

TENANT SATISFACTION ASSESSMENT IN SOCIAL HOUSING: HOW RELIABLE? HOW MEANINGFUL?

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Paper by: Hal Pawson¹ and Filip Sosenko²

Abstract

Since the 1980s there has been a growing emphasis on promoting consumerism in welfare services as a form of accountability and as part of the commercialisation of public agencies. In the social housing sector, the significance accorded to tenant satisfaction ratings has grown over the past decade. This has recently been further enhanced by the post-2007 shift in the regulatory framework away from reliance on widespread on-site service inspection as a prime measure of service quality.

But are tenant satisfaction scores as we know them sufficiently reliable and robust to serve as a ‘consumer experience’ measure which trumps all others? How valid is it to compare recorded satisfaction rates for social landlords operating in different social and economic contexts? We investigated these questions by studying survey practice in a sample of English housing associations and by analysing published tenant satisfaction statistics.

While industry-wide guidance prescribes tenant satisfaction survey methodology, the study revealed significant variations in the way such surveys are actually undertaken. These differences include the way that interviewees are sampled, data are collected, and satisfaction performance indicators are calculated. This could mean that some organisations are ranked higher in the published league table than they should be. As well as discussing possible means of enhancing survey practice and adjusting for the influence of factors lying outside the landlord’s control, the paper explores the possible applicability of private sector customer satisfaction measurement techniques.

¹ Professor Hal Pawson, School of the Built Environment, Heriot-Watt University, Edinburgh – h.pawson@sbe.hw.ac.uk

² Dr Filip Sosenko, School of the Built Environment, Heriot-Watt University, Edinburgh – f.sosenko@hw.ac.uk

Introduction

Policy background

Part and parcel of the drive to consumerise public services is the growing tendency to portray user satisfaction scores as the ultimate measure of public service performance. Within the social housing context, it has been argued that properly authenticated tenant satisfaction surveys should render regulatory inspection redundant (Joseph, 2009).

Tenant satisfaction measurement has been a longstanding regulatory obligation for UK housing associations and municipal housing departments. Already, by the early 1990s, such measures were being heralded as an effective means of listening to consumers, and thus integral to a more demand-responsive operational style of social landlordism (Satsangi & Kearns, 1992). This has been an aspect of the growing emphasis on consumerism in welfare services as a form of accountability and as part of the commercialisation of public agencies. In the social housing sector, where tenants have very little choice or power to stop 'buying', judging the landlord's performance by measuring resident satisfaction is seen by many as critically important.

As recommended by a government-commissioned review of social housing regulation in England (Cave, 2007), the responsible agency committed to developing 'a standards framework that puts tenants' priorities first' (Tenant Services Authority, 2008: 5). While the aspiration to shape social landlord services in line with user needs and preferences is hardly new, its recent re-statement reflects a growing emphasis on tenants' status as consumers and the need for social landlords to be more 'customer-focused' in their operations. Similarly, with post-2007 regulatory practice shifting sharply away from widespread on-site service inspection (Cave, 2007; Scottish Government, 2008), the importance of satisfaction measures in calibrating service quality has been redoubled.

Accordingly, tenant satisfaction ratings have taken on growing significance in their contribution to official judgements of landlord effectiveness (Pawson, Sosenko & Ipsos MORI, 2010). Consequently, such scores have become subject to growing scrutiny by social landlords themselves. Similarly, in an effort to demonstrate consumer orientation, aspirations to attain higher satisfaction ratings are increasingly incorporated within landlords' corporate targets.

Research questions

The increasing weight now being placed on tenant satisfaction scores as a pre-eminent service quality yardstick raises three important questions addressed in this paper. First, to what extent are the published satisfaction ratings attributable to individual landlords based on robust and consistent research practice? Second, what is the proper balance between central direction and local delegation in the administration of surveys undertaken for this purpose? And, third, how appropriate are tenant satisfaction ratings for ranking organisational performance?

Research remit and methodology

The paper is based on a study of housing associations in England. As not-for-profit organisations providing affordable housing for rent, associations accounted for 49% of social housing and 8% of all housing stock in England in 2007 (Wilcox, 2009). Along with local authorities which provide the other half of England’s social housing, associations are subject to government regulation. Much of the regulatory framework is common to the two forms of social landlord. However, as further described below, requirements around tenant satisfaction measurement differ in subtle, yet significant ways.

Our research methodology involved three main elements. First, we conducted interviews with key national stakeholders – this involved the Audit Commission, the Communities and Local Government Department, Consumer Focus and the National Housing Federation (the trade body for housing associations and the originator of the officially-endorsed tenants survey model). Second, we analysed secondary data collected by the TSA and the former Housing Corporation from housing associations via annual statistical returns, to identify relationships between reported satisfaction levels and a range of organisational and contextual factors including landlord size, type, area of operation and stock profile.

Third, we surveyed housing associations which (as shown by annual statistical returns) had, themselves, undertaken a tenant satisfaction survey in 2009. Associations were requested to provide the relevant survey report, with the responsible staff member of each consenting organisation being subsequently interviewed by telephone about survey management and analysis. Twenty-four telephone interviews were undertaken, covering 40 individual associations (in some instances, a single interviewee responded on behalf of two or more landlord entities linked together in a ‘group structure’). Six associations provided a report but could not be interviewed. In all, therefore, the research covered 46 landlord entities (see Tables 1(a-c)). As shown in Table 1 the survey was fairly representative of the sector as a whole in relation to organisational size and type. Regionally, however, northern-based organisations were somewhat over-represented, while those operating in London and the South East were slightly under-represented.

Table 1 – Profile of participating housing associations

(a) Size

	>10,000 homes	5,000-9,999 homes	1,000-4,999 homes	<1,000 homes
Participating - no	6	11	27	2
Participating - %	13	24	59	4
Sector profile* - %	13	27	60	0

(b) Provider type

	Supported housing	General needs – traditional	General needs – stock transfer
Participating - no	3	20	23
Participating - %	7	43	50
Sector profile* - %	5	46	49

(c) Region

	London	South East	South West	Central	North
Participating - no	5	2	5	13	21
Participating - %	11	4	11	28	46
Sector profile* - %	18	14	10	26	31

Source of sector profile: TSA data from housing association annual statistical returns. Notes: 1. Sector profile excludes associations owning less than 1,000 dwellings. 2. 'Region' reflects head office location.

Tenant satisfaction measurement: justification, development and critiques

Why measure tenant satisfaction?

The perceived need to measure views about service provision on the part of social housing tenants is part of the broader influence of New Public Management ideas on the administration of public services (Walker, 1998; Newman, 2000). Part of this is about the NPM emphasis on the application of private sector management techniques; customer satisfaction measurement is a well-established aspect of commercial practice (McCull-Kennedy & Schneider, 2000).

However, the importance of user satisfaction ratings in welfare services is compounded by the fact that welfare services are not provided within a simple market context. Because people using services such as social housing have very little freedom to shop around for 'better quality' provision, they form more of a 'captive audience' from the perspective of provider agencies. In the terms used by Hirschman (1970) such service users lack the power of exit available to consumers in 'normal' markets.

Equally, since access to their services is determined largely by administrative rather than market criteria, welfare agencies such as social landlords cannot simply calibrate their performance according to the corporate balance sheet or share price. While management performance indicators are well-established in this field, these have traditionally tended to focus more on process efficiency rather than outcomes and effectiveness (Pawson & Jacobs, 2010). More generally, it is officially recognised that over-reliance on such indicators as prime measures of organisational performance is problematic because of the risk that service delivery is skewed towards 'process-focused' targets at the expense of improving end-user outcomes (Cabinet Office, 2006).

'Customer feedback' (of which tenant satisfaction ratings are a form) has been seen as a new form of accountability for public service providers. As argued by Pierre (2009) such mechanisms are particularly relevant to scenarios where there is a 'democratic deficit' – a phrase potentially applicable to housing associations, governed as they are by unelected boards with a primary responsibility to promote the corporate interest rather than to *represent* the views or priorities of communities or service users. Commenting on consumerism in public services, critics (e.g. Brewer, 2007) have contended that the model incorporates a narrow form of accountability and cannot be seen as an adequate replacement for the democratic forms of governance traditionally associated with public service provider organisations. Like other governance models

associated with NPM, consumerism ‘cater[s] more for objectives of efficiency and flexibility than for ensuring democracy and accountability’ (Pierre, 2009: 603).

Origins and development of tenant satisfaction measurement

The measurement of resident satisfaction in social housing originated in the 1960s in the context of optimising the architectural design of housing estates (Furbey & Goodchild, 1986). Such activity has some relevance to contemporary approaches in that research instruments developed at that time have influenced those used more recently used to measure landlord performance.

By the 1980s, social landlords were beginning to face new demands to demonstrate effectiveness and accountability under the newly dominant paradigm in which welfare agency service users began to be portrayed as ‘customers’ with the right to expect high-quality service provision. Even at this stage, some housing associations began to perceive that a ‘good’ satisfaction score would strengthen their case for public and private funding or approval as a purchaser of council-owned housing stock (Satsangi & Kearns, 1992).

Under the Best Value regime applied to local government and other services by the newly-elected Labour government from 1997 (DETR, 1998), the significance accorded to service user views received a further boost. In social housing, the tenant satisfaction score became a central element of this new approach – in relation to both comparison across landlords and monitoring organisation-specific and/or sector-wide trends over time. Similar developments were taking place in other countries such as the USA (Varady & Carrozza, 2000) and Australia (Atkinson & Jacobs, 2008).

In England, consistent with Best Value thinking, a major innovation was the 1999 development of a standard survey model known as STATUS, commissioned by government and led by the National Housing Federation, trade body for housing associations in England (NHF, 2000, 2008). The model was designed to be applicable to housing associations of all types and sizes and suitable for in-house administration rather than necessitating the involvement of a professional market research organisation. National policy stakeholders interviewed in our research saw the STATUS model as having proved highly beneficial in providing a framework for the production of essentially comparable satisfaction ratings which permit both benchmarking between organisations and tracking of trends over time. Critical here is the long-term regulatory commitment to retention of a stable framework both in terms of survey questions and fieldwork methodology

While a standard questionnaire is a critical element of the STATUS model, detailed officially-sanctioned guidance also attempts to facilitate rigorous and consistent fieldwork practice – e.g. by stipulating approaches to sampling, fieldwork management, data validation and analysis (NHF, 2000; 2008). On validation, for example, it is recommended that the achieved sample is compared with the profile of the landlord’s tenanted dwelling stock in terms of house type, size or sub-area location. Consequential findings should determine whether and how weighting should be used to account for differential non-response. However, while this advice is practical the proposed method is far from ideal because differential response rates are likely to be associated with demographic rather than property characteristics. Ideally, therefore, validation and re-weighting would be undertaken in relation to, say, the age

or household type profile of the tenant population. The problem here is that few social landlords may have reliable and comprehensive data on the family circumstances of their tenant population.

STATUS was originally designed as a self-completion postal survey and local authorities remain obliged to run it as such. However, housing associations have been allowed latitude to apply the model as a telephone or face-to-face survey if desired (NHF, 2008). Another significant difference between local authority and housing association regimes has been the requirement for the former to run their survey on a two-yearly cycle (with fieldwork being undertaken within a prescribed timeslot) and to submit their entire STATUS dataset to government for central review and analysis (CLG, 2007). Associations, by contrast, while required to undertake surveys every three years, may do so in an entirely decentralised way.

Via application of the STATUS model, all social landlords have been required since 2001 to collect and submit to government as 'performance indicators' (PIs), the percentage of tenants 'satisfied' or 'very satisfied' with (a) landlord services, overall, and (b) opportunities to participate in landlord decision making. More recently housing associations have also been required to report similarly in relation to tenant satisfaction with landlord management of repairs and maintenance.

In extracting these statistics from STATUS-generated survey data, the guidance stipulates that invalid responses (e.g. where no response option is ticked) should be excluded for the denominator while neutral responses should be included. The Regulator notes that 'some RSLs have in the past [erroneously] excluded neutral responses' (TSA, 2009b: 34). While this may appear a technical point it is important because such practice will have inappropriately inflated the PI scores specified above.

Critiques of tenant satisfaction measurement

Criticism of tenant satisfaction measurement, as conventionally undertaken and reported, falls into two main categories. Firstly, there is the contention that 'satisfaction' is a nebulous construct or imprecise concept imposed by the researcher on the interviewee and 'which may or may not form a significant part in the latter's system of meanings' (Furbey & Goodchild, 1986: 173). Or, as expressed by Varady & Carrozza (2000), expressed tenant satisfaction may be affected by many background personal and housing experiences undetected by a typical satisfaction survey. Similarly, Birks & Southan (1992) saw the 'satisfaction' concept as potentially both inconceivable and inexpressible to the tenant.

The second major critique of satisfaction surveys argues that expressed satisfaction is affected by a range of factors, many of which are unconnected with the performance of the landlord in question. Hence, 'it is at best a shot in the dark but at worst highly misleading to use the satisfaction-with-service score as an indication of the effectiveness of service delivery' (Satsangi & Kearns, 1992: 329).

Confirming this logic, a recent statistical investigation demonstrated a strong inverse relationship between expressed 'overall satisfaction with landlord services' and (a) the incidence of deprivation, (b) the incidence of 'ethnic fractionalisation' and (c) council housing as a proportion of the local housing stock. Conversely, satisfaction was strongly positively correlated with the proportion of council tenants aged over 60

(Ipsos MORI, 2008). Having calibrated these relationships Ipsos MORI predicted 'expected satisfaction scores', bearing in mind local circumstances and, by comparing these with actual (reported) scores, derived a net score for each local authority.

A more general critique of service user ratings derived from surveys where respondents are asked directly about their level of satisfaction is that unduly flattering scores may be generated due to 'courtesy bias' (Harris et al, 2001) – a tendency for respondents to select what is believed to be the 'desired response'. It might be hypothesized that any such tendency could be particularly prevalent in surveys involving direct contact with the respondent – e.g. by telephone – as opposed to self-completion questionnaire.

Wider still is the view that structured surveys are too superficial to be of value from a service improvement perspective and that it is therefore vital for qualitative methods such as group discussions and observation studies to be routinely incorporated within tenant satisfaction research (Franklin, 1989; Satsangi & Kearns, 1992). With the widespread involvement of tenants in policy forums and review groups (Pawson et al, 2009), as well as the recent social landlord adoption of techniques such as mystery shopping and customer journey mapping (Tetlow Associates, 2008) such views have become uncontroversial. At the same time, however, regulators, government and social landlords themselves have strengthened their allegiance to structured surveys given the appeal of their capacity to generate 'hard facts' which can be simply communicated to lenders and regulatory bodies.

Tenant satisfaction performance ratings and associated factors

This section analyses housing association tenant satisfaction ratings to identify the factors associated with an association's 'score' on such measures. It focuses mainly on satisfaction ratings for 2008/09 as recorded in annual statistical returns. The detailed analysis is limited to the 351 associations owning more at least 1,000 homes and which included tenant satisfaction scores within their 2009 return.

Setting tenant views on housing association services within a broader context

To contextualise tenant satisfaction statistics within the broadest setting there is some scope for comparing customer ratings of social landlord services with user satisfaction figures for other public services. Two sources are particularly relevant here. First, there is the CLG Place Survey, a bi-annual exercise undertaken as part of the official framework for measuring local government performance (CLG, 2009). Based on a sample size of over 500,000 the Place Survey seeks citizen views on a range of public services. A second source relevant here is an unpublished survey of social housing tenants commissioned by the Housing Corporation and undertaken in 2008. The survey (sample size 1,205) recorded tenants' satisfaction ratings in relation to a range of public services.

Table 2 – Public views about public services - % of survey respondents satisfied with specific services, 2008

Service	All citizens	Social housing tenants
	(Col 1)	(Col 2)
Your GP or clinic	NAv	85
Your local area as a place to live	NAv	79
Refuse collection	78	75
Doorstep recycling	70	72
Landlord services	NAp	72
Hospitals in your local area	NAv	71
Schools in your local area	NAv	67
Keeping public land tidy	57	59
Parks and open spaces	69	59
Your local authority, overall	NAv	59
(Public) sport/leisure facilities	46	45
Libraries	69	NAv

Sources: Col 1 – Place Survey 2008 (CLG, 2009); Col 2 – Housing Corporation social housing tenants survey, 2008 (unpublished).

Table 2 shows that, within the context of tenant views about other public services, the services provided by social landlords are reasonably well-rated. The proportion of tenants reporting themselves ‘satisfied’ or ‘very satisfied’ with what they get from their landlord is close to the middle of the ranking shown here. It is also notable that, while the table draws on two different surveys, the values recorded for social housing tenants are in most cases remarkably similar to those for the population, as a whole. The only marked difference relates to parks and open spaces – perhaps raising questions about the accessibility and relative standard of upkeep of parks in areas where the rate of social renting is higher.

Table 3 – Overall satisfaction with landlord 2007/08 (national survey data)

	Satisfied			Neutral	Dissatisfied			Total
	Very	Fairly	All		Slightly	Very	All	
Local authority	31	40	71	12	10	8	18	100
Housing association	36	39	75	9	9	8	16	100

Source: Adapted from Survey of English Housing Table S821 (CLG, 2010)

As shown in Table 3, within the social rented sector, housing associations evoke slightly higher satisfaction rates than local authority landlords although the gap has narrowed in recent years (CLG, 2010).

Investigating variations in housing association tenant satisfaction rates

There are also fairly marked differences in satisfaction rates within the housing association sector. Table 4 indicates a tendency for landlords established to take ownership of former local authority housing to record higher satisfaction ratings than their ‘traditional association’ counterparts, the reasons for which are explored elsewhere (Pawson & Mullins, 2010). Figures from the same source illustrate the extent to which recorded satisfaction scores tend to be higher for associations catering

mainly for people with high support needs and those operating outside of London (Pawson, Sosenko & Ipsos MORI, 2010).

Table 4 – Housing association tenant satisfaction ratings by HA type 2008/09 (local survey data)

Landlord type	% of tenants very or fairly satisfied ...		
	...with landlord service, overall	...that their views are taken into account	...with the repairs service
Traditional	79	59	74
Stock transfer	83	64	80

Source: Housing association annual statistical returns to the TSA (unpublished)

Table 5 – Relationship between satisfaction with landlord services overall and stock profile/social factors

Possible 'influencing factor'	Correlation coefficient
% of lets to Black and Minority Ethnic(BME) households*	-0.60
Flats as a % of relets	-0.29
% of lets to statutory homeless households*	-0.19
% of lets to LA nominees*	-0.18
% of lets to family households*	-0.14
% of lets to households wholly reliant on benefits*	-0.13
% of lets to pensioner only households*	0.27

Source: Analysis of RSR 2009 dataset and CORE 2008/09 dataset. * Excluding lets to tenants transferring within the stock

Table 5 probes relationships between tenant satisfaction with landlord services and a range of other factors which could be hypothesized as relevantⁱ (Pawson, Sosenko & Ipsos MORI, 2010).

Most of the factors included in Table 5 are negatively related to satisfaction scores. Some of these factors might well be connected with one another; for example, if the spatial distribution of BME communities means they are disproportionately housed in areas where most of the social housing stock consists of flats.

To overcome this limitation, the data was subjected to multiple regression to identify the combination of factors that can best explain the dependent or target variable (in this case satisfaction with overall service provided by the landlord). This allows all the significant factors from the data available to be accounted for simultaneously, and for the relative strengths of their effect on overall satisfaction to become apparent.

Results of this analysis are presented in Table 6, which also indicates the amount of variance around overall satisfaction explained by the model (expressed as a percentage). The nearer this percentage is to 100, the better the fit of the model, in terms of the power of the included 'predictor' factors in statistically explaining the dependent variable. The model presented below accounts for 41% of the variance in overall satisfaction, meaning the model is a strong predictor of satisfaction (anything above 30% is considered a strong predictive model).

Table 6 – Relationship between tenant satisfaction with landlord services and stock profile/social factors

Possible 'influencing factor'	Correlation coefficient	Relative
% of lets to BME households*	-0.60	50%
Housing management performance	0.29	16%
Type of housing association – traditional^	-0.32	12%
% of lets to local authority nominees*	-0.19	11%
Size of HA (total housing stock)	-0.14	11%

R² = 41.2%

Source: Analysis of RSR 2009 dataset and CORE 2008/09 dataset. * Excluding lets to tenants transferring within the stock. ^ Categorical variable, reference category is stock transfer housing association.

By some margin, the strongest predictor of overall satisfaction – accounting for 50% of the relative strength of the whole model – is the proportion of all association's tenants who are of BME origin (using lettings to BME households as a proxy). This factor is negatively related to overall satisfaction, a finding consistent with previous research (Ipsos MORI, 2008). It is also a factor strongly correlated with geography, and in particular the London region. Its inclusion in the model supersedes the variation explained by the region variable, which would feature prominently if ethnic origin were excluded.

Encouragingly, overall satisfaction is positively associated with the performance rating of an association (based on a crude proxy of 'overall performance'ⁱⁱ) – top performers are somewhat more likely to record higher levels of satisfaction than other associations. However, the relationship is relatively weak and this is emphasized by the regulatory inspection evidence which shows that high levels of tenant satisfaction as reported can co-exist with 'significant weaknesses in the service' (Tenant Services Authority/Audit Commission, 2010, p10).

Two other factors negatively associated with overall satisfaction are the proportion of lets to local authority nominees and the size of association. The first of these may be a proxy for the incidence of deprivation, given that a high proportion of nominees will be former homeless households. The second could reflect the greater difficulty of delivering a uniformly good service across a larger geographical field of operation.

Tenant satisfaction assessment: housing association practice

The next section is based on the authors' survey of housing associations as described above and relates to tenant satisfaction surveys undertaken in 2009.

Tenants survey sampling

Participating associations were evenly split between those using a 'census' approach and those involving a selected sample. A census approach was typical for those using a postal self-completion model. Some associations felt this was valuable as a practical demonstration of the landlord's interest in everyone's views. For others, it was important in facilitating results which could be analysed at the sub-area level.

Importantly, among those using a selected sample approach some associations targeted only tenants recently in receipt of a landlord service – contravening the guidance which stipulates a representative sample of all tenants. The result of such practice might be to produce unduly flattering satisfaction scores.

Contact method and response rates

The postal self-completion model was dominant, with about two thirds of respondents having used this approach. Most of the remainder had commissioned telephone surveys from external agencies although one survey had involved face-to-face interviews. While postal survey response rates averaged 41% for ‘general needs’ (or all) housing, the average rate for older persons housing was 63%. This highlights the extent to which the views of older people may be over-represented by un-weighted survey dataⁱⁱⁱ.

Validation and re-weighting

While the STATUS guidance specifies that the achieved sample must be checked to calibrate its representativeness of the tenant population, such practice was far from universal. Given the typically substantial variation in response rates for older persons and general needs housing (see above) it seems unlikely that achieved samples (even if based on a ‘census’ type sampling strategy) would usually amount to anything like a true cross-section. Only about half of associations reported that their survey results had been validated and re-weighted to take account of differential non-response.

Deriving tenant satisfaction ‘performance indicator’ ratings

As noted above, critical to calculating the tenant satisfaction figures for submission in annual regulatory returns is the appropriate definition of the denominator for the percentage calculation. This issue was explored in our survey both via our analysis of individual survey reports, and via the telephone interviews. For a few associations it was not possible to determine the approach which had been used because the STATUS report did not clearly specify this and because the telephone survey interviewee was uncertain of the answer. Among the remainder, most associations had followed the recommended methodology. However, a quarter appeared to have deviated from the guidance in relation to one or more of the three satisfaction PIs. In a few other cases the text of the association’s STATUS report and/or the telephone survey interviewee’s response suggested that the approach adopted *may have been* incorrect.

Perceived strengths and weaknesses of the STATUS framework

Most associations saw STATUS-type surveys as having an intrinsic managerial value and believed that their organisation would continue to run these, irrespective of any relaxation in regulatory requirements. The most commonly perceived strength of the framework was that the model’s standardised format facilitates inter-organisational benchmarking. Many associations also cited the utility of a questionnaire with ‘comprehensive’ coverage of landlord services. Other perceived strengths included the observation that the well-honed research design is capable of facilitating high response rates. Some respondents highlighted a view that – when undertaken as a

‘census’ – STATUS provides a useful vehicle for engagement with the entire tenant population.

On the negative side, a number of respondents criticised the ‘excessive’ length of the standard STATUS questionnaire and/or the phraseology of certain questions. As seen by the NHF (trade body), ministerial demands for the survey to encompass issues of only ephemeral interest had led to incremental elaboration over the years. A more far-reaching comment – as voiced by a few respondents – was that the value of STATUS-informed benchmarking was in any case dubious because of the need to allow for very substantial differences in the context within which different landlords work.

Other methods used to measure tenant satisfaction

Perhaps reflecting a growing tendency to view themselves as commercial businesses, some housing associations have begun to look to customer satisfaction techniques developed by private companies. One relevant tool here is the Net Promoter Score (NPS) a metric derived from survey responses to a ‘how likely are you to recommend...’ question. Respondents assigning their current service provider at least nine on a ten-point scale are ‘promoters’; those giving ratings of six or lower are ‘detractors’ (Reichheld, 2003). The NPS is found by subtracting the proportion of detractors from the proportion of promoters. Reportedly, NPS is highly accurate in indicating whether a firm would grow (where more consumers championed its service or product) or shrink (where more were denigrating it) (Ibid). While the direct applicability of such a measure to social housing may be questionable, given that this is a rationed rather than a market product, NPS scores might still be a valuable measure of agencies’ reputational ratings both in terms changes over time and inter-organisational comparison.

Questions to facilitate NPS measurement can be incorporated within STATUS-type surveys. For virtually all respondents in our research, however, such surveys were only one of a range of methods for collecting customer feedback. Indeed, some respondents considered those other methods of equal or greater importance.

Particularly common additional tools were routine (or ‘continuous’) surveys targeting people having recently made use of specific landlord services. Beyond the use of structured surveys targeted in various ways, a number of respondents mentioned more in-depth and qualitative approaches considered useful in helping to understand tenant perceptions and priorities in greater detail. Such techniques, seen as useful in answering ‘why’ rather than ‘what’ questions, often included service specific focus groups, residents panels and estate inspections. Mystery shopping was also cited by a number of respondents as a useful means of gaining a tenant-eye-view of service delivery. Some landlords organised this themselves or had it undertaken as part of ‘mock inspection’ activity.

Concluding discussion

Let us now revisit the questions set out at the start of this paper.

Are the published satisfaction ratings attributable to individual landlords based on robust and consistent research practice?

As demonstrated by our research, survey practice on the part of housing associations is, in fact, quite diverse. Some interpret the guidance very flexibly. In a few cases, for example, tenant satisfaction statistics as entered in annual returns are drawn from continuous 'tracking surveys' whose resemblance to the prescribed STATUS model is limited to the inclusion of just a few key STATUS questions and which employ a sampling methodology quite distinct from the officially stipulated cross-sectional approach.

Equally, many associations make no check on the representativeness of achieved samples, nor institute any re-weighting to correct for differential non-response. This is a particular concern in relation to the known tendency of older people to profess higher rates of satisfaction (Heriot-Watt University & Ipsos MORI, 2009) and to respond in larger numbers. In any event, landlords housing larger proportions of older people are likely to generate more favourable overall tenant satisfaction ratings. Unless allowance is made for differential non-response (by re-weighting) this effect will be further magnified.

Nevertheless, this issue presents a methodological dilemma because few if any social landlords routinely maintain comprehensive detailed information about the demographic profile of the tenant population and which could inform appropriate re-weighting. One option open to local authorities would be to use census data for this purpose. However, the value of such data would become somewhat degraded later in inter-censal periods. Because of the scattered distribution of much housing association stock this technique would, in any case, be much less straightforward to apply in a rigorous way.

In deriving tenant satisfaction statistics for inclusion in annual returns, most associations comply with the officially recommended approach on defining the denominator in the relevant calculations. However, although the guidance is very explicit on this point, an appreciable minority of landlords appear to deviate from the recommended methodology here. Again, the effect will be to their advantage.

What is the practical significance of the departures from recommended practice detailed above? One way of calibrating this is to compare the aggregate national tenant satisfaction score generated by local surveys and the equivalent figure derived from a large scale national survey undertaken via face-to-face interviews by professional interviewers. Grossing up, in relation to their stock numbers, the 'overall satisfaction with landlord' statistics submitted to the TSA by English housing associations in 2008/09 produces a national 'very satisfied' and 'fairly satisfied' figure of 80%. Given that the equivalent figure from the government's Survey of English Housing 2007/08 was 75% (CLG, 2010) it appears that the average 'overstatement' of satisfaction by housing associations in England in 2008/09 may have been around five percentage points. Furthermore, whereas the aggregated national score based on individual tenant surveys (80%) is specific to 'general needs housing', the SEH figure (75%) also encompasses tenants living in 'sheltered' or 'supported' housing. Given the evidence of relatively high satisfaction rates among these groups (Pawson, Sosenko and Ipsos MORI, 2010), the true disparity between figures from the two sources will be greater than 5%.

What is the proper balance between central direction and local delegation in administering tenant satisfaction surveys?

Arguably, the greater weight now being placed on tenant satisfaction ratings calls for a more robust and standardised approach. At a minimum, this would require more directive official guidance. In particular, this could stipulate the postal self-completion model. While postal survey response rates tend to be lower than those for telephone or face-to-face interviews, the approach remains attractive as one which minimises costs and preserves the option of in-house implementation by social landlords where desired. It is, however, worth giving pause for thought on the extent to which this methodology might be compromised by limited literacy among social housing tenants^{iv}. This could call for further research at a national level.

Another response to the observed inconsistency of local survey practice on the part of housing associations would be to institute a more centralised approach to fieldwork and/or analysis. One possible reform would be to adopt the regime already applicable to local authority landlords whereby authorities remain responsible for commissioning their own surveys, but with the resulting data being collated within a national dataset from which landlord-specific 'satisfaction PIs' are calculated in a standardised way. An additional benefit of this approach is the facility to undertake extensive sub-group analysis at the national, regional and local scale.

A more radical option would be for responsibility for the collection of tenant satisfaction 'performance statistics' to pass entirely from landlords to regulator. Given the sample sizes required to produce landlord-specific results, such an exercise would have to be undertaken on a very large scale. Nevertheless, scope for efficiencies in centralised procurement and administration should make such a model more cost-effective for the sector than current arrangements^v.

At the same time, however, an entirely centralised model would bring significant disadvantages in terms of removing the scope for landlords to add locally relevant questions (still possible under the current local authority regime) and, in this way undermining any sense of landlord 'ownership' of the process.

How appropriate are tenant satisfaction ratings for ranking organisational performance?

As noted above, regulators have recently highlighted the extent to which reported tenant satisfaction rates can be inconsistent with service quality as assessed by regulatory inspection (Tenant Services Authority/Audit Commission, 2010). It is clear that such ratings are subject to the strong influence of background factors outside a landlord's control (e.g. tenant population profile). Hence, even if inconsistencies in survey fieldwork and analysis were entirely eliminated, simple inter-organisational comparisons on tenant satisfaction would remain of questionable validity. One response here might be to look to the calculation of landlord-specific tenant satisfaction ratings adjusted for socio-economic factors as in those recently produced for local authorities (Ipsos MORI, 2008). However, given the geographically fragmented nature of many housing association property portfolios, the practical feasibility of a national system of this kind is in doubt.

An alternative approach might be to revisit the vexed question of ‘peer groups’ with the aim of establishing an officially recognised set of groupings within which inter-organisational comparisons of satisfaction ratings could be made with greater validity. This would ‘go with the grain’ in the sense that – as confirmed by our research – ‘peer group’ benchmarking is already widely used on an informal basis.

Final comments

Accepting the argument that ‘overall satisfaction’ is, in any case, a somewhat nebulous concept, one possible way forward would be to place greater stress on recorded satisfaction with specific services or activities – in particular, the repairs service, and the way the organisation interacts with customers. Taking this further, and bearing in mind the intrinsic attraction of a single ‘headline statistic’, there could be a case for developing a tenant satisfaction index constructed from responses to various service-specific questions.

Another approach would be to further explore the applicability of private sector customer satisfaction measurement techniques. The potential utility of the Net Promoter Score metric has already been discussed above. Similarly, the notion of ‘customer perceived value’ (Swaddling & Miller, 2002) may be relevant. CPV measures the factors on which prospective customers base future purchase decisions. It is an alternative to conventional customer satisfaction measurement because the sample includes both current and prospective customers; enquiries are about current perception of future value (not retrospective questions about past value); and the focus is on perceived benefits and costs rather than features. The reference point is the customer’s alternatives, not customer satisfaction. However, identification of CPV attributes valued by prospective customers requires the research agency to employ exploratory research techniques such as in-depth interviews, focus groups and contextual inquiry.

Conventionally derived satisfaction rates can only be considered as ‘can-openers’ by highlighting values existing as outliers in national or peer group distributions or diverging from previous levels for the organisations concerned. Such values do not reveal what *changes* in service provision tenants would find attractive.

Acknowledging the possible utility of CPV, it could be helpful to complement traditional ‘user satisfaction’ questions with future-directed, hypothetical queries such as ‘if you had a choice of social landlords to rent from and decided to leave us, what would the housing association that you chose over us be like?’

As a key element within a consumerist model of organisational accountability, tenant satisfaction measures are likely to enjoy even greater prominence in coming years. Both as a means of generating more reliable and comparable ratings and in the interests of efficient procurement, a more formalised and centralised framework for generating organisational satisfaction scores appears highly probable.

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ⁱ Here, absence of available data about the stock profile of associations and the demographic profile of association tenants forces reliance on proxy values derived from the cohort of lettings recorded by each association in 2008/09. Hence, it is for example assumed that a relatively high proportion of relets involving flats indicates that the association concerned has a relatively large stock of flats relative to houses.

ⁱⁱ In classifying associations in relation to housing management performance we have drawn on Housing Corporation performance indicator data for 2007/08. A crude proxy for ‘overall performance’ was created by combining two variables: current tenants arrears and average relet interval. Associations were ranked according to their performance on these two measures, in relation to the national upper and lower quartile values for the two distributions. Associations classed as in the upper quartile on both indicators were labelled as ‘top’, while those in the lower quartile on both measures were labelled ‘bottom’. As shown elsewhere, most associations were therefore classed as ‘middle’ (Pawson, Sosenko & Ipsos MORI, 2010).

ⁱⁱⁱ Partly because of the relatively small number of telephone surveys within the sample it is not appropriate to cite a comparable figure for this contact method.

^{iv} According to a recent UN survey a fifth of the UK adult population is ‘functionally illiterate’. This would probably imply a considerably higher figure for social housing. Source: BBC News (2009) *One in Five UK Adults ‘Illiterate’* <http://news.bbc.co.uk/1/hi/uk/811832.stm>

^v Housing associations’ annual spend on STATUS surveys is estimated at around £2M (Pawson, Sosenko & Ipsos MORI, 2010) although this does not include the very substantial amounts spent on more frequently deployed service user surveys and other forms of customer feedback research now routine for many landlords