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SERVICE MANAGEMENT – FOCUS ON CUSTOMER EXPERIENCE

*Vitalija Danivska and Nora Johanne Klungseth**

1 Background

Keeping the customer in mind is an overarching topic for service management. Without customers, there is no need for services. Services are increasing as an industry and are expected to continue to grow (Soubbotina, 2004; Buchholz, 2019). The authors of this chapter hold the perspective that services are one of the most valuable industry sectors.

1.1 When was service management theory formed?

Service management was developed as a more suitable perspective for service companies compared to scientific management principles (Grönroos, 1994). Historically, there have been disagreements regarding the geographical origin of service management as two schools developed in parallel in the 1980s.

The so-called Nordic School developed from the field of marketing. It studied service encounters and realised that marketing, as a separate function, did not enable enough changes in the organisation (Grönroos et al., 2015).

In North America, service management theory advanced more in the operation management field. Prior to 1990, service management included 'operations' as part of the term – service operations management (SOM). The change from SOM to service management was made in 1990 by a research seminar in France gathering scholars from operations management, marketing, and organisational behaviour (Fitzsimmons & Fitzsimmons, 2006).

Quite a bit of skills and knowledge is required to provide good services, like nutritious and tasty food, a clean and healthy environment, secure and timely IT services, and suitable ventilation and building maintenance. Services are not limited to those just described; other typical service jobs such as financial advisors, air hosts, health personnel, event managers, clothing stylists, and personal trainers exist. Despite their perspective, many service jobs tend to be perceived as menial, low-skilled work, having less worth. This perception may be a consequence of the original meaning of the word 'service' which refers to servants and/or slaves (Heineke & Davis, 2007).

*Corresponding author: nora.klungseth@ntnu.no

There are many ways to define a service. Irrespective of their definition, services tend to be described as a form of activity that vanishes as it is used or consumed, since the consumption or use occurs at the same time as it is provided (Fitzsimmons & Fitzsimmons, 2006). The Oxford dictionary of English defines a service as "the action of helping or doing work for someone" and a customer as "a person who buys goods or services from a shop or business" (Stevenson, 2010). ISO 41001 (2017) defines a service as a non-primary activity that provides support to primary activities of organisations (that is, to core businesses). With regards to customers, this chapter leans towards the definition used in ISO 41011 (2017), which uses the term 'demand organisation' for what CEN (EN 15221–1, 2007) split into the client, the customer, and the end user. In the perspective of EN 15221–1, customers are those who specify and order a service delivery, a client is the one procuring the service and the end users are those receiving the service. In this chapter, all these three stakeholders are included in the term 'customers'.

A service is often described as a non-physical activity that cannot be seen or held. Some say that services are sets of activities which tend to include an interaction between the customer and the service employee and/or resources or goods and/or systems (e.g., Grönroos, 1994; Storbacka et al., 1994). Others describe services and/or activities as deeds, processes, and performances or define services as "economical activities whose output is not a physical product or construction" (Fitzsimmons & Fitzsimmons, 2006, p. 4). Here, service is defined as a process that involves perishable activities that most likely entail an interaction between a producer and a consumer.

The worldwide growth of the service industry in the past fifty years or so has also led to the growth of service research with the aim of understanding the service, operations, and management processes related to them. Much research has been done, rooted in theories and approaches from multiple perspectives, including disciplines such as marketing, operations, organisational behaviour, and human resource management (HRM) (Johnston, 1999; Fitzsimmons & Fitzsimmons, 2006). This chapter discusses service management theory, its critical constructs, and how it can be applied to workplace management research and practice. In this regard, it is worth noting the importance that services have in the facility management (FM) domain, a domain closely related to workplace management research. Within FM, services can refer to both hard and soft services, considering bits, bites, and behaviours.

1.2 *The logic behind the theory*

Service management takes a holistic perspective towards organisational change and covers multiple problems arising in organisations. Table 18.1 presents a short literature overview emphasising different disciplinary approaches to service management. Within the *operations management* discipline, service research deals with the organising dilemma and studies the design, planning, controlling, and management of services. The core statement is that internal process quality influences the quality of the external service. The customer is seen as a co-creator of value. In *the marketing* discipline, researchers study relationships between a service provider and a customer. The main idea is that service quality depends on employee interactions with the customer, which leads to increased value and satisfaction. Studies within the *human resource management* (HRM) discipline focus on service employees and their empowerment as a source of competitive advantage. Employees are seen as internal customers that need to be served too. In *organisational management* discipline, service value creation is studied from a network perspective rather than a dyadic relationship, explaining relationships between the internal and external processes, customers, employees, and the market.

The aforementioned four disciplines influenced the formation of a separate service management theory the most. The main outcomes of studies in these disciplines led to the understanding

Table 18.1 Emerging service management themes studied in multiple disciplines

Discipline / Emerging themes	Operations management	Marketing	HRM	Organisational management
Service delivery	x			x
Internal processes	x			x
Quality of processes	x			x
Service interaction		x		
Service encounters		x		
Service quality	x	x	x	x
Service experience		x	x	
Customer satisfaction		x	x	x
Empowerment			x	
Customer orientation	x	x	x	x
Value creation		x		x
Example articles	Fließ & Kleinaltenkamp, 2004; Johnston, 2008; Gummesson, 1998; Parente et al., 2002; Slack et al., 2004; Heineke & Davis, 2007	Bitner & Wang, 2014; Eyuboglu & Sumrall, 1989; Grönroos, 1984; Gummesson, 1998; Lemon & Verhoef, 2016; Parasuraman et al., 1985; Smith et al., 1999; Voorhees et al., 2017	Berry, 1981; Bowen, 2016; Chand, 2010; Grönroos, 2007; Lashley, 1999	Albrecht, 1988; Barbee & Bott, 1991; Huber et al., 2001; Normann & Ramirez, 1993; Osborne et al., 2013; Storbacka et al., 1994; Vermeeren et al., 2014

of service management as the overall organisational approach that focuses on the following four components (Grönroos, 1994):

1 creating value for the customer,
2 minimizing silos by collaborating internally and externally,
3 focusing on quality, and
4 developing personnel.

Service management emphasises the customer-centric view to business and uses the value-in-use (rooted in utility theory) understanding (Grönroos & Gummerus, 2014). According to Grönroos (1994), service management shifts the attention from internal efficiency towards the customer and/or market, developing long-term customer relationships and concentrating on the perceived total quality of products or services (total utility). According to the authors, the general management principles concentrate too much on economies of scale and cost reduction, whilst service management evaluates the cost of quality. However, cost and risk discussions are outside of the scope of this chapter.

1.2.1 Creating value for the customer

Value creation has been vital for understanding the roles between the actors and the process of creating value. Although value in service management is seen as an individual customer's preference, it does not concentrate only on measuring value through customer satisfaction; it also discusses the concept of customer/service experience. For example, Grönroos et al. (2015) say that customers influence the outcome of the service, and it results in the co-created and "experienced value for the parties" (p. 69). The value, thus, is created through configuring resources of knowledge, technology, people, and organisations (Maglio & Spohrer, 2008).

Customer/service experience can be defined as a "customer's journey with a firm over time during the purchase cycle across multiple touchpoints" (Lemon & Verhoef, 2016, p. 78). It includes three periods: the core encounter itself, and the periods right before and right after the encounter (e.g., Bitner & Wang, 2014; Voorhees et al., 2017). Here, the emphasis lies on the continuous nature of service and the need to integrate processes and multiple actors into the network for collaboration for successful service delivery. Voorhees et al. (2017) divide service encounters into three distinct types of encounters and define them as follows:

- the *pre-core service encounter* as the period before the core encounter that leads customers to engage in the core encounter (and with the firm),
- the *core service encounter* as "the time interval during which the primary service offering is provided to the customer" (p. 270) to fulfil the customer's need, and
- the *post-core service encounter* as the time during which the customer assesses his own experience.

These periods are affected by tangible and intangible service attributes and usually include multiple actors (Verhoef et al., 2009). Multiple touchpoints with service personnel, other customers, or other parts of the organisation are those service interactions that create overall experience. Thus, to create a positive experience, service strategy and organisational design and processes need to match.

A common challenge in creating customer experience (co-creating value) is the need for a deep understanding of the customer. Therefore, multiple methods for customer integration

and involvement have been developed and used both in research and practice, such as empathic design, living labs, information acceleration, or free elicitation (Edvardsson et al., 2012).

1.2.2 Collaborating both internally and externally

In service management, collaboration, and communication within the organisation, with the customer, and with other organisations play a key role (Johnston, 1999). The interactions between the customer and the service provider are defined as service encounters (Eyuboglu & Sumrall, 1989).

Bateson (1985, as cited in Fitzsimmons & Fitzsimmons, 2006) adds to this view by dividing the service provider into two separate parties. According to him, a service encounter involves three types of participants, all part of what he calls the Service Encounter Triad; the customer (C), the contact personnel (CP), and the service organisation (SO) (Figure 18.1). Different sets of forces are at play within this triad. If not handled well, the forces can become sources of conflict. The force between C-CP (the customer and the contact personnel), is *perceived control* over one's own work situation and beneficial service delivery. The force between C-SO, the customer, and the service organisation revolves around *satisfaction and efficiency*, while the force between CP-SO (the contact personnel and the service organisation), is *autonomy and efficiency*. It is worth noting that efficiency occurs on both sides of the service organisation, and that autonomy is highlighted in relation to the contact personnel, while satisfaction is highlighted in relation to the customer. According to Fitzsimmons and Fitzsimmons (2006), the efficiency force acting on each side of the service organisation may switch to an effectiveness force when the type of organisation involved changes from a for-profit to a non-profit organisation.

Service encounters are often thought of as human-to-human encounters. Fitzsimmons and Fitzsimmons (2006) pinpoint that service encounters can also be human-to-machine and machine-to-machine encounters. The human in the service encounter will at times be involved in co-creating activities, such as self-service solutions where customers themselves become part of the service they receive. Examples of co-creating in service encounter situations are such as "serving oneself from a salad bar" (Fitzsimmons & Fitzsimmons, 2006, p. 206) or onboarding oneself to a new type of software.
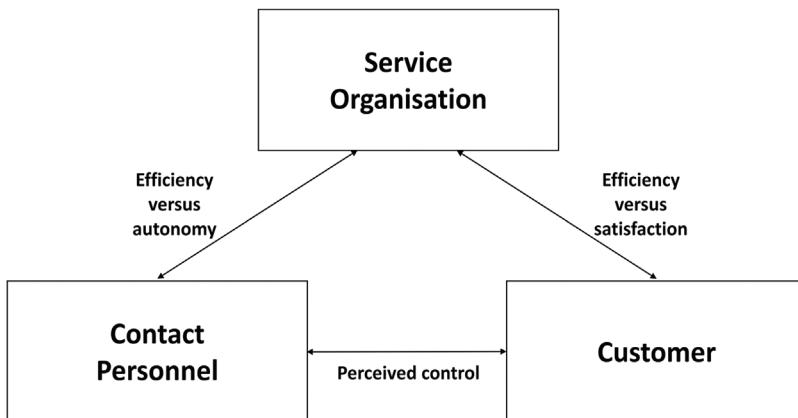

Figure 18.1   Service Encounter Triad (Bateson, 1985)

1.2.3 Focus on quality

The entire service delivery process, from back-office activities to interactions with customers, needs to be aligned in order to deliver value to the customer. The service interaction (service encounter) needs to meet customer expectations regarding the quality of a service. Hence, the quality of a service can be considered as one of the main drivers for customer satisfaction. The quality aspect of service management is discussed from external service quality and internal process quality perspectives. It explains the role of operations, how service is delivered, and how it can be assessed (Grönroos, 1984; Parasuraman et al., 1985; Osborne et al., 2013).

Grönroos (1984) discussed dimensions of service quality and separated visual functional quality (the process of service delivery such as smoothness or attitude of staff), technical quality (the outcome of the service such as speed, professional knowledge, etc.) and image factors (the perception of service process and outcome). At the same time, Parasuraman et al. (1985) developed a SERVQUAL framework, showing the criteria affecting the quality of services. In their model, service quality depends on tangibles, reliability, responsiveness, assurance, and empathy. Besides these factors, external factors might affect expectations of service quality too and might lower or increase the perceived service quality.

External service quality is strongly affected by the quality of internal processes (see, e.g., Gummesson, 1998; Parente et al., 2002; Johnston, 2008). To deliver high-quality service, the operations need to be oriented towards meeting the needs of a customer rather than the sole efficiency of producing the product or service. Therefore, customer-based planning (blueprinting) is used. A *service blueprint* visualises the service system from a customer point of view and allows breaking the process into multiple components for process efficiency (Fließ & Kleinaltenkamp, 2004; Bitner et al., 2008).

1.2.4 Developing personnel

How organisations treat their employees has an impact on how employees treat the company's customers. How employees treat the customers is vital, as in many ways they represent the company to customers. As such, Bowers and Martin (2007) argue that it makes sense, particularly for service industries, to treat their own employees as customers (and possibly better than customers), as motivated employees will have a positive impact on customers. Therefore, employees are referred to as 'internal customers' that need to be served too (e.g., Berry, 1981; see also Chapter 11 on branding theory).

In service operations, one of the key aspects of internal coordination is organising and empowering employees. Employees need to be supported by defining their tasks, providing tools, and helping to develop skills to enable their performance (Grönroos, 2007; Bowen, 2016). Lashley (1999) describes empowerment as management practices to engage employees at an emotional level. He lists five dimensions of empowerment: *task*, *task allocation*, *power*, *commitment*, and *culture*. His framework can be used to locate different forms of empowerment and present diverse sources of satisfaction to employees (Lashley, 1999). Empowered employees are willing to take responsibility for the service encounter, which leads to a better perceived service quality (e.g., Barbee & Bott, 1991; Lashley, 1999).

Figure 18.2 summarises the relationship between four components of service management theory and the topics discussed. The figure is presented bottom up, from input to the outcome. Shortly, contracts, policies, and management processes are developed in order to align internal processes. The alignment also depends on the collaboration between involved actors, personnel development, and the technical, functional, and perceived quality of service itself. In order to
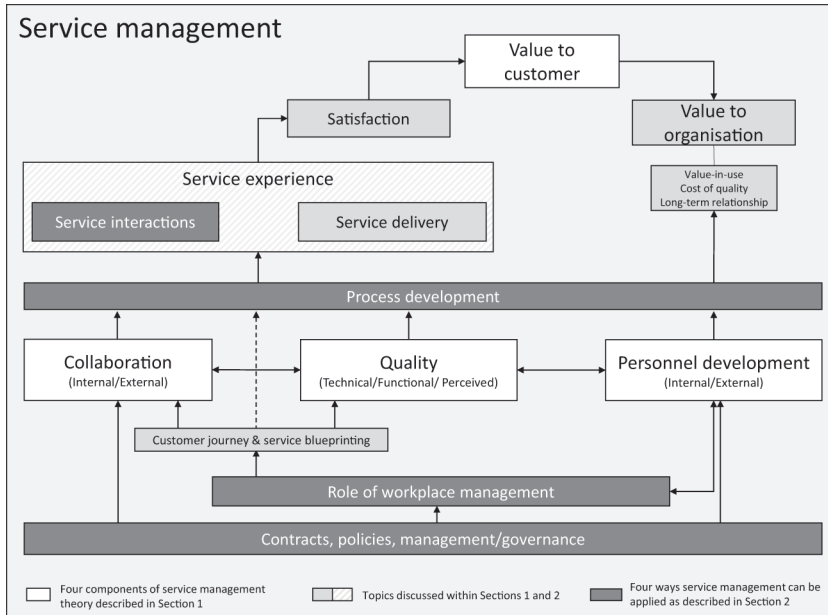
Figure 18.2   Service management components, topics, and ways of application

develop optimal service experience for the customers, customer journeys and service blueprint-ing techniques are used.

Service experience is created through the entire service delivery process, especially service interactions between the customer and service provider, and requires a suitable configuration of resources, technology, people, knowledge, and organisations. Service experience is evaluated through customer satisfaction, which is value to the customer itself. Consequently, this atten-tion to customer value brings value to organisations through building long-term relationships and concentrating on the cost of quality.

2 Applicability to workplace studies

Facilities management and workplace management have been benefitting and can benefit fur-ther from implementing service management theory in workplace studies. First, the general mindset changes towards seeing the workplace (and especially the physical space) as a service that is delivered to employees and experienced by them. In this way, perceived workplace quality and employee satisfaction grow in importance from a general management perspective. Second, when service management theory is used for management and operations of (internal) services, it pushes organisations to become more employee- and customer-driven. This way organisations lean towards long-term goals and aim for quality improvements.

The rest of this section summarises how service management theory can help advance research on both workplace and facilities management. It further presents four main ways the theory has been applied in the field, namely understanding the role of workplace management, improving the consistency of practices through contracts, policies, management/governance, developing the workplace and facilities management processes, and understanding the service interactions better. These aspects are visualised in Figure 18.2 and described further in this section.

2.1 A better understanding of the role of workplace management in the organisation

Service management theory places customers as a central object in organisational activities. Generally, in the FM and CREM fields, customers are understood in multiple dimensions (customer, client, end user). This complexity often leads to situations where end users (people using the building) become of secondary importance in FM/CREM practices. But if end users are seen as the main customers of the workplace management unit, then the (workplace) service delivery and processes around are developed to create value for them. The key role of workplace managers is then understanding the needs of their customers (employees) and their preferences (service attributes), and delivering the most valuable outcomes (workplace experience) to improve customer satisfaction.

As indicated in the previous section of this chapter, customer satisfaction is composed of multiple factors, including tangible and intangible service/product attributes and overall perception of the service quality. Physical space, with its quality including construction quality, indoor environment quality, building design, and building appearance, can be considered a tangible attribute, and efficient FM processes behind the physical space as intangible attributes.

Additionally, the workplace should then be seen as a collection of various services and attributes forming the overall experience of the workplace. For example, a study of office offerings by Petrulaitiene et al. (2018) showed the transitions of office understanding from the provider perspective. Office offerings transitioned from simple square-metre offers to serviced office offers to an overall experience of being at a workplace. The study showed that, i.e., coworking spaces offer not only basic services needed for operating business but also various events and community creation activities to create overall experience for the customer.

Besides the tangible and intangible factors of service, the role of the service staff's attitude, its responsiveness, and its empathy also play a significant role in the perceived experience. For example, Pijls et al. (2020) studied service staff's abilities and personal traits in providing an experience of hospitality through the concept of the human touch (see also Chapter 17 on hospitality theory).

Workplace management practices could then be evaluated by emphasising different indicators from those currently used and tied to, i.e., the efficiency of space used, cost per square metre and similar indicators tied to real estate performance. Employee satisfaction, net promoter score, customer effort score, service tickets, response and resolution times and similar service quality measures would indicate the success of workplace management practices.

2.2 Improving the consistency of services through service contracts, policies, and management/governance

Internal and external collaboration and communication are emphasised in service management theory as aspects, affecting the quality of service delivery and management process. There is a need to integrate processes and multiple actors into the network for collaboration. In facilities and workplace management, some of the services are often outsourced. Thus, ensuring the quality of delivered services, the content and consistency of those services becomes a challenging task for the organisation. Thus, service level agreements (SLAs) are used to define outsourcing relations and organisational governance. Well-designed SLAs can have a significant impact on the relationship between the stakeholders involved and the quality of service delivery, service process, and service objects (e.g., Beaumont, 2006).

The service attributes that are included in SLAs should be defined based on the customer needs and developed together with involved stakeholders. For example, a study by

Petrulaitiene et al. (2016) identified service attributes for workplace service development – the need to create service packages, to level services based on customer needs, and to concentrate on the end user (employee). However, SLAs do not receive enough attention in academic research, especially in the FM/workplace management field.

2.3 Better analysis and development of workplace and FM service processes

Service management theory can help in developing internal workplace management processes by providing insights into service development processes and ensuring the quality of service and customer satisfaction. Understanding the factors that influence the quality of services has been central to service management research.

In order to create workplace experience, one needs to see the process from a customer point of view. In service management, customer journey is used to identify the touchpoints of service encounters. The quality of service encounters is the one that defines customer satisfaction. As mentioned earlier, service quality depends on multiple tangible and intangible, internal and external factors. For this, processes and multiple actors need to be integrated and their goals aligned.

The quality and effectiveness of the workplace and FM services can be studied by applying service blueprinting techniques (e.g., Coenen et al., 2011; Von Felten et al., 2012). Von Felten et al. (2012) claim that through FM service blueprinting, it is possible to improve the interrelationship between primary processes and FM processes and through this to make the FM value more transparent. Coenen et al. (2011) explain that FM service blueprinting helps to identify interfaces between core processes, support processes and customers. This way both the effectiveness and the efficiency of organisational processes can be addressed. Moreover, service blueprinting technique helps to understand the interrelations between multiple actors and to clearly define the role of the customer. As service blueprinting allows identification of (potential) failure points, it allows pre-emptive problem solving and a proactive management approach.

The understanding between the role of the customer and organisational processes has been reflected in various model developments in FM (Jensen, 2010; Jensen et al., 2012) and CREM (Lindholm, 2008). The latest addition, the Value Adding Management (VAM) model, describes the process of delivering value to customers through real estate management practices (see Chapter 12 on the VAM model). Additionally, service blueprinting technique and service management theory can further support the importance of a good alignment between core organisational goals, real estate and service development, and activities. If real estate and facilities services are not suitable and aligned, issues with achieving organisational goals and customer satisfaction will appear (see Chapter 9 on alignment theory).

2.4 Developing a deeper understanding of varied service management interactions

Service management theory helps to analyse interactions between various services and actors in the workplace ecosystem. Service encounters can be used to study how the workplace ecosystem, comprised from services, physical space, and external environment, is perceived by customers (organisations and end users). In order to study the entire ecosystem of services, consideration related to when and how services are delivered, all from on-demand services to the debates of night-time and daytime service delivery, also needs to be included in the discussion. When a service is delivered, it interacts with different considerations, such as the impact it has on society.

2.4.1 Service-service

Even though most of the service management theory was developed for understanding extra-organisational relationships and service creation, it can be applied also to intra–organisational relationships. Examples of more recent studies using the logic of service encounters to study service-service evaluation, combines service encounters with the logic of service experiences, such as Groen and Van Sprang (2020). Groen and van Sprang (2020) studied customers' perception of hospitality in a building's reception area and the overlap between services as receptionists and the security guards at the entrances of buildings.

2.4.2 Service-building

Buildings and physical workplaces can be viewed as a type of service. As this is a more static type of service, it is of value to make it distinct from the service-service interaction. Such a view of buildings and workplaces is of high value, particularly in relation to facility management. In the aforementioned study by Groen and van Sprang (2020), the layout of the reception-entrance area was a key part of the considerations for both service deliveries. The physical layout contributed to the collaboration between the two services and to their interaction with the building's visitors. The layout of a building also can affect the cost of services, as it influences the resources needed and the delivery time (Klungseth & Blakstad, 2016).

The way a service is organised can also be influenced by building type, e.g., whether outsourcing or own in-house production is the main supply model and/or to what degree it is a supporting supply model (Klungseth, 2014). As an example, a main supply model can be in-house service supply, concurrently it is possible for the organisation to add outsourcing as a supporting service supply to allow more flexibility in the service delivery. As a third supply model, the organisation can, in addition to both the in-house and outsourcing supply, engage with the wider society by allowing voluntary organisations, like local handball teams or the like, to supply ad hoc services as painting walls or moving furniture after events.

2.4.3 Service-stakeholder

Services interaction with stakeholders impacts the wider society. Services can interact with various stakeholders all from visitors of a core business (often several types of customers and/or business relations) to the family members of service personnel. For example, children's possibilities for education and good upbringing are affected by when their parents work (Kalleberg, 1977), irrespective of their parents' occupational and educational background. Take for instance the example of daytime and night-time cleaning. In the late 1980s and 1990s, Norway saw a change from night-time to daytime cleaning (Klungseth & Blakstad, 2016; Klungseth, 2015; Klungseth & Olsson, 2013). Two major factors facilitated this: (1) a focus in society on enabling a good family life for all levels of society, making it possible for both mums and dads to be at home after working hours, as opposed to taking shifts on when to be home and at work; and (2) public day care opportunities rose, enabling both parents to be at work during the day. This has also transformed end users' collaboration in the workplace; Norwegian end users are encouraged to co-create a clean environment (Moland & Andersen, 2007; Klungseth & Blakstad, 2016). Here it might be of value to note that such conditions are regulated through (the points mentioned earlier regarding) service contracts, policies, and management/governance; it is in these documents and such occasions the employees' working conditions are defined, and also where the wider impact on society is decided and/or created.

The biggest take-away from service management theory is the understanding of the relationship between human behaviour and organisational practices. In workplace management, this relationship has proven to be strong too. Thus, the same logic applied to workplace (and facility) management can push its function towards a much more strategic role in all organisations (see Chapter 2 on the CREM maturity model).

3 Methodology/research approach

Service management research applies both qualitative and quantitative research methodologies due to its multidisciplinary nature. The methods used for understanding relationships and interactions often use causal analyses. For example, a well-known method used for studying service encounters is the Critical Incident Technique (CIT). CIT is used for observing human behaviour directly and allowing identification of moments of satisfaction and dissatisfaction in these encounters (e.g., Edvardsson & Roos, 2001). Other causal analysis methods might be Confirmatory Factor Analysis (CFA) (e.g., Parente et al., 2002; Chand, 2010; Smith et al., 1999) or various multi-level analyses. For these types of methods, customer questionnaires or satisfaction surveys are often used data sources. To show connections between customer satisfaction and a company's profit, e.g., Vermeeren et al. (2014) used Structural Equation Modelling (SEM) analysis. These types of methodologies seek general laws and follow a deductive approach.

Another part of the studies is more process-oriented and deals with structured patterns, rooted in qualitative approaches. It is often based on action research and inductive or abductive reasoning. Quite common qualitative research is based on in-depth case studies (e.g., Normann & Ramírez, 1993). Different tools might be used for analysing the processes in the organisation. such as the Resource Allocation Model (RAM) (e.g., Voorhees et al., 2017) or service blueprinting. For example, various methods for customer integration in service development have been established based on interviews or observations (Edvardsson et al., 2012). Other commonly encountered research methodologies are literature reviews, content analysis (e.g., Slack et al., 2004), and conceptual analysis, which is based on breaking down concepts and analysing them (e.g., Grönroos, 1994, 2007; Grönroos & Gummerus, 2014; Osborne et al., 2013).

Similar trends can be observed in workplace management research. Case studies are a common research methodology addressing complex phenomena in managerial practices. Action-based research is common in understanding social systems at the workplace, e.g., changing behaviours (Russell et al., 2016), improving health and safety at work (McVicar et al., 2013) and similar. Service blueprinting has been used in studies by Coenen et al. (2011) and Von Felten et al. (2012). However, to the authors' knowledge, there is still a limited amount of wide quantitative studies in workplace research. Probably the most well-known are Haynes and Price (2004), Haynes (2009), using causal analysis techniques (such as factor analysis – Principal Component Analysis) for identifying connections between human behaviour and building features. Also, there is a lack of longitudinal research for observing system-level transformations in both service management and workplace management studies.

4 Limitations

There are a lot of similarities between service management theory and those in the field of workplace management, but still service management theory has limitations which could cause challenges in its application to workplace management.

First, most of the processes described in this chapter deal with human-to-human interactions and perceived service quality. However, with technological development, some of the

human-to-human interactions are replaced by human-to-machine interactions. So far, there is a limited amount of research discussing human-to-machine synergies and consequences for the service experience. Technological development also has a strong effect on the development of the workplace, and the connections between perceived satisfaction and/or productivity are unclear.

There is also a lack of holistic studies of complete service ecosystems; holistic studies that cover all four components of the service management theory (value, collaboration, quality, personnel development) as it is applied in all the four ways (role of workplace management, service contracts, policies, management/governance, service management interactions, development of service processes), as described in Sections 1 and 2 in this chapter.

In terms of the methodological approach, service management research applies a wide variety of methods which are similarly used in workplace research. However, service management research lacks longitudinal studies, often explained in relation to the service characteristics (such as heterogeneity) which also could apply to workplace management studies.

5 Theory relevance to practice

First, understanding the critical constructs of the service management theory and implementing service management components would help companies to ensure employee satisfaction and productivity. This approach helps organisations and management to change their views from seeing real estate as a cost burden to an asset, that is, an asset capable of adding value to the organisation more than mere savings on real estate costs.

Many service management components can easily be applied in practice. Starting from improving service encounters between the contact personnel and customers (employees at the office), via improving the overall service delivery process and experience, up to the construction and regulation of contract and governance structures, including the impact they have on the wider society.

Learnings from the service quality concepts (such as e.g., SERVQUAL) can be used to understand customer perception affecting their satisfaction with (and the success of) services. The emphasized role of behaviour and employee motivation in service encounters, and delivery of both outsourced and in-house services, can help with the planning of services. Also, service process planning tools like service blueprinting, combined with service development methods, can provide a strong toolkit for service innovation and improved organisational performance. Moreover, customer-oriented planning (and methods for customer integration) would be beneficial both for FM service delivery and also for workplace experience in general, leading to closer collaboration between HRM, IT, and FM departments.

A mutual understanding of value creation could improve communication between organisations and service providers, leading to improved service experience. Overall, customer experience of any service, combinations of services and the entire service ecosystem, delivered in the workplace, affects customer satisfaction and experience of the total workplace. This effect is the same for many types of services, both with regards to human-to-human or human-to-machine services.

6 Further reading

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