



Taking services seriously: New directions in services management theory and research☆

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ABSTRACT

Contemporary theoretical developments and global economic trends highlight the importance of services, and provide the impetus for developing new theory and research related to the role of organizations and employees in service design and delivery. We briefly summarize extant services management research and contextualize the four papers appearing in this special issue. These papers deal with theory development within the areas of human capital resources, emotions management HRM systems, employee-driven service delivery, and healthcare HRM, and provide detailed suggestions for future empirical inquiry. The conceptual rigor and innovativeness of perspectives characterizing these papers helps highlight the potential contribution of management scholars to the interdisciplinary study of services.

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1. Introduction

Services are increasingly occupying center stage in the global economy with mature economies deriving a substantial portion of their total job growth from the service sector, countries traditionally viewed as manufacturing centers (e.g., Brazil, India, China) increasing the proportion of their GDP attributable to services (Central Intelligence Agency, 2013), and significant business interest in service design and branding (Zomerdiijk & Voss, 2010). Further, in the academic literature, the definition of service has expanded to encompass “the application of specialized competence (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself” (Vargo & Lusch, 2004: 2). According to this service-dominant logic (SDL), almost all conceivable forms of intangible value addition whether through ‘traditional’ forms of service delivery (e.g., retail, hospitality), self-service, or within non-profit or not-for-profit contexts can be considered services.

These structural and theoretical shifts toward a larger role for services provide the impetus for developing new theory and empirical applications highlighting the role of organizations and employees in service design and delivery. Indeed, a recent review of management literature dealing with service outcomes indicates the presence of several robust research streams dealing with individual- and unit-level service phenomena (Subramony & Pugh, 2015). Management researchers working across levels of analyses and utilizing multiple theoretical perspectives (e.g., service climate, strategic HRM, and emotion management) have concluded that (a) employees’ shared perceptions of organization’s policies and procedures toward customers are related to customer satisfaction (Bowen & Schneider, 2014; Schneider & Bowen, 1985), (b) customer service roles are challenging because of organizational expectations regarding the emotions that need to be displayed by employees, resulting in the management of emotion through deep and sur-

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face acting (Grandey, Diefendorff, & Rupp, 2013), (c) employees' traits, emotional states, and attitudes predict their service behaviors (Kammeyer-Mueller et al., 2013; Pugh, 2001), and (d) human resource management (HRM) investments and leadership behaviors influence employees' job attitudes and service behaviors and shape customer evaluations of service (Hong, Liao, Hu, & Jiang, 2013). The key themes across these studies include, a focus on boundary spanning customer service roles, the primacy of service transactions, and an implicit acknowledgment of the organization's role in fostering high levels of customer service.

However, much is yet to be learned about the management of services including the outcomes of differences in service strategy and delivery across industries (e.g., healthcare, hospitality, retail), the dynamics of service delivery across types of relationships (i.e., short-term v. long-term; face-to-face v. virtual), the impact of human capital resource stocks and flows on customer outcomes, and the transformative effects of certain types of services and social contexts. We invited theoretical papers for publication in this special issue on organizational drivers of customer service outcomes to take stock of research linking the discipline and practices of management in general and HRM in particular with service outcomes, and suggest new areas for theory-development and empirical inquiry. We received several high quality submissions and selected four that go above and beyond the provision of a summary of current literature, instead approaching their topic areas with ingenuity and theoretical sophistication.

2. Summary of contributions

Opening the special issue is an article by David Bowen that takes an interdisciplinary view of the changing role of employees in services research and practice. As a research pioneer who introduced management literature to the service context (e.g., Bowen & Schneider, 1988), Bowen is uniquely positioned to speak on the rise and the decline of employees in service theory and research over the last three decades. In his paper, Bowen describes how employees were viewed as central to driving service outcomes in both the management and marketing literatures from roughly the early 1980s to the end of the previous millennium. However, he argues that a recent literature has shifted its emphasis to the customer's role in value creation (and less so the employee), and the ability for technology to substitute for employees. While the service marketing literature continues to mature by introducing new and more developed theoretical paradigms (most notably SDL; Vargo & Lusch, 2004), interest in the management or employee-side of services appears to wane.

Bowen's perspective is provocative because it implies a diminishing influence of management scholars in the services domain. Although readers will need to make up their own minds regarding his argument, we must add that unlike other second-order disciplines (e.g., services marketing, occupational health), researchers studying service related phenomena in organizational settings do not appear to possess a shared identity; i.e., do not define or declare themselves to be service researchers, instead viewing their scholarship within specific management domains (e.g., emotional labor or HRM) with service serving as a context for their work. As a result, the interdisciplinary field of service research is chiefly composed of marketing and operations scholars with very limited theoretical contributions or involvement of management researchers in key gatekeeping roles. Bowen does end his paper on an optimistic note by suggesting a role typology for service employees which is sure to guide research efforts moving forward. We additionally suggest that management researchers will need to engage in more collaborative work with other disciplines to develop and test services management theories, as well as publish and participate in mainstream services journals (e.g., *Journal of Service Research*, *Journal of Service Management*).

The role of employees in service delivery is frequently approached through the theoretical lens of emotional labor, i.e., employees' management of felt and displayed emotions to meet organizational expectations and objectives (typically high quality customer service). While a considerable body of research has developed since Hochschild (1983) introduced the term, Allison Gabriel and her colleagues note that there is a dearth of research on how human resource practices impact employee emotional performances. They utilize the Ability–Motivation–Opportunity (AMO) framework to present a systems perspective of how HRM bundles enhance the skill, motivation, and opportunities for emotional performance. Most notable, they move away from the approach that “more is better” when it comes to HR practices that drive emotional performance, instead developing theory to help understand how optimal combinations of HR practices affect performance based on contextual characteristics such as reward structure and the nature of employee–customer exchanges. We view Gabriel and her colleagues as taking a significant initial step toward the intersection of two research traditions (one macro, the other micro; one based in strategic HRM and the other in inter- and intrapersonal behaviors), and providing very specific guidance for researchers interested in emotional performance as an end in itself, as well as a predictor of customer outcomes. An additional strength of their paper is a model that pulls together the AMO approach to HRM systems with the management of emotions.

We next turn to the domain of human capital resources (HCR; knowledge, skills, abilities and other characteristics of employees that can be accessed by the organization), the acquisition, development, and retention of which is driven by HRM systems (Ployhart, Nyberg, Reilly, & Maltarich, 2014). Viewed from this lens, employee turnover is the depletion of human capital resources (Nyberg & Ployhart, 2013), which adversely affects organizational functioning. In their paper, Holtom and Burch integrate the traditional organizational disruption based view of turnover with the contemporary HCR theoretical perspective to explain how and why turnover impacts customer outcomes. Examining different types of turnover (e.g., voluntary, involuntary, total), they show how these types of turnover impact a variety of domains of the customer experience. While other researchers have utilized the notion of organizational disruption to explain the loss of human capital (e.g., Hausknecht, Trevor, & Howard, 2009), Holtom and Bruch provide a conceptual framework detailing the mediators and boundary conditions for these disruptive effects. Additionally, they explore the phenomenon of disruption at both the individual and unit level of analysis, and present research propositions to investigate the management drivers of employee retention and ultimately, customer outcomes.

It can be speculated that management researchers are typically reluctant to orient their research toward understanding a particular industry or organizational context, lest it be deemed specialized and less widely read. There is an abundance of research on service organizations in the mainstream management literature (see Subramony & Pugh, 2015), but this research emphasizes the process studied (e.g., emotional labor, organizational climate) but not the service context in which these processes take place. The final article in this special issue brings a much-needed multidisciplinary perspective to the study of HRM and customer outcomes within the context of healthcare. In many respects, healthcare research and practice is more advanced than is management research on the measurement of and antecedents to customer (patient) satisfaction. This is no doubt driven in part by the Consumer Assessment of Healthcare Providers and Systems (CAHPS, Elliott, Edwards, Angeles, Hambarsoomians, & Hays, 2005) program, which makes patient satisfaction data publically available and links it to hospital reimbursements. The important and occasionally life and death consequences of customer outcomes in healthcare also likely drive this orientation. Vogus and McClelland present an overview of practices that healthcare organizations have developed to manage issues including patient diversity, the use of compassion practices, and patient-centered care that enhance patient satisfaction and perceptions of service quality. Although drawing from a unique industry and a different type of service recipient, we believe that HRM research on customer outcomes can benefit greatly by exposure to cutting edge practices in healthcare.

3. Conclusions

The nature of services requires a multidisciplinary approach to research (Ostrom et al., 2010), emphasizing both customer experiences of service delivery (services marketing research) and the organizational and employee processes that lead to those outcomes (services management research). While services research in management, particularly in the sub-field of HRM, can be considered to still in its infancy when contrasted with the field of services marketing, this special issue reveals multiple perspectives within the management discipline that can help build a services management research domain (Subramony & Pugh, 2015).

In our overall assessment, the unique conceptual contributions of these papers will help spark further empirical research related to HCR, emotions management HRM systems, employee driven service delivery, and healthcare HRM. However, we must additionally acknowledge the long road ahead of us. While intangibility, heterogeneity, and simultaneous production and consumption remain the key dimensions of service (Parasuraman, Zeithaml, & Berry, 1985), changes in technology have fundamentally altered the dynamics of service delivery and the influence of employees on customer experience (e.g., virtual environments for shopping, technology enabled checkouts). On the flip side, customers are continuing to expect authentic and high quality interactions with employees (Yagil & Medler-Liraz, 2013), and transformative experiences within service establishments that are considered 'third places' between home and work (Rosenbaum & Massiah, 2007). Clearly, the management perspective on services will have to broaden to develop and test theories that reflect these new realities. In this we are optimistic, as the various pieces in this special issue indicate – management thought is robust and innovative, and ready to be applied to the domain of service.

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