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The Service Enterprise: a key concept for the Sociology of Work

Paulo Pereira de Almeida

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Introduction

This book proposes an alternative approach to the concepts of technology and the servicelization of labor in complex organizational contexts.

We consider that, at the present stage of societal development, the development of services itself represents the passage from one industrial model to another, i.e. to a set of ways or methods of producing that are different. It is thus possible to speak of a ‘configuration of users’. In a ‘service economy’, the service products are global and are not generally decomposable, so that it is the customer/user who assesses the satisfaction involved in consuming them, even being able to intervene in their production.

In this book 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.

It is 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 breakdown 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”. 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

Besides, technology and immateriality are now fundamental to the service logic and this essay also purposes some alternative ways for analyzing the organizational structures dealing with such new phenomena. In contradiction to the models which question the industrialization processes, in this book 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. A model of the service enterprise is also presented with its alternative configurations in a proposal for empirical application, some or which is now being carried out in Portugal.

Lisbon, Portugal, July 2009

Chapter 1 – The servicelization of societies: towards new paradigms in work organization

1.1. On the emergence of the servicelization concept

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” 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.

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 services (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 services¹) and they require different kinds of competence to develop this relationship of interaction.

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

¹ 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.

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.

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” (Rifkin, 2000: 77-95).

In our opinion, it is important to note that the way most work is done in services contrasts strongly with that of industrial models. 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). 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)²; his argument recreates the stages of work in the

² 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

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).

1. 2. The logic of service and human labor

It is 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"³. 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

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.

³ 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).

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).

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 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.

1.3. The service enterprise model

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 regard. 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, 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).

More conceptually, we can refer to 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)⁴: 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

⁴ 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).

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 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 network 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).

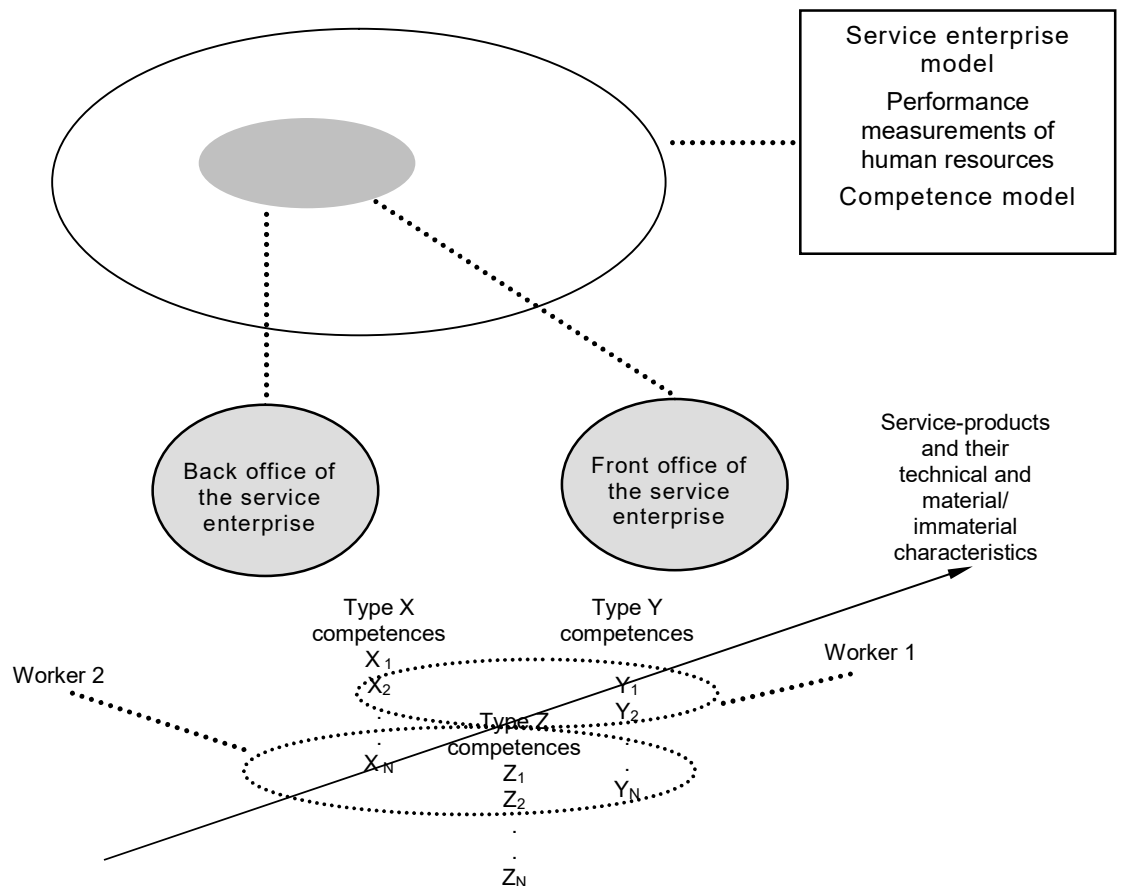
Throughout this work we have chosen to examine the issue of the dissemination of a “service logic” in contemporary work activities. Objectively, it becomes somewhat complex to envisage all aspects of this matter and therefore focus is given to defining and characterizing the service enterprise. The alternative 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 1.1), necessary for work activities involving the sale of “service-products” in their technical and material/immaterial characteristics, are transversal.

Figure 1.1 - Production of a space for interaction and co-construction between human resources management practices and the definition of work and of service competences



Chapter 2 – Tertiary employment, the servicization of labour and technological systems

2.1. Tertiary labour in European society and in Portugal

It is an inescapable fact that in most countries of the world the structure of production and employment were transformed during the second half of the twentieth century, with this shift in direction coinciding with the spread of service-related labour activities. However, this finding on the sectoral differentiation of enterprises has raised criticism of the usefulness of defining borders and boundaries between and within sectors. Indeed, it is precisely the conventional statistical explanations of the “tertiarization” of societies that makes us re-consider their explanatory limits.

For this reason some authors may find it interesting, from an analytical point of view, to use a more aggregated classification – e.g. by “type of organization” – which, essentially, corresponds to a strict definition of “sector” (i.e. making a distinction between ‘industrial’ and ‘tertiary’ enterprises) and divides the tertiary sector into two other categories (Freire, 2001c). According to Freire, for example, the first category corresponds to the more traditional,

low-skilled tertiary sector, which the author terms ‘trade and services’ and the second to the provision of highly skilled services, termed ‘professional’⁵. But according to the arguments of an economist in the field of innovation and knowledge, like Gadrey, it is in the most highly developed countries that there are two groups of services that, in terms of the development of employment, can be analyzed differently (Gadrey and Zarifian, 2002). On the one hand there is a group of services that includes ‘distribution’, ‘transport’, ‘telecommunications’, ‘banking and ‘insurance, in which employment is registering a limited increase, stagnation or even the signs of retreat in certain cases (which correspond to services with a fairly restricted relational component). On the other hand, there is a group of services covering ‘health’, ‘education’, ‘consultancy’ or ‘catering’ where the volume of employment has considerably increased (these are equivalent to services in which the professional and relationship components are very important).

⁵ According to Freire’s typology, ‘trade and services’ organizations include ‘trade’, ‘car repairs’, ‘the hotel and catering industry’, ‘transport’, ‘tourism’, ‘financial institutions’, ‘welfare’, ‘cleaning’ and ‘other services’; ‘professional services’ organizations include ‘property’, ‘computing’, ‘studies and projects’, ‘education’, ‘health’, ‘the media’ and ‘artistic, sporting and recreational activities’ (Freire, 2001c).

However, in purely statistical terms, the growing importance of the ‘tertiary sector’ is seen, among other indicators, in the involvement of 50%-75% of the working population in advanced societies (Table 2.1) – a movement to which the EU has naturally not remained immune.

Table 2.1 – Percentage of total working population employed in services (1977 – 2003)

Country / Unit	Year						
	1977	1980	1987	1990	1997	2003	▲ 1977-2003
Portugal	34.0	36.1	42.9	47.6	54.7	53.1	+56.2%
EU	50.7	52.9	59.0	60.9	65.6	72.9	+43.8%
USA	65.4	65.9	69.9	70.9	73.4	75.5	+15.4%
OECD	n.a.	n.a.	n.a.	n.a.	64.2	68.0	—

Sources: European Statistical Office (1990-2004); Organization for Economic Co-Operation and Development (2004); our calculations.

The marked increase in tertiary employment (especially since the seventies) is anchored in a statistical explanation relating to the expansion of the second group of services in particular. This justification tells us very little about the relative contribution of each group to a given country’s total production

(quantitatively as well as qualitatively). In addition, as already mentioned, the debate about the industrial and service sectors also often involves determining an internal homogeneity for both sectors. It seems that, most probably, there are lines of internal difference here too, as in the case of the distinction between the public and private subsectors in the most advanced economies (e.g. that of Europe). What, then, is the significance of these economic dynamics?

In fact, tertiary development is the result of heterogeneous social and economic phenomena and is evident in extremely different activities: in this sense, the “tertiary sector” becomes something that is difficult to grasp and demarcate⁶. Moreover, the selective employment of post-industrial society is now substituting the integrating labour of industrial society. On the one hand, the large Taylorized production units that employed low-skilled workers in the early twentieth century – and where the creation of new jobs was faster than the destruction of old ones, in combination with an increase in the working

⁶ When analyzing the sectoral distribution of the Portuguese population in employment, for the period 1992 – 1997 Gonçalves points out the maintenance of the relative importance of ‘agriculture, forestry and fishing’, the reduction in ‘industrial employment’ and, strangely, a certain fall in the relative importance of ‘employment in services’ (Gonçalves, 2002). Similar findings, however, do not prevent the author from considering that in the ‘services’ sector there is still ‘an economic space that could potentially generate employment’ (Gonçalves, 2002).

population – have given place to new kinds of employment created in public services and small or medium-sized service companies and thus introduced greater volatility. On the other hand, the increased social and economic importance of tertiary activities results, in many cases, from the industrialization of existing business sectors – e.g. banking, insurance and large-scale distribution and marketing – and from mergers and acquisitions that were meant to mobilize capital for burgeoning business activities – e.g. purchasing pools and large-scale distribution circuits (Iribarne, 1993).

Using data from the beginning of the nineties, Gallie considers that it reveals a similar composition in the professional categories in (private and publicly-owned) industry, whereas in (private and public) services these categories show differences (Gallie, 1991). Other data, e.g. that which Margirier also collected in the early nineties, underlines the character of explanatory inadequacy for macro-sectoral trends in the reduction of employees in industry and the creation of jobs by the tertiary sector (Margirier, 1993): variations in employees and developments in employment structure are not solely the result of staff joining and leaving companies since, in a situation of external growth by absorption, the opening-up and closing-down of enterprises takes place naturally and also accompanies variations in employment.

For Gallie, the arguments presented regarding tertiary workers' skills are related to the different perspectives of the implications of service sector growth (Gallie, 1991). In the most optimistic scenarios, this fact represents an expansion of the knowledge-based professions leading to an increased demand for skills in the work-place. According to the most pessimistic, expansion of the service sector reflects the development of cheap, under-skilled labour confronted with routine and repetitive work. After the early eighties, this approach of 'skill dualism' in the tertiary field was substituted by a subtler dualist concept, which concerned employment status and the forms of managing labour. It is estimated that most service jobs belong to a 'secondary segment' of the labour market, made up of precarious positions that depend on the economic situation for their existence and continuity (Rebelo, 2003). According to Gadrey, this numerical heterogeneity is also complemented by the specificity of tertiary employment systems, on the basis of two complementary hypotheses.

Firstly, the 'flexible' forms of labour management that became fairly dominant in the organization of work in the late twentieth century proliferated in 'services'. Secondly, the tertiarization movement in the industrial labour

market is more important than the 'industrialization' movement for tertiary employment systems (Gadrey, 1990a; Gadrey, 1999).

Let us now return to the case of Portugal, with a detailed examination of the data on the population engaged in services, according to NUTS I (Table 2.2). More exact analysis of the tertiarization trends in the country show a marked concentration of service personnel in the Lisbon region – 21.7% of the total working population in 1995 and 23.7% in 2002 (representing 1 743 000 workers) – and the North – 16.7% of the total working population in 2002. In addition to this trend for the active workforce to be concentrated in more highly populated areas, a relative stability is to be noted in the values for the autonomous regions of the Azores and Madeira (with around 65 000 and 71 000 workers, respectively, in 2002). This contrasts with the progressive tertiarization of the working population in mainland Portugal where the number rose from 2 536 900 workers in 1995 to 3 031 700 in 2002, representing a positive variation of 19.5% over the seven-year period.

Table 2.2 – Percentage of the Portuguese working population in services, by NUTS I (1995 and 2002)

Years	NUTS	Portugal	North	Centre	Lisbon	Alentejo	Algarve	Autonomous Region of the Azores	Autonomous Region of Madeira
	1995		56.4	15.8	10.3	21.7	3.5	2.5	1.2
2002		60.1	16.7	11.1	23.2	3.8	2.6	1.3	1.4

Source: National Institute of Statistics (1996-2004); our calculations.

This is the framework within which contemporary authors' concerns have moved on to an analysis of the different forms of 'the logic of service' (i.e. the types of producers and users in interaction with the ways of organizing work), in particular in their relational and symbolic aspects. It should be added that this change of paradigm is also marked by reflection about different tertiary 'service-products' regarding aspects of their (im)materiality and of the intellectual knowledge and human capacities applied to acts of work (Almeida, 2005a). Moreover, in the face of these findings regarding the using-up of more classical explanations for the growth of tertiary work, there are at present two

alternative options, in our view: to accept the logic of industrial output and its accounting or, on the contrary, to question the relevance and validity of the measures of productivity.

Quite naturally, we recognize that this is not a new question, though we feel that it is asked more acutely in the services sector (Almeida, 2005b). If we take the second alternative, we see that, essentially, measurement of the direct effect of a service is not just related to the precise moment it is ‘consumed’. This observation is especially important for ‘pure services’, considering the sizeable component of work whose effects can only be felt in the long term (education, research, health etc.). In this particular case, the notions of a product and productivity lose their relevance in that, for the greater part, the final result is ‘disconnected’ from the work immediately carried out.

2.2. Tertiariation and servicialization: conceptual notes

We therefore prefer to use the notion of ‘servicialization’, on the one hand, to draw a line between it and the notion of ‘industrialization’ and, on the other, to register the fact that the principle of service cuts across the

organization of a considerable and expanding number of contemporary labour activities (Almeida, 2004). Thus we distinguish the notion of ‘service’ from that of ‘services’, associating the latter with the classification of economic activities (strictly economic, as we have argued) and, at the same time, defending the postulation that the notion of ‘service’ cuts across all the forms of contemporary work as a whole (Almeida, 2005a; Almeida, 2005b).

However, in addition to the statistical findings presented and discussed above, what seems interesting to us – from the point of view of methodological and conceptual advances – will be an analysis of recent developments in organizational structures and practices associated with the transition from an ‘industrial model’ (represented by a bureaucratic state rationale and the form of the pyramid) to ‘networked’ organizational models that are imbued with the importance of the ‘mission’ concept (Freire, 1998)⁷. On the basis of this latter notion, it is possible to put the spotlight on the way people co-operate at work. This may cause us to ask at a closer level to the organization of work: what, then, is the meaning of work at present and what does a rise in the number of

⁷ In Zarifian’s view, for example, the formulation and application of a competence model presumes that corporate strategic missions are made explicit, in line with the principles of the service economy (Zarifian, 2001a).

operations carried out and performed mean in the productive context in which work organizations are at present integrated?

Zarifian has written a coherent reply to such questions. On the one hand, for the organization of work, an increase in sales will certainly mean greater speed in accomplishing operations, thus accelerating the flow of operations on a direct output basis. On the other hand, for the workers, this entails working more and more rapidly as their experience (through the acquisition of work routines), skills, and adaptation to the work rhythm and technical instruments all increase (Zarifian, 1999a). In addition, this accumulated reserve of experience – in tertiarized societies – has become increasingly important, detaching employees' careers from a linearity that formerly took the form of a succession of positions and titles (generally in the same enterprise).

If earlier approaches to the notion of service tended to register a classical opposition between the tertiary and industrial sectors, in this 'non-economic' concept of labour that dichotomy loses all sense: the concept of service cuts across all sectors and, therefore, accompanies the transfer of the centre of gravity from the economic processes in the sphere of production –

increasingly automated – to the sphere of circulation and physical distribution and the distribution of information (Freire, 1998). Moreover, these dynamics of transversality can be extended to include yet another: an ever smaller proportion of goods belongs to individuals, a phenomenon that helps to transform the idea of property into an illusory concept in twenty-first century tertiarized and advanced societies (Rifkin, 2000). With ever shorter productive lifecycles, along with an expansion in the number and type of goods available, a fundamental change is taking place: modern societies are characterized by a general expansion of ‘service’ and, according to Rifkin, capitalism is tending to be transformed into a system in which the exchange of goods gives place to an exchange of access to ‘segments of an experience’⁸ (Rifkin, 2000).

If we focus on work as a productive activity (i.e. momentarily leaving aside other functions such as the identity aspect or the structuring of time and the rhythm of life), we can state that ‘tertiary’ society or the ‘services’ society is

⁸ According to this reasoning, capitalism is becoming more temporal than material (Rifkin, 2000). Time, then, presents itself as one of the most significant dimensions of modern societies: the dominant concept of quantitative, mechanical and strictly reproducible time (useful for organizing social life, work schedules and productivity measures) is countered by a notion of ‘*temps-devenir*’ and different alternatives relating to labour productivity and social organization (Zarifian, 2001b).

characterized by greater social indeterminacy in production relationships in comparison to industrial society. Reasoning of this kind leads to a double inference. On the one hand, whereas industrial relationships for production and their economic order used to structure social relationships, it is now cultural norms that set the social significance of service relationships, thus making recognition of the value of work an ever greater social and cultural problem (Lopes et al., 2000). On the other hand, complementarily, if the immaterial nature of economic activities allows us to transcend earlier rifts between work and culture, the importance assigned to the competences involved in human interaction reveals some less positive aspects⁹, in particular the aggravation of social exclusion through economic exclusion (Roustang et al., 2000).

In our opinion, another important finding is the fact that most of the work in services takes place in opposition to industrial models: although there are certain constant elements, the speed of operations (which justified exploiting the qualities of systems and machines) is no longer consistent with the demands of initiative, practical intelligence, communication with fellow-workers and

⁹ It is especially in the form of work organization – termed ‘the business system’ in Freire’s approach – that technological sophistication allows productive flexibility: work based on strength almost completely disappears, in favour of various combined forms of knowledge-work and machine-work (Freire, 1997).

dialogue with clients (which represents a large part of contemporary human work activities). It may even be argued that this tertiarization of economic activities modifies the types of competence demanded of workers: this ‘logic of service’ is often associated with the specific centrality of the ‘competence model’ (Almeida, 2004; Gadrey and Zarifian, 2002).

According to Zarifian, what is termed the notion of competence is a new unity between work and worker, a unity in which work reincorporates the individual and an attempt is made to mobilize and extend the knowledge and imaginative intelligence that this individual possesses or has co-constructed (Zarifian, 1999a)¹⁰. In his reasoning, it is a question of recreating the stages of work in service enterprises¹¹ – which begin with the phase of finding out, recognizing and interpreting the client’s needs and end with the actual

¹⁰ Certain authors criticize the vision of autonomous individuals who free themselves by work and by the freedom to choose the course of their working lives (i.e. by careers created through the development of their competences, free of heteronomic constraints). Gorz, for example, considers Zarifian’s theses on this subject ‘theoretical delirium’ (Gorz, 1997) as the idea of autonomy and self-determination at work should be set against cultural, political and moral autonomy, whose core and foundations lie far from the act of working, which is itself subject to intervention and constraints of this kind.

¹¹ Understood here by Zarifian as enterprises and work collectives in which the ‘logic of service’ and ‘logic of competence’ prevail.

production of a service (Gadrey and Zarifian, 2002). However, for more critical authors, application of the notion of competence tends to favour the fragmentation of work situations, alongside the transformation of the knowledge necessary for their new organizational forms, the segmentation of jobs and the search for flexibility by businesses (Dugué, 1994; Everaere, 2000). In these accounts, the notion itself of competence accompanies the spread of individualized work relationships, a phenomenon that has always been connected with non-industrial employment, especially that of office-workers (Crozier, 1965) and executives (Erbès-Seguin, 1999). In a certain way, its transferral to work activities would correspond to a kind of group hegemony in the organization.

Considering all that we have just stated, this transfer to a relational dimension, in the logic of service, has important implications for the nature of work activities.

Until the eighties, sociological analyses treated workers' capacities and 'qualities' as attributes for which they were recognized on the labour market or, in the case of the deskilling theses prevailing in the seventies, as 'knowledge expropriated from the working-class' (Bernoux, 1994) which would contribute

to the deterioration of the workers' general qualifications. The eighties saw the emergence of a new profile of the worker, as an 'operator-expert', a profile for which there was a whole new language and technical vocabulary. So it is not surprising that the moment of the passage from skills to competence seems to have coincided with the circumstances in which work systems started to be affected by frequent changes, making it necessary for the staff to adapt to these dynamics. In this sense, the incomplete attempt of the Sociology of Work to break with technological determinism, before the eighties, prompts a reading of work organization methods that, in the most radical theses, appears as machinations directed against the know-how of operative employees¹². Accordingly, the knowledge copied from the operation of machines (in particular computer equipment) would necessarily be more abstract, a result that may contain an important ambiguity: automation of a process represents a process of abstraction in the sense that the worker 'abstracts' him/herself from the function now performed by the machine but this does not mean that this disconnection makes the new task more abstract or more 'intellectual'.

¹² It should be noted that, in the Taylorist phase, the gaining of skills had been turned into one of sociology's central concepts, partly to clarify the social relationships that were being established at the time of the operation to classify workers.

It is, therefore, of interest to consider that, at the present stage of societal development, the development of services itself represents the passage from one industrial model to another, i.e. to a set of ways or methods of producing that are different. In an 'industrial economy', the producer-user relationship results from the decomposition of the product into standardized, primary elements that are accepted or rejected (i.e. bought or not bought) by the customers. It is even possible to speak of a 'configuration of users'. In a 'service economy', the service products are global and are not generally decomposable, so that it is the customer/user who assesses the satisfaction involved in consuming them, even being able to intervene in their production. Some of these service products (particularly information services) only really exist at the moment of the service relationship with the customer, in which case it is possible to talk of 'co-production' (De Bandt, 1994; De Bandt, 1999; Turner, 2001).

The rejection of a direct analogy between the theories of industrial production and production in services is based, then, on the understanding that service products are fundamentally different from industrial products: they cannot be defined on the basis of specific techniques nor can they be products per se, independent of the consumer or user. For this reason, in our view, the

concept of ‘the logic of service’ includes three main characteristics (Almeida, 2003a):

- the structuring of service companies in such a way as to stimulate the construction of relevant and up-to-date information banks on customers and users, which should be usable later to identify their particularities;

- the organization of work activities in such a way that they contribute to the co-production of responses adapted to customers’ ‘problems’;

- pressure for the re-composition of production technologies and relational logistics, in processes of service co-production, with self-training in competences.

We also know that an enterprise’s production system corresponds to the set of interrelated components that guarantee production operations¹³. This set may be represented by four essential elements (Bancel-Charensol, 1999): the objectives and support basis of the transformations carried out; the resources used in production operations; the tasks carried out to obtain this type of production; and the production piloting and control system. IT (Information

¹³ According to a significant number of authors, the notion of an operation/process can be defined as a set of interrelated activities whose goal is to generate material or immaterial output designed for internal and external customers.

Technology) changes information management methods, which, in turn, may cause changes in each of the components in the enterprise's production system. In addition, the increase in the opportunities offered by IT and the use of telecommunications services and networks play an increasingly important role in service activities:

- developments in the organizational structure of service companies are a direct consequence of IT use;
- thanks to IT, customers play an increasingly significant part in certain phases of service production;
- the changes taking place in terms of lower communication costs, greater reliability and increased transmission capacity allow an overall approach to forms of management.

It is generally considered that this overall approach allows substantial alterations in various forms: through a reduction in communication costs; through an increase in transmission capacity, progress in the reliability of telecommunications services and modification of the system's results on the basis of a wider range of services offered; through lower prices for services and the exchange of computerized data (commonly called yield management); and through a change in the interaction modes of processes by substituting capital

with work and front-office staff with automatic distribution. An analysis of the production system may, then, provide an overall perspective for characterizing different changes in information gathering, processing and transmission.

It is thus important to mention that telecommunication services have an essential role to play in information exchange within organizations. Today their functions depend, as a whole, on an information system that is mostly automated, a phenomenon that is increasingly indispensable with the appearance of networked enterprises whose effectiveness is strictly dependent on their methods of co-ordinating activities with other enterprises (Schilling and Cassandra, 2000). In addition, the concept of an intelligent network allows the info-structure to be separated from the infra-structure, making network management much nimbler and more flexible. This new configuration permits (Turner, 2001):

- nimbler management of telecommunication services, such as the 'green line';
- new services based on equipment that is relatively transparent from the network operator's point of view;
- the combining of value-added service flows, which allows new operators to enter the market;

- unification of the physical network in a universal broadband network that progressively substitutes existing telecommunications networks and complements and competes with satellite options.

2.3. Work, servicization and technology: from immateriality to innovative uncertainty

Large service companies' technical systems are undergoing an increasingly more conspicuous process of concentration and integration. Faced with these circumstances, their branches find themselves between two potentially opposing situations: on the one hand, a movement towards the concentration of powerful technical and computer systems that can capture a greater and greater number of customers and, on the other, the need to intensify the relations and the closest and most direct contact with customers. We shall be dealing, then, with a service company model that – held as the ideal type and extracted from its connections with other models – can be characterized by three fundamental principles (Gadrey and Zarifian, 2002).

Firstly, this is a model that combines three universes¹⁴: the universe covering the conception of the services that are included in research and development activities; the universe of the technical and administrative infrastructure that backs up the production of services, or the back office; and the universe of contact with the customer-user, or the front office. Secondly, the service company model is governed by a specific scheme of effectiveness: it starts with the symbolic and virtual definition of the transformation to be carried out in the business activity conditions and the arrangements for the action of a customer (or a specific category of customers) and ends with that actual transformation. It is to be noted that the income generated for the organization (i.e. its performance) is determined in accordance with the customer's assessment of the service in comparison to the competition's offers or alternative options. This service company model also assumes – this is the third principle – that work is organized in a network or chain of activities. These include a dialogue and permanent relationship between the different professionals in each of the three service production universes (these universes

¹⁴ The co-operation/co-ordination between these three universes is fundamental to the successful operation of the activity chains that cut across them, given that this separation tends to go against the traditional concept of the management control function.

will thus guarantee their reciprocal acceptance via social contact and the sharing of technology)¹⁵.

With regard to work productivity in enterprises operating in the net economy, it is also important to consider that they seek to gain the loyalty of a certain customer capital, i.e. a group of clients, as stable as possible, that represents business potential and a resource. Thus work productivity models are often based on situations in which the basic teams carry out the job of supervising a reality that is, in fact, more virtual than real (Zarifian, 2003). Indeed, the volumetric productivity of Internet economy enterprises is similar to a flexible Fordist model, though with certain particularities (Zarifian, 2003):

- In the net economy, the market is still under construction, so it is not only a question of winning market share but of constructing the market and monitoring it as it matures.

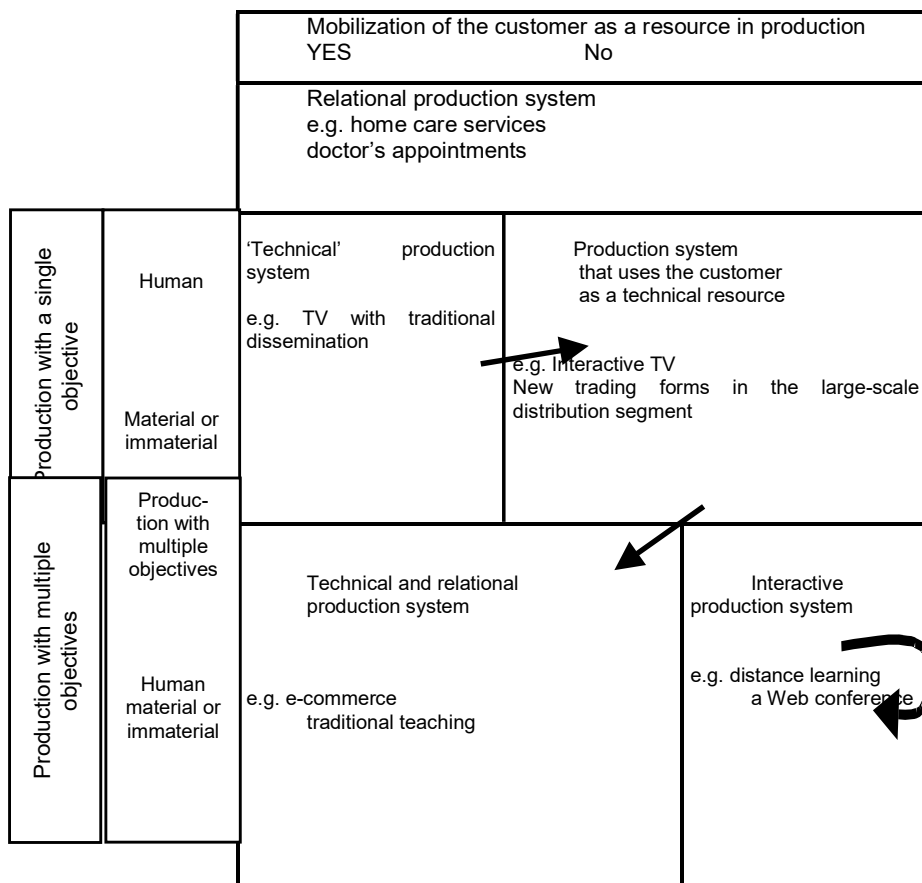
- What is to be considered is an application of the 'time to market' principle, seeing that not only market share but also the quality of client relationships are considered.

¹⁵ Examples are customer help-lines, a paradigm of the connection between technical and commercial specialists, or the shared use of the intranet or email networks in a particular enterprise.

Also in this service company model – and most particularly in the technical system – IT changes the processes of gathering, manipulating and transmitting data. In addition, it allows companies to make cost reductions and offer their services more cheaply, though with the same quality (Figure 2.1).

Afterwards, information is one of the main production resources in services: to make the most of a service, consumers now need information ranging from access instructions for the service to the expected behaviour of customers and access conditions, and information on the way the service is provided or reserved. These two types of information may be supplied in different forms: traditionally, companies have the choice between dissemination using material means (paper, boards and messages) and that using staff, in direct or telephone contact, which represents a large part of the activity of companies (Figure 2.1).

Figure 2.1 – Changes brought about by IT in service production systems



Source: adapted from Bancel-Charensol and Jougleux (1997).

It is also important to note that these specificities for IT use – and an analysis of them in contexts of innovation and knowledge – should not be

separated from an attempt to understand the structure and operating models of the most complex organizations, in particular service companies in which this mass production requires, simultaneously, service customization and individualized attention to differentiation among customers (Turner, 1999; Turner, 2001). Only this way can these companies create value. We do not neglect the fact that for modern organizations – and, specifically, service companies – the operational level has acquired a holistic character in that ‘it is responsible for identifying customers’ needs and expectations and adapting services and products to these references’ (Bilhim, 2001). According to the latter author, this situation has led to an inversion of the hierarchical pyramid and an increase in the importance of customer-supplier interdependence and proximity.

For this reason – principally on account of the combined effects of increased competition and IT use – service companies have altered their structure. It is interesting to observe how these structures, which are close to a mechanistic bureaucracy, assume characteristics of decentralization and a shift to flexible management models involving co-operation, in a structure bordering on adhocracy. In concrete terms, at the front office level of customer contact, the eighties and nineties saw a reorganization of service company activities,

which were now oriented towards granting greater autonomy in their relations with customers (Figures 2.2 and 2.3).

Figure 2.2 – Service companies in the Mintzberg categories (a mechanistic bureaucracy)

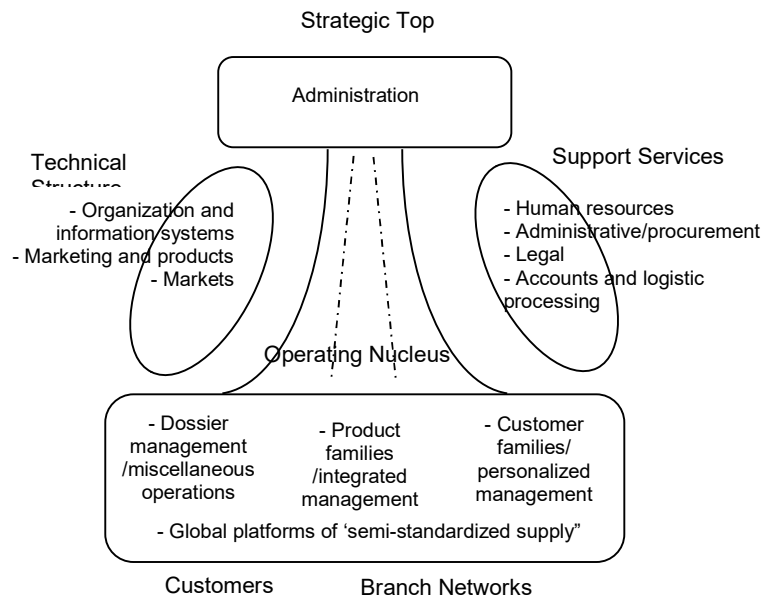
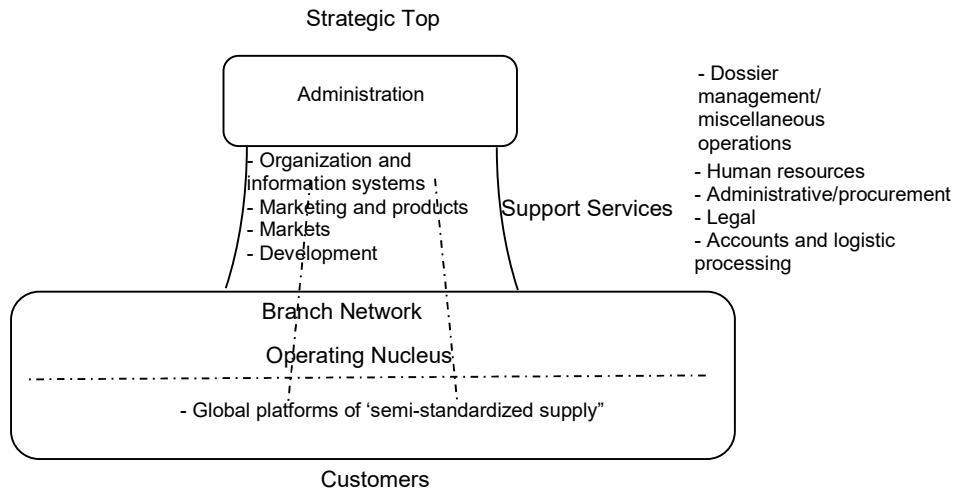


Figure 2.3 - Service companies in the Mintzberg categories (the shift to adhocracy)



The growing importance of computers in piloting business networks also changes the nature of breakdowns as they do not originate in the fundamental technology, which has become fairly stable. The attention to risk becomes, therefore, a complex interpretation of events. But this organizational form creates a specific tension between two levels of professional practice: the first is directed at supervision, with increasing costs, that is anchored in the criterion of specialist staff and manufacturers, and the second at network construction and development, not from the standpoint of the data flow but the quality of access. Moreover, in two studies that we carried out on a sample of 25 enterprises¹⁶ we ascertained the following needs in the profile required to carry out the various work activities in what we term as business contexts of innovation and knowledge (Table 2.3):

¹⁶ It will be of interest to mention that the data presented relates to two studies covering 25 telecommunications, financial and computing enterprises that operate in an environment that we classify as ‘an innovation and knowledge context’. The field work – which was qualitative in nature – concentrated on 25 in-depth interviews. It should also be mentioned that the full transcription of the corpus of results and the later qualitative processing were carried out using *OSR-NVivo* software, with the respective node, attribute and value definitions.

Table 2.3 – Profile of qualifications and competences required in business contexts of innovation and knowledge

<p>Profile data</p> <p>Qualifications and occupational training of IT professionals in contexts of innovation and knowledge</p>	<p>Competences</p> <p>Understood as qualities demanded transversely of IT professionals in contexts of innovation and knowledge</p>
<ul style="list-style-type: none"> - licentiate degrees (4 years min.) or <i>bacharelatos</i> (3-year higher education courses) in computer engineering - licentiate degrees in management with some complementary IT training - converted general licentiate degrees 	<ul style="list-style-type: none"> - solid project management capacities - product, service and content development - capacity for self-development

Chapter 3 – Towards new paradigms in organization: the service enterprise research alternatives

3.1. The logic of service and human labor

It is 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”¹⁷. 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-

¹⁷ 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).

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).

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 user¹⁸. 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 skills¹⁹ (initiative, ability to adapt to

¹⁸ 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.

¹⁹ On this matter De Bandt clearly explains the denial of the Taylorist *one best way*: “the ‘facts and gestures’ of production cannot (...) be described with technical precision so

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.

Thus, 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 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

that this production becomes a reality in itself, independent of the distinct factors associated to it." (De Bandt, 1994: 320).

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.

3.2. On the emergence of the servicelization concept

As we already stated, 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”²⁰ 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 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).

²⁰ Table 3.2 of this book – with regard the research alternatives on the service enterprise – is a proposal on how to make this concept empirically operational.

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 complex²¹ 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

²¹ 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.

verbal interaction and direct contact between producers and consumers. On the whole, these are professional services²² (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 services²³) and they require different kinds of competence to develop this relationship of interaction.

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

²² 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).

²³ 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.

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.

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"²⁴ (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. Selective employment of post-

²⁴ 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).

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). 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 models²⁵. 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). 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

²⁵ 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).

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)²⁶; 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).

3.3. The service enterprise model

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

²⁶ 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.

enterprises – as in the example of banks – becomes particularly relevant with this regard²⁷. 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

²⁷ This line was developed in previous research, focusing on the banking and financial intermediation sectors (Almeida, 2001a; Almeida, 2001b).

qualified services emerges, 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”²⁸ 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

²⁸ 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.

fundamental proposals to be considered (Gadrey, 1996: 41; Gadrey, and Zarifian, 2002: 76-84):

- 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 agreement²⁹ or definition which is consensually imposed;
- secondly, the undividable nature of “service-products” complicates their demultiplication in operations measuring results³⁰.

²⁹ 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.

³⁰ 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).

In order to minimize or overcome these difficulties, the author proposes adopting a grid (table 3.1) 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)³¹.

³¹ 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 3.1 – 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).

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 supply³², 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

³² 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).

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)³³: 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-

³³ 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).

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.

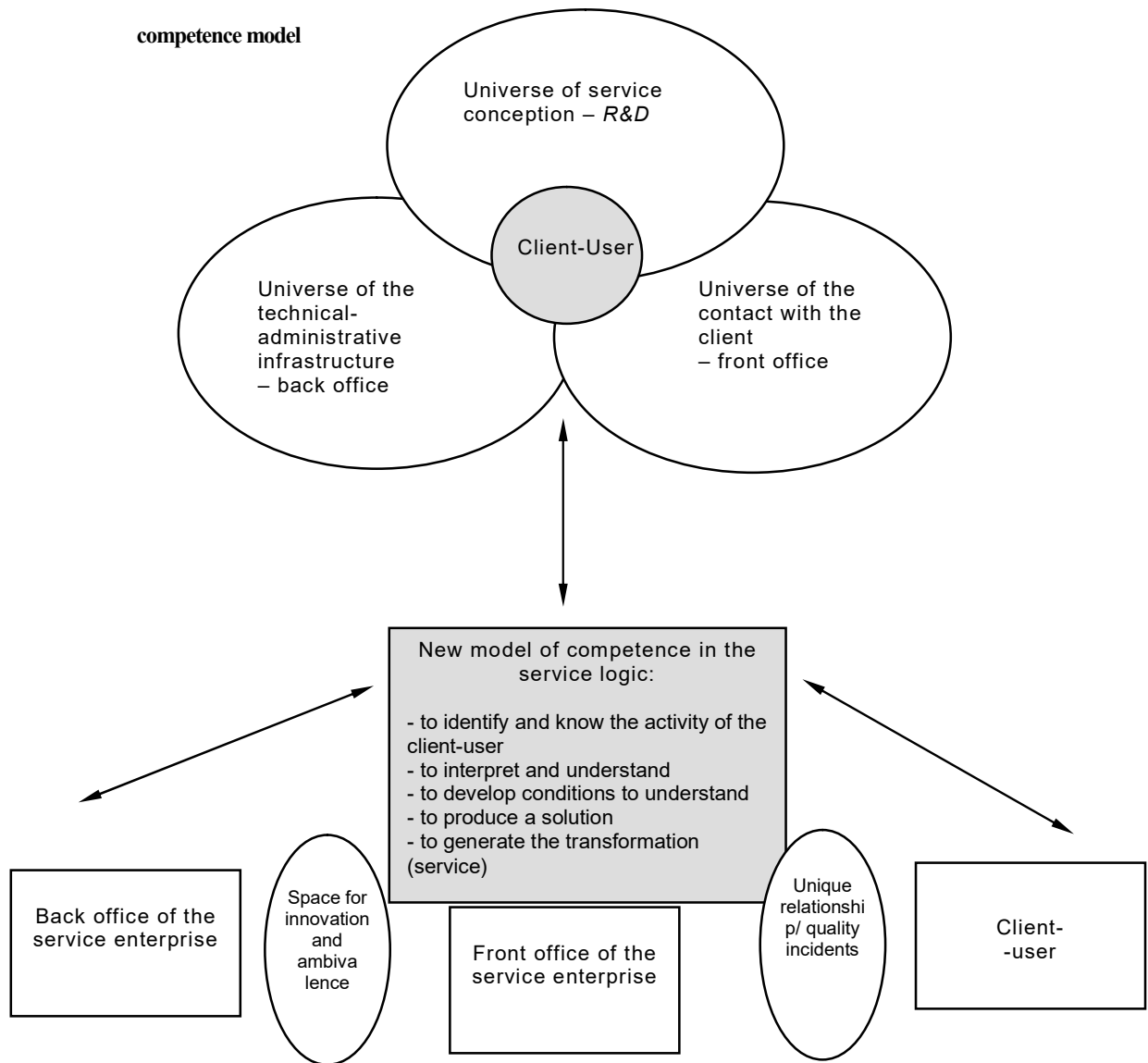
It should be stressed that the income generated for the organization (i.e. its performance) is determined according to how the clientele evaluates (judges) the services, in relation to the supply from the competitors or the other alternative options. This service enterprise model also presupposes – and this is the third principle – an organization that works as a network³⁴ or as a chain of activities. In this kind of enterprise there is a permanent relationship and a

³⁴ 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).

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 3.1).

Figure 3.1 – 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).

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 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).

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.

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 3.2³⁵).

Table 3.2 – Research alternatives in service enterprises

Concepts	Areas of analysis	
	Organization / Enterprise-related (work and workers; structure; running)	Competition / Relational (co-production of interaction; 'mobilization of knowledge in action')
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

³⁵ The enterprise situation has been taken from a more developed version of this table, proposed by the author in another work (Almeida, 2003).

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.

Hence, we should bear in mind that according to Veltz the theories on the growth of services which associated service-products from the tertiary sector to weak technical content and poor productivity have been "completely overtaken" (Veltz: 2000: 122). In fact, if we take the author's proposal to divide contemporary enterprises (banking, insurance, telecommunication, information technologies, energy, transport, entertainment and cinema industries etc.) into three large spheres ("Sphere A", "Sphere B" and "Sphere C") as paradigmatic, a set of problems can be acquired linked to its analytical approach (table 3.3)³⁶.

³⁶ Veltz implicitly criticizes Zarifian's service enterprise model, specifying "do not make the mistake of confusing the 'Sphere A' activities with supreme post- Taylorist activities" (Veltz, 2000: 125); in addition, the model presented by the author to some extent serves as an alternative to Zarifian's model.

For descriptive purposes, we have divided them into four main categories: those referring to the “organization” of the work processes; those referring to “integration” between the three spheres of contemporary enterprises; those referring to the “coordination” between the three large functional aggregates; and those concerning the “complexity” inherent to their internal dynamics.

Table 3.3 – Problems of an analytical approach to contemporary enterprises

Recurring problems	Sphere A Direct contact, Very specified and contextualized	Sphere B Exploitation, maintenance and optimization of “support-machinery”	Sphere C Conception of products, goods and services upstream of the A and B spheres
Organization	<ul style="list-style-type: none"> - Standardization of work units and operations - Productivity logic – debt heading to “paradoxical Taylorism” 	<ul style="list-style-type: none"> - Standardization of competences - Mobilization of specific competences to resolve complex problems 	<ul style="list-style-type: none"> - Mobilization of competences for “virtual objectives in permanent change” - Sequential structuring, given the nature of the work networks (e.g. using a matrix or star shape)
Integration	<ul style="list-style-type: none"> - Poor horizontal cooperation between spheres - Difficulties in mobilizing the work networks - Pressure for a service relationship 	<ul style="list-style-type: none"> - Compact use of production systems weighted to satisfy variable demand - Quality of exchange of information between the partners working in network 	<ul style="list-style-type: none"> - Open cooperation between work networks (e.g. sometimes at plant level, as in automobile engineering)
Coordination	<ul style="list-style-type: none"> - Unstable balance of the standardized operations - Prolonging of effects other than contextualized time and space 	<ul style="list-style-type: none"> - Guarantee of reliability of the technical system’s level of complexity - Transfers to higher levels of complexity 	<ul style="list-style-type: none"> - Minimizing the perverse effects of elasticity of production times (e.g. the production of an automobile component mobilizes technicians, engineers and micro-enterprise specialists)
Complexity	<ul style="list-style-type: none"> - Time pressure to the disadvantage of services - Functional heterogeneity (which includes wide ranging activities such as front office, policing, education, supermarket check outs or call centers for example) 	<ul style="list-style-type: none"> - Flexibility of the sphere in terms of productive volume and diversity - Reliable integration of large technical systems so as to reduce risks and effects of flaws (catastrophic in the case of a nuclear power station for example) 	<ul style="list-style-type: none"> - Submission to economic criteria and cost constraints - Response to differentiation criteria based on “technical and calculated” <i>versus</i> “emotion and mimetic behavior” criteria

Source: adapted from Veltz (2000: 122-144).

4. Concluding remarks

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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