Managing service: Service and people

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1.0 Mid term assignment

The aim of the mid term assignment is to explore both issues we have discussed in class and they apply in practise. From the series of options given below you should choose one to work on in your group.

1.1 Options

1.1.1 Managing the customer as an employee

<u>Theoretical background</u> In services frequently customers are *part of the production processes*. They are co-producers of service. Bowen (1986) was one of the first to talk about customers as *human resources* and then others ⁽¹⁾ have followed. Thinking of customers as human resources means focus on selection and *preparing the customer* for the role that they have to play in service delivery.

<u>Project focus</u> The aim is to describe the customers' role in service delivery and understand how the organization prepares them and supports them.

Managing the project The following are some issues to consider as you carry out this project:

- Choose a service (a medium / high contact service is likely to offer more scope).
- Describe the main parts of the customers' *script*.
- Identify how the organization uses the environment, equipment, procedures, staff and other aspects to support the customer.
- Make comparison to what you consider 'best practice' and/or theory

1.1.2 Delivering the service concept

<u>Theoretical background</u> The service concept (Clark et al., 2000), also known as the service strategy (Albrecht and Zemke, 1985) is central to translate the company's offer into benefits for customers. This issue, still under researched in the service management field, is key to creating an excellent level of service thereby offering differentiation.

<u>Project focus</u> In this project you should describe a company's service concept and evaluate how well it is delivered. The role of staff delivering the concept should be highlighted along with any insights about management practices that create positive(negative) experiences.

Managing the project: The following are key issues to consider as you carry out the project:

Aim to be specific in what is meant by the service concept. "Good service" does not mean too much, whereas, "Quick service, with healthy, safe to eat food, offered in a clean comfortable environment…" is much more useful.

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- Visit and *experience* the service that you are going to study. Test the service to really understand how well it is being delivered. Often *exceptions* (See the flower of service in Lovelock et al., 2002) offer a good test of how good service really is. Try, for example, asking for a small change in a menu item, or pointing out a problem with the food and see the reaction and how well it relates to the service concept.
- If possible talk to or *interview the manager* to hear first hand how they described the service concept and the steps they take to translate it into practice.

1.1.3 Front-line employee(s) interview

<u>Theoretical background</u> Front line staff play a critical boundary-spanning role between the customer and management. They are critically aware of what is (dis)satisfying to customers in the service encounter. At the same time they are (not)supported by the organization in various ways to achieve their roles.

<u>Project focus</u> In this project you should explore the (dis)satisfying aspects of their job. In particular what ways does the organization support and hinder them doing their jobs? In what way could the job be changed to be more satisfactory?

Managing the project

- Your interviews should be with front-line service employees that deal directly with customers. They should be in regular direct contact with customers and so probably reporting to a supervisor.
- Aim to understand the nature of the job in an objective sense. What are the main tasks and hours of the job? What skills and equipment are needed and how is that supported through training (if any)? Does the job have a clear structure (what sort of rules and procedures apply?)? How is the work monitored and evaluated etc.? How do they handle challenging issues at work?
- Evaluate the job. What aspects of the work are liked/disliked? How much discretion is given and how much conformity is required and enforced? Which aspects of the job are challenging, satisfying and frustrating? How effective is the training and how appropriate is the level of supervision? How do they feel about customers, fellow workers, boss(es) and supervisors?
- In what ways could the job be changed to make it more satisfactory for employees, to offer better service for customers, and to make the organization more efficient? Do managers actively seek out employee suggestions? How do they manage staff suggestions? (Look for any *specific* examples.) What prospects do they see in this job?

1.2 Reporting on the projects

There are two parts to reporting on the projects: a management report and a presentation.

1.2 Report

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- For each of the above options you should write a management report. You should go an
 look for examples of management reports. They include short sentences, bullet points
 and focus on communicating the key messages rather than lengthy discussion. However
 it should include references as needed.
- You should include a 1-2 page executive summary of the key issues
- It can include pictures and other material
- The report should be of an adequate length to describe the issues.
- The final report should have a professional finished appearance.

1.3 Presentation

- The presentation should be made using Powerpoint and cover the main issues in the report.
- Each presentation should not last more than 15 minutes and be made by all members of the group.

2.0 Related references

This are just some useful pointers to get you started.

ALBRECHT, K. & ZEMKE, R. (1985) Service America! - Doing Business in the New Economy, Illinois, Dow Jones-Irwin.

BOWEN, D. E. (1986) Managing Customers as Human Resources in Service Organisations. *Human Resource Management*, 25, 371 - 383.

CLARK, G. L., JOHNSTON, R. & SHULVER, M. (2000) Exploiting the service concept for service design and development. IN FITZSIMMONS, J. & FITZSIMMONS, G. (Eds.) *New Service Design*. CA, Sage.

LOVELOCK, C., WIRTZ, J. & KEH, H. T. (2002) Services Marketing in Asia, Jurong, Prentice Hall.

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