TASK CLARIFICATION, PERFORMANCE FEEDBACK, AND SOCIAL PRAISE: PROCEDURES FOR IMPROVING THE CUSTOMER SERVICE OF BANK TELLERS

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Customer service for bank tellers was defined in terms of 11 verbal behavior categories. An audio-recording system was used to track the occurrence of behaviors in these categories for six retail banking tellers. Three behavior management interventions (task clarification, performance feedback, and social praise), applied in sequence, were designed to improve overall teller performance with regard to the behavioral categories targeted. Clarification was accomplished by providing clear delineation of the various target categories, with specific examples of the behaviors in each. Feedback entailed presentation of ongoing verbal and visual information regarding teller performance. Praise consisted of verbal recognition of teller performance by branch managers. Results showed that clarification effects emerged quickly, producing an overall increase in desired behaviors of 12% over baseline. Feedback and praise effects occurred more gradually, resulting in overall increases of 6% and 7%, respectively. A suspension of all procedures led to a decline in overall performance, whereas reinstatement of feedback and praise was again accompanied by performance improvement. These findings extend the generality of behavior management applications and help to distinguish between possible antecedent and consequent effects of performance feedback.
    DESCRIPTORS: organizational behavior management, bank tellers, customer service, feedback, clarification

Few applications of organizational behavior management (OBM) in the banking industry have been reported, despite evidence showing that work performance in many areas of a financial institution, and even bank profitability, can be improved with these methods (Abernathy, Duffy, & O'Brien, 1982; Roberts, 1983). However, given today's highly competitive financial services marketplace, it is imperative that banks optimize the performance of their human resources, especially in the area of customer service. Several studies of retail selling have demonstrated that customer-service-oriented employee behaviors can be increased through the application of behavior management techniques such as feedback and praise (e.g., Brown, Malott, Dillon, & Keeps, 1980; Komaki, Blood, & Holder, 1980). One purpose of the present study was to evaluate the efficacy of similar procedures with bank tellers, who are considered by many in their industry to be the primary agents of customer relations.

A second purpose of this study was to explore further the possibility that typical OBM feedback interventions may exert an influence on behavior both as antecedents and as consequences (Prue & Fairbank, 1981). One possible antecedent effect of feedback is what may be called "task clarification," or precise specification of the behavioral components of a job. In this capacity, feedback interventions may inform employees, perhaps for the first time, of the particular actions that are desired for successful completion of a required task. Such an effect of feedback may be primarily directional in nature and may be especially useful for those tasks, like customer service, that so often have been characterized by ambiguity with regard to performance criteria.

Feedback may also have response-strengthening effects apart from task clarification. Such effects may be more reinforcement-like in nature and thus may be dependent upon repeated application of the intervention. In this way, feedback may serve more

as a consequence than as an antecedent in the control of behavior.

In the present study, separate task clarification and feedback interventions were used. The clarification procedures used here were similar to those used in previous research (e.g., Brown et al., 1980; Geller, Eason, Phillips, & Pierson, 1980). We expected that the sequential introduction of clarification and feedback would first reveal any long-term directional effects of task specification followed, perhaps, by further response strengthening caused by explicit knowledge of performance.

METHOD

Subjects

The participants in this study included a male branch manager, a female operations manager, five full-time female tellers, and one part-time female teller. The tellers ranged in age from late twenties to late fifties. Five of the tellers had been employed by the bank for 1 to 6 years, whereas one joined the bank shortly after the project started. One teller left the employ of the bank before the project was completed for reasons unrelated to the study.

Setting

This study was conducted in one branch of a medium-sized midwestern bank. At the time of this study, the bank had 12 urban branch locations and reported total assets of approximately 500 million dollars. The particular branch selected for the project was one of the bank's oldest and had exhibited only a modest rate of growth in the preceding 2 years.

Behavioral Targets

The specific behavioral categories targeted in this study were selected on the basis of extensive preliminary observations of teller–customer interactions, combined with input from bank personnel, including the tellers themselves. The final list of behavioral targets was largely a reflection of bank management's decision that each teller–customer interaction should be characterized by certain key features, including a specific set of teller verbalizations. Once the target list was formulated, "quality

point" values were assigned to each category based on an arbitrary priority determined by bank management. The sum total of all quality points for any transaction was 100.

The specific categories targeted, together with their quality point assignments, were as follows:

1. *Time to service:* latency of first verbal acknowledgment of customer by teller, measured from moment customer was within one yard of the teller window. A latency of 0 to 5 s was assigned 12 points; 6 to 11 s was assigned 7 points; longer than 11 s was assigned 0 points.

2. *Greeting:* opening teller verbalization, such as "hello" or "good morning." A phrase emitted by the teller at the start of a transaction from among the list of acceptable greetings was assigned 10 points.

3. *Expression of concern:* one of several possible teller statements to the effect of "how are you today?" This category was assigned a value of 5 points.

4. *Using customer's name:* including mention of the customer's first and/or last name somewhere in the transaction. Using the name, which is normally available from papers, deposit slips, and so on, was worth 10 quality points.

5. *Talking only to customer:* refraining from conversation with someone other than the current customer during a transaction, unless the teller is specifically addressed by someone else or it is necessary to obtain information. This category was assigned a value of 10 points.

6. *Additional assistance:* one of several possible queries by the teller to the effect "can I be of further assistance?" Also, this category, worth 6 points, could be satisfied through referral to another banking product or service.

7. *Minimizing small talk:* keeping unnecessary self-initiated conversation to a minimum so as not to prolong the transaction unduly. Points were awarded in this category based upon the percentage of a transaction during which the teller refrained from small talk. Each transaction was divided into consecutive 10-s intervals. The percentage of intervals without small talk was computed. For short transactions (less than 90 s in duration), 6 points were awarded if the percentage of intervals without

small talk was at least 20. For longer transactions, 6 points were awarded only if the percentage was at least 50.

8. *Responding to customer inquiries:* providing the appropriate information or referral to any customer who asks about a banking product or service. A graded criterion was used to award points such that 90% or better appropriate responses earned 11 points, 80% to 89% appropriate responses was worth 6 points, and below 80% was assigned 0 points.

9. *Expression of appreciation:* one of several possible statements to the effect that "the bank appreciates your business." This category was valued at 10 points.

10. *Closing:* the conclusion of the transaction with one of several possible teller statements to the effect "have a nice day." Five points were awarded in this category.

11. *Voice tone:* an overall rating (acceptable or unacceptable) of the tone of voice used by the teller during the transaction. Tone was rated unacceptable if at any point during the transaction the teller was rude to the customer or became irritated or angry. Maintaining an acceptable tone was valued at 15 points.

A total of 85 points was identified by bank management as a minimum level of acceptable performance during a transaction.

Observation and Reliability

To observe and record instances of teller behavior in the above categories with minimal intrusion, an audio system was installed at each teller window. With this system, a microphone in each window was connected to a stereo cassette recorder through a control box that allowed observers to tape transactions in two windows simultaneously (one on each channel). In addition, the control box also allowed one transaction to be monitored with headphones during the recording. For purposes of scoring, an auditory time marker was superimposed on the recording by the control box at 10-s intervals.

With this system, a trained observer could track the occurrence of target behaviors while a transaction was in progress. In practice, the tape recording served mainly as a backup and as a means

of determining interobserver agreement. Scoring was accomplished with the aid of a tabular chronograph form containing a timeline marked with 10-s intervals across columns and target behavior categories down the rows. The time marker (audible only to the observer) cued movement from one column (i.e., interval) to the next on the form. Relevant teller and customer behaviors were marked on the form using a specially devised code.

The time-to-service category was dependent on visual observation of a customer approaching a particular teller's window. Accordingly, the observer was located at an unused teller station that permitted an unobstructed view of customer approach to all windows. Once the transaction was completed, points were awarded for each individual category, and the total transaction score was computed.

Throughout the study, a random sampling procedure was used to obtain transactions for each teller. Observation sessions occurred on each business day (Monday through Friday). Each session took a total of 6 hr, divided into three 2-hr periods. A total of six transactions was sampled randomly for each teller per session so that two were obtained from each period, customer flow permitting. Points awarded in each category across samples were averaged for each teller to obtain composite scores by category as well as total transaction scores.

A total of eight observers was used. The procedure used to determine interobserver agreement involved randomly selecting transactions for each observer to be rescored by the most experienced observer. Rescoring was accomplished by means of the audio tape. All behavior categories (except the latency measure) could be rescored using this procedure. A reliability index based upon the ratio of agreements to agreements plus disagreements was computed for each transaction rescored. During training, observers practiced until they achieved an overall reliability index on each transaction of 0.85 or better. Thereafter, reliability was assessed for each observer per week using four randomly sampled transactions. Weekly reliability indices (averaged across the four samples for an observer) were found to average 0.92 (range, 0.89 to 1.00). An examination of reliability separately for each be-

havior category revealed individual transaction indices ranging from 0.75 to 1.00. In general, voice tone and small talk categories were the lowest, whereas greeting, using customer's name, and closing were the highest.

Design and Procedure

Following a baseline period, three interventions (i.e., task clarification, feedback, and social praise) were introduced sequentially. After the praise intervention, all procedures including observation were temporarily suspended for 20 workdays, after which baseline, feedback, and praise phases were reinstated. Note that the design may thus be viewed as an ABCDSA'CD sequence in which A is baseline, B is clarification, C is feedback, D is praise, and S is the suspension period, A' differs from A inasmuch as the task clarification intervention (B) presumably was not subject to withdrawal during the suspension period.

Prebaseline. Prior to the initial baseline phase, a meeting of branch personnel was used to introduce the observation methodology. Tellers were assured at this time that the procedures would not be used against them in any way. A sign was devised to inform the public that certain transactions would be taped for purposes of improving customer service. Also, during this prebaseline period, observer training and refinement of behavioral definitions occurred.

Baseline I. The baseline period commenced with the start of formal observation of customer–teller interactions. This phase was maintained for a total of 19 consecutive daily observation sessions.

Clarification I. Task clarification was accomplished via a memo from bank management containing an explicit definition of the behavioral categories that had been developed and a description of the quality point system for scoring transactions. This memo was distributed at a meeting of branch personnel in which discussion and further explanation took place as required. A copy of the clarification memo is available upon request from the authors. Although this intervention took place only on Day 20 of the study, the effects of clarification were monitored for an additional 35 consecutive daily sessions in this phase.

Feedback I. The feedback intervention was introduced and explained at another teller meeting.

Feedback was administered by means of a chart for each teller posted on the wall of a room accessible only to bank personnel. Each chart was coded and, to further ensure anonymity, "fake" scores were posted for any teller who was absent from work. A feedback chart consisted of a graph of mean transaction quality points (averaged over the six transactions sampled in a daily session) as a function of days. The 85-point minimum value was highlighted on the graph. Below the graph on each chart was a table showing average points per category for each day. Charts were updated daily and covered a 2-month period, always including the current and immediately preceding months.

Feedback also entailed verbal acknowledgment by the branch manager or operations manager of a teller's most recent posted overall score as well as the breakdown of that score by category. Verbal feedback was given individually usually at the start of each workday, in a brief (usually less than 5 min) meeting with each teller. Managers were also instructed to compare the current score with that of the previous day and to focus, in this phase, on describing rather than interpreting or evaluating performance. That is, the point of these discussions with tellers was not to characterize performance as either "good" or "bad" relative to standards, but rather was to communicate an individual's numerical scores and, if necessary, explain how scores related to specific behaviors.

To assist managers in the appropriate delivery of feedback, a worksheet was devised permitting the manager to list each teller's current mean transaction score and to specify how it was related to the score obtained on the previous day. Once weekly, a manager's worksheet was randomly sampled and checked for accuracy of information. Also, an observer was permitted to "overhear" one randomly selected feedback meeting per week. In all cases, the manager was found to provide tellers with appropriate and accurate information. This phase lasted for a total of 40 consecutive daily sessions.

Feedback plus Praise I. In this stage, verbal feedback was accompanied by social praise. Tellers were praised individually if (a) their current score

was at or above 85, regardless of the previous day's score, or (b) the current score was below 85 but was higher than the previous day's score. Praise involved acknowledgment of the score, an indication that the performance was good, expression of thanks, and encouragement to continue the performance at or above the current level. Worksheets were also used by the manager in this phase. Again, weekly checks for accuracy of worksheets and delivery of praise indicated that this intervention was administered appropriately. This phase lasted for 25 daily sessions.

Suspension. All procedures were suspended for a period of 20 consecutive workdays. Because observations did not occur during this period, no data are available from this phase.

Baseline II. Following the suspension period, formal observations of teller–customer interactions were resumed. No feedback or praise was administered during this stage, which lasted for 14 consecutive days.

Feedback II. Feedback-only procedures were reapplied during this stage for a total of 33 consecutive sessions.

Feedback plus Praise II. In this phase, social praise was again administered along with feedback for an additional 16 daily sessions.

RESULTS

Figure 1 presents mean transaction quality points, averaged over tellers, as a function of daily observation sessions in each stage of the study. Each point in this figure is based on data for at least four, and often all six, tellers, depending on absences and work schedules. Overall, this figure reveals that each intervention was accompanied by an increase in mean transaction scores. The performance change produced by clarification emerged quickly and remained relatively consistent throughout the phase. In contrast, increases during the Feedback and Praise interventions emerged more gradually. Teller performance diminished during the postsuspension baseline but improved upon reintroduction of feedback and praise.

Specifically, Figure 1 shows that, during Baseline I, the mean transaction scores averaged 61.4 points,

with little or no trend apparent in this phase. Task clarification was associated with an increase in the average transaction score to 72, but again no clear trend was evident. In the Feedback I stage, daily average transaction scores increased gradually to a terminal level of 81.4 in the last six sessions. The average score during the Feedback I phase was 78. With the addition of praise, mean transaction scores were observed to increase still further to a generally stable level over the last six sessions in excess of the 85-point minimum performance goal. In the postsuspension baseline period (Baseline II), mean transaction scores declined to an average level of 76. An increasing trend was apparent in each of the subsequent phases wherein transaction scores reached average levels of 83 and 88, respectively, for Feedback II and Feedback-plus-Praise II interventions. The pattern of performance change across phases observed for individual tellers was usually consistent with the effects noted in Figure 1. Graphs of individual-subject data for representative tellers are available upon request from the authors.

DISCUSSION

The present findings clearly show that verbal behaviors of bank tellers during transactions with customers were subject to modification through the systematic application of behavior management interventions. This outcome adds to a growing literature indicating the utility of OBM procedures for improving the customer service offered by employees (Abernathy et al., 1982; Brown et al., 1980; Komaki et al., 1980; Komaki, Waddell, & Pearce, 1977). However, the present research is novel in demonstrating such effects for retail bank tellers. Moreover, this study extends previous work on customer service by using a more detailed definition of the verbal components of an employee–customer transaction, and by demonstrating the reliability of an audio-recording method of tracking targeted behaviors. Furthermore, the present results underscore the potential importance of behavioral technology in industries, like banking, where the performance of human resources must be optimized to retain viability in an increasingly competitive marketplace.
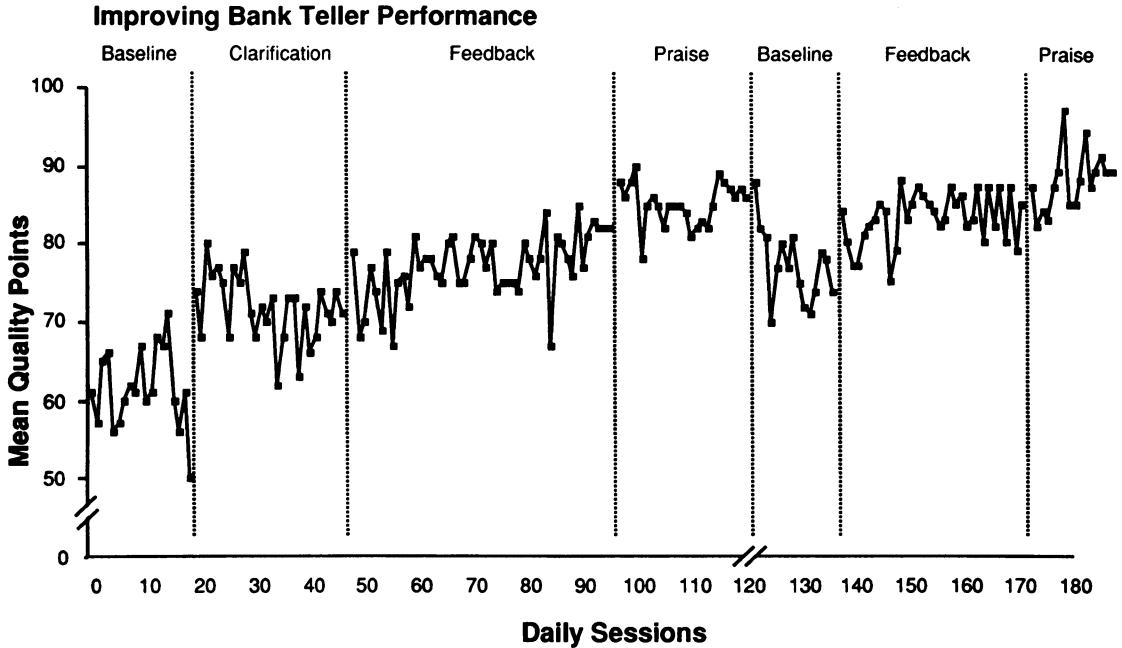
Figure 1.   Mean daily transaction score in quality points, averaged over tellers, as a function of observation sessions during baseline and in each intervention stage.

The present effects of task clarification are noteworthy because they are consistent with prior evidence showing that knowledge of task relevant behaviors can facilitate work performance, even in the absence of explicit feedback (Brown et al., 1980; Geller et al., 1980). However, the clarification intervention in the present study was associated with a larger and longer term facilitative effect than had been previously reported. The fact that clarification effects emerged quickly and were stable over time is consistent with the notion that this intervention may have served more as an antecedent than a consequence in the control of teller behavior. By the same token, the feedback intervention produced a gradual improvement in teller performance over time, a pattern of behavior change often more indicative of a consequent event whose response strengthening effects are dependent on repeated application. Together these outcomes are consistent with the view that feedback interventions often may confound task clarification with other response strengthening effects, thereby serving both as a behavioral antecedent and consequence (Prue & Fairbank, 1981).

Also of potential significance in this study was the finding that composite transaction scores exceeded the 85-point level (defined by the bank to be the minimum acceptable level of performance) only after the praise intervention was applied. This outcome suggests that social recognition may be indispensable if maximum performance change is to be realized under circumstances similar to those of the present study. This conclusion is complicated, however, by an apparent upward trend throughout the feedback stages of this study that, given more time, could possibly have resulted in performance levels comparable to those observed during the praise interventions.

An unresolved issue in the present investigation concerns the organizational significance of the observed changes in teller behavior. Because customer input was not used to formulate the targeted behavioral categories, there is no certainty that customer perceptions of teller service were (or would be) altered by the interventions used. Further research is required to determine the impact on customer behavior of changes in teller behavior such as those reported in this study.

Nevertheless, several observations are instructive, although not definitive, with regard to the social validity of this research. One relates to the number of dollars on deposit in the branch in which this study was conducted. During the investigation, this branch experienced an increase from 24 to 42 million dollars in deposits, a 75% growth rate that was unprecedented for the branch and for the bank in general. Of course, further research will be required to determine whether and to what extent this growth can be attributed to changes in teller behavior. But, to produce even a small portion of such growth through changes in teller actions would be a profitable endeavor for the bank.

Another observation of potential importance relates to customer complaints. In the 6 months prior to the initiation of this study, complaints regarding teller service that were brought to the attention of branch management averaged two to three per month. During the course of the study, customer complaints decreased steadily to a near-zero level. In addition, branch management reported that customer compliments regarding "friendly service" increased during the same period. However, it should be noted that the interpretation of these reports on complaints (and compliments) is complicated by the absence of systematic procedures for gathering and verifying the relevant information.

Finally, it should be noted that bank management was favorably impressed with the results of this investigation. The cost of implementation of the program in the first branch over the course of 12 months was approximately $6,000, including the audio system and observers' time. It was estimated that extension of a streamlined version of the program to the other 11 bank branches would cost an additional $16,000, including the cost of a dedicated full-time program administrator/observer.

As of this writing, bank personnel themselves have extended the program to an additional six branches and are in the process of program implementation in the remainder. The primary procedural changes recommended to facilitate extension and reduce the number of observers required involved (a) reducing the frequency of teller observation from a daily basis to three times a week, (b) reducing the number of transactions recorded per teller in each session from six to three, and (c) shortening the duration of each intervention phase to 2 weeks. Also, once praise had been introduced in each location, a maintenance procedure was suggested in which the frequency of recording was reduced still further to one session per week. Thus far, although we do not have direct access to the results, these procedures are reported to have produced patterns of overall performance change in each location comparable to those observed in the present study. However, to further establish external validity, we have initiated a bank-wide replication of the streamlined procedures in a different financial institution.

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