



Improving employment services management using IPA technique



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ARTICLE INFO

Keywords:

Employment service
Importance–Performance Analysis
Management mechanism
Quality indicator

ABSTRACT

This study is intended to build a management mechanism that continuously improves Public Employment Services (PESs), using the Importance–Performance Analysis (IPA). First of all, experts were consulted to create indicators and questionnaires for the quality of PESs. Unemployed persons were selected with convenience sampling, at PES agencies in 22 Taiwanese administrative districts, for a survey with two types of analyses (i.e., respondents' perception analysis and IPA) performed in accordance with the 304 valid copies of questionnaire returned. After deriving results from the analysis, areas with potential for improvements quality-wise, the author proposed a management mechanism in the form of a cycle comprising 5 parts (i.e., establishing service quality indicators, developing service evaluation questionnaires, offering face-to-face services, performing the IPA, and improving the service quality). Findings of this study present indicators that measure PES quality, which makes up for the lack of literature on placement-service quality, proposes an IPA-embedded service management mechanism that continuously improves how placement services are managed. The research contributions of this paper are the objective analysis results, and specific management policy recommendations, obtained by using a scientific analysis method offered as reference for management's decision-making.

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1. Introduction

Public Employment Services (PESs) offer a major approach to solving unemployment. As unemployment increases amidst the recent global economic downturn, continuously improving the PES quality, and subsequently the employment rate of unemployed people with willingness to work, has become an important issue for the government (ILO, 2012).

Previous research efforts concerning placement services for the unemployed, are focused on entrepreneurial ventures as a means of creating jobs in a highly competitive, globalized market (Chang, 2012); enhancing employability with extra efforts to sharpen vocational skills required in the workplace (Boden & Nedeva, 2010); reducing the youth unemployment rate by striving toward the labor market equilibrium (ILO, 2012; OECD, 2010); and strengthening social networks to give job-seekers more opportunities (Gayen, McQuaid, & Raeside, 2010). Meanwhile, customer satisfaction is a highly valued approach to studying service quality (Vázquez-Caselles, Álvarez, & Martín, 2010) and has been proved to cause customer loyalty, while positively affecting the repurchase intention (Gonçalves & Sampaio, 2012). All of these studies point to customer service quality as a key factor in management decisions.

PESs in the present study, contrary to previous studies, are expected to earn a higher degree of *customer satisfaction*, rather than *repeat customers*, because a smaller number of the latter suggests better employment results. Moreover, one of the causes of repeat customers is poor PES quality, which in turn makes the service provider unreliable. There are three problems facing Taiwan's PES agencies. The first being the failure of customer satisfaction-related research results to sufficiently explain how good, or bad, the PES quality is. Secondly, the on-going change in social values and customer expectations (Smith & Bolton, 2002) leads to evolving requirements for service quality. The third problem involves the urgency to select appropriate analysis techniques, and identify flaws in the service quality (Parsuraman, Zeithaml, & Berry, 1985), so managers are provided with information at the tactical level, to examine and design more suitable employment-service management practices.

To address these problems, the present study adopts the Importance–Performance Analysis (IPA) to build a management mechanism dedicated to continuous PES improvement. The term “service staff” in this study, refers to the employees hired by government-run, PES agencies offering face-to-face services that help unemployed people find employment.

2. Service quality

In a company's value system, customer expectations are crucial in determining whether its service quality meets the operational

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goals (Van Kemenade, Pupius, & Hardjono, 2008). While “quality can be viewed as exceptional, as perfection (or consistency), as fitness for purpose, as value for money and as transformative,” (Van Kemenade et al., 2008, p.176), service quality can be regarded as the gap between a customer’s expected and perceived service performance (Lee, Meredith, & Marchant, 2010).

PESs cater to unemployed people on the basis of the Expectancy Theory as well as the Adaptive Theory. According to the expectancy theory, an organization’s service staff is expected to perform tasks with appropriate behavior in order to avoid potential criticism or undesired consequences (Williams, 2006). The adaptive theory addresses the connection between a customer’s expectations and perceived service performance. For a specific service target, a customer will give positive comments if the service staff’s performance exceeds his/her perceived level of adjustment, and negative comments if that performance falls below the perceived level of adjustment (Answers, 2013). Regarding customer’s perceived level of adjustment, Oliver (1997) presented a perception model to illustrate satisfaction-related causes and effects. Parsuraman et al. (1985) explained that the primary reason why the service quality fails to satisfy a customer’s needs is the *quality gap*, resulting from the difference between the service provider’s, and the customer’s perceptions. They went onto identify that service quality gap from the 5 perspectives of tangibles, reliability, responsiveness, assurance and empathy.

While some argued that object, standard, subject and values are the 4 Quality Indicators (Van Kemenade et al., 2008), Zimmerman, Van Alstyne, and Dunn (2004) cited effectiveness, efficiency, adequacy, impartiality and responsiveness as the 5 Quality Indicators. Macdonald, Wilson, Martinez, and Toossi (2011) developed an approach for understanding customer perceived value. Martin (1986) pointed out the service quality by two main factors as service procedures and convivial dimension (service staff’s personality). Service procedures, refers to the attributes of a service delivery system, including: accommodation, anticipation, timeliness, organized flow, communication, customer feedback, and supervision. Convivial dimension refers to the ability of service personnel to establish a friendly relationship with the customer, including the attitude, attentiveness, tone of voice, body language, guidance, suggestive selling, problem solving, and tact. Salomonson, Åberg, and Allwood (2012) explained that attentiveness, perceptiveness, and responsiveness support customers’ value creation.

Pyon, Lee, and Park (2011) suggest that, due to the difference in business cultures between the public sector and the privately

owned service industry, it is difficult for the public sector to improve quality and quantity of service, and that the public sector is challenged with problems that include: a lack of urgency for improvement, unstructured management of service quality, and disconnection to value creation. Thus, they choose the degree of overall customer satisfaction, the intention of recommendation, and the intention of re-purchase or reuse as the three customer satisfaction indicators (Pyon et al., 2011). To respond to customers’ needs and enhance their satisfaction, Yu, To, and Lee (2012) proposed a system approach to management effectiveness, which is a cycle dedicated to continuous improvement and made up of four parts, namely management responsibility, resources management, product/service realization, and management analysis/improvement.

Most methods of service quality measurement can be traced back to the service industry. It is imperative that an organization properly handle every customer complaint stemming from poor services in order to avoid damages inflicted on its goodwill or profits (Chen, Shie, & Yu, 2012). The market value of an institution focused on customer services lies in the way it meets the target customers’ needs (Bronzo, de Oliverira, & McCormack, 2012). Apparently, customer satisfaction is a major indicator of good employment services. According to Oliver (1997), customer satisfaction can be defined as “...the judgment of a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment...” (p.4). In the present study, a high degree of customer satisfaction indicates the variety and significance of employment services appropriately, and adequately respond to unemployed people’s expectations.

Consequently, this study’s author adopts appropriateness, adequacy and responsiveness as the 3 indicators to evaluate the service quality of PES agencies, as shown in Table 1:

3. Methodology

3.1. Expert consultation

Based on literature reviews and expert consultation, *appropriateness*, *adequacy* and *responsiveness* were confirmed as the 3 PES quality indicators. Draft IPA questionnaires were developed out of these indicators and then modified at 3 sessions of expert meetings (attended by 5 experts per session) to improve the questionnaires’ content validity, as judged by the experts.

Table 1
Operational definitions of the service quality indicators.

Indicators	Connotation	Operational definition
Appropriateness	The services meet unemployed people’s needs and expectations.	The extent to which the PES agency satisfies unemployed people by providing information for potential employers/employees; The extent to which the variety and attributes of services offered meet unemployed people’s expectations; Familiarity with local industries and employment information, the PES staff meets unemployed people’s expectations by giving them a clear explanation of the service process.
Adequacy	The extent to which the achieved service objectives solve unemployment.	The extent to which the PES agency solves unemployment; The decently professional service staff effectively helps the unemployed find their desired jobs; The extent to which the PES implementation leads to long-term employment of unemployed people.
Responsiveness	The extent to which results of the services meet unemployed people’s needs, preferences and values; the degree of unemployed people’s satisfaction.	How the PES agency’s aid facilities offer vocational training and employment information-related query services; How the nature of each PES available effectively responds to the needs of unemployed people; How the PES agency offers appropriate and personalized referral service that meets the needs of unemployed people; How the PES agency improves the unemployed people’s perceptions/values and subsequently their job satisfaction.

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