

**THE SERVICE ENTERPRISE:
WORK, COMPETENCE AND PERFORMANCE IN
SERVICELIZATION CONTEXTS**

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A EMPRESA DE SERVIÇO:

TRABALHO, COMPETÊNCIA E PERFORMANCE EM CONTEXTOS DE SERVICIALIZAÇÃO

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ABSTRACT

This paper proposes an alternative to the theoretical framework for the approaches to phenomena of the servicelization of work in complex organizational contexts. Alternatives are submitted to explain these phenomena based on different organization models in the context of the service sector – and service production - in its specificities.

In contradiction to the models which question the industrialization processes, theoretical paradigms are presented which highlight integration in the analyses of new concepts of work, such as co-production, the supremacy of the client/user, the evaluation of organizational performances and competence logic. Finally, a model of the service enterprise is presented with its alternative configurations in a proposal for empirical application.

RÉSUMÉ

Ce texte propose une alternative théorique pour expliquer des phénomènes de servicialisation du travail dans les organisations complexes. On propose des alternatifs pour dégager ces phénomènes basés en modèles alternatifs d'organisation qui encadre le secteur des services – et la production de service – dans ses spécificités.

Dans une antinomie par rapport aux modèles qui problématise l'industrialisation, on présente des paradigmes théoriques qui détachent l'intégration dans les analyses du travail de nouveaux concepts, tels que la coproduction, le primat du cliente/utilisateur, l'évaluation des *performances* organisationnels, et la logique de la compétence. On conclut le texte avec la présentation d'un modèle d'entreprise de service et des alternatifs pour sa configuration, dans une proposition d'application aux objets empiriques spécifiques.

1. THE SERVICELIZATION OF WORK: A SLOW, BUT STRONG, EVOLUTION.

1.1. On the emergence of the servicelization concept.

This paper aims to outline some explanations for the servicelization processes of advanced societies and to question concepts stemming from the industrialist perspectives. However, we cannot ignore the growing and, in our opinion, positive inclusion of analyses on work in services and service enterprises in scientific production in sociology and in labor economics, to which we aim to contribute.

We propose using “servicelization” as an alternative concept to that of “tertiarization”. On one hand this highlights the distinction from the “industrialization” concept and, on the other hand, it draws attention to the transversal phenomenon of the “service logic” in the organization of a considerable, and growing, number of contemporary work activities. We make the distinction between the “service” concept and the “services” concept, linking “services” to the classification of economic activities (and, as we shall argue, of a strictly economic nature) and, simultaneously, defend the postulate that the “service” runs through most forms of contemporary work. In fact, and in response to the emergent rise in service consumption, we believe it is plausible to discuss the emergence of what is considered to be an ideal service enterprise model.

This thesis also intends to show clearly that the “service logic”¹ concept has three main characteristics, namely:

- the structuring of the service enterprise so as to strengthen the construction of the set of relevant and updated information on client-users, which should then be mobilized to identify their specificities;
- the organization of work activities so that they contribute to the co-production of answers adapted to the clients’ “problems”; and
- pressure to reconstruct production technologies and relational logistics in service co-production processes and with the self-teaching of competences.

We naturally continue to accept Freire’s conceptualization of work as operative and it enables two approaches to the analysis to be envisaged (Freire, 1997: 27 e ss.): on one hand, that of

¹ Table 2 of this Working Paper – with regard the research alternatives on the service enterprise – is a proposal on how to make this concept empirically operational.

work as an industrial reality (material production) and, on the other, that of work in the context of a service relationship (through the necessary technical and organizational measurement). However, it should be noted that in advanced societies, there is a focus on the logic of the cooperation of individuals in enterprises, as increasingly important for working in complex organizational contexts. It is now the enterprise in the latter contexts which assumes a specific centrality as the complex organizations are asserted not only as having the central role in the economic system but also as modernizing and innovative, with the enterprise becoming one of the characteristic institutions of advanced societies (Freire, 2002a: 4).

In fact, there are numerous explanations for tertiarization as an emerging phenomenon in advanced societies.

From the demand perspective, it is common to see the relationship between – on one hand – increasing desires and needs for care, assistance, training and leisure, and – on the other hand – the global advance of the standard of living of populations linked to this demand becoming more complex² and to the erosion of family and neighborhood solidarity (which are the basis of production modes of certain commercial services).

Two observations are currently made from the supply perspective. The services in rapid expansion are the ones with a relational character, backed by verbal interaction and direct contact between producers and consumers. On the whole, these are professional services³ (that is, supplied by those with specialized knowledge, recognized through diplomas or other kinds of public certification as in health or education for example). But this level of professionalization is not found in a significant proportion of services (e.g. catering, or over-the-counter services⁴) and they require different kinds of competence to develop this relationship of interaction.

² With the concomitant appeal to increasingly abstract knowledge of the “sale-of-advice” in organizations which are part of contemporary societies. As we know, these are repeatedly called information and knowledge societies (Rodrigues, M. J. *et alli* (org.), 2003), but we do not intend to broach this question here.

³ We recall that according to some authors we should deal with the issues of the construction of professionalization so as to consider the process by which some jobs are approaching the status of professions and are recognized as such, in a sociological conception which covers biographic, interactionist and discursive dynamics simultaneously (Dubar and Tripier, 1998: 94-97; Rodrigues, M. L., 1998: 40 and ss.; Macdonald, 1995: 4-14).

⁴ Including the traditional “counter” in a bank and, more generally front office workers characterized by routine work where “paradoxical Taylorism” predominates” (Veltz, 2000), that is, where personalized interaction with the client is accompanied by the need to maintain standardized routines.

Similar explanations are considered controversial by many. If we turn to Gadrey, one of the main authors on the study of tertiarization, we find he believes a more in-depth analysis is required (Gadrey and Zarifian, 2002: 65-66). On this premise, the author stresses that in advanced societies it is the services with a relative decline in the number of jobs which have a lower relational component, backed by operations consisting mainly of handling goods rather than direct contact with the clients (e.g. transport, logistics, wholesalers), or the handling of large volumes of codified information (such as in telecommunications, or traditional banking services for the administration of dossiers or checks etc). He argues that these kinds of service are more susceptible to being “industrialized” i.e. where industrialization is a process backed by standardized procedures and results and by the mechanization of operations necessary for their production.

It is precisely this limitation on the explanations of the tertiarization of societies that led Gadrey to considering other alternatives. He argues that the most developed countries have two groups of services which can be analyzed distinctly – in terms of the evolution of employment (Gadrey and Zarifian, 2002: 64-65):

- on one hand, a group of services which includes “distribution”, “transport”, “telecommunications”, “banking” and “insurance” (services with a relatively small relational component) and where there has been limited or no growth of employment or even the beginnings of a decline in some cases;
- on the other hand, a group of services which covers “health”, “education”, “consultancy”, or “catering” (services where the relational and professional components are quite significant) and where the volume of employment has risen considerably.

1.2. Everything is a service (!).

In an attempt to go beyond the observations on the effects of servicelization on work, it is our opinion that Zarifian's position is an epistemological breach. The author calls on and questions the social construction assumptions of the production sector and of the social division of work: in other words, he considers its limitations as an explanation for the new realities linked to the act of working or, strictly speaking, the act of producing. He also argues that the notion of service corresponds to modern work, regardless of the sector (Gadrey and Zarifian, 2002; Zarifian, 1999a).

According to his argument, working would mean "creating a service", that is, a modification considered positive in the living conditions of individuals and organizations (the recipients of the service). Literally, the statement that work consists of "creating a service" for the recipient, assumes the particularity of making the notions of "client" or "user" concrete. And, in fact, if we are to define the clients (practically and reflectively) it is essential to consider the "product" as a service rendered to specific recipients, with a range of problems and concrete applications which the clients may make of the products as such, and to which the organizations try to respond in the context of their structure (Zarifian, 1999a: 112).

Another aspect must be added to these dynamics of the transversal nature of the service: in the context of advanced societies in the XXI century, individuals own an increasingly small amount of assets and this has contributed to the idea that property has been transformed into an unreal concept (Rifkin, 2000: 235 and ss). With ever-shorter productive life cycles, together with the growth in the number and kind of available goods, a fundamental change has taken place: tertiary societies are characterized by a generalization of the service and in Rifkin's thesis capitalism tends to become a system in which the exchange of goods is replaced by the exchange of access to "segments of experience"⁵ (Rifkin, 2000: 77-95).

The previous hypotheses also contribute to our understanding of another phenomenon which marks modern and globalized societies: the transfer from an industry-based economy to an economy dominated by services in effect presents specific characteristics which are quite distinct from those of the previous transfer from agriculture to industry.

⁵ According to this argument, capitalism becomes more temporal than material (Rifkin, 2000). Time is therefore presented as one of the most significant dimensions of modern societies and a notion of "*temps-devenir*" and different alternatives regarding the measurement of the productivity of work and the social organization is proposed in contrast to the dominant conception of quantitative time (Zarifian, 2001b).

Selective employment of post-industrial society now substitutes the integrating work of the industrial society. For Lopes *et alli*, the great Taylorized production units which employed unskilled workers at the start of the XX century – where the speed of creating new jobs outweighed the destruction of old jobs, parallel with an increase in the active population – have given way to new, more volatile, kinds of work, in public services and in small and medium enterprises (Lopes *et alli*, 2000: 32-36)⁶. On the other hand, the increase of the economic and social importance of the tertiary sectors has often been achieved by the industrialization of already existing sectors of activity – such as “banking” and “insurance” and the “large distribution-commercialization” sectors – and by concentrations aimed at mobilizing capital for strongly expanding activities – such as the “retailing and distribution circuits” and the “purchase centers” (Iribarne, 1993: 28-29).

A similar rationale leads to two statements:

- on one hand, whereas industrial production relations and their economic logic structured social relations, now cultural norms determine the social meaning of the service relations, making the recognition of the value of work an increasingly social and cultural problem (Lopes *et alli*, 2000: 34);
- on the other hand, and complementary to it, if the immaterial nature of economic activities allows for the previous ruptures between work and culture to be overcome, the importance given to the competences involved in human interactions is no longer so positive, that is social exclusion is increased by means of economic exclusion (Roustang *et alli*, 2000).

In our opinion, it is important to note that the way most work is done in services contrasts strongly with that of industrial models⁷. Even though there are some common factors, the speed of the operations (which legitimates the exploitation of the qualities of the systems and machines) does not keep up with the demands for initiative, for practical intelligence, communication with colleagues, dialogue with clients (which is the basis of most activities of contemporary human work).

⁶ Lopes *et alli* stress the rather unstable nature of these jobs which are concentrated above all in small productive units and subject to more unstable markets and at great risk of disappearing (Lopes *et alli*, 2000: 32-36).

⁷ It will be mainly in the way work is organized called the “enterprise system” in Freire’s perspectives that technological sophistication allows for productive flexibility: *force-work* almost completely disappears to be replaced by knowledge-work and machine-work (Freire, 1997: 50-56).

Furthermore, it is argued that the tertiarization of economic activities modifies the kind of competences required by workers and it is possible to link this “service logic” to a specific centrality of the “competence model” (Gadrey and Zarifian, 2002: 121-132; Lopes *et alli*, 2000: 32-36). From Zarifian’s perspective, what is called the notion of competence is a new unit between the work and the worker; the work in this unit reincorporates the individual and an attempt is made to mobilize and extend the knowledge and imaginative intelligence possessed or co-constructed by this individual (Zarifian, 1999a)⁸; his argument recreates the stages of work in the service enterprises which begin with a phase of knowledge (recognition) and interpretation of the client’s needs, and conclude with the effective production of a service (Gadrey and Zarifian, 2002: 131 and ss).

2. SERVICE LOGIC AND HUMAN LABOUR.

2.1. Co-production.

It is also relevant to consider that, in the current phase of societies, the development of services represents the transfer from an industrial model to a different model i.e. to a set of different means or ways to produce. In an “industrial economy” the producer’s relationship with the users implies the break down of the products into normalized, primary elements which are accepted or rejected (i.e. bought or not bought) by the clientele; we can even speak of a “configuration of users”⁹. In the case of the “economy of services”, the service-products are global and generally cannot be broken down, and therefore the client/user’s evaluation is based on his satisfaction with consumption and he can even intervene in its production. Some of these service-products (namely informational services) only come into existence precisely when there is a service relationship with the client and therefore, in these cases, we speak of “co-production” (De Bandt, 1994: 333-335; De Bandt, 1999: 1-17; Burnier, 1999: 77-91).

⁸ The vision of an autonomous individual and one who is freed by work and by the freedom of choice in his professional trajectory (i.e. by a career made by the development of his competences, free of heteronomic constraints) is criticized by some authors. Gorz, for example, considers Zarifian’s thesis on this as “theoretical delirium” (Gorz, 1997: 72) because cultural, political and moral autonomy- the crux and fundamentals of which are far from the act of work, which in itself is subject to mediations and constraints of this kind- should be proposed in contrast to the idea of autonomy and self-determination at work.

⁹ We use here the expression of Grint and Woolgar which we consider appropriate to say how the new technologies impose a way of relating to their users, presupposing a minimum of socially validated technical knowledge (Grint and Woolgar, 1997: 65-94).

In addition, the rejection of a direct analogy between the theories of industrial production and the production of services is based on the understanding that there is a fundamental difference between the products of services and industries: service products cannot be defined on the basis of technical specifications and they cannot be produced by themselves or in themselves, independently of the consumer or the user¹⁰. Nevertheless, two points result from this observation (De Bandt, 1994: 311; Gadrey and Zarifian, 2002: 33; 76-84; Sainsaulieu, 1997: 282):

- firstly, the greater the proximity of the organizational *praxis* to the individuals and to their human relations to improve their effectiveness and performance, the more difficult it becomes to include it in a determinist scheme of behavior by motivations;
- secondly, and as a corollary, the non-industrial enterprise is confronted by a universe of multiple contingencies and hence the analysis of its economic and social rationality corresponds to numerous criteria which go beyond the logic of accumulated debit.

The issue of the strong emphasis put on human resources management also indicates a distinction in the logic: whereas most of the human labor in the industrial organization was essentially a service rendered associated to a machine (with the productivity of the work directly linked to this machine), the organization of services demands human resources with personalized skills¹¹ (initiative, ability to adapt to circumstances, the definition and organization of one's own work) in a logic of co-production with the client as part of a matrix of competition-relational management.

2.2. Competition-relational management.

The emergence of a model of “competition-relational management” is found to run alongside the growing servicelization processes of human work activities in advanced societies. This model can correspond to services in which there is a relatively small relational component, but it covers above all the services where clearly “relational” elements of “face-to-face interaction” are found.

In fact and given the concentration and integration of the technical systems in the large service enterprises, their branches are placed between two potentially conflicting logics: between a

¹⁰ For illustrative purposes, we recall the difference between the management of a banking and automobile portfolio; or between a consultancy service and a hardware network.

¹¹ On this matter De Bandt clearly explains the denial of the Taylorsit *one best way*: “the ‘facts and gestures’ of production cannot (...) be described with technical precision so that this production becomes a reality in itself, independent of the distinct factors associated to it.” (De Bandt, 1994: 320).

movement with the concentration of powerful technical-information systems which can attract an increasingly large number of clients, and a need to have deeper relations and closer and more direct contacts with the clientele. However, we know that during the phases of intense organizational change, the standardization of service enterprises has come closer to an industrial logic: joint phenomena were produced of economic concentration, the implementation of technical systems which tried to simplify obtaining economies of scale, and the reduction of the amount of individualized interaction with the client (with the service “rendered” becoming self-service) to which the conception of “near-products” can be added in certain cases (standardized products corresponding to a limited range of non-human interventions).

Meanwhile, the need “to adapt to a service logic” where to a certain extent the supremacy of the client/user and the co-production of the service rules, justifies the recurring use of the notion of “competence”, as a management resource which brings the enterprise closer to the client. Furthermore, this trend seems to result from intra-sectoral dynamics and some compatibility between the expectations of the workers and the proposals of the human resources management.

To a certain extent, the use of the notion of competence is still a consequence of plea for sectoral negotiation. Just as workers want to negotiate the essential of salaries at enterprise level, they also want to discuss qualifications (or more precisely, competences) at this level. In this field there is also a polarization between the interprofessional level and the enterprise level (to the detriment of sectoral negotiation); this phenomenon seems to result from a certain “internalization of the qualification” (Lichtenberger and Paradeise, 2001; Reynaud, 2001), that is, the fact that the labor market is increasingly evaluated at the level of the enterprise and its human resources management practices. The set of “qualities” of the workers in jobs where the relational component predominates started including areas previously reserved to middle management, like for example “client service” and “commercial competence” between 1980 and 1990; on the other hand, the management started being able to manipulate information systems, the same procedures and the same products used by the other workers.

In addition, the commercial relationship – and more specifically the contact between the salesman and the client – is one of the difficult issues which has emerged with the service enterprise model and with its logic of competition-relational management.

Similar structural and management transformations imply a great change in the management control procedures and the commercialization practices, particularly in the conception of the client-enterprise relationship: this is now seen as dynamic and individualized. The idea has therefore been spread that increasingly the products are not “bought” by the clientele but rather

“sold” by the enterprises, which implies an increase of commercial productivity. How? It is considered true that the rise of productivity levels has involved a segmentation of the clientele and this is the result of the restructuring of the commercial services and the human resources development programs which accentuate the relational dimension and the mobilization of a set of competences; this phenomenon is obviously felt most acutely in the medium and large enterprises.

3. THE SERVICE ENTERPRISE MODEL.

3.1. Service logic and performance evaluation.

Given that productivity is a typically Fordist concept which is adapted above all to analyzing the performance of standardized production systems, where production is also relatively standardized, it cannot be readily applied to the production of goods and, in particular, services where this standardization is limited.

For example, the question about the “real production” of service enterprises – as in the example of banks – becomes particularly relevant with this regard¹². In this context, there is a legitimate opposition between the volume of transactions made by the bank for their clients (the direct or immediate product), irrespective of the possible effects of this consumption, and the added bank value (the indirect result or mediate product), which would be the indicator of the effects produced by the services.

These assertions also lead to the issue of the so-called “industrial tertiary sector”. Here, we can debate whether there is a fundamental similarity, or, on the contrary, if there are irrefutable differences between industrial production and the production of services.

From the outset – and on the issue of the kinds of convergence between industry and services –, the question may be approached more from the perspective of the intensity of the relations and interactions between the actors in supply and demand, as opposed to from that of drawing of an airtight border of frequently unspecified shapes. The diagnosis which suggests we are in a post-industrial society may be contradicted by arguing that this could be called a neo-industrial society because the “industrialization” phenomenon of some less qualified services emerges,

¹² This line was developed in previous research, focusing on the banking and financial intermediation sectors (Almeida, 2001a; Almeida, 2001b).

principally in the payroll of certain service enterprises, organized from an industrial perspective and with a dual segment, to produce and sell relatively standardized “service-products” on a large scale. The organization of retailing and distribution or mail ordering, the MacDonaldis restaurant chain or work at the check-out of hypermarkets are concrete examples of this trend (De Bandt and Gadrey, 1994: 11-17; Gadrey, 1990: 25 and 26; Lopes *et alli*, 2000: 32-36).

As the service logic presupposes the integration of common action procedures directed to the rendering of the final service and to the cooperation between the various structure units – or, to use the terminology of other authors, between the different production universes - , the dissemination of this logic also has implications for the options of the structural configuration. According to this argument, the references to another kind of work – in breach with the previous conceptions about its nature – and the allusions to the notion of the service enterprise do not obliterate the consideration of other variables for the social construction and evaluation of the product in services - far from it.

Following this theme, the agreements theory – and particularly the services agreements - also intend to reintegrate the analysis of the social context in the economic field; this provides each individual with the feeling for their calculus, and hence trying to find the middle path between methodological individualism and determinist holism. This is how some economists, “convinced that pure market logic is incomplete” (Lopes, 1996: 93 and 94) analyze the notion of “trust”, recognizing that the emergence of cooperation or the role of various institutional forms cannot be explained through the mere search for individual interest; other economists go deeper into the concept of “agreement” in order to understand how means of coordination occur with a view to resolving collectively ambiguous situations.

In the framework of this conceptual logic, when we consider the product (and, principally, the tertiary product) as an uncertain, conflicting and multidimensional social product, it is important to determine which are the value systems, the “magnitudes”¹³ or the principles for attributing qualities (of “qualification”) according to the various groups of social actors. There are therefore, and in line with Gadrey, two fundamental proposals to be considered (Gadrey, 1996: 41; Gadrey, and Zarifian, 2002: 76-84):

¹³ According to Boltanski and Thévenot this is the understanding that it is not the accumulation of strategies to satisfy individual interests nor having a common culture which defines the social organization, but rather individuals’ moral capacity, their common capacity to define “justifiable” principles for a specific action (Boltanski and Thévenot, 1991). The authors understand the social balance as being the existence of common references in which are supported for the definition of their action, linked coherently in “cities” i.e. in ideal types of professional socialization (industry, market) and non-professional socialization (domestic, inspirational, etc) universes.

- firstly, it is principally in the definition of products and of their units that the main disagreements occur among actors (contrary to the situation in industry) as in services there is no agreement¹⁴ or definition which is consensually imposed;
- secondly, the undividable nature of “service-products” complicates their demultiplication in operations measuring results¹⁵.

In order to minimize or overcome these difficulties, the author proposes adopting a grid (table 1) which – given the numerous situations it covers and the possibilities it considers – can be used to measure the direct products (performances, flows, service operations) and at the same time measure the long term results or impacts (that is, the subsequent state of the realities dealt with, other than the operations made on these). Naturally, this grid is adapted to the games between actors for the definition of evaluation criteria of performances and for the respective considerations. But the validity of this kind of measurement is highlighted by its questioning of the dominant criteria (and emerging from industrialism) of “productivity” (a technical and industrial concept concerning direct operations) and of “short term competitiveness” (criteria emerging from the market conception and direct performance)¹⁶.

¹⁴ By agreement we understand a system of reciprocal expectations which make it possible to stabilize the adoption (by necessity, non-arbitrary) of a quantity of service to be rendered, with a value considered useful for the client. Gadrey distinguishes two kinds of service agreements which he calls “agreement for the rendering of services” and “reliability agreements” (Gadrey, 1994: 143-148; Gadrey and Zarifian, 2002: 79): the “agreement for the rendering of services” means the actors’ reciprocal expectations in relation to the service in question and the various attempts and actions which mark its development and conclusion; the “reliability agreement” concerns reciprocal expectations in relation to the renewal and stability of the relationship over time.

¹⁵ From the perspective of some authors, this is how the growing importance of non-material investments, as well as the strengthening of integration and task enrichment and the intensification of functional flexibility levels, raise new problems which traditional macroeconomic regulation has proved unable to evaluate (Amadeo and Horton, 1997; Chagas Lopes, 1995).

¹⁶ An extensive application of this grid was tested by the author in the postal and telecommunications enterprise in France: *La Poste* (Gadrey, 1996; Gadrey and Zarifian, 2002).

Table 1 – Grid for the Multicriteria evaluation of the product and performances of service enterprises

Evaluation criteria on product value and quantity	Technical or industrial criteria	Market or financial criteria	Relational criteria	Civic and ecological criteria	Creativity or innovation criteria	Image or reputation criteria
Direct products and results of the activity Corresponding performances (output)						
Indirect products and results Corresponding performances (outcome)						

Source: adapted from Gadrey and Zarifian (2002: 81).

3.2. Organizational integration and cooperation.

If we go back to the observation made by Lopes *et alli*, it is interesting to recall that the tertiarization of economic activities, in a much broader conception, corresponds to an “extensive movement intensifying social interactions in the heart of all the productive processes” (Lopes *et alli*, 2000: 32-36) where there can be a framework for the raising of the informational and relational nature of working activities in almost all economic activities. It is in this context that, from Zarifian’s perspective, the organization of the service enterprises – an organizational reality which runs across the three traditional economic sectors – can be placed in the emergence of two great evolutions (Gadrey and Zarifian, 2002: 19-24).

The author believes that the first of these changes took place at the start of the 1980s and it concerns the transformation of the organizational principles of industrial enterprises, which were trying to generate flexible means of production. Similar choices were intended to respond to two kinds of occasion: on one hand conciliating the basic principles of the economies of scale and the economies of debt with diversified products and with high renewal rates of their products and services; and on the other hand attracting clientele which would continue to be

formed mainly on the basis of the supply¹⁷, despite the already strong trend towards the “symbolic production of the client” based on marketing techniques.

The second evolution concerns what the author believes to be a central concept: the emphasis on the use value of the products and, principally, the services. According to Zarifian’s argument, “service production” is understood to be the process undertaken by an individual or group of individuals in the transformation of the activity conditions (or even of the willingness for action). This is the starting point and one of the principles integrated in the structural perception of the organizational activities which – in this conception of the service enterprise – include *ex ante and ex post* the useful effects that they can produce in the activity conditions of a specific recipient.

More conceptually, this is a service enterprise model which – understood as the ideal-type and extracted from its connections with other models – could be characterized by three essential principles, according to the proposal by the same author (Gadrey, and Zarifian, 2002: 41 and 42).

Firstly, this is a model where three universes are articulated (figure 2)¹⁸: the universe of the conception of the services which includes research and development activities; the universe of the technical-administrative infrastructure which supports the production of its services, understood to be the back-office; and the universe of the contact with the client-user, understood as the front-office. The cooperation-coordination between these three universes is vital to ensure the working of the chains of activity which cross them, as this separation tends to contradict the functional division of work proclaimed by Fayol, as well as the traditional conception of the management control function.

In the second principle, the service enterprise model is governed by a specific effectiveness plan: it begins with the symbolic and virtual definition of the transformation operating in the activity conditions and in the availability for the action of a client (or of a specific category of clientele) and ends with the effective completion of the transformation. It should be stressed that

¹⁷ At this time, the comparative competitive advantages were stressed. The indicate for example, the possibility to choose the color of a car, or interior comfort accessories, or delivery dates (Gadrey and Zarifian, 2002: 21).

¹⁸ On the concept of the “production universes” and with development, Veltz characterizes the appearance of a “new universe of industrial production”, marked by new forms of innovation, production, work and exchange, where the emerging values of autonomy, the limitation of involvement, and a kind of modern individualism increasingly distance the productivity concept of traditional effectiveness plans (Veltz, 2000). Also on this, Sennett refers to the indifference in relation to productive involvement which, according to the author, marks contemporary ethics in capitalist work (Sennett, 2001).

the income generated for the organization (i.e. its performance) is determined according to how the clientele evaluates (judges) the services, in relation to the supply from the competitors or the other alternative options.

This service enterprise model also presupposes – and this is the third principle – an organization that works as a network¹⁹ or as a chain of activities. In this kind of enterprise there is a permanent relationship and a dialogue among the different professionals in each of the three universes of service production (these universes assure their reciprocal acceptance through social contact or through sharing technology).

Given the dissemination of this service enterprise model in the industry and services sectors, will we be able to speak of a “competence model”? Zarifan believes we can (Gadrey, and Zarifian, 2002: 50-54; Zarifian, 1999b: 31-61; Zarifian, 2001a: 9-33): in the author’s opinion, this model will acquire its full meaning in the service enterprises, molding itself in its three production universes (figure 1).

In the “universe of the technical infrastructure” similar situations are found to those which characterize the industrial sector, with supervision activities (e.g. call centers) which demand competences permanently directed towards the resolution of possible breakdowns in the technological support network or towards the resolution of quality incidents.

Equally, the competences in the “back office universe of the service enterprises” are mobilized in three domains: that of technical-administrative reliability, how to assure that the innovations launched reach the public successfully; to assure the resolution of problems in chains of routine-based work; and how to guarantee the client’s monitoring activities whilst the service is being rendered.

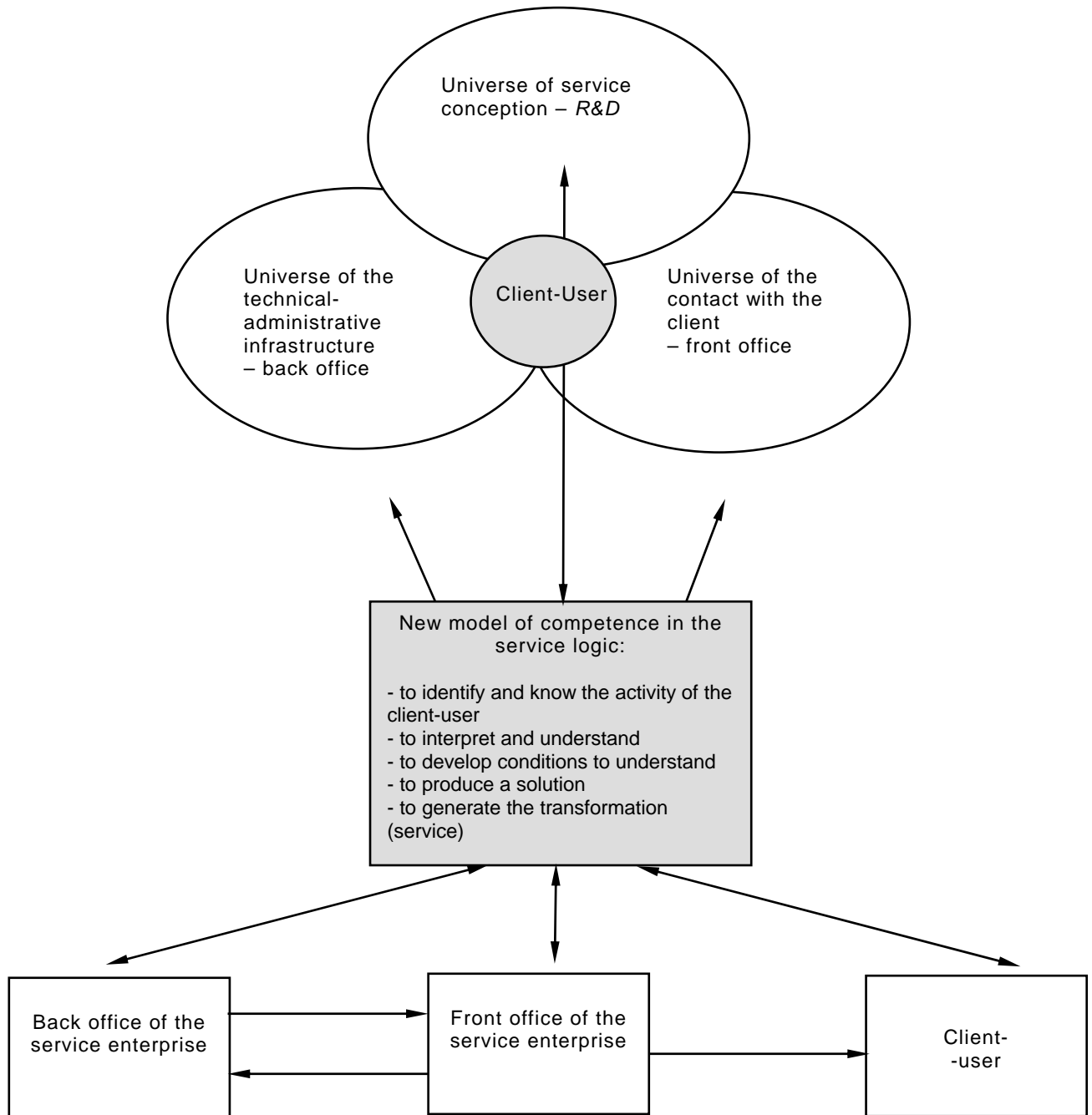
And, naturally, it is in the “front office universe of the service enterprises” that the mobilization of competences becomes indispensable for service production. In fact, added to this phenomenon is the uniqueness which marks the relationship with the clients in the universe of the front office of service enterprises to which – in spite of the attempts at predictability and taylorization – appeals a competence model which is capable of providing a positive response to

¹⁹ In this argument Zarifian approaches from Freire’s perspective of the evolution of organizational structures and practices as an extension of the “industrial model” (marked by Fayolist rationality) towards symbolically organizational models represented by the image of a “network” and by the concept of “mission” (Freire, 1998: 306).

this service relationship (which is, equally, an indicator and a strong expression of the quality of the service rendered).

Finally, it should be noted that that it is precisely in the areas of cooperation between the back office and the front office of the service enterprise that – at a dimension that goes beyond the everyday routines – a space of innovation and ambivalence is formed in the heart of the work networks which is consolidated for example in the chain when treating a complex dossier, a complaint or the preparation of the supply of a new “service-product” to the end client (Gadrey and Zarifian, 2002: 53).

Figure 1 – The three production universes in the service enterprise model and the competence model



Sources: adapted from Zarifian (2001a: 77-89); Gadrey and Zarifian (2002: 52-55 and 122-132).

Throughout this work we have chosen to examine the issue of the dissemination of a “service logic” in contemporary work activities. Objectively, it becomes somewhat complex to envisage all aspects of this matter and therefore focus is given to defining and characterizing the service enterprise.

The alternative definition we propose includes – by conceptual extension – enterprises in which a “service-products” component is added to work activities. It is our understanding that the “structural protagonism” of the commercial and marketing functions, the segmentation of the clientele and the decentralization of workers’ responsibilities are crucial aspects for their organization. In our thesis, these characteristics can be observed when services are being developed in which – with automatized simpler or less interactive parts – individualized sales are sought, and where there is significant advisory component.

It is therefore noted that these structure principles can be extended to other organization forms of work activities, namely the (public or private) enterprises and organizations which are directed towards an active and in certain contexts demanding clientele. Numerous examples could be given here ranging from insurance, information and telecommunications enterprises to automobile production and service industries or even public bodies.

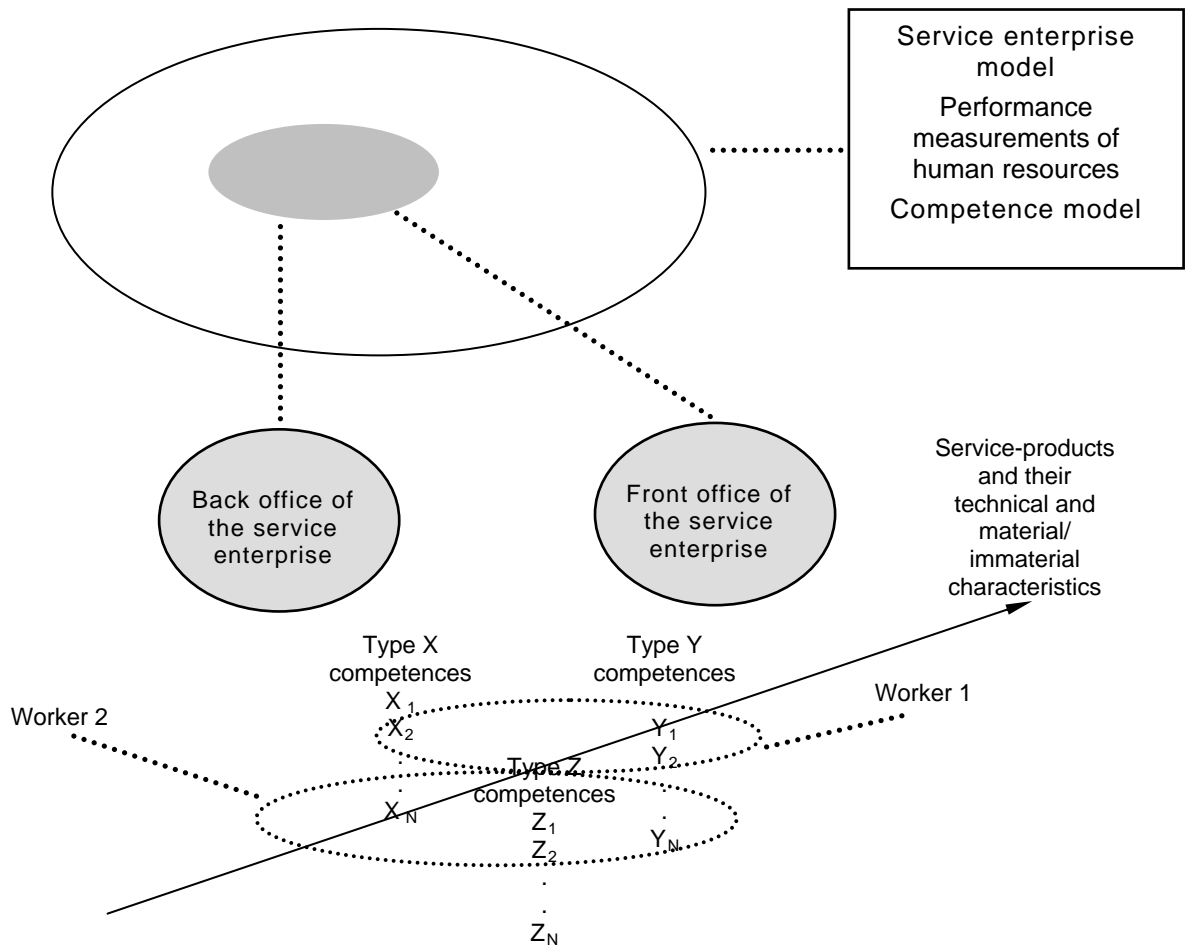
Next, we understand that the configuration and choices of how to run the service enterprise are embodied in two categories of function which are interconnected and have sectorally differentiated configurations:

- the (back office) “instrumental-industrial functions” which ensure instrumental support upstream; and
- the (front office) “relational-service functions” which ensure that the creation/rendering of the service takes place downstream.

Furthermore, and if we consider work in these organizations as a dual framework (and in some cases with the dual constraints) of the service logic and the local (and/or socially disseminated) applications of the competence model, we understand that these to some extent imply that certain kinds of competence (e.g. type “x”, type “y” and type “z”, in figure 2), necessary for work activities involving the sale of “service-products” in their technical and material/immaterial characteristics, are transversal.

Figure 2 – Production of a space for interaction and co-construction between human resources management practices and the definition of work and of service competences

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3.3. Proposals for empirical application.

It should not be forgotten that the dissemination of the service logic – as defined at the start of this paper – emphasizes the relational dimension in a situation of interaction between clients/users and those rendering the service. Hence, we believe that the transition to a relational dimension in the service logic has significant implications on the very nature of the work activity.

Given that the service logic and the supremacy of the client extends to all contemporary work activities, the sociological nature of the analyses in service enterprises could be developed in numerous empirically referenced situations. The following table provides conceptual and operational research alternatives precisely in relation to these (table 2²⁰).

Parallel to this proposal, at the turn of the XXI century contemporary enterprises should be seen as places of commerce no longer confined to selling standardized products, but which also sell personalized services, knowledge and know-how. There are some analytical problems which, when confronted with the critical use of these concepts, are worthy of the researchers' attention.

²⁰ The enterprise situation has been taken from a more developed version of this table, proposed by the author in another work (Almeida, 2003).

Table 2 – Research alternatives in service enterprises

	Areas of analysis	
	Organization / Enterprise-related (work and workers; structure; running)	Competition / Relational (co-production of interaction; ‘mobilization of knowledge in action’)
Concepts		
Service logic (kinds of producer and recipients interacting with the work organization)	<ul style="list-style-type: none"> - client/user relationship with the salesman/supplier - organization of work (service profiles <i>versus</i> profiles of work posts) - computerization/use of ICT for the management of quality 	<ul style="list-style-type: none"> - co-production of “service-products” - impact of communication systems in the relational logistics (direct contact <i>versus</i> mediated contact) - (self training of competences and the impact of the service logic on technical and commercial work
Rationality (existence of common guidelines and management rationales)	<ul style="list-style-type: none"> - effects of income generated in the markets (reorientation/ restructuring) - responses to complexity of the surroundings (measures taken by management to adapt) 	<ul style="list-style-type: none"> - relational management/automatisms - interpretation and understanding of clientele - professional and specialist training
Social and technical production(importance of social reliability and trust in service relations phenomena and of the technical networks in the financial and market structures)	<ul style="list-style-type: none"> - objective qualities of the service (logistics/rarity/proximity) - complexifying of the services (for client segments) -integration of technology (of the technical-administrative infrastructure) - organization and policies on quality 	<ul style="list-style-type: none"> - flow and integration of information - relational/communication support networks (technical or human) - level of interactivity - access logic <i>versus</i> consumption logic

4. CONCLUDING COMMENTS.

The “service society” is undoubtedly characterized by specific social relations of production and exchange in which the production and exchange of “service-products” are determinant. Furthermore, we know that two kinds of social relations are at play in the production of the service: economic relations and relations between producers and client/users. But it is from the latter perspective and framework that the concept of service acquires meaning and – as a concept which permits the understanding of an effective reality and as a critical concept – it is important to question the economic production to which the service is submitted.

Bearing in mind the phenomena of transformation and “co-production” which exist in the rendering of a service, we should then not forget that the latter is found in the framework of the time period when this service is rendered. This time period is crucial for the evaluation of service quality and - considering the existing agreements and forms of performance evaluation – there can be no neglecting the tension found in this specific point. This highlights the hesitation of enterprises (in particular) and organizations (in general) between rendering a quality service, or obtaining profits at any price subjecting themselves to the arguments of productivist guidelines.

As we have discussed, service relations were changing throughout the XX century: in terms of the operational interactions, certain kinds of interaction (often the simplest, most likely to be automatized) have decreased, whilst other kinds of interaction (generally the most complex in relation to cognitive devices) have increased, often simultaneously. It is precisely at this level that, in our opinion, the service enterprise is presented as a conceptually stimulating proposed paradigm.

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