

Service Agility: A Crucial Component of Service Strategy?

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As service firms continue to quest for greater degrees of service quality in order to attain greater customer satisfaction and loyalty, a significant disconnect is revealed in determining how that is specifically done. Whereas service quality is measured mainly through a measurement of the cross section of the firm's customer base, the reality of capturing quality in the services context is heavily dependent upon serving the needs of the individual consumer.

Consider, as an example, customers waiting in queue at a full-service bank. The first customer may be in the bank to cash a paycheck, which would contrast greatly against the goal of the second customer who is in the bank to apply for a home loan, or the third wishing to withdraw ten thousand dollars in small bills and change. It is not a great departure, then, to imagine that service quality for all three customers would be designated by the ability of the service providing bank teller to exhibit different attributes for each customer: perhaps speed for the first customer, empathy for the second, and accuracy for the third.

Services research often focuses on the ability of the firm to maintain high levels of service quality. Thus, services research tends to measure customer satisfaction in the services realm in a similar way satisfaction is measured in the goods realm: maintaining consistency and formalizing processes in order to boost customers' perceived service quality. This research largely ignores the reality that service quality is not derived from consistency. On the contrary, judgments of quality in a service transaction are based upon the ability of the service firm to adjust its service offering to the particular needs of the consumer.

The importance of flexibility in services has been argued in some services literature. One particular study (Bitner et al. 1990) noted that when customers of services transactions were asked to recall service transactions that either went well or went poorly, fully one hundred percent of the subjects of these recalled "critical incidents", whether for good or ill, related directly to the degree of reaction or responsiveness that the service worker displayed during the transaction. Another study (Gwinner et al. 2005) posits two important traits that front-line service workers must possess in order to be effective. First, service workers must be able to adapt their behavior to be compatible with each customer they service. Second, service workers must be able to understand the customer's concern well, and match their concern with the appropriate service that the firm offers (or manipulate the service offering in the way that the customer desires, if need be).

However, the literature on flexible services generally is constrained to the level of interaction between service worker and customer. The purpose of this research is to delve into the managerial strategy options that could be invoked in order to elicit the proper degrees of adaptive behavior from front-line service employees. For this dissertation, a new multidimensional construct of Service Agility is proposed and tested.

In doing this, the inherent agency problem of the management-employee relationship is recognized. Management will find difficulty in determining a) if the employee is engaging in adaptive behavior with customers, and b) if the employee has the ability to engage in adaptive behavior at all. Additional antecedents of service agility,

such as the creativity of the top management team, the management's commitment to service quality, and the customer co-production solicited are also tested as antecedents.