



The changing role of employees in service theory and practice: An interdisciplinary view[☆]



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A B S T R A C T

The changing role of employees in service theory and practice over the last few decades is overviewed from the perspectives of the management and marketing disciplines. The criticality of employees, particularly front-line employees, in driving customer service outcomes was emphasized in both fields in the 1980s and 1990s. The rise of services marketing highlighted the role of employees in dyadic service encounters with customers. In management, the implications of the customer interface for employee and organization were developed. In the 2000s, the status of the employee's role appeared to diminish as service marketing theory shifted from a provider to a consumer perspective on customer value creation, and as technology substituting for employees grew in practice. In management, new theory and research directions on service employees essentially plateaued. Going forward in evolving service contexts, employees will fill roles as “Innovators”; “Differentiators”; “Enablers” and “Coordinators”. Suggestions are offered for what management can learn from services marketing in the pursuit of interdisciplinary research.

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Service employees act as a “service trinity”: they help run the service operation; market the service; and are equated by customers with the service itself.

[Lovelock (1981)]

“...the enterprise can only offer value propositions; the consumer must determine value and participate in creating it... The orientation has shifted from the producer to the consumer”.

[Vargo and Lusch (2004: p. 19)]

“...it is service plus IT that transforms service”.

[Rust and Huang (2014: p. 3)]

“What remains to create a differentiating strategy is that is must be elevated to a ‘uniquely human approach’”.

[Bolton, Gustafsson, McColl-Kennedy, Sirianni, and Tse (2014: p. 264)]

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“...services as a focal area within management can be considered to be still in its infancy in contrast to the field of services marketing...”

[Subramony and Pugh (2015: p. 350)]

The growth of services posed challenges to researchers in both management and marketing whose theories had emerged largely from the study of manufacturing organizations and the marketing of goods. Services were a whole new “Game”, to borrow from Bell’s (1973) metaphors to describe the transformation in the nature of work over the years. First, there was the “game against nature”, man working in farming and fishing, in which competencies such as brawn and endurance were necessary to perform the role. Then, a “game against fabricated nature”, which was man against machine in the form of goods manufacturing, which required competencies associated with scientific management. Then around the 1970s there evolved a post-industrial, services-dominant “game between persons” played by professional and client, and front line employee and customer. This required, for example, interpersonal competencies. Both scholars and managers began to examine how the attitudes and behaviors of employees, particularly those on the front line with customer contact, could dramatically affect customer perceptions of service quality and customer satisfaction.

The role of employees in service as a “game between persons”, itself, has been dramatically changing in theory and practice over the last few decades. For example, marketing shifted theoretical focus from a provider to a customer perspective in customer value creation (e.g. Heinonen et al., 2010; Vargo & Lusch, 2004), and technology supplemented or supplanted the employees as the service provider (Brynjolfsson & McAfee, 2011; Rust & Huang, 2014). Also, the context in which the game was played evolved from dyadic service encounters to include increasingly complex service systems (e.g. Lusch, 2011) and service delivery networks (Tax, McCutcheon & Wilkinson, 2013). Further, the customer service outcomes of research interest broadened in scope in the marketing literature from perceptions of service quality and customer satisfaction to an overall, holistic, extended customer experience (Klaus, 2015; Verhoef et al., 2009) and customer journey (Patricio, Fisk, e Cunha, & Constantine, 2011).

It is appropriate to pause and interpret the changing roles employees have played, and will play in the future, in the evolving service game. Thirty years ago, Solomon, Suprenant, Czepiel, and Gutman (1985) published “A Role Theory Perspective on Dyadic Interactions: The Service Encounter” in the *Journal of Marketing* noting, then, that service encounters are dyadic and are human interactions, and specifying the role expectations of employees in interdependence with customers in that context.

As to now, I will overview changes in the role of the employee from a rise in status during the 1980s and 1990s, well-expressed by Lovelock’s (1981) “service trinity”, to a seeming decline in role status thereafter, that could be inferred from Vargo and Lusch (2004) and Rust and Huang (2014), in both theory and practice. Looking to the now and beyond, more complex service contexts require employees to fill roles as “Innovators”; “Differentiators”; “Enablers”; and “Coordinators”; whose role expectations and interdependencies with other actors, human and virtual, will be described. There will always be value-adding role contributions from the nonsubstitutable and “uniquely human approach” (Bolton et al., 2014) employees have the potential to offer.

This overview focuses on both the fields of management and marketing. It is interdisciplinary, somewhat, but multidisciplinary, largely. Both management (e.g. Bowen, 1990) and marketing (e.g. Gronroos, 1990) have long emphasized the need for an interdisciplinary approach but the services marketing and management literatures appear to have developed more “in parallel” than in combination (Subramony & Pugh, 2015). This article attempts further modest integration of the two fields, including closing thoughts on what management can learn and synthesize from the field of services marketing.

1. An ascent in status of the role of employees in service theory and practice

Scholars in both the fields of management and marketing began to articulate the implications of services for the role of employees in the late 1970s and 1980s. What follows are key, illustrative moments and examples, not an exhaustive, detailed review of thirty-five years of prior theory and research on service in two fields.

2. Perspectives from marketing: the growth of services marketing

With the growth of the service sector, Lynn Shostack, a banking executive, published “Breaking Free from Product Marketing” in the *Journal of Retailing* (Shostack, 1977), an article many credit for helping to establish the field of services marketing. She emphasized that the principles and language of marketing were derived from the manufacture of physical goods, and were inadequate for services, given how these differ from goods. An underlying paradigm of services marketing emerged in the 1980s under the acronym IHIP—intangibility (services are more intangible), heterogeneity (service offerings are less uniform), inseparability (services are exchanged in real-time with simultaneity of production and consumption, and customers help co-produce services) and perishability (services cannot be inventoried) (Fisk, Brown, & Bitner, 1993; Zeithaml, Parasuraman, & Berry, 1985). The critical role of employees, for example, arose from simultaneity, since employees had frequent contact with customers in consuming service; co-production between employees and customers, unlike the clear division of labor in manufacturing; and with intangibility, employees helped to “tangibilize” the service in the eyes of the customer, unlike in goods with tangible product attributes.

Booms and Bitner (1981) proposed a modification of the traditional 4Ps of the marketing mix (product, price, place/distribution, and promotion) to 7Ps for services marketing by adding physical evidence, e.g. a store environment, process—and people. They underscored how in many services the service provider is the service.

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