



Forward. Thinking.

A service management research framework

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Presentation Structure

- Purpose of paper
- Concepts
- Background
- Research framework
- Re-framing service productivity
- Conclusion and Implications

Concepts

- In the service productivity concept, productivity is measured by the relationship between outputs to certain inputs (Vuorinen, Järvinen and Lehtinen, 1998).
- Customer participation is an element of service productivity research (Carlborg, Kindström and Kowalkowski, 2013) and involves the interaction between provider and consumer during service delivery.

Background

- The characteristics of a service include immateriality and integrativity (Backhaus, Bröker, Brüne, Reiche, Wilken, 2011).
- Principally the heterogeneous inputs of a service and the multiplicity of those inputs complicate understanding service productivity (Li and Prescott, 2009).
- While there is a theoretical basis for including a customer perspective regarding service productivity, there is need to explain its fit within a service productivity framework.

Research Framework

Service Productivity Authors	Service Productivity Stages			
	Input	Process	Output	Outcome
Jones (1988)	Input	Production process (Productivity)	Inter-mediate output Consumer take-up Output (Capacity management)	Outcomes Impact on consumers (Quality management)
Armistead and Clark (1994)	Resource capacity	Service load; Capacity task; Capacity leakage	Service output	
Grönroos and Ojasalo (2004)	Service Provider's inputs Customers' inputs (Internal efficiency)	Service process; Service provider producing in isolation; Service provider and customer producing; Customer producing in isolation	Quantity (volume) Quality (process)	Quality (outcome) Customer perceived quality Demand
Ganz and Mörschel, (2011)	Provider input factors Customer input factors	Provider quality supplied Customer quality demanded	Provider output factors Customer output factors	

Re-framing Service Productivity

- There are three influences on productivity, “(1) the cost of input resources; (2) the efficiency of the transforming resources; and (3) the utilisation of transforming resources (Armistead, Johnston and Slack, 2007, p. 97).
- Geum, Shin and Park (2011) noted that co-creation adds value. Value for the customer is related to quality whereas value for the provider is related to productivity (Geum, 2011).
- Customers can affect the service loading (Armistead and Clark, 1994) and therefore their input is important to customer satisfaction.

Service productivity research considerations and directions

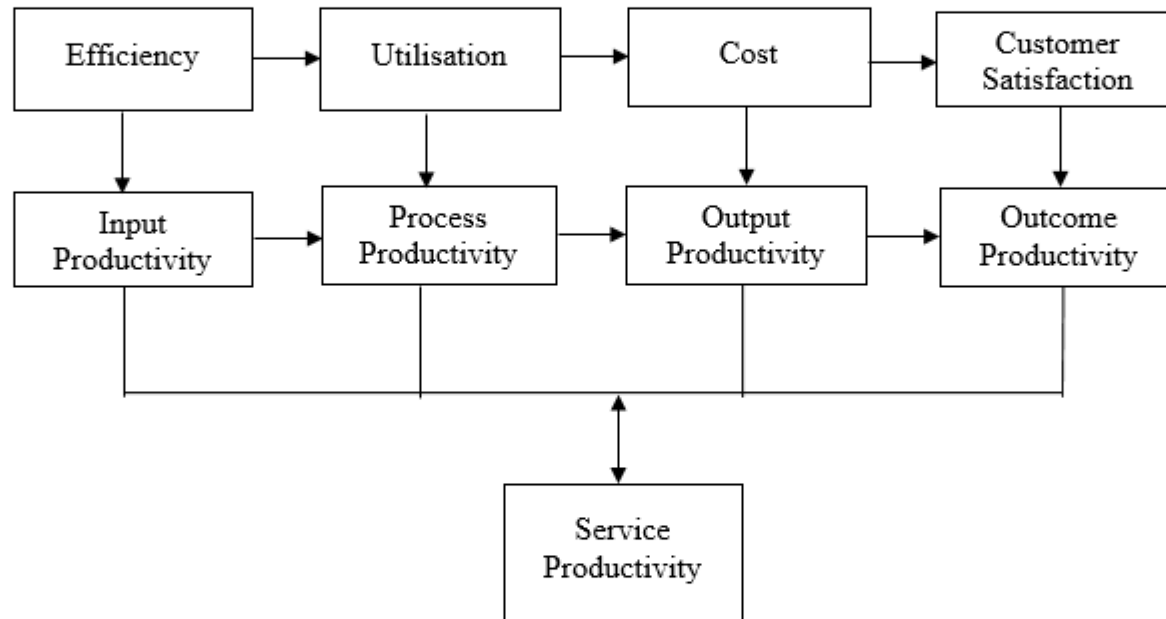


Figure 1 Service productivity conceptualisation (adapted from Armistead et al., 2007)

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Input productivity

Proposition 1 *The productivity of inputs is a function of the efficiency of resources in service delivery.*

Process productivity

Proposition 2 *The productivity of service processes is a function of the utilisation of resources in service delivery.*

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Output productivity

Proposition 3 *The productivity of outputs is a function of the cost of the resources in service delivery.*

Outcome productivity

Proposition 4 *The productivity of outcomes is a function of the number of satisfied customers.*

Conclusion and Implications

- This paper highlights that different elements need to be considered at the various service productivity stages and each stage is influenced by the different aspects of efficiency, utilisation, cost and customer satisfaction.
- The theoretical implications relate to broadening the input versus output concept of service productivity to include both a horizontal input versus output relationship and also a vertical productivity element that affect each service delivery stage.

Conclusion and Implications

- The management implications are that the productivity stages in service delivery can be distinguished and managed separately. This allows for an assessment of each stage as to its level of productivity.
- The practical implications are that service productivity should not be measured across the productivity stages as a macro concept of output given inputs, but that various micro measures can be conducted.

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ATTENTION**

QUESTION TIME

