Chapter 6
Structuring the Service Encounter:
A Test of Alternatives

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ABSTRACT

This chapter presents an analysis of the influence of three forms of structuring the service encounter (standardization, spontaneity, minimal structure) on the perception of service quality and job satisfaction. The authors performed two studies (experimental and correlational). The results point to the existence of higher levels of job satisfaction and service quality under the use of minimal structures. There is an element of originality in this study since it empirically explores the application of minimal structures to the service encounter and the findings help practitioners to make more informed choices about the structures they adopt for the management of service encounters.

INTRODUCTION

The way the service encounter is managed by companies and delivered by front-line employees influences customer perceptions of service quality (Svensson, 2006). Service structure, the quantity and quality of instructions for managing the service encounter, can then be viewed as a relevant theme

for both researchers and practitioners. Different organizations manage the process in distinct ways, with two poles of the service encounter management process: tightly scripted standardization versus an informal/spontaneous approach.

We study the differential impacts of service encounter structures and test whether the introduction of a third type of structure, *minimal structures*, can improve customer perceptions of service quality. It is hypothesized that the use of

minimal structures provides front-line employees with a synthesis of freedom and constraint which promotes the "quality cycle," producing positive impacts in terms of service quality (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Lovelock & Wirtz, 2011; Walker, Johnson, & Leonard, 2006; Zeithaml, Bitner, & Gremler, 2006).

With this goal in mind, we organized this chapter around the following blocks. First, we contrast three types of service encounter structures: informal/spontaneous, standardized, and minimally structured. In the empirical section, we explain the experimental and correlational studies that were conducted in order to test which type of structure produces better perceptions of service quality and job satisfaction. Findings are then presented and commented. The chapter closes with a discussion of the effectiveness of minimal structures. Limitations and suggestions for future research are suggested.

STRUCTURING THE SERVICE ENCOUNTER

A service encounter may be structured in several ways. We consider three possibilities: spontaneous/informal, standardized, and minimally structured. In the case of standardized service, the front-line employee has to perform all the service requirements which are pre-defined in manuals. The front-line employee evaluation is done by an analysis of the gaps in relation to established behaviors. This type of structure creates great stress for the employee (Schneider & Bowen, 1995), but encourages customers to expect a certain stable level of service (Lashley, 1997). This structure has been discussed by Levitt (1972), who adapted an industrial logic of production to service management.

In the spontaneous approach, the front-line employee has no explicit instruction about the behavior that (s)he should exhibit in the service encounter. (S)he performs according to her/his *a*

priori abilities, on-the-job learning and discernment. The use of this type of (absence of) structure is related to one of two situations: (1) it can be the result of poor management of service encounters, or (2) the attempt to accomplish participative management and employee empowerment. This second situation is more likely when the organization provides completely customized solutions for idiosyncratic customer needs.

The third approach, the minimally structured service, defines some of the "big" rules which establish the fundamental rules of service (Cunha & Cunha, 2006; Kamoche & Cunha, 2001), but simultaneously allows some creativity and adjustment in response to each situation. The definition of behavior guidelines allows front-line employees to adjust the service interaction while it is taking place (Cunha, Rego & Kamoche, 2009; John, Grove & Fisk, 2006), to customer-specific needs while remaining within known parameters (e.g., deadlines, individual responsibilities, goals). Many customers search for an approach that recognizes them as individuals with distinct needs and that stimulates flexible behavior (Lovelock & Wirtz, 2011), although within "professional" parameters defined by a trustworthy organization. In this case, the front-line employee has information about basic rules, but has the freedom to adjust her/his behavior to each particular case and to perform autonomously in matters such as discounts, orders, and offers. The front-line employee is also aware that with authority comes responsibility. Her/his decisions are her/his responsibility and (s)he is encouraged to use common knowledge to decide and to use her/his authority for taking judicious, responsible and effective decisions with regard to the customers' needs and wishes.

Behavioral flexibility leads to less stress, more job satisfaction, and lower turnover (Schneider & Bowen, 1995). In relation to customers, the behavior flexibility of the front-line employee is expected to create the perception that superior service is being delivered. It is also expected that behavior flexibility improves customers'

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