

Managing the services encounter: the moment of truth

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Abstract

The client assumes centre stage in managing the services encounter, both in terms of service expectations and the service experience itself, aspects that in practice are complex to manage as they entail a human dimension of subjectivity. The literature tends to adopt a more traditional recipe-based “scientific management” approach, while in practice it would appear that a complex adaptive systems (CAS) approach may be more effective in managing the services encounter. It is an approach that embodies a multidisciplinary systems perspective that focuses not only on the on-stage encounters but also on the backstage support systems that play a key role in ensuring client satisfaction.

The research consequently adopts a multi-disciplinary review of the literature relating to the management of service encounters to gain an insight into the two contrasting approaches. An important finding that emerges from the research is that the service encounter is emergent in nature and thus extremely complex to manage in practice, while the back and front stage systemic integration and management appear to adopt a more contemporary management approach.

Key phrases

complex systems; moments of truth; narratives; organisational culture; service encounter

1. INTRODUCTION

“Most services are characterized by an encounter between a service provider and a customer. This interaction, which defines the quality of the service in the mind of the customer, is called a ‘moment of truth’. The often brief encounter is a moment in time when the customer is evaluating the service and forming an opinion of its quality”.

Fitzsimmons, Fitzsimmons & Bordoloi 2014:91

The services industry is characterised by a host of moments of truth, many of which from a client perspective leave enduring impressions and memories of unpleasant and negative encounters, while yet others engender positive feelings. These contradictory moments of truth can have a significant impact on service rendering institutions and their operations. Coye (2004:54), similar to Fitzsimmons *et al.* (2014:91), interprets moments of truth in terms of

“customer satisfaction and/or overall service quality”, seen as a function of the “comparison between a customer’s expectations and his/her perception of actual service”. Aspects of management that assume relevance in this regard are therefore client expectations and their perception of the services encounter itself, both very subjective and complex facets to manage. In both cases, from a management perspective, the role played by the client assumes pertinence, but Bitner, Faranda, Hubbert & Zeithaml (1997:193) go even further in claiming that “in many services customers themselves have vital roles to play in creating service outcomes and ultimately enhancing or detracting from their own satisfaction and the value received”. The client role that needs to be taken into consideration in the management of the services encounter would therefore appear to be multifaceted.

Fitzsimmons *et al.* (2014:144-1) suggests that clients make use of five dimensions to form their judgements of service quality, which are based on a comparison between expected and perceived service, namely: reliability, assurance, empathy and tangibles. The gap between client expectations and perceived service delivery, termed the *customer satisfaction gap*, forms an important element of the service quality gap model, presented by Fitzsimmons *et al.* (2014:147) and Parasuraman, Zeithaml & Berry (1985:44). The other gaps reflected in the model are that of market research, service design, conformance and communication, all of which ultimately have an impact on the client satisfaction gap in some form (Grönroos 1990:59).

Grönroos (1990:65) stresses that the opinion of clients and service providers, as to what “services should be and how they should function” easily remain totally divergent. At the core of the problem is the service design that needs to be addressed (Grönroos 1990:57). Frequently the need to improve service quality is cited as an institutional objective, without explicit clarity as to what is meant thereby (Grönroos 1990:36).

Services are largely intangible and quite subjectively experienced moments of truth that embody a host of considerations in the design of the services and their execution. A distinction is drawn between “on stage” activities involving the client and the “off-stage” operations where the support system activities are managed (Fitzsimmons *et al.* 2014:15; Teboul 2006:1). Back office systems, such as technology, quite pertinently do not appear to pertinently feature in the service quality gap model, yet it all too often has a critical role to play. Weeks and Benade (2014:3276), in compiling an integrated generic servitization systems framework, draw a definite distinct distinction between the services and product value chains and the support systems involved. From the perspective of managing the service encounter, however, it is argued that the framework as an entity assumes relevance

and consequently both front and back office support systems need to be taken into consideration.

The purpose of this article is to explore the management of the services encounter from an on and offstage perspective. Implications for management practice imply a need for focusing on the service provider and the client's role in the services encounter so as to engender a beneficial outcome for both. The research design entails conducting a multidisciplinary review of the services management literature to gain an insight and understanding of the management dynamics, systems and processes concerned. In so doing a traditional as well as a more contemporary management approach is adopted. The value of the insights derived is vested in their ability to inform future management practice and serve as a basis for future more extensive research studies.

2. MANAGING THE SERVICES ENCOUNTER

“One of the unique characteristics of services is the active participation of the customer in the service production process. Every moment of truth involves an interaction between a customer and a service provider; each has a role to play in an environment staged by the service organization” Fitzsimmons et al. 2014:91

An important thread winding its way through the introduction and finding expression in the introductory statement are the three key aspects manifest in the services encounter triad, namely:

- The accent on the client in terms of service needs and expectations, involvement in the services rendering process, and subjective assessment of the moments of truth (Fitzsimmons et al. 2014:95; Liu & Liu 2008:1).
- The service provider front-line staff is instrumental in engaging with the client to engender the service delivery. In cases of self-service such as would be the case in the use of technology, a further unique front-line aspect of consideration assumes relevance in terms of the human aspects that need to be taken into consideration, such as ease of use, training and availability (Lin, Po & Orellan 2010:2; Wang, Cheng & Huang 2013:139).
- The institutional back-office is constituting the supporting technology and operational systems (Morcos & Henshaw 2009:32; Theocharis & Tsihrantzis 2012:205).

Within the literature the diverse perspectives of these aforementioned aspects, undoubtedly enrich understanding of the dynamics and complexity encountered in managing the services encounter. A problem, however, encountered is that in so doing a scientific management approach, assuming a deterministic, mechanistic orientation, is presumed. Bitran, Ferrer,

and Rocha e Oliveira (2008:61) argue that in spite of the fact that the vast majority of service encounters are experiences that extend over time, few researchers have analysed the temporal aspects of service delivery.

Each of the diverse moment of truth experiences, instrumental in shaping the overall service encounter experience and context, plays a key role in each case. As conditions and the individual encounters change so the complexity encountered in managing the service encounters increases. Snowden and Boone (2007:74) caution that *“leaders who don’t recognize that a complex domain requires a more experimental mode of management, may become impatient when they don’t seem to be achieving the results they were aiming for”*. The researchers further warn that *“leaders who try to impose order in a complex context will fail, but those who set the stage, step back a bit, allow patterns to emerge, and determine which ones are desirable, will succeed”*.

Within the ensuing discussion the client, service provider and back office systems role in ensuring effective service encounters will be analysed, with specific reference to the exploration of a more traditional and contemporary complex adaptive systems (CAS) approach. In this explorative research the emphasis is on gaining an insight into the more pertinent services encounter aspects that assume relevance from a management perspective. The importance of the research stems from the reality that in contemporary, highly competitive markets the business paradigm change for many institutions is one of attempting to gain a competitive advantage through engendering well founded customer relationships (Liu & Liu 2008:1; Morcos & Henshaw 2009:32).

2.1 A client analysis of the service encounter: a management perspective

“Service experiences are the outcomes of interactions between organizations, related systems/processes, service employees and customers.” *Bitner et al. 1997:193*

The definition of Bitner *et al.* (1997:193) encapsulates all three aspects that find expression in the preceding defined service encounter triad. Bitner *et al.* (1997:193) claim that considerable management research has examined customer satisfaction with services experiences and in so doing the accent has predominantly been on “the roles of service processes employees and tangibles in creating quality experiences”. The role played by the clients themselves in engendering service outcomes and ultimately enhancing or distracting from the service encounter, it would appear, has received rather less attention. What emerges from this discourse is the centrality of the role played by the client in the services encounter, from an expectation, an experience assessment and participative perspective.

Arnould and Price (1993:25), in researching the distinguishing characteristics of satisfactory service experiences, conclude that the research literature posits a model of satisfaction based on defined expectations and the client's subsequent evaluation of the service enactment experience in relation thereto. The service experience in this sense finds expression in what Arnould and Price (1993:25) term to be the *experience narrative*. It would appear to be a model that confirms the contention of Bitner *et al.* (1997:193) that the role played by the client in the service enactment itself, and consequently the determination of the quality of the services, is largely lost in the narrative giving expression to the service encounter. Seen in this context the service encounter can give rise to a host of narratives, each based on the particular individual's experience, contextual and situational determination.

From a management perspective these narratives are instrumental in defining the services encounter on a broader basis at a specific point in time. As the narratives of the service encounters evolve, changing trends will redefine aspects that need to be addressed. The defining narrative that gives expression to the service encounter is therefore emergent and complex to manage in practice.

The scripts that characterise the service experience narratives, Arnould and Price (1993:25) suggests, emerge from the dynamic interaction of the participants. The emotional context of these interactions and their spontaneity imply a sense of vagueness, the trends of which give unique characteristics to clients' interpretation the service encounter (Arnould & Price 1993:25). Traditional service management literature focuses on an analysis of the technical and functional element of the service encounter that assumes a more static, deterministic dynamic (Arnould & Price 1993:25; Schneider & White 2004:1).

While these more deterministic, mechanistic elements have a role to play in defining the service encounter they do not provide a holistic emergent representation thereof. Schneider and White (2004:1) attest to the fact that "*everyone has a favourite service-quality story, and it is usually about how bad service can be! But the idea that studying service quality is an easy endeavor ignores the complexities that lie beyond the surface-level glances at the topic*". It is the more CAS management factors that find expression in the service encounter, as an emergent property, that engenders and requires more intense academic research and debate.

The technical service, Lacle (2013:19) contends, refers to what clients receive in their interaction with institutional employees, while the functional aspect represents the quality of the process in terms of how the service encounter or moment of truth is enacted. A deterministic characteristic of the moment of truth is its relative intangibility, as it entails

performances or actions that are not necessarily physically manifest. (Desmet, Van Looy & Van Dierdonck 2013:10; Schneider & White 2004:7; Wilson, Zeithaml, Bitner & Gremler 2008:16). The emotional aspect experienced by clients in watching a symphony concert is cited by Schneider and White (2004:6) as being a case in point.

Two further characteristics cited by Schneider and White (2004:5) are inseparability and heterogeneity. The former accentuating simultaneous enactment and consumption of the service and the latter the reality that due to the human element involved no two services experiences will be identical. These characteristics collectively imply that clients' service experiences in relation to their expectations could differ significantly. It also adds to the complexity of service management in that no two client's perspective of a service will be the same. The differences in client expectations also imply a need for customisation that stands in contrast to traditional standardisation management practice. The client's involvement in enacting the service delivery also adds to the complexity in managing the service encounter and the client's experience thereof.

2.2 Perspective of managing client service expectations

"Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged ... Knowing what the customer expects is the first and possibly most critical step in delivering good quality service."

Wilson et al. 2008:55

Grönroos (1990:36), citing Buzzell and Gale, very compellingly stresses that *"quality is what the customers say it is, and the quality of a particular product or service is whatever the customer perceives it to be"*. Many truths are encapsulated in this statement, one in particular being the diversity of perspectives that may be expressed of a same service rendered to clients holding different expectations and opinions at what constitutes an effective service. The notion of bringing human subjective "perceptions" into consideration in defining service quality introduces a number of complex factors that need to be taken into consideration, not the least being the emotional dynamic of being actively involved in the service delivery experience itself.

Gremmel, De Pelsmacker & Van den Berg (2013:159) quite meaningfully advocate that client expectations are influenced by their personal needs, past experiences, word-of-mouth and communications by the service provider, all factors that are dynamic and emergent in nature. Add to this flow of emergent experiences and emotions encountered in the service encounter and the complexity of managing the service experience becomes extremely complex.

Wilson *et al.* (2008:57) distinguish between desired and adequate services to accommodate different client service expectations. The former reflects the highest level of service the client hopes to receive. According to Wilson *et al.* (2008:57) it is a blend of what the client believes “can be” and “should be” rendered by the service provider. The later adequate service stems from clients’ realisation that prevailing conditions and constraints encountered mean that the desired services may not always be possible and what could be termed “adequate” service levels are then accepted by clients, which represent the minimum tolerable exception (Wilson *et al.* 2008:57).

The variation between the two are termed the *zone of tolerance*. It will differ for different groups of clients, often based on the price they are willing to pay for the services provided (Kurtz & Clow 1993:19; Wilson *et al.* 2008:57). The star rating assigned to hotel accommodation tends to typically define accommodation expectations in terms of a differential of the zone tolerance associated with a particular assigned star service rating and associated price therefore. This brief discussion highlights the difficulty of determining expectation levels due to the diversity and subjectivity involved, thus the attempt to determine zones of service tolerance as opposed to specific client desired service expectations.

Parasuraman *et al.* (1985:42) confirm that few tangible evidence cues are available for determining client service expectations. Due to the intangible nature of services it becomes difficult for an enterprise to determine prior client encounter expectations and more often than not client satisfaction emerges after the event. Past experience, it is argued by Kurtz and Clow (1993:20), serves as an indicator as to what a client may expect and based thereon word of mouth communication between clients often play a determining role in shaping the service image of an institution and consequently client expectations. This places an emphasis on a need to effectively deal with instances where service failures have occurred.

High expectations, Kurtz and Clow (1993:20) caution, raises the issue of sustainability as it may become difficult to consistently meet client expectations, with a risk of client dissatisfaction if adequate, as opposed desired to, levels are realised. Institutions, in their interaction with clients, need to take care to not over promise and create high expectations that may not be able to be consistently met. Clients compare service delivery of alternative institutions, based on own experience and word of mouth communication, thus resulting in an image of expected services delivery within a specific industry (Kurtz & Clow 1993:24). Institutions therefore need to constantly monitor changing client needs and expectations in

relation to that delivered within an industry. Managing client expectations in this sense translates into determining clients' zone of tolerance and ensuring that perceived service delivery is within this range or exceeding desired client levels in order to gain a competitive advantage in the services sector concerned.

Research conducted by Swar (2012:31) reveals that awareness as to client expectations and their assessment of that delivered by the institution forms a critical component in its attempt to gain an advantage within the specific sector. Swar (2012:27) advocates the use of SERVQUAL as an instrument to determine client perceptions, but acknowledges that within the literature its use has been subjected to criticism and confirms that in practice SERVQUAL has been extensively applied to gain an understanding of the expectations and perceptions of institutions' clients. The previously alluded to five dimensions of service quality, referred to in the introduction, serve as the basis for the questionnaire design (Fitzsimmons *et al.* 2014:144-145). Implied is the notion of quality determined as a snapshot in time, a view that stands in contrast quality as a flow of moments of truth that are emergent and subject to change.

The perspective gained from the literature would appear to be one of establishing an awareness of client desired and "adequate" expressions of service expectations. The accent then is deemed to be one of engendering service encounters to ensure that they fall within the zone of tolerance. This could be construed to constitute a more traditional management perspective. In the ensuing section a more contemporary CAS perspective is explored.

2.3 A complex adaptive systems perspective of the services encounter

"Front stage interactions or touchpoints, take place between service providers and clients and play an important role in shaping the clients' overall service experience ... In many cases, the client's perception is directly linked to the interpersonal interactions that occur between the client and the service provider over the lifecycle of the service engagement."

Bolinger, Martin & Rankin 2011:685

It is contended by the Performance Research Associates (2003:4) that "each interaction between a customer and a service professional is one moment in the chain of customer's experiences". As may be ascertained from the above quotation what is termed to be "touchpoints" play a key role in shaping client's service experience. The Performance Research Associates (2003:4) go on to stress that getting it wrong at any one of these "touchpoints" in the services value chain will likely erase from the client's mind all the positive memories of service excellence experienced. Seen in the context of the assertion of Bolinger *et al.* (2011:685) that "the client's perception is directly linked to the interpersonal

interactions that occur between the client and the service provider”, this places an assumed responsibility on all staff engaged in client encounters of any nature. These “touchpoints” or interactions create dynamic front-stage experiences that shape and characterize the service encounter and the client’s perception of the value of service perceived (Bolinger *et al.* 2011:685). It therefore needs to be questioned whether it is even remotely possible for management to actively monitor and manage all these moments of truth as they evolve over the space of time. If not, management of the host of moments of truth that collectively define the service encounter assumes new meaning.

A point of departure from a more contemporary management perspective would appear to be the need to identify and define potential “touchpoints” that could influence clients’ experience and perception of the institution and its service delivery. Touchpoints in this context are defined by as Clatworthy (2011:15) as “points of contact between a service provider and customers”. The Performance Research Associates (2003:4), in this regard, stress that clients do not distinguish between individual staff members and the organisation; they all are deemed to be instrumental in living out the shared values, beliefs and ways of doing things in the organisation. Service encounters, it could therefore be contended, may be viewed as reflecting a shared belief and value system, as to how clients are seen and dealt with in all interactions.

This by implication, according to the Performance Research Associates (2003:3), implies that engendering positive memorable moment of truth experiences forms part and parcel of all employees’ job description. Bolinger *et al.* (2011:685) suggest that these moment of truth encounters tend to be fragmented and not necessary linearly ordered. This would seem to suggest the need for what Bolinger *et al.* (2011:685) refer to as “touchpoint modelling” and Fitzsimmons *et al.* (2014:72) “services blueprinting”, to gain some sort of understanding as to possible such points of contact with clients. It needs to be noted that such models or blueprints tend to be linearly constructed, while in reality this may not necessarily be the situation.

Clatworthy (2011:15) includes “physical buildings, web-sites, physical print-outs, self-service machines, bank cards, customer assistants, call-centres, and telephone assistance” as potential touchpoints and stress that “each time a person relates to, or interacts with, a touchpoint, they have a service encounter”. By implication such a wide connotation attributed to touchpoints will imply quite extensive models or blueprints as it necessitates a technology and servicescape analysis as well. Undoubtedly, it attributes a far more extensive and complex perspective in relation to service design, its implementation and management. The

use of service blueprints in effect recognise the complexity involved by differentiating between the onstage client interactions and the backstage support infrastructure (Fitzsimmons *et al.* 2014:72). Despite touchpoints being a major part of service design, Clatworthy (2011:16) claims there is very limited, documented research in relation thereto, within the field of service science. Quoting Kelley and Storey, Clatworthy (2011:15), suggests that while management researchers “have rationalised and routinized the back end of the new service development (NSD) process, the front-end of the process remains a knowledge-intensive black art”. Such a drastic articulation of the situation may stem from the complexity associated with attempting to actively manage a host of touchpoints encountered, a situation it is suggested in this article that may more effectively be dealt with by viewing it from a CAS perspective.

Bolinger *et al.* (2011:686), on a more constructive basis, states that “given the rise in service complexity ... the art of managing complexity, people-centric, and inter-organizational relationships becomes a virtual unavoidable issue”. Axelrod and Cohen (1999:1) even more ardently claim that “whether or not we are aware of it, we all intervene in complex systems” and such actions may well lead to unforeseen consequences.

To harness complexity, Axelrod and Cohen (1999:1), stress typically means living with it, and even taking advantage of it, rather than trying to ignore or eliminate it. In this regard they thus therefore appear to concur with Bolinger *et al.* (2011:686). A CAS perspective of managing the service encounter embodies three important dimensions, namely engendering a service orientated culture within the institution; influencing the emergent narratives shaping the client relationship; and actively monitoring service trends and framing the response narrative. Hagel (2013:3) in fact argues that “narratives are not just “nice to have’. They are increasingly the foundation that will drive business success.”

2.4 Service cultural attributes: the invisible hand acting as a determinant in shaping the service encounter

“The culture of an organization eminently influences its myriad decisions and actions. A company’s prevailing ideas, values, attitudes, and beliefs guide the way in which its employees think, feel and act—quite often unconsciously.”

Tharp Undated:Internet

A central tenet encapsulated within Tharp’s (Undated:Internet) introductory statement is the insinuation that cultural values, attitudes and beliefs act as a perceptual and behavioural determinant. Van Dierdonck and Van Looy (2013:417) explicitly contend that culture is behaviourally manifest. In a similar sense Schermerhorn, Hunt and Osborn (2008:364)

describe organizational culture as a “*system of shared actions, values and beliefs that develops within an organization and guides the behaviour of its members*”.

Another frequently cited definition is that of Edgar Schein (Leidner, Alavi & Kayworth 2006:19; Tharp, undated:Internet), namely: a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems. Of significance in the cited definition is the notion of culture “emerging” from a process of group learning and social interaction. Lissack (1999:11), however, argues that traditional management literature reflects the interactions in linear terms where prediction and control are accentuated.

Research by Weeks and Lessing (1993:29) found that organisational culture traditionally tended to be defined in terms of a set of cultural attributes, namely expectations, norms, philosophies, assumptions, values and beliefs, which employees of the organisation come to share through a group learning process. The traditional conceptualisation of organisational culture, as reflected in the literature, consequently was one of it being a “thing”, namely shared values, beliefs, norms, expectations and similar attributes that act as a behavioural determinant. Implied was the assumption of a desired service culture being able to be inculcated within institutions, giving rise to service encounters that are in line with client expectations. The more traditional view is consequently one of being able to actively and intentionally manage the concept to realise a desired or envisioned culture, although it is also acknowledged that in practice it is extremely difficult to achieve (Jaskyte 2004:154,156; McCormick 2008:79-83; Trompenaars & Prud’Homme 2004:171).

A more contemporary perspective of organisational culture is presented by Lessem and Schieffer (2009:118), namely “a current ever evolving force which can best be experienced in active engagement”. Lissack (1999:11) clearly states that complexity theory challenges traditional management practice by noting that human activity allows for the possibility of emergent behaviour. Implied therefore is the perception of culture as a naturally evolving living system or as articulated by Snowden (2005:2) the active patterning of peoples’ interaction with their environment.

Bennet and Bennet (2004:150) more specifically assert that culture emerges out of the nonlinear interactions that take place among individuals and Lissack (1999:12), citing Casti, describes emergence as “an overall system behaviour that comes out of the interaction of many participants”, which in the context of this article would be the host of moment of truths.

Snowden (2005:2) similarly argues that one cannot “engineer a desired culture”, as it constitutes a patterning of human interactions, which is not susceptible to design principles. Stacey, Griffin and Shaw (2000:18) view the interaction patterning process as being self-organising, resulting in emergent patterns of behaviour of a coherent nature.

This brief literature review thus indicates that the numerous interactions taking place between staff members, as well as the interaction taking place with clients during the service encounter give rise to shared cultural attributes that in effect define the institutional culture. The social connotation and its complexity, it is claimed by Brown (1995:5), are reflected in the politics of negotiation that takes place within institutions. The outcome of such negotiations, it is contended in this article, is manifest in the cultural attributes that emerge and shape the culture of the institution. To quote Bennet and Bennet (2004:151) in this regard, the emergence is not random but rather the result of interactions that settle down to internal coherence and patterns.

The CAS view of culture, as emerging patterns, implies that management would need to identify those patterns that emerge and are deemed to be favourable and those that will hinder effective service encounters (Snowden 2002:107). The favourable patterns, Snowden (2002:107) asserts, need to be stabilised, while those hindering the process need to be disrupted. These interventions can, however, give rise to not intended behavioural patterns, as even small changes in initial conditions can have dramatic consequences as a result of the non-linear interactions that take place (Cilliers 1998:4).

Wytenburg (1999:51) concurs with Cilliers (1998:4) in stating that “today’s market environment is anything but stable, linear or predictable”. Notably, Fard, Rostamy & Taghiloo (2009:46), maintain that “culture is constantly evolving and travels along an infinite continuum in a harmonious learning environment”, one characterised by staff engaging in rituals, passing along corporate myths and stories, and using arcane jargon.

In researching organisational culture using a “meme” perspective, Weeks and Galunic (2003:1309) conclude that “firms are best thought of as cultures, as social distributions of modes of thought and forms of externalization”. The researchers use the term “meme” to refer “collectively to cultural modes of thought (ideas, beliefs, assumptions, values, interpretative schema, and know-how), to describe culture as a social phenomenon, patterns of symbolic communication and behaviour that are produced as members of the group enact the memes they have acquired as part of the culture” (Weeks & Galunic 2003:1309).

In essence therefore the researchers describe culture as a social phenomenon of patterns of symbolic communication and behaviour that emerge as members of the group enact the memes they have acquired as part of the culture (Weeks & Galunic 2003:1309). The theme that materialises is the unintentional organizational culture formation consequences that stem from the normal day-to-day social interaction patterns and organisational networking that surface within institutions as part of the service encounter. This would seem to infer that a CAS approach would best serve the purpose of instilling a service orientated culture within institutions.

2.5 Nurturing a “service” culture

Seel (2000:2) defines culture as: “the emergent result of the continuing negotiations about values, meanings and proprieties between the members of that organisation and with its environment”. Schneider, Gunnarson and Niles-Jolly (1994:18) similarly contend that culture refers to a broader pattern of an organization's mores, values, and beliefs and suggests that the actions of senior managers strongly influence the culture of the institution. The researchers claim that culture stems from employees' interpretations of the assumptions, values, and philosophies that produce the climates they experience (Schneider *et al.* 1994:19).

Evidently suggested is a process of employee interaction and negotiation in the interpretation of the cultural attributes (Schneider *et al.* 1994:19). The underpinning logic appears to be that in order to nurture a services orientated culture a discussion relating to the required cultural attributes and the need for these attributes needs to be initiated within the organisation. The key theme that emerges from the preceding literature review in section 2.4 is that the cultural attributes associated with a services culture have their genesis in the social interaction that takes place between the service provider employees and clients as part of the services encounter.

As previously alluded to the CAS view of culture as emerging patterns implies that management would need to identify, as suggested by Snowden (2002:107), those patterns deemed to favourable and those that will hinder the transition from a manufacturing operation to one inclusive of services related activities. The favourably patterns Snowden has noted need to be stabilised, while those hindering the process need to be disrupted (Snowden 2002:107). At best management can influence the discourse that takes place within the institution, facilitate appropriate service oriented culture attributes within training sessions and living out the attributes in their day to day conduct. This would seem to be

supported by Axelrod and Cohen's (1999:8), contention that "while complex systems may be hard to predict, they may also have a good deal of structure and permit improvement by thoughtful intervention". The latter here assuming relevance in the interaction and discussions that takes place between the various role players during the services encounter. Axelrod and Cohen (1999:8) also stress that when multiple populations of agents are adapting to each other (as would be the case in services initiated interventions) the result is a co-evolutionary process the outcome of which is uncertain.

What adds to the complexity of these service orientated interventions is that most mental representations or mindsets are often deeply embedded below the surface of conscious thought (Pfeffer 2005:125) and the interventions themselves can raise awareness and stimulate unexpected emotions that certainly complicate the culture transformation process. The translation of the narratives and stories accompanying the interactions that takes place, as a result of the culture interventions, can become misinterpreted giving rise to unintended and unexpected sets of new cultural determinants. Institutions therefore become interpretation systems of participants who provide meaning for each other via their everyday interactions and negotiations (Browning & Boudès 2005:32). Implied is a case of true intended meaning being lost in translation of narratives regarding perceived, as opposed to objective, reality of management intention.

Pfeffer (2005:125) in fact advocates that in spite of the apparent complexity and difficulty involved, changing the way people think is still the most powerful means to ultimately change behaviour. It would seem that a point of departure and an appropriate response to the nurturing of services directed culture would be one that involves all employees in discussing the implications of the emergence of a services dominant economy on the institution and its activities. Through the discussion and interaction that takes place a realisation of the situation and challenges confronting the institution will become far more apparent and a new set of cultural attributes that define the culture of the institution will emerge in response over the space of time.

3. THE SERVICES ENCOUNTER: MANAGING THE BACKSTAGE SUPPORT INFRASTRUCTURE

"The front office–back office model of service organisations is probably the most common way of conceptualising the impact of customer contact on a service delivery system. Although different terms are in use, such as "on stage" "front stage" "back stage" "frontline" and "back room" "front office" and "back office" seem to be most common. The front office is the part where activities that require customer contact take place and as such is

directly experienced by customers, whereas the back office contains processes that are carried out remotely from customers and hence cannot be seen or experienced by customers” Zomerdijk & De Vries 2007:110.

Reflected in the introductory statement is the key back and front office differentiator, namely client contact, the back office process being carried out remotely from customers and hence neither seen nor experienced by the client. The back office systems are seen as being in support of the services value chain activities and undoubtedly technology plays a fundamental role in linking the front and back end systems concerned. Configuring the interaction between the two systemic functions forms a vital aspect of the service infrastructure design.

Verint Systems (2008:4) contend that “*enterprises are like icebergs in that the customer touch points involve only one-tenth the number of employees as do all the employees involved in the remaining indirect, yet customer-affecting, functions. These employees work in the “back office.” For many organizations, the back office represents the largest opportunity for significant improvements in cost reduction and operational excellence*”.

Verint Systems (2008:4) suggests that in practice many organizations underestimate the impact that their back-office operations can have on the customer experience. The compilation of a services blueprint detailing not only the touchpoints and on stage activities, but also the backstage interaction and support process is deemed essential in designing and realigning the service systems concerned (Fitsimmons *et al.* 2014:72). Such a blueprint implies the establishment of defined systems, processes and procedures for service delivery as well as clarity as to the interfaces with that of the support systems.

Henze, Mulder and Stappers (2011:9), citing Mont, maintains that “A product-service system is a system of products, services, supporting networks and infrastructure that is designed to be: competitive, satisfy customer needs and having lower environmental impact than traditional business models”. Portrayed is the need for an integrated network of interacting systems and infrastructure directed at realising client services expectations. A services-dominant logic implies the need for an interdependent framework of multi-disciplinary systems directed at supporting a co-creation of value for the client (Vargo, Maglio & Akaka 2008:146).

The ability and capacity of the integrated network of systems to absorb disturbance and still retain its basic function and structure, it is argued by Walker and Salt (2006:xiii), implies the need for a sense of resiliency and stability.

4. CONCLUSION

The ruling paradigm of optimizing components of a system in isolation of the rest of the system is seen as proving to be inadequate (Walker & Salt 2006:8). A holistic systemic approach is therefore required to be adopted in compiling a resilient services framework, the resiliency element being embodied in the underpinning cultural and systemic elements of the framework. Osterwalder (2004:338), in the development of a business model, places the value proposition at the centre of his model with capability and target client networks linking thereto.

The capability infrastructure brings two additional systemic components into consideration, namely partnerships and value configuration (Osterwalder 2004:338). The challenges are therefore gaining an understanding of the entities involves as a heterogeneous network rather than a set of isolated individuals.

A more traditional management approach in structuring the front and back office systemic interaction, in terms of the literature, appears to be the reality. This would stand in contrast to the complex adaptive approach adopted in managing the service encounter.

It is suggested that an empirical case study be undertaken to determine how the two approaches, from a management perspective, can be accommodated. The literature review findings reflected in this article can serve as a source of information and reference for such a case study.

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