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Conceptualising Customers in the Public Sector: An Activity-theoretical Analysis

Heli Kaatrakoski väitteli 13.5.2016 Helsingin yliopiston käyttäytymistieteellisessä tiedekunnassa aiheesta "Conceptualising Customers in the Public Sector - An Activity-theoretical Analysis" (Asiakkaan käsitteellistäminen julkisella sektorilla: toiminnan teoreettinen analyysi). Vastaväittäjänä toimi professori David Guile, University College London, Institute of Education. Väitöskirja julkaistaan sarjassa Kasvatustieteellisiä tutkimuksia ja se on luettavissa myös E-thesis -palvelussa, osoitteesta: <https://helda.helsinki.fi/handle/10138/160428>

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For some time the public sector in Finland has been under extensive reforms with aims to reorganise its service provision and administration. Financial problems and lack of resources have created pressures for public sector organisations to become less bureaucratic and more efficient, flexible and customer-oriented. The private sector's business principles, management styles and concepts have been introduced as a good medicine for the identified problems. This is the societal framework of my study.

The data of my dissertation were collected in two research and development projects with the objectives of recording the experiences of implemented changes; to provide suggestions for solving the identified problems; and developing practices in changing work environments. The organisations studied came from the fields of elderly care, day care, road management and

academic library work in the public sector in Finland.

As early as the first interviews conducted I paid attention to the different aspects of employees' perceptions of their customers and their descriptions of encounters with customers. The employees brought up that elderly people, children in the day care, road users and library users were now more than earlier – or at least should be – the core of their work; their customers as it had been introduced.

I illustrate my perceptions with the following examples from the data:

Well that is the core [helping customers with their problems and questions]. What would we do there alone?

We move to processes starting from the customers, (...), when the processes move from the customer, that it is raised to a king, the customer there; that is the only right way to work here.

Conversely, the employees sometimes found encounters with their customers and customer focus problematic or found changes in customers' actions challenging, as the following examples reveal:

Well maybe people's awareness of what they can demand. This is surprising, that now it is the patients and the relatives, they come with an attitude that we complain immediately if we don't get this and that. That has increased.

But then, does it lead to the road user getting better services with these contracting models than with others? It is hard to believe, because we have defined the service level, which they [service providers] have to reach during the contract period. And it is difficult for me to believe they would voluntarily want to raise it higher. Because money is tight there.

I think it is lovely that we serve and listen to ... Such flexibility has appeared I think. [But] Sometimes it feels like, 'help'! Because nothing can be requested anymore: 'When will they be picked up?' or 'When will they come?' or 'When are they on holiday?' We are like scouts, always pulled in different directions.

To some extent, employees' interpretations of customers and customer focus seemed to differ from those, introduced in papers, documents and media. Especially the challenges described piqued my interest and I chose to explore this topic, the concept of the public sector customer, in my dissertation.

I had no deep understanding of changes in the public sector when I started this journey. The idea of a customer in this context, other than a word, was new to me. I started exploring and what did I find? I found the New Public Management approach – uusi julkisjohtaminen in Finnish - which emphasises the benefits of business models in public sector activity. I found neoliberalism emphasising individualism, free markets and competition. I found Margaret Thatcher the former Prime Minister of Great-Britain whose philosophy emphasised flexible labour markets and privatisation; economist Milton Friedman who was awarded the Nobel Memorial Prize in Economic Sciences and the international protests that his award caused. I found General Augusto Pinochet and reforms in Chile. I also found references to a Soviet Man who was compared with an independent customer and an employee acting in an entrepreneurial way in the new public sector culture.

All these political and ideological findings, some of them even devastating, seemed to be very distant from the day-to-day work of elderly care, day care, road management and library professionals and their customers in Finland. The literature review, however, had shown me the existing connection and my contribution to the discussions was to investigate the conveyance of the concept and its historical development in the local public sector context.

In my study, I analysed how public sector employees talked about their customers and customer focus in their own work context. So, I took the perspective of employees. I also analysed documents in each organisation studied and created a dialogue between the interview and the document data and the societal change.

I first asked for data about what a customer is. We often tend to make sense of things by describing them and their external features. It is also common for us to categorise things in order to understand them and their meaning. We all are familiar with a reference to, for instance, bad and good students, difficult customers and smart or lazy employees. No doubt categorisation is relevant and essential to some extent. But in order to theoretically conceptualise and

explain things, one needs to go beyond; in this case to provide more real understanding of customers than an isolated word in a paper or in a managerial discourse.

My preliminary question: ‘what is a customer’ might have led me to a simplistic explanation of public sector customers. But I chose to use different methods and concepts commonly used in the framework of cultural-historical activity theory to attain my goal.

The findings of my study suggest that the use of the concept of a customer has become more identifiable in the documents along with the introduction of the New Public Management approach. This was an expected rather than a surprising finding. The interviewees’ expressions of customers were varied from being something distant from the service settings, to being the core of work of the employees. Also, changes in the actions of customers were described in multiple ways.

One specific finding was shared discourses – thematically similar talk – associated with customers. They were identified in the interview data despite the different character of the organisations studied. Examples of these discourses were: arguments that “customers do not care who provides or finances the services”; calling for boundaries of service provision and own practice; and conceptualising employees as customers of managers. The shared discourses suggested that the concept of customer had become a general rule in some public sector organisations. Such findings also supported the understanding that the core of the studied phenomenon is found outside of the organisations.

The employees described a number of conflicting situations they had experienced in their service encounters. One example is the problems related to customer satisfaction inquiries conducted. The interviewees revealed that the inquiries were conducted only for fun and not necessarily to benefit customers; or that were they too difficult for customers or for personnel to understand. Doubts were expressed about how customer feedback would be used to increase customer orientation. These kinds of comments referred to the tendency to use customer

satisfaction inquiries as a general rule rather than a tool to improve services and respond to customers’ needs. It seemed that the objective of evaluation was not improving customer service, but collecting feedback.

In my study, I identified tension between division of work, used tools, employees and customers; and thus interpreted the conflicting situations being systemic. It seemed that the organisational procedures had not always developed in regard to the customer thinking. Rather the ‘old’ organisational structures and procedures dominated the activity. From the perspective of working life, one important contribution of this study is that it explains the conflicts originating from systemic tensions instead of trying to trace them to the behaviour of individuals.

The findings also suggest that introducing an idea from one context and implement it in another context is problematic. Introducing the idea of citizens and users of public services being customers, similar to those in business relations may be challenging. The idea of a customer may remain only an isolated part of the whole public sector activity.

My study suggests that the concept of the customer in the public sector is not a fixed concept but rather a concept that is evolving and driven by two opposing forces – customer thinking from the private sector and the public sector cultures and ethos. The findings of my and other researchers’ studies evidence that employees have for some time been in the middle of turbulence in regard to customer thinking. They are in cross-roads between these two forces; ‘always pulled in different directions’ as I quoted one of the interviewees previously.

The observation that some emphasise the importance of customer thinking whereas some question it, can be challenging for employees. Some public service users do not want to be considered as a customer. One public hospital service user explained in the newspaper *Helsingin Sanomat* that she appreciated being considered as a human being not a customer.

The situations of turbulence may not be considered a crisis, but rather a possibility for change and development, perhaps a creation of

something new. The direction of the change may still be unknown and therefore organisations need to manage the change with tools and methods that are available; ideally by involving grass-root workers in development efforts. It is argued that organisation development and activation of employees originate from, and support, principles of neoliberalism, but this does not need to be accepted as a one-sided truth.

My final point is that my thesis theoretically opens up the background ideology behind the concept of customer and thus increases the understanding of larger societal changes. It provides new openings in regard to empirical studies on customer thinking from the perspective of employees in Finland. It also reveals new learning challenges not only for employees and management, but also for customers, clients, service users and citizens. My thesis invites all of us to reflect on the findings of this study, with regard to our own experiences in service encounters and public sector practices in general.

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