

**Workforce Information Customer Satisfaction
Assessment:
A Primer for State and Local Planning**

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Workforce Information Customer Satisfaction Assessment: A Primer for State and Local Planning

Part I Overview and Document Purpose

Introduction

Section 15 of the Wagner-Peyser Act, as amended by section 309 of the Workforce Investment Act of 1998, requires that state agencies consult with customers about the relevance of the information disseminated through the statewide employment statistics system, in order to continuously improve the system. As a first step in assisting states to meet this requirement, the Employment and Training Administration commissioned the development of this document for consideration by states in planning their customer satisfaction assessment strategies. The primer is not considered to be a final version, but is expected to evolve over time as states gain experience in this area.

About This Document

For many government agencies, customer satisfaction is a relatively new concept. The very term “customer satisfaction” is rooted in private sector fundamentals of marketing in a new, global economy. State departments of labor, faced with meeting the challenges of a new workforce investment law and competition from private sector information brokers, have had to move quickly in the past five years to grasp and implement cutting-edge customer satisfaction and marketing concepts pioneered by private sector firms.

A 1994 analysis of the annual reports of all publicly owned Fortune 500 companies showed that 87% of companies with annual revenues in excess of \$100 million listed customer satisfaction as one of their most important corporate initiatives. However, only 16.1% of those companies had any method in place to measure their effectiveness in satisfying the customer.

The goal of this primer is to assist state workforce information professionals in developing strategies for assessing customer satisfaction with workforce information products and services. In addition, it will provide guidance to workforce board members, partner organizations and other stakeholders regarding their roles in creating customer-focused, continually improving workforce systems.

There are seven parts to this document:

Part I - Overview and Document Purpose discusses the purpose of having a national workforce information system and how various customers can use data from this system;

Part II – Customer Satisfaction and Performance Excellence provides working definitions for customer expectation and customer satisfaction, and demonstrates how these apply to the workforce system;

Part III – Customer Satisfaction and Workforce Information evaluates who customers are under the Workforce Investment Act, what data products should be evaluated and state and federal responsibilities for workforce system improvement;

Part IV – Assessing Customer Satisfaction discusses some methodologies for collecting customer satisfaction data;

Part V – Analysis of Current Customer Satisfaction Studies searches out promising practices from states;

Part VI – Toward Achieving Continuous Improvement discusses a model for translating customer satisfaction data (complying with the mandate to consult our customers) into improved data products;

Part VII – Summary and Conclusion provides an executive summary for key points made in the document.

This is a working document. Just as the labor force changes, and the needs of labor market information customers change, so, too, will the methods for assessing customer satisfaction. This is a “snapshot” in time. It does not discuss what all states are doing, but it does show some innovative approaches to gathering and using information about what our customers need and want.

Overview of the Workforce Information System

The purpose of the Workforce Investment Act (WIA) is to create a national workforce preparation and employment system that meets the needs of job seekers and those seeking to advance their careers, as well as the employment needs of the nation’s employers. The goal is to create an integrated workforce investment system that improves the quality of our workforce, sustains economic growth and productivity, and reduces dependency on welfare. To that end, section 309 of the Act calls for the development, maintenance, and continuous improvement of a nationwide system of employment statistics. Throughout this document, this system and the products it produces are referred interchangeably as labor market information (LMI) or workforce information.

LMI is a valuable and powerful tool for serving the customers of the workforce development system. Although many people may think of LMI only as basic employment and unemployment statistics, labor market information is, in fact, a wide array of employment-related data on economic conditions and labor force characteristics, such as population, education, income, occupational descriptions and employment conditions. LMI deals with the functioning—or “churning”—of the labor market and the determination of the demand for and supply of labor. It includes, but is not limited to, such key factors as changes in the level and/or composition of economic activity, the population, employment and unemployment, income and earnings, wage rates, and fringe benefits.

To put it another way, LMI is systemized data, produced on a regular basis, about employment, unemployment, jobs and workers. It includes information about people, jobs and businesses. Such information is available nationally, statewide and for some sub-state areas. The federal government is responsible for developing, maintaining, and reporting labor market information and information about the nation's economy. All fifty states collect these raw data for the federal government.

Several federal agencies are involved in the collection effort, including the U.S. Bureau of Labor Statistics, the U.S. Bureau of the Census, and the U.S. Office of Educational Research. The Department of Labor in each state administers the unemployment insurance program, operates the employment service, and administers the labor market research and planning program that gathers data for the Bureau of Labor Statistics (BLS) and other labor market information programs. In performing these three functions, a powerful labor market information database is generated.

While national and statewide data are useful, the workforce development system also needs local community labor market information. The effective use of labor market information is essential in helping customers make decisions about careers and jobs. Having this data readily available in career centers is essential. Knowing the strengths and limitations of this data will help managers make informed use of it.

Part II Customer Satisfaction and Performance Excellence

Customer Expectation

To use labor market information data effectively, it is important that one define the customer's expectations. What do customers—job seekers, employers and workforce development professionals—expect from the workforce information system? Many research studies have shown that customers have a wide range of expectations about what LMI data can tell them.

Employers expect to obtain information that will help them make decisions about recruitment, compensation, and training, including wage and salary data, workforce demographics, and skill profiles of available workers.

Job seekers expect assistance regarding making choices about careers, education, and job search, including access to accurate, real-time career and labor market information, including job availability, skill demands, pay and benefits.

Workforce development professionals and front-line staff and partners expect LMI will assist them in meeting the demands of both job seekers and employers.

Determining customer expectations can be a major challenge, as expectations do not remain fixed over time. In addition, the labor market itself is volatile, characterized by changes in companies, jobs, skill requirements and demographics. In addition, experience has shown that many of the customers labor market professionals are charged with serving have a low knowledge level of what LMI is and how it can be used.

Consequently, workforce information professionals are not only responsible for providing customers with current labor market information, but also the best sources to access changing labor market information. Meeting customer expectations involves asking—and re-asking—customers what they think they want, and suggesting what they might need.

To meet this ever-changing mandate, workforce professionals will need to have a thorough working knowledge of potential labor market products and how customers might put them to use. These include:

- What industries and occupations are growing or declining?
- Where are the growing occupations by industry or geography?
- Which job requirements are associated with the growing occupations?
- What kinds of training are available, what does it cost, and how long does it take?
- How many trained personnel are being turned out?
- What is the relationship between education and training?

When meeting customer expectations, both the information provided and the way in which it is provided (what Naomi Karten, a customer satisfaction consultant, calls the “product and the process”) are of equal importance to customers. Karten defines the product as “the solution, system, response, resolution, deliverable or result. Whatever form the product takes, customers want it to work properly, to meet their needs, and to have that elusive quality of, well, quality.”

At the same time, customers expect this product to be delivered in a courteous, customer-friendly manner. This “human element,” Karten notes, “is exceedingly important in achieving a high level of customer satisfaction.”¹

Customer Satisfaction

Once it is known what the customer expects, the process and the product must meet those expectations. How does one know when the customer is satisfied? How does one determine how much satisfaction is enough?

Fortunately, the federal Employment and Training Administration (ETA) allows states to define customer satisfaction broadly, and it is not prescribing an approach or methodology for assessing customer satisfaction. But in its simplest manifestation, customer satisfaction is the result of how well performance meets their expectations.

Dr. Jon Anton from Purdue University notes that “satisfaction itself can refer to a number of different facets of the relationship with the customer.” He notes that factors such as quality of a particular product or service could be one measure, as well as satisfaction with an ongoing business relationship, satisfaction with the price/performance ratio of a product or service, or satisfaction because a product or service met the customer’s expectation. Overall, Anton notes

¹ Naomi Karten Associates, “Speaking, Training and Consulting on Managing Customer Expectations.” <http://www.nkarten.com>. Accessed on 5.20.02.

that understanding the expectations and requirements of customers through a clearly defined surveying program is paramount to improved performance for an organization.

It is not enough to have a satisfied customer. The next step is to use that customer satisfaction information to attain performance excellence and create a continuous improvement process to foster organizational learning. The following sections will address this topic in greater detail.

Part II – Summary

- 1. To maximize the effectiveness of labor market information, it is important that one defines the customer's expectations.*
- 2. Defining customer expectations involves consulting the customer.*
- 3. There are no established criteria from the ETA for assessing customer satisfaction, but experts believe that satisfaction is in the mind of the customer. The only way to find out what will satisfy a customer is to ask the customer.*

Part III Customer Satisfaction and Workforce Information

This section of the primer analyzes pertinent sections of the Workforce Investment Act to gain insights into its customer satisfaction requirements, the relationship between LMI products and customer satisfaction assessment, and defining parameters for assessing customer satisfaction. A model is presented in this section to represent how the process of customer satisfaction leads to continuous improvement.

The Workforce Investment Act requires that customer satisfaction information be used to drive continuous improvement at the state and local level and at the federal level. In keeping with the Act's emphasis on driving the workforce development system from the local level, each state's efforts to ascertain and achieve customer satisfaction will then feed into a Federal plan.

Therefore, we'll begin with an outline of what states need to do.

State Responsibilities

WIA Section 309 (e) is entitled "State Responsibilities." First, it notes that the Governor of the State must (1A) "designate a single State agency to be responsible for the management of the portions of the employment statistics system" outlined in the Act. To our knowledge, in most states the existing "LMI shop" has been designated as this agency.

The Requirement to Consult and Whom to Consult

The key legislation regarding whom states must contact in working toward customer satisfaction is in Section 309 (e)(2). "In order to receive Federal financial assistance under this section the State agency shall

- "Consult with State and local employers, participants and local workforce investment boards about the labor market relevance of the data to be collected and disseminated..."

- “Consult with State educational agencies and local education agencies concerning the provision of employment statistics...”

There are two important factors outlined in Section 309. One is the requirement to “consult.” The Act does not say to use a written survey, Internet survey, focus group, telephone survey, or other specific instrument or methodology. However, every state is required to consult to receive funding. We believe “consult” translates into gathering meaningful feedback regarding workforce information. Many states have interpreted this as some form of survey mechanism.

The other important factor is the specific listing of whom we are to consult. Section 309 delineates six key customer groups:

- State employers;
- Local employers;
- Participants;
- Local Workforce Investment Boards (WIBs);
- State educational agencies
- Local educational agencies.

Some of these require further analysis, however. For example, what is the difference between a state employer and a local employer? Isn’t a local employer also an employer in the State? We think that perhaps this is referring to large and small employers. But clearly there is a mandate to survey more than one type of employer.

Another anomaly is the word “participants.” This could be read as those currently utilizing LMI, partners in providing services at the One Stop centers, job seekers or others who use the services of the One Stop centers, or others. We tend to view participants as anyone who is involved in the workforce system or utilizing its services.

This is important because many state LMI providers we have consulted gather the majority of their customer satisfaction data from “participants,” defined as those who are currently utilizing a report or document or those who attend an LMI seminar. WIA apparently sees participants as one of many stakeholders to be consulted. The specific composition of those who are consulted could vary from state to state

One could debate about which state and local educational agencies are to be consulted. Again, this is specifically left up to the individual states, but clearly the mandate calls for more than one type of educational agency.

Our “customers,” therefore, are those who fit into the six broad categories outlined above. The mandate is clear that these groups need to be “consulted” about their satisfaction with workforce information.

Products As a Component of Customer Satisfaction

When we assess customer satisfaction, we need to assess it in terms of the manifestation of that information. If we do not, we lose a common ground of understanding with our customers. For example, a survey was conducted in Illinois in 2000 on the types of workforce information that certain target groups need and want in Illinois. Questions were posed about existing products and hypothetical products. The survey asked if people would like “a list of wages paid to workers in the state by job” and “a list of wages paid to workers locally by job.” The survey did *not* ask the question “do you want an occupational wage report?”

Occupational statistics is not a product. Some could even argue that a two-inch thick list of occupations and data on the number employed in those occupations may not be a valid product for many of the customer groups outlined above (although some analysts may have use for it, most likely in a spreadsheet format on disc). A brochure, website page, poster, or presentation which lists occupations most in demand are more commonly perceived products of occupational information.

The customer uses the term “product.” For our discussions here, we could use the word product to mean:

- Products (reports, brochures, websites, etc) that actually exist;
- Products that do not exist but the “system” is in place to gather the data to create those products; and
- Products that do not exist and there is currently no mechanism to create the product.

Products, therefore, are the manifestation of workforce information. For example, occupational projections manifest themselves in some states as a “Hot Jobs” or “Job Outlook” document at the consumer level. In some cases, these are tri-fold brochures for adults or posters for school children involved in career exploration.

As customers relate to workforce information in terms of products, the most meaningful method for assessing the satisfaction of workforce information is to assess customer satisfaction with those products.

If we are correct in our assessment that WIA mandates States to consult with certain groups regarding our products, then we recognize that States are mandated to consult with customers about existing and needed products.

Satisfaction Survey Parameters

State workforce agencies under WIA are required to provide certain types of employment statistics. In this section we discuss the parameters that States should be assessing in their customer survey procedures.

States are required to collect and disseminate the following workforce information and data (a1):

- Employment and unemployment status of national, State and local populations, including self-employed, part-time, and seasonal workers;
- Industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;
- The incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings;
- Employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;
- Information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics.

This is one interpretation of the products outlined here:

1. National employment and unemployment;
2. State employment and unemployment;
3. Local employment and unemployment;
4. Current employment by occupation and industry;
5. Projected employment by occupations and industry;
6. Wages by occupation;
7. Benefits by occupation (where available);
8. State skill trends by occupation and industry;
9. Local skill trends by occupation and industry;
10. Layoffs by industry and location;
11. Plant closings by industry and location;
12. Longitudinal employment and wages;
13. List of employment opportunities in the state by local area.

Clearly, this is a broad base of information, but it may serve to establish some parameters for customer satisfaction inquiry. Does the State workforce information agency provide these types of products and services in the (a1B2) “current and comprehensive” manner that meets the needs of those customers WIA has identified?

Part IV of this document discusses how some states are carrying out the actual consulting or surveying process. We believe that most states do not actively assess satisfaction within each one of these product areas, but rather only seek feedback on the product that the participant actually uses. This presents somewhat of a challenge in the customer satisfaction assessment process. If customers are not using a product, how can they express any form of satisfaction with it? However, if a customer needs a product that they do not know about, how will they find out about an existing product or make known their need for a product?

A solution to this conundrum may be in the understanding that the pursuit of customer satisfaction is an ongoing process. The challenge to State agencies is to assess satisfaction with existing products, as well as to expand the range of product offerings. To effectively determine the need for new products, surveys will have to ask customers to express their desire for potential

products. As noted in Part III of this document, determining customer expectations may involve asking customer what products they may need or want, even if they have no current knowledge of the product.

There are two practical methods for assessing the needs of customers outside the realm of the products they currently use. One way is to ask an open-ended question as to what other products or services are desired. The second method is to suggest products that could be offered. Either of these methods could lead to stretching the capabilities of the workforce information data collection and reporting system as we know it. And that, of course, is a key component of the Workforce Information Act—to develop a proactive employment statistics system.

Another action mandated for State agencies by WIA refers to the results of the consultation at the State and local level (309e2).

- “participate in the development of the annual plan outlined in subsection c...”

Subsection c referenced in e2 are the Federal responsibilities. The development of this plan is outlined below.

Federal Responsibilities

The Secretary of the Department of Labor, through the Bureau of Labor Statistics and in cooperation with the States (and other Federal agencies), must develop a plan. The plan is to be the mechanism for the “cooperative management” of the employment statistics system.

There is clear language throughout WIA that this plan is to facilitate a system that is customer driven at the State and local level. The role of the Federal agencies is that of coordinator to ensure that data is collected through (b2D) “consistent” procedures and definitions, and that (b2Eiii) “ensures states and localities are fully involved in the development and continuous improvement of the system at all levels....”

What has to be in the plan? Relative to customer satisfaction, the plan has to include three items:

1. A report on the results of an “annual consumer satisfaction review” concerning the performance of the system. The reference to “performance” specifically notes that the system needs to address “the needs of Congress, States, localities, employers, job seekers, and other consumers;”
2. Recommended system improvements based on the report noted above;
3. A description of how the states were involved in the development of the plan.

The Secretary of Labor is charged with consulting with representatives of the Governors and local workforce boards to discuss state involvement in the plan. Clearly, there is a “bottom-up” methodology described in the plan. A model of that methodology could be drawn as indicated in attachment A.

We strongly recommend that each state have a plan for continuous improvement that incorporates feedback gained from customer satisfaction surveys, as noted in Part IV.

Toward Continuous Improvement

After we know whom we are to consult and have participated in the development of a Federal plan for the system, State workforce agencies have one other task, as outlined in WIA (309e2).

- “Maintain and continuously improve the statewide employment statistics system...”

What is the “system?” We believe the system is the methodologies and processes of data collection and analysis. The system produces the products, which are the manifestation of the workforce information system to customers. As noted in Attachment A, the process of customer satisfaction is a circular process that leads to the improvement of both the system and individual products to the benefit of the customer.

Part III – Summary

1. *There is a clear requirement under WIA to consult with certain groups to determine if LMI is meeting their needs.*
2. *WIA clearly states who is to be consulted: State and local employers, participants, local workforce investment boards, and State and local education agencies.*
3. *States need to develop a plan for assessing and improving LMI.*
4. *The state plan needs to inform the Secretary of Labor's annual plan to assess and improve LMI.*

Part IV Assessing Customer Satisfaction: Business Community, Job Seekers and the Workforce Development System

This part of the Customer Satisfaction Primer analyzes customer surveying techniques and the core questions and methodologies for obtaining customer feedback. Particularly, we discuss who to survey, what and when to survey, and what to ask.

Who to Survey

As discussed in Part III, the Workforce Investment Act mandates surveying six broad categories of individuals. These are:

- State employers;
- Local employers;
- Participants;
- Local workforce investment boards;
- State educational agencies
- Local educational agencies.

The Workforce Information Council has published a five-year plan that indicates a number of target customer groups. This list may help clarify or expand the list of groups that should be surveyed. This list includes:

- Employers
- Current and future members of the labor force
- Elected officials and policy makers
- Program planners
- Education and training providers
- Intermediaries
- Researchers

Currently, many state workforce information departments focus their satisfaction assessment work on current customers. While this is certainly an important group (and possibly the easiest to locate), WIA clearly calls for assessment beyond current customers.

It is important to note that customer satisfaction survey instruments need to ask some demographic information about the person or entity filling out the survey. The survey should ask if the person is a member of a local workforce board, a job seeker, an education provider, etc. This will allow the survey to aggregate responses by customer group to identify the scope customers assessed.

What and When to Survey (Customer Satisfaction Assessment by Product)

Our research has uncovered two basic types of customer satisfaction surveys: a short, product-specific survey and an “all-up” customer satisfaction survey. Both survey types are useful, but each has different purposes in the customer satisfaction assessment process. Some states have attempted to combine these purposes, and have stretched product-specific assessments into larger survey instruments that attempt to round out customer product usage information. We find these to be cumbersome survey instruments, which seek a variety of unnecessary information. As a result, we do not recommend combining these surveys. We will discuss product-specific surveys first.

Product-specific Surveys

As noted in Part III, the various LMI products produced by a state are the manifestation of workforce information to customers. Many states have decided to link both the survey technique and the questions for customer satisfaction assessment with products. The method for gathering customer satisfaction information, therefore, varies with the type of product. Again, it is important to remember that the purpose of the survey is to assess satisfaction with a particular product.

Let’s take the “LMI Presentation” as a product. In this scenario, a labor market economist gathers information for a particular group and gives a presentation of this information. In this case, let us assume that the presentation is to a variety of individuals concerned about the future

of the health care industry, and information presented includes industry trends, occupational trends, and wage information.

What is the most effective means of obtaining customer satisfaction information with this product? Have each participant fill out a survey questionnaire on-site at the end of the presentation because:

- The information is fresh in the mind of the participant (and could provide a more factual assessment of its value);
- The participant is more likely to be able to remember the portions of the presentation which were most meaningful;
- The participant is more likely to discern between the types of information that was presented;
- The response rate will likely be greater at the time of presentation than at some later time.

This example demonstrates two important rules:

1. It is ***important to assess customer satisfaction as close to the time of product use as possible***;
2. It is important to perform satisfaction assessment ***at a time when the customer is more likely to respond***.

This is not to say that each person at the presentation incorporated the information presented into a making a business decision. That may or may not ever happen. What is important is whether or not they received the information (in the format they needed) and the extent to which they believe the information could be useful. That is a valid measurement for a product-specific survey and helpful in determining customer expectations noted in Part II.

With this in mind, let us explore some other product-specific customer satisfaction survey techniques, remembering that more than one measuring technique may be used in a state's overall customer satisfaction assessment program.

The Mail Survey

All states mail workforce information reports to customers, and many include a survey questionnaire for assessing customer satisfaction. Mail surveys meet the criteria discussed above regarding being close to the time of use of the product. However, often there is very low response rate to mail surveys (30% would be a very high response rate), depending on such factors as the length of the survey questionnaire. However, it is important to remember that product-specific customer satisfaction assessment is not meant to be an all-encompassing survey.

Keep in mind the strong "self-selection" bias in mail surveys, whereby customers with either very positive or very negative experiences may be more likely to take the time to respond to the survey than other customers. Increasing the response rate is one way of decreasing self-selection bias.

There are many keys to increasing the response rate of mail-based surveys. These include:

1. Keep the survey short (in the case of LMI, it may be appropriate to only ask about the product at hand and not an overall survey of LMI needs and wants);
2. Make the return mechanism easy to execute (self-addressed, stamped envelope);
3. Be certain that the person responding understands the benefits to them for completing the survey (improved service, increased data relevance, etc).
4. Give customers more than one opportunity to respond, by sending a follow-up letter or phone call.

We cannot over-emphasize the importance of having a customer database. Some states have made specific efforts to develop lists of their customers, the products those customers use, and their satisfaction with those products. In the private sector, a customer database is the lifeblood of a marketing effort. While this point is made under the discussion of mailing lists, it also has implications for fax and email lists.

Fax Surveys

Some states have chosen to fax surveys to customers and the rules for mail surveys apply to fax surveys. In essence, a fax survey only eliminates the need for opening envelopes and providing a postage-paid return mechanism. What is important is that the customer still has the obligation of taking time to complete the survey. Fax may or may not increase response rates versus mail surveys. Fax surveys also need to be concise and benefits-oriented.

Web-based Survey

There are two issues with web-based surveys: what products should the survey encompass and should the survey be compulsory.

Web-based surveys may be a valid tool for assessing information disseminated on the Internet. However, many web-based surveys we have analyzed appear equally concerned with the medium as the message. That is, the purpose of the survey seems to be “did you like our website and could you find what you wanted” as opposed to “was the information helpful?”

Web-based surveys also have some inherent biases and flaws. It is important to remember that the answers received are from those already engaged with the Internet. That may well be their LMI delivery method of choice, so questions about product delivery may be moot. It would also be difficult to create an Internet survey that is product specific unless there is only one product delivered via the Web.

Many LMI departments make the web survey an option at the end of the site visit. This may not be effective in soliciting a high number of survey respondents. The other option is to have a survey launched at the close of the site and ask people to fill out the survey. This still is not required, but would make the survey more readily accessible.

Telephone

There are two types of telephone surveys: recall and coincidental. The recall survey requires the respondent to recall their use of the LMI product and whether or not they found the information useful. The coincidental telephone survey requires the user to call the LMI survey number when they are using the material. Florida conducts a recall telephone survey during a typical month each year (they receive 300 to 400 requests for LMI per month). Customers are very receptive to this type of short surveying method.

In-person Survey

Many states overlook this survey method, but as one state pointed out, there is nearly a 100% response rate when a person is asked at the time of a presentation to comment about their use of labor market information and what information they found useful.

Focus Groups

A focus group allows a state to get reaction to products and services that may not be apparent in a more quantitative survey. We recommend conducting focus groups in addition to a quantitative survey, perhaps even administering a quantitative survey to focus group members. The group should be allowed to freely express ideas on product usage and improvement. This is a great forum for delving more deeply into the needs and wants of customers.

Focus groups should be targeted. It would not be effective to conduct a focus group that combined business people, job seekers and representatives of the educational community to obtain their opinions on products and services.

All-Up Customer Satisfaction Assessment

The second type of customer satisfaction assessment is an all-up comprehensive customer satisfaction survey, possibly combined with a focus group(s).

We believe the all-up comprehensive customer satisfaction survey has three key purposes:

1. To explore in detail the needs of potential users not currently engaged in utilizing workforce information;
2. To explore the potential use of additional workforce information products by those currently using other products;
3. To improve existing products or develop new products.

As mentioned earlier, having an in-depth database of customers is critical for assessing product usage and for survey design.

To access potential customers, we have found that surveying in partnership with organizations representing target groups can be an effective strategy resulting in satisfactory survey response rates. For example, to reach employers, a state may partner with an employer's council or state Chamber of Commerce to conduct the survey. To reach educators, a state may want to work

with the state Department of Education to reach the most appropriate group of educators and to ensure a higher response rate.

What to Ask

As is the case with any survey or research mechanism, important consideration must be given to the ultimate purpose of the information being gathered. Part V of this document points to the development of a comprehensive customer satisfaction and continuous improvement plan which could serve as a guide for a state's customer satisfaction measurement effort. Also, it is important to differentiate between a short, product-specific survey and an all-up customer satisfaction instrument, as discussed above.

In general, we have found that workforce information customer satisfaction surveys consist of three categories of questions:

1. About the person being surveyed (demographics);
2. About the data (product);
3. About the service (includes delivery mechanism).

In terms of demographics, many surveys want to know the employment category of the respondent (business, education, government, academia, job seeker, workforce board). These categories should be in line with the requirements addressed above in WIA or WIC recommendations.

Other demographics may include how often the person uses workforce information or has contact with the LMI department. This could be helpful in assessing whether or not the department is reaching new audiences.

When asking about the data or products, guidelines have suggested that there are three key questions that need to be answered by users regarding customer satisfaction:

1. What is your overall satisfaction with the services provide from _____?
2. Considering all of the expectations you may have had about the services, to what extent have the services met your expectations?
3. Now think of the ideal program for people in your circumstances. How well do you think the services you received compare with the ideal set of services?

Many states have addressed these three levels of satisfaction successfully by framing product questions on a Likert scale of 1 to 5. While no states have actually conducted a survey in the following manner, we would recommend a scale such as this:

How satisfied are you with the (name product)?

- a. It does not meet any of my needs
- b. It meets very few of my needs

- c. I am generally satisfied with the product
- d. It has met all of my expectations
- e. It is the ideal product for my circumstances

Finally, many states assess the service level associated with the product. This includes rating the delivery method (such as the Internet site), the type and, in some cases, the design and color of the document, and the performance of a presenter.

One of the problems with assessing satisfaction in the presentation scenario is that this one “product” actually contains information from many LMI reports (essentially, there are many products within the presentation.) This, however, is not a problem for the participant. It is incumbent upon the presenter to structure a survey instrument that allows for the analysis to the level of specific products.

Finally, most states we have contacted have a very low response rate to surveys, particularly from employers. It is critical that employers see the benefits to them for responding to the survey. In addition, we believe that response rates will improve when a variety of the above-noted survey mechanisms are used in conjunction with one another.

Part IV – Summary

1. *Just as most customer satisfaction experts in the private sector have noted, LMI products should be assessed to determine if they are satisfactory with customers.*
2. *In addition to assessing products, an all-up survey should be conducted to seek out new products and users.*
3. *There are many methods for surveying customers and potential customers. A variety of methods should be used.*
4. *There is a method to ask questions so that the actual, expected and ideal situation can be assessed.*
5. *Users should be surveyed as close to the use time as possible.*
6. *Three areas should be questioned: about the user, about the product and about the service (or delivery).*

Part V Analysis of Current Customer Satisfaction Studies

As noted in Part II, the issue of assessing customer expectations and satisfaction is fluid. Expectations and satisfaction change over time, as do survey instruments. Some states indicate that they have only begun to develop customer satisfaction surveys and methodologies. Some have adapted surveys from other states, and many are seeking guidance from documents such as this Primer to develop a comprehensive customer satisfaction program.

Some examples of customer satisfaction strategies from the private sector may be instructive. For example, one method of assessing customer satisfaction used by the private sector is the ACSI Model. ACSI—the American Customer Satisfaction Index—is a uniform and independent measure of household consumption experience, an economic indicator that measures customer satisfaction. In the ACSI, customer’s evaluations of quality are based on actual experiences with

the goods and services being measured, linking customer expectations, perceived quality, and perceived value to customer satisfaction. In turn, satisfaction is linked to consequences as defined by customer complaints and customer loyalty—measured by price tolerance and customer retention, and scored on a 1–100 point scale.²

A model such as ACSI has some limitations. First, it is a fee-based service. Second, although ACSI does evaluate some public sector systems, such as the police, it does not currently benchmark the workforce development system. As a result, comparative benchmarking between your performance and others in the workforce development system regarding customer satisfaction will not be possible.

Within the public sector, we have identified some very promising practices that are in keeping with the information provided in this document. The following list outlines some of the practices that we have found to be the most promising.

A Customer Satisfaction / Continuous Improvement Plan

We strongly recommend that each state develop a plan for continuously improving its products through customer satisfaction surveying. Some states note that they received direction in formulating a state action plan by consulting the Secretary of Labor’s Workforce Information System Plan 2001-2005, published by the Workforce Information Council.

We believe that the mechanisms for continuous improvement need to be the focal point of the plan. Many states have fallen into a pattern of assessing customer opinion on products without having a mechanism in place for effecting product change. The result is a collection of completed surveys without purpose.

With continuous improvement as the focal point for customer satisfaction assessment, we would recommend the following action steps as promising practices. Some states have developed all or a portion of these components:

- Establish a core team of individuals who are empowered and responsible for acting upon the recommendations of customer satisfaction research;
- Develop a working customer satisfaction document based on research. The purpose of the document is to guide the actions of the core team;
- Build the customer satisfaction document from a series of research mechanisms that will:
 - Assess customer satisfaction of each existing LMI product
 - Assess the need for new products
 - Lead to the elimination of some products
 - Lead to the development of new products
 - Lead to the improvement of all products from the customer’s perspective
 - Improve LMI product delivery mechanisms

² For more information on ACSI, please see “The American Customer Satisfaction Index,” at <http://www.theacsi.org/>

- Identify and prioritize unmet data needs that result in action steps for meeting those needs
- Allow for open-ended customer comments
- Gather input from both current users and non-users

Survey Mechanisms

Remember to link customer surveying instruments to a customer satisfaction document that will be analyzed by a core team whose job it is to improve the product. As noted in previous parts of this document, three factors must be considered when using customer satisfaction surveys: type, questions, and recipient.

Type of Survey

1. Product specific surveys
2. All-up customer satisfaction surveys

Questions Asked on the Survey

1. About the person being surveyed (demographics);
2. About the data (product);
3. About the service (includes delivery mechanism).

Who Receives a Survey

1. All customers who order an LMI product
2. Randomly selected customers who order an LMI product
3. Categories of target audiences (e.g. employers, job seekers, etc) who may or may not currently use LMI

We recommend that each state ask customers about each product on an annual basis. These product-specific surveys can be carried out effectively on one page (or perhaps even a post card) utilizing the question methodology discussed in Part IV. Minnesota has a very valid one-page product survey. Florida has a very brief, but effective, telephone survey; however, it is not linked to specific products. Some utilize the Internet while others use the telephone or mailing, but in all instances, there is some feedback gained on the satisfaction or utility of a particular document at a point in time.

Most states tend to ask existing customers about their satisfaction with existing products. We find this practice to be somewhat limiting in the development of new products. Therefore, we recommend that each state ask customers or potential customers (as outlined by customer target groups in Part III) of their usage or possible usage of products or potential products. Once again, Illinois asks broad sections of target groups if they would be interested, very interested, or not interested in certain types of data.

Survey Questions

One of the reasons we support a continuous improvement plan as the basis for customer satisfaction surveying is that the process will weed out unnecessary questions. Many states ask

rather superficial questions of the person being surveyed, such as gender, age and whether the color of a document is appealing. While some of this information may be helpful, it could be better ascertained during a focus group.

The Secretary of Labor lists four steps for strengthening customer feedback. These are:

1. Conduct customer focus groups;
2. Develop customer satisfaction measurement methods;
3. Clearly define and prioritize unmet local data needs;
4. Identify priority improvement actions.

Clearly, the steps outlined in this Primer for developing a core team and associated action document are in line with the Secretary's suggestions.

Increasing Response Rates

There is no "magic bullet" for increasing survey response rates. However, there are many suggestions offered by states. These include:

- Use more than one means to conduct satisfaction surveying;
- Keep it short;
- Make the response mechanism easy to complete;
- Make every survey count.
- Conduct follow-up (repeat mailings or phone calls)

For example, a state could conduct a random telephone survey during one month out of the year, a mail survey during another month, a focus group during the third month, and a random survey of target groups during a fourth month. Together, these four survey mechanisms will create a powerful planning base.

Quantification

Many states are seeking a "number" that will somehow quantify the success of their customer satisfaction efforts. For example, on a scale of 1 to 5 with 1 being "not at all satisfied" and 5 being "very satisfied," our customers rated our wage document a 3.8 in fiscal 2001.

While there is not an inherent problem with quantifying, there are some dangers with the practice. First, if there is a low response rate to a survey, there could be rather dramatic swings in customer satisfaction for a product. Second, if there is no product associated with a rating, it would be difficult to determine what exactly is being quantified (remember Dr. Anton's comments regarding the many faces of customer satisfaction). Third, quantification traditionally is done in the mind of the product users. A "3 out of 5" rating may be quite high with one person and low with another. Also, how are we gauging the potential use or satisfaction with the product by non-users? Finally, if a product consistently receives the same or similar rating, where is the mandate for product improvement?

Part V – Summary

1. *Build a plan for continuous improvement. Your satisfaction surveys will be easier to create and more meaningful if they are based on your plan.*
2. *Satisfaction surveys on each product should be conducted once a year.*
3. *All-up satisfaction surveys are a good way to assess non-user needs.*
4. *A one-page mailing may be sufficient for a product survey.*
5. *Consider focus groups as part of an all-up survey.*
6. *Have a team in place to take action on survey results.*

Part VI Toward Achieving Continuous Improvement: Moving Beyond Compliance

As we have discussed in previous sections of this Primer, continuous improvement of the workforce information system depends on the effective use of customer satisfaction information. As delineated in Section 309 of the Workforce Investment Act, the measurement of customer outcomes combined with assessment of customer satisfaction with workforce information products and services, provide the basis for formulating continuous improvement strategies for the system.

The critical step in using customer satisfaction information to improve customer service is translating results of customer satisfaction into process change. The continuous improvement process can be based on the following action and learning loop: Plan→Do→Review→Renew

1. **Plan the work.** Look at the LMI organization as a whole. In essence, the organization has three tasks: collect data, analyze data, and disseminate information. Planning the work involves designing the process of accomplishing these tasks. Critical to this process are the deployment of resources, and the selection of measures that will be used to analyze success. It has been our experience that state LMI organizations are heavily involved in data collection and data analysis, but lack resources allocated to the dissemination of information. Using the model set forth in Part IV of this document, a core team dedicated to continuous product improvement will consist of members of each of these three functions, with particular emphasis on the dissemination—and subsequent development—of products.
2. **Work the plan.** With the plan in place, the LMI organization then allows the daily activities to proceed. Data is gathered, data is analyzed, products are produced and disseminated, and customer feedback is ascertained. This is the “to-do” step of service delivery.
3. **Review the results.** The core team then analyzes the results of the customer feedback to determine areas for refinement and change. Ideally, this team would be empowered to execute that change, as well.
4. **Adapt for improvement.** Plans and operating procedures should be revised based on the assessment findings. The core team becomes the internal “best practices”

mechanism within the organization. This involves learning by doing, developing new input mechanisms, and developing new requirements and new uses for existing data.

Unless there is a mechanism for change based on the results of customer satisfaction surveying, it is doubtful that there can be any meaningful progress, as in keeping with the intent of WIA. Progress may manifest itself in many ways:

- Existing product improvement;
- New product development;
- Outreach improvement, in terms of number of people served, number and types of groups served, meaningfulness of information provided;
- Improved mechanisms for feedback.

Part VI – Summary

1. *It would be short-sighted of states to go through the customer satisfaction assessment simply as a required exercise. Start with a plan.*
2. *With a plan in place, let your survey mechanisms and product production proceed.*
3. *Review the results of your surveys. Change your products and add new ones for continuous improvement.*
4. *Always revise the methods you use for gauging customer satisfaction.*

Part VII Summary/Conclusion

The purpose of this document is to provide states with ideas on achieving customer satisfaction and working toward continuous improvement of workforce information products. Key points to remember are:

1. The Workforce Investment Act mandates “consulting” with certain target groups to ascertain customer satisfaction that leads to continuous workforce information system improvement. It is important that states consult with all of the groups, not just with product users.
2. Customer expectation and satisfaction measurement is a process, not a final number. In itself, the process needs revision each year to ensure that true expectation and satisfaction are being measured.
3. In the eyes of the customer, “product” also means the process of developing and delivering labor market information materials.
4. States should have a plan (which feeds into a Federal plan) for system and product improvement.
5. States should begin developing their plan based on the concept of continuous improvement. Therefore, a team that is empowered to make changes carries out

the plan. The changes are recommended in the plan, and based on satisfaction survey results.

6. States should conduct satisfaction surveys on specific products and on potential products, with existing customers and non-customers.
7. Survey questions should spring from the concept of continuous improvement action items, and not merely from the requirement to consult certain groups.
8. There are many mechanisms for conducting customer satisfaction surveys. A combination of several mechanisms is preferred.

This is only a partial list of information and tips provided in this document. We hope you find it helpful as you, your organization, staff and partners work together to build a world class workforce information system in the United States.