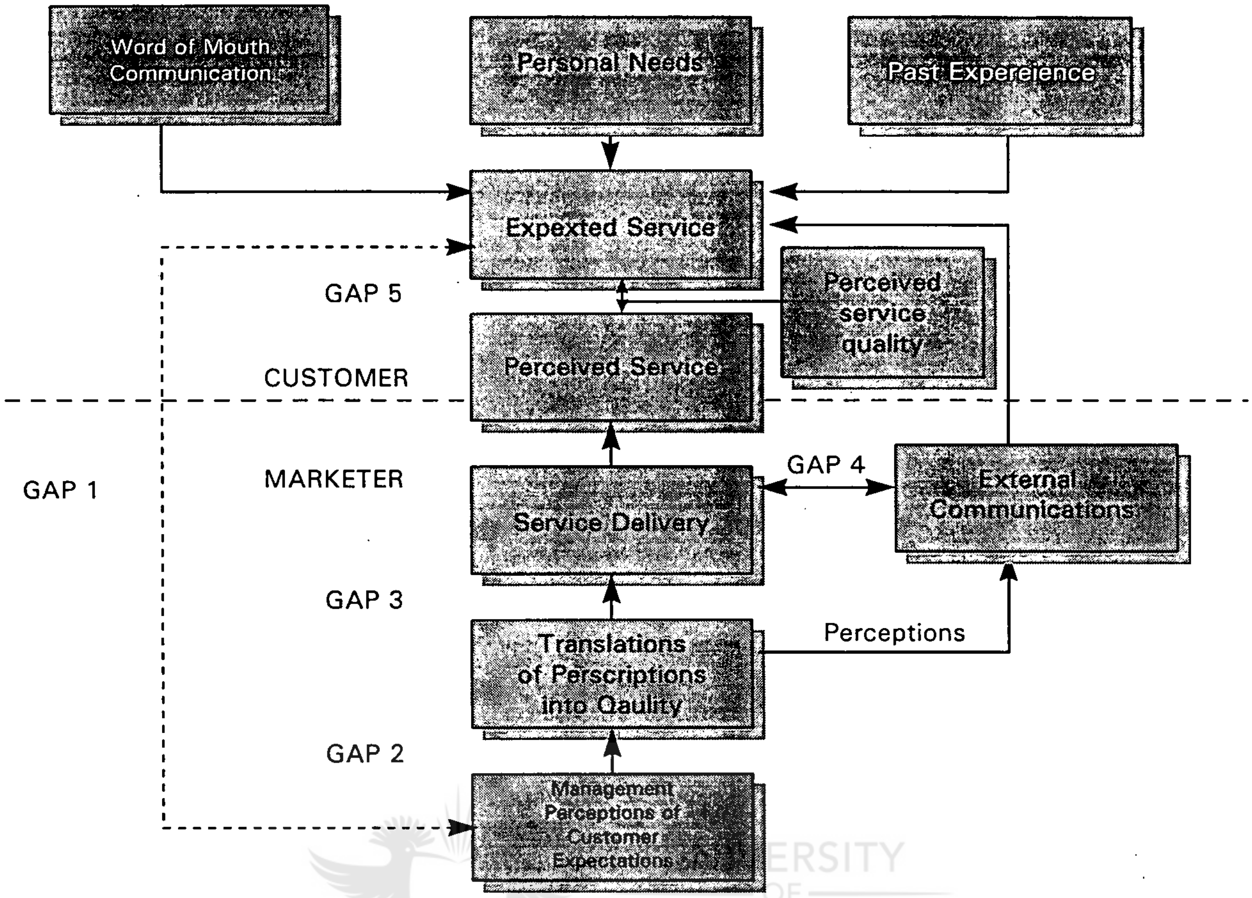
- increased consciousness for preventative and corrective actions (Quazi & Padibjo, 1997 : 364).

2.8 WHY DOES SERVICE QUALITY EFFORTS FAIL ?

While good service is central to the success of a service business and while all of the successful service organisations pay considerable attention to service quality, why is good service - which makes so much sense for service organisations to provide - seemingly so hard for customers to find?

Parasuraman, Zeithhaml, & Berry (1985: 41-50) has identified four overall gaps within service organisations that individually or in various combinations cause a fifth gap - a gap between customers' service desires and their perceptions of the service that is actually delivered. From the customer's point of view, service quality is the difference between what he or she expects, and what he or she perceives themselves to be receiving from the service provider. If the expectation equals the perceptions, the customer is satisfied. When the perception exceeds the expectation, the customer is more than satisfied and can even be exited. When expectations exceed perceptions, however, the customer is dissatisfied, and there is a service quality problem. It is critical for the service provider to remember that for the customer perception is reality. Parasuraman et al indicated that customers' expectations are formed by word of mouth, personal needs, past experiences, and of course by the marketer's external communications. The service quality gaps model proposed by Parasuraman *et al* (1985) is shown in Figure 2.1.

Figure 2.1 Service Quality Model



Source: Parasuraman *et al,* 1985: 41

The four gaps that lead to service quality shortfalls are:

- **Gap 1:** Management's perceptions of customer service expectations are different from actual customer desires.
- **Gap 2:** Management's specifications for service delivery are different from its perceptions of customer expectations.
- **Gap 3:** The service that is delivered is different from management's specifications for the service.
- **Gap 4:** What is communicated about the service in external organisation communications is different from the service that is delivered.

2.8.1 Gap 1: Not understanding what customers expect

Being able to deliver what customers will perceive as excellent service requires that management know what customers expect. Being wrong about this means that organisations lose out to those service providers who do understand what customers expect. It sometimes means spending substantial sums of money, time and effort on things that probably don't make that much impression on customers.

According to Parasuraman et al Gap 1 can be caused by:

- Lack of a marketing research orientation to determine customer expectations.
- Inadequate upward communication due to managers not encouraging suggestions from front line personnel.
- Excessive management levels that separate top management from the customer interface.

Gap 1 can be cured by:

- Gathering data about customer complaints, analysing this data and using it strategically.
- Studying what is happening in other similar industries.
- Studying perceptions and expectations of intermediate and key customers.
- Introducing customer panels to understand customer service expectations.
- Doing comprehensive research on a regular basis into what customers expect and perceive they are getting from service providers.
- Facilitating upward communication.
- Reducing management levels.

2.8.2 Gap 2: Setting the wrong standards

Customer expectations from service quality must be converted into meaningful service standards. These expectations will be communicated to employees and serve to standardise service delivery.

Gap 2 thereforecan be caused by:

- Inadequate management commitment to service quality.
- The perception amongst management that it is unfeasible to meet customers' quality expectations consistently.
- Tasks that are not standardised to achieve consistency in servicing customers.
- Goals that are based on organisation standards rather than customer standards.

Gap 2 can be cured by:

- Management's commitment to quality.
- Seeing that anything the customer wants as feasible until they are proven not to be.
- Standardising tasks by using hard technology or machines instead of human effort or contact, or by improving work methods, or by combining the two.
- Setting specific, accepted and measurable quality goals.

2.8.3 Gap 3: The service performance gap

The gap between service standards and service delivery is probably the most serious from a manager's point of view. Yet it is also the gap which is easiest to identify, rectify and manage.

Gap 3 can be caused by:

- Role ambiguity: employees are uncertain about what managers and supervisors expect of them and what they should do to satisfy these expectations.
- Role conflict: employees perceive that they cannot satisfy all the demands of the individuals they must serve.
- An employee does not fit the specific position he finds himself in.
- The technology employed to manufacture the product is not capable to ensure the necessary quality standards.
- Supervisors policing workers instead of assisting and motivating them.
- A lack of perceived control: firstly referring to the extent to which employees believe that they can control the standards that have been set; secondly, the ability to influence the reaction to threatening situations through their input and thirdly the ability to choose and pursue goals chosen by themselves.
- Lack of teamwork: the extent to which employees view other employees as customers and the extent to which employees feel personally involved and committed to the firm.

Gap 3 can be cured by:

- Providing every employee with a clear understanding of his role in the organisation.
- Eliminating conflict between different divisions and employees regarding their roles in the organisation.
- Ensuring that a qualified employee is appointed in all positions.
- Ensuring that the technologies employed are able to provide products meeting the required service quality standards.
- Effective and fair measuring of service performance and the resulting reward schemes.
- Empowering service employees through increased responsibility allocation.

- Building teamwork which will increase pride in achievements and a feeling of ownership.

2.8.4 Gap 4: Service delivery and broken promises

Vast amounts of advertising money is spent on creating expectations in the minds of customers. When what is actually delivered does not match these expectations, the customer is often dissatisfied to an extent that the organisation would have been better off saying nothing.

The following situations can contribute to Gap 4:

- Ineffective communication between the various functional areas in the organisation may lead to different perceptions of the product and what it can deliver.
- Employees may have a propensity to overpromise, creating false perceptions with customers regarding the quality of the service or product.

Gap 4 can be cured by:

- Opening all the horizontal communication channels, ensuring that the same message is portrayed throughout the organisation based on the same information.
- Developing an appropriate and effective communications strategy regarding the service quality.

2.8.5 Gap 5: The gap between customer expectations and perceptions

Gap 5 is the gap between customers' service desires and their perceptions of the service that is actually delivered. This is caused by the four other gaps already discussed.

Gap 5 can be addressed by:

- Continuous measuring of the organisation's overall service quality as well as assessing the impact of various service quality improvement programs.
- Comparing service quality to that of competitors.
- Using information to segment the market for more effective focus.
- Using information to evaluate and motivate different branches, regions or managers.

2.9 WHAT TO AVOID WHEN IMPROVING QUALITY

It has been suggested that two aspects influence the quality of a service, namely: the service itself and the employee's relationship with the service. If, therefore, solutions are needed for quality improvement, these are the areas that need addressing. The challenge for organisations are to create the necessary attitude and, once it is created, use employees' expertise in improving the quality of the service itself. Following are some hints suggested by Roth (1996: 60-63) to consider during the quality improvement process (QIP).

2.9.1 Be aware of package deals

Some consulting firms sell incomplete packages that cannot take into account the unique characteristics of individual organisations. The general tendency is to force a organisation into a specific mould, rather to take the time necessary to redesign the mould.

There are five interdependent phases to any successful quality improvement process (QIP):

- Familiarisation with the current organisational culture, and day-to-day processes (ongoing);
- Development of a team network to ensure effective skills utilisation in the production and presentation of the product;
- Identify areas where skills are not sufficient and arrange suitable training;
- Introduction of measurement techniques to processes to measure performance and ensure constant high quality outputs.
- Revise and adapt strategic planning to cater for changing quality expectations in the market place (ongoing).

Few consulting firms are strong in all five phases. Most offer a familiarisation phase, but from there they move either to training or the introduction of measurement techniques. Managers should keep this in mind and should first take the time required to learn the necessary parts of a successful QIP. Only after understanding their organisation's individual needs, should they customise a package to satisfy their own needs.

2.9.2 Ensure that the leader of the program is committed to the process

In many cases the quality leaders are committed only because their corporate head office expects them to be. Others think that they are committed because they have done some reading or have attended seminars and hence feel that they understand the basic concepts. In both cases, chances for success are limited.

The process leader must:

- have a first hand rather than intellectual understanding of work surroundings,
- show constant commitment and involvement to the process,
- set an example when it comes to delegating decision-making authority,
- realise that the result will not only be a change in structure or attitudes, but a change in culture, and
- be patient and encourage others to be patient.

2.9.3 Use quality improvements to increase job security

Organisations must make a well publicised effort to ensure job security and must not aim to get rid of "deadwood" as a first step. Once the process has started, those in positions that prove not to be cost-effective must, whenever possible, be reassigned rather than retrenched. Some may have to be retrained for their new positions. Only as a last resort should unnecessary positions be eliminated through natural attrition or early retirement.

2.9.4 Create a QIP department headed by a suitably qualified professional

It is difficult to design, assemble and maintain a sophisticated technical system; it is much more difficult to transform an organisation of people with emotions and brains - people whose whole way of thinking and interacting must change. One or two training sessions together with on the job experience, therefore, will not qualify anyone to lead a corporate-wide or even a unit-wide QIP.

2.9.5 Do not allow unit leaders to work individually

In many organisations, QIP strategy is developed as a series of independent statements. Lacking essential integration, the result is a compilation of distinct, functional strategies that functions on their own (Hill, Nicholson, & Westbrook, 1995: 5).

The head of quality should be in charge of selecting, integrating and implementing the most desirable elements from various QIP approaches. Throughout this process the head of quality should solicit and act on input from a cross section of managers. Once the customised package is defined, the chief executive officer (CEO) should announce and endorse the approach that will be adopted throughout the organisation. Any adjustments must first be agreed to by both the head of quality and the CEO.

2.9.6 Insure union involvement from the start and throughout the process

A union representative that is suspicious of the organisation's motives and who boycotts the QIP will mean a sure failure for a QIP. It is therefore important for them to be involved from the outset. QIPs have many of the same basic objectives as unions, though a QIP's approach might be different - while many union leaders continue to think in win-loose terms, QIPs advocate a win-win approach. QIPs also encourage employees to think and speak for themselves. The union leader's role, therefore, shifts from representing members directly to supporting, encouraging and safeguarding members' efforts to voice their own opinions, make their own contributions and satisfy their own needs.

2.9.7 Do not try to reorganise a whole organisation at once

An alternative is to concentrate resources and to develop model sites. Once the process is firmly in place at these sites, it can be spread to others. This more focused approach has many advantages. First, it provides a comprehensive example. Second, the model sites can be used to familiarise and train representatives from other facilities. Third, staff from model units can serve as consultants and trouble-shooters as the process is introduced to new sites. Finally, this approach will improve communication between units and encourage standardisation where appropriate.

2.9.8 Begin team building from the customer interface

It is important in any quality improvement process that the customer must experience the benefits as soon as possible. If the organisation's quality improvement process start with the customer interface and filter back into the organisation, customers are more likely to benefit from the early improvements. It also safeguards against processes being implemented from the production side of the organisation that will ultimately not influence customer satisfaction at the customer interface and therefore waste valuable resources.

It is however important that the operations function in the organisation must be enabled to support any new requirements. In the customer interface environment it means for example that customer service personnel must not be overloaded with tasks so that customers have to wait for service. Maintenance personnel must also not be so thinly spread that customer service repair times gets unacceptably high.

2.9.9 Ensure active enthusiastic involvement from middle-level managers

Once the overall teams responsible for the strategic aspects of the QIP are in place, design teams - including department foremen, supervisors, superintendents, or managers - should begin addressing department-wide systems. Those on the same level across the organisation can also form a team to address problems specific to that level.

2.9.10 Make sure the process is driven by action, not training

Up-front training of team members in problem identification, problem solving and group process techniques is usually unnecessary. Often, employees already know the problems because they live with them. Also they often have a good idea of, or are quick to ferret out, excellent solutions.

What team members need most is a chance to perform, someone to keep them on track, a positive response to their requests, and a rapid initial taste of success to convince them that they have indeed been given the power to create change in their immediate work environment.

2.9.11 Ensure that ground rules exist and that it is accepted by everyone

A set of ground rules are necessary to contain the great variety of stresses generated by a QIP. The following key rules are necessary:

- Any request by a team for information or for action on a proposed change must be responded to within one week or earlier if possible.
- If an appropriate response is not forthcoming, the facilitator network and eventually the CEO or one of the CEO's subordinates must work to resolve

the issue. This requirement lengthens the early stage of the problem solving or design process, but the time saved in implementation and the improved commitment and communication more than compensate for any time lost up front.

- All stakeholders who are going to be affected by a change must be given a chance to understand and contribute to that change before it occurs.
- Once teams develop a list of changes they want to work on, they must set priorities and address the projects one at a time until each is in the action stage. This obligation helps keep teams focused and effective.

Although a lot of things will change during the process, the ground rules must never change. This allows the process to move in new directions without coming apart.

2.9.12 The value of most quantitative techniques developed for measuring success of a QIP are limited

The success of a QIP cannot and should not be judged by the number of rands saved. How do you put monetary value on improved communication between sections? QIPs should be instituted systematically if they are to enjoy long-term success. Saving money in certain areas does not matter if other parts of the organisation are not keeping pace. What QIPs must strive for, is a well integrated effort that eventually changes the nature of the whole organisation. The two most comprehensive measures of such holistic transformation are firstly improvement in the overall bottom line measurable through decreased operational costs and profit margins and secondly improvement in employee morale partly measurable through decreasing labour turnover, lower absence rates as well as increases in productivity levels.

2.10 SUMMARY

This chapter reviewed the concept of service quality. There are many reasons why even satisfied customers leave their established supplier for other alternatives. Reasons differ between organisations: from a lack of knowledge regarding their customers' needs, to circumstances dictated by the external macro and micro environment. To retain customers, it is important to research their needs and provide them with reasons not to leave. To adopt a quality philosophy is a step in the right direction. This entails allowing service quality to become part of everything that is done in the company, instinctively.

Service quality was always part of product and service offerings, at some stages less obvious than others. As society grew more and more dependant on technology for its daily living, especially in the 20th century, quality control became more and more crucial when providing products and services.

Services exhibit a few unique characteristics, including intangibility, heterogeneity, inseparability of production and consumption, and perishability.
A lot of different perceptions exists of what *service quality* is. A common idea present in all definitions is that service quality is a means of adding value to a customer by constantly improving the whole process involved in supplying a product. It means "pleasing the customer before pleasing yourself."

There are certain advantages to improving service quality in the organisation. A number of studies show that improvement in service quality can be associated with improvement of financial results, in particular through its impact on the reduction in the costs connected to non-quality. It also benefits the organisation through increased customer preference, an improved quality image and competitiveness in the market, compliance to customer requirements, streamlined procedures and documentation, and increased consciousness for preventative and corrective actions.

Four overall gaps that lead to service quality shortfalls have been identified within service organisations. Gap 1 exists where management's perceptions of customer service expectations are different from actual customer desires. Gap 2 exists where management's specifications for service delivery are different from its perceptions of customer expectations. Gap 3 exists where the service that is delivered is different from management's specifications for the service. Gap 4 exists where what is communicated about the service in external organisation communications is different from the service that is delivered.

These Gaps individually or in various combinations cause a fifth gap - a gap between customers' service desires and their perceptions of the service that is actually delivered. From the customer's point of view, service quality is the difference between what he or she expects, and what he or she perceives themselves to be receiving from the service provider. If the expectation equals the perception, the customer is satisfied. When the perception exceeds the expectation, the customer is more than satisfied and can even be exited. When expectations exceed perceptions, however, the customer is dissatisfied, and there is a service quality problem.

When the organisation decides to initiate a quality improvement program, a few aspects have to be kept in mind: be aware of package deals, ensure that the leader of the program is committed to the process, use quality improvements to increase job security, create a QIP department headed by adequate professional, don't allow unit leaders to work individually, insure union involvement from the start and throughout the process, don't try to reorganise a whole organisation at once, begin team building from the customer interface, ensure active enthusiastic involvement from middle-level managers, make sure the process is driven by action, not training, ensure that ground rules exist and is accepted by everyone, the value of most quantitative techniques developed for measuring, an ensure that operations can deliver the goods.

The next chapter discusses aspects crucial to the transformation of the organisation in order to enable it to provide excellent service quality levels.

CHAPTER 3: RE-ENGINEERING TOWARDS IMPROVED SERVICE QUALITY

3.1 INTRODUCTION

There is no organisation that exists today that does not want to be flexible enough to react quickly to changing market conditions, lean enough to beat any competitor's price, innovative enough to keep its products and service technologically fresh, and dedicated enough to deliver maximum quality and customer service. Why is it then that so many organisations are bloated, clumsy, rigid, sluggish, uncompetitive, uncreative, inefficient, disdainful of customer needs, and losing money. The answer lies in how these companies do their work and why they do it that way (Hammer & Champy, 1993 : 7).

After an organisation identified the need for improved service quality, it has to change whatever needs to be changed internally to make the necessary improvements possible. This chapter covers issues pertaining to the management and direction necessary to initiate, drive and successfully implement change programs. Reasons why it is difficult to achieve change in an organisation are discussed. After discussing some basic renewal principles, improving the success probability of a change program by choosing the right change path according to the organisation's individual needs, is investigated. Lastly, some characteristics of an organisation that ensures an excellent customer service quality offering, is discussed.

3.2 BUSINESS RE-ENGINEERING

Business re-engineering is defined by Gouillart & Kelly (1995: 44) as the orchestrated redesign of the genetic architecture of the organisation, achieved by working simultaneously - although at different speeds - along the four dimensions of reframing, restructuring, revitalisation and renewal.

- *Reframing* addresses the corporate *mind.* It opens the corporate mind and infuses it with new visions and a new resolve.
- *Restructuring* deals with the *body* of the corporation - the need to be lean and fit in order to be competitive.
- *Revitalisation* is about igniting growth by *linking the corporate body to the environment.*
- *Renewal* deals with the *spirit* of the organisation. Its about investing individuals with new skills and new purposes, thus allowing the organisation to regenerate itself.

Petrozzo & Stepper (1994 : 4) defines business re-engineering as the concurrent redesign of processes, organisations, and their supporting information systems to achieve radical improvement in time, cost, quality, and customers' regard for the organisation's products and services. This definition stresses two points that are critical to successful implementation: the interplay between processes and the structures (both human and technical) that support them, and the need to redesign *all* aspects of the business concurrently.

For Hammer & Champy (1993 : 2-3) business re-engineering means starting all over, starting from scratch. At the heart of business re-engineering lies the notion of *discontinuous thinking* - identifying and abandoning the outdated rules and fundamental assumptions that underlie current business operations.

3.3 REASONS WHY RE-ENGINEERING EFFORTS FAIL

Despite calls for quality, empowerment, and "world-class" service and numerous publications and consultants promoting these concepts, most programs aimed at making extensive business changes have failed.

A wide array of reasons are given whenever a quality program is tried and fails. It ranges from top management that is not committed and organisation employees that are just not interested to the competition that is just too far ahead.

Petrozzo & Stepper (1994: 1-4) believe the real reason is that Total Quality Management, quality councils, and process improvement programs simply offer incorrect solutions to many of the problems encountered today. Quality programs are not the only cure to modern organisational problems. A lot of business processes, organisations and supporting systems - the business infrastructure - also were designed for purposes that no longer exist. In many instances, updating business processes has been neglected for decades. Quality programs on its own will not fix these problems, the problems must be addressed holistically. Each process, organisation and computer system must be analysed to see if what it is doing agrees with what the business must do to survive.

Tearle (1992: 2-4) has identified a process that most change programs that fail seem to follow:

- *Introduction of the concept:* a concept is presented to the board members as the organisation's solution for future effectiveness. At this stage opinions are divided. The promoters of the programme are excited, while those opposing it, are cynically trying to shoot it down. Potential positives and negatives of the programme are discussed.
- *Programme launch:* the change programme is communicated and its benefits to the organisation explained to the staff. Their buy-in are attained and a period of enthusiastic commitment to the programme follows. All involved work hard to make the programme a success.

- *Implementation problems:* employees start to run into time problems. Other issues start to become priorities. The new priorities have to be neglected in favour of the change programme. Employees become frustrated and stressed. The ratio between effort invested and benefits received start to be perceived as uneven. Employees become cynical, further evidence of success is needed.
- *Silence:* The employee who championed the program is assigned to more important duties and the program is set aside.
- *Disappointment/Recriminations:* management are reminded of the time spent on the project and asked what benefits were attained. Although everybody agrees that the steps involved in implementing the program were meticulously followed, somehow the 'spirit' required for successful implementation lacked. Top management loses patience with project, decide to accept losses and cancel the project.

The most fundamental lesson to be learned from the most successful re-engineering cases is that the change process goes through a series of mandatory phases that, in total, usually require a considerable length of time. Skipping steps only creates the illusion of speed but rarely produce a satisfying and enduring result. Another lesson is that critical mistakes in any of the phases can have a devastating impact in that it can slow momentum and negate hard-won gains (Kotter, 1995: 59).

Kotter (1995, 60-67) identified eight errors that could be made during a re-engineering process:

Firstly, managers do not establish a great enough sense of urgency for the transformation. This can be resolved by examining market and competitive realities, identifying and discussing crises, potential crises, or major opportunities.

Secondly, managers do not create a powerful enough guiding coalition. This can be resolved by assembling a group with enough power to lead the change effort. The group also have to be encouraged to work together as a team.

Thirdly, some managers may be lacking a vision. This can be rectified by creating a vision to help direct the change effort and developing strategies for achieving that vision.

Fourthly undercommunicating the vision leads to a slowing down of the process. By using every vehicle possible to communicate the new vision and strategies a common vision is created through the organisation. New behaviours have to be taught by the example of the guiding coalition.

Managers often start the process without removing obstacles to the new vision first. This can be resolved by getting rid of obstacles to change, changing systems or structures that seriously undermine the vision and encouraging risk taking and non-traditional ideas, activities and actions.

Managers do not systematically plan for and create short-term wins. This can be overcome by planning for visible performance improvements, creating those improvements, as well as recognising and rewarding employees involved in the improvements.

Managers often declare victory to soon. This can be avoided by using increased credibility to change systems, structures, and policies that don't fit the vision. Employees who can implement the vision can be hired, promoted and developed. Reinvigorate the process with new projects, themes and change agents.

Lastly, managers often do not anchor changes in the corporate culture. This can be resolved by articulating the connections between the new behaviours and corporate success. Develop the means to ensure leadership development and succession.

Veldsman (1996: 23) attributes the general failure of large organisations to facilitate change to the following aspects:

According to Veldsman, managers often adopt an inappropriate frame of reference from which the change process is formulated. They are out of touch with the change occurring in their society and therefore the range and depth of issues that need to be addressed. There is also an inability and / or unwillingness to become involved in jointly steering the change in their society. This often results in indiscriminate sourcing of change management principles from other societies which are then proven to be ineffective in their society. To counter this, organisations must have a proper and thorough insight into the nature of changes unfolding within the society of which they form part and how to respond thereto. This is essential in order to form the right reference framework for effective change management.

Management's lack of a clearly defined change management route often manifests in the presence of conflicting and / or competing change management paradigms in the organisation, ignoring and / overemphasising one or more of the basic building blocks of change and making wrong and / or inconsistent choices around the core issues associated with the different building blocks. It is therefore important that organisations must use a sound and consistent set of basic assumptions regarding change and its management commonly shared by the organisation's stakeholders.

Managers also can arrive at weak interpretations due to the use of outdated frameworks concerning their operating environment and its commensurate rules. This is also due to a restrictive view concerning the expected contributions by stakeholders, poor and / or wrong sequencing during the transformation and an ineffective resolution of the change management dilemmas in incoherence during the change. To avoid this situation, organisations must find a valid and suitable roadmap for transforming the various organisational dimensions in the right sequence and degree and in a coherent fashion while retaining legitimacy, credibility and transparency amongst their stakeholders.

Inexperienced managers often execute programs poorly and wrongly. They lack the ability to translate and integrate the required change initiatives into concrete value adding practices, executed in a synergistic fashion. There tend to be an overemphasis on activities rather than results, a too superficial and shallow deconstruction of the existing organisational reality, an imbalance between transactional, convergent and transformational, divergent processes; and an insincere and contradictory attitude to change management. To avoid this, organisations must do sound, consistent and integrated problem solving using appropriate practices and ensuring learning during the change.

The change management process can also fail because of misalignment between two or more of the process components. There can also be a significant difference between the intended process and the process in action. An inability and/or unwillingness to involve a process of continuous learning around the management of change can be an added reason for failure.

3.4 PRINCIPLES OF ORGANISATIONAL RENEWAL

Confronted with crisis, many organisations seek to renew. Some are successful while others struggle with the process, downsizing and even restructuring themselves slowly out of business. Some of the reasons why they fail have been discussed in the previous section. By evaluating successes and failures of past re-engineering efforts, a few basic but important principles have been identified which organisations must keep in mind for their change plan to have any chance of success. It is suggested that renewal:

- is fuelled by a sense of urgency,
- is a function of speed, energy and critical mass,
- is a creative process,
- is an active process,
- thrives on new facts and data,
- is a process of shared responsibility,
- must be approached systematically,
- must recognise the primacy of customer needs,
- requires leadership, and
- requires personal change (Culler, 1996: 15-16).

3.5 CHOOSE THE RIGHT CHANGE PATH

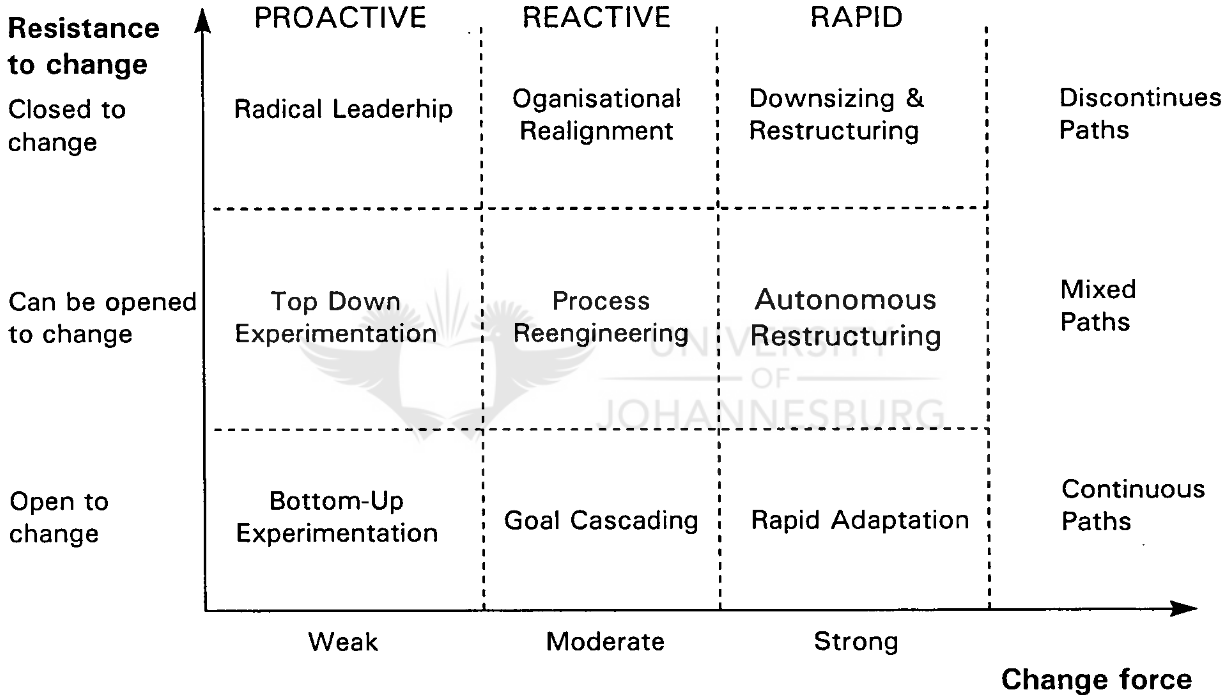
Experience has shown that different situations demand different change paths. Change leaders cannot afford the risk of blindly applying a standard change recipe and hoping that it will work. Successful change takes place on a path that is appropriate to the specific situation. An appropriate change plan must therefore be formulated for each scenario.

Successful change paths are similar in the three phases they go through:

- *Unfreezing the organisation*, that is, drawing people's attention to the need for change and identifying the value-creating idea.
- *Making change happen*, that is, winning over people and dealing with resistance to change that may be encountered.
- *Integrating the change*, that is, following up the change process and preparing for the next change.

The right approach to these steps, however, depends on the strength of the mainly external forces of change and the mainly internal forces of resistance. For example, managing a crises in the face of strong forces of change is completely different from trying to stimulate change when everything is still going well. Moreover, stimulating change in an organisation with low resistance is not the same as trying to do so in the face of high resistance. By looking at how the forces of change and resistance, in turn, shape the appropriate change path, the framework in Figure 3.1 can be applied to contrast different types of change (Strebel, 1995: 5).

Figure 3.1 Contrasting Change Paths



Source: Strebel, 1995: 7

The figure above, depicting the interworking of change forces and resistance forces and the resultant managerial decisions, are discussed in the ensuing sections.

3.5.1 Change forces

The strength of a change force is determined by it's impact on the business' performance (most frequently measured by market share, sales or profits). A strong change force is one causing a substantial decline in the performance of a business under threat or promising a substantial improvement in the performance of the business. The broad levels of change force intensity can be divided as follows:

- *Weak change forces*, whose nature and direction are difficult to discern, imply proactive change. Proactive change occurs while the change force is still weak, before it can be identified clearly.

- *Moderately strong forces*, whose direction can be seen but with only a minor impact on performance, require reactive change. Reactive change is called for when the forces of change have begun to affect performance, but not so severely that survival, or the possibility of exploiting an opportunity, is threatened.

- *Strong change forces*, with a substantial impact on performance, demand rapid change. Rapid crises change is inevitable if managers wait until the business is on the edge of the performance precipice, where a threatening force confronts strong resistance. If nothing is done in time, the external stakeholders will force the business through a discontinuity that is out of management's control.

3.5.2 Resistance to change

The strength of resistance to a change force depend on what people have to gain and lose by changing, and on how the culture of the organisation shapes the way they respond to change. An organisation that is open to change, with a significant number of change agents and people that are willing to try new things, is said to have low resistance; an organisation that is partially open to change, with at least some change agents, is moderately resistant; while a closed organisation, with very few change agents, shows high resistance.

These levels of resistance can be combined with the levels of change force intensity to provide a simple way of contrasting change paths, making it easier to pick one appropriate to a particular context (see Figure 3.1). In the figure the more widely discussed change paths are classified into three groups corresponding to the levels of resistance:

- *Discontinuous paths* appropriate for closed organisations. In organisations that are closed to change, a radical approach is required to break the dominant culture of resistance and give the other players a more supportive environment in which to commit to the change effort.

- *Mixed paths* appropriate for organisations that can be opened to change. Organisations that can be opened to change already contain pockets of change agents and team-orientated cultures. This makes it possible to initiate experimentation and get the change agents to convert others to the change effort. However the influence of the change agents is limited by resistors to the change process.

- *Continuous paths* appropriate for open organisations. In organisations that are open to change, the dominant change agents can be invited to do extensive front-line experimentation as well as bring others on board.

In choosing a change path, managers must remember that change is too uncertain to be predictable. Once an organisation starts out on a path, the forces of change and resistance may respond in unexpected ways, making continual adaptation a necessity. Many change journeys involve more than one path. By keeping an eye on the evolving interplay between the forces and altering the change path accordingly, change leaders can optimise chances of success.

3.6 A SUCCESSFUL END RESULT

A successful end result involve the effective re-engineering of inner workings of the organisation, changing the organisational culture to support the re-engineered environment, effective management to ensure effective functioning of the re-engineered organisation and strong leadership to ensure that the organisation does not depart from its original vision.

3.6.1 Characteristics of an organisation achieving excellence

An organisation that achieves service excellence, is implementing an effective combination of the 5 R's: right positioning, right sizing, right shaping, right skilling and right peopling (Veldsman, 1993: 7).

Right positioning refers to the strategic intent guiding the organisation; right sizing, shaping and skilling to the architecture (or design) of the organisation; and right peopling to the establishment and maintenance of a sound psycho-social contract with all the organisational stakeholders. The 5 R's are also mutually supportive and congruent.

3.6.1.1 Right positioning

First and foremost to the success of any enterprise is the knowledge of what it wants to accomplish and how. In successful organisations, the strategy building process is emphasised, instead of focusing solely on the outcome of processes. In an environment of constant and rapid change, stakeholders must share a common understanding of the organisation and its environment. This enables them to take actions that are reciprocally supportive and consistent in terms of this mutually understood reality.

This strategic process must be a continuous exercise, not only an annual event, For it to be fully representative of the organisation. the different types of organisational members at all levels must be involved. Decisions will then be consensus driven and team based.

Right positioning is therefore seen as a continuous, team based process. All organisational actions are referenced against a strategic intent which is understood and accepted by all. It also adopts principles of flexibility to adapt to the future (Vermaak, 1993: 7).

3.6.1.2 Right sizing, right shaping and right skilling

The organisation should maintain an organisational design which supports its positioning. The organisation design:

- makes a clear distinction between core, supportive and ancillary competencies;
- stresses the qualitative differences in the nature of organisational work at the different organisational levels and correctly position these levels relative to each other;

- accurately reflects the organisation's basic workflow. The organisation organises itself to its workflow and underplay functional (or disciplinary) structuring;
- creates large potential organisational "spaces" called work domains. The work domains are typically organised around "whole" tasks matched to natural work teams taking ownership of the core work process contained within that work domain;
- establishes wide skills repertoires, high skill densities, as well as continuous and sometimes even rapid skill acquisition rates within and across the work domains; and
- provides work teams with high decision making autonomy, an abundance of information and a high level of involvement.

Right sizing, right shaping and right skilling thus imply a lean, flat, flexible, customer focused and team based organisation driven by high performance and high commitment. An organisation will then be able to continuously deliver innovative, customised, high quality products and services, simultaneously keeping costs down and getting the products and services to the market very quickly in terms of lead time (Vermaak, 1993: 8-9).

3.6.1.3 Right peopling

The organisation sees its relationship with its employees as being a psycho-social contract which encompasses the mutual expectations the organisation and its members have of one another. There is a shift from the previous coercive (i.e. power based) and instrumental (i.e. reward based) contract to one based on partnership.

The five R's are underpinned by the overall competence available in the organisation to manage radical change effectively. Only courageous leadership by the organisation's management driving the radical transformation of organisations enable the organisation to be pro-active, to excel and not only be satisfied with average performance (Vermaak, 1993: 9-10).

3.6.2 Changing organisational culture to achieve excellence

In an organisation that suffers from an autocratic management style, latent discrimination and mutual distrust, it is imperative to change management's thinking. In doing so it is also possible to change the organisational culture.

The following fundamental issues should be addressed in order to facilitate a major culture change:

- Changing from an autocratic, task oriented management style to a more participate "people" approach (i.e. empowerment).
- Creating a working environment free of alienation and all kinds of discrimination.
- Creating a forum where all employees can interact more closely.
- Supervisors must be assured that their positions are not in jeopardy and that they represent a key role in the transformation process.
- Serious attention must be given to training and education needs of employees.

To accomplish the above objectives the following need to be implemented:

- management sensitisation and awareness workshops,
- management and supervisor trust building and empowerment workshops,
- employee self esteem workshops,
- diversity workshops comprising a mix of races, cultures, and employee levels,
- monthly "talk shows" for airing views about pressing problems or issues, and
- "green areas" for discussing work related problems (Fuhr, 1994: 28-31).

3.6.3 Managing these changes

An important obstacle in the execution of a transformation process is employee resistance. The main reasons for employee resistance is:

- a lack of clarity of what the changes entail,
- receiving distorted information,
- lack of employee participation, and
- the pace of change is too fast (Wolmarans, 1995: 22).

To avoid the above, the following change process guidelines should be kept in mind to facilitate the success of change processes:

- clarifying plans before their implementation,
- avoid changing too quickly, thereby allowing employees to keep up,
- providing education to employees about the reasons and results of the change process,
- fostering ownership by entrusting responsibilities in the change program to employees,
- giving constant feedback to employees on the status of the change process,
- identify any employee resistance and discuss it in the open with all relevant parties,
- honour employee resistance by giving due attention to it, and
- explore employee resistance and its core reasons, with the aim to identify and implement solutions.

Employee acceptance of the change process occur when employees develop an understanding of the change and reflect a positive perception about it. The employees are more involved in determining their future, thus regaining a sense of control over their destiny (Wolmarans, 1995: 22-24).

3.6.4 The right leadership

Leaders in an organisation has a very important role to play in the process of working towards service excellence. To manage effectively today, the manager has to posses a wide range of managerial as well as personal qualities.

It is essential for the manager to have an open mind so as to be able to view issues objectively. A manager must see change as an opportunity, not a threat. A positive attitude is thus important. Because today's manager must have a broader vision compared to his predecessors, he must be able to see long term trends and strategise accordingly.

High moral standards are essential for survival in an often corrupt corporate environment. Not only does rumours of a manager or organisation's way of doing business spread quickly to competitors but it ultimately reaches the customer. A highly integrated and effective media industry as well as numerous customer rights organisations creates an environment in which any organisation have to be sure of the legality and moral justification of all its actions. An organisation which is well received by the community and the media normally also has a proud and satisfied workforce.

The excellent manager also leads with the support of his subordinates. All his subordinates have insight in everything that concerns them directly. The leader makes things happen, do not let anything happen to him. He is at the forefront of change, not following behind. He is proactive rather than re-active (Koopman, 1989: 13).

3.7 SUMMARY

This chapter discussed the aspects on the road to transforming the organisation towards improved service quality. Different definitions of business transformation had a common thread: investigate the status-quo, discard what is not working and implement new and, if need be, radical changes. Two points are critical to successful implementation: the interplay between processes and the structures (both human and technical) that support them, and the need to redesign *all* aspects of the business concurrently.

A number of reasons why organisation transformation efforts fail were identified. These reasons can be attributed to outdated change paradigms and wrong implementation of the change process. It was found that change process goes through a series of mandatory phases and that skipping steps only creates the illusion of speed but rarely produce a satisfying result. Critical mistakes in any of the phases can have a devastating impact in that it can slow momentum of the transformation process and negate hard-won gains.

To effectively complete a transformation process, it must be accepted that different situations demand different change paths. Change leaders cannot afford the risk of blindly applying a standard change recipe and hoping that it will work. Successful change takes place on a path that is appropriate to the specific situation. An appropriate change plan must therefore be formulated for each scenario.

The road to service excellence is a never ending process. This requires right positioning, right sizing, right shaping, right skilling and right peopling of the organisation. Right positioning refers to the strategic intent guiding the organisation; right sizing, shaping and skilling to the architecture (or design) of the organisation; and right peopling to the establishment and maintenance of a sound psycho-social contract with all the organisational stakeholders. It also

requires changing the organisational culture, equipping its managers for their tasks and strong visionary leadership in order to result in excellent service quality provisioning.
Some of these changes may seem radical and unnecessary, but in a world of increased competition, it is essential for survival. The proposals in this regard is necessary to make the organisation more effective to face the challenges of the future.

The next chapter deals with the effect that international competition has on South African businesses, in particular new service quality demands from customers. It also discusses the steps Telkom in particular are taking regarding service quality standards to meet customer demands.

CHAPTER 4: SERVICE QUALITY IMPROVEMENT IN THE SOUTH AFRICAN ENVIRONMENT WITH SPECIFIC REFERENCE TO TELKOM

4.1 INTRODUCTION

Now that South Africa is back in the international arena, it is faced with the challenge of opening up its economy. Competition is fierce and quality is paramount to survival. In this arena, continuous improvement and increasing levels of productivity are the key to success and a better life for all. The objective of this chapter is to show the effect that the opening up of South Africa's economy have on its workforce.

The chapter covers the effect of international competition on the economy and resultant workforce morale. Steps to counter negative attitudes are discussed. Telkom's efforts to improve service quality in the wake of competition are also highlighted.

4.2 SOUTH AFRICA AWAKENED TO THE NEED FOR IMPROVED SERVICE QUALITY

South Africa rejoined the global economy at the best of times and at the worst of times. It was the best of times in that the end of the Cold War allowed a host of other countries to open their borders to international trade. Virtually overnight, vast new markets appeared for everything from wine and steel, to motor cars and electronic goods. It was, however, also the worst times for, in the process of transformation, the people and organisations of those countries became instant competitors. Many play the business game quite differently than we understand it. The rules of business are quite different from that in South Africa.

In general South African organisations have been taken aback by the speed and intensity of the attack on their home market. They also found it increasingly hard to capture foreign territory. In the years ahead, competition is sure to intensify (Manning 1997 : 47). Sluggish economies almost everywhere, together with massive unemployment, are dampening down customer spending. Customers have also come to take quality for granted - price is no longer the only guarantee for superiority. This shift in buyer behaviour is having a particularly devastating impact on organisations that are slow to respond.

As organisations compete for customers and as they downsize, re-engineer and focus on their core competencies, they are dividing markets into smaller and smaller segments. Mass production and mass marketing are giving way to mass customisation and one-to-one marketing. The process is aided and accelerated by technology which allows firms to identify customers with pinpoint accuracy, collect and analyse information about them at great speed and manage contact with them with great efficiency (Manning 1997 : 47).

These changes have consequence in the workplace. Due to a combination of lower profit margins brought about by the abovementioned international competition, very high labour costs and enforced affirmative action policies, many organisations are laying off large quantities of employees. Many skilled people are then forced to become entrepreneurs and, due to new technologies, they can embark on projects previously reserved only for the large corporates. In the past, small organisations used to try to act like large ones, now big corporates want to be like small organisations. This means that suddenly big players with established markets are under thereat from small ones who will do almost anything to get access to lucrative markets.

Paradoxically, even as organisations expand globally, they are tailoring their marketing efforts locally. Even as they aim for an increased customer base, it has become less important to gain market share than to get and keep a critical mass of the 'right customers'. In the search for differentiation between competitors, offerings become more alike. Being different has always been an important goal of strategy. But it becomes more and more difficult to do. The new challenge thus becomes: how do one compete despite all this? By differentiating on service quality.

Many South African organisations are ill prepared for the new competitive realities. Some have become dangerously complacent, allowing foreign players to enter the market and steal away market share. While government, business and labour bicker over strategies for economic growth, overseas competitors are entering virtually every industry. South African organisations are losing ground against brutal foreign competition - and against each other, largely because they fail in the area of customer service (Manning, 1997: 47-48).

4.3 THE EFFECT OF RE-ENGINEERING IN SOUTH AFRICAN ORGANISATIONS

Employees are suffering because of the high level of stress in and outside South African organisations. The general impression of the South African workforce is that it is a group of people without enthusiasm for what they are doing, without a vision for the organisation and without a future in the organisation (Hamilton-Attwell, 1997: 20).

There are exceptions to this. In such organisations there is either a positive leader or the organisation is smaller and therefore employees and management realise their impact on the success of the organisation.

In one of the largest South African organisations, re-engineering became imperative because international competitors were entering the country, putting pressure on high cost (due to inefficiency) and low quality of service customers received. The organisation attempted to re-engineer despite the low success rate of the change processes. They planned, communicated, tested the anticipated changes in a small selected area before implementing them in the whole organisation. They tested the attitudes of employees before making any changes and tested again at intervals of three months after changes. The results of the baseline study and the first post-test indicated that:

- 65,3 percent of the employees claimed that they were experiencing high levels of stress. Three months later this figure increased to 71 percent.
- 56 percent felt threatened by the change - three months later the figure increased to 68,23 percent.
- 46 percent were satisfied with the communication in the first study and the figure decreased to 39,5 percent in the second study.
- Knowledge about the issues specifically addressed by the re-engineering process fell from 89,3 percent to 46,4 percent (Hamilton-Attwell, 1997: 20).

From the results of this study it is clear that employees grew more negative about change the more they experience its impact. This organisation employed a consultant to take charge of communication and various methods were used to get the message through, but the anger and depression among employees were obvious.

In another high technology organisation, the employees felt that their work safeguarded them against all the changes. They indicated that:

- their work played an important role in the success of the organisation;
- they were skilled enough to do the work;
- work groups were functioning well and producing excellent work, but
- the changes were making them depressed and angry;
- they felt concerned about their future;

- promotion was based on race and gender and not on performance or potential; and
- they felt they had no control over their future in the organisation despite their achievements (Hamilton-Attwell, 1997: 20).

Again, this is a picture of angry and depressed employees who feel they have tried their best, but they have no power to influence decisions about their future. In several other organisations where the method of communicating changes was analysed, the following trends were identified:

- Task related information is communicated well.
- Supervisors are reluctant to talk about the quality of employee performance.
- Employees do not understand the nature of the business they work in.
- Insufficient information is communicated about changes.
- The media used are usually expensive and focus more on format than content.
- The general feeling is that top management abdicate their responsibility to communicate with employees in the media used.
- The information employees do receive comes primarily from the grapevine and not from their supervisors or the formal information media.
- The information from newsletters has little effect because employees regard it as one sided, not representing "real" news and outdated.
- Despite the fact that several organisations use state-of-the-art electronic media and even real time media, they are not recognised as sufficient sources of information. Employees are either not allowed to use them or some abuse these channels for their own purposes. Others do not know how to utilise these technologies to their own benefit.
- Owing to the lack of management skills and the number of failed change processes, management has a severe lack of credibility in the eyes of employees (Hamilton-Attwell, 1997: 22).

Another factor contributing to this situation in South African organisations is that information networks within organisations are established early in the life cycle of the organisation and not properly maintained after its introduction. Transformation destroys the network even more because people leave the organisation and reporting lines change (Hamilton-Attwell, 1997: 20-22).

4.4 STEPS TO COUNTER NEGATIVE ATTITUDES

The preceding section paints a bleak picture, but this is the impact and cost of change. There is no organisation, locally and internationally, where transformation does not cause turbulence. The negative effect of transformation can, however, be minimised by keeping the following in mind:

- Top management must show a positive attitude towards transformation.
- Employees must understand the business they work in.
- Communicate on a regular basis about the organisation, the work, staff and people issues.
- Use a communication specialist to communicate the changes.
- Media can create awareness of change, but will not bring about change itself.
- Change agents must be proved over time.
- If the organisation starts to be successful, it often motivates employees to improve performance, which in turn leads to more successes.
- Accentuate positive performance, acknowledge that people are living in tough times, stressing that tough times never last, but tough people do.
- Despite the fact that transformation implies change in many areas of business, there should only be a few central themes of change.
- Provide as much information as reasonably and prudently possible to all employees.
- Test the impact of the transformation to adjust the rate and contents of change (Hamilton-Attwell, 1997: 20-22).

4.5 TELKOM'S TOTAL QUALITY MANAGEMENT INITIATIVE

Telkom believes that the pursuit of service quality improvement is no longer a desirable aim, it must become a way of life, almost an obsession. The change-over facing Telkom from being part of a bureaucratic, service rendering public organisation to the business environment where survival, growth and profitability is of permanent essence, calls for an immediate change in culture and approach. Therefore, in terms of service quality improvement, it needs a definite attempt to establish a sound foundation for decision-making, to make the specific tasks of managers, not only possible, but understandable, rational and effective.

According to the Telkom Total Quality Management (TQM) Plan, (Telkom, 1992: 1) the concept of TQM is the road to be followed. To achieve this there are four fundamental elements that have to be adhered to:

- Clear definition by top management of the service quality objectives and goals, and of the time frame in which these should be achieved.
- Attainment of a common level of understanding of the basic TQM principles and objectives amongst all members of the organisation.
- Acceptance and commitment from each member of the organisation to these objectives.
- A solid foundation from which the TQM principle can be extended to the whole organisation (TQM Plan).

The success of a Total Quality Plan will be determined by the manner in which the Total Quality concept is institutionalised in the daily management and operational processes on a company-wide basis. It is of the utmost importance that a common understanding exists among all levels that Total Quality is a process and not a project constrained to a time limit. The quality process is thus cyclical and needs constant tailoring and adjustment. To create a mutual understanding and logic of the process, the segmentation of it into various phases is needed. This by implication will not mean that all actions undertaken will be chronological or sequential. Total Quality is achieved through a series of connected and interrelated dynamic actions that must be actively, aggressively and creatively managed.

The following phases are involved in the implementation of the TQM plan:

- Phase 1: The establishment of TQM management structures on corporate and regional levels (including quality champions).
- Phase 2: The development of a Total Quality awareness and educational campaign.
- Phase 3: Assessment of the organisation-wide quality position.
- Phase 4: The development of quality-related techniques and interventions.
- Phase 5: The development and co-ordination of TQM training programs.
- Phase 6: The measurement of the Total Quality improvement process.
- Phase 7: The establishment of recognition, appraisal and reward practices.
- Phase 8: Do it all over again (Telkom, 1992: 1-52).

"Quality is free, but it is not a gift." This paradigm of Phillip Crosby summarises the entire process of TQM. Quality is not only within each individual, it surrounds the individual. It is amongst colleagues, the work environment and resources. However it can only be assimilated and achieved through the highest order of dedication and commitment by all levels and strata within Telkom. This cultivated dedication and commitment is part and parcel of the vision and strategy of Telkom's management and it is the race Telkom has just entered (Telkom, 1992: 1-52).

4.6 SUMMARY

South Africa joined the international arena in a period of immense change, both politically and economically. On the political field, South Africa had to cope with the transition period from the apartheid-era to a fully democratic dispensation. On the international field South Africa had to cope with a world where the barriers between east and west have been largely removed. In the economic arena South Africa had to compete with established international enterprises on the world markets. In many cases, imported goods were found cheaper than locally produced goods. This, together with the fact that today's organisations compete more on the basis of service quality than only product features, has lead to major restructuring in South African organisations. This was necessary in order to become competitive players on the world's markets.

Research showed that this situation lead to a situation where South Africa's labour force are highly stressed, they feel threatened by the changes and some of them feel that there is no future left as an employee in the future South Africa.

It is therefore important that management make an effort to implement change in an open and fair manner. Communicating changes in an open and honest way, without hidden agendas, is the only way that employees will buy into necessary change programs.

Telkom, the focus of this study, also have put together a Total Quality Management plan to address the improvement over a period, involving several phases, of Telkom's service quality to its customer base.

In the next chapter, the research study, its methodology and findings are discussed.

CHAPTER 5: RESEARCH RESULTS

5.1 INTRODUCTION

One of Telkom's major goals in becoming a more streamlined and competitive organisation is to become customer focused and ultimately to provide customer satisfaction. In doing this Telkom needs to identify trends on which to base future strategies and tactics. Customer satisfaction therefore has to be monitored continuously to identify shortcomings and problem.

This study contains results of two surveys which forms part of a series of quantitative surveys to track customer satisfaction.

Measurements reflected in this chapter are based on business respondents' last transaction with Telkom.

5.2 RESEARCH OBJECTIVES

The primary goal of this study is to measure the impact of re-engineering on Telkom's service quality by way of tracking impact of the current Telkom re-engineering process of its process areas on customer satisfaction.

The specific objectives pursued in this chapter are to:

- measure the current level of customer satisfaction through Telkom process area performance,

- compare the current level of customer satisfaction with that of six months ago,
- compare the performance of Telkom process areas with international norms,
- determine the perceived level of Telkom's service quality compared to six months ago, and
- obtain suggestions on how Telkom can be among the best companies in the world

From these results, it was possible to:

- highlight the areas in which improvement is needed, and
- prioritise areas that needs to be improved upon.

5.3 RESEARCH METHODOLOGY

5.3.1 The customised Telkom CSM model

The CSM model, as shown in chapter one, was customised to capture Telkom's unique set of customer requirements. The model was used as a basis for the study.

The study therefore concentrates on the influence of the re-engineering of customer service branches and technical sections on service quality and ultimately on customers' commitment to Telkom (See figure 1.1).

5.3.2 Interviewing method

The survey method used in this study was telephone interviewing. The interviewing technique used was the CATI system, i.e. Computer-Assisted

Telephone Interviewing, where the interview was programmed and conducted with the aid of a computer.

The CATI interviews were conducted by highly-trained interviewers who are experienced in conducting interviews of this nature. These interviewers worked under the supervision of a field manager. The questionnaire was conducted in the preferred language of the respondent.

A 20 percent back-check was done on each interviewer's work as a strict quality check and in accordance with ISO 9001 requirements.

5.3.3 Timing

Fieldwork was conducted between August and September 1996 for the first study and between March and April 1997 for the second study. Because the first study was the second of its kind, it is referred to as TM2. The second study, being the third one, is referred to as TM3.

5.3.4 Universe

The universe comprised business customers of Telkom who had reported a fault or requested a service installation a month prior to the envisaged fieldwork. All six of Telkom's regions were covered.

5.3.5 Sampling procedure

A probability sample of customers who had reported a fault or requested a service installation within a certain period was provided by Telkom's Comtel billing system.

Results were weighted to the number of fault reports / service installations within the time frame from which the sample was drawn.

5.3.6 Sample composition

A total of 2 345 interviews were conducted with business customers. The regional break up is as follows:

• North East Region	529
• Eastern Region	551
• Southern Region	230
• Western Region	331
• Gauteng Central Region	397
• Central Region	307

5.4 THE QUESTIONNAIRE

The questionnaire shown in Appendix 1, followed the model guidelines shown in section 1.5.1 and took the following aspects into consideration.

- *Relational outcomes,* measuring, in terms of customers' commitment, their willingness to recommend Telkom, their continued usage thereof and their intention to use additional services.
- *Attitudes* in respect of value for money, pricing, perceptions of quality, and Telkom's image.
- *Customer contact situations (process areas)* with reference to customer service branches, and technicians

Throughout the questionnaire, respondents were asked to give ratings using a 5 point scale, where 5 = excellent, 4 = very good, 3 = good, 2 = fair and 1 = poor. The scores on this scale are used to derive the performance scores. These are calculated by adding the top scores (excellent and very good) together and excluding those who answered "don't know".

5.5 MAIN FINDINGS OF THE RESEARCH

The section to follow provide a breakdown of the research results covered in this study.

5.5.1 Customer contact areas

5.5.1.1 Initial contact - Customer Service Branches (CSB)

Table 5.1 shows the results of an overall CSB evaluation, consisting of four process areas discussed under separate headings.

Table 5.1: Telkom's Customer Service Branches analysed according to area (TM3 and TM2)

		National average	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Overall communications	TM3	52	50	52	55	60	39	66
	TM2	53	50	51	62	72	44	61
	DIFF	-1	-	+1	-7	-12	-5	+5

Keeping you informed of progress	TM3	40	48	37	50	39	27	52
	TM2	44	38	36	53	63	41	42
	DIFF	-4	+10	+1	-3	-24	-14	+10
The information given to you	TM3	40	47	37	47	44	27	52
	TM2	47	40	38	58	68	44	43
	DIFF	-7	+7	-1	-11	-24	-17	+9
The setting of a firm time scale	TM3	37	46	30	44	39	28	42
	TM2	44	42	34	52	63	39	40
	DIFF	-7	+4	-4	-8	-24	-11	+2
Having access to the right person	TM3	44	47	45	47	45	32	59
	TM2	48	43	46	66	64	38	57
	DIFF	-4	+4	-1	-19	-19	-6	+2
Scheduling of an appointment	TM3	39	46	28	45	45	33	42
	TM2	44	46	38	54	54	41	41
	DIFF	-5	-	-10	-9	-9	-8	+1
Overall efficiency and competence	TM3	47	51	43	51	54	31	63
	TM2	52	52	46	64	66	45	58
	DIFF	-5	-1	-3	-13	-12	-14	+5
Knowledge of person	TM3	51	55	50	50	58	38	65
	TM2	58	60	52	64	73	50	63
	DIFF	-7	-5	-2	-14	-15	-12	+2
Speedy response	TM3	45	51	44	46	55	29	55
	TM2	50	50	50	74	64	40	50
	DIFF	-5	+1	-6	-28	-9	-11	+5
Quality of counter staff	TM3	48	52	55	42	57	37	59
	TM2	55	58	50	65	59	53	61
	DIFF	-7	-6	+5	-23	-2	-16	-2
Management - counter staff interaction	TM3	46	53	49	41	58	31	64
	TM2	55	56	44	64	68	52	72
	DIFF	-11	-3	+5	-23	-10	-21	-8
Speed of counter staff	TM3	45	52	45	38	59	32	60
	TM2	51	50	45	49	59	49	57
	DIFF	-6	+2	-	-11	-	-17	+3
Overall attitude	TM3	52	58	57	50	57	36	64
	TM2	56	53	53	65	68	52	59
	DIFF	-4	+5	+4	-15	-11	-16	+5
Friendliness	TM3	53	59	56	52	55	40	68
	TM2	58	58	55	66	71	53	64
	DIFF	-5	+1	+1	-14	-16	-13	+4
Helpfulness	TM3	54	59	56	53	57	42	66
	TM2	59	61	54	64	71	54	65
	DIFF	-5	-2	+2	-11	-14	-12	+1
Respect	TM3	55	60	58	53	58	42	70
	TM2	61	62	55	69	72	57	66
	DIFF	-6	-2	+3	-16	-14	-15	+4

Politeness	TM3	55	60	58	54	59	43	69
	TM2	62	62	56	69	72	58	68
	DIFF	-7	-2	+2	-15	-13	-15	+1
Relationship with staff dealt with	TM3	51	61	39	57	73	42	75
	TM2	64	69	50	69	75	59	70
	DIFF	-13	-8	-11	-12	-2	-17	+5
Overall administration procedure	TM3	51	58	40	52	62	33	68
	TM2	55	56	46	61	68	50	65
	DIFF	-4	+2	-6	-9	-6	-17	+3
Ease of applying for a telephone	TM3	55	58	55	51	68	37	70
	TM2	54	56	47	64	67	47	62
	DIFF	+1	+2	+8	-13	+1	-10	+8

5.5.1.1.1 Overall communication

Just over half (52 percent) of business respondents rated the CSB communication as either excellent or very good. Southern (55 percent), Western (60 percent) and Central (66 percent) regions scored positively in all elements of this process area. Gauteng Central (39 percent) and, to a lesser degree Eastern Region (52 percent), were significantly below the norm.

"Having access to the right person" (44 percent) was the attribute to obtain the highest rating whereas "keeping you informed of progress" and "the information given to you" (both 40 percent) scored the lowest.

Comparatively speaking, with the exceptions of North East (no overall movement) and Central (+5 percent overall) regions, there are declines, some significant, across all attributes from TM 2 to TM 3.

5.1.1.1.2 Overall efficiency and competence

Overall, just under half of the business respondents (47 percent) rated Telkom as either excellent or very good, a score marginally below that of the TM 2 average.

Again high scores were achieved for Western (54 percent) and Central (63 percent) regions and below average scores for Eastern (43 percent) and, in particular, Gauteng Central (31 percent) regions.

The attribute to achieve the highest rating was "knowledge of person" (51 percent) and those to score the lowest were "speedy response" and "speed of counter staff" (both 45 percent).

Comparing TM 2 with TM 3, it is noted that all were significantly below the national business norms. These decreases could be explained by the significant declines in the Southern (-13 percent overall), Western (-12 percent overall) and Gauteng Central (-14 percent overall) regions.

5.1.1.1.3 Overall attitude

Just over half of the business respondents (52 percent) rated the overall attitude of CSB staff as very good or excellent. The only area to perform poorly was Gauteng Central Region (36 percent). All other regions were either fairly similar to or better than the national business average.

Following the trend identified so far, it is noted that North East, Western and Central regions were above average on all attributes comprising this process area, Gauteng Central below the national averages and Eastern and Southern similar to the national average.

The comparison between TM 2 and TM 3 revealed that there is a general decline in ratings for this dimension. Statistically significant declines were noted for the Southern (-15 percent overall), Western (-11 percent overall) and Gauteng Central (-16 percent overall) regions.

5.1.1.1.4 Overall administrative procedure

The overall CSB administrative process obtained a rating of 51 percent, marginally down from TM 2. The ease of applying for a telephone achieved a similar score of 55 percent, though similar to the TM 2 average.

Central (68 percent) Western (62 percent) and North East (58 percent) regions were more positive and the Gauteng Central (33 percent) and Eastern (40 percent) regions more negative than the averages identified for the national business market.

In relation to TM 2, TM 3 scores are either similar to or below those of TM 2. Gauteng Central (-17 percent overall) showed statistically significant declines for this process area.

5.5.1.2 Technician's evaluation

The evaluation of Telkom's technicians comprises three process areas, discussed under separate headings. The results appear in Table 5.2.

Table 5.2: Telkom's Technical service analysed according to area (TM3 and TM2)

		National average	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Overall efficiency and competence	TM3	71	67	58	83	79	66	76
	TM2	71	74	67	84	78	66	73
	DIFF	-	-7	-9	-1	+1	-	+3
Expertise	TM3	72	66	60	80	80	69	79
	TM2	71	73	69	83	76	68	70
	DIFF	-1	-7	-9	-3	+4	+1	+9

Competence	TM3	72	67	59	80	82	67	79
	TM2	73	72	66	85	78	71	72
	DIFF	-1	-5	-7	-5	+4	-4	+7
Sense of urgency	TM3	63	62	51	76	69	53	73
	TM2	63	62	59	78	75	57	65
	DIFF	-	-	-8	-2	-6	-4	+8
Accuracy	TM3	68	65	52	78	77	62	79
	TM2	68	62	63	83	75	62	72
	DIFF	-	-7	-11	-5	+2	-	+7
Product knowledge	TM3	71	68	58	78	78	66	82
	TM2	71-	73	65	87	79	66	70
	DIFF		-5	-7	-9	-1	-	+12
Knowledge	TM3	70	69	59	75	77	65	80
	TM2	71	73	62	82	80	67	69
	DIFF	-1	-4	-3	-7	-3	-2	+11
Technical service	TM3	69	68	55	75	78	62	78
	TM2	67	68	60	78	69	66	62
	DIFF	+2	-	-5	-3	+9	-4	+16
Service decisions	TM3	68	69	51	79	76	57	79
	TM2	68	71	59	82	79	63	69
	DIFF	-	-2	-8	-3	-3	-6	+10
Acceptable time scale	TM3	64	64	53	78	70	54	71
	TM2	65	66	60	79	77	61	58
	DIFF	-1	-2	-7	-1	-7	-7	+13
Overall attitude	TM3	70	67	61	79	77	59	83
	TM2	75	80	66	84	87	69	80
	DIFF	-5	-13	-5	-5	-10	-10	+3
Appearance	TM3	69	75	57	78	80	58	81
	TM2	73	75	65	87	85	66	76
	DIFF	-4	-	-8	-9	-5	-8	+5
Friendliness	TM3	73	72	64	82	79	61	86
	TM2	77	82	68	85	85	73	80
	DIFF	-4	-10	-4	-3	-6	-12	+6
Helpfulness	TM3	73	73	64	82	78	61	86
	TM2	77	82	67	85	86	71	80
	DIFF	-4	-9	-3	-3	-8	-10	+6
Politeness	TM3	74	74	64	82	80	64	86
	TM2	77	83	68	85	86	71	79
	DIFF	-3	-9	-4	-3	-6	-7	+7
Relationship	TM3	72	73	57	85	76	60	85
	TM2	76	83	62	79	83	74	80
	DIFF	-4	-10	-5	+6	-7	-14	+5

Overall communication	TM3	70	71	57	80	75	60	85
	TM2	75	79	64	81	83	71	77
	DIFF	-5	-8	-7	-1	-8	-11	+8
Explanation given	TM3	65	69	56	72	70	56	76
	TM2	70	71	59	77	85	65	72
	DIFF	-5	-2	-3	-5	-15	-9	+4
Availability of information systems	TM3	66	72	51	71	67	60	75
	TM2	70	71	59	77	77	68	70
	DIFF	-4	+1	-8	-6	-10	-8	+5

5.5.1.2.1 Overall efficiency and competence

Overall, seven out of ten business respondents (71 percent) rated Telkom as either excellent or very good, a score similar to the TM 2 average. High scores were achieved for Southern (83 percent), Western (79 percent) and Central (76 percent) regions and below average scores for Gauteng Central (66 percent) and, in particular, Eastern (58 percent) regions.

The attributes to score the lowest were "sense of urgency" (63 percent) and "acceptable time scale" (64 percent). The remaining attributes show values of between 68 and 72 percent

Comparing TM 2 with TM 3, it is noted that apart from Western (+1 percent overall) and Central (+3 percent overall) regions, which showed positive significant growth, all regions were either on a par with or down on the national averages.

5.5.1.2.2 Overall attitude

Seven in ten business respondents (70 percent) rated the overall attitude of technician staff as very good or excellent. Just under 80 percent of business respondents in the Southern, Western and Central regions rated attitude positively, with Gauteng Central (59 percent) and Eastern (61 percent) regions again scoring below the national business average.

Following the trend identified so far, it can be noted that Southern, Western and Central regions ratings, were above the national average on all attributes comprising this process area, Gauteng Central and Eastern regions below and North East similar to national averages.

The comparison between TM 2 and TM 3 reveals that there is a general decline in ratings for this measurement. Significant declines were noted for the North East (-13 percent overall), Western (-10 percent overall) and Gauteng Central (-10 percent overall) regions. Central (+3 percent overall), however, showed marginal improvement across the board.

5.5.1.2.3 Overall communication

Seven in ten business respondents (70 percent) rated the technicians' communication as either excellent or very good, marginally below that of the TM 2 results. While the attributes achieved scores in the upper sixties, it is slightly down on those of the TM 2 study.

Regionwise, it is noted that above average ratings, some of which were significant, were given by Southern (-1 percent overall) and Central ((+8 percent overall) region respondents and below average ratings were given by Gauteng Central (-11 percent overall), North East (-8 percent overall), Western (-8 percent overall) and Eastern (-7 percent overall) region respondents.

5.5.2 Comparing Telkom with international norms

Telkom's results have been compared to the international norm that are shown in Table 5.3. In the area related to process areas, Telkom is rated significantly below the international norm.

Table 5.3: Telkom norms vs International norms analysed according to area (TM3 and TM2)

		International Norms	National average	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Service Quality	TM3	81	49	50	46	61	52	36	60
	TM2		49	46	50	66	62	39	63
	DIFF		-	+4	-4	-5	-10	-3	-3
Customer satisfaction	TM3	87	48	47	46	60	55	32	57
	TM2		77	66	83	89	83	73	82
	DIFF		-29	-19	-37	-29	-28	-41	-25
Process area (Initial contact)	TM3	77	53	51	51	58	55	37	64
	TM2		53	66	51	59	73	17	61
	DIFF		-	-15	-	-1	-18	+20	+3

Service quality performs well below the international norm with Southern (61 percent) and Central (60 percent) regions performing the best and Gauteng Central region (36 percent) scoring the lowest. Customer satisfaction performs well below the international norm with the Southern region (60 percent) scoring the highest and Gauteng Central region scoring the lowest (32 percent). With regards to initial contact, Southern (58 percent) and Central (64 percent) regions scored the highest, while Gauteng Central region (34 percent) received the worst feedback.

5.5.3 Perceived Telkom service quality

As seen in Table 5.4, this section incorporates three measurements, namely whether Telkom is gaining ground; Telkom's service improvement compared to a year ago and finally; Telkom's service compared to other telecommunication organisations.

Table 5.4: Perceived Telkom service quality analysed according to area (TM3 and TM2)

		National average	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Service compared to other telecommunication organisations	TM3	40	54	45	48	34	32	40
	TM2	50	48	52	50	62	47	49
	DIFF	-10	+6	-7	-2	-28	-15	-9
Service compared to a year ago	TM3	52	50	55	57	61	44	52
	TM2	58	55	74	66	61	55	62
	DIFF	-6	-5	-19	-9	-	-11	-10
Gaining ground	TM3	33	30	36	38	38	29	30
	TM2	31	33	34	38	30	28	36
	DIFF	+2	-3	+2	-	+8	+1	-6
Losing Ground	TM3	21	21	18	14	15	32	14
	TM2	20	27	14	8	15	25	15
	DIFF	+1	-6	+4	+6	-	+7	-1
Holding its own	TM3	46	50	46	48	47	39	56
	TM2	42	40	40	45	44	43	44
	DIFF	+4	+10	+6	+3	+3	-4	+12

Starting with "gaining ground", it is noted that a third of national business respondents (33 percent) felt that Telkom was indeed gaining ground, an element most strongly supported by the Southern (38 percent) and Western (38 percent) regions. All other regions were similar to the norm.

An improvement in Telkom's service compared to a year ago was acknowledged by just more than half of the respondents (52 percent). Here, ratings for four of the regions were close to the national average, with above average support again coming from Southern (57 percent) and Western (61 percent) regions.

Four in ten respondents (40 percent) were of the opinion that Telkom's service was better in comparison with other telecommunication organisations. With the exception of Gauteng Central Region (32 percent) and Western Region (34 percent), all regions scored similarly to the national business average.

Comparatively speaking, one can see some significant declines in the ratings on comparisons between Telkom and other service providers and in the perceived service level Telkom offers from TM 2 to TM 3. In terms of "gaining ground", whilst similar to the national business norm, a significantly positive shift is noted in Western Region (+8 percent) whilst a significantly negative shift occurred in Central Region (-6 percent)

When respondents were asked what Telkom was doing wrong and what it can do to turn it arond (question 35a & b) they responded with six key factors:

- Telkom must provide better *service*.
- Telkom is *not customer orientated*, it does't listen to customer's needs.
- Telkom provides a *poor response time*, for example it takes too long to repair faults and is slow to install a new service.
- Telkom has *incompetent CSB staff* and *unqualified technicians*. Telkom must train their staff better.
- *High tariffs*, for example. Long distance calls are too expensive and installation costs too high.
- Telkom must improve the *attitude of their staff*, they must become more friendly and helpful.

5.5.4 What can Telkom do to be the best

Respondents were also asked what Telkom could do to be amongst the best organisations in its field (question 36). The response to this question is shown in Table 5.5.

Table 5.5: What can Telkom do to be the best analyzed according to area (TM3 and TM2)

		National average	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Offer good service / improve service / customer service	TM3	24	24	20	9	25	34	20
	TM2	16	20	11	8	12	19	14
	DIFF	+8	+4	+9	+1	+13	+15	+6
Reduced tariffs (all references)	TM3	10	5	13	12	14	8	7
	TM2	12	10	20	13	18	7	12
	DIFF	-2	-5	-7	-1	-4	+1	-5
Faster response time, e.g. install phones more quickly, attend to queries immediately	TM3	9	8	8	6	9	10	8
	TM2	10	13	12	5	3	12	13
	DIFF	-1	-5	-4	+1	+6	-2	-5
Improve attitude, e.g. be more friendly, helpful, treat everyone fairly	TM3	7	2	2	2	7	6	2
	TM2	4	3	6	6	4	4	4
	DIFF	+3	-1	-4	-4	+3	+2	-2
Continue as they are (all references), e.g. keep up the good work	TM3	6	11	6	4	2	9	6
	TM2	9	11	10	9	11	7	12
	DIFF	-3	-	-4	-5	-9	+2	-6
Employ competent staff / train their workers better	TM3	8	12	8	10	6	7	12
	TM2	8	15	8	13	4	7	5
	DIFF	-	-3	-	-3	+2	-	+7

From the above answers it can be reasoned that:

- Telkom must provide better service quality by putting more emphasis on service in its day to day dealings with customers.
- Staff must be trained better, especially CSB personnel and technicians.
- Telkom must improve its customer relations; improve its way of dealing with the public.
- Technology and equipment must be updated.

CHAPTER 6: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 SUMMARY

An organisation has to make sure what it's customers' perceptions of service quality are. It is futile for an organisation to determine its own criteria for service quality, without consulting its customers first. Ultimately the perceived quality of service is the degree to which the customers perceive the service received in relation to what he expected it to be.

Added to thorough research into customers' perceptions of service quality, the organisation must also come to realise that improving service quality is a team effort which involves the whole organisation. Any improvement efforts must be negotiated with and communicated to all employees, especially when improvements require major organisational transformation.

Many organisations' transformation efforts fail because of ineffective planning and execution. Research have identified various reasons why transformation efforts fail and what steps are crucial to the success of any transformation process. The studies have shown that there are no single success recipe when it comes to organisational transformation methodology. The micro environment as well as the macro environment influencing the organisation determines the manner in which a transformation process is structured, implemented and managed. This includes the strategic intent guiding the organisation, the architecture (or design) of the organisation; and the relationships between all the organisational stakeholders.

The implementation of a chosen transformation process is essentially a team effort with strong leadership crucial to its successful management. The process can succeed or fail depending on the success of this alone. Culture change within the organisation is also crucial to success. The hardest part of transformation is getting employees not only to act differently, but to think differently as well. Employee's styles (the ways they think and behave) and their attitudes (what they believe is important about their work) must be realigned to fit the new process.

It appears that South African organisations were not sufficiently prepared for the opening of its markets to international competition. Especially in highly competitive environments, a lot of South African organisations have been adversely affected. These organisations have not planned sufficiently for this threat and as a result few or no transformation efforts have been initiated to improve service levels to the standards of their international competitors.

Telkom will play a key role in the future competitiveness of South African businesses. Through the effective provisioning of telecommunications, businesses are provided with one of the most essential competitive tools. According to the Telecommunications Act no 103 of 1996, Telkom are excluded from competition for the largest part of its business until 2001. Telkom has until then to raise service levels to international levels so as to attain customer loyalty when the period of exclusivity expires. To be as successful as possible in this task, Telkom started on a road of transformation in order to attain maximum effectiveness. Part of this transformation includes the constant re-engineering of processes and procedures involving all levels of Telkom. Telkom's Total Quality Management initiatives together with the Customer Satisfaction Measurement programme is geared toward identifying the critical areas where customers perceive Telkom to provide ineffective service quality, implementing action plans to improve the service level standards in these areas and continuously tracking the effect of these improvement initiatives on customer satisfaction levels.

6.2 CONCLUSIONS

Research has shown that customers' commitment to Telkom are largely influenced by their perception of Telkom's quality of service. These perceptions are built through customers' daily experience of service quality provided by Telkom employees. Employee contact areas are the customer service branches they visit and the technicians which visit customers at their premises. In order to determine if Telkom is achieving successful results with its re-engineering efforts, it has to track the effects of these efforts on customers' perception of Telkom's service quality. This study has identified the following effects of Telkom's re-engineering efforts on customer satisfaction:

In total, half of the national business market felt that the overall CSB was excellent or very good (Table 5.1), a score that prevailed throughout this section, it is for CSB communication (52 percent), efficiency and competence (47 percent), and attitude and administrative procedures (51 percent). In comparing TM 2 with TM 3 results, whilst the overall scores were similar, declines at the attribute level were evident.

Telkom's technicians were rated much more positively than the CSB in than seven in ten (71 percent) rated them as excellent or very good overall (Table 5.2). However, relative to TM 2, marginal declines were also noted at the attribute level within two out of the three main elements that comprise this process area. Efficiency and competence was the only area to have maintained its TM 2 scores.

When comparing the CSB results with the technicians' results, there is an indication that "in-house staff" (CSB personnel) are not perceived as favourably as "external staff"(technicians).

It is evident from the comparison between the national business sector and the international market (Table 5.3), that the national averages on service quality, customer satisfactions and initial contact areas are well below the international norms. In comparing the results of TM 3 with those from TM 2, it is clear that there is a statistically significant downward movement in loyalty toward Telkom.

With regards to "Perceived Telkom service quality" (Table 5.4), significantly high scores were achieved for "services compared to other telecommunication organisations" and "services compared to a year ago". "Gaining ground", "holding its own" and "losing ground" maintained their previous scores. It is noted that a third felt that Telkom was indeed gaining ground. Telkom service improvement compared with a year ago was acknowledged by 52 percent of respondents and four in ten (40 percent) were of the opinion that Telkom's service was better relative to other telecommunications providers.

Comparing TM 2 with TM 3, some significant declines in the ratings on comparisons between Telkom and other service providers can be seen, as well as in the perceived service level Telkom offers relative to a year ago. In terms of "gaining ground", it has remained similar to that of TM 2.

It is evident that, overall, the North East business region is performing similarly to or better than the national business average, particularly with respect to commitment to Telkom. Telkom's perceived service quality, namely "gaining ground" and its service compared to other telecommunication organisations is in line with the national business average, while showing significant growth for Telkom service compared to a year ago. The only areas in which North East Region fared better than the national business average were:

- Overall CSB attitude (+6 percent).
- Overall administrative procedures (+7 percent).

It is evident that, overall, the Eastern business region's commitment to Telkom is similar to the national business average. Telkom's perceived service quality, namely "gaining ground", Telkom service compared to a year ago and its service compared to other telecommunication organisations is marginally better than the national business norms, while indicating significant declines relative to TM 2 for the latter two elements.

Having noted the "on the par" commitment, however, most process areas scored significantly below (at least 10 percent) the national business.

Scores for the Southern business region indicate it outperforming the national business market, particularly as it shows higher than average commitment to Telkom. Telkom's perceived service quality, namely "gaining ground", Telkom service compared to a year ago and its service compared to other telecommunication organisations shows improvements, though not significantly, over the national business norms. However, relative to TM 2, declines in scores are evident for TM 3. Key strengths in the Southern Region are its staff, both with respect to CSB and technicians.

The Western business region also scored above the national business market in most areas. In particular it shows higher than average commitment to Telkom. In looking at Telkom's perceived service quality, namely "gaining ground", Telkom service compared to a year ago and its service compared to other telecommunication organisations, it is noted that the region outperforms the national business market on the first two elements, while showing a marginal decline for the third factor, a decline that is statistically significant relative to TM 2 (-28 percent). Like the Southern Region, key strengths in the Western Region are its staff, both with respect to CSB and technicians.

It is evident that the Gauteng Central business region is the region that is the most negative about Telkom. It is consistently outperformed by the national business market in all aspects covered in the research. Although below average, this region's perceived Telkom strengths are in the area of technicians. Of concern is the statistically significant negative opinion about the CSB staff.

It is evident that, overall, the Central business region is performing better than the national business market, showing higher than average commitment to Telkom. Telkom's perceived service quality, namely "gaining ground", Telkom service compared to a year ago and its service compared to other telecommunication organisations is in line with the national business norms, while showing significant declines relative to TM 2.

With regard to Central positive differences for the remaining process areas varied from +12 percent to +18 percent over the national business averages.

In addition to measuring and identifying movements in customer satisfaction, it was essential to prioritise areas within Telkom which needs attention. Attributes were therefore allocated a priority level according to their movement between the TM 2 and TM 3 measurement periods.

Throughout the questionnaire, respondents were asked to give ratings using a 5 point scale, where 5 = excellent, 4 = very good, 3 = good, 2 = fair and 1 = poor. The scores on this scale was used to derive the performance scores: These were calculated by adding the top scores (excellent and very good) together and excluding those who answered "don't know".

Depending on the difference in scores between TM 3 and TM 2, a priority level was attached to the attributes. The priority level parameters is as follows:

Level A	Critical improvement:	a decline of 10 and more points
Level B	Improvement:	a decline between 0 and 10 points
Level C	Priority:	an improvement of up to 10 points

Level D Lower priority: an improvement of more than 10 points.

By studying the allocated priority levels one gets a good overview of what attributes in the three levels of the customer satisfaction framework (relational outcomes, attitudes and contact situations) need attention and what the levels of importance are.

It should be pointed out that, if improvements to attributes / process areas prove to be successful, this will mean that Telkom will succeed only in bettering its own average (refer to performance averages used). In order for Telkom to become a world-class organisation, it will be necessary for Telkom management to set standards in excess of its own average.

6.2.1 Priority Levels: Customer contact

The priority levels allocated to the different process attributes in the CSB and technicians environment are shown in section 6.2.1.1 and 6.2.1.2.

6.2.1.1 Initial contact - Customer Service Branches

Table 6.1 shows the priority levels for the various CSB's analysed according to area.

Table 6.1: Priority levels - Customer Service Branches by area

	National	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Overall communications	B	C	C	B	A	B	C
Keeping you informed of progress	B	D	C	B	A	A	D

The information given to you	B	C	B	A	A	A	C
The setting of a firm time scale	B	C	B	B	A	A	C
Having access to the right person	B	C	B	A	A	B	C
Scheduling of an appointment	B	C	A	B	B	B	C
Overall efficiency and competence	B	B	B	A	A	A	C
Knowledge of person	B	B	B	A	A	A	C
Speedy response	B	C	B	A	B	A	C
Quality of counter staff	B	B	C	A	B	A	B
Management - counter staff interaction	B	B	C	A	A	A	C
Speed of counter staff	B	C	C	A	C	A	C
Overall attitude	B	C	C	A	A	A	C
Friendliness	B	C	C	A	A	A	C
Helpfulness	B	B	C	A	A	A	C
Respect	B	B	C	A	A	A	C
Politeness	B	B	C	A	A	A	C
Relationship with staff dealt with	A	B	A	A	B	A	C
Overall administration procedure	B	C	B	B	B	A	C
Ease of applying for a telephone	C	C	C	A	C	A	C

6.2.1.2 Technicians

Table 6.2 shows the priority levels for technicians analysed according to area.

Table 6.2: Priority levels - Technical service by area

	National	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Overall efficiency and competence	C	B	B	B	C	C	C
Expertise	C	B	B	B	C	C	C
Competence	B	B	B	B	C	B	C
Sense of urgency	C	C	B	B	B	B	C
Accuracy	C	B	A	B	C	C	C
Product knowledge	C	B	B	B	B	C	D
Knowledge	B	B	B	B	B	B	D
Technical service	C	C	B	B	C	B	D
Service decisions	C	B	B	B	B	B	D
Acceptable time scale	B	B	B	B	B	B	D
Overall attitude	B	A	B	B	A	A	C
Appearance	B	C	B	B	B	B	C
Friendliness	B	A	B	B	B	A	C
Helpfulness	B	B	B	B	B	A	C
Politeness	B	B	B	B	B	B	C
Relationship	B	A	B	C	B	A	C
Overall communication	B	B	B	B	B	A	C
Explanation given	B	B	B	B	A	B	C
Availability of information systems	B	C	B	B	A	B	C

6.2.2 Priority levels: Telkom norms vs International norms

Table 6.3 shows the priority levels for improving Telkom's norms in relation to international norms, analysed according to area.

Table 6.3: Priority levels - Telkom norms vs International norms by area

	National	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Region	Central Region
Service Quality	C	C	B	B	A	B	B
Customer Satisfaction	A	A	A	A	A	A	A
Process areas (Initial contact)	C	A	C	B	A	D	C

6.2.3 Priority levels: Perceived Telkom service quality

Table 6.4 shows the priority levels for improving perceived Telkom service quality, analysed according to area.

Table 6.4: Priority levels - Perceived Telkom service quality by area

	National	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Service compared to other telecommunication organisations	A	C	B	B	A	A	B
Service compared to a year ago	B	B	A	B	C	A	A
Gaining ground	C	B	C	C	C	C	B
Losing Ground	C	B	C	C	C	C	B
Holding its own	C	D	C	C	C	B	D

6.2.4 Priority levels: What can Telkom do to be the best

Table 6.5 shows the priority levels in order for Telkom to be among the best, analysed according to area.

Table 6.5: Priority levels - What can Telkom do to be the best by area

	National	North East Region	Eastern Region	Southern Region	Western Region	Gauteng Central Region	Central Region
Offer good service / improve service / customer service	C	C	C	C	D	D	C
Reduced tariffs (all references)	B	B	B	B	B	C	B
Faster response time, e.g. install phones more quickly, attend to queries immediately	B	B	B	C	C	B	B
Improve attitude, e.g. be more friendly, helpful, treat everyone fairly	C	B	B	B	C	C	B
Continue as they are (all references), e.g. keep up the good work	B	C	B	B	B	C	B
Employ competent staff / train their workers better	C	B	C	B	C	C	C

6.3 RECOMMENDATIONS

The crucial first step for Telkom in becoming the provider of choice is creating a satisfying experience at each point of the customer interaction. The current re-engineering effort to achieve that is however having the opposite effect.

Following is firstly a broad perspective of what is needed to rectify the situation followed by specific actions in the two process areas to address shortcomings identified in the research study, specifically the needs expressed in section 5.5.3 the priorities in tables 6.1, 6.2 and 6.5.

6.3.1 Re-engineering priorities

Customers, do not know - or want to know - if Telkom's internal processes are numerous or complicated. Instead, customers want to interact simply and efficiently. Improving the customer experience is the foundation for Telkom to become the telecommunication operator of choice. It is a strategic imperative to structure Telkom's internal processes in order to lay this foundation.

The core service processes to be re-engineered include service ordering, service activation, and maintenance and repair:

- *Make ordering services simple and convenient.* Telkom's customers need an accessible, efficient and simple process for enquiring about and ordering service. Representatives handling order requests and enquiries need to know what customers needs are and how to effectively serve them. This is the essential first step in building relationships and customer loyalty. It is also the first opportunity for Telkom to collect customer information and begin a customer profile. Telkom must ensure that all information is correct and complete so that future interactions are a pleasurable experience for the customer.

- *Reduce service activation time.* Service activation is at the heart of Telkom's operations. It is often the first contact customers have with Telkom - if Telkom does not meet delivery expectations, customers will associate the inefficiencies with all of Telkom's services. From an internal perspective, the process includes many steps. Cutting service activation time requires improvements in four areas:

    - Reduce capacity shortage to decrease order backlogs and deferred applications.
    - Improve materials tracking to increase availability of the correct materials, including customer premises equipment and tools required to complete service activation.
    - Integrate order support systems to ensure an uninterrupted flow of

information from order receipt to activation.

- Re-skill technical assistants to increase productivity and expand the capacity of field services.

- Increase network quality and reliability *through improved maintenance and repair.* Telkom can dramatically increase customer satisfaction through improved network quality and reliability. Focusing actively on maintenance activities will lead to reduce fault rates, fewer repair requests, and higher customer satisfaction. Telkom can further increase satisfaction by improving repair cycle time and prioritising repair requests according to customer group and urgency of demand. Using an accurate customer database to correctly identify customers will enable to understand the relative urgency of customer requests.

6.3.2 Recommendations pertaining to process areas

Tables 6.6 and 6.7 gives a layout of the action plans for each process area's process attributes.

Table 6.6 Process area action plans: Customer Service Branches

Process Attribute	Action plans	Term	Tactical need level	Operational need level
Overall communication	Program information systems to flag customer queries at period intervals for CSB staff to make progress up-date phone call.	Short	Customer Care	Relevant information exchange
	Update database to accommodate relevant customer feedback information.	Short	Customer Care	Relevant information exchange

	Ensure systems are programmed with timescales for tasks and sub tasks in order for CSB staff to relay accurate information with respect to installations and fault repairs to customers.	Short	Service provision	Timeliness of delivery
	Improve appointment schedule processes in order for appointment to be kept as arranged. Make allowances for fluctuations in staff availability.	Short	Service provision	Flexibility in delivery
	Identify sections specialising in certain areas and provide a direct interface to those sections to handle queries. The specified sections must also be equipped through sufficient staff and relevant equipment to handle large query volumes.	Short	Customer Care	Appropriate interface
Overall efficiency and competence	Identify shortcomings in current training methods and syllabus regarding: ■ task and interpersonal skills ■ knowledge. Take steps to improve training syllabus.	Short	Customer Care	Right the first time Relevant information exchange
	Investigate Telkom's profile of CSB staff member and benchmark against international norms. Adapt Telkom's profile if deemed necessary.	Short	Customer care	Personnel
	Identify shortcomings in communication channels between Head Office and CSB branches. Eradicate obstacles.	Short	Customer care	Appropriate Relationships
Overall attitude	Identify core reasons for negative personnel attitudes towards customers. In the case of inadequate training, intensify training. In the case of inadequate support structures and hygiene factors, identify and rectify.	Short	Customer care	Personnel

	Initiate program to inform staff of the intricacies of customer-supplier relationships and the importance of creating a positive environment for both parties.	Imme-diate	Customer care	Personnel
Overall administration procedure.	Re-engineering process currently underway to maximise the ease of ordering a Telkom service.	Short	Customer Care	Service assurance

Table 6.7 Process area action plans: Technicians

Process Attribute	Action plans	Term	Tactical need level	Operational need level
Overall efficiency and competence	Identify shortcomings in current skills level of employees. Refine training courses to rectify. Implement and/or increase refreshment training. The following areas have to be addressed:	Medium		
	■ Accuracy of installation and faults		Service provision	Right the first time
	■ General Product knowledge		Customer care	Appropriate relationships
	■ Quality technical service		Service provision	Right the first time
	■ Making the correct service decisions regarding installations and repairs		Service assurance	Timeliness of service
	Initiate program to source technical expertise from the market in order to increase the expertise levels in Telkom.	Medium	Customer care	Personnel
	Give priorities to urgent projects and allocate experienced personnel to these projects.	Short	Service provision	Timeliness of service

	Initiate communication program to educate on Telkom's current and future role in a competitive market. This must be done in order to create a competitive atmosphere and increase the sense of urgency in completing tasks.	Medium	Service assurance	Timeliness of service
Overall attitude	Identify core reasons for negative personnel attitudes towards customers. In the case of inadequate training, intensify training. In the case of inadequate support structures and hygiene factors, identify and rectify.	Short	Customer care	Personnel
Overall communication	Emphasise with technical personnel the importance of feedback to the customer on the fault that was fixed.	Short	Customer care	Appropriate interface
	Create appropriate help desks, enabling the customer to have access to information about his service at any time.	Short	Customer care	Appropriate relationships

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List Of Questions

INTRODUCTION: Good day, my name is ......, I am from Markinor,a leading market research organisation. We are doing a survey to evaluate the value and quality of the service that Telkom is delivering. Your phone number has been randomly selected from a list of telephone numbers. I would appreciate it if you could give me some of your time to ask you some questions about your experiences of dealing with Telkom. There are no right or wrong answers, it is your opinion that counts.
**INLEIDING: Goeiemore/-middag/-naand, my naam is . . . ., ek is van Markinor, 'n toonaangewende marknavorsingsorganisasie. Ons is besig met 'n opname om die waarde en gehalte van die diens wat Telkom lewer, te beoordeel. U telefoonnommer is uit 'n lys telefoonnommers ewekansig gekies. Ek sal dit waardeer indien u 'n paar minute van u tyd sal afstaan sodat ek u 'n paar vrae oor u ondervindings met Telkom kan vra. Daar is geen regte of verkeerde antwoorde nie - dit is u mening wat tel.

1. Yes, continue/**Ja, gaan voort
2. No, arrange another date/time/**Nee, bespreek ander datum/tyd

RECORD DAY OF INTERVIEWING

1. Weekday
2. Weekend;

RECORD TIME OF DAY

1. Morning (09h00 - 12h00)
2. Lunch time (12h01 - 14h00)
3. Afternoon (14h01 - 18h00)
4. Evening (18h01 - 20h00)

RECORD FROM LIST

1. Service activation
2. Fault

RECORD FROM LIST:

Region/area:

GAUTENG NORTH REGION: Tvl-Driehoek
WESTERN REGION: Winelands and South Coast
GAUTENG NORTH REGION: Tvl-Platteland
WESTERN REGION: West Coast & Karoo
GAUTENG NORTH REGION: Tvl-Platteland
WESTERN REGION: West Coast & Karoo
GAUTENG NORTH REGION: Tvl-East
WESTERN REGION: Cape Town
GAUTENG NORTH REGION: Pretoria
CENTRAL GAUTENG REGION: West Rand
GAUTENG NORTH REGION: Tvl-North
CENTRAL GAUTENG REGION: East Rand
WESTERN REGION: Durban
CENTRAL GAUTENG REGION: North Rand
WESTERN REGION: Midlands
CENTRAL GAUTENG REGION: Central/South Rand
WESTERN REGION: Pietermaritzburg

CENTRAL REGION: Eastern OFS
WESTERN REGION: Pietermaritzburg
CENTRAL REGION: Eastern OFS
WESTERN REGION: Natal-North
CENTRAL REGION: Central OFS
WESTERN REGION: South Coast
CENTRAL REGION: Southern OFS
WESTERN REGION: North Coast
CENTRAL REGION: Northern OFS
SOUTHERN REGION: Border
CENTRAL REGION: Northern Cape
SOUTHERN REGION: Port Elizabeth
CENTRAL REGION: Tvl-West
SOUTHERN REGION: Southern Cape & Midlands
RECORD FROM LIST

1. Residential
2. Business

Q1. Would you prefer this interview to be conducted in ...... ?
**V1. Sal u verkies dat hierdie onderhoud in ... gevoer word?

1. English/*Engels
2. Afrikaans

Q2. How many service activations have you applied for in the last year? With service activation we mean the application for a new service/transfer of ownership/application for extra lines/change of ownership?
**V2. Om hoeveel diensaktiverings het u in die afgelope jaar aansoek gedoen? Met diensaktiverings bedoel ons aansoek doen om 'n nuwe diens/ oorplasing van eienaarskap/aansoek om ekstra lyne/verandering van eienaarskap.

Q3. How many faults have you reported in the last year (each time you contacted Telkom to report a fault, even though it was the same problem, it should be counted as a seperate incident)?
**V3. Hoeveel foute het u in die afgelope jaar aangemeld (elke keer wat u Telkom geskakel het om 'n fout aan te meld , selfs al was dit vir dieselfde probleem, moet dit as 'n afsonderlike geval gereken word).

Q4a. Based on your latest experience with Telkom, if you had a choice between Telkom and other companies with which you may be familiar, e.g. MTN, Vodacom, AT&T, BT, etc., how likely would you be to continue using Telkom as a telecommunication provider. Please use the scale of definitely (5), very likely (4), likely (3), unlikely (2) or not at all likely (1).
**V4a. Gegrond op u jongste ondervinding met Telkom, en indien u 'n keuse tussen Telkom en 'n paar ander maatskappye waarmee u dalk vertroud is, bv. MTN, Vodacom, AT&T, BT, ens., hoe waarskynlik sou u voortgaan om Telkom as voorsiener van telekommunikasie sal gebruik? Gebruik asseblief die skaal van beslis (5), baie waarskynlik (4), waarskynlik (3), onwaarskynlik (2) of glad nie waarskynlik nie (1).

5. Definitely/extremely likely/**Beslis/uiters waarskunlik
4. Very likely/**Baie waarskynlik
3. Likely/**Waarskynlik
2. Unlikely/**Onwaarskynlik
1. Very unlikely/not at all likely/**Glad nie waarskynlik nie
6. Don't know/**Weet nie

MARKINOR

Q4b. What would be the major reason why you would consider using another telecommunictaions provider? (ONE ANSWER)
**V4b. Wat sal die hoofrede wees hoekom u dit sal oorweeg om 'n ander telekommunikasievoorsiener te gebruik? (EEN ANTWOORD)

Q5. Using the same scale, how likely would you be to use additional Telkom services, e.g. value added services, extra lines, etc.?
**V5. Gebruik dieselfde skaal, hoe waarskynlik is dit dat u bykomende Telkom- dienste, bv. dienste met toegevoegde waarde, ekstra lyne, ens., sal gebruik?

5. Definitely/extremely likely/**Beslis/uiters waarskunlik
4. Very likely/**Baie waarskynlik
3. Likely/**Waarskynlik
2. Unlikely/**Onwaarskynlik
1. Very unlikely/not at all likely/**Glad nie waarskynlik nie
6. Don't know/**Weet nie

Q6. If a choice between Telkom and other service providers was available and a colleague, friend or acquaintance asked you to recommend a company for providing telecommunications, based on your latest experience how likely would you be to recommend Telkom?
**V6. Gegrond op u jongste ervaring met Telkom, indien daar 'n keuse tussen Telkom en ander diensverskaffers beskikbaar was, en 'n kollega, vriend of kennis vra u om 'n maatskappy aan te beveel wat telekommunikasie voorsien gegrond op u jongste ervaring met Telkom hoe waarskynlik is dit dat u Telkom sal aanbeveel?

5. Definitely/extremely likely/**Beslis/uiters waarskunlik
4. Very likely/**Baie waarskynlik
3. Likely/**Waarskynlik
2. Unlikely/**Onwaarskynlik
1. Very unlikely/not at all likely/**Glad nie waarskynlik nie
6. Don't know/**Weet nie

Q7. How would you rate Telkom's telecommunications service in terms of value for money, based on your latest experience? Is it ...... ?
**V7. Hoe sou u Telkom se telekommunikasiediens ten opsigte van waarde vir geld beoordeel? Is dit ... ?

5. Excellent value for money/**Uitstekende waarde vir geld
4. Very good value for money/**Baie goeie waarde vir geld
3. Good value for money/**Goeie waarde vir geld
2. Fair value for money/**Redelike waarde vir geld
1. Poor value for money/**Swak waarde vir geld
6. Don't know/**Weet nie

Q8. If 5 means excellent and 1 means poor, with a range of opinion in between, how many points out of 5 would you give the overall image you have of Telkom, based on your latest experience?
**V8. Indien 5 uitstekend beteken en 1 swak, met 'n reeks van opvattings tussenin, hoeveel punte uit 5 sou u gee vir die algehele beeld, gegrond op u jongste ervaring, wat u van Telkom het?

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

MARKINOR

Q9. I am going to read out a number of statements describing Telkom. Use a scale of 1 to 5, where 5 means strongly agree and 1 means strongly disagree, with a range of opinion in between. Based on your latest experience, how many points would you give to ..? READ OUT EACH STATEMENT
**V9. Ek gaan 'n aantal stellings voorlees, wat Telkom beskryf. Gebruik 'n skaal van 1 tot 5, waar 5 beteken dat u ten sterkste saam stem en 1 beteken dat u ten sterkste verskil, met 'n reeks van opvattings tussenin. Gegrond op u jongste ervaring met Telk om, hoeveel punte sou u toeken aan ...? LEES ELKE STELLING VOOR

5. Strongly agree/**Stem ten sterkste saam
4.
3.
2.
1. Strongly disagree/**Verskil ten sterkste
6. Don't know/**Weet nie

Telkom is an efficient company /**Telkom is 'n doeltreffende maatskappy
Telkom is customer focused/**Telkom is klantgerig
Telkom knows what their customers need
**Telkom weet wat hul klante se behoeftes is
Telkom has a good reputation as a telecommunications provider
**Telkom het 'n goeie naam as voorsiener van telekommunikasie
Telkom's management is accessible to its customers
**Telkom se bestuur is toeganklik vir sy klante
Telkom is open to advice and suggestions from its customers
**Telkom is ontvanklik vir advies en voorstelle van sy klante
Telkom offers consistently good services and products
**Telkom bied deurlopend goeie dienste en produkte aan
Telkom is innovative in designing and providing new/modern products
**Telkom is innovatief in die ontwerp en verskaffing van nuwe/moderne
The staff in Telkom's client service centres are just as professionall
**Die personeel in Telkom se klientedienssentrums is net so professioneel

Q10. Using the scale of very high, high, moderate, low and very low, how would you rate Telkom's tariffs in terms of charging a fair price for its services? Are they ...... ? READ OUT
**V10. Gebruik die skaal van baie hoog, hoog, middelmatig, laag en baie laag, hoe sou u Telkom se tariewe evalueer ten opsigte daarvan dat hulle 'n billike prys vir hulle dienste vra? Is dit... ? LEES HARDOP

5. Very high/**Baie hoog
4. High/**Hoog
3. Moderate/**Middelmatig
2. Low/**Laag
1. Very low/**Baie laag
6. Don't know **Weet nie

MARKINOR

Q11. Based on your latest experience with Telkom, how many points out of 5, if 5 means excellent and 1 means poor, with a range of opinion in between, would you give the overall quality of service that you received at this encounter.
**V11. Gegrond op u laaste ondervinding met Telkom, hoeveel punte uit 5, indien 5 uitstekend en 1 swak beteken, met 'n reeks van opinie tussenin,sou u toeken aan die algehele gehalte van Telkom as 'n maatskappy?

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

Q12. How would you rate Telkom in terms of the overall quality of the LAST TELEPHONE ACCOUNT that you received? Use the scale 5 = excellent to 1 = poor.
**V12. Hoe sou u Telkom evalueer ten opsigte van die algehele kwaliteit van DIE LAASTE TELEFOON-REKENING wat u ontvang het. Gebruik die skaal 5 = uitstekend tot 1 = swak.

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

Q13. How many points out of 5 would you give each of the following aspects regarding the telephone account?
**V13. Hoeveel punte uit 5 sou u toeken aan elk van die volgende aspekte ten opsigte van die telefoonrekening?

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

The accuracy of your telephone account
**Die akkuraatheid van die telefoonrekening
The level of detail/**Die hoeveelheid detail
The timeliness of receiving the bill/**Dat die rekening betyds ontvang word
User friendliness of bill/**Gebruikervriendelikheid van rekening
The ease of paying your telephone account
**Die gemak waarmee u u telefoonrekening kan betaal
Handling of account queries/**Die hantering van rekeningnavrae

MARKINOR

Q14. How would your rate the overall quality of Telkom's telecommunications NETWORK (that is the line quality)? Use the scale 5 = excellent to 1 = poor, with a rane in between.
**V14. Hoe sou u die algehele kwaliteit van Telkom se telekommunikasie NETWERK (dit is die gehalte van die lyn) evalueer? Gebruik die skaal 5 = uitstekend to 1 = swak, met 'n reeks van opvattings tussenin.

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

Q15. Using a scale of 1 to 5, where 5 means strongly agree and 1 means strongly disagree, with a range of opinion in between, how many points out of 5 would you give each of the following aspects regarding Telkom's telecommunication NETWORK ...? READ OUT.
**V15. Gebruik 'n skaal van 1 tot 5, waar 5 beteken dat u ten stekste saam stem en 1 beteken dat u ten sterkste verskil, met 'n reeks van opvattings tussenin, hoeveel punte uit 5 sou u toeken aan elk van die volgende aspekte ten opsigte van Telkom se telekommunikasieNETWERK...?LEES HARDOP.

5. Strongly agree/**Stem ten sterkste saam
4.
3.
2.
1. Strongly disagree/**Verskil ten sterkste
6. Don't know/**Weet nie

Tellkom's telephone service is a pleasure to use
**Dit is 'n plesier om Telkom se telefoondiens te gebruik
I seldom, if ever, ecounter problems with my telephone service
**Ek ondervind selde, indien ooit, probleme met my telefoondiens
In my opinion the South African telephone system is technologically inferior
**In my opinie Suid-Afrikaanse telefoonstelsel tgnologies minderwaardig
The telephone network is frequently out of order in this area
**Die telefoondiens is gereeld buitewerking in hierdie area
I had no choice about the type and colour of telephone
**Ek is geen keuse gebied oor die tipe en kleur van die telefoon nie
I frequently get crossed lines when calling/people complain about it when
**Ek kry gereeld gekruisde lyne wanneer ek bel/mense kla daaroor wanneer
I often get through to the wrong telephone number
**Ek kom dikwels deur na die verkeerde nommer
Information on products, tariffs and services offered by Telkom is
**Inligting oor produtkte, tariewe en dienste wat deur Telkom gelewer word,

MARKINOR

Q16. In which of the following ways did you apply for service activation OR report a fault?
**V16. Op watter van die volgende maniere het u om 'n diensaktivering aansoek gedoen OF 'n fout aangemeld?

1. In person at a Telkom Client Service branch
**Persoonlik by 'n Telkom Klantedienstak
2. Telephonically/**Telefonies
3. In person at the Post Office/**Persoonlik by die Poskantoor
4. An order by post/**'n Aansoek per pos
5. By fax /**Per faks
6. Via a PABX supplier/**d.m.v. 'n PABX-verskaffer
7. Other (specify)/**Ander (spesifiseer)
8. No more /**Nie meer nie

Q17. Were you transferred/referred to someone else or another section when you applied for service activation OR reported the fault?
**V17. Is u na iemand anders of 'n ander afdeling deurgeskakel/verwys, toe u aansoek gedoen het vir 'n diensaktivering OF die fout aangemeld het?

1. Order/fault was addressed with the first contact
**Aandag is aan aansoek/fout gegee met die eerste kontak
2. Transferred/referred to another person or section
**Deurgeskakel/verwys na 'n ander persoon of afdeling

Q18. How would you rate Telkom in terms of the overall treatment you received from an employee on the other side of the phone OR during your last encounter at a Client Service Branch? Use the scale 5 = excellent to 1 = poor.
**V18. Hoe sou u Telkom evalueer ten opsigte van die algehele behandeling wat u ontvang het van die werknemer aan die ander kant van die telefoon OF gedurende u laaste kontak met 'n klientedienstak? Gebruik die skaal 5 = uitstekend tot 1 = swak.

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

Q19. Please evaluate the following aspects in terms of the treatment you received from Telkom staff by using the scale of 1 to 5, where 5 means excellent and 1 means poor, with a range of opinion in between. How many point out of 5 would you give ...... ? READ OUT
**V19. Beoordeel asseblief die volgende aspekte ten opsigte van die behandeling wat u ontvang het van Telkom personeel ontvang het, deur die skaal van 1 tot 5 te gebruik, waar 5 uitstekend beteken en 1 swak beteken, met 'n reeks van opvattings tussenin. Hoeveel punte uit 5 sou u toeken aan...? LEES HARDOP

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

MARKINOR

The overall quality of Telkom staff's communication with you
**Die algehele gehalte van die kommunikasie van Telkom se personeel met u
Keeping you informed of progress/**Dat hulle u op hoogte van vordering hou
The information given to you in explaining the procedures/progress
**Die inligting wat aan u verstrek is ter verduideliking van die prosedure/vordering
The setting of a firm time scale when you could expect the job to be
**Die bepaling van 'n vaste tydskaal van wanneer u kan verwag dat die werk
Having access to the right person the first time round
**Toegang verkry tot die regte persoon, die eerste keer wat u skakel
The scheduling of an appointment with you for the installation or fault
**Die reel van 'n afspraak met u vir die installering/regstelling van fout
The overall staff efficiency and competence
**Die algehele doeltreffendheid en bekwaamheid van die personeel
The knowledge of the person who dealt with you
**Die kennis van die persoon wat u gehelp het
The speedy response to your order/fault reporting
**Die vinnige reaksie op u bestelling/melding van fout
The quality of the counter staff who attended to you
**Die gehalte van die toonbankpersoneel wat u bedien het
The management of counter staff to ensure smooth handling of customers
**Die bestuur van toonbankpersoneel om die vlotte hantering van klante te
The speed with which counter staff deals with customers
**Die spoed waarmee toonbankpersoneel klante bedien
The overall attitude of the person who dealt with your order
**Die algehele houding van die persoon wat u bestelling hanteer het
The friendliness you received from this person
**Die vriendelikheid wat u van hierdie persoon ontvang het
The helpfulness of the person who dealt with your enquiry
**Die hulpvaardigheid van die persoon wat u navraag hanteer het
The respect with which this person treated you
**Die respek wat hierdie persoon aan u getoon het
The politeness with which this person treated you
**Die hoflikheid waarmee hierdie persoon u behandel het
Your relationship with the staff that you deal with, (if applicable)
**U verhouding met die personeel waarmee u sake doen (indien van toepassing)
The overall quality of Telkom's administrative procedures
**Die algehele gehalte van Telkom se administratiewe prosedures
The ease of ordering a telephone service/reporting a fault
**Die gemak waarmee u aansoek om 'n telefoon kan doen/'n fout kan aanmeld

Q20. Were you at home/on the premises when the technician came to install the service/fix the fault?
**V20. Was u by die huis/op die perseel toe die tegnikus die diens kom installeer/fout herstel het?

1. Yes/**Ja
2. No/No contact with the technician/**Nee/Geen kontak met die tegnikus nie

MARKINOR

Q21. Please evaluate the overall quality of service of Telkom's TECHNICIANS. Use the scale 5 = excellent to 1 = poor.
**V21. Beoordeel asseblief die algehele kwaliteit van diens van Telkom se TEGNICI. Gebruik die skaal 5 = uitstekend tot 1 = swak.

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

Q22. Please evaluate the following aspects with regard to TECHNICAL SERVICE, if possible, in respect of your latest experience with Telkom by using the scale of 1 to 5, where 5 means excellent and 1 means poor, with a range of opinion in between. How many point out of 5 would you give ...... ? READ OUT
**V22. Beoordeel asseblief die volgende aspekte met betrekking tot TEGNIESE DIENS, indien moontlik, ten opsigte van u jongste ondervinding met Telkom, deur die skaal van 1 tot 5 te gebruik, waar 5 uitstekend beteken en 1 swak beteken, met 'n reeks opvattings tussenin. Hoeveel punte uit 5 sou u toeken aan.....? LEES HARDOP

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

The overall quality of the job that the technician did
**Die algemene gehalte van die werk wat die tegnikus gedoen het
The technical expertise of Telkom's technicians
**Die tegniese deskundigheid van Telkom se tegnici
The technician's competence in completing the task
**Die tegnikus se bekwaamheid om die taak te voltooi
The technician's sense of urgency/**Die tegnikus se dringendheidsbesef
The technician's accuracy/**Die tegnikus se akkuraatheid
The technician's product knowledge/**Die tegnikus se produkkennis
The technician's knowledge of how to install the service/solve your problem
**Die tegnikus se kennis van hoe om die diens te installeer/u probleem
Installing the service correctly the first time round/correcting the
**Die korrekte installering van die diens, die eerste keer/die oplos van
The technician's ability to make service decisions (if applicable)
**Die tegnikus se vermoe om diensbesluite te neem (indien van toepassing)
Installing the service in an acceptable time scale/repairing the fault in
**Die installering van die diens/regstelling van die fout in 'n aanvaarbare
The overall attitude of the technician /**Die algehele houding van die tegnikus
The appearance of the technician who came to your home/premises
**Die voorkoms van die tegnikus wat na u huis/perseel toe gekom het
His friendliness/**Sy vriendelikheid
His helpfulness/**Sy hulpvaardigheid
The politeness with which he treated you
**Die hoflikheid waarmee hy u behandel het
Your relationship with the staff that you deal with, (if applicable)
**U verhouding met die personeel waarmee u sake doen (indien van toepassing)
The overall quality of the technician's communication with you
**Die algehele gehalte van die tegnikus se kommunikasie met u

MARKINOR

The technician's explanation, if any given, on how to use the
**Die tegnikus se verduideliking, indien enige, van hoe om die stelsel te
The availability of information on how to use the system
**Die beskikbaarheid van inligting oor hoe om die diens/stelsel te gebruik

Q23. Did you receive a courtesy call from Telkom to determine whether you were satisfied with the work done regarding the service installation/the fault that you reported?
**V23. Het u 'n opvolgoproep van Telkom ontvang om vas te stel of u tervede is met die werk is wat gedoen is wat betref die diensinstalasie/die fout wat u aangemeld het?

1. Yes/**Ja
2. No/ **Nee

Q24. How satisfied are you with the way your order/problem was dealt with?
**V24. Hoe tevrede is u met die manier waarop u aansoek /probleem hanteer is?

5. Extremely satisfied/**Uiters tevrede
4. Very satisfied/**Baie tevrede
3. Satisfied/**Tevrede
2. Dissatisfied/**Ontevrede
1. Totally dissatisfied/unacceptable/**Heeltemal ontevrede/onaanvaarbaar
6. Don't know/**Weet nie

Q25. Why do you say that?
**V25. Hoekom se u so?

Q26. Please rate Telkom in terms of the overall quality of their INTERNATIONAL PRODUCTS AND SERVICES by using the scale of 1 to 5, where 5 means excellent and 1 means poor, with a range of opinion in between.
**V26. Evalueer Telkom ten opsigte van die algehele gehalte van hulle INTERNASIONALE PRODUKTE EN DIENSTE, duer die skaal van 1 to 5 te gebruik, waar 5 uitstekend beteken en 1 swak beteken, met 'n reeks opvattings tussenin.

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

Q27. And how would you rate Telkom regarding ...? READ OUT.
**V27. En hoe sou u Telkom evalueer ten opsigte van ...? LEES HARDOP.

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

The range of international products and services available
**Die reeks internasionale produkte en dienste beskikbaar
Providing information about the available international services
**Verskaffing van inligting oor die beskikbare internasionale dienste
Ease of reaching the right person when you have a query regarding
**Die gemak om by die regte persoon uit te kom wanneer u 'n navraag het oor

MARKINOR

Providing information about new international telecommunication
**Verskaffing van inligting oor nuwe internasionale telekommunkasie
Flexibility in the international telecommunications solutions it provides
**Buigsaamheid in die internasionale telekommunikasie ontwikkelinge
Pamphlets containing sufficient information regarding international products and services
**Pamflette wat voldoende inligting bevat oor internasionale produkte en dienste

Q28a. Have you ever been visited by an account representative (sales rep)?
**V28a. Het 'n rekeningsverteenwoordiger (verkoopsverteenwoordiger) u ooit besoek?

1. Yes/**Ja
2. No/**Nee

Q28b. How many times in the past two months?
**V28b. Hoeveel keer in die afgelope twee maande?

Q29. Please evaluate the following aspects of Telkom's account representatives by using the scale of 1 to 5, where 5 means excellent and 1 means poor, with a range of opinion in between. How many point out of 5 would you give ...... ? READ OUT
**V29. Beoordeel asseblief die volgende aspekte van Telkom se rekenings-verteenwoordigers deur die skaal van 1 tot 5 te gebruik, waar 5 uitstekend en 1 swak beteken, met 'n reeks opvattings tussenin. Hoeveel punte uit 5 sou u toeken aan...? LEES HARDOP

5. Excellent/**Uitstekend
4.
3.
2.
1. Poor/**Swak
6. Don't know/**Weet nie

The overall attitude of the account representative (friendliness,
**Die algehele houding van die rekeningsverteen woordiger (vriendlikheid,
Their capability to deliver working solutions that enhance your
**Die lewering van werksoplossings wat die doeltreffendheid van u
The willingness to meet urgent requests
**Gewilligheid om aan dringende versoeke te voldoen
His/her product knowledge/**Sy/haar produk kennis
The delivery of what was promised/**Hulle kom hulle beloftes na
Having the appropriate knowledge and training to do their job
**Die besit van die gepaste kennis en opleiding om die werk te kan doen
Being empowered to make customer service decisions when required
**Gevolmagtig wees om klantediensbesluite te neem wanneer nodig
His/her understanding of your telecommunications needs
**Sy/haar insig aangaande u telekommunikasiebehoeftes

MARKINOR

Q30. How satisfied are yu with the overall quality of Telkom's sales and/or ordering staff and the way your orders are handled, using the scale of 5 = very satisfied to 1 = totally dissatisfied?
**V30. Hoe tevrede is u met die algehele kwaliteit van Telkom se voerkoops- en/of bestellingspersoneel en die manier waarop u bestellings hanteer word, deur die skaal van 5 = uiters tevrede tot 1 = heeltemal intevrede te gebruik?

5. Extremely satisfied/**Uiters tevrede
4. Very satisfied/**Baie tevrede
3. Satisfied/**Tevrede
2. Dissatisfied/**Ontevrede
1. Totally dissatisfied/unacceptable/**Heeltemal ontevrede/onaanvaarbaar
6. Don't know/**Weet nie

Q31. Using the same scale, how satisfied are you with Telkom's sales and/or ordering staff regarding ...? READ OUT.
**V31. Gebruik dieselfde skaal, en se my hoe tevrede is u met Telkom se verkoops en/of bestellingspersoneel met betrekking tot ...? LEES HARDOP.

5. Extremely satisfied/**Uiters tevrede
4. Very satisfied/**Baie tevrede
3. Satisfied/**Tevrede
2. Dissatisfied/**Ontevrede
1. Totally dissatisfied/unacceptable/**Heeltemal ontevrede/onaanvaarbaar
6. Don't know/**Weet nie

Their product knowledge/**Hul produkkennis
Their ability to recommend the right product/solution for your needs
**Hulle vermoe om die regte produk/oplossing vir u behoeftes aan te beveel
Their attitude, e.g. friendly, courteous, helpful
**Hulle houding, bv. vriendelik, hoflik, hulpvaardig
The time it took to process the order (excellent turnaround time)
**Die tyd wat dit geneem het om die bestelling af te handel

Q32. In your view, how does Telkom SA compare overall with other tele-communication companies with which you are familiar, e.g. MTN, Vodacom, AT&T, BT, etc...? Please use the same scale of 1 to 5, where 5 means much better, 4 better, 3 the same, 2 worse and 1 much worse
**V32. Hoe, na u mening, vergelyk Telkom SA oor die algemeen met ander tele-kommunikasiemaatskappye waarmee u vertroud is, bv. MTN, Vodacom, AT&T, BT, ens.? Gebruik asseblief dieselfde skaal van 1 tot 5, waar 5 baie beter beteken, 4 beter, 3 dieselfde, 2 slegter en 1 baie slegter beteken.

5. Telkom is: Much better/**Baie beter
4. Telkom is: Better/**Beter
3. Telkom is: The same/**Dieselfde
2. Telkom is: Worse/**Slegter
1. Telkom is: Much worse/**Baie slegter
6. Don't know/**Weet nie

MARKINOR

Q33. In your view, how does Telkom's service compare overall with that of a year ago? Please use the same scale of 1 to 5, where 5 means much better, 4 better, 3 the same, 2 worse and 1 much worse.
**V33. Hoe, na u mening, vergelyk Telkom se diens oor die algemeen met die van 'n jaar gelede? Gebruik asseblief dieselfde skaal van 1 tot 5, waar 5 baie beter beteken, 4 beter, 3 dieselfde, 2 slegter en 1 baie slegter beteken.

5. Current service is: Much better/**Huidige diens is: Baie beter
4. Current service is: Better/**Huidige diens is: Beter
3. Current service is: The same/**Huidige diens is: Dieselfde
2. Current service is: Worse/**Huidige diens is: Slegter
1. Current service is: Much worse/**Huidige diens is: Baie slegter
6. Don't know/**Weet nie

Q34. In terms of all the important areas, as discussed during the interview, and from all you have seen/heard about Telkom, do you think..? READ OUT.
**V34. Ten opsigte van al die belangrike areas, soos tydens hierdie onderhoud bespreek, en na aanleiding van alles wat u omtrent Telkom gesien/gehoor het, dink u ...?

1. Telkom is gaining ground/**Telkom is besig om veld te wen
2. Telkom is losing ground/**Telkom is besig om veld te verloor
3. Telkom is holding its own/**Telkom is besig om sy plek te behou
4. Don't know/**Weet nie

Q35a. What is Telkom doing wrong?
**V35a. Wat doen Telkom verkeerd?

Q35b. What can Telkom do to turn it around?
**V35b. Wat kan Telkom doen om dit reg te stel?

Q36. What can Telkom do to be "among the best"?
**V36. Wat kan Telkom doen om "onder die beste" te wees?

Q37. What is your most urgent request/requirement from Telkom?
**Q37. Wat is u dringendste versoek/vereiste van Telkom?

Q38a. Did you experience any feeling of anxiety or stress when you dealt with Telkom?
**V38a. Het u enige gevoel van onrus of druk ondervind toe u met Telkom sake gedoen het?

1. Yes/**Ja
2. No/**Nee
3. Don't know /**Weet nie

Q38b. What was the main reason for experiencing this feeling?
**V38b. Wat was die hoofrede vir die ondervinding van hierdie gevoel?

D1. Where do you currently live?
**D1. Waar woon u tans?

1. In a metropolitan area, e.g. Johannesburg, Pretoria, East or West Rand, Cape Town, Durban, Port Elizabeth, East London, Kimberley, Bloemfontein
**In 'n metropolitaanse gebied, bv. Johannesburg, Pretoria, Oos- of Wesrand, Kaapstad, Durban, Port Elizabet, Kimberley, Bloemfontein
2. In an urban area, e.g. smaller cities, towns and villages throughout South Africa
**In 'n stadsgebied, bv. kleiner stede, dorpe en klein dorpe regdeur Suid-Afrika
3. In a rural area/**In 'n plattelandse gebied

MARKINOR

D2. Do you, or does anyone in your family who lives with you, work for Telkom?
**D2. Werk u, of enigiemand in u gesin wat saam met u woon, vir Telkom?

1. Yes/**Ja
2. No/**Nee

D3. Do you work?
**D3. Werk u?

1. Yes/**Ja
2. No/**Nee

D4. Do you work.....? READ OUT
**D4. Werk u ....? LEES HARDOP

1. Full-time/**Voltyds
2. Part-time/**Deeltyds

D5. Into which of these categories do you fall? READ OUT
**D5. Tot watter van hierdie kategorie behoort u? LEES HARDOP

1. Houswife/**Huisvrou
2. Retired/pensioner/**Afgetree/pensionaris
3. Unemployed/**Werkloos
4. Other (SPECIFY)/**Ander (SPESIFISEER)

D6. Number of incoming telephone lines and extensions:
**D6. Getal inkomende telefoonlyne en bylyne:

D7. RECORD MARKET SECTOR:

1. Mining/**Mynbou
2. Construction/**Konstruksie
3. Manufacturing/**Vervaardiging
4. Wholesale/**Groothandel
5. Retail/**Kleinhandel
6. Leisure/entertainment/**Ontspanning/vermaak
7. Government/**Regering
8. Finance/insurance/**Finansiess/versekering
9. Transport/**Vervoer
10. Communication/broadcoasting/**Kommunikasie/uitsaaidienste
11. Professional services (e.g. medical, legal, accounting)
**Professionele dienste (b.v. medies, regte, rekeningkunde)
12. Other (specify)/**Ander (spesifiseer)

D8. Number of employees:
**D8. Getal werknemers:

D9. Expenditure on telecommunications including rentals and leases.
**D9. Uitgawe aan telekommunikasie, huur en bruikhuur ingesluit.