

The Benefits of Customer Service Training for the Tourism and Hospitality Sector
in British Columbia

Secondary Research Brief

Ray Freeman

Left Coast Insights - Tourism Development Consulting

October, 2012

Introduction:

The purpose of this research brief is to identify and summarize the key issues and considerations of training, with a focus on the benefits of customer service-oriented training in order to more effectively understand and promote training initiatives for the tourism and hospitality sector in British Columbia. This brief provides a summary of salient evidence derived from secondary research resources with the addition of primary research undertaken for production of a 2011 tourism/hospitality employer customer service training and needs assessment report. Key issues and recommendations provide evidence on the benefits of undertaking customer service training.

Salient Research on Employer Training Needs:

In a 2010 Tourism Vancouver Island Training and Education Needs Assessment Survey, employers and managers indicated that customer service skills were one of the most significant issues for human resources management identified by survey respondents in the tourism and hospitality sector (Tourism Vancouver Island, 2010). A follow-up needs analysis survey (VIU, 2011) by this researcher in conjunction with Vancouver Island University, Tourism Vancouver Island, and WorldHost Training Services (at the time, a division of the British Columbia Ministry of Jobs, Tourism and Innovation) further explored the specifics of customer service training requirements for tourism and hospitality employers (see: Table 1.).

Key themes which emerged from the 2011 customer service needs analysis survey showed that employers and human resources managers were most concerned with employee skills and training issues related to: personal development, tourism/hospitality knowledge, computer and communication skills, leadership/management skills, and customer service skills. Of these topics, *customer service skills* produced the largest number of subject items of concern for employers in the region.

Table 1. Employer Needs Assessment – Customer Service Skills of Concern to Employers:

Entry level customer service skills
Front-line customer service
Problem-solving
Customer interaction
Multi-tasking
Creative problem-solving
Effective oral communication
Handling complaints
Empathy
Customer orientation
Resolving customer complaints
Determining visitors' needs
Impossible guests
People skills
Anticipating guest needs
Telephone communication
Presentation skills

Listening skills (listening and assessing the situation before responding)
Reading the customer
Dealing with last minute changes
Saying “No” nicely
Understanding difficult situations are not personal
Under promising and over delivering
Handling cash
Conflict resolution

Note: Responses were aggregated from multiple employers; therefore some items may have overlapping themes.

Source: VIU, 2011.

Quality of Customer Service

The delivery of quality customer service in the tourism sector is critical to satisfying increasing consumer expectations and achieving business profitability (Erdly & Kesterson-Townes, 2002; Pine & Gilmore, 1998; Shaw & Ivens, 2005). Addressing these objectives may be accomplished through training in order to improve service quality (Buhalis & Law, 2000; Ritchie & Crouch, 2003). On a global scale, Canada ranks highly in human resources capabilities, however, in tourism, the seasonal nature of the sector and limited access to affordable and accessible training influence competitive advantage (Blanke & Chiesa, Eds., 2009; Deloitte, 2008).

Key Challenges and Benefits to Employers

Employers struggle to justify the time and expense associated with training, particularly in a seasonal workplace or environments with higher levels of staff turn-over (Saunders, 2009). In order to address these concerns, employers need to be shown how training positively impacts their bottom line. However, many of the benefits are intangible and therefore difficult to quantitatively measure. For example, employee competence and job satisfaction may reduce absenteeism and turn-over, improving productivity and organizational profitability. However, without rigorous measurement, employers often have difficulty understanding the ROI of training despite evidence that the ROI is often quite high. Key benefits include: improved employee attraction/recruitment, retention, engagement, and innovation. Saunders suggests that learning should be oriented to develop employee potential versus addressing deficiencies. Employees are being tasked with increasingly complex workplace requirements; therefore, investment in training, including training for seasonal employees provides organizations with competitive advantage and high ROI values if rigorously measured.

Table 2. Key Capacity Issues (Issues / Challenges / Opportunities):

- ⑤ SME's often lack human resources management training
- ⑤ SME's often do not have the resources to identify training needs

- ⑤ Many employees have difficulty finding the time to attend training outside of working hours
- ⑤ Employee mentorship (knowledge transfer between more/less experience employees) is a cost-effective way to facilitate training (train employees to train others)
- ⑤ Training need to be designed to consider diverse learning styles
- ⑤ Training should be designed to consider short, medium and longer-term outcomes
- ⑤ Flexible training options should be offered (face-to-face, online, blended, self-directed, flexible scheduling opportunities)
- ⑤ Credential recognition assists both employees and employers in the recruitment process

Essential Skills: Benefits to Employees

In conjunction with customer service skills training, Essential Skills training provides a foundation for effective customer service delivery and shares many complimentary benefits. Employers should consider Essential Skills when selecting, designing, or delivering customer-service oriented training. Potential benefits to individual participants of workplace essential skills training may include: improved skills, positively changed attitudes, better communication skills, better understanding of workplace practices, increased morale, confidence, self-satisfaction, work-satisfaction, increased participation, greater job/career advancement potential, greater interest in and willingness to participate in further training, independence (Grey, 2006; HRSDC, 2010; Salomon, 2009). For more information on Essential Skills, see: <http://www.hrsdc.gc.ca/eng/workplaceskills/LES/index.shtml>

Table 3. Essential Skills:

- ⑤ are needed for work, learning and life
- ⑤ are the foundation for learning all other skills
- ⑤ help people evolve with their jobs and adapt to workplace change
- ⑤ are foundational for customer service skills improvement

Customer-Orientation

According to Kim (2008), customer-oriented interactions between consumers and tourism employees influence the quality of the tourism experience. Kim defines customer orientation “as the set of activities, behaviors, and beliefs that place high priority on customers' interests and

continuously create superior customer value” (p. 195). Kim further advises that positive employee attributes alone may not be sufficient to facilitate positive customer engagements without training designed towards encouraging a customer-orientation.

Customer Service and Competition / The Customer-Oriented Organization

Masberg, Chase, & Madlem (2003) state: “to the customer, only service may distinguish a business from its competition (p. 19).” Their study on training needs in Washington State suggests that training needs are relatively unchanged since the 1980’s. The authors further suggest that *training requirements are not consistent across the range of various employment positions within organizations*; therefore, may require customized training for specific job positions. While specific job skills may differ depending upon duties, the building of a customer-oriented organization creates synergies which may better meet customer expectations.

Training Strategies

Tourism and hospitality sector employers may address customer service challenges by executing training strategies to increase employee capabilities in order to elevate service quality. The use of multiple training strategies, delivered through a blended approach integrating face-to-face and computer-based training may provide the combined benefits of these delivery methods in contrast to traditional face-to-face training alone or a purely computer-based training methodology (Bersin, 2004; Kruse & Keil, 2000; Rosenberg, 2001). Furthermore, the ubiquitous nature of the Internet provides opportunities to enhance training capabilities, provided implementation is strategically managed (Bersin, 2004; Buhalis, 2003). As stated above, mixed training methodologies address individual learning styles, improve efficiencies, and provide flexibility for employees to acquire training.

Face-to-Face Training / Computer-Based Training / Blended Training

Despite the recent growing popularity of Computer-Based Training (CBT), Laff (2007) advises that face-to-face training is still preferred and may be more effective to deliver complex curriculum. Although CBT provides expedient access to data, if learners are not cognizant of the location of that data, they may be challenged to solve assigned problems. Laff suggests that in face-to-face engagements, instructors may be more responsive to students’ needs. Furthermore, students represent a diverse array of capabilities, experiences, and learning styles, providing instructors with a significant challenge to adapt curriculum in response to immediate needs. These issues may be challenging to address in a CBT initiative.

Hicks & Walker (2006) support Laff’s assertions; however, they advise that CBT can provide more immediate information and support. They suggest that by *blending* training, organizations may realize benefits including: rapid orientation of new employees and increased employee retention due to the complimentary benefits of each methodology. Bersin (2004, p. xv) defines blended learning as “the combination of different training ‘media’ to create an optimum training program for a specific audience. The term ‘blended’ means that traditional instructor-led training is being supplemented with other electronic formats.”

Despite the benefits of CBT, even students who function well with CBT may derive benefits from face-to-face training, including the opportunity for in-depth problem solving, and social interaction. The combined benefits of a blended delivery methodology may best be realized through carefully considered instructional design (Hicks & Walker, 2006). Themes derived from the authors identified above focus on: *employee interactions with consumers, customer expectations, technological influences, training approaches, and blended training benefits.*

While blended training initiatives are still in the early stages of maturity (Buhalis & Law, 2008), responsiveness to consumer needs may assist organizations to gain competitive advantage in an increasingly competitive global marketplace.

Key Issues / Recommendations

Investing in workplace learning is increasingly important for employers in the British Columbia tourism and hospitality sector to remain competitive in a global context (Deloitte, 2008; VIU, 2011).

Approximately 50% of tourism/hospitality sector employers struggle with seasonality issues and inexperienced workers who enter the industry unprepared and require basic skills training. This situation is exacerbated when recently trained and experienced workers move on to other, sometimes, better paying positions (Blanke & Chiesa, Eds., 2009; TAVI, 2010).

The lack of time available to management to train workers appears to be more important than the cost and availability of training programs inferring, or indeed confirming, that internal human resources are stretched to a point where training workers is not being addressed as much as it should be for many employers (TAVI, 2010).

There is a need for greater flexibility in the design and delivery of training programs with delivery methods adapted to different learning styles and scheduling requirements (Bersin, 2004; Buhalis, 2003; Kruse & Keil, 2000; Rosenberg, 2001).

Management and human resources for training are at a premium, apparently more so than outright program costs. Tourism/hospitality employers should consider external training resources (TAVI, 2010).

38% of tourism/hospitality sector employers stated they would be interested in participating in training/education workshops delivered by an external agency (TAVI, 2010).

Customer service and sales skills training are perceived as the two most potentially beneficial training topics identified by tourism/hospitality sector employers. These skill areas are integral to customer satisfaction, employee engagement, and organizational performance (TAVI, 2010; VIU, 2011).

Employee competence and job satisfaction may reduce absenteeism and turn-over, improving

productivity and organizational profitability. Without rigorous measurement, employers often have difficulty understanding the ROI of training despite evidence that the ROI is often quite high. However, the Conference Board of Canada reported that only 8% of member organizations evaluated training of any kind in terms of ROI (Deloitte, 2008; Saunders, 2009).

Research produced in the (last few years) reflects a persistent linking of skills training to employer gains and productivity. The state of Indiana is reported to have experienced an overall state ROI of 148 percent for companies that invested in workplace education programs (Salomon, 2009).

While ROI measurement is difficult, employers should consider the longer-term benefits of investment in training, including customer satisfaction, the gains in ability to attract and retain workers that accrue to learning organizations, even in seasonal work environments, and overall improvements in organizational performance (Brown, Elliott, Christensen-Hughes, Lyons, Mann, Zdaniuk, 2009; Sanders, 2009; TAVI, 2010; VIU, 2011).

The level of employer commitment to training and nurturing of a learning organization can either support or undermine investment in learning and training. Essentially, employers get out of training what they put into it...often by attracting and retaining better employees. Ultimately, this investment results in a better customer experience with improved levels of customer loyalty and organizational profitability (Blanke & Chiesa, Eds., 2009; Deloitte, 2008; Erdly & Kesterson-Townes, 2002; Pine & Gilmore, 1998; Shaw & Ivens, 2005).

References

- Bersin, J. (2004). *The Blended Learning Book*, San Francisco, CA.: John Wiley & Sons, Inc., ISBN: 0-7879-7296-7
- Blanke, J. & Chiesa, T. (Eds.). (2009). The Travel and tourism competitiveness report: Managing in a time of turbulence. *World Economic Forum*, Davos. 525 pp. Retrieved from: <http://www.weforum.org/reports/global-competitiveness-report-2009-2010>
- Brown, J., Elliott, S., Christensen-Hughes, J., Lyons, S., Mann, S., & Zdaniuk, A., (2009). Using Human Resource Management (HRM) Practices to Improve Productivity in the Canadian Tourism Sector, Department of Business, University of Guelph, *Canadian Tourism Human Resource Council*, Retrieved from: http://cthrc.ca/~media/Files/CTHRC/Home/research_publications/productivity/HRM_Practices_Improve_ProductivitySept_EN.ashx
- Buhalis, D. (2003). *eTourism: Information technologies for strategic tourism management*. Harlow: Pearson Education Limited.
- Buhalis, D., Law, R. (2008). Progress in information technology and tourism management: 20 years on and 10 years after the Internet – The state of eTourism research, *Tourism Management*, 20 (4), pp. 609-623.
- Deloitte, (2008) Tourism amid turmoil: How Canadian companies can compete, Tourism Industry Association of Canada, Retrieved from: <http://tiac.travel/publications.htm>
- Erdly, M., Kesterson-Townes, L. (2003), “Experience rules”: a scenario for the hospitality and leisure industry circa 2010 envisions transformation. *Strategy and Leadership*, Vol. 31, No. 3, p. 12, MCB UP Limited, ISSN 1087-8572
- Grey, A. (2006). *Upskilling through foundation skills: A literature review, A report prepared for the Department of Labour*. New Zealand. Retrieved from: <http://www.dol.govt.nz/PDFs/upskilling-through-foundation-skills.pdf>
- Hicks, G., & Walker, M. (2006). Training in the timeshare industry. *Tourism & Hospitality Research*, 6(4), 296-300. doi:10.1057/palgrave.thr.6050020.
- Human Resources and Skills Development Canada (HRSDC). (2010). *Essential Skills*. Retrieved from: http://www.hrsdc.gc.ca/eng/workplaceskills/essential_skills/general/home.shtml
- Kim B. (2008). Mediated Effects of Customer Orientation on Customer Relationship Management Performance. *International Journal of Hospitality & Tourism Administration*, 9(2), 192-218
- Kruse, K., & Keil, J. (2000). *Technology-Based Training: The Art and Science of Design, Development, and Delivery*. San Francisco, CA.: Jossey-Bass/Pfeiffer. ISBN 0-7879-4626-5
- Laff, M. (2007). Some IT TRAINING Remains Traditional. *Training & Development*, 61(11), 68-73.

- Masberg, B., Chase, D., & Madlem, M. (2003). A Delphi Study of Tourism Training and Education Needs in Washington State. *Journal of Human Resources in Hospitality & Tourism*, 2(2), 1. doi:10.1300/J171v02n02•01.
- Pine, I., & Gilmore, J. (1998). Welcome to the Experience Economy. *Harvard Business Review*, 76(4), 97-105.
- Ritchie, B. & Crouch, G. (2003), *The Competitive Destination: A Sustainable Tourism Perspective*. Cambridge, MA: CAB International.
- Rosenberg, M., (2001). *E-Learning: Strategies for Delivering Knowledge in the Digital Age*. McGraw-Hill, ISBN 0-07-136268-1
- Salomon, Maria (2009). *Workplace Literacy & Essential Skills - What Works? and Why?*. The Centre for Literacy of Quebec. Retrieved from:
<http://www.nald.ca/library/research/cfl/wles/cover.htm>
- Saunders, R. (2009). *Employer Investment in Workplace Learning*. Canadian Policy Research Networks. Retrieved from:
http://www.nald.ca/library/research/ccl/edmonton_en/cover.htm
- Shaw, C., & Ivens, J. (2002). *Building great customer experiences*. New York, N.Y.: Palgrave Macmillan.
- Tourism Vancouver Island (TAVI) (2010), *2010 Training and Needs Assessment Survey*, Retrieved from: <http://www.tourismvi.ca/research/pdf/2010-Training-and-Education-Needs-Assessment-Survey.pdf>
- Vancouver Island University (VIU) (2011), *Vancouver Island and the Sunshine Coast Tourism and Hospitality Sector Customer Service Training and Needs Assessment Report*, Unpublished