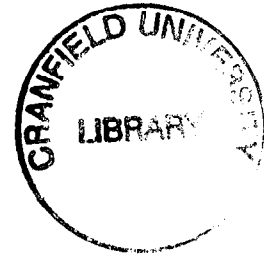




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**MANAGEMENT OF THE DIAGNOSTIC REVIEW
PROCESS IN SERVICE QUALITY MANAGEMENT
ANZ BANK - A CASE OUTLINE**



**DAVID BALLANTYNE
Centre for Services Management
Cranfield School of Management
Cranfield Institute of Technology
Cranfield, Bedford MK43 0AL**

(Tel 0234 - 751122)

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MANAGEMENT OF THE DIAGNOSTIC REVIEW PROCESS IN SERVICE
QUALITY MANAGEMENT

ANZ BANK - A CASE OUTLINE

David Ballantyne
Centre for Services Management
Cranfield School Of Management, UK

In setting up a framework for staff diagnostic review groups (or Quality Circles) the focus is sometimes on 'trouble shooting', sometimes on customer service improvement and rather less often on influencing changes in management-staff relations. With the support and encouragement of top management, ANZ Bank* in Australia began its 'Customer Care' programme with an intentional focus on all three aspects. In other words, the programme was in one sense 'top-down' but it could also be called a 'bottom-up' programme. Culture changing effects were moving up the hierarchy, in terms of a more participative and open style of management, at the same time as 'customer first' messages were moving down the management chain to branch staff. In this way the interests of management and staff as legitimate stakeholders in the organisation moved with relative harmony of purpose; likewise the interests of shareholders as stakeholders were vested in the outcome.

In building diagnostic groups in the Retail/Branch Banking Division at ANZ Bank, the intention was to remove any focus on hierarchies, that is to flatten hierarchies out. Groups are composed of people from all levels including Managers. 'Groupies', they call themselves. This flattening of hierarchy is confirmed by the absence of status titles in programme guides and in the programme itself. People seemed not to

* ANZ Bank is one of the four major retail banks operating Australia-wide, and is Australia's largest international bank.

object to status as a surrogate for excellence - in fact they liked it. But they objected to status being used as a surrogate for power.

In ANZ groups, people talk about the concept of a 'natural' person, one who brings his or her whole self to the work. This is opposed to the role player, who brings to work only those personal values that 'fit' with what he or she feels comfortable; a secure fit within the organisational norms. This notion of the 'natural' person is a culture challenging proposition. It unfreezes personal constraint and opens up the possibility of self directed action, challenging the rigidity of the established culture.

Groups are set up in Regional workshops of 'volunteers', ie: people pre-selected, invited, who accept. There is no coercion. Participants are bonded into small groups of four, in a workshop process involving 16 to 20 people. Using group dynamics and small group bonding is the key developmental process. The small group bonding opens up the participants to a level of knowing about the group and themselves. This is a basis for self development and learning, a platform from which personal growth can be pursued by each participant, within his or her small group, during and after the workshop.

This is very necessary as a support element for the work task ahead, where each 'Groupie', must return to his or her branch and generate service quality changes, perhaps in the face of indifference, disbelief, or cynicism from some staff members.

The aim of each workshop is to reach higher order personal values which motivate, those beyond 'fame', 'status' or cash 'rewards'. The commitment of groups is therefore focused on a superordinate goal, which is to put the 'Customer First' as a philosophy in practice. This is to be achieved after the workshop via practical service quality improvements.

The workshop process begins implicitly with personal 'value searching' because if the 'Customer First' mission is largely congruent with individual personal values, there is motiv(ation) for action. The group process opens up possibilities of new and more effective ways of going about work on a day by day basis, something of practical value in itself. This also is a motiv(ation) for action.

A further value motive is the prospect of personal growth, something that many people have not considered. So adding up the opportunities for self growth, practical and fulfilling approaches to work, and a focus on the customer, ANZ reaches out to every group member for their personal commitment to action.

Put another way, commitment to action starts with a focus on organisational goals which are congruent with personal values. A final incentive to action is a firm task deadline. This is set for two to three months out from the workshop date and agreed to by participants at their workshop.

It is a Diagnostic Review Process. There is a clear task focus in ANZ's approach and a specifically defined method. It consists of a set of methodological steps which enable service quality improvement, or opportunities for improvement, to be defined and examined on a fit for use basis.

Those who particularly value self development, usually enjoy the programme and processes so much that they want to contribute to the self development of others - another motiv(ation) for action. This would normally involve more workshops with a view to developing 'process' facilitation skills. The goal is that the person becomes capable of firstly planning and organising one complete cycle of the diagnostic review phase in their Region, and at a second level, assisting in the facilitation of a workshop, and at a third level, 'full licence' facilitation in any aspect of the programme.

The workshop programmes emphasise creative approaches to diagnosing critical service issues rather more than rational logical approaches. The intention is to challenge the existing cultural norms. Creative problem solving approaches also enable a sense of fun to be maintained in a working environment. This is the climate which permits innovation and a coming to terms with the desirability of change, and managing change.

In the workshops, permission is given to openly discuss what would otherwise in the banking culture be 'undiscussable', which leads to a developing sense of trust and commitment. The process is one of empowering people who, day by day, work in an environment where attitudes and actions are fairly prescribed.

The construction of networks of people involved in the diagnostic review process is focused on a District (Regional) level. People involved in the programme feel a bond of kinship, Australia wide. These network relationships are maintained by information sharing structures and by informal modes. There are network newsletters which are written and distributed on an Australia wide basis to group facilitators and on a Regional basis to group participants. These newsletters are the vehicles for explaining new techniques and information of value in the diagnostic review process.

Networks are the vehicles for supporting and developing the practical service quality improvement which is the task goal of the programme. The 'self help' attitudes and experiences developed through creative problem solving techniques and the application of these to practical situations gives 'life' support to the network itself. In this way, the culture challenging effects associated with diagnostic review groups are not easily extinguished.

Every ANZ diagnostic 'Groupie' is conscious of the history of the programme, its origins, and his or her part in it. This is given tangible support at every opportunity, including well presented programme guides, network directories (names, addresses and phone numbers) and certificates of merit. There are formal 'presentation' ceremonies to Regional Managers for discussing results achieved in service quality improvement. Other channels are used for passing on service quality improvements which have application on an Australia wide basis.

There are also rituals which provide a sense of identity and continuity between past, present and future, like the 'Groupie handshake', a special way of sitting on chairs and 'magical mystery tours'!

There is a genuine sense of excitement and challenge about all this. Every diagnostic 'Groupie' senses that they are working 'against the grain'. They know that the organisation cannot change of itself and they accept some of the responsibility for initiating that change. The commitment to that responsibility is the beginning of personal development and the beginning of service quality improvement at grass roots level, and the role modelling of a new kind of banking behaviour which fits ANZ's strategic focus.

In his or her work, involving culture change, the ANZ diagnostic 'Groupie' is truly an invisible leader. As a change agent working toward practical improvement in service processes, the role as leader is quite visible. But it is the invisible aspect of leadership that counts in the long run. It is the kind of leadership that seeks out a more participative and less autocratic system of management. When 'Groupies' take practical action in terms of diagnostic work, this influences changes in their relationship with their manager, indeed the relationship of that manager and the rest of the branch staff.

The same invisible process begins at Regional level where the 'Groupie' facilitator through his or her task focused actions influences the relationship the Regional Manager has with his staff, and the relationship of the Regional Manager with his own branch managers.

Enthusiasm and task focus begin the diagnostic process. The practical outcome is the generation of ideas for improvement in service quality processes which in turn challenge the organisation towards changing the way things are done, the methods which are used, and the attitudes that go with it.

ANZ could never achieve a retail 'customer focused' transition from an operationally focused organisational culture with diagnostic review groups alone. What they have achieved are tangible results at the customer interface, and the value data is broadcast up and down the organisation. The outcome of this is that more opportunities for strategic interventions into the organisational culture open up for legitimate action, at all levels of the organisational hierarchy.

What the change agent must seek to do continuously is to give cultural meaning to significant events and actions; that is, to reify the substantive achievements of the change process.

Certainly the superordinate goal of service quality must be congruent with the individual personal values of key actors, because this a motive for action. Further, unless the change actions are congruent with the superordinate goal, the outcomes will turn out to be unfocussed bus-i-ness.

Over and above this, significant events and actions (no matter how mundane they seem to the original actors), tend to take on independant meaning as signifiers of new cultural values, providing a necessary bridge between past, present, and future.

And so the process goes on, continuously.

Come to the edge, he said

They said: We are afraid

Come to the edge, he said

They came

He pushed them...and they flew

Apollinaire, G

July 1989