

Theory of Service Dissonance Introduction and Overview



Service Resonance

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What is Service Dissonance?

At Service Resonance we don't believe that people aspire "to perform poorly" and that organisations set out to intentionally foster a culture of mediocrity. With each customer interaction an employee doesn't seek to sabotage the business and destroy customer loyalty. In fact, the opposite holds true and it is the service ecosystem (product design, staff training, performance management, organisational policies and information systems) that inhibits the employee from delivering a positive customer experience.

Customer service staffs are unique individuals. Most are grateful for the opportunity to work for a company and in our experience seek to make the company successful. Each employee has a deep sense of right and wrong, of fair and unfair. He brings these beliefs with him to every customer interaction. At Service Resonance Co. we refer to this as a **service disposition** and we all have them.

Without fail a customer service employee will seek to deliver a positive customer experience that is aligned with his internal service disposition. In a perfect service ecosystem, a customer service employee will deliver a positive customer experience every time. Of course, a perfect service ecosystem doesn't exist in the real world. All too often the employee is prevented from achieving his goal, a positive customer experience, by faults in the service ecosystem.

Each time an employee is prevented from delivering a positive experience by a fault in the ecosystem it causes dissonance in the employee because the outcome is counter to his service disposition – his sense of right and wrong (Irem Metin, 2011 - Vol 1 No 6). We describe the build-up of cognitive dissonance due to faults in the service ecosystem as **Service Dissonance**. Service Dissonance accumulates over time leading to low employee engagement, reduced customer loyalty and low productivity.

Counteracting Service Dissonance is the positive feeling a customer service employee experiences when he can achieve his goal of delivering a positive customer experience. These customer interactions are described as being **Service Resonant**. These two forces, Service Dissonance and Service Resonance, are at play with every customer interaction. Ultimately, one of these forces dominates the service ecosystem and the organisation can be classified as either Service Dissonant or Service Resonant.



Service Resonant companies are characterised by many positive attributes; high employee engagement, customer loyalty, and revenue and profit growth. Service Dissonant companies experience the opposite effect leading to low staff morale and productivity (Dollard, 2003), customer attrition, and low or negative growth.

How is Service Dissonance Measured?

The Service Dissonance Score is a measure of the effectiveness of an organisation's service ecosystem. The Service Dissonance Score is determined by the number of negative customer interactions (Service Dissonant) an employee experiences as opposed to the number of positive customer interactions (Service Resonant).

The Service Dissonance Score is calculated by customer service employees rating each customer interaction as either resonant or dissonant. An organisation's Service Dissonance Score determines whether an organisation is Service Resonant or Service Dissonant. Service Resonant organisations experience faster growth rates and higher profit margins than Service Dissonant organisations.

An advantage of the Service Dissonance Score is that it is a binary measure making it simple to implement and track as opposed to the common 5 or 10 point rating scales (Likert Scale) used in most measurement systems. In the Service Dissonance model an employee rates every interaction as either positive or negative. This can be expressed in many different ways. Such as, "I felt good or bad about that experience" or "that was easier or harder than I thought it would be." Thus, it avoids the tendency to rate interactions as a neutral experience that often results in a dampening of the actual result in non-binary rating scales.

Each employee has a unique service disposition. As such there is a bias in the Service Dissonance Measurement System. Two different employees may rate the same interaction differently. However, this only influences service neutral interactions – those interactions that employees rate as resonant and dissonant on an equal basis. The Service Dissonance Measure is best used to identify the most dissonant process, or the outliers, on the dissonance scale. Therefore, the bias doesn't affect the usefulness of the measurement system in identifying faults in the service ecosystem.

Calculating the Service Dissonance Score

An organisation's Service Dissonance Score is calculated by subtracting the number of negative interactions from the number of positive interactions. This number is then divided by the total sample size and multiplied by 100 to obtain a Service Dissonance Score.

Service Dissonance Formula:

$$\text{Service Dissonance Score} = \frac{\text{Total Service Resonant Count} - \text{Total Service Dissonant Count}}{\text{Total Count}} * 100$$

Thus, a Service Dissonance Score of minus 100 indicates that every interaction was perceived to be negative by the organisation's employees. In contrast, a Service Dissonance Score of plus 100 indicates that every interaction was rated positively. A score of zero marks the point where 50% of the interactions were rated as positive and 50% were rated as negative.

The Service Dissonance Score provides a useful scale where a negative number represents Service Dissonance and a positive number represents Service Resonance. The Service Dissonance Score is designed to be a useful measure of the effectiveness of an organisation's service ecosystem.

Service Dissonance Scores between 100 and 75 and -100 and -75 will be highly reliable indicators of positive and negative customer experiences. It should be noted that scores trend toward zero very quickly. For example, assuming a sample size of 100 a service resonance score of 70 indicates that 85 people found the interaction to be positive and 15 found the interaction to be negative. Thus, a score above 90 is difficult to achieve requiring 95% of interactions to be rated as positive.

The following table provides a summary of Service Dissonance Scores to assist in understanding how the measurement works:

Positive Responses	Negative Responses	Dissonance Score
100	0	100
90	10	80
80	20	60
70	30	40
60	40	20
50	50	0
40	60	-20
30	70	-40
20	80	-60
10	90	-80
0	100	-100

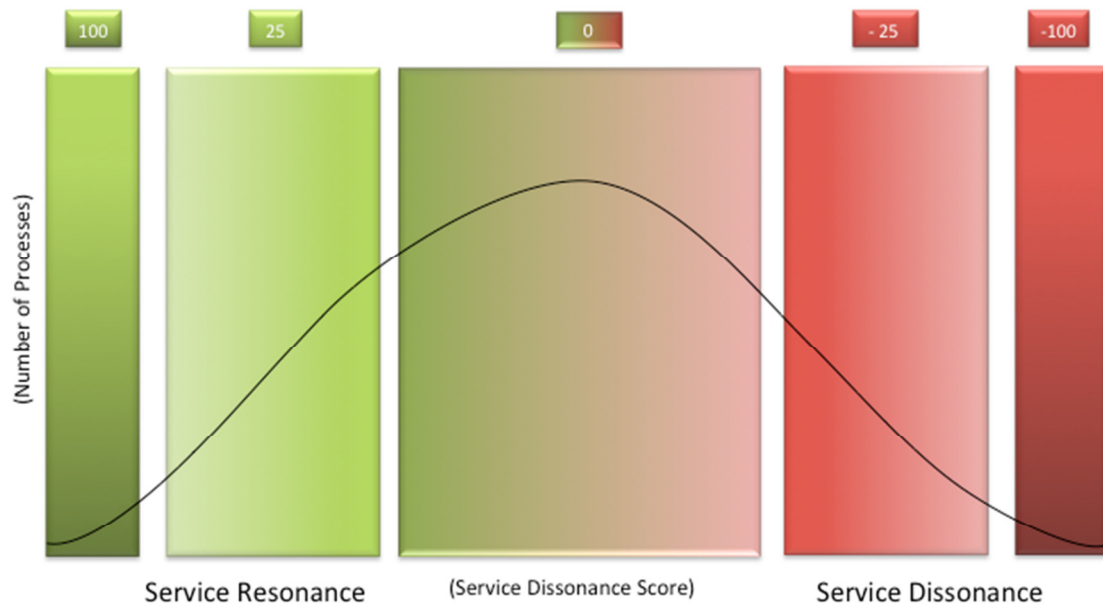
While the Service Dissonance Score may be influenced by the personal biases of each employee it is only marginal interactions that will be affected by the subjective element of the measure. Thus, highly positive and highly negative interactions will not be affected by this personal bias. The closer to the end point a score (plus or minus 100) the more reliable an indicator it becomes. While scores that trend toward Zero can be consider neutral interactions and may fluctuate between resonant and dissonant, they are actually quite harmful with half of the customer experiences being negative.

Service Dissonance Profiles

When captured within the context of an activity, process or transaction the Service Dissonance Score can identify elements of the service ecosystem that inhibit an employee from delivering a positive customer experience. Mapping the Service Dissonance Score for each process in the service ecosystem enables an organisation to create a Service Dissonance Profile (SDP).

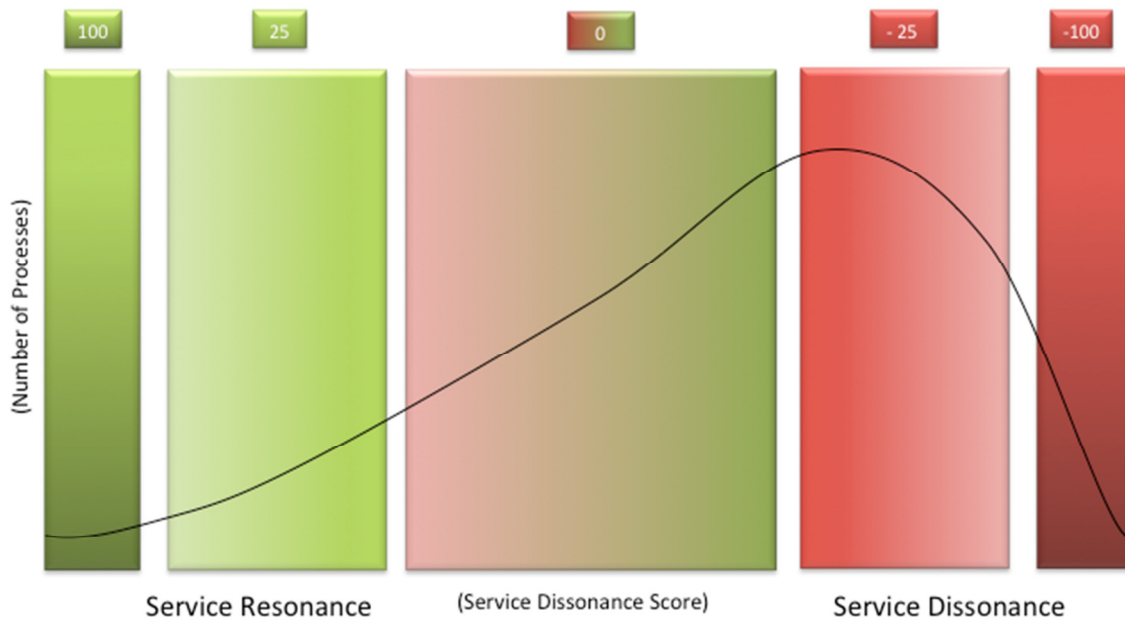
An SDP provides a visual indicator of an organisation’s resonant and dissonant processes by plotting the Service Dissonance Score of each process on a graph. The X axis represents the Using this methodology the profile of a Service Neutral organisation may have the following characteristic:

Service Neutral Organisation Profile

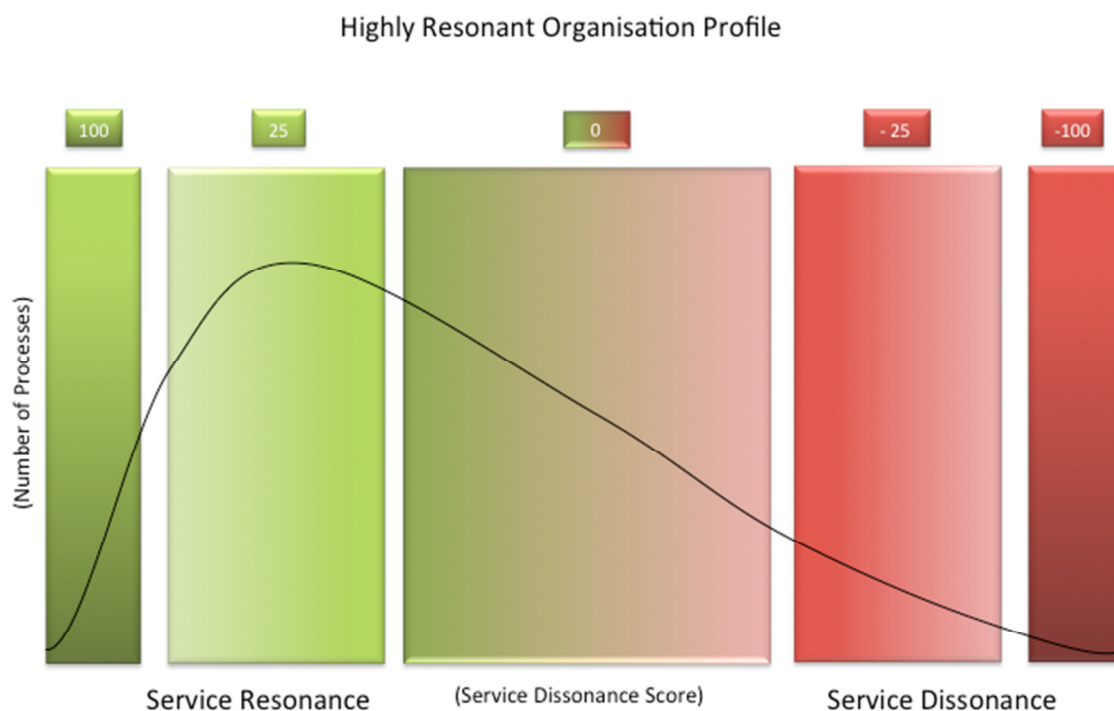


Whereas, a highly dissonant organisation would have a profile skewed toward the right of the scale as follows:

Highly Dissonant Organisation Profile



Finally, a highly resonant organisation would have a profile skewed toward the left of the scale.



By creating a service dissonance profile for each core process greater insights can be gained into which processes cause the greatest level of dissonance. For example, an organisation could plot the service dissonance profile for the Billing and Payment process. This can be achieved by identifying each sub-process and plotting the Service Dissonance Score for each billing sub-process to obtain a Service Dissonance Profile for the Billing and Payment aspect of the service ecosystem.

This can provide an organisation with a quick appreciation for the quality of its Billing and Payment process. More importantly, it provides deep insight into which sub-processes are the most dissonant enabling an organisation to prioritise its investment in the service re-design effort.

It also provides a very useful means of assessing the impact of each investment as the plot for each sub-process on the service dissonance profile shifts as a result of a change. This is where the large number of data points has its greatest impact. By accelerating the feedback loop tracking the impact of change becomes incredibly fast. Eventually, the entire Service

Dissonance Profile for the Billing and Payment process will become skewed toward the Service Resonance Scale.

Finally, by plotting all the core processes on the organisation's Master Service Dissonance Profile it is possible to see the overall Service Dissonance Profile shift over time. Service Dissonance is a real-time feedback loop that enables organisations to be highly responsive to dissonant processes and track the success of the service design effort.

What are the Implications of Measuring Service Dissonance for Organisations?

As a manager in today's highly competitive environment one understands that the battleground for customers is being redefined – customer experiences are at the core of a business' growth strategy. Most businesses have invested heavily in "voice of the customer" programs linked to the Net Promoter Score (NPS) measurement system (Reichheld, 2003).

What is NPS?

"Net Promoter Score" is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix. NPS was introduced by Reichheld in his 2003 Harvard Business Review article "One Number You Need to Grow". NPS can be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter). An NPS that is positive (i.e., higher than zero) is felt to be good, and an NPS of +50 is excellent.

NPS is based on a direct question: *How likely is it that you would recommend our company/product/service to a friend or colleague?* The scoring for this answer is based on a 0 to 10 Likert Scale. Promoters are those who respond with a score of 9 or 10 and are considered loyal enthusiasts. Detractors are those who respond with a score of 0 to 6 - unhappy customers. Scores of 7 and 8 are ignored as passively loyal. NPS is calculated by subtracting the percentage of customers who are Detractors from the percentage of customers who are Promoters.

One of the most common complaints about NPS is that it doesn't provide insights into the root cause of the customer's dissatisfaction and it is often a

lagging indicator. This creates a concern, as the organisation doesn't see the impact of a change for many months, by which time more changes have been made to the service ecosystem. Therefore, it becomes difficult to attribute a change in the service ecosystem to an increase in NPS. There is also a degree of arbitrary design in the scoring system. A 6 is equal to a zero when clearly the level of dissatisfaction is not equal.

Understanding where to target investment in the Service Ecosystem is a common issue for executives. The Service Dissonance Measure was designed to assist organisations to identify Service Dissonant processes and redesign them to become more Service Resonant.

Organisations spend large sums of money surveying customers in order to measure the quality of the customer experience. How much effort is spent measuring the experience of customer facing employees working within the service ecosystem? Our experience at Service Resonance Co. suggests that this figure is less than 1% of the amount spent measuring customer satisfaction.

The Service Dissonance Measurement System is able to work in tandem with an organisation's NPS Measurement System. The Service Dissonance Profile is a rapid feedback mechanism and can be very granular. This enables targeted investment in the service ecosystem with great effect. As an organisation becomes more Service Resonant its NPS will increase.

Thus, there will be a high correlation between an organisation's NPS and its Service Dissonance Profile. Using the Service Dissonance Profile enables organisations to monitor changes in the service ecosystem and attribute a change to an improved customer experience. An increase in the NPS is a by-product of a more resonant service ecosystem.

Why Service Dissonance Matters to Organisations

A highly Service Resonant organisation will have higher customer satisfaction, employee retention, engagement and productivity when compared to a Service Dissonant organisation.

Service Dissonance is a contributor to many negative outcomes for an organisation. Within the context of the customer experience, Service Dissonance contributes to high customer

turnover, lower propensity to purchase and lower profit margins. Within the context of employees, Service Dissonance contributes to higher attrition, lower productivity, increased sick leave and lower employee engagement.

It is important to note that Service Dissonance at an individual employee or customer level is cumulative. Service Dissonance builds up over time until a threshold is reached and a response is triggered. For customers this may result in a complaint, non-payment or defection to a competitor. For employees this may lead to higher sick leave and attrition. The good news is that Service Resonance generates the opposite behaviour of Service Dissonance leading to more loyal customers and employees.

Understanding an organisation's Service Dissonance Profile and using it to redesign the most dissonant processes will lead to better business performance. The ability to redesign the service ecosystem and track the impact of each change through the Service Dissonance Profile gives managers a faster and more cost effective tool to improve the customer experience.

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About the Author

John Rives is a thought leader in service design, service measurement and customer experience. He has over 20 years of accumulated knowledge within service businesses including several years as a CEO.

John co-founded the Service Resonance Company in 2013 to partner with organisations seeking to transform their Customer Experience programs. Service Resonance offers consulting services to assist businesses transform their Service Ecosystems.

John created the Customer Experience Capability and Capacity Framework (CXF) in 2013 as a digital learning system for high customer contact roles. This work draws on trans-disciplinary areas of service design, learning sciences, neurosciences and cognitive learning. A part of this development has been in co-junction with Prof Carol Dweck, Stanford University.

John came to Australia in 1992 to establish Optus Communications as one of the leading customer centric brands in Australia. His work at Optus saw him gain a reputation as an expert in the field of service design that he continues to enjoy today.

In 1995, John joined Optus Vision as Director of Customer Service and Information Technology where he once again assumed responsibility for translating the vision of service excellence into a commercial reality.

Later, as CEO of United Customer Management Solutions, he continued to pursue the integration of technology and human capital setting the standard for best-in-class service delivery.

Prior to Co-Founding Service Resonance Company, John spent ten years working with entrepreneurs of privately held businesses to realise their growth potential. On average, his clients have experienced annual growth in excess of 20% and delivered many great Customer Experiences on the journey.

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About Service Resonance Company

Founded as a Customer Experience advisory firm, Service Resonance Company provides services and consulting in Service Ecosystem Design, Service Measurement and Digital Learning Solutions.

Service Resonance Company has developed the Theory of Service Dissonance; a Customer Experience measurement system that enables businesses to identify Service Dissonant processes and target investment in the Service Ecosystem.

Our Digital Learning Solutions are based on the Customer Experience Capability and Capacity Framework (CXF). The CXF has been designed to assist businesses to transform task directed workers into goal directed customer advocates. This work draws on trans-disciplinary areas of service design, learning sciences, neurosciences and cognitive learning. A part of this development has been in co-junction with Prof Carol Dweck, Stanford University.

Service Resonance partners with Be Learning and Alpha Salmon to design, build and deploy tailored Digital Learning Solutions based on the CXF.

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