

# Customer role in public service operations

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## Abstract

Pressure to serve ‘citizen-customers’ better and more cost-efficiently has urged the public to adopt commercial sector operations management practices. However, multiple goals of public services and conflicting stakeholder requirements complicate the task of fulfilling customer needs and expectations. This paper intends to clarify the customer role in public service operations.

**Keywords:** customer roles, public services

## Introduction

The idea of the customer that needs to be “served” has over a longer period of time infiltrated the realms and discourse of public administration. Public services are compared with services provided by private organizations and often deemed to operate less efficiently and effectively (Rainey and Chun, 2009, p. 71). There is pressure to serve “customers” better and faster, although resources are limited, and commercial practices such as customer satisfaction surveys are being carried out to measure public sector performance (for different examples of this, see Jos and Tompkins, 2009). According to Hartley and Skelcher (2008, p. 7), there will be new kinds of interchange and adaption between management in the public, private and not-for-profit sectors due to increased permeability.

Authors who have aimed to apply practices developed for business operations in the public sector have run into difficulties with identifying “the ultimate” customer (see for example Arlbjørn et al. 2011, and Martins et al. 2007). Arlbjørn et al. (2011, p. 280) concluded that in the public service sectors, “the ‘customer’ side is not as well-defined an entity as it is for private enterprises”. Depending on the service and circumstances, public service providers may have many stakeholders that could be called “customers”, and these stakeholders’ goals and needs may be in conflict, and depend upon political conviction (Arlbjørn et al. 2011, p. 280).

This conceptual paper aims to discuss the following questions: *Who is the customer for public service providers? What role(s) does the customer have in public service operations, and how will the role(s) come into play?*

## Public service operations

Service operations can be described as "the configuration of resources and processes that create and deliver service to the customer" (Johnston and Clark, 2008 p. 4). There are many different types of services, which make it difficult to come up with an all-encompassing definition, but characteristics commonly ascribed to services are that they are intangible, cannot be inventoried and are produced and consumed simultaneously. Contrary to manufacturing, the production system is not closed or isolated from the customer, but the customers generally take part in the service process through interactions with employees and facilities (Fitzsimmons and Sullivan, 1982, p. xiii and 15). In fact, services can be described from a customer point of view as "the [(overlapping)] combination of the customers' experience and their perception of the outcome of the service." (Johnston and Clark (2008, p. 7) The service experience usually includes the customer's personal interaction with the organization's staff, technology and facilities, while the outcome includes benefits, emotions, judgments and intentions (Johnston and Clark, 2008, p. 8).

The major part of what the public does falls into the category of services. Examples of services provided by the public are among other *safety, justice, health, education, infrastructure, a clean environment, and social order* (see for example Grönroos and Monthelie, 1988).

### Characteristics of the public sector, and the services provided by the sector

Services provided by the public sector are not the same as services provided by commercial actors. The differences are many, but the most important to highlight in this paper relates to why public service providers exist and for whom the services are provided.

Public services exist because groups of individuals, communities or society as a whole have concluded that neither individuals nor private companies can provide certain necessary functions in a suitable way. What is deemed suitable depends, but as reasons for the existence of public organizations Hartley and Skelcher (2008, p. 8) talk about the fear of market failures and the presumed unlikelihood that the operations will work effectively in shorter or longer term. The starting up or taking over of certain functions or services by the public is often justified by some higher values or principles, that goes beyond the desires of individuals, that "must" be taken into account for moral reasons. In practice however, the accumulated or collective needs are usually under formal control of politicians, i.e. elected representatives of wider constituencies and stakeholders, with a democratic mandate to represent the whole (Hartley and Skelcher, 2008, p. 8).

When it comes to for whom a service exists, it is less straightforward than in the private sector. The problem of defining the customer and serving the customer better becomes especially problematic for organizations that have both a service function and an authority function (Grönroos and Monthelie, 1988, p. 33). These organizations are supposed to offer services that fulfill the needs of the citizens, while at the same time ensuring that all citizens' legal rights are protected (Grönroos and Monthelie, 1988, p. 33) - it can be difficult to balance the individual citizen's desires and needs with the demands of society as a whole. In addition to this, the public sector is considered to create both private value – for the individuals involved in a service – and *public value*. Public value is consumed collectively by the citizenry, contrary to private value that is individually consumed by clients (Moore 1995, in Alford and Yates, 2014, p. 337). In other words, the public service provider faces demands from at least two levels: the collective or accumulated demand level, and the individual demand level. As an example of this, Martins et

al. (2007, p. 761) noticed in the case of justice, that customers exist both on the level of the individuals or entities that submit cases to courts, and on the level of the society as a whole, since it benefits from the social equilibrium that follows from the “production” of justice.

Another important difference between the public and the commercial service provider, that relates to the identity of the “customer”, is that citizen’s usually have the *right* to receive a service package, sometimes even without paying for it. The public can most often not refuse citizens, who meet the eligibility criteria, to receive the service (Hartley and Skelcher, 2008, p. 7). On the other hand, citizens not only have rights but also responsibilities towards the state. Some public services are such that citizens are unwilling to use them, and citizens might try to avoid “being exposed” to the services in question. Examples of such services are the collection of taxes, correctional treatment and sometimes even health care. In these situations, usually there is some other stakeholder who benefits from the outcome of the service that the citizen is obliged to take part in. The particular characteristics of the state authority function entails that the public can remind unwilling citizens of their duties and require them to submit to obligations (Hartley and Skelcher, 2008, p. 8).

## **Customer role(s) in public service operations**

The customer do not necessarily have to be a “customer”, but can be called *consumer, user, beneficiary, client, patient, student, ward, citizen, subject* etc., depending on the situation (Johnston and Clark, 2008, p. 5; Jos and Tompkins, 2009). No matter the title, the stakeholder or actor taking part in the service actor can have one or several roles in different stages of the process. Sampson and Spring (2012, p. 30) propose eight roles that the service-customer can have, i.e. component supplier, labor, design engineer, production manager, product, quality assurance, inventory, and competitor. These eight roles will serve as a basis for the following discussion about the customer role(s) in public service operations, but will be renamed since the terms used by Sampson and Spring (2012) comes from a manufacturing setting. Additional categories of customer roles will also be added.

*Service object.* The service object is the individual that gets exposed to the service, or in other words, to whom the service activities are directed. Sampson and Spring (2012, p. 34) uses the term “product” to describe this customer role, but that form associations with something physical being processed. The service object is preferred for the public setting; it could be a user or consumer of the service, but since the public can use its authority to force individuals to fulfill their responsibilities, the term *object* encompass also situations where service “users” are unwilling recipients of the service, for example (and presumably) in the case of prisoners. Also the collective level customer can be a service object, for example in legal processes where the state is one of the parties.

*Input provider.* The input provider supplies the service process with physical and/or intangible inputs. Sampson and Spring (2012, p. 32) use the term “component supplier” which refers to the fact that the service customers supply the service provider with their minds, bodies, belongings and information. In the public setting, information is probably one of the most important and common inputs, since many public services requires individuals and entities to submit forms, statements and other information. The inclusion of the mind and body brings this category very close to the service object role, but it must be noticed that different stakeholder can be involved simultaneously in the service process, and one stakeholder can for example provide their mind as input, while the service is directed towards another service object.

*Labor.* The customer can take on the role of labor when some of the service process tasks are performed by the customer instead of the public employees (Sampson and Spring, 2012, p. 32). The development in technology has enabled organizations to offer solutions through which individuals can do more and more tasks themselves remotely from the service provider. Internet banking is an illustrating example from the commercial sector, but also in the public individuals are being able to fill out forms or submit information online. Self-service technologies can give customers increased control of the process (Sampson and Spring, 2012, p. 33) but can also make great demands on the customer. If he or she lacks ability to take on the role as labor, the service experience could be negative.

*Requirement agent.* Sampson and Spring (2012, p. 33) calls the service customer, who is an expert on his or her own desires and therefore has an opinion on the service delivery process, the “design engineer”. This term however suggest that the customer has a very active role in designing the process, which is not necessarily the case in the public setting. As an example; the offender and the victim in a criminal procedure might have needs and desires relating to what justice is and how it should be provided (or not) in their case, but the process and some aspects of the outcome are regulated in procedural laws. The *requirement agent* is here suggested as a more appropriate term for this role.

*Production manager.* The production manager executes the productive processes. Since the service is created through interaction with the customer, the customer can direct and influence some aspects of the service provider’s activities, and even influence the behavior of other customers (Sampson and Spring, 2012, pp. 33-34). The production manager’s tasks include the decision on the timing and sequencing of the production (Sampson and Spring, 2012).

*Quality assurance.* Quality assurance is about managing and evaluating the quality of input, production processes and the outcome of the service. Since services needs the involvement of a customer, the quality of the process and outcome can depend on the efforts made by the customer – as an example of this, Sampson and Spring (2012, p. 34) gives the case of how the level of preparation for a class influence the student’s experience.

*Inventory.* Efficiency is important also in service operations and the time used for completing the service can impact the service experience (Sampson and Spring, 2012, p. 35). “Inventory” is a strange term for a service customer role, since services cannot be inventoried, but individuals or service cases can be put in a queue. The primary reason why customers are kept waiting is lack of capacity or overload of customer inputs (Sampson and Spring, 2012, p. 35).

*Change agent.* The change agent inspires the organization to improve its performance. Sampson and Spring (2012) uses the term “competitor” as the force that motivate performance improvements, but since public services are provided by monopolies, competition doesn’t exist. However, there is pressure to change, manifested in public opinion polls and political party agendas.

One role that needs to be added for the public service setting is the *financier*. In the commercial setting, the customer is usually the one that selects and pays for the service, because he or she wishes to receive the service package, i.e. the combination of the experience and the service outcome (Johnston and Clark (2008, p. 7). This is not necessarily the case for public services. Individuals may not have chosen to be involved in a service process, and the may not pay for the service provided, or alternatively that pay only a small amount. The service process could instead be financed by the state purse or insurance companies.

Since it has been argued in this paper that customers exist on at least two levels, the roles might be a bit different depending on the level of customers that is considered. Table 1 presents some examples of how the roles come into play on the different levels. Note however that the individual level includes many different actors and stakeholders, and that several individuals and entities can be involved in the same service process, and then have different roles. In practice, the collective level customer could be difficult to perceive in the particular case.

*Table 1 How roles come into play on the individual and collective level*

Role	Individual level	Collective level
Service object	Through usage, consumption etc.	Through usage, consumption etc.
Input provider	Through the supply of mind, body, belongings or information	Not applicable
Labor	Through the performing of employee tasks	Not applicable
Requirement agent	Through individual needs and characteristics, and circumstances in the particular case	Through laws and regulations about the public organizations and the service process
Production manager	Through decisions on timing and sequencing	Through regulations regarding timing and sequencing
Quality assurance	Through managing one's own activity and input in the process	Through scrutiny in public debate
Inventory	Through queues	Not applicable
Change agent	Through customer feedback	Through public opinions and political party agendas
Financier	Through payments for the service	Through allocation of public resources to the service

## Managerial implications

This paper has suggested several roles that customers, on two levels, can have in public service operations. The realization that there is not only one customer in public service operations, but instead that different stakeholders or actors are involved in different phases of the process, or that one actor could have different roles, have important implications for the public service management.

Realizing what role a particular stakeholder has in a certain situation could be helpful in providing services better and faster. Sampson and Spring (2012, p. 43) claim that service providers can manage service processes by enhancing or reducing customer roles, for example by taking actions that shifts a proportion of the customer-as-component-supplier role over to the customer-as-labor role. An illustrating example of this could be to design IT systems so that citizens can fill in their income-tax return forms online instead of having tax office personnel transfer information from paper forms into the IT system – and the tax office personnel can then focus on more demanding tasks. However, citizens (or other customers) may have little knowledge about the process and when they should or could interact with service provider personnel. The customer shouldn't therefore be blamed for not understanding what roles he or she has or could have. Dadfar et al. (2013, p. 53) found that proper management of customer involvement has positive effects, and leads to greater productivity and customer satisfaction.

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