Understanding the Emergent Service Practices by Synthesising the Concepts of Context, Emergence and Service Practice

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Abstract

The heterogeneity in service practices is considered a key attribute, which distinguishes services from goods. However, the question of 'how these service practices occur heterogeneously' is not well researched, particularly in new and emerging service areas such as Islamic financial services. Preceding further the debate, this paper builds a model for understanding the emergent or heterogeneous service practices by focusing on expansions of service organisations to emergent regions, sectors and service products. The concept is built by synthesising the literatures in context, emergence and practice of Islamic financial services.

Keywords: emergence, heterogeneity, service, Islamic financial service

1. Introduction

Vargo and Lusch (2004) define service as 'the application of specialized competences (knowledge and skills), through deeds, processes, and performances for the benefit of another entity or the entity itself (p.2). Service designers visualise these deeds, processes, and performances for future service encounters - the moments in time and space, at which service organisation and customers interact to produce and consume service (Case and Apte, 2007; Segelstrom, 2010). For example, the customer depositing cash at bank is a service encounter. Such encounters, we stated somewhere else, occur in emergent context which is the junction of unpredictable factors specific to different regions, sectors and service products (Ullah and Patel, 2010). Every service encounter has different service creators, objects and resources, hence results heterogeneous service practices, which is one of the four generally acceptable characteristics of service i.e. intangibility, inseparability, variability/heterogeneity and perishability (Han, 2010). Han had described this heterogeneity or variability in service practices as:

"variability represent the unique experience that a consumer has by interacting with the service system or a prosumer [those who produce and

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consume at the same time). Variability in a an experience can be cause for many reasons, for example, familiarity with the service, personality, expectations and influences from fellow customers' (p.10)

This paper puts a different perspective on heterogeneity in service practice and is described this heterogeneity as emergent service practice, meaning a service practice with novel pattern and structures of activities, processes and objectives. The paper is aimed to understand 'how the service practices emerge heterogeneously, particularly when the service organisations expands into new regions, sectors and service products. Following are the key parameters of the paper:

What is modelled? The emergent/heterogeneous service practice
Where? In the Islamic financial institutions
Why? To understand, describe and locate the emergent service practice
How? Pragmatic approach is adapted to synthesis the literature in service context, emergence and practice of Islamic financial service institutions.

Who? This research considers service designers and practitioners and potential audience.

The rest of the paper is organised as follows: Next section discusses the research method, explaining how the concept is developed by synthesising the literature. Proceeding further literatures in context, emergence and expansions of Islamic financial service organisations are discussed to conceptualise the heterogeneity or emergence in service practice. Proceeding further, literatures are synthesised to understand the 'emergent service practice', which is aimed in this paper. Last section concludes the paper by identifying the laminations and implications of the concept.

2. Research Method

Epistemologically, this paper is focused on 'understanding the emergence that occurs during practice'. A pragmatic approach is adopted to review the problem relevant constructs i.e. context, emergence and expansions in service organisation i.e. the Islamic financial institutions, to understand and describe 'how emergence occurs during practice'.

The pragmatic approach is a problem focused approach to understand and/or solve the problems. Creswell (2003) argues that pragmatic approach is not loyal to any one system of philosophy, instead is an approach which best
suits and works in problem solving research. This approach grounds on the works and arguments of pragmatists such as Mertens (2005), who believe that no single scientific method is solely able access the 'truth. This approach keep problem as central to all the research activities including literature, methods of inquiry, analysis and reporting. Creswell (2003) found that pragmatic approach investigates what and how questions, the questions like ours i.e. how the emergence occurs during service practice? Following steps are undertaken to complete the research:

- Problem is identified through arguments of service scientists, related to the heterogeneity of service practices, as discussed in the introduction.

- The constructs around the service practice, such as context, emergence and the expansions of service organisations to new regions, sectors and service products, are reviewed to understand the phenomenon. These reviews are discussed in the following section.

- Based on synthesis of literature reviews, the concept of emergent service practice is modelled in figure 2, to better understand, and describe the concept.

- Research implications, laminations and future research directions are discussed in the last section.

3. Understanding Context

Context is a unified view of situation formed by resource factors (Tesser and Richey, 1997). Context is remained a concern of service design literature since its emergence (e.g. Leffingwell, 1917; Leffingwell and Robinson, 1943). Chase and Tansik (1983) for example introduced to us, the context build by the factors belong to service organisations and customers. They argue that knowing the context is important for understanding the service and its designs. Similarly, Barras (1990) interactive model of service design shows us, how the service progressively develops when it adapt to emergence during the service practice. Goldstein et. al. (2002), further provided dimensions to the understanding the context i.e. from the strategic objectives and customer needs perspectives and a link these in-between. The editorial review of 'new issues and opportunities in service design', Verma et al. (2002) have therefore concluded that understanding context of service for designing service for practice is the recent debate in service literature and its design is important because the absence of service context, limits the capability of organisation to design market-winning
services. I agree with Han (2010), that the context of service practice varies with various factors such as familiarity with the service, personality, expectations and influences from fellow customers’ (p.10). This research do not enlisting the factors which brings variations in service practice, try to understand how actually this variation occurs, now matter whatever the reason of cause of that, because as pragmatists the objective is to understand the emergence, so that better designs (solutions) can be developed for the same.

4. Understanding Emergence and Emergent Organisation

Context forces the service practice to adapt due to emergence (Ullah and Patel, 2011b). Emergence is "the arising of novel and coherent structures, patterns and properties during the process of self-organisation in complex systems" Corning (2002). Emergent organisation is the theory of social organisation that does not assume that stable structures underpin organisations (Truex et al. 1999; Truex and Klien, 1991). Patel (2007) define an organisation as: social action where participants pursue predetermined objectives /.../ people work in groups or collaborate with other groups and partners, and where there are power relationships to ensure that action is directed to achieve objectives' (p.8). The organisation is called specified, if its plans specify all its future actions can be specified advance and emergent organisations are those whose future actions cannot be specified in advance (Patel, 2010). An emergent organisation continuously evolves and transforms (Truex et al. 1999). The underlying assumption of this paper is that service organisations are actually emergent organisations, and for that matter their actions i.e. service could not be pre specified in the designs. We therefore, suggested somewhere else that the organisations are emergent, therefore the service designs need a construct or mechanism that could actually make the service designs capable of adapting during practice (Ullah and Patel, 2011b).

5. Expansion in Organisation as Emergent Context

The resource factors of each regions, time, and sector create complex formations and which could not be predicted in advance (Ullah and Patel, 2011a). The novel and coherent structures (in terms of Corning, 2002), particularly occurs when organisations expands into new regions, sectors and service portfolios. The resource factors specific to emergent regions, sectors and service products brings new structures, patterns and properties and the organisations try to go for self organisations during this emergent context
(Truex et al., 1999). Such emergent patterns and structures not completely predictable and therefore not effectively planable (Patel, 2007). Particularly, in fast growth (decline) situations (Ullah and Patel, 2011a). It is therefore, important to enhance the emergent context specifications capability of practitioners to adapt designs (Ullah and Patel, 2011a, b). This variation in designs brings stability (Wilegoda-Wickramage and Patel, 2010). Which confirms with law of requisites variety, which states that only virility can destroy (absorbs) variety (e.g. MauUlland Godisiff, 2011). I agree with this argument, and believe that variation in means ‘design and service’ will bring stability in the object (ives). For Islamic financial institutions this objective is creating economic value in accordance to shariah – for Islamic financial institutions (ObaidUllah, 2005)

In recent years, significant expansion can be witnessed in the Islamic financial institutions. We believe that, this expansion introduce the Islamic financial service organisations into new times, regions, sectors and service products. The organisation will therefore need to understand and locate the emergence and its occurrence pattern, so to build mechanisms and methods for best fit in it. The practice, suggests that Islamic financial services are expanding in three directions. These directions of expansions are termed as regional, sectors and service products. These expansions bring emergent patterns, structures, and objects for service practice, which forces the service organisations, like Islamic financial institutions to design service solutions. We explain the initial ideas of these concepts in Ullah and Patel (2011a), which are now further developed and described below:

5.1 Expansion to Emergent Regions

The Islamic financial services are growing globally. Some recent examples are the establishment of Islamic financial institutions in Europe (e.g. Islamic Bank of Britain and European Islamic Investment Bank), United States (e.g. Lariba American Finance House and African countries (Albaraka banks operations in South Africa). This dimension of expansion brings a new set of resource factors specific to these new regions, for Islamic financial service organisations. The Islamic financial service occurred in ‘emergent organisations’ there for forces the service designs to fit for forces prevailing in the new regions. For instance in Britain, under the framework of financial service authority (FSA) the Islamic financial institutions were required to adapt the designs for the emergent service regulatory system established by the FSA (e.g. Ainley et al. (2007).
5.2 Expansion to Emergent Sectors

Upto third quarter of 1970, the practice of Islamic financial institutions was limited to banking sector only (Siddiqi, 2006). These institutions witnessed to expending into emergent sectors, requires new patterns of service. The emergent sectors to which the Islamic financial service expended includes the mutual funds and investments banking, Islamic alternative to Insurance i.e. takaful and capital market instruments such as sukukas (Hasan and Dridi, 2010).

5.3. Expansions to Emergent Products

Service organisations offer service through packages such as deposit and loan products. It is witnessed that, Islamic financial institutions expending by introducing new service products to meet needs of new customers and new needs of existing customers (Iqbal and Mirakhor, 2008). This type of expansion is necessary for the survival of the organisations. This dimension of expansion results a further resource contribution to emergent context. For example, when sukuk and takaful were introduced, new patterns and structures of service are designed for dealing with the excessive uncertainty or gharar, an emergent pattern underpinning the organisations.

Service at Time Horizon

All the expansions described in previous sections actually occur in time and space. This section explains what view of time is adopted to build the model for better understanding of emergent service practices. Going back to the philosophers of time, Aristotle argued that time does not exist independently of the events that occur in it. As explained by McTaggart (1993), this view is called “reductionism or “relationism with respect to time” the opposing view, “platonism with respect to time” or as “substantivalism with respect to time” or as “absolutism with respect to time,” is defended by Plato, Newton, and others. On this view, ‘time is an empty container into which things and events may be placed; but it is a container that exists independently of what it contains (e.g. McTaggart (1993).

In this respect we present time as three dimensional containers, which space for the events to occur in it. For me, these events are the service practices. Imagine a service organisation with hundreds of branches; at the same time perform service practices during multiple interactions points. If we put
the earlier expansions in service organisations into Plato’s and Newtonian’s container of time. This will enable the designers to locate and understand the emergent service patterns and build a design or designing mechanism for the same.

6. The Model for Understanding, Locating and Describing Emergent Service Practices

The figure 2 shows that at each point in time e.g. T0,...TN, the service organisations operate in different regions e.g. A, B, C, in different sectors, e.g. 1, 2, 3, and with different set of service products depicted through dashes lines. The spiral points of these dimensions or the meeting points are basically the emergent service practices which require customised designs for services, to bring sustainability to the objectives. To exemplary locations of emergent service are circled in the figure 2.

The example of emergent service practice and its location could be, the money depositing encounter of customer and commercial bank in future (e.g. January 01, 2013) in Scotland. Designing for this context brings attentions to the factors specific to time (2013), region (Scotland), sector (commercial banking), and products (deposits). The junction or spiral point these dimensions is the context where the actual service practice occurs. Many factors related to these define emergent context, provides the dimensions of service product (deposits), region (Scotland), sector (commercial banking sector).

7. Conclusion, Laminations and Future Research

The focus of this paper was to understand, describe and locate emergent service practice. For this purpose, a pragmatic approach is adopted to investigate the concept by reviewing literature in context, emergence and practice of Islamic financial services. Drawing on this literature, three expansion dimensions of service organisations are identified i.e. the expansion to emergent regions, the expansion to emergent sectors and expansion to emergent service products. Synthesising these three expansion dimensions, in the plato’s notion of time enabled me to portray emergent service practice for its understanding, describing and locating, as aimed in the paper. The concept has implications for service organisations, regulators and practitioners to build customise designs by having awareness emergent of service practice. The lamination of
the model is that it lacks rigorous empirical evidence; even though the expansion constructs of model are drawn from real life examples, but could be expanded further if it is evaluated in some real life case studies of service organisations.

References


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