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DISSERTATION

*A SERVICE PROFIT CHAIN FOR PUBLIC SERVICES: AN
INVESTIGATION IN AN IRISH LOCAL AUTHORITY
CONTEXT*

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ABSTRACT

Services continue to occupy an ever-increasing proportion of the national and international economy. This has changed how many businesses operate and design their service. Public services have responded to this changing dynamic also, with the Irish public service implementing several programmes aimed at continual improvement. The Department of Public Expenditure and Reform Plan 2014-2016 targets improved service delivery through an increase in efficiency, a focus on service users and the integration of appropriate private sector models.

The purpose of this paper is to contribute to this aim by investigating the Service Profit Chain model, and its viability towards public service. The Service Profit Chain is a well-regarded form of service design, which establishes links between employee satisfaction, productivity and business outcomes. An adapted version of the model is produced reflecting the differences of public service, entitled "*The Public Service Chain*". The objective of the research is to test this model and assess its feasibility.

A case study via semi-structured interviews of ten staff at an Irish local authority was undertaken. This allowed for a limited test of the model's viability based on the perspective of employees. An employee focus was necessary as it was not possible within the scope of the paper to examine all elements of the chain. The approach is relevant as employees in the model are the key determinate to service delivery.

The findings reveal support for the implementation of the model, and the belief that if applied organisational outcomes would improve. Therefore, the research supports the model's viability. The implication of this is that it may assist public service management in the attainment of improved public service delivery. Accordingly, the research and model contribute to the overall advancement of theory and body of knowledge. However, the research is limited and further study is recommended.

Key Words: Service Profit Chain, Public Services, Service Provision Excellence, Internal Service Quality, Public Service Chain, Employee Satisfaction. Irish Local Authority, Services Marketing

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LIST OF ABBREVIATIONS

NPM	New Public Management
SPC	Service Profit Chain
PSC	Public Service Chain
ISQ	Internal Service Quality
HRM	Human Resource Management
IPA	Institute of Public Administration
DCC	Dublin City Council
DPER	Department of Public Expenditure and Reform
OECD	Organisation for Economic Co-operation and Development
OD	Organisational Design
L&D	Learning and Development
RRA	Rewards, Recognition and Accountability
PM	Performance Management
GDP	Gross Domestic Product
SMI	Strategic Management Initiative
DBG	Delivering Better Government

CHAPTER 1 INTRODUCTION

'There are rarely satisfied customers without satisfied employees'

(Hallowell & Schlesinger, 2000, p. 209)

The global economy has shifted from its manufacturing origins to services. This new paradigm has resulted in services now occupying an ever-increasing percentage of national and international economies (Hong *et al*, 2013). According to Schlesinger & Heskett (1991) with this changed landscape comes a need to change the way businesses operate, advocating a service design based on the needs and expectations of the customer.

Public services have not been immune to this revolution. Public sector bodies have realised that their services must improve and meet the expectations of the public, their customers (Wisniewski, 2001). Public Services provide a varied array of services which are essential to the functioning of the economy and society (DPER, 2011). A report by the Institute of Public Administration (IPA) on public sector reform catalogues many initiatives over the past twenty years to improve public services, yet acknowledges there is still scope for improvement (IPA, 2014). This is echoed in the Public Service Reform Plan 2014 – 2016, where a focus on service users, efficiency and the introduction of new innovative models for service delivery is advocated (DPER, 2014).

The aim of this research paper is to assist in this continual improvement context, via the investigation of a private sector service delivery model. The paper will first review the global shift towards services and the current situation of public services in Ireland. The paper will then explore the Service Profit Chain (SPC) model and its suitability towards public services.

The SPC is a strategic framework that establishes relationships between employee satisfaction, productivity, service value, customer satisfaction and profitability (Heskett et al., 1994, 1997). The sine quo non of the model is that employee satisfaction is a key driver to customer satisfaction and a firm's success.

The SPC was chosen because it is a well-established model for implementing a linked strategic service and has broad support in the literature (Loveman, 1998; Myrden et al., 2015; Kamakura et al., 2002). However, Morris (1998) identified a gap in the model, no reference is made to non-for-profit organisations such as public services. This gap has been studied by several academics who have modified the SPC to reflect organisations which are not profit driven (Wisner et al., 2005; Davis, 2006; Heintzman & Marson, 2005). There is commonality across the modified SPC's where the main output is altered from profitability to outcomes such as customer satisfaction or metrics relating organisational success. This paper will review these models in the context of the original and create a bespoke model for the public sector, entitled the Public Service Chain (PSC).

The primary objective of the research will be to carry out a test of the PSC to assess its viability for further study and possible implementation. However, this test will be limited as it is not feasible to test every link in the model within this research. Accordingly, it is proposed to focus solely on employees as this group is the key driver of customer satisfaction and organisational outcomes (Davis, 2006).

The antecedent to employee satisfaction and performance in the model is Internal Service Quality (ISQ), which relates to workplace design, job design, employee selection and development, rewards and recognition et al. (Heskett et al., 1994, 1997). Therefore, by proposing changes to each of the main criteria of ISQ as per the model it will be possible to ascertain employee's acceptance or otherwise to the implementation of the PSC. Furthermore, by querying the effect proposed implementation of ISQ may have on organisational outcomes, a limited test of the PSC can be achieved.

The research will also seek to gain further insights into the current level of ISQ experienced, how organisational outcomes are assessed and overall opportunities and barriers that may exist towards implementation of the PSC.

Various research methodologies will be explored to achieve the objectives. A mono qualitative approach using a holistic case study via semi-structured interviews will be utilised as it is considered the most practical mechanism given the papers constraints (Saunders et al., 2007). The sample profile will comprise of employees at an Irish local authority and questions will be carefully crafted to elicit relevant information from participants.

The interviews will then be reviewed using thematic analysis to synthesis the key findings (Braun & Clarke, 2006). The meaning and implications of these findings will then be examined and discussed in the context of the research objective. Finally, inherent limitations in the research will be detailed along with proposed recommendations.

A key aim of the Irish Public Service is to continually improve organisational outcomes such as service efficiency and customer satisfaction (DPER, 2014). This paper will contribute to that aim by providing an insight into whether or not the PSC is acceptable to employees in an Irish local authority, what their attitudes are to the model and whether or not they believe it will improve organisational outcomes. Therefore, the findings of this research paper will contribute to the theory, body of knowledge and indicate if further study into the model is warranted in relation to its possible use in the future.

CHAPTER 2 LITERATURE REVIEW

2.1 INTRODUCTION

The following literature review provides the background, rationale and theoretical framework which guide the research questions. Firstly, the global shift towards services is examined and its effect on public services. The need for continual improvement and service orientated strategies is established in the Irish public service context. One model, the Service Profit Chain (SPC) which focuses on service delivery is chosen to explore further, with academic and business insights into the model being presented. The literature is then reviewed to see how the model can be altered to the public sector where profit is not the output. Finally, the Public Service Chain (PSC) is created and presented as an adapted version of the Service Profit Chain tailored to public services.

2.2 BACKGROUND

2.2.1 *Global Shift to Services*

Lovelock and Wirtz (2007, p. 6-7) explain that services now dominate the modern economy, especially in developed economies. This position is supported by the Central Intelligence Agency (2011, as cited in Hong et al., 2013) who state that the service sector currently accounts for over 63% of the worlds Gross Domestic Product (GDP) and over 76% of the United States GDP. Even those working within the classification of the manufacturing sector still perform service roles (Horwitz & Neville, 1996).

For many companies, the traditional model of industrial production is obsolete as it does not meet the needs of the customers, employees and shareholders (Schlesinger & Heskett, 1991). Hong et al. (2013) argue that customer orientated service excellence has become a critical determinant in the profitability of a firm and business models must reflect this.

Public service organisations have recognised this shift towards improved service quality which is customer orientated (Wisniewski, 2001). The New Public Management (NPM) is an approach to running public services using many private sector techniques in an effort to modernise and improve performance, being used extensively internationally since the 1980's (Gultekin, 2011; Andrews & Van de Walle, 2013).

2.2.2 Public Services in an International and Irish Context

The fundamental purpose of the public sector is to provide services to the public based on state legislation and governmental policies (Davis, 2006). There is a large body of research which highlights that public sector organisations globally have undergone dramatic reform since the 1980's and 1990's. The most significant change has been the embracing of private sector models in public management (IPA, 2014; Davis, 2006).

Ireland too has responded to this changing environment and introduced programmes which espouse improved service delivery and efficiency (IPA, 2014). The Strategic Management Initiative (SMI) and Delivering Better Government (DBG) programmes in 1994 and 1996 respectively, were the first attempt to react to the changing landscape of service delivery (IPA, 2014). Further modernisation efforts took place in 2008 with the Organisation for Economic Co-operation and Development (OECD) report. Most recently the Public Service Reform Plan 2014 – 2016 has focused on continuing improvement, acknowledging the need to enhance services by the adoption of appropriate models (DPER, 2011, 2014).

The Service Profit Chain will be explored in this context in relation to its suitability to public services, as it is a well-established form of Service Design (Steinke, 2008; Loveman, 1998; Myrden et al., 2015).

2.3 THE SERVICE PROFIT CHAIN

In the early 1990’s the Service Management faculty at Harvard Business School, led by James L. Heskett introduced a new model for understanding the sources of profitability and growth within service organisations. They labelled this model the Service Profit Chain (Heskett et al., 1994). The Service Profit Chain is a structured framework which forms links between profitability, customer satisfaction, performance of service, productivity, employee satisfaction and internal service quality (Heskett et al., 1994; Lovelock and Wirtz, 2007, p. 631). These links are illustrated in Figure 1 below (Heskett et al., 1994).

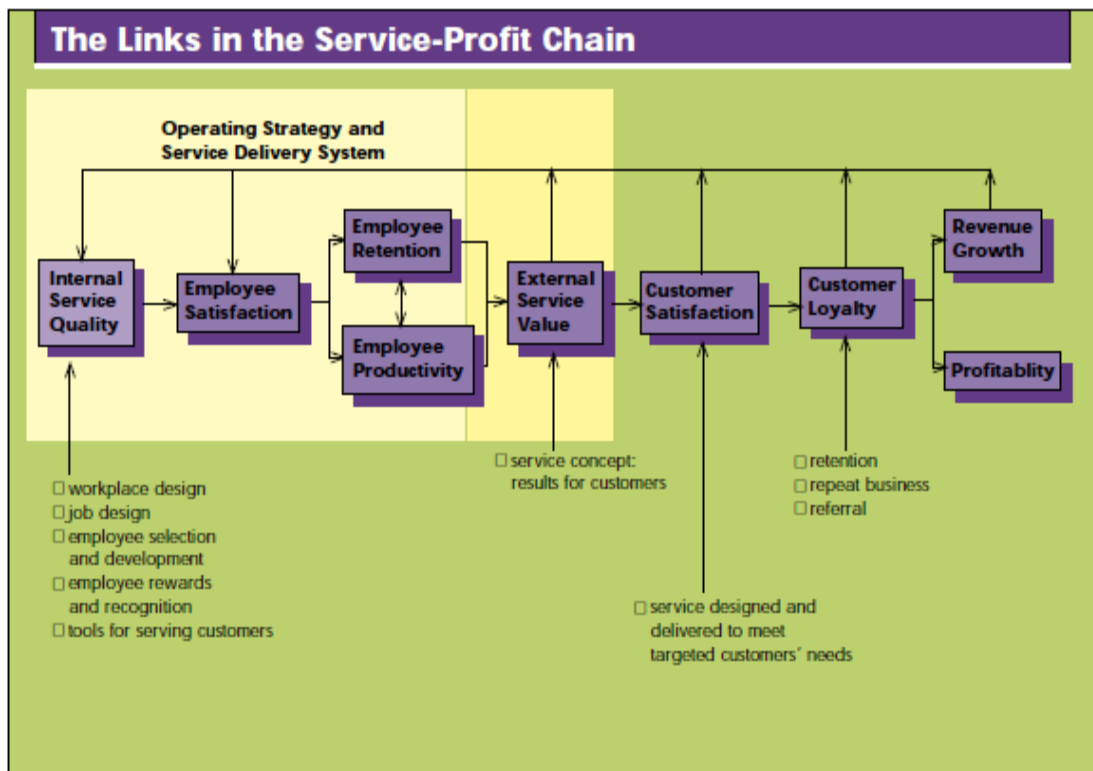


Figure 1 The Service Profit Chain (Heskett et al., 1994)

The chain is essentially a performance hypothesis that enables managers to focus on quantifiable measures leading to financial performance (Hallowell & Schlesinger, 2000, p. 203). ‘Hard’ values are placed on ‘Soft’ measures (Hesket et al., 1994), providing an integrative framework for understanding how a firm's operational

investments into service quality are related to customer perceptions and behaviours, and how these translate into profits. Thus, it provides much needed guidance about the complex interrelationships between operational investments, customer perceptions, and the bottom line (Kamakura et al, 2002). The SPC can assist managers in improving services and in turn satisfaction levels to gain competitive advantage (Hesket et al., 1994).

The central area where the SPC can be implemented and induce success is investment in Internal Service Quality (ISQ) or people and processes, enabling employees to perform at their best (Hesket et al. 1997). Hamel (2013) echo's this with his pyramid of human capabilities, in which organisations must create an environment where employees are willing to bring their passion and zeal to work.

2.3.1 Links in the Chain

Customer Loyalty Drive Profitability

The first proposition of the SPC is that customer loyalty directly influences the financial performance of a business (Heskett et al., 1994). They argue that the traditional method for managers to increase profits has been to maximise market share. However, Reichheld and Sasser (1990, cited in Liu, 2005) studied the effect of customer loyalty on profitability across various industries and determined that customer loyalty is a more important factor of profitability than market share.

Customer Satisfaction Drives Customer Loyalty

Wilson et al. (2012, p 75) interpret customer satisfaction to be the evaluation of a product or service in terms of whether or not it has met the customer's needs and expectations. Alternatively, Yee et al. (2011) consider customer satisfaction to be the pleasurable emotional state of a customer as a result of their experience. This link in the SPC presents the simple idea that if customers are satisfied they are more likely to become loyal (Heskett et al., 1994). Lovelock & Wirtz (2007, p. 371)

support this relationship stating “*the foundation for true loyalty lies in customer satisfaction*”.

Service Value Drives Customer Satisfaction

The deduction in this link is that customer satisfaction is maximised when a service is designed and delivered to meet the needs and expectations of the targeted customer’s (Hallowell & Schlesinger, 2000, p. 206). Brady & Cronin (2001) propose that customer orientation is directly related to customer’s evaluation of the employee’s service performance. The SPC refers to this performance as the Service Value, where value is regarded as the results/benefits received for the total cost involved (Heskett et al., 1994). Hong et al. (2013) contend that increasing the performance of customer service to one standard deviation above the mean, firms earned approximately one percent higher return for their shareholders.

Employee Productivity Drives Service Value

Employees are crucially important within this service driven dynamic as they are often the brand, service and product. Hence, the reason why People form a part of the 8 P’s of the services marketing mix (Lovelock and Wirtz, 2007, p. 310-311). Wilson et al. (2012, p. 250-251) expanded on the importance of employee’s stating that they impact on all the five dimensions of service quality (reliability, responsiveness, assurance, empathy and tangibles). The SPC hypothesises a connection between employees being more efficient in their roles and improved performance of the service for the customer. A supportive example of this is given in the form of Southwest Airlines, where employees operate flexible proficient work systems which provide value to the customer in terms of cost and speed (Heskett et al., 1994 & 1997).

Employee Satisfaction and Loyalty Drives Employee Productivity

Loyal and satisfied employees are more willing to forgo their short-term interests to the long-term interests of the organisation, thus providing superior service through productivity. Conversely, dissatisfied employees are less likely to treat customers as well as employees who are loyal and enjoy their work (Hallowell & Schlesinger, 2000, p. 209). Results from several studies indicate that satisfied employees are more likely to engage in behaviours that assist customers (Liu, 2005). Furthermore, loyal employees tend to stay with the organisation for longer resulting in less frequent turnover of staff. This improves productivity and service quality due to reduced recruitment, training costs and retention of expertise (Hallowell & Schlesinger, 2000, p. 209).

Yee et al. (2011) provide another interesting insight into this employee-productivity-customer dynamic, they suggest that the level of employee satisfaction directly affects the experience felt and received by the customer in the execution of the service. They suggest that the sharing and mimicking of emotions play a role in the service environment, labelling this phenomenon as emotional contagion.

Internal Service Quality Drives Employee Satisfaction and Loyalty

ISQ can be defined as the quality of services that employees receive from an organisation to enable them do their jobs (Hallowell & Schlesinger, 2000, p. 209). The SPC defines the main criteria of ISQ as consisting of the following (Heskett et al., 1997):

- Workplace Design - A conducive and positive physical environment where staff operate.
- Job Design - Clarity of direction, tasks and supports to execute a reasonable workload.

- Flexibility - Relating to duties, role, working time, staff rotation et al.
- Employee Selection - Hiring people with appropriate skills and attitude.
- Training and Development - Individualised investment in formal and informal development to facilitate improvement and career progression
- Rewards and Recognition - Fair levels of remuneration and benefits, including incentives for good behaviour but equally accountability for poor behaviour.
- Tools - Well designed systems and communication to allow staff meet customer needs.
- Level of Empowerment - Latitude in role to allow staff have authority to meet customer needs.
- Organisational Design - Streamlining functions to allow self-managed teams and removal of duplicated roles.

Schlesinger & Heskett (1991) contend that where internal quality is lacking a cycle of failure can occur. The cycle develops when employees work for low wages, their jobs are streamlined into repetitive tasks that require little to no training, and little attention is given to employee selection, support, or learning. The predominant outcomes of the cycle are high employee turnover, increased costs and diminished business outcomes (Ibid).

2.3.2 Research and Application of the Service Profit Chain

The initial research in support of the SPC was based on data gathered from twenty successful large service companies, such as Taco Bell, Xerox, and Banc One (Heskett et al., 1994). Loveman (1998) explains that numerous studies and data are available supporting individual links in the chain but there is little research of the entire chain. Yee et al. (2011) conducted an empirical study targeting high contact service environments across different sectors. Using structural equation modelling the

results found that most of the relationships of the SPC are highly significant and supported the model. Yee et al. (2011) describe their findings as mirroring anecdotal evidence found in many service companies where employee satisfaction and loyalty improve customer satisfaction and behaviour, resulting in increased revenue. The authors posit that their study provides strong empirical evidence that employee satisfaction and loyalty directly influence operational performance.

(Hallowell & Schlesinger, 2000, p. 210-215) provide the example of Sears as a practical application of the SPC at work. Here the authors describe how Sears adopted the entire framework across their organisation and with some modifications, found it heavily contributed to improved financial performance. Interestingly, management at Sears recognised that the chain was complex and difficult to communicate throughout the company. Consequently, they simplified it into three key components, make Sears a compelling place to work, a compelling place to shop and a compelling place to invest. They represented this with the following equation:

$$\text{Work} \times \text{Shop} = \text{Invest}$$

One of the more recent studies into the SPC was conducted by Myrden et al., (2015). The research showed how the behaviours of leaders affect job satisfaction, customer satisfaction and subsequent behavioural intentions of staff (Myrden et al., 2015). Kamakura et al. (2002) conducted an extensive survey to assess the SPC utilizing data from 5055 customers of a national bank in Brazil. The analysis and findings broadly supported the consequential linkages in the SPC.

However, Silvestro and Cross (2000) raise a possible difficulty with the SPC model based on data collected from 15 stores of a U.K. grocery retailer. The results identified correlations between profit, customer loyalty and satisfaction, service value and internal service quality. However, they found no support that any of these

were driven by employee satisfaction and loyalty. They argue that this presents a rift in the model and that the SPC is too simplistic to fully understand the drivers of success.

Liu (2005) argues that there are differing levels of linkages between the stages that have not been defined in the extant literature. In fact, he suggests that the literature is somewhat conflicting and refers to the link between customer satisfaction and customer loyalty, arguing that customer satisfaction has only an indirect effect on loyalty. He contends loyalty is highly situational i.e. monopoly vs. competitive market.

2.3.3 Progression of the Model

Since the introduction of the SPC in 1994 the model it has evolved and changed as further research and study has ensued. Many of these adaptations are by the original authors such as Loveman and Heskett (1999), where they argued for the inclusion of employee capability as a new variable in the chain, suggesting that is an important factor influencing employee productivity. Hallowell & Schlesinger (2000, p. 204) take employee capability into account in their revised SPC in Figure 2. Here they show four criteria of the employee which drive external service quality, namely; satisfaction, loyalty, capability and productivity. Moreover, they introduce a new step in the chain representing customer value as an antecedent to customer satisfaction. Where customer value is defined as the value perceived by the customer relative to expectations.

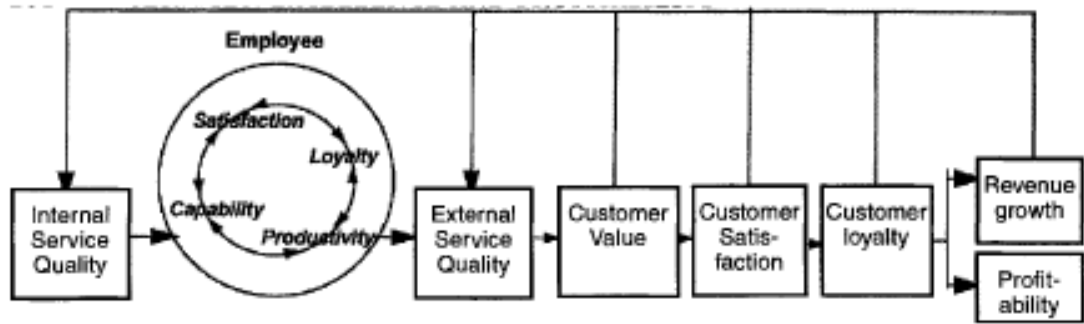


Figure 2 The Service Profit Chain (Hallowell & Schlesinger, 2000, p. 204)

Kamakura et al. (2002) propose a variation to the original model by regrouping the links of the original chain into five key areas, namely; operational inputs, attribute performance, behavioural intentions, customer retention and profit (Figure 3). A direct negative link is added from operation inputs to profitability. This is based on the idea that operational resources directed toward service improvements may have positive and negative effects at the same time. Employee criteria such as satisfaction, loyalty, perceptions and attitudes are included within operational inputs (Kamakura et al., 2002).

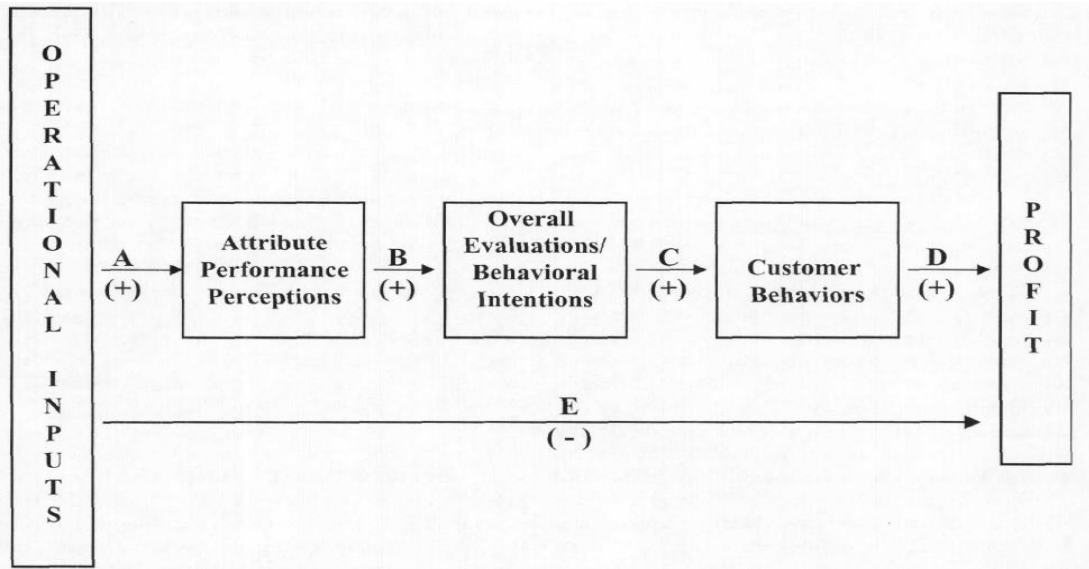


Figure 3 The Service Profit Chain (Kamakura et al., 2002)

Hong et al. (2013) put forward the addition of *Service Climate* in the model, where service climate refers to employee’s attitude and beliefs about the firm’s emphasis on service quality through the entire service process. Their analysis advocates service climate as forming a critical link between internal and external service parameters. Hong et al. (2013) also identify Human Resource Management (HRM) and leadership as the key drivers of to service climate and eventually profit (See Figure 4).

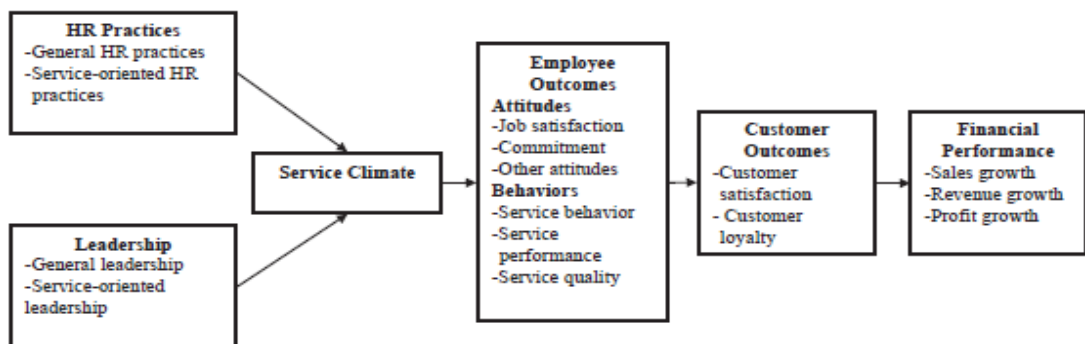


Figure 4 Theoretical model of the antecedents and consequences of service climate with the Service Profit Chain (Hong et al., 2013)

Myrden et al. (2015) submit two additions to the chain, employee engagement and transformational leadership. Myrden et al. (2013) argue that employee satisfaction does not fully capture the range of responses to work and is a relatively inconsistent predictor of job performance. Instead, employee engagement is submitted as it represents an employee's enthusiasm, passion and commitment to work. Transformational leadership theory focuses on exceptional leadership where employees are inspired to perform. Myrden et al. (2015) argue that this is an influential predictor in employee behaviour and the chain as a whole.

2.3.4 Summary

According to Heskett et al. (1994) a new service paradigm occurred in the 1990's around the new economics of services. The need for services to perform in order to be successful represented a fundamental shift from the traditional industrial and manufacturing method of marketing. In light of this changed environment Heskett et al. (1994) established a new model called the SPC.

Many academics and practitioners agree and support the theory such as Wilson et al (2012), Lovelock and Wirtz (2007) and Kamakura et al. (2002). Conversely, others have identified possible difficulties with the model and the influence level of certain links (Silvestro and Cross, 2000; Liu, 2005). Notwithstanding, the theory has evolved since its conception with the original authors and others making variations overtime (Heskett et al., 1997& 2008; Hallowell & Schlesinger, 2000; Myrden et al., 2015). Whilst there may differences of opinion amongst the literature the overall weight of the research supports the fundamental links in the chain and its usefulness in creating a service design to improve profitability and organisational outcomes.

2.4 A SERVICE PROFIT CHAIN FOR PUBLIC SERVICES

Morris (1998) identified a gap in the SPC. No account is taken for organisations where commercial goals are not the key output. A limited number of academics have tried to fill this gap by adapting the SPC to suit organisations such as volunteer associations

and public service bodies (Wisner et al., 2005; Steinke, 2008; Heintzman & Marson, 2005).

Heintzman & Marson (2005) conceptualised a “Public Sector Service Value Chain” based on the SPC (See Figure 5). The authors acknowledge that the bottom line for Government is not easily measurable and contestable. Nevertheless, they propose that the level of citizen trust in public service is the best measurement of performance. The chain is simplified into what the authors believe are the three-fundamental building block for public service, namely; employee engagement, citizen satisfaction and citizen trust and confidence. The adapted model also proposes five key drivers to employee engagement which they believe are pivotal. However, the authors acknowledge that whilst their model advances theory it is provisional and further study is required.

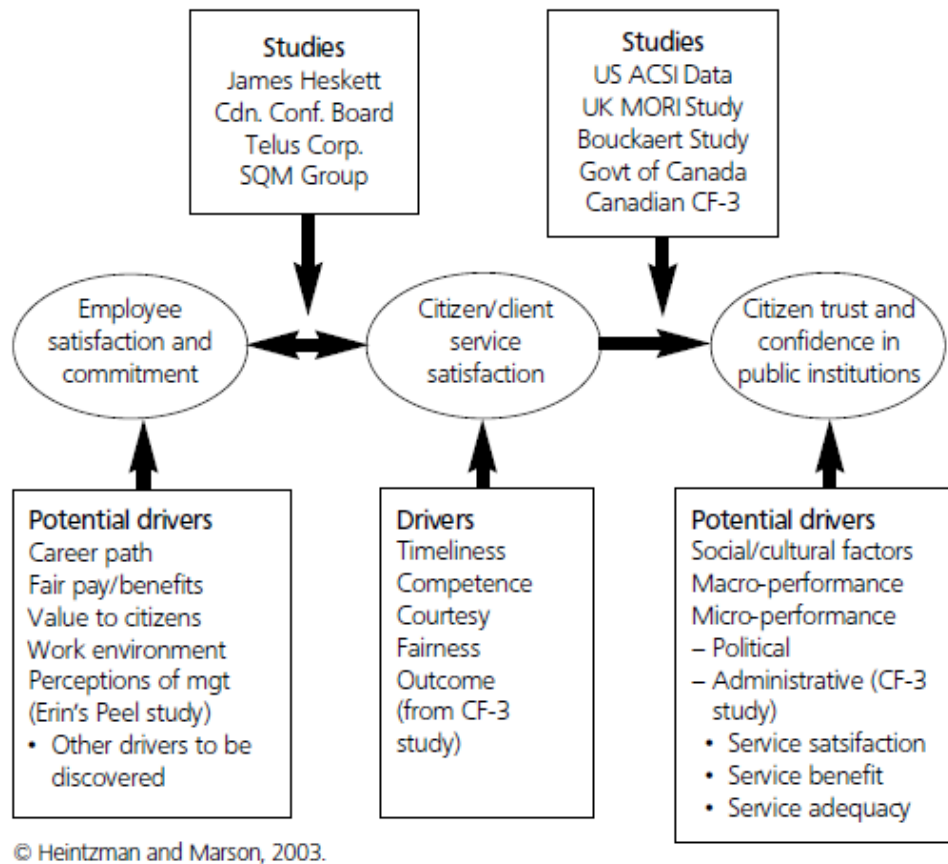


Figure 5 Public Sector Service Value Chain (Heintzman & Marson, 2005)

Steinke (2008) created a customised SPC for an emergency room setting in a hospital (See Figure 6). This model labelled “The Service Outcome Chain” closely followed the links of the original SPC and used patient satisfaction and empowerment as the output. The extensive research carried out is the first theoretical and empirical examination of the SPC in a public service scenario. The findings validated the model finding positive relationships between the links in the chain. Furthermore, key insights were gained into service design in a health care setting.

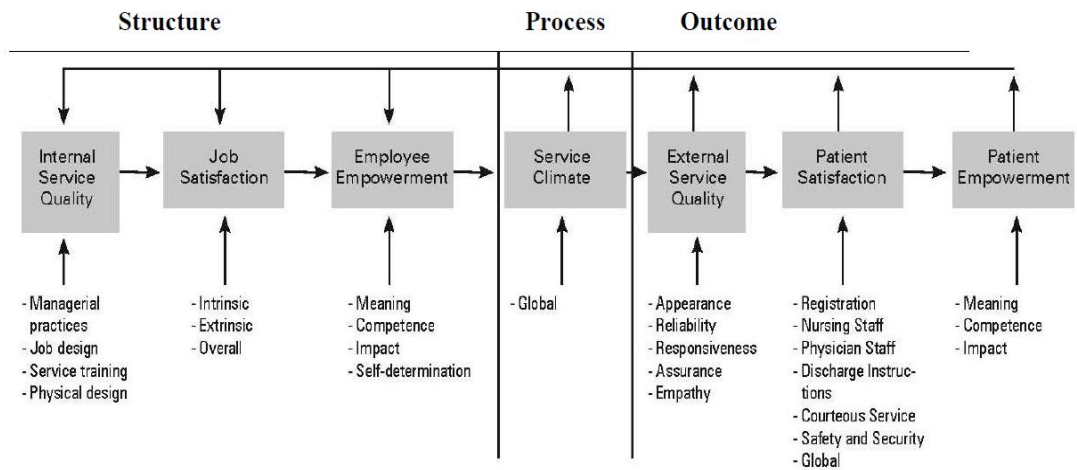


Figure 6 The Service Outcome Chain (Steinke, 2008)

Wisner et al. (2005) present the Service Volunteer Loyalty chain to represent the unique circumstances of a charity. The model identifies a number of links based on the service delivered to volunteers and the effect this has the sustainability of the organisation. The quantitative research conducted established positive relationships between service delivery to volunteers, their loyalty and eventual performance of the charity (See Figure 7).

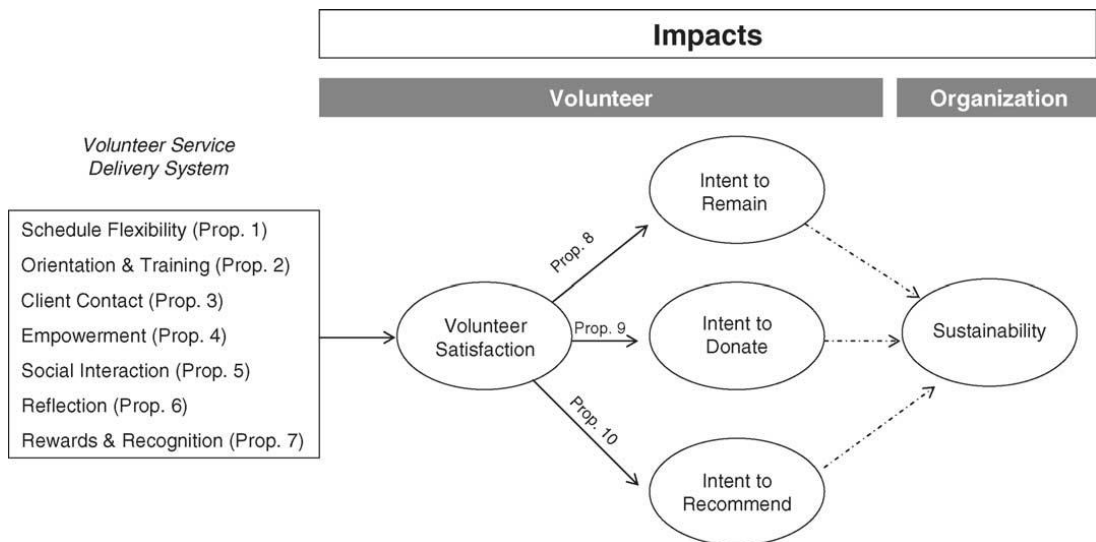


Figure 7 The Service Volunteer Loyalty Chain

Finally, Davis (2006) in his paper *“In search of the common wealth: a service-profit chain for the public sector”* submits a re-worked SPC which he contends is universally suitable to all forms of public service (See Figure 8). The model is fundamentally very similar to the original SPC. The view Davis (2006) takes in relation to the final output of the model is most interesting. He contends that if the end goal of public service is to provide the public value through excellent service delivery, then this must for part of the last link in the chain. He uses the term the Service Provision Excellence (SPE) in this regard, describing it as the attainment of organisational goals, which is also a function of citizen satisfaction measured against service value benchmarks. This approach attempts to place a more complete metric on the final output which is linked to strategic goals and citizen sentiment.

Furthermore, he makes an insightful observation of the importance to take account of inherent negative citizen bias when assessing SPE. For instance, regulatory bodies may provide a first-rate service but citizens will not necessarily be an advocate i.e. law enforcement, taxation, fines et al.

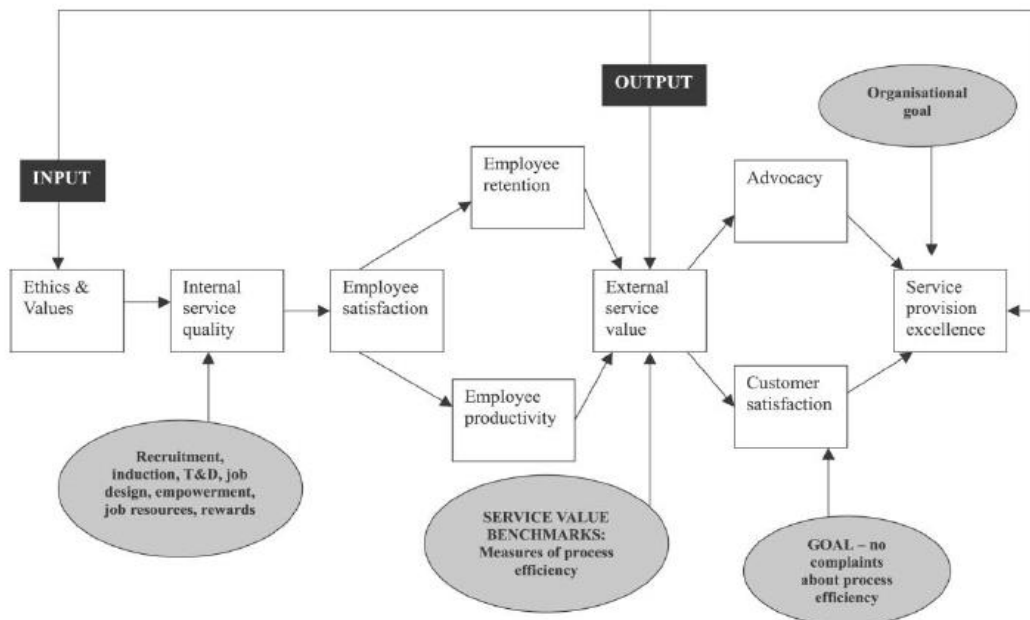


Figure 8 Public Profit Chain (Davis, 2006)

2.5 A COMPOSITE MODEL – THE PUBLIC SERVICE CHAIN

The purpose of this section is to build on previous studies and create a bespoke yet succinct model which is applicable to general public service. Accordingly, the Public Service Chain (PSC) is proposed as a composite framework drawing on the work of the original model and its subsequent variations in both private and not-for-profit environments (See Figure 9). The intention in creating the model was to remain as close as possible to fundamental principles of the SPC, whilst incorporating the public sector work of Steinke (2008), Heintzman & Marson (2005) and Davis (2006). However, the model Steinke (2008) applied had to be discarded as it was too specific for general public service.

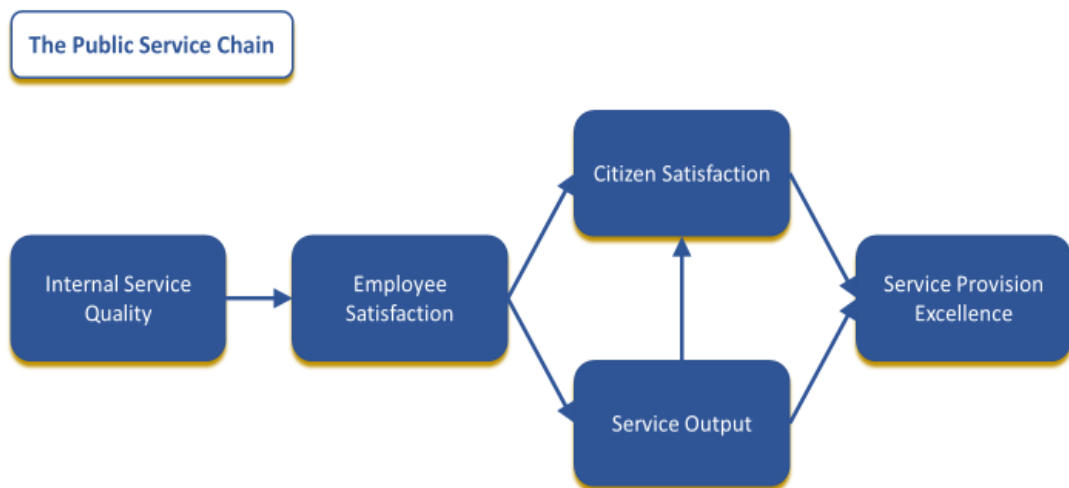


Figure 9 The Public Service Chain

The first element in the PSC is ISQ as it is the primary driver in most adaptations of the SPC. The next link is Employee Satisfaction, this step is again representative of the majority of versions, and in particular Heintzman & Marson (2005) and Davis (2006). The following link is a slight deviation from the original and others to simplify

the process. Most adaptations link Employer Satisfaction to Employee Retention and Productivity, which in turn lead to External Service Value. To better illustrate this process the PSC moves straight to External Service Value, which has been re-named Service Output. The skip follows the logic that employee satisfaction is the primary driver to productivity in service value delivery (Heskett et al, 1997; Hong et al., 2013; Heintzman & Marson, 2005). Service Output relates to the level of service and results achieved set against defined criteria (Davis, 2006). These criteria can be viewed as service benchmarks and include the following (Ibid):

- Meeting Organisational Goals
- Efficiency
- Transparency
- Accuracy
- Timeliness
- Courtesy
- Value/Cost

Employee Satisfaction is also linked to Customer Satisfaction to mirror the relationship shown by Heintzman & Marson (2005). This illustrates the dynamic which is prevalent in the literature, that Employee Satisfaction is connected to both productivity in service delivery/Service Output and customer/citizen satisfaction (Kamakura, 2002; Hong et al., 2013). Notwithstanding, productivity in service delivery/Service Output also impacts Customer Satisfaction (Heskett et al., 1994). Therefore, Service Output is also linked in a positive direction to Citizen Satisfaction.

As profit is not the final goal of public service an alternative output was required to reflect this. The PSC follows the work of Davis (2006) in this regard, where he uses the term Service Provision Excellence (SPE). SPE is defined as the attainment of organisational goals, which are driven by productivity in service delivery/Service Output and Citizen Satisfaction (Ibid). In other words, SPE is the final measure of

whether or not a service is performing appropriately in the eyes of the citizens in relation to defined performance criteria. Therefore, both Service Output and Citizen Satisfaction are linked to SPE.

It is important to note that no back-flow link is present from the final output to the first input in the chain. This link is relevant in the private sector where improved profitability creates more resources that can be re-invested in ISQ (Heskett et al., 1994). This relationship does not normally exist in the public sector where investment in ISQ is primarily a function of Government policy.

In summary, the PSC presents a customised yet comprehensive model for general public service. The next section now explores the elements of ISQ that feed into this model.

2.6 ELEMENTS OF INTERNAL SERVICE QUALITY AND BEST PRACTICE HUMAN RESOURCE MANAGEMENT

The composite model shows that the primary driver to the PSC process is ISQ, directly influencing Employees Satisfaction, Citizen Satisfaction, Service Output and Service Provision Excellence. The elements of ISQ presented by Heskett et al. (1994 & 1997), are essentially HRM components. However, these components have shortcomings as a comprehensive set of factors influencing the employee environment. No mention of key HRM items such as demand analysis, diversity, performance management et al. are present. This weakness was noted by Hong et al. (2013), where the authors included HRM as a driver to the employee environment in their model. To bridge this gap the elements of ISQ were compared with the components of best practice HRM, to develop a comprehensive listing of internal service provided to employees (See Table 1). The elements of best practice HRM were derived from the work of Price (2007), Mello (2011) & Leatherbarrow et al., (2010).

SPC – Elements of Internal Service Quality	HRM – Elements of Best Practice
Job Design Flexibility Employee Selection Training and Development Rewards and Recognition Tools Organisational Design Workplace Design Empowerment	Demand analysis and forecasting Resourcing Methodology Organisational Design and Structure Learning and Development Performance Management Job Design Rewards and Recognition Support Systems Talent Sourcing and Development Fairness and Diversity Communication Utilisation Transactional HRM services

Table 1 - Comparison of elements of SPC and Internal Service Quality and HRM Best Practice

There is substantial commonality among the SPC elements of ISQ and best practice HRM. The composite elements of ISQ for the PSC were derived by combing both, thereby complimenting the original model with current HRM thinking (See Table 2).

The section following the table explains how this list was created by detailing the content of each element and describing why certain elements were omitted.

Composite Elements of Internal Service Quality
1. Demand Analysis
2. Job Design
3. Employee Resourcing and Selection
4. Organisational Design
5. Learning and Development
6. Rewards, Recognition and Accountability
7. Performance Management
8. Utilisation and Empowerment
9. Support Systems
10. Diversity

Table 2 – Composite Elements of Internal Service Quality

Demand Analysis

Demand analysis and forecasting is the process of determining how many people will be needed by an organisation (Ward, 1996). This is not explicitly identified by the SPC but is an important function of ISQ, ensuring the organisation knows what human resources are required now and into future to serve internally and externally. Thompson et al. (2007, p. 106-118) identify this function as key in supporting an organisation's value chain.

Job Design

Both the SPC and best practice HRM identify the importance of this element. Job Design is the structure, content and configuration of a person's tasks along with competencies to execute the role (Erez, 2010). It balances the personal needs of the employee with the strategic objectives of the organisation (Kurian, 2013). It is important that careful consideration is given to job design as it impacts a person's sense of worth and well-being, which is crucial for motivating employees (Erez, 2010).

Employee Resourcing and Selection

Employee resourcing and selection is the combination of the SPC item Employee Selection and the HRM elements Resourcing Methodology and Talent Sourcing. Employee Resourcing is the identification and allocation of people to perform necessary tasks (Price, 2007 p. 303-306), whilst selection is the process of choosing appropriate employees based on objective assessment using the Job Design (Mello, 2011 p. 336 – 350). This element of ISQ is key to ensure the organisation has the correct number of people with the correct skills to deliver the service.

Organisational Design

This element is an amalgamation of the SPC element by the same name and the HRM element Organisational Design and Structure. Organisational Design (OD) refers to the culture and structure of a company. It allocates purpose and power to departments and individuals and lays down guidelines for management of operations (Price, 2007 p. 615). The SPC is not as clear in its description more so stating that good OD should streamline the structures and functions to ensure efficiency.

Learning & Development

Learning and Development (L&D) is common to both the SPC and HRM best practice. L&D within an organisation is the planned effort to facilitate employees acquire the competencies to carry out their current and possible future roles (Leatherbarrow, 2010, p.201). The SPC contends that the knowledge and skill of an employee is crucial to their capability, satisfaction and in turn productivity (Heskett et al., 1997, p. 115). Accordingly, a learning organisation is advocated where L&D is encouraged and the exchange of information, creating a knowledgeable and flexible workforce (Leatherbarrow, 2010, p. 184). Three key formats are promoted in L&D; formal, developmental and self-help (Yukl, 2013, p.411)

Rewards, Recognition & Accountability

Rewards and Recognition are identified by both sources as key elements. Accountability has been explicitly included in this element as it is equally important in this dynamic (Heskett et al, 1997; Price, 2007, p. 466-487). Rewards, Recognition & Accountability (RRA) are a key determinant to employee satisfaction and productivity (Heskett et al., 1997). Reward and Recognition must not be looked at through the narrow lens of compensation alone but within the context of total rewards (Mello, 2011, p. 482). Total rewards relate to total pay, individual growth, compelling future and positive workplace (Zingheim et al., 2000). RRA should principally be a function of performance and competition (Price, 2007, p. 466-487). Heskett et al. (1997, p.245) cite Herb Kelleher's (Former CEO Southwest Airlines) strategy of paying people the most it can afford to gain competitive advantage, attract the best and somewhat counter intuitively of reducing the overall labour cost.

Performance Management

Performance Management (PM) is not mentioned by the SPC but it may be argued to be somewhat contained within other items. PM is the established method in HRM for increasing the effectiveness of organisations by improving the performance of people/groups (Price, 2007, p. 437). As such the element is included as standalone item as it directly contributes to internal service experienced by employees. PM must recognise both positive and negative performance, and make efforts to improve as required, as such PM is interlinked with RRA and L&D (Mello, 2011, p.430). The SPC authors recommend a balanced scorecard system considering not only financial aspects but HRM, innovation, customer satisfaction and each link in the chain (Heskett et al., 1997, p. 36).

Utilisation and Empowerment

Utilisation and Empowerment are combined due to the similarity of function. Utilisation refers to the flexibility of staff to perform a variety of roles if required, whilst empowerment relates the latitude in roles to allow staff have the authority to meet customer needs (Heskett et al., 1997, p.26; 1994). Both facilitate having the right people to carry out necessary task with the right level of responsibility. (Leatherbarrow 2010 p. 114). This allows the organisation to respond positively and quickly to uncertainty and change.

Support Systems

Support systems combines the SPC element Tools and the HRM best practice item Support Systems. Support Systems has thus two aspects. The first are support systems and tools to enable employees effectively carry out roles and deliver value (Heskett et al., 1997, p. 114). The second relates to support services aimed at the well-being of employees (Leatherbarrow, 2010, p. 329). To gain competitive

advantage support systems and tools must be up to date, efficient and effective across all areas (Heskett et al., 1997 p.26).

Diversity

People are different, diversity refers the multitude of variations that occur amongst people such as gender, race, religion, physical characteristics et al. (Price, 2007, p. 385). Diversity is not mentioned in the SPC, however, modern thinking recommends embracing and harnessing diversity for competitive advantage (Fernandez, 1995). Groysberg and Connolly (2013) contend that to achieve diversity organisations must recruit for a diverse pool, educate staff on benefits, offer flexible working arrangements and measure inclusion. They state that organisations who do this will become more representative of their heterogeneous market, foster greater creativity, innovation and deliver value (Groysberg & Connolly, 2013). This is particularly relevant to public sector bodies as they must serve the entire population.

Summary

Whilst Communication and Transactional HRM Services are critical parts of ISQ both have been left out as standalone items, as they are contained within elements such as Support Systems and Organisational Design. Similarly, Workplace Design has been left out as it is deemed to be contained with Job Design, Organisation Design and Support Systems.

The above critique of the SPC and comparison with best practice HRM creates a composite list of elements that is a more comprehensive and modern representation of ISQ. Furthermore, the desired level of performance for each element is described. These ten elements can now feed into the Public Service Chain model which will be discussed in the next section.

2.7 DETAILED COMPOSITE MODEL – THE PUBLIC SERVICE CHAIN

The PSC can now be finalised by combing the flow diagram model in Figure 9 with the composite elements of ISQ established in Section 2.6. Furthermore, the Service Output benchmark criteria detailed in Section 2.5 can be added. This completes the PSC, which is illustrated in Figure 10.

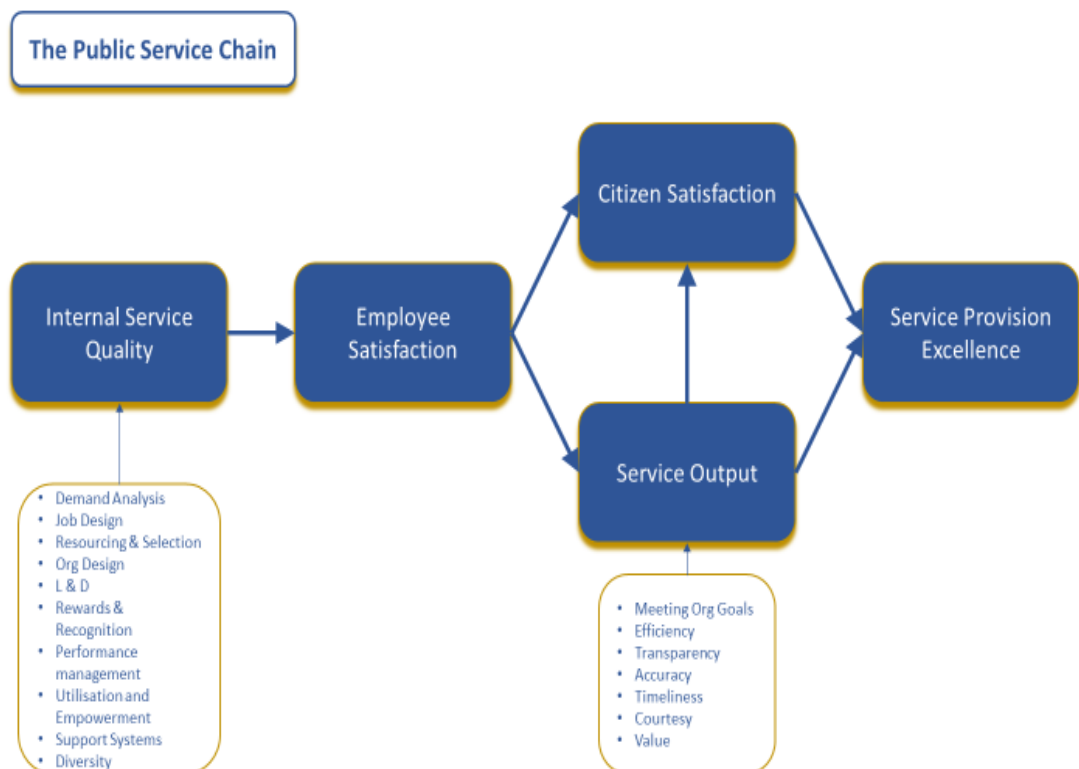


Figure 10 The Complete Public Service Chain

At this point it is important to clarify the following terms relating to the SPE as they are used extensively throughout the remainder of the paper.

Terms related to adjusted ISQ, adjustment of ISQ, proposed ISQ, implementing ISQ, changing ISQ etc. all refer to the alteration of the existing level of ISQ to the desired level of ISQ, as described in Section 2.6. The rationale here is that the desired levels

represent what is considered a high standard for each element of ISQ, for which public service organisations should aspire.

Additionally, terms relating to the implementation, application, execution of the model/SPE refer to the following process of how the SPE can be implemented:

1. **Adjust ISQ** - As referred to above this is the process of altering ISQ from its existing level to the desired level described in Section 2.6.
2. **Monitor** - Monitor by observing and recording the performance of each part of the chain, particularly the final output SPE.
3. **Control** - Evaluate performance and make further adjustments to ISQ as necessary to achieve organisational aims.

This process is based on the phases of strategic management described by Thompson et al. (2007, p. 24).

2.8 CONCLUSION

There has been a shift in the global economy towards services. This has created the need for businesses to adapt their approach to a more customer and service oriented focus (Hong et al., 2013). The public sector in Ireland has sought to adopt private sector initiatives to make services more “business like” (IPA, 2014), promoting the integration of appropriate private sector models (DPER, 2014). The SPC is discussed as contributing to this aim as it is a well-established model focusing on service design and business outcomes (Kamakura, 2002). However, limited exploration of the model in public service has been conducted (Steinke, 2008). The PSC is thus created as a bespoke version of the SPC tailored to general public service. The purpose of the PSC is to contribute towards the aim of improving public service delivery. Accordingly, subsequent chapters will investigate the feasibility of the model.

CHAPTER 3 RESEARCH AIMS AND OBJECTIVES

3.1 RESEARCH AIMS AND OBJECTIVES

The initial research objective was to carry out a test of the PSC model to assess its viability for further study and implementation. In order to fully satisfy this aim the PSC would need to have been tested in its entirety to analyse the effect it would have on the final output, SPE. This would have necessitated analysing each link and group in the chain through empirical research. However, this was not possible within the limitations of the paper as it would require gathering data on ISQ, employees, citizens, service output and SPE. This presented a significant challenge. How can the PSC model be meaningfully tested within the confines of the paper?

To answer this question, it was necessary to identify what research could and couldn't be practically accomplished within the paper. Attempting to gather relevant information from the public was deemed too onerous and impractical due to the sample size required, breadth of public services and inherent citizen bias as referred to in Section 2.4. Similarly, trying to place quantifiable measurements on many of the elements such as service output and SPE would be too complex.

Notwithstanding, the research could focus on employees in a specific public service body and conduct a limited test of the chain based on their perspective.

3.2 RESEARCH QUESTIONS

The primary research objective is to carry out a limited test of the PSC based on the perspective of employees in a public service body.

Employees are the key determinant to Citizen Satisfaction, Service Output and SPE. Therefore, their acceptance to the implementation of the model is crucial to the viability of the PSC. Their acceptance is ascertained by their satisfaction or otherwise

to the implementation of ISQ. This rationale can therefore test the first link in the PSC from ISQ to Employee Satisfaction.

Furthermore, the entire chain can be tested from the employee perspective. By presenting the scenario of fully implementing ISQ as per the model, the question can be asked as to what effect this would have on SPE. This has the effect of carrying out a hypothetical test of the chain by suggesting a change to the first element and querying whether or not this would affect the final element.

Accordingly, the primary research objective can be achieved through the following research question.

Primary Research Question

Would the implementation of the Public Service Chain through the adjustment of internal service quality be firstly acceptable to employees in an Irish local authority and secondly, what effect in their opinion would this have on Service Provision Excellence?

The primary research objective can also be assisted by secondary research objectives. The secondary objectives relate to the existing scenarios for both SPE and ISQ. Defining what SPE means to employee's can provide a baseline to measure against when assessing the effect adjusted ISQ has on SPE. Furthermore, it can provide an insight into the current relationship between employees and organisational goals.

The current level of ISQ is also important as it assesses from the employee's perspective how well the organisation is performing relative to the proposed ISQ level. This can therefore indicate the room for improvement that exists. The secondary research objectives are thus addressed by the following research questions.

Secondary Research Questions

What does Service Provision Excellence mean to employees at an Irish Local Authority?

How do employees at an Irish local authority view the current level of Internal Service Quality?

Having constructed the primary and secondary research questions attention now turns to the research methodology to answer these questions.

CHAPTER 4 METHODOLOGY

4.1 INTRODUCTION

This chapter sets out the perspective and mechanism by which the papers research was carried out, along with the rationale behind same. As discussed in the previous chapters the initial research aim was to carry out a test of the PSC in its entirety, to investigate how it's implementation could affect public service delivery. It soon became apparent that testing the full chain was beyond the limitations of the paper. However, by focusing solely on employees in a specific organisation a limited test of the chain could be conducted, along with an exploration of how acceptable or otherwise the implementation of the chain would be to employees.

In attempting to answer the research questions this chapter will follow the research onion framework described by Saunders et al. (2007). The research onion is an illustration of the progressive steps and choices to be taken by researchers in the establishment of their analysis position, procedures and data collection techniques (Ibid, p 100 - 102) (See Figure 11). The research philosophy, approach, strategy, data collection and analysis will be discussed. Finally, the chapter will explore the ethical consideration and limitations of the research methodology and data collected.

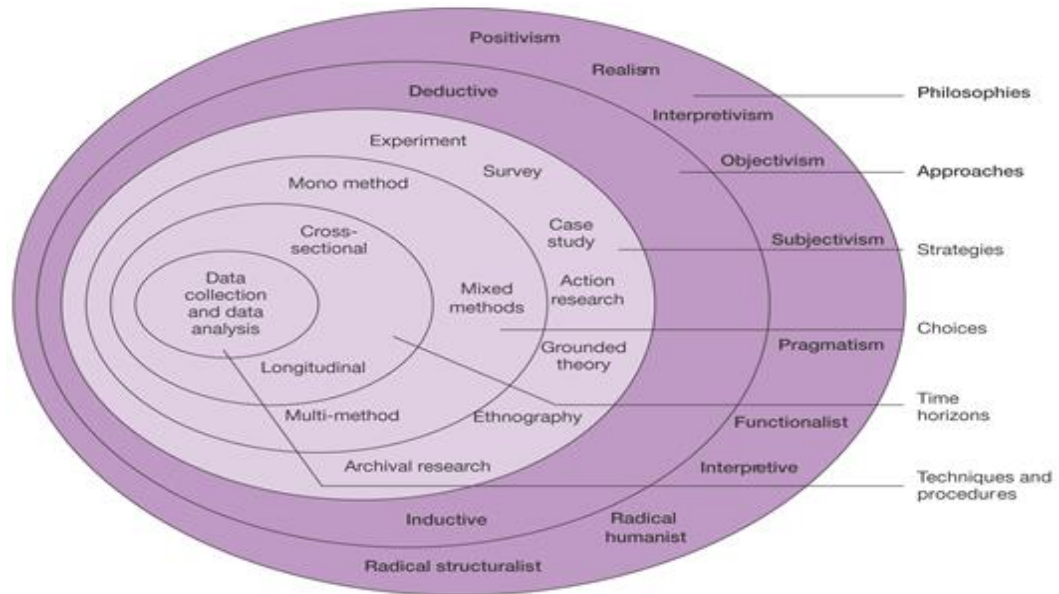


Figure 11 The Research Onion (Saunders et al., 2007)

4.2 RESEARCH PHILOSOPHY

Research methodology is the science and philosophy behind all research. It delves into the core of what is known, how it is known, and the various ways knowledge can be created (Adams et al., 2014, p. 5). Saunders et al. (2007 p. 100-101) describe research philosophy as the overarching term relating to the development of knowledge and the nature of that knowledge. The philosophy adopted contains important assumptions about how the researcher's views the world. In turn, these assumptions direct the research strategy and the next layer of the onion (Ibid).

Saunders et al. (2007, p. 121) present three major ways of thinking about philosophy namely; epistemology, ontology and axiology. All three aspects were explored as part of the research process. Epistemology is concerned with what constitutes relevant knowledge in a particular field of study, comprising of three distinct positions, positivism, interpretivism and realism (Ibid). Positivism is an objective and scientific position seeking to establish facts and relationships between variables (Swanson & Holton, 2009). On the other hand, interpretivism rejects the scientific

approach advocating the necessity to understand the difference between humans in their roles as social actors (Saunders et al.,2007, p. 106 - 121). Realism refers to what the senses show people to be reality and the truth (Ibid).

As such an epistemological philosophical stance was taken by the researcher as this provided an excellent basis to advance the research aims of testing and investigating the PSC across its various elements. Initially the intention was to take a positivist position to achieve the research aims by using data and statistics to gather information in an attempt to establish tangible correlations or otherwise among the various elements of the chain. Secondly, a positivist position could also be used to measure the level of acceptance or otherwise of employees to the implementation of the PSC.

As referred to in Chapter 3, it became apparent that the positivist position was not feasible as it was beyond the limitations and scope of the paper. With the focus reduced to solely the employee's perspective but the overall aim of the research remaining, an alternative perspective was necessary. The interpretivist philosophy provided such an alternative, by focusing on the employees and their subjective viewpoint in relation to the PSC an opportunity existed to not only gauge employee's acceptance of the chain but also carry out a limited test of the model. As such an interpretivist epistemology was adopted. Furthermore, it is argued that such a perspective is more suitable to the complex scenarios of organisations, allowing for more in depth and relevant knowledge (Saunders et al.,2007, p. 106 - 121).

4.3 RESEARCH APPROACH

The next layer of the research onion framework relates to the research approach and revolves around deductive and inductive reasoning. According to Greener (2008, p. 15-16) a deductive approach begins by looking at a theory, producing a hypothesis and then proceeding to test the theory based on research. Conversely, an inductive approach more so seeks to build theory by focusing on a particular area through

investigation and analysis (Ibid). As referred to in the section and chapter above the initial research aim was to test the PSC model and theory. This objective very much conformed to the idea of testing a hypothesis and deductive reasoning. However, as previously explained it was not possible to carry out a complete test of the model within the limitations of the paper. Therefore, an inductive approach was reviewed for suitability. The inductive approach would allow for a focus on employees to gain a deeper understanding of their perceptions and possible acceptance of the model. However, an inductive approach in isolation would not allow for a test of the model.

This presented a challenge in order to satisfy the research aims and questions. How can the model be tested yet also gain an understanding as to the acceptability of the model to employees? The solution adopted is to use a combined approach of both deductive and inductive reasoning.

Deductive reasoning can be used to carry out a limited test of the model from the employee's perspective. By creating a hypothetical scenario, the first element of the chain (ISQ) can be manipulated to see what affect it would have on the last element in the chain (SPE). Concurrently, an inductive approach can be used to gain an insight in relation to employee's possible acceptance or otherwise of adjusted ISQ as per the model. Saunders et al. (2007, p. 119) advocate a combined approach to yield advantages in specific scenarios such as this.

4.4 RESEARCH DESIGN

Following the removal of the outer two layers of the onion framework the next three layers create the Research Design. Research Design is the general plan of how a researcher will go about answering their research question/s, and comprises of the following processes (Saunders et al. 2007, p. 130-131):

- Research strategy
- Research choices
- Time horizons

Saunders et al. (2007 p. 130-155) present various strategic options such as experimental, survey, case study, action research, ethnography et al. Each of these options were assessed with a view to achieving the research aims. Given the time and resource constraints both the survey and case study strategy were deemed most appropriate to elicit information from employees in relation to the PSC.

In order to make an informed decision regarding the two strategies, the research choices associated with both were considered. Research Choices refer to the method of research to be used such as qualitative, quantitative or a mixture of both (Ibid). Surveys are often associated with quantitative research, which is predominantly related to numeric data collection techniques and subsequent objective analysis (Saunders et al., 2007 p. 130-155). Patton (1990) contends that quantitative research is primarily an empirical approach which is well suited to testing hypotheses. On the other hand, case studies are often associated with qualitative research, which investigates particular phenomenon that is context specific in order to gain a deeper understanding (Saunders et al., 2007 p. 130-155; Hoepfl, 1997).

Based on the research aims it appears that a quantitative research approach through surveys would be well suited to testing the chains hypothesis and possibly gauging the acceptance of employees to implementing the model. The literature review supports this approach as much of the investigations thus far into the SPC have used quantitative research to test individual links in the chain or the entire chain (Loveman, 1998; Steinke, 2008; Kamakura et al., 2002; Myrden et al., 2015). However, no existing survey presents the hypothetical scenario that if the proposed ISQ was implemented would employees accept it, what opinions they would have towards it and would it affect the final link in the chain i.e. Profit or SPE? This

challenge could be overcome by the creation of a bespoke survey. Unfortunately, given the scope of this task it was considered beyond the limitations of the paper.

In contrast, a qualitative approach through a case study would be able to investigate the exact research questions. By presenting the hypothesis and querying employees' acceptance, opinions and possible effect on SPE, the research aims could be achieved. The qualitative process does have benefits over the quantitative approach in this regard as it allows for a deeper investigation into complex issues. Moreover, it is often considered a more appropriate method for assessing attitudes and sentiments (Silverman, 2015). However, the principal shortcoming of the technique is that it is often not generalisable due to the associated small sample sizes (Saunders et al., 2007 p. 130-155).

Based on the above exploration and the prevailing constraints, the research design of this paper will adopt the most viable route available, a mono qualitative approach using a holistic case study via semi-structured interviews. These interviews will now be discussed and explored in more detail in the next section.

4.5 DATA COLLECTION

4.5.1 *Semi- Structured Interviews*

It is critical that the research instrument match the research philosophy, approach and design. Accordingly, semi structured interviews were chosen as the method of data collection following consideration of the three main interview types, namely; structured, semi-structured and unstructured. Structured interviews are related to quantitative data with pre-determined questions and often pre-coded answers. Alternatively, unstructured interviews present questions, which are not pre-arranged and more so follow a general theme. Semi-structured interviews offer a balance between both by maintaining a structure whilst allowing freedom to explore topics. This compromise represents the most appropriate method as it allows for direct

questioning of issues but latitude to develop and probe ideas (Adams et al, p. 144; Saunders et al., p. 310-346). Moreover, the format is well suited to qualitative data and the explanatory and exploratory nature of the research (Saunders et al., p 133).

4.5.2 Crafting the Survey Questions

The challenge here was to create questions for employees that adequately addressed the research questions and adhered to the research design, philosophy and approach. To maintain reliability the same questions were asked in the same order for each interview (Riege, 2003). Meyer (2001) highlights the need to constrain information from the literature review so as not to inadvertently bias the participants answers. Therefore, open ended questions were asked and only specific terms necessary to answer questions were explained, enhancing the research validity (Riege, 2003).

The logic to develop the survey questions followed three distinct stages:

- Stage 1 Attempt to define Service Provision Excellence.

- Stage 2 Query current level of Internal Service Quality experienced. Query acceptance and attitudes towards implementation of proposed Internal Service Quality.

- Stage 3 Query whether the implementation of proposed Internal Service Quality would affect Service Provision Excellence defined in stage 1.

Stage 1 Attempt to define Service Provision Excellence

By asking employees what SPE means to them and if they can place some measure on it allows the researcher to firstly define the term from their perspective. Secondly, it draws out some form of baseline level for SPE, which can be referred to later in the interview to query the effect of implementing ISQ has on SPE.

Interview Question 1

“The term Service Provision Excellence is used to describe the successful attainment of organisational goals. What does this mean to you in your role and could you describe it for me?”

“Would you be able to put some measure on it?”

This question thus answers the secondary research question relating to SPE and sets up the testing of the model as per the primary question later in the interview.

Stage 2 Query current level of Internal Service Quality experienced. Query acceptance and attitudes towards implementation of proposed Internal Service Quality.

This stage of the interview seeks to address the element of the primary question as to whether or not staff would accept adjusted ISQ. Furthermore, it tackles the secondary questions relating to employee’s opinion towards the current level of ISQ.

In order to achieve this each element of ISQ developed in Section 2.6 was explored in the interview. Table 3 lists each ISQ element and the associated interview question developed. The first part of each question queried the current level of ISQ, whilst the second part examined the opinion towards adjusted ISQ.

Composite Elements of Internal Service Quality	Interview Question No.	Interview Questions
Demand Analysis	2	<i>What do you think of the performance of the organisation in forecasting human resource demands? What do you think if this was to improve?</i>
Job Design	3	<i>Job Design relates to the specification of a role. Do you believe roles are adequately specified at present, and why? Do you believe more accurate job designs would be acceptable, and why?</i>
Employee Resourcing and Selection	4	<i>What do you think of the current performance of the organisation in resourcing and selecting staff. What would your thoughts be on seeing an increase in resources and an improvement in the quality standards of entrants to roles?</i>
Organisational Design	5	<i>Organisational design refers to the structure of an organisation and how it operates. How would you assess the current organisational design? Would you like to see a more streamlined and efficient design, and why?</i>
Learning and Development	6	<i>How would you describe the current level of learning and development in the organisation? What would your thoughts be on improving and increasing the current level?</i>
Rewards, Recognition and Accountability	7	<i>How would you describe the situation relating to rewards, recognition and accountability in the organisation? Would you be willing to see greater levels of rewards and recognition for high performance, for instance bonuses? At the same time would you like to see more accountability for under performance, and why?</i>

Performance Management	<i>n/a</i>	No question required as would create duplication - this topic is covered sufficiently in Question 6 & 7 above. Learning & Development plus Rewards, Recognition and Accountability cross over with Performance Management (Mello, 2011, p.430).
Utilisation and Empowerment	<i>8</i>	<i>Utilisation refers to the flexibility of staff to perform a number of roles, whilst empowerment is the latitude staff have to perform these roles. How would you currently rate utilisation and empowerment in your organisation? Would you be willing to see an increase in utilisation and empowerment in your organisation?</i>
Support Systems	<i>9</i>	<i>Support systems has two aspects. One, support and tools for employees to work. Two, support for employee's wellbeing. How would you rate both in the organisation? What would your thoughts be on improvements in both?</i>
Diversity	<i>10</i>	<i>How diverse is your organisation in relation to employees? Would you welcome greater diversity, and why?</i>

Table 3 Internal Service Quality Interview Questions

Stage 3 Query whether the implementation of proposed Internal Service Quality would affect Service Provision Excellence defined in stage 1

The third stage of the interview brings together both sets of previous questions. Here the hypothetical scenario is presented that if proposed ISQ were fully implemented as per the model, what affect would that have on SPE described by the participant in stage 1.

Interview Question 10

“If all the elements of Internal Service Quality were adjusted from their current level to the level described what effect would this have on Service Provision Excellence, as discussed at the start of the interview”

Here the element in the chain ISQ is manipulated and the final element SPE is assessed for effect, following the establishment of its existing status in Stage 1/Question 1. This interview question therefore satisfies the primary research question and acts as a limited test of the chain from the employee’s perspective.

4.5.3 Conducting Interviews

Prospective participants were contacted by e-mail and phone a number of weeks ahead of the proposed interviews to assess their willingness to participate, whilst confirming that confidentiality and anonymity would be respected. Once sufficient persons were confirmed, semi-structured interviews were conducted over a two-week period in the participants place of work. Participants were interviewed in a conversational manner using the questions developed in the above section. Interviews commenced by giving each interviewee a broad overview of the area of research and the reasoning for the interview. This provided an opportunity to set participants minds at each and facilitate an open and honest discussion (Saunders et al., p 310-344). Full confidentiality was again confirmed and consent received to proceed to the interview questions.

Interviews were recorded in a detailed manner by the researcher using word processing software. This allowed participants to see and review if necessary their answers to particular questions. This method also provided for a more considered and accurate reflection of the participants opinions (Saunders et al., p 310-344). The average length of interviews ranged from 30 – 40 minutes.

No engagement barriers arose and rich information was elicited from participants. Interesting areas and insights were explored further as they emerged during the interview, supporting the benefit of the case study design and qualitative method (Saunders et al., p 310-344).

A pilot interview was conducted with two prospective participants to trial run the questions and refine any issues. This provided valuable lessons relating to the structure, sequence and clarity of information given to participants. Firstly, the PSC model was shown to interviewees to give some context for the research. However, as referred to in the section above this inadvertently influenced participants thinking and answers as they were aware of the links in the chain that were being tested and explored. Consequently, this information was withheld from the research interviews and more general information was provided on the topic (Riege, 2003; Meyer, 2001). Secondly, an audio recording of the interviews was employed as the main recording instrument. Participants found this slightly uncomfortable and were more guarded in their responses. Following discussions with the participants a preference for a written record was expressed where they could give more thoughtful answers. Another lesson learned was that not all participants were familiar with the specific terms, as such at the beginning of each question terms were explained and participants were encouraged to seek clarification to anything they did not understand.

4.5.4 Sample Profile

The Irish Public Sector provides a wide and varied array of services which are essential to the functioning of the economy, society and the national competitive advantage (DPER, 2014). In order to investigate the PSC for the public sector an organisation that provided as broad a range of services as possible was desirable. Local authorities were prioritised on this basis as they provide such an extensive range of services. Dublin is a major European capital city which is administered by Dublin City Council (DCC). DCC's primary aim is make Dublin a great place to work,

live, visit and do business in (DCC, 2014). In pursuit of these objectives DCC provide a broad and complex range of services across the areas of housing, roads, environment, transportation, water, arts, sports, culture, community, planning, economic development et al. (Ibid). Accordingly, DCC was chosen as the research environment for this paper. Furthermore, as the author is an employee of DCC an advantage existed in relation to familiarity with the organisation and access to prospective research participants.

The research objectives and design identified a holistic case study through semi-structured interviews as the method of data collection. To satisfy this criterion it was necessary to gather a sample that was as representative as possible of the entire organisation (Saunders et al., p. 140). DCC has approximately 5,800 employees spread across the various services identified above. Further distinctions exist in relation to grades, professions, location of work, length of tenure et al. (DCC, 2014). Therefore, the aim with the sample selection process was to achieve as varied a grouping as possible across these parameters. Miles & Huberman (2002) support this approach of selecting persons spanning the entire organisation to ensure a diverse range of perspectives. Furthermore, Meyer (2001) states that the use of multiple informants increases validity and helps gain richer insights.

There are a series of grades within DCC ranging from Grade I to Grade X (DCC, 2014). Grades IX & X were omitted from the survey as these grades are considered senior management and have a direct influence over many elements of the proposed model, particularly ISQ as experienced by non-management staff. Therefore, non-management staff consisting of Grades I – VIII were chosen to create the sample. A person from each grade was selected across the various departments, professions and locations to make up a total sample number of ten participants. A minimum length of tenure of 6 months was employed to ensure participants had a sufficient understanding of the organisation and their role. The above approach allowed for a diverse range of perspectives to be gathered from across DCC.

4.6 DATA ANALYSIS

Saunders et al. (2007, p. 478-479) state that there are multiple way to analyse data generated through qualitative research, with no single standardized approach in place. They contend that based on the work of numerous academics strategies for analysis can be generally grouped into four categories:

- Understanding the characteristics of language
- Discovering regularities
- Comprehending the meaning of text or action
- Reflection

Each category indicates a number of broad ways of differentiating approaches to qualitative analysis, some highly structured and others not so (Ibid). For inductive or deductive data that is highly or fairly highly structured Saunders et al. (2007, p. 478-479) recommend the following general set of procedures.

1. Categorisation
2. Unitising data
3. Recognising relationships and developing the categories
4. Developing and testing theories to reach conclusions

This approach sits well with the highly structured interview questions of this research and the blend of inductive/deductive reasoning. Braun & Clarke (2006) present a well-established and well explained form of thematic analysis entitled '*Using thematic analysis in psychology*', which mirrors many of the elements described in the general set of procedures above. As such the qualitative data generated from the interviews was analysed using thematic analyse as per the guidelines described by Braun & Clarke (2006). Thematic analysis is described as a method for identifying, analysing and reporting patterns within data. It minimally organizes and describes

complex data sets in rich detail (Ibid). Braun & Clarke (2006) present the following step by step approach which was followed in the analysis of this papers research.

Step 1 Become familiar with the data

This step involves the researcher getting to know the full extent of the data in detail. This initially began at the interview stage itself by recording the participants responses using word processing software and re-confirming the content with them. Following this the answers were re-read again several times until the researcher attained a firm grasp on the scope and content of the information. Initial notes were taken at this stage of possible themes and ideas coming through the text.

Step 2 Create initial codes

After becoming immersed in the material an initial set of codes were created to represent the data. Braun and Clarke (2006) define codes as a feature of the data that appears interesting to the analyst, and refer to the most basic segment/element, or element, of the raw data that can be assessed in a meaningful way regarding the phenomenon. This step was achieved by systematically going through the text with specific questions in mind relating to the model, literature review and research questions. The information was then gathered in a table where all the codes were matched up with the relevant data. See table 4 for a sample extract of the coding.

Element	Question	Initial Coding
Service Provision Excellence	<p><i>The term Service Provision Excellence is used to describe the successful attainment of organisational goals. What does this mean to you in your role and could you describe it for me?</i></p> <p><i>Would you be able to put some measure on it?</i></p>	<p><i>What Does SPE Mean?</i></p> <ul style="list-style-type: none"> • <i>Respond Quickly to address Issues</i> • <i>Complete Projects</i> • <i>Get work done as quickly as possible</i> • <i>Complete tasks efficiently x3</i> • <i>Learning about role and improve knowledge</i> • <i>Achieve low Complaints</i> • <i>Meet Deadlines and budgets</i> <p><i>Metric?</i></p> <ul style="list-style-type: none"> • <i>20 repairs a month</i> • <i>€10mil of projects per year</i> • <i>40-50 customer/month and repair issues complete</i> • <i>2-5% Customer complaints</i> • <i>Manage 10 Contracts at any one time</i> • <i>No not possible</i> • <i>No It is project specific and these are variable</i> • <i>No Based on what assigned/demand/ problems as arise x3</i>

Table 4 Sample Extract from Coding

Step 3 Searching for themes

According to Braun & Clarke (2006) a theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the information. This stage involved trying to arrange the various codes into main themes and sub themes. As suggested by Braun & Clarke (2006) an early picture began to form of the relationships emerging between themes. Accordingly, a revised table was created to capture these relationships between, themes, sub-themes, codes and relevant data.

Step 4 Review themes

Once the initial series of themes were created the purpose of this stage was to refine these themes. A combination of merging themes, discarding themes or creating wholly new themes took place. Furthermore, the validity of the themes in relation to the data was considered (Ibid). This involved deciding if the themes were an accurate reflection of the interview data and if any data was un-coded. Finally, the data was reviewed again for completeness. According to Braun & Clarke (2006) coding could continue *ad infinitum*, thus it was important to stop coding once meaningful contributions ceased. See table 5 for a sample extract covering steps 3 & 4.

Element	Question	Initial Coding	Sub Theme	Main Theme
Job Design	<i>Job Design relates to the specification of a role. Do you believe roles are adequately specified at present, and why? Do you believe more accurate job designs would be acceptable, and why?</i>	<p>Are roles adequately specified</p> <ul style="list-style-type: none"> • No – often peoples roles unclear • No Only at start but soon forgotten as things change • No – line manager has one title but does a different job • Yes/No – Spec doesn't reflect level of stress in our section • Yes in my section but not as good elsewhere • Reasonable – changes due to CEO delegation from Gov Dep/Leg • Yes – but sometimes hard to know where to go to get help • Good x2 • Don't know <p>Would you welcome improved Spec's</p> <ul style="list-style-type: none"> • Yes – clear line would be better 	<p>Are roles adequately specified</p> <p>3 No's, 1 Mixed, 5 Yes, 1 Don't know</p>	<p>Majority believe suggested change to job design is not necessary or only partial change is beneficial. Flexibility needs to be maintained.</p>

		<ul style="list-style-type: none"> • <i>No need to be flexible</i> • <i>Not necessary</i> • <i>No – not a big issue</i> • <i>No in my section but maybe elsewhere</i> • <i>Partially – still need flexibility</i> • <i>Multifaceted – No some senior people can do multiple roles due to exp and junior people benefit from same. Yes – to know where to go for help</i> • <i>Need to keep flexible and not too rigid</i> • <i>Yes to a degree but need flexibility</i> • <i>Don't know</i> 	<p>Would you welcome improved Spec's</p> <p><i>Yes-1, No – 3, Partial – 4, No for maybe elsewhere - 1, Don't Know – 1,</i></p> <p><i>Flexibility needed - 5</i></p>	
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Table 5 Sample Extract from Thematic Analysis

Step 5 Define themes

This step involved further refinement and naming of themes to be presented in the analysis and findings. This involved identifying the essence of what each theme was about in relation to the data, then writing a detailed analysis clearly explaining the story each theme tells (Braun & Clarke, 2006).

Step 6 Produce Report

Once the set of fully worked out themes were established the final write up of the analysis and findings of the research took place. The task here was to coherently tell the complicated story which emerged through the thematic analysis. Furthermore, efforts were made not to simply describe the data but make a logical argument using the data in relation to the research question (Ibid).

4.7 ETHICAL CONSIDERATIONS

Ethical consideration refers to the protection of people and participants in the execution of any research and study (Cohen et al, 2007). Ethical concerns were reviewed as per the college guidelines and all research was carried out in accordance with the primary principles, namely; respect for the person, beneficence and non-maleficence and justice (NCI, 2013).

As the research required the use of human participants ethical approval was sought from the college and received in January 2017. Secondly, authorisation to carry out the survey was requested and received by DCC management, subject to the confidentiality of participants involved and the submission of the dissertation to the central library. Following this, prospective participants were contacted by e-mail and phone. Each person was informed of the rationale for the proposed study and why their input was being sought, most importantly each person's confidentiality and anonymity was guaranteed at this time. Once an individual agreed to the survey, a private meeting room and accompanying time and date were agreed. Prior to the formal interview, informed consent was again sought and received. This level of consent was deemed reasonable as no vulnerable groups or individuals were involved. Furthermore, the content of the questions related exclusively to the participant's role and associated opinions.

The sole method of recording the interview was by means of word processing software on the researcher's personal computer. This increased the level of security as only one copy of the information was created and no audio recording existed. Furthermore, it allowed participants to review their answers to ensure that it was an accurate reflection of their views. During the data analysis phase the data was secured using a password protected file on the researcher computer. Once the analysis of the data was complete the information from the interviews was transferred to a flash drive which was again password protected and removed to the authors home for secure storage.

No other files either soft or hard were ever created ensuring that only one copy of the information exists on the aforementioned flash drive. This methodology ensured a high level of security and protected the confidentiality and anonymity of participants from start to finish and into the future.

Another area of ethical concern which can arise is the proximity of the researcher to the organisation or participants. However, as the researcher remained separate from the phenomena in question, along with having infrequent contact with the interviewees, this risk was deemed not to be an influencing factor.

4.8 LIMITATIONS

All research contains inherent limitations that are often unavoidable due to time, cost, practicality et al. (Saunders et al., 2007, p. 531). This research and its methodology is no different containing several constraints.

Key among these was the limited nature of investigating the PSC. As referred to earlier in this chapter and the preceding one, the original intention was to carry out a full test of the chain and an investigation into how the implementation of the model could affect SPE. To achieve this information would need to be collected from employees and citizens, along with metrics in relation to service output and SPE. Unfortunately, this was beyond the reach of the paper and the only viable method of advancing the research aims was to focus solely on employees. This allowed for a limited test of the chain using a hypothetical scenario, furthermore, it gauged opinion on the implementation of the model from the employee perspective.

The single case study and small number of participants limit the generalisation of the study, However, multiple case studies were unviable due to time and resources available during the research (Saunders et al., 2007 p. 130-155).

Semi-structured interviews can also be susceptible to unintentional bias, either on behalf of the interviewer or interviewee (Adams et al., p. 148-149). To mitigate this issue questions were structured and asked in a clear unbiased way to elicit honest information (Ibid).

CHAPTER 5 FINDINGS

5.1 INTRODUCTION

This chapter presents the main findings of the research following the ten semi-structured interviews. The findings are laid out in the same objective based structure as the research questions, methodology and interview questions. The first section relates to defining what SPE means to participants. The second queries the current state of each element of ISQ, and participants opinion to the implementation of adjusted ISQ as per the PSC. This is a key step as the findings here indicate the level of acceptance employees have towards the first link in the chain. Finally, the scenario is presented as to the effect the implementation of adjusted ISQ would have on SPE, as defined above. These findings thus act as a limited test of the chain.

The purpose and importance of every question is explained in each section along with how the objective was satisfied. The consequence of the findings is discussed using prevalent themes with links back to the literature review where relevant. Interesting insights are also highlighted where appropriate, and direct quotations are given in support of all comments made.

5.2 SERVICE PROVISION EXCELLENCE

“The term Service Provision Excellence is used to describe the successful attainment of organisational goals. What does this mean to you in your role and could you describe it for me?”

As referred to in Section 4.5.2 the purpose of this question was to get participants thinking of organisational goals in relation to their roles, which can be drawn upon later in the questioning to try test the PSC. In general, there was a consistency among employees that SPE meant the execution of their role and tasks as efficiently and quickly as possible. The following are examples of key responses:

“Meeting and achieving deadlines, ensuring quality of outputs, monitoring the performance of contractors to ensure remaining within budgets.”

“I suppose getting the work done as quick as we can, to the right level and with as little disruption to the public as possible..”

“It means answering queries as quickly as possible. Very low level of complaints. Keeping up to date with best practice. Responding to emergencies. Prioritising and carry out as many flood relief and Water Framework Directive projects as possible.”

This broad theme is consistent with the explanation given by Davis (2006), that SPE is the attainment of organisational goals. If all persons in an organisation are striving to complete their individual roles as best they can, the overall attainment of organisational goals is supported.

Would you be able to put some measure on it?

The second part of the question was more difficult for participants to answer. There was a 50:50 split between those that could place some metric on SPE and those who could not. This difference is understandable given the wide array of services provided by DCC. For those with more well defined and predictable roles a quantity was more easily attainable. For instance:

“The percentage of stakeholder complaints would be a good measure. The optimum would be 2-5%.”

“We were using an asset management system and due to resources only getting through 40-50% of customer requests.”

“Carrying out €10 million of projects per year.”

For those in more variable roles where demand is not as predictable, participants were unable to give a measure. For instance:

“I’d find it really hard to put a figure on it, Housing people is a real firefighting operation recently.”

“Projects are products that are constantly changing from one to the next. So, it’s non-quantifiable and project specific.”

“I can’t put a number on it really, it depends on demand.”

All of these answers achieved the objective of drawing out the participant into thinking about and defining SPE from their point of view. This position acts as a baseline to refer employees back to later in the interview to assess their opinion on the effect adjusted ISQ has on SPE. This is particularly relevant for those who placed a figure on it.

5.3 INTERNAL SERVICE QUALITY

Hallowell & Schlesinger (2000, p. 209) define ISQ as the quality of services employees receive from their organisation to facilitate them doing their job. This section looks at each of the ten elements of ISQ developed in Section 2.6. Questions were crafted to examine each area by firstly ascertaining the current situation and secondly, the attitudes towards improvements as per proposed ISQ for each element. This allowed for the gauging of acceptance for proposed ISQ and the first link in the chain.

The findings illustrate a general acceptance towards the implementation of the proposed ISQ. Participants expressed satisfaction with the majority of items proposed, whilst the remaining items were only partially accepted. It is important to note that whilst the majority of areas were accepted no unanimous acceptance was received for any one area. The aggregate consequence of the findings are generally positive towards the implementation of proposed ISQ and of the first link in the PSC, albeit with some exceptions. The following sections demonstrate and explore this position in greater detail for each question area.

5.3.1 Demand Analysis

“What do you think of the performance of the organisation in forecasting human resource demands? What do you think if this was to improve?”

The purpose here was to determine how well DCC currently conduct the prediction and forecasting of necessary labour. In the main there was a negative response to this activity. Staff were either very critical or partially critical with only one respondent satisfied with the current performance. This points to a problem as adequately forecasting human resources needs is a key strategic action for all organisations (Thompson et al., 2007 p. 106-118).

“No, based on my experience there is one grade of Engineer missing from the project I am on. Therefore, I am doing duties above my grade. The project is split between DCC staff and DCC staff paid by Irish Water and there is a lack of consistency in the way the project is being approached by both sets of employees. HR demand has not been forecasted correctly as they have assigned roles to inappropriate sections.”

“Not at all we’ve been overwhelmed for years and only recently they paid any interest in what we’re up against.”

“Predict reasonable well but supply is a problem. We aren’t too good at responding to emergencies, as there is a high moment of inertia in the council.”

In relation to the second part of the question the answers were somewhat predictable based on the negative assessment of the current standard. An overwhelming majority welcomed the suggested improvement to predicting demand. A general theme of the knock-on improvement that this would create was cited.

“Yes it would be great as we would know exactly what is required to achieve best results.”

“I’d welcome it with open arms as it sorts out a lot of problems.”

5.3.2 Job Design

“Job Design relates to the specification of a role. Do you believe roles are adequately specified at present, and why? Do you believe more accurate job designs would be acceptable, and why?”

The goal of the first part of this question was to assess if the structure and configuration of roles were adequately described by DCC. An interesting theme emerged from the respondents. A majority of people were satisfied with the situation and only a small number had mixed or negative perceptions of the current standard.

“I believe the roles are fairly well defined, the problem is sometimes knowing who does what.”

“Yes roles are very well defined. People know what their supposed to do.”

“Yes in some areas and no in others. For instance we’re on the front line dealing with people in distress and its very tough so all the staff have to be able to carry the weight”

The second part of the question highlighted an interesting insight. Firstly, over half of the participants indicated that an improvement was not necessary because flexibility was required to respond to changes and deliver a quality service.

“I think flexibility is important being too rigid is not efficient. You need to be able to accommodate change.”

“No, you need to flexible and not be pigeon holed, its better for your career.”

This indicates that DCC may be performing well in relation to job designs that balance the personal needs of the individual with the strategic objectives of the council (Kurian, 2013). Therefore, significant improvement may not be necessary to implement the changes envisaged in the original SPC and the PSC.

5.3.3 Employee Resourcing and Selection

“What do you think of the current performance of the organisation in resourcing and selecting staff. What would your thoughts be on seeing an increase in resources and an improvement in the quality standards of entrants to roles?”

As this topic has a strong link with forecasting human resource demand discussed in section 5.3.1 a similar trend was present from respondents. The question had two distinct parts namely; resourcing and selection.

The significant majority of respondents were not satisfied with the current organisational performance in relation to resourcing. This issue generated one of the strongest responses and for many was a key factor leading to overall dissatisfaction, over work and organisational underperformance. Consequently, the improvement and increase suggested in resourcing was welcomed by nearly all interviewees.

Current Resourcing:

“Resourcing is very poor particularly in direct labour.”

“Level of resourcing is low due to people not being replaced and workload increasing. This drops service delivery.”

Improved Resourcing:

“Definitely – the reason is pretty obvious as it would lead to better quality of work.”

“That’s a given. It would improve everything. For instance; in our section we had six people last year now we have only three. So our quality of life is suffering due to work load.”

The narrative was more so mixed for improvements in selection standards. Half of the participants believed the existing standard of selection was sufficient. As one person put it *“Resourcing is poor not the quality”*. On the other hand, others were unsure or had mixed opinions. Consequently, the suggested increase in standards for selection were also mixed, with a slight majority of people supporting improvements.

“Selection and quality is good. Yes, again you can always do better but there isn’t much need for it across the organisation.”

One theme that came through was the dissatisfaction of employees with the selection methods for promotions. A number of people believed there was a disconnect between previous performance, the actual role and the selection instruments. Some lessons could be taken from Price (2007, p. 379) in this regard, he recommends the use of multiple techniques including past performance to gain a more holistic picture for selection.

“The section process is not good, it’s based on a single application form and interview. There’s a disconnect between actual and previous performance and promotion, all just based on who performs well on application and the day.”

Another participant raised the idea that maybe standards are currently high not by specific design but by labour market forces:

“Standards are high currently but I believe this is based on supply and demand.”

Overall an acceptance of improved resourcing was strongly supported but a lower level of support prevailed for improved selection standard with specific issues notable.

5.3.4 Organisational Design

“Organisational design refers to the structure of an organisation and how it operates. How would you assess the current organisational design? Would you like to see a more streamlined and efficient design, and why?”

Organisational design is the combination of the structure and culture of a company (Price, 2007 p. 615). The respondents provided a predominantly negative or mixed view of organisational design and efficiency. A frequent comment was that things are simply too slow. Possible reasons cited were excessive red tape and a laissez-faire approach by some.

“From my point not efficient in assessing and resolving problems quickly. This then creates a laissez-faire attitude amongst staff.”

“Overall organisation is slow and slightly archaic in its approach to change.”

“It’s efficient for an organisation of this size and number of services.”

There was almost unanimous support from the participants for a more efficient organisation design, with the rationale being that things would be done quickly, smoother and easier. This corresponds to Heskett et al.’s (1997) contention that the efficiency of an entity and improvements in same lead to more streamlined functions and improved condition for employees.

“Absolutely, it would make my job easier. And result in overall better performance.”

However, an interesting issue was raised by one interviewee stating that many of the inefficiencies are outside of the council’s control and are due to Government policy

i.e. procurement rules. Therefore, whilst scope for improvement clearly exists and an appetite for change is prevalent a, limit exists on what DCC can achieve in isolation.

5.3.5 Learning and Development

“How would you describe the current level of learning and development in the organisation? What would your thoughts be on improving and increasing the current level?”

There was robust consensus among the majority of participants that the current provision of learning, development and training was good in the organisation. A number cited the easy access to and supports for training. However, some expressed dissatisfaction with the lack of consistency relating to training across departments.

“Its great, because the structured CPD events allow me to grasp better what the organisation does as a whole and on the job learning allows me to learn from senior colleges.”

“Very good, improved greatly over last 10 years as more resourcing and target to bring employees to max potential.”

“I’d like to see 100% funding for work related courses. It all over the place at the moment.”

Thoughts on improving the current standard were split. A number of people explained that whilst they thought the current situation was adequate, improvement should generally always be welcomed. On the contrary others clearly stated that further improvement was unnecessary.

“Of course, improvement is always welcome through better management and resourcing.”

“Learning & development is always positive but current level adequate.”

“We’re close to a good standard at present.”

The original authors of SPC contend that the knowledge and skill of an employee is a key factor in their capability and output, accordingly improvement through training is essential (Heskett et al., 1994 & 1997).

The consequence of this and the findings is that it may be the case that DCC is achieving a high standard in relation to L&D, and whilst scope for improvement is present significant change is not.

5.3.6 Rewards, Recognition and Accountability

“How would you describe the situation relating to rewards, recognition and accountability in the organisation? Would you be willing to see greater levels of rewards and recognition for high performance, for instance bonuses? At the same time would you like to see more accountability for under performance, and why?”

This question had three distinct parts to assess the current situation and one final part proposing simultaneous change to all.

The view of rewards received by participants was mainly negative or mixed. A belief was prevalent among the majority of people that they were not paid enough for the roles and duties they do. Conversely, some employees looked more favourably on their remuneration. Most interestingly these people tended to be at higher grades and more well paid.

“Pay is poor for the work done. This has a negative impact on morale.”

“The salary is diabolical. I mean the car allowances doesn’t even cover costs.”

“Pay is slightly below average.”

The levels of recognition experienced by staff were somewhat better but still very mixed. Some staff cited excellent recognition from peers and management whilst others had a quite negative experience. The variability of answers seemed quite dependant on the area of work and line managers.

“No not often. Senior management get all the praise but nothing for us.”

“Yes, good feedback is given from management and organisation for good work.”

“Recognition, it’s a mixed answer really. Some managers are good, some managers are bad.”

Accountability received a strong reaction from participants. A sizable majority of people were very critical of the organisations performance in this regard. In fact, only one person had a positive perspective. The general consensus was that there was little accountability in action, with poor performance not being adequately addressed.

“There is no accountability and some people get away with anything. I think this is a consequence of pay levels and low staff levels.”

“Accountability is not good, I can’t think where people’s underperformance is really challenged, its simply tolerated.”

However, some had a mixed view and cited the difference between temporary and permanent staff.

“At my level, you are not permanent and can be let go but at permanent grades the level of accountability is a lot less.”

The final element asked participants if they would simultaneously accept higher levels of reward, recognition and accountability. A clear message of support for this proposal was given by interviewees. The key reasons offered were that it would improve output and morale. These responses mirror one the key points raised by Heskett et al. (1994 & 1997) when creating the original SPC, that is rewards and recognition have a strong influence over performance and satisfaction.

“Absolutely on both terms – this would reward higher achievers and penalise poor performance. No point in having mediocracy across the board.”

“I’d have no problem with that – It would definitely separate the good from the bad. You have nothing to worry about if you’re doing the job properly and if you have ambition, you have an opportunity where’s at present that isn’t the case.”

“Absolutely – give encouragement to people to increase productivity. My section currently works for Irish Water under a Service Level Agreement and they receive bonuses and we don’t. This damages morale significantly.”

The key consequence of the findings is that there is definite room for improvement across the three areas discussed. Furthermore, a strong willingness exists among participants to accept the opportunity of greater rewards for higher performance, coupled with the consequences of poor performance. This seems to show some acceptance of rewards being linked to performance rather than fixed (Price, 2007, p. 467).

5.3.7 Performance Management

As explained in section 2.6 and 4.5.2 Learning & Development plus Rewards, Recognition and Accountability heavily cross over with Performance Management (Mello, 2011, p.430). Furthermore, Price (2007, p. 452) includes organisational design as factor of Performance Management. Therefore, due to duplication no question was asked of this topic. Interestingly, it could be possible to infer views for

this element based on the opinions expressed by participants in relation to Learning & Development, Rewards, Recognition and Accountability and Organisational Design.

With support for Learning & Development being split, Rewards, Recognition & Accountability and Organisation Design being strongly supported an aggregate position could be taken that there exists a majority support for improved Performance Management systems among participants.

5.3.8 Utilisation and Empowerment

“Utilisation refers to the flexibility of staff to perform a number of roles, whilst empowerment is the latitude staff have to perform these roles. How would you currently rate utilisation and empowerment in your organisation? Would you be willing to see an increase in utilisation and empowerment in your organisation?”

The current assessment of utilisation was decidedly mixed amongst interviewees. In fact, the majority of participants stated that it was a blend of positive and negative as opposed to expressing an opinion either way.

“Utilisation is very mixed. For professional grades at junior grades is very high and beneficial. But at more senior and specialised levels not so much as more difficult to move to different areas. At technical grades flexibility is high and specialisation is low. Craft grades there’s no flexibility yet at general operative grade there’s great flexibility”

The above quotation encapsulates the key points relating to utilisation, for certain roles that can move flexibility is high and for others where there is a high level of specialisation the flexibility is low. This position is understandable given the multidiscipline nature of services provided by DCC. However, the Council have made efforts to create more movement among staff as referred to by one participant:

“At the moment, there is a 5-year rotation policy to counteract this.”

Participants were receptive to the idea of improved utilisation across the organisation as it would create a more diversely skilled workforce. However, this support was conditional on people being competent in the roles assigned.

“I would think more helpful. The more adaptable people are the better they can respond.”

“Ye it would be a good idea but the people have to competent.”

Opinions regarding empowerment were also varied. The participants were almost equally spread amongst being positive and negative towards the current situation.

“Personally, empowerment is very good in current role. I’m given latitude to perform.”

“Empowerment is low there is a lot of red tape. Often you would do a lot of organising work but it would need to rubber stamped by numerous people.”

However, a number of participants explained the rationale behind low levels of empowerment. Government policy around procedures, consistency and transparency often dictate what DCC can and can’t do.

“We are very hierarchical structure, its public money so we are constrained by Government with audits and transparency, which is essential.”

Conditional support was main response in relation to increasing the empowerment of individuals in their role. The reason given by most interviewees was that too much power could be open to abuse.

“I would be cautious about increased empowerment at my grade as local arrangement could be abused.”

“Empowerment – a certain amount. But each situation in the council is different. But a bit more would be good. The managers orders and thresholds could be changed.”

The consequence of these findings is that whilst there is support for increased utilisation and empowerment, it must be done so within limits to ensure competent staff in roles and increased power is not abused. This position reflects back to the literature review where Leatherbarrow (2010) contends that having the right people with the right level of responsibility is essential to meeting customer needs.

5.3.9 Support Systems

“Support systems has two aspects. One, support and tools for employees to work. Two, support for employee’s wellbeing. How would you rate both in the organisation? What would your thoughts be on improvements in both?”

The purpose of this question was to elicit views on the supports employees receive, namely; tools for carrying out their role and supports focusing on their welfare. The second purpose was to gauge interviewees opinion on improvements to both support types.

Half on the participants believed the existing tools received were fit for purpose, with the balance having a more mixed or negative viewpoint.

“Tools – Good/excellent. You get tools needed in a timely fashion”

“There adequate overall but IT support is poor. Too many approvals, poor infrastructure and too slow.”

Whilst the focus of the questioning related to tools people use, a previous theme re-emerged. Inadequate human resourcing and gaps in same caused difficulty for a number of participants in their roles.

“It’s inadequate, for instance I need more clerical assistance. I used to receive this in my previous department but not now.”

The suggestion of implementing improvements in relation to tools resulted in a slight majority of support, with the balance being either neutral or believing no change was necessary.

“I’d like to see improvements in relation to support tools i.e. technical services.”

“I think it needs to continually improve and its moving in the right direction.”

The second area of questioning relating to the current state of wellbeing services yielded a slightly positive majority view. Those who had a negative opinion cited the lack of information available and communication of services.

“It’s a caring organisation, very accommodating of personal issues.”

“I am not aware of any support systems for my wellbeing.”

Mixed opinions were given by participants when improvements to wellbeing services were suggested. Half believed the existing service was adequate, whilst the other half believed improvements and better communication was required.

“Yes, definitely welcome improvements in relation to tools but not for well-being. I’m happy enough with that.”

“Wellbeing, no fine as is. Maybe more would be a waste.”

“I’d like to see good wellbeing support systems but as I don’t know existing level I can’t comment.”

The result of these findings is that a slight need for improvement for both aspects of support systems is welcomed among participants. Similarly, to the learning and

development element it may be the case that DCC is achieving a high standard in relation to support systems, and significant improvement is not necessary. However, even a slight improvement can increase output and productivity according to the original authors of the SPC (Heskett et al., 1997).

5.3.10 Diversity

“How diverse is your organisation in relation to employees? Would you welcome greater diversity, and why?”

The vast majority of participants believed the council was performing very well in relation to diversity. Numerous examples were cited of how DCC recruit from a diverse pool and supports numerous inclusive initiatives.

“Yes, it is diverse, there is a good gender divide and many nationalities are represented.”

“I think we’ve improved and we’ve had to as the city has changed. 20% of citizens are 36.9 from non-Irish backgrounds. We went to South Africa about 15 years ago and we recruited both black and white people.”

The second part of the question involved gauging participant support for improved diversity based on the contention that a high level of diversity leads to improved outcomes (Fernandez, 1995). The response was mainly supportive of improving diversity with the balance neutral and no negative opinion. The main reason cited for supporting increased diversity was to keep up with and reflect the changing society the council serves.

“Yes, we should be more diverse to match the people we serve.”

This perspective very much matches the opinion expressed in the literature review that an organisation should be as heterogeneous as possible to accurately represent its market (Groysberg & Connolly, 2013). In the main it appears that DCC are

performing well in relation to diversity and an appetite exists to continually improve this position.

5.4 EFFECT OF INTERNAL SERVICE QUALITY IMPLEMENTATION ON SERVICE PROVISION EXCELLENCE

“If all the elements of Internal Service Quality were adjusted from their current level to the level described what effect would this have on Service Provision Excellence, as discussed at the start of the interview?”

Here the purpose was to bring participants back a step and propose the hypothetical scenario that if all the elements of proposed ISQ were implemented as above, what effect would it have on SPE as defined by them in the first question.

There was an almost unanimous belief that if implemented SPE would improve.

“Yes, very much so from a personal point of view and as an organisation due staffing improvements and services to staff.”

“That would totally change the organisation, staff morale would improve, performance would improve, image would improve and Service Provision Excellence would improve.”

However, most found it difficult to place any measure on the benefit. This reflects the assertion by Heintzman & Marson (2005) that the bottom line for public service is difficult to measure.

“I’d say it would definitely improve Service Provision Excellence but it’s difficult to put a number on. We’d be better able to do our work.”

Interestingly though, one participant was able to suggest a figure by which Service Provision Excellence would improve.

“It would increase it by about 25% in my opinion.”

There was also small number who were more reserved in their opinion of the positive effect the suggested changes would have. Two participants believed it would only slightly improve performance.

“Slight improvement but not a massive improvement as I do a good job at present, although across the organisation would be an improvement.”

The consequence of this is that a belief exists among the participants that if proposed ISQ were implemented it would positively effect SPE, thus supporting the PSC model.

5.5 CONCLUSION

The findings presented satisfy all the set research objectives and questions, namely;

- *Secondary Question - What does Service Provision Excellence mean to employees at an Irish Local Authority?*

SPE has been defined by the participants with some being able to quantify same. Overall a focus on executing one’s role efficiently and quickly was prevalent.

- *Secondary Question - How do employees at an Irish local authority view the current level of Internal Service Quality?*

The current level of ISQ has been explored with a wide variety of opinions present. That said, an overall dissatisfaction prevails.

- *Would the implementation of the Public Service Chain through the adjustment of internal service quality be firstly acceptable to employees in an Irish local authority and secondly, what effect in their opinion would this have on Service Provision Excellence?*

In the main there is a general acceptance and satisfaction with implementation of the proposed ISQ, albeit with some exceptions.

Strong opinion exists amongst the participants that if all the elements of proposed ISQ were implemented SPE would improve.

The next chapter will discuss what these findings mean in more detail and explore the implications for further study.

CHAPTER 6 DISCUSSION AND RECOMMENDATIONS

6.1 INTRODUCTION

Following the literature review of the SPC and its possible application to public service, the PSC model was created. A limited test of the chain was conducted via qualitative research to satisfy the papers objectives, with the findings being presented in the previous chapter. This chapter now will discuss the meaning of the findings, their possible implications, shortcomings, insights and recommendations.

6.2 WHAT THE FINDINGS MEAN

The findings represent significant meaning. Employees have shown support for the validity of the model by overwhelmingly backing the concept that if all the composite elements of ISQ were implemented to the proposed level, it would positively effect SPE. Furthermore, they have voiced dissatisfaction with many elements of the current level of service provided to them by their employer, whilst expressing majority satisfaction with the proposed implementation of the composite elements of ISQ.

This means that from an employee's perspective the model may be feasible and acceptable. This is important as employees are a critical component of the model. The essence of the research is that it supports the overall viability of the model to achieve better valued outcomes for public service. However, this is conditional as the research is limited and further study is required. These limitations will be discussed later in the chapter.

The positive estimation of the model on foot of the research is consistent with many of the previous studies and research into the original private sector model. These studies established a strong relationship between the various links of the chain and their impact on organisational success (Kamakura et al. 2002; Yee et al., 2011, Hallowell & Schlesinger, 200, p. 210-215; Heskett et al., 1994, 1997, 2008).

From a non-profit and public-sector perspective, the findings are also consistent with the limited existing body of research. Wisner et al. (2005) investigated charities and established relationships between service delivery to volunteers, their loyalty and eventual performance of the charity. Furthermore, Steinke (2008) adjusted the original model to a health care setting and validated same by confirming causal links between internal service quality, job satisfaction, service performance and the eventual outcome of patient satisfaction and empowerment.

Whilst this papers research and findings has explored the link between ISQ and Employee Satisfaction, it then jumps to the final output SPE. This assumes the causal links follow the PSC model i.e. Employee Satisfaction to Service Output to Citizen Satisfaction. However, some academics have argued that this path may not be as clear. Myrden (2015) contends that employee engagement is a stronger determinant of service output than employee satisfaction. Loveman (1998) similarly questions the effect of employee satisfaction and suggests employee tenure is a stronger influencer of service output. In any event further study of this middle section of the model would be valuable.

The research also provided a new development in the model that had not been considered to the same extent in previous studies. Kamakura et al. (2002) criticised the original model for not giving enough direction to management to implement. The creation of the ten composite elements of ISQ drew on the original authors work and the best practice elements of HRM. This creates a more comprehensive and clear set of implementable elements for management to follow.

The overall support for the model links back to the original authors contention that the investment in people, processes and resources in a service context ultimately leads to better results (Heskett et al., 1997). This idea forms the basis of this paper, to investigate possible methods and models to contribute to improving public service.

6.3 IMPLICATIONS

The implications of the research and findings are multifaceted. The primary implication is the positive effect the model and research could have on public service delivery. This has significance for all stakeholders involved, namely; employees, citizens, state bodies, business, policy makers, government et al.

Possible improvements in efficiencies and outputs as suggested by the research and model would benefit all stakeholders. One of the key stakeholders within this dynamic is the government and policy makers, who have the authority to implement change in relation to public services. Therefore, the research presents an opportunity and insight to advance the stated goals of the Department of Public Expenditure and Reform, that is to serve the public by delivering well-managed and well-targeted spending, through modernised and effective public service (DPER, 2017). Whilst further study is recommended before application, it must be acknowledged that implementation of the model would require significant change and investment.

This may influence the partial implementation of the model through selective elements of ISQ. However, the effect while likely positive is uncertain and implementation of the chain in full is recommended (Heskett et al., 2008).

Interestingly, the proposed elements of ISQ that were not clearly accepted in the research may not actually contradict the model but indeed support it. One of the key reasons why elements were not accepted was due their high current standard. Therefore, DCC and possibly other public bodies may well be achieving at or near the level espoused by the original SPC and proposed PSC.

It is thus important to recognise good performance and commend it. It is also worthy to recognise and highlight the progress to date in the wider Irish public service. Overall significantly greater efficiencies have been delivered since the Department of

Public Expenditure and Reform was established (DPER, 2017). Notwithstanding, many of these advancements have been achieved through cuts and reductions (PAI, 2014).

The model can also help public sector management better understand the enablers to service quality. The chain promotes a focus on the elements that lead to performance by providing a manageable sequence of variables (Chaston, 2011, p. 133-134). This may allow management to think in a more holistic manner to achieve improved performance, rather than the narrow lens of a transactional approach. This can create a win-win scenario for both the employer and employee.

6.4 INTERESTING INSIGHTS

A number of interesting insights were gained during the course of the research that may provide opportunity for further study outside the scope of this paper.

People at higher grades were more satisfied with many of the existing elements of ISQ than those at lower grades. This was particularly evident around the issue of remuneration. This negative sentiment may indicate a disproportionate difference in pay across the grades for work performed.

Those working in maintenance functions in DCC consistently complained of not having sufficient human resources to properly perform their role. Conversely, those working on projects had very little complaints in this regard. This could point to differing levels of management support for maintenance versus project functions.

The housing department provided a unique circumstance. The root cause of many of the issues staff had related to not having a sufficient supply of accommodation for the demand being experienced. This was creating significant strain on the staff and formed the primary reason for much of their dissatisfaction with their current level of ISQ.

Staff working in water services are currently operating under a service level agreement with Irish Water. Though still employees of DCC much of their role is now managed by Irish Water. This means that they are subject to distinct policies and procedures that do not affect any other DCC employees. The interview participant in this position expressed heightened dissatisfaction with the current situation when compared to staff not working in water services. This staff member believed they were being less favourably treated compared to other DCC staff and staff in Irish Water.

The ten elements of ISQ were compiled as a comprehensive list of factors effecting employees based on best HRM practice. Nevertheless, an observation was made during the research that considerable cross over and interdependence was present between the elements. For instance, Support Systems are linked to Organisational Design and both are linked Resources. Such crossover can make it difficult for people to discern between where one element finishes and another starts.

6.5 SHORTCOMINGS

Several shortcomings and limitations are present in the paper, primarily due to time and resource constraints. A number of these have been discussed in section 4.8, namely;

- The limited nature of the test and inability to explore each link and party to the model. The test from the employees view point only may be a weakness but it is also a strength, as it has allowed for a wealth of information to gathered from this key stakeholder.
- The use of a hypothetical proposition as opposed to real time data. It was simply not possible to acquire information prior to and post model application. This ideally would allow for a scientific assessment of the before and after scenario to quantifiably gauge the effect of implementing the PSC.

- The small sample size within one organisation reduced the generalisation of the findings. However, consistency was observed in multiple areas which may mean the findings are more applicable than the sample size suggests.
- Qualitative instruments can often create unintended bias, however, the method allowed for an in depth and flexible way to investigate constructs and phenomenon.

A possible critique of the paper may be that the objectives were too broad. Whilst it is accepted that the objectives were broad and challenging, it is the contention of the author that through a strategic and creative approach a meaningful exploration of the topic was conducted in satisfaction of the objectives.

6.6 RECOMMENDATIONS

The research has provided strong but constrained support for the model. Accordingly, the first recommendation is to conduct further research which addresses the shortcomings described in this and previous chapters. This will require examination of each variable, stakeholder, link in the chain and associated metrics to more firmly establish the viability of the model. In furtherance of this, it is recommended that the empirical approach adopted by Steinke (2008) be considered. Here a multi-method process was used combining quantitative, qualitative and performance outputs across all links and parties to the chain. The sample size will have to increase and may need to include multiple departments across the public service.

The second recommendation is that in conjunction with the above research the PSC model is piloted on a trial run basis in a particular unit or section of the public sector. This will facilitate an assessment of the practicality of the model and its effective on SPE. Whilst it is preferable to implement the model in its entirety, it may be the case that sufficient time, resources et al. are not available. In this situation, a partial implementation may be beneficial to achieve certain benefits. Specifically targeting

elements of ISQ where sentiment was strongest could generate the greatest effect, for instance rewards, accountability, resourcing and organisational design.

It is further recommended that public service management familiarise themselves with the content and concepts this paper discusses. As referred to in Section 6.3, the model may assist management in better understanding the enablers and variables to efficient service quality. Moreover, provide an appreciation of the central theme of the model that greater investment in people, processes and resources can yield the greater results (Heskett et al. 1997).

It is acknowledged that certain elements of proposed ISQ will present difficulties for public service management to implement. Contentious issues are inherent in the model such as the political context of increased rewards or benefits and the challenges of implementing organisational design change in well-established work environments. However, it is the contention and recommendation of this paper that based on the research the model may well achieve better valued outcomes and thus, is worthy of further investigation through study and trial runs.

CHAPTER 7 CONCLUSION

The global economy has shifted from its manufacturing origins to one now dominated by services (Lovelock & Wirtz, 2007, p. 6-7). This evolution has been recognised by the public sector with many private sector techniques being adopted to improve services (Andrews & Van de Walle, 2013). Ireland has been active in this space through the implementation of several Initiatives over the last twenty years (IPA, 2014). However, the need for improvement remains and the integration of appropriate private sector models is advocated as a key strategy for Ireland to address this issue (DPER, 2014).

The purpose of this paper is to contribute to this aim. To this end, it was decided to explore the Service Profit Chain (SPC) as it is a well-regarded model for customer orientated service delivery (Davis, 2006, Myrden, 2015). The SPC defines causal relationships between employee satisfaction, customer satisfaction and business outcomes (Heskett et al., 1994)

The original model is based on a final output of profit, therefore, the chain had to be adapted for scenarios where profit was not the end goal. By drawing on the work of several academics it was possible to create a bespoke and concise model, that was tailored to public service, labelled “The Public Service Chain” (PSC) (Davis, 2006; Heintzman & Marson, 2005; Heskett et al. 1997).

The PSC advances previous theory in the area by revising the elements of Internal Service Quality (ISQ) or the level of service employees receive to conduct their roles. The composite elements are based on the original model combined with current best practice in human resource management (Mello, 2011; Price, 2007).

A significant challenge then arose, how to meaningfully test the viability of the model in public service? The answer to this question lay in the limitations of the paper. Ideally each link in the chain would be tested along with each party to the chain,

unfortunately, this was not possible due to time and resource constraints. However, by focusing on employees who were accessible a limited test could be conducted. In the model employees are the key determinate to Citizen Satisfaction and Service Provision Excellence (SPE), where SPE is the final output of the model and relates to attainment of organisational goals. Therefore, through the assessment of employee acceptance to the proposed model and their opinions as to the effect implementation would have on SPE, a test was possible.

This rationale formed the basis of the research questions and accompanying methodology. A number of research designs were considered with the most viable route being chosen, a mono qualitative approach using a holistic case study via semi-structured interviews (Saunders et al., 2007). A purposive sample of employees at an Irish local authority was utilized to ensure a wide variety of perspectives in the organisation. Interview questions were carefully crafted and structured to elicit relevant information to address the research questions and aims.

Findings were analysed using thematic analysis as the per guidelines described by Braun & Clarke (2006). As detailed in section 5.5 all of the research objectives and questions were satisfied. SPE was initially defined by the participants. Majority dissatisfaction was then expressed with the current level of ISQ. Most importantly, general satisfaction was conveyed with the implementation of proposed changes to ISQ, along with the overall belief that full implementation of ISQ would improve SPE.

Therefore, the research supports the model's viability to achieve improved public service outcomes. The implication of this is that the model and research may assist public service management and the Department of Public Expenditure and Reform in achieving their goal of improving public service delivery. As such the paper contributes to the overall advancement of theory and body of research.

However, the paper does have limitations, notably, the model has only been studied from one perspective, the small sample size and the use of a hypothetical proposition

as opposed to contemporaneous data. Accordingly, it is recommended that further study be undertaken and possible trials conducted to address these shortcomings.

In conclusion, the fundamental message presented by both the original SPC and the bespoke PSC is that employees are crucial to organisational success. Therefore, investment in them and the services and resources that support them will yield improved organisational outcomes. This concept is best captured by Covey (2003), where he states:

“People are the greatest asset of any organisation”

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