

## **Appreciating the Effort:**

### The Psychology of Providing Services

By Joe Whitefield

uppose you have locked yourself out of your house and must call a locksmith to open the door. Before the locksmith arrives, answer the following question about the impending service; would you rather the service be (a) faster and cheaper, or (b) slower and more expensive? Obviously, we would all prefer option (a), right?

In practice, many people actually prefer option (b). After learning of this behavior from an actual locksmith, behavioral economist Dan Ariely began looking into these irrational economic decisions for an explanation. Several experiments later he uncovered some interesting views about money that explain this behavior in a way that should interest anyone in service industries—including facility managers. Consider the following:

#### **PERCEPTIONS**

Early in his career, a locksmith confesses to be less competent. When working on a lock, he might take 45 minutes to an hour to open the door. This would often involve breaking the lock and replacing it with a new lock. After completing the work, the customer is presented with a bill that includes a door

Completion Organization Innovation **Being Nice** 

opening fee and charges for the new lock. Happy to have the door opened, customers would often pay the bill and give him a tip.

Later in his career, the locksmith is more competent and experienced, and can often open the door in 10 minutes without breaking he original lock. This bill only has a door opening fee. Under this scenario, the customers would frequently complain about the "excessive" charges and would rarely give him a tip. So, in essence, the customers feel better about paying more, in both time and money, when they see the locksmith making a bigger effort.

Effort is rewarded and effectiveness is not. In this case customers are paying for incompetence. Put another way, customers often do not know how to value expertise, and that taints their view of the quality and value of the services they receive. The costs associated with obtaining the expertise (education, training, tools, equipment) are mostly upfront or fixed costs. The costs associated with performing the individual task (mainly direct labor or supplies) are the marginal costs. With little knowledge of or appreciation for the upfront costs, customers conclude the marginal costs are the drivers and that services should be charged in accordance with the visible effort.

As a consumer, your mind may be taking off remembering encounters when you have irrationally valued effort over true expertise, and questioned or even complained about a service you received. I know someone who has had the exact encounter with a locksmith while on

vacation. As a facility manager, you may be thinking of a time when people have complained about a service you provided. If so, let's look at this problem a little deeper to see if there are some helps for us.

#### **INVISIBLE EXPERTISE AND EFFECTIVENESS**

Facilities departments provide essential services to their campuses. We are conscientious, efficiency-minded, customer oriented, and typically quite competent in providing these services. As such, we often strive to be part of the hidden organization. We perform a significant amount



## SIMPLY MAKING A SAMPLE OF YOUR SERVICES MORE PUBLIC CAN IMPROVE PERCEPTIONS AND CREDIBILITY WITH CUSTOMERS.

of work at night, have utility shutdowns on weekends, perform major projects over schedule breaks, and perform many more services out of sight or with as little disruption as possible – all in the name of efficiency and effectiveness.

And yet, our services at times seem underappreciated and undervalued by our customers. I suggest that this is due, in part, to the problem of valuing services by the marginal cost of effort rather than the true full cost. In designing efficient delivery systems for our services we can, inadvertently, set our organizations up to be improperly judged according to visible efforts, instead of invisible expertise and effectiveness.

If this is happening on your campus,

you need to consider ways to have some of the positive and productive efforts of your employees become visible without becoming disruptive. Simply making a sample of your services more public can improve perceptions and credibility with customers. Here is a small example. On my campus we use blowers to clean off sidewalks daily.

We now schedule this activity for early morning, when students and faculty are arriving. This is not very disruptive, it moves fast, and it has the added benefit of being heard as well as being seen. It conveys the impression (and fact) that we are opening for business. We have received some comments about this. As people notice the workers, they have

developed an appreciation for the result—cleaner paths on which to walk. This is fairly painless yet effective.

#### **INCREASED VISIBILITY**

What hidden services do you provide that is seemingly undervalued by your customers? If you have been unsuccessful in convincing them how great and cost effective your services really are, perhaps you should focus on increasing the visibility of the effort. Consider a sample of services that could be performed publicly. While this may not seem rational it could be effective in building trust and credibility with customers, and improving perceptions of your organization. And we all know about perceptions. (§)

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