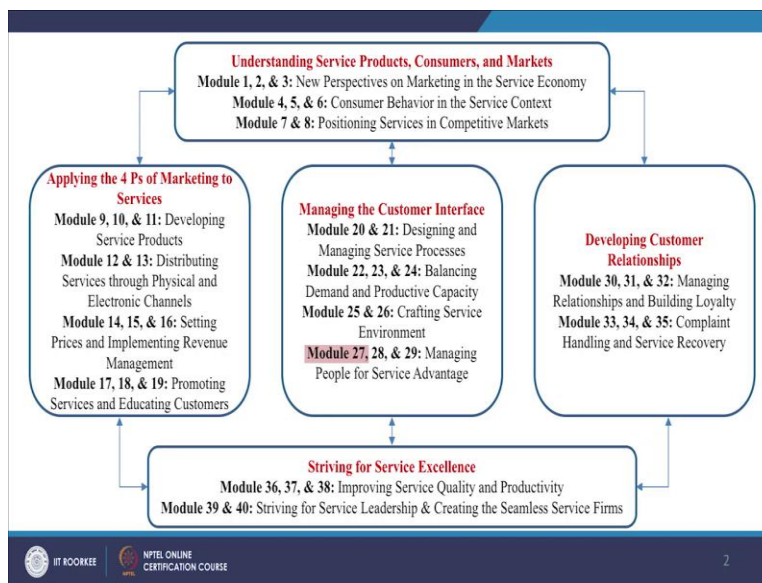


Services Marketing: Integrating People, Technology, Strategy
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Lecture 27
Managing People for Service Advantage
Part I

Welcome to Services Marketing. And now we will talk about module 27. Module 27, 28 and 29, there we will be talking about managing people for service advantage.

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So, let us start with module 27 and then let us see, what other topics that will be covered in this module, keep in mind that we are talking about managing people for the service advantage. So, we will we will be talking about people in these 3 modules.

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MODULE OVERVIEW

- Explain why service employees are so important to the success of a firm.
- Understand the factors that make work of frontline staff so demanding and often difficult.
- Describe cycles of failure, mediocrity and success in HR for service firms.
- Understand key elements of Service Talent Cycle of successful HR management in service firms.




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And in module 27 we will talk about why service employees are so important to the success of a firm. Then we will try to understand the factors that make work of frontline staff so demanding and often very difficult. And describe cycles of failure, mediocrity and success in human resources for service firms. Then we will understand key elements of service talent cycle of successful HR management in service firms. So, this whole, in whole of this module, we will be concentrating on the service employees that is one component of that people that is one element of the services marketing mix.

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SERVICE EMPLOYEES ARE EXTREMELY IMPORTANT

- The quality of a service firm's staff — especially those working in customer-facing positions — plays a crucial role in determining market success and financial performance.
- Frontline employees are a key input for delivering service excellence and competitive advantage.
- That's why the *People* element of the 7 Ps is so important.

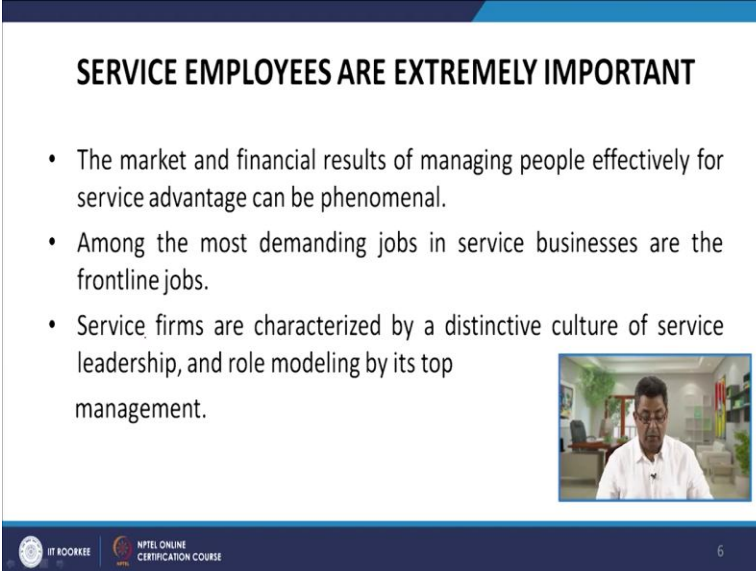


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Now, let us look at why these service employees are so very important. So the quality of a service firms staff, especially those working in customer facing positions, so it is not only about everybody in the company, but we are more concerned about those people who are in customer-facing positions, although everyone in a service organization, every human, every person in service organization is important, but we are more concerned with those employees who are customer-facing.


So, they play a crucial role in determining market success and the financial performance of this firm. Frontline employees are a key input for delivering service excellence and competitive advantage. So, now you see this front line employees are so important that they are responsible for service excellence and competitive advantage that is why the people element of the 7 Ps is so important. So, as you know that people is one of the 7 Ps of services marketing mix.


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SERVICE EMPLOYEES ARE EXTREMELY IMPORTANT

- The market and financial results of managing people effectively for service advantage can be phenomenal.
- Among the most demanding jobs in service businesses are the frontline jobs.
- Service firms are characterized by a distinctive culture of service leadership, and role modeling by its top management.




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The market and financial results of managing people effectively for service advantage can be phenomenal, among the most demanding jobs in service businesses are the frontline jobs and these are the most demanding jobs in service companies that are the frontline jobs and these people, they can determine the success of this firm. So, service firms are categorized by distinctive culture of service leadership and role modelling by its top management.

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SERVICE EMPLOYEES ARE EXTREMELY IMPORTANT

- Good HR strategies allied with strong management leadership at all levels often lead to a sustainable competitive advantage.
- It is probably harder for competitors to duplicate high-performance human assets compared to any other corporate.
- Highly capable and motivated people are at the center of service excellence and productivity.





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Good HR strategies allied with strong management leadership at all levels often lead to a sustainable competitive advantage, good HR strategies and strong leadership, so that leads to this competitive advantage. It is probably harder for competitors to duplicate high performance human assets compared to any other, any other company, so this you now that is why it gives us a sustainable competitive advantage, because obviously other companies will find it very difficult to duplicate the high-performance human assets that one company has. Highly capable and motivated people are at the centre of service excellence and productivity.

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MANAGING PEOPLE FOR SERVICE ADVANTAGE

1

Foundations Employees Are

- Are a core part of the service product
- Are the primary face of the organization
- Are a key part of the brand, deliver the brand promise
- Are often well paid and well trained
- Are a key source of customer loyalty
- Determine productivity

2

HR in Service Firms is Challenging

- Service Work is Often 90% Unscripted
- Employee operating problems
- Lack the luxury of the separation to the middle world
- Many conflicting roles that cause role conflict
- Organizational/line conflict
- Financially sensitive
- Non-union workforce
- Require emotional labor

3

How to Get HR Right — The Service Talent Cycle

- Hire the Right People
 - Do the perfect analysis and compete for talent market share
 - Interview the entire process to identify the right people for the organization and drive the recruitment process
 - Hire people with the right personality traits
 - Hire people with the right skills
 - Hire people with the right personality traits
 - Hire people with the right personality traits
- Enable the Foundation
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
- Engage the Foundation
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
- Motivate the Foundation
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and
 - Provide training to solve customer problems and

4

Service Culture, Climate, & Leadership

Service Culture

- Shared perceptions of what is important and is legitimate
- Shared values and beliefs of why these things are important

Climate

- Climate is often translated into policies, practices, and procedures
- Shared perceptions of practices and behaviors that get rewarded

Leadership

- Quality of effective leaders
- Leadership styles that focus on human resource transformation
- Being there as a leader

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Figure 1. Organizing framework — managing people for service advantage.



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Now, let us look at this organizing framework for managing people for service advantage. So, on the left hand side, we have this front line employees are important, so because they are a part of the service product, they are the service firms in the eyes of the customers, they are the core part of the brand and the deliver the brand promise this sell, cross-sell and up-sell and are the key drivers of customer loyalty and they determine the productivity. Now, second is the HR in service firms is challenging. So, the first is about the importance and then the challenges that they face. So a frontline work is difficult and stressful, because one is the boundary spanning positions, then the link the inside of the organization to the outside world. The third is having conflicting role that cause role stress. And this role stress is because of organization and kind conflict, person and their role conflict and the inter client conflict.

And the fourth reason is, there that requires emotional labor. Then we move on to the next that is the basic modules of HR in service firms. The first is the cycle of failure, so, that is because of low pay, low involvement in people and high staff turnover. Then it is the result in customer, that results in customers had a dissatisfaction, defection and low margins. Another reason for this is the cycle of mediocrity, so the first model is the cycle of failure, the second in the cycle of mediocrity, so large bureaucracies offer job security, but little scope in the job itself, no incentives to service customers. The third model is the cycle of success, heavy increment in recruitment development and motivation of frontline employees, employees are engaged and productive and customers are satisfied and loyal, margins are improved.

Then we will move on how to get HR right that is the service talent cycle. Hire the right people, be the preferred employer and compete for talent market share, intensify the selection process to identify the right person, people for the organization and the given job, so you conduct multiple structured interviews, use personality tests, observe candidates behaviour and give applicants are realistic preview of the job. Next thing that needs to be done is to enable the front line staff, how? By training and development conduct extensive trainings on organizational culture, purpose and strategy, interpersonal and technical skills, product and service knowledge, reinforced training to shape the behaviour, use internal communication or marketing to shape the service culture and behaviour and then professional professionalize the front line.

Another thing that can be done is to empower the frontline, provide discretion and find solutions to service problems and customization of service delivery, set appropriate levels of

empowerment depending upon the business model and the customer needs, empowerment requires: first information about performance; second is knowledge about, knowledge that enables contribution to performance, power to make decisions and performance-based rewards. The next is to organize frontline employees into effective service delivery teams, use cross-functional teams that can service customers from end-to-end, structure team for success, for example, set goals, carefully select members with the right skills, integrate teams across departments and functional areas, for example, cross postings and internal campaigns such as walk a mile in my shoes and a day in the field.

The next is to motivate the frontline: how energized and motivated employees with a full set of rewards. Reward should include pay performance bonuses, satisfying job content, feedback and recognition and goal accomplishment. And for that what is needed is, service culture climate and leadership, service culture shared perceptions of what is important in an organization and shared values and beliefs of why these things are important. Climate for service: climate is culture translated into policies practices and procedures, shared perceptions of practice and behaviour that gets rewarded. And the leadership qualities of effective leaders, leadership styles that focuses on basic versus transformation and strong focus on the front line.

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SERVICE PERSONNEL AS SOURCE OF CUSTOMER LOYALTY AND COMPETITIVE ADVANTAGE

- Almost everybody can recount a dreadful experience they had with a service business. Many of these same people can also recount a really good service experience.
- From the firm's perspective, the service levels and the way service is delivered by frontline personnel can be an important source of differentiation as well as competitive advantage.
- From a customer's perspective, the encounter with service staff is probably the most important aspect of a service. *more often it is with the frontline staff*

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Now, let us look at how these service personnel can be a source of customer loyalty and competitive advantage. Almost everybody can recount a dreadful experience that they had with a service business, many of these same people can also recount a really good service experience. From a firm's perspective the service levels and the way service is delivered by frontline personnel can be an important source of differentiation as well as the competitive advantage. So, you see that from this service levels and the way the service is delivered by this frontline employee and this is an important source of competitive advantage.

And from a customer's perspective the encounter with service staff is probably the most important aspect of the service and this encounter with service staff is with the frontline people. So, that is why these frontline personnel they are an important source of differentiation as well as competitive advantage. So, when we are talking about this a list of, so it is more often it is it with the frontline staff. And that is why these frontline personnel they offer important source or differentiation as well as the competitive advantage.


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SERVICE PERSONNEL AS SOURCE OF CUSTOMER LOYALTY AND COMPETITIVE ADVANTAGE

Importance of Service Employees-

- *Is a core part of the product* -Often, the service employees are the most visible element of the service. They deliver the service, and greatly affect service quality.
- *Is the service firm* -Frontline employees represent the service firm, and from a customer's perspective, they are the firm.



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So, again let us continue with the importance of the service employees. Is a core part of this product, because they are delivering this service, so often the service employees are the most visible element of the service, they deliver the service and greatly affect the service quality. So, he is the service firm, the frontline employee is the service firm, frontline employees represent the service firms and from a customer perspective they are the firm.

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SERVICE PERSONNEL AS SOURCE OF CUSTOMER LOYALTY AND COMPETITIVE ADVANTAGE

Importance of Service Employees-

- *Affects sales* - Service personnel are often critically important for generating sales, cross-sales, and up-sales.
- *Is the brand* - Frontline employees and the service they provide are often a core part of the brand. It is the employees who determine whether the brand promise is delivered.



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They affect the sales, how the sales person, the sales personnel are often critically important for generating sales, cross sales and up sales; and he is the brand, frontline employees and the

service they provide are often a core part of the brand, it is the employees who determine whether the brand promise is delivered or not. So, the frontline employees, they deliver the promise, so that is why they are so important in for differentiation and competitive advantage.

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SERVICE PERSONNEL AS SOURCE OF CUSTOMER LOYALTY AND COMPETITIVE ADVANTAGE

Importance of Service Employees-

- *Is a key driver of customer loyalty* - Frontline employees play a key role in anticipating customers' needs, customizing the service delivery, and building personalized relationships with customers. An effective performance of these activities should ultimately lead to increased customer loyalty.
- *Determines productivity* - Frontline employees have heavy influence on the productivity of frontline operations.



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He is also a key driver of customer loyalty, frontline employees play a key role in anticipating customer needs, customizing the service delivery and building personalized relationships with customers. So now you see that we have been talking about those ways, for example, the blue printing etcetera, whereby we were standardizing the services. Now, this frontline employee, he is supposed to customize the service depending upon the customer needs. So, obviously there will be some amount of variation in the same kind of need that the customers walk in. And these frontline employees, they are supposed to customize the service. Although in some of the other modules, we have seen how to go about a standardizing the service using information technology and then blueprinting and so on so forth.

So and that is why they build personalized relationship with customers and effective performance of these activities should ultimately lead to increased customer loyalty. So, when customer needs, when the services are customized according to customer needs and the employees they build relationship with the customers, then obviously that will increase the customer loyalty. They determine the productivity, so frontline employees have heavy influence


on the productivity of the frontline operations. So, if they perform the work in the right way, then the waiting lines get reduced, otherwise the waiting line keeps on increasing.

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THE FRONTLINE IN LOW-CONTACT SERVICES

Problems of Intangibility-

- Much research in service management relates to high-contact services.
- However, many services are moving towards using low-contact delivery channels such as call centers, where contact is voice-to-voice rather than face-to-face.
- A large and increasing number of customer contact employees work through telephone, or e-mail, never meeting customers face-to-face.




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Now, let us look at the frontline in the low contact services and we are talking about the problems of intangibility. Much research and service management relates to high contact services. However, many services are moving towards using low contact delivery channels such as call centres, where contact is voice to voice rather than face to face. And a large and increasing number of customers contact employees work through telephone or emails, never meeting the customers face-to-face.

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THE FRONTLINE IN LOW-CONTACT SERVICES

- In the light of these trends, are frontline employees really all that important for such services?
- Most people do not call the service hotline or visit the service center of their cell phone service operator or credit card companies more than once or twice a year.
- However, these occasional service encounters are absolutely critical – they are the “moments of truth” that drive a customer’s perceptions of the service firm.



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So, what is happening because of these trends? So, in the light of these trends, are frontline employees really all that important for such services? Most people do not call the service hotline or visit the service centre of their cell phone service operator or credit card companies more than once or twice a year, so then what is the importance of this frontline employees? However, these occasional service encounters are absolutely critical, they are the moment of truth that drives, that drives a customer’s perception of the firm. So, even if the customer is calling the call centre once or twice a year then also these encounters, these moments of truth they are very important in building the customer’s perception of the service firm.

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THE FRONTLINE IN LOW-CONTACT SERVICES

- These very few instances of contact determine whether a customer thinks-
 - “Your customer service is excellent!”
 - When I need help, I can call you, and this is one important reason why I bank with you!” } loyal
 - Or “Your service stinks.”
 - “I don’t like interacting with you, and I am going to switch away from your bank when I get the chance!” } waiting for the chance

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These very few instances of contact determine whether a customer thinks, what? First, your customer service is excellent, so when I need help I can call you and this is one important reason why I bank with you; or your service stinks, I do not like interacting with you and I am going to switch away from your bank when I get the chance. So, the person here is waiting for the chance, as soon as he gets the chance he will switch. While here the customer is loyal, he will talk good about you to others.

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THE FRONTLINE IN LOW-CONTACT SERVICES

- Given that technology is relatively commoditized, the service delivered by the frontline, whether it is *face-to-face*, “*ear to ear*,” or via *email*, *Twitter* or *chat*, is highly visible and important to customers and, therefore, a critical component of a service firm’s marketing strategy.


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So, given that the technology is relatively commoditized the service delivered by the front line whether it is face to face, ear to ear, or via email, twitter or chat is highly visible and important to customers and therefore a critical component of a service firms marketing strategy.

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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- The Service–Profit Chain needs high-performing, satisfied employees to achieve service excellence and customer loyalty.
- However, these customer-facing employees work in some of the most demanding jobs in service firms.
- Let's discuss the main reasons why these jobs are so demanding.



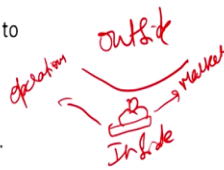
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The frontline work is difficult and stressful, the service profit chain needs high-performing satisfied employees to achieve service excellence and customer loyalty, so this chain that moves from services to profit that needs high performing and satisfies employees to achieve the service excellence and customer loyalty to move the service to profits. However, these customer-facing employees work in some of the most demanding jobs in the service firms. Let us, discuss the main reason why these jobs are so demanding.

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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- **Service Jobs Are Boundary Spanning Positions-**
 - Service Employees link the inside of an organization to the outside world, operating at the boundary of the company.
 - Due to the position they occupy, boundary spanners often have conflicting roles.
 - In particular, customer contact personnel must attend to both operational and marketing goals.
 - This multiplicity of roles in service jobs often leads to role conflict and role stress, which we will discuss next.



The diagram shows a hand-drawn figure of a person sitting at a desk. Two arrows originate from the person: one points to the word 'operation' and the other points to the word 'marketing'. The word 'outside' is written above the person, and 'inside' is written below the desk, indicating the person's role as a boundary spanner between the internal and external environments.



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The first is service jobs are boundary spanning positions. Service employees link the inside of an organization to the outside world operating at the boundary of the company. So, here it is the boundary and here is that person sitting somewhere this is inside and this is the outside, now this person, this person is responsible is the link between the inside and the outside of the organization. So, due to the position they occupy boundary spanners often have conflicting roles. In particular customer contact personal must attend to both operational and marketing goals, this multiplicity of roles in service jobs often lead to role conflict and role stress that we will discuss in next. So, now you see that these people, they are also into marketing and they are also into operations.

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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- **Sources of Role Conflict-**
 - 1- *Organization/Client Conflict-* Customer contact personnel must attend to both operational and marketing goals. They are expected to delight customers, which takes time, and yet they have to be fast and efficient at operational tasks. → increase productivity → Company
 - 2- *Person/Role Conflict-* Service staff may have *Reduce waiting lines* conflicts between what their job requires and their own personalities, self-perception, and beliefs.

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Let us, look at the sources of role conflict. The first such source is the organization and the client conflict, customer contact personnel must attend to both operational and marketing goals, they are expected to delight the customers which takes time and yet they have to be fast and efficient at operational tasks. So, this will increase the productivity that will be good for the company and it will also reduce or the waiting lines, so more number of customers can be serviced in the same time. The second is the person and role conflict, service staff may have conflict between what their job requires and their own personalities, self-perceptions and beliefs.



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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- 3- *Interclient Conflict-* Conflicts between customers are not uncommon (e.g., smoking in non-smoking sections, jumping queues, etc.). This is a stressful and unpleasant task, as it is difficult and often impossible to satisfy both sides.

- Although employees may experience conflict and stress, they are still expected to smile and be friendly towards the customer. We call this emotional labor.
- Next, let's look at emotional labor in more detail.




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The third such source of stress is interclient conflict; conflicts between customers are not uncommon. For example, smoking in a non-smoking sections, so the other people will object to it, jumping the queue someone comes late and wants to get into the queue, so then what that will lead to interclient conflict. So, this is a stressful and unpleasant task, as it is difficult and impossible to satisfy both the sides. Although employees may experience conflict and stress, they are still expected to smile and be friendly towards the customer and this is called as emotional labor. So, they may be facing conflict and stress, but they are smiling also at the same time and that leads and that is what is called as emotional labor. Now, let us look at emotional labor in some more detail.

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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- **Emotional Labor-**
 - Emotional labor arises when a discrepancy exists between how frontline staff feel inside and the emotions that management requires them to show in front of customers.
 - There will inevitably be situations when employees do not feel such positive emotions, yet are required to suppress their true feelings in order to conform to customer expectations.
 - Pannikkos Constanti and Paul Gibbs point out, “the power axis for emotional labor tends to favor both the management and the customer, with the front line employee...being subordinate.” thus creating a potentially exploitative situation.




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So, emotional labor arises when a discrete discrepancy exists between how frontline staff feel inside and the emotions that management requires them to show in front of the customer, so that emotional labor is that you are feeling different inside, but from the outside you have to be smiling. There will inevitably be situations when employees do not feel such positive emotions yet are required to suppress their true feelings in order to conform to customer’s expectation. Now these 2 people they point out the power access for emotional labor tends to favour both the management and the customer with the frontline employee being subordinate thus creating a potentially exploitative situation. So, now what he does is good for the company and it is also good for the customer but then he is being exploited himself.

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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- **Emotional Labor-**
 - Firms need to be aware of ongoing emotional stress among their employees, and
 - Make sure that their employees are trained to deal with emotional stress and cope with pressure from customers, as well as get support from their team leaders.



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Firm needs to be aware of ongoing emotional stress among their employees and make sure that their employees are trained to deal with emotional stress and cope with pressure from customers as well as get support from their team leaders. So, that is the emotional labor, they are feeling different inside, but they have to put up a different kind of face outside. And when for that and for helping the employees to do that, then the companies they have to give them training to deal with emotional stress and how to cope with this kind of pressure from the customers.

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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- **Service Sweatshops-**
 - As a result of the growing shift from high-contact to low-contact services, a large and increasing number of customer contact employees work by telephone or email, never meeting customers face-to-face.
 - At worst, these jobs place employees in an electronic equivalent of the old-fashioned sweatshop.



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Next is the service sweatshops. As a result of growing shift from high contact to low contact services a large and increasing number of customer contact employees work by telephone or email never meeting the customers face-to-face. At worst these jobs place employees in an electronic equivalent of old-fashioned sweatshop.

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FRONTLINE WORK IS DIFFICULT AND STRESSFUL

- **Service Sweatshops-**
 - For example, even in the best-managed call centers the work is intense, with CSRs(Customer Service representatives) expected to deal with up to two calls a minute (including trips to the toilet and breaks) and under a high level of monitoring.
 - There is also significant stress from customers themselves, because many are irate at the time of contact.




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For example, even in a best managed call centre the work is intense with CSR that is the customer service representatives expected to deal with up to 2 calls a minute including trips to the toilets and breaks and under a high level of monitoring. There is also significant stress from customers themselves because many are irritated at the time of the contact. So, now customers also they are irritated and they want the solution to their problem, while the CSRs that is the customer service representatives, they are expected to solve at least 2 problems for per minute.

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CYCLES OF FAILURE, MEDIOCRITY, AND SUCCESS

- After having discussed the importance of frontline employees and how difficult their work is, let's look at the big picture of how poor, mediocre, and excellent firms set up their frontline employees for failure, mediocrity, or success.
- Businesses with high employee turnover are often stuck in what has been termed the **Cycle of Failure**.
- Others, which offer job security but little scope for personal initiative and are heavily rule- and procedure- based, may suffer from an equally undesirable **Cycle of Mediocrity**.
- However, if managed well, there is potential for a virtuous cycle in service employment, called the **Cycle of Success**.



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After having discussed the importance of the frontline employee and how difficult their work is, let us look at the big picture of how poor, mediocre and excellent firm set up their frontline employees for failure, mediocrity or success. So, we are talking about the cycles of failure mediocrity and success. Businesses with high employee turnover are often stuck in what has been termed as cycle of failure. So, when high employee turnover is there that leads to the cycle of failure. Others, which offer job security but little scope for personal initiative and are heavily rule and procedure based may suffer from an equally undesirable cycle of mediocrity.

So in the first place when the customers they are, the employees they are leaving the organization too frequently then that is the cycle of failure. But, in the second case, although the employees are not leaving the organization, but because of the heavy rule and procedure that are followed by the organization, their behaviour is that of mediocrity, so that is called as the cycle of mediocrity. However, if managed well, there is a potential for virtuous cycle in service employment called as the cycle of success. So, now how to overcome these 2 cycles? So, that is by way of the cycle of success.

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CYCLE OF FAILURE

- The employee ***Cycle of Failure*** begins with a narrow design of jobs to accommodate low skill levels, an emphasis on rules rather than service, and the use of technology to control quality.
- Low wages are paid, accompanied by little investment in employee selection and training.
- The results for the firm are low service quality and high employee turnover.
- Managers ignore the long-term financial effects of low-pay/high turnover human resource strategies.




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So, let us look at the employee cycle of failure begins with a narrow design of job to accommodate low skill levels and emphasis on rules rather than service and the use of technology to control quality. Low wages are paid, accompanied by low investment in employee selection and training. The results for the firm are low service quality and high employee turnover. So, managers ignore the long-term financial effects of a low pay, high turnover human resource strategies.

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CYCLE OF FAILURE

- Failure to measure all relevant costs and revenue variables:
 - Cost of constant recruiting, hiring, and training.
 - Lower productivity of inexperienced new workers.
 - Costs of constantly attracting new customers.
 - Revenue:
 - Future revenue streams that might have continued for years.
 - Potential income lost from prospective consumers.



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Failure to measure all relevant cost and revenue variables, cost of constant recruiting hiring and training, so every time the employee leave you have to recruit and hire and do the training and obviously the new workers are inexperienced and they offer they will give lower productivity and the cost of constantly attracting new customers will also keep on increasing. The revenues, future revenue streams that might have continued for years and potential income lost from prospective consumers.

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So, this is the cycle of failure. So, now you see that this orange is the employee cycle, payment of low wages, leads to minimization efforts, minimization of selection efforts, minimization of training, employee becoming bored, employee dissatisfaction and poor service attributes, high employee turnover, poor service delivery, low profit margins and again narrow design of jobs to accommodate low skills and that will lead to use of technology to quality control and then again when technology is being used to, is used instead of people, so that will lead to payment of low wages. So, this is one cycle it keeps on happening. Now, what is meant by this low profit margin? It means high customer turnover and it also means repeat emphasis on attracting new customers.


So, you have, the employees are supposed to keep on attracting new customers and obviously attracting new customers is the most costly as compared to the returning the existing ones. Now, what is the impact of this narrow design of jobs to accommodate low skills? So, that is emphasis

on rules rather than service, this then it leads then the employee cannot respond to customer problems because they are not trained to that and then it leads to employee service dissatisfaction and poor service attitudes, etcetera, etcetera and then again that that outer level, so that is called as the customer cycle. So, customer is dissatisfied, so no continuity in relationship with the customer that leads to failure to develop customer loyalty that is higher customer turnover then again, repeat emphasis on attracting new customers, then again you have attracted new customers, but still you are not able to so you is you have attracted new customers, but customers are dissatisfied and again this cycle goes on.

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SERVICE SABOTAGE BY THE FRONTLINE

- The next time you are dissatisfied with the service provided by a service employee — in a restaurant, for example — it's worth pausing for a moment to think about the consequences of complaining about the service.
- You might just become the unknowing victim of a malicious case of service sabotage, such as having something unhygienic added to one's food.



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Service Sabotage by the frontline. The next time you are dissatisfied with the service provided by a service employee in a restaurant, for example, it is worth pausing for a moment to think about the consequences of complaining about the service. You just you might just become the unknowing victim of a malicious case of service sabotage, such as having something unhygienic added to one's food.

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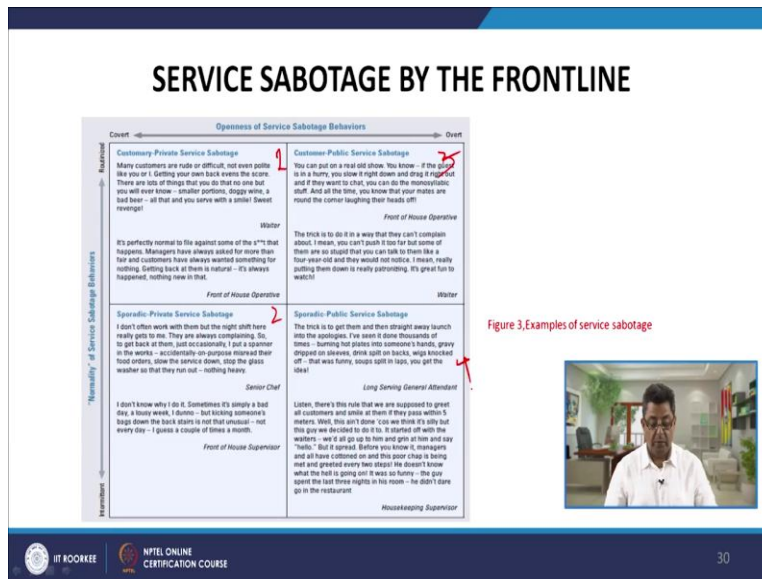


Figure 3, Examples of service sabotage

So, this is examples of service sabotage on the x-axis we have openness of service sabotage behaviour that it moves from covert to overt and then normality of service sabotage behaviour, again that moves from intermittent to routinized. So, what happen in this first sell, customer private service sabotage, many customers are rude or difficult not even polite like you and I getting your own back even this course, there are lots of things that you do, that no one but you will ever know, smaller portions, doggy wine, a bad beer, all that and you serve with a smile sweet revenge. So, that is the waiter.

Another is sporadic private service sabotage. So, one senior chefs says that I do not often work with them, but the night shift here really gets to me, they are always complaining, so to get back to them, so to get back at them just occasionally I put a spanner in the work, accidentally on purpose misread their all food order, slow the service down, stop the glass washer, so that they run out, nothing heavy. Of front-of-house supervisor says that I do not know why I do it, sometimes it is simply a bad day, a lousy week, I do not know but kicking someone's bags down, the back stair is not that unusual, not every day I guess a couple of times a month.


This customer public service sabotage, you can put on a real old show you know, it is if the guests in a hurry you slow in right down and drag it right out and if they want to chat you can do the mono symbolic stuff and all the time you know that you your mates are around the corner laughing their heads off. This fourth one is sporadic public service sabotage. The trick is to get

them and straightaway launch into the apologies, I have seen it done 1000 of times burning hot plates into someone's hand, gravy drift down sleeves, drink split on bags, wigs knocked off and that was funny, soups splits in laps you get the idea.

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CYCLE OF MEDIOCRITY

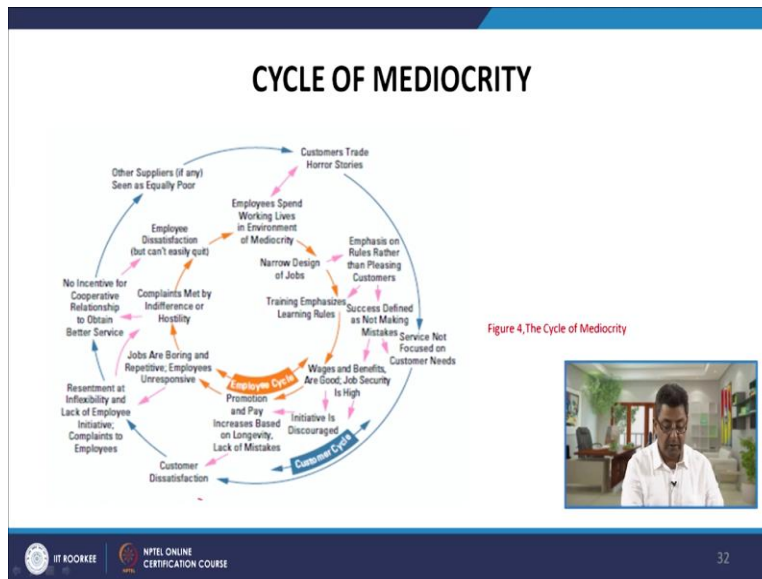
- The ***cycle of mediocrity*** is a vicious employment cycle found in large, bureaucratic organizations.
- In such environments, service-delivery standards tend to be prescribed by rigid rulebooks, oriented towards standardized service, and operational efficiencies.
- Faced with bureaucratic hassles, lack of service flexibility, and unwillingness of employees to make an effort to serve them well, customers can become resentful.



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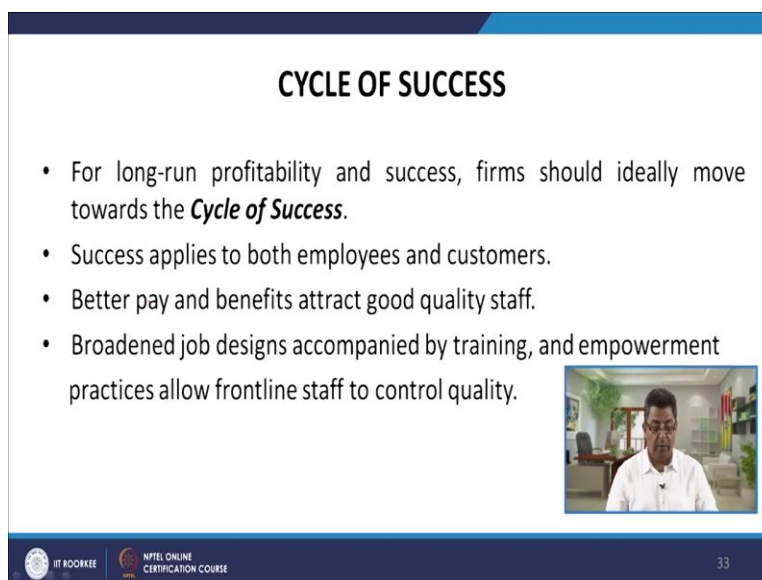
Next is the cycle of mediocrity. The cycle of a mediocrity is a vicious employment cycle found in large bureaucratic organizations. In such environment, service delivery standards tend to be prescribed by rigid rule books, oriented toward the standardized service and operational efficiencies. So, faced with bureaucratic hurdles, lack of service flexibility and unwillingness of employees to make an effort to serve them well, customers can become resentful.

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This is this cycle of mediocrity as we have seen the cycle of failure, so the customer trades horror stories and service not focus on customer needs, customer dissatisfaction and so on so forth. So, this is the customer cycle, inside is the employee cycle, so employees, so wages and benefits are good, job security is high that leads to initiative is discouraged on this leads to promotion and pay increases based on longevity, lack of mistakes and so on so forth.

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Let us, look at the cycle of success. For the long run profitability and success, firm should ideally move towards the cycle of success. Success applies to both employees and customers. Better pay

and benefits attract good quality staff, broadened job design accompanied by training and empowerment, practice allow front lines to control quality.

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CYCLE OF SUCCESS

- Employees are happier at work and provide higher quality service.
- Regular customers appreciate the continuity in service relationships.



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Employees are happier at work and provide high-quality service. Regular customers appreciate the continuity and services relationships.

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CYCLE OF SUCCESS

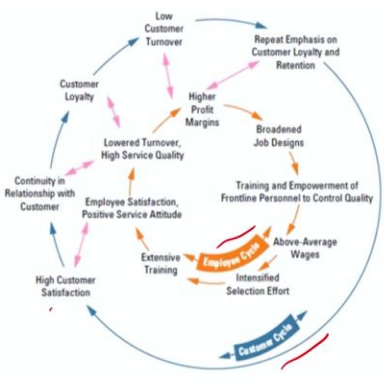



Figure 5, The Cycle of Success



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And this is the cycle of success again outside is the customer cycle inside is the employee cycle and this in this we have this high customer satisfaction continuity in relationship with customers,



customers loyalty, low customers turnover, repeat emphasis on customer loyalty and retention and then again there that leads to higher customer satisfaction.

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HUMAN RESOURCE MANAGEMENT — HOW TO GET IT RIGHT?

- Any rational manager would like to operate in the *Cycle of Success*.
- In this section, we'll discuss HR strategies that can help service firms to move toward this goal.
- Figure 6, shows the Service Talent Cycle which is our guiding framework for successful HR practices in service firms.
- We will discuss the recommended practices one by one in upcoming module.





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Now, let us look at the human resource management and how to get it right. Any rational manager would like to operate in the cycle of success, obviously. In this section, we will discuss HR strategies that can help service firms to move towards this goal. This figure 6 will show the service talent cycle, which is our guiding framework for successful HR practices in service firms. And we will discuss the recommended practice one by one in the upcoming module.

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HUMAN RESOURCE MANAGEMENT — HOW TO GET IT RIGHT?

Leadership that

- ▶ Fosters a strong climate for service with a passion for service and productivity
- ▶ Drives values that inspire, energize and guide service providers and leads by example
- ▶ Focuses the entire organization on supporting the frontline







Figure 6, The Service Talent Cycle – getting HR right in service firms






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This is the service talent cycle the getting HR write in this firm. So, it is start with hiring the right people first, the second is enable your people and the third is motivate and energize your people. So, these are the 3 things that are there in this service talent cycle, hire the hiring the right people enabling them and then motivating and energizing the people. And that is what the leadership does, so leadership that foster strong climate for service with a passion for service and productivity, drives values that inspire, energize and guide service providers and lead by example, focuses the entire organization on supporting the front line. So, this is what leadership does and that leads to hiring the right people, enabling the people and motivating and energizing them. So, we will talk about each of them in detail.

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CONCLUSION

- In this module we learnt why service employees are so important to the success of a firm.
- Understood the factors that make work of frontline staff so demanding and often difficult.
- Described cycles of failure, mediocrity and success in HR for service firms.
- Understood key elements of Service Talent Cycle of successful HR management in service firms.





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Now, to conclude this module, in this module we learned why a service employees are so important to the success of a service company. We have understood the factors that make work of front-line staff so demanding and often so difficult. Then we have described cycles of failure, mediocrity and success, so we have talked about 3 types of cycles, cycle one is cycle of failure, another cycle of mediocrity and the third is cycle of success. In human resources for service firms, we have understood key elements of service talent cycle of successful HR management and service firms.

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These are the three books from which the material for this module was used. Thank you.