Customers at Work

New Perspectives on

Interactive Service Work

Edited by Wolfgang Dunkel and Frank Kleemann Customers at Work

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New Perspectives on Interactive Service Work

Edited by

Wolfgang Dunkel ISF München, Germany

and

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This book is dedicated to him.

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Part I Introduction

1 Customers in Service Relationships: About This Book

Wolfgang Dunkel and Frank Kleemann

In the pre-industrial age, production was controlled by guilds and quality standards were determined by the richest. In those days, a king as customer was the supreme goal of the guildsman producer, but with the emergence of mass production for mass markets in the late nineteenth century, the relationship between rich and poor consumers was turned on its head. Suddenly, there was much more money and prestige to be gained in selling middling goods to the masses than exceptional goods to the rich. This was the first great transformation of the relationship between producers and consumers – the era when the great mass of customers became 'king' and when serving this new king's wishes became the supreme goal of producers.

This first transformation entailed a *separation* of the consumer from the production process, for traditionally the customer told the craftsman face-to-face what he needed. Hardly any pre-industrial age products existed that were not the product of this kind of personal interaction. Early manufacturers, however, knew only vaguely what kinds of products would sell. Innovators interested in designing new products were forced to turn to new survey techniques developed by pioneer social scientists such as Charles Coolidge Parlin (the man who coined the phrase 'the customer is king') for ascertaining the preferences of the masses. With the perfection of mass manufacturing of goods designed to satisfy scientifically assayed consumer preferences, the first transformation of the social relations of production and consumption had reached the end of its development by the 1920s.

This book is not about that first transformation of the relationship between the producer and consumer. It focuses rather on the second great transformation, which followed and is still underway: the *incorporation* of the customer's own work into all aspects and stages of the production process. After the perfection of mass production in the 1920s, when the customer was enthroned as a passive consumer of goods produced in a physical location, we now find everywhere that the customer has been integrated into the production process. Customers no longer passively consume things made by others but very often consume products that they produced themselves in part. Although this striking development has much to do with the rise of the service sector and the accompanying rise of self-service innovations, the second transformation of the customer is in no way confined to familiar forms of self-service. Yes, the second transformation has the 'king' consumer getting out of his car to fill his own gas tank, has her following step-bystep the pictorial instructions for assembling her new IKEA shelves, and has her carrying her own food tray back to the kitchen after lunch. But it also has him - and millions more like him - designing his own computer at Dell Inc., contributing ideas in a 'crowdsourced' design contest, and writing product reviews that greatly enhance the value of the amazon.com website. The customer is still king, but someone has persuaded these kings to do much of the work of production. Moreover, the customer is still interacting with service providers directly, for example in personal services such as caregiving, consulting, hairdressing, teaching, and so on. Yet, the service relationship has changed in many ways, giving rise, for example, to the situation in which increasingly 'professionalized' customers interact with 'de-professionalized' professional service providers. A good example is the physician who interacts with patients who are increasingly able to obtain scientific information over the Internet about their ailment, becoming experts on their own disease. In these and many other ways, service providers and service receivers are constantly creating new forms of cooperation.

This book is about service interactions as they are integrated into the production and delivery of services today. In a combination of theoretical exploration and practical illustration, its focus is on the relationships of service work. It looks not at the outputs of the service sector per se but at the wider processes of producing goods and services through the combined interaction of service workers and service consumers. Recent research on service interaction, informed by the German sociology of work tradition, has shown that these relationships are undergoing a profound change and that these changes will most definitely shape how we will work in the future, for two reasons.

First, service work is an interactive, cooperative process between customers and service workers. It is an important means of creating efficiencies of production and of increasing profits. The fact that successful cooperation is not at all easy to achieve, given that it must arise in the absence of employment contracts and hierarchies, makes it all the more valuable for those few organizations who figure it out. One of the main causes of the difficulty in customer–worker cooperation stems from the fact that this is a form of social interaction with its own laws and peculiar set of hurdles. This book thus places a special focus on precisely the social aspects of interactive work in the service relationship from the point of view of the service worker, the service company, and the customer. We highlight the basic social challenges impeding successful interactive service work and review cases in which these challenges are overcome.

Second, interactive service work, which allows customers to participate in design and production, is changing traditional thinking about the definition and boundaries of industrial production. Service sector companies were the first to take customer interaction seriously, but as it turns out, service interactions represented a kind of gate through which customers began to enter into the halls of production, even industrial production. After innovations in web communication technology and social norms made it possible for thousands of consumers to collaborate virtually, interaction with (potential) customers is now a widespread reality at all levels and stages of production for many firms. Companies increasingly understand the implications of this shift and are learning to utilize the work effort of customers systematically. Being deliberately integrated into an organization as 'informal' workers, customers are obtaining an historically unparalleled role in the process of value creation. Web-based, selfservice structures, in particular, create opportunities for both a new kind of company-customer relationship and enhanced possibilities for customer-to-customer interaction.

This book brings together work conducted by many of the researchers who have been instrumental in putting customer-related topics onto the agenda in the sociology of work in Germany. Traditionally, industrial sociology and the sociology of work have paid little attention to customers, being focused more narrowly on industrial production, the corporate regulation of work processes, or employment. Researchers became curious about the role of customers only after they stopped seeing services as distinctly separate from goods, important only as a support for production. Services came to be understood as a productive process in their own right, as a cooperative process in which different actors, including customers, participate. For this reason, customers have become interesting for everyone who wants to understand the social relations of modern economies because they are quite clearly a key actor for the production and delivery of services.

The contributions to this volume draw from and contribute to five separate international debates. First, they broaden the discussion of 'service work,' which has focused in the past on personal services performed by untrained or company-trained employees at the bottom of the careerstatus hierarchy. These workers have been called the 'service proletariat' (Macdonald and Sirianni, 1996), whose tasks are regarded as 'front line work' (cf. Frenkel et al., 1999) or as 'interactive service work' (Leidner, 1993). Second, because the contributions make repeated reference to issues of the corporate regulation of service work, they are linked to the labor process debate (cf. Warhurst et al., 2009; Thompson and Smith, 2010), to the 'emotional labor' approach (Hochschild, 1983), and to Korczynski's ideas about the 'enchanting myth of customer sovereignty' (2002, 2009a). All of these approaches explore the consequences of corporate strategies for service interaction. Third, because some contributions analyze relevant aspects of work processes, they also touch on bodily and habitual aspects of service work that have been the subject of recent discussion (cf. Nickson et al., 2001, 2005; Wolkowitz, 2002, 2006; McDowell, 2009). Parallels exist also with theories of social change such as Alvin Toffler's (1980) 'prosumer' concept or George Ritzer's (1993) 'McDonaldization of Society.' Finally, a theme running through many contributions is the significant impact on services brought about by the Internet and Internet-related phenomena. The relevant debates have centered on the potential for harnessing customers for innovation and have focused on 'open innovation' (Chesbrough, 2003), 'user innovation' (von Hippel, 2005), consumers' constitutive role in innovation (von Hippel, 1988), and the new quality of networking and social production by users of web 2.0 technology (cf. Benkler, 2006; Tapscott and Williams, 2006).

Sociologists are by no means the only ones debating the changing role of customers in service work. In the past few years, an international movement to establish an interdisciplinary field of service science has been gaining momentum, spurred by IBM's Service Science, Management, Engineering (SSME) initiative (Spohrer et al., 2007) and inspired by discussions of 'service-dominant logic' (Vargo and Lusch, 2004, 2008). Milestones in the development of this proposed discipline include the programmatic Cambridge White Paper (IfM and IBM, 2008), several new handbooks (see, for example, Maglio et al., 2010; Gallouj and Djellal, 2010) and the new journal, *Service Science*.

From the perspective of service research as practiced in the social sciences, however, the new 'service science' has a few deficits. In its search

for solutions to the challenges arising from the current transformation of service-based economies, it focuses narrowly on the fields of technology, especially on information technology, and on the role services play in business productivity. Service science also tends to focus on a narrow range of services, namely knowledge-intensive, technology-based services provided by large corporations. The perspectives, interests, and options of individual companies are the driving interest; the perspectives, interests, and options of other actors involved in service provision, including employees and customers, and issues related to general social relations are less well illuminated.

In this book, we offer a social science approach to service work that is not limited to the service proletariat or to Internet-based knowledge work. Its ambition is to shed light on social relations between customers and service providers as they interact in every conceivable kind of service relationship. All the contributions in this volume have been materially or ideally supported by the Social Science Service Research initiative or '3sR' (www.3sresearch.de; see also the contribution in this volume by Bienzeisler and Dunkel). 3sR is an informal initiative of social scientists highly active in the field of service research. Recent publications of 3sR contributors, in German and English, include Service as Interaction (Dunkel and Voß, 2004), The Working Customer (Voß and Rieder, 2005), The Customer in the Service Relationship (Jacobsen and Voswinkel, 2005), The Corporeality of Social Action (Böhle and Weihrich, 2010), Management of Hybrid Systems of Value Creation (Ganz and Bienzeisler, 2010), New Forms of Collaborative Innovation and Production on the Internet: An Interdisciplinary Perspective (Wittke and Hanekop, 2011), Enterprises in Web 2.0: The Strategic Integration of Consumer Activities through Social Media (Kleemann et al., 2012), Interactive Work: The Theory, Practice, and Design of Service Relationships (Dunkel and Weihrich, 2012). The 3sR initiative promotes service research that draws on theories and methods of the social sciences and helps to develop a critical view of current trends in the service economy. A first step toward this goal was the organization of a large conference in early 2012 to discuss the state of current social science research on services. This book brings together many of the core findings of the 3sR group and offers them for the first time to an international audience.

Chapter contents

This first, introductory section of the book is continued in Chapter 2 by Heike Jacobsen with her overview, 'Social Research on Services and Service Work in Germany.' She argues that we are seeing a diminishment of the earlier, single-minded focus on production, which had been particularly evident both in German society and in German social science. New ways of looking at services and at the role of customers and users of services are now common. Looking back on the milestones in this development beginning in the early 1980s, the author answers three questions. First, how has the increasing dominance of the tertiary sector been measured and explained? In her answer, she discusses the critical reception of Berger and Offe's thesis that services are best analyzed in terms of their supportive function for production. Second, how does Germany stand, in international comparison, in terms of the development of its service sector? In the recent past, Germany's service sector was usually characterized as relatively backward, but today, the good economic performance of the German model has thrust attention upon the success that German companies have had in combining industry and services. This success, she argues, has been purchased at the price of poorer working conditions, especially in service jobs. Third, how has the sociology of work treated the subject of service work? The author reviews this history, beginning with issues related to salaried employees and the improvement of service efficiency and going on to a discussion of the current research topics of interactive and knowledge-based work. She argues that research on services has arrived in the mainstream of industrial sociology and of the sociology of work and closes with recommendations regarding the elements that should be included in any sociological theory of services.

Part I of this book concludes with a short overview of the institutional basis of service research in Germany and the position of German social science resources within these structures. Bernd Bienzeisler and Wolfgang Dunkel discuss, in Chapter 3, the rationale underlying the German national government's financial support for service research, arguing that it is motivated mainly by the goal of strengthening Germany's service sector but is nevertheless open to funding a variety of social science topics, including many that harmonize well with the goals of the 3sR initiative. The 3sR research program is described here, too, in some detail.

The remaining chapters of the book are grouped into three more parts, each addressing an important aspect of the transformation of service relations. Part II concerns itself with customers and service workers in the work setting. The authors of its three chapters present results from a research project on service work in the hotel industry, elder care, and infrastructure services for train stations. In each case, work tasks are investigated from the perspective of each member of the service triangle: the service company, the service-providing employee, and the service receiver. The focus of study, however, is the characteristics and framing conditions of direct contact between service provider and service receiver. What defines this relationship is that the service provider and the customer must cooperate if they want a service to be performed. This cooperation is addressed by the notion of 'interactive work.'¹ Customers are viewed as autonomous agents in the service relationship, an important subject for research in their own right. This corrects the tendency, common in earlier sociological studies of service work, of overlooking the customer's contribution to work outcomes (Korczynski, 2009b).

In Chapter 4, the opening contribution of Part II, 'Interactive Work: A Theoretical and Empirical Approach to the Study of Service Interactions,' Wolfgang Dunkel and Margit Weihrich claim that service relationships between service providers and service receivers are beset by interdependence problems. These are threefold: the problem of the definition of the objects and processes of service relationships, the problem of the incomplete contract, and the problem of opposing interests. They approach the service company, the service provider, and the service receiver as social actors who are dependent on each other's cooperation for the resolution of these problems. They provide a theory of interactive service work that synthesizes the theoretical traditions of theories of strategic action and of interactionism with qualitative methods into a research approach applicable to empirical investigations. It is useful for explaining how interdependence problems are resolved by the participants of service relations. Drawing on the example of hotel service, the authors analyze a real-world case of interactive resolution of interdependency and show how measures taken by service companies to regulate service interactions can create problems of their own that, in turn, have to be resolved by interactive service work.

In Chapter 5 by Thomas Birken, Wolfgang Menz, and Nick Kratzer, 'Management by Customers and Customer Control: (Im-)Balances of Power in Interactive Service Work' relationships between the service company, the service-providing employee, and the service receiver are analyzed with an eye toward issues of power and control. In doing so, the authors augment the labor process debate by including the customer's role in controlling the provision of services. Whereas traditionally the focus of studies of corporate control was on employees alone, these authors investigate how both employees and customers become the target of a company's regulatory ambitions. If customers stop being merely passive recipients of services and take on an active role in service provision, the question then becomes how companies influence such customer activities. On the basis of empirical research into the hotel industry and elder care, the authors show that this question is not an easy one to answer. The control of interactive work is a complex phenomenon in which personal values and orientations are used by companies in the sense of a 'governance of values,' but both service providers and service receivers can serve as agents of control in these interactions.

In 'Interaction in Service Relationships: The Customer's Point of View,' Anna Hoffmann and Margit Weihrich position their observations of interactive service work from the perspective of the customer (Chapter 6). Like the authors of the preceding chapters, they see the customer as an independent and active actor in the service relationship, but explore the more extreme implications of the idea. They exchange the conventional inside-out approach to the service relationship for an outside-in perspective, asking how customers understand companies' internal processes and what it means for their own situation. The authors describe what service work looks like from the perspective of the customer in the three service settings of hotel, nursing home, and train station. They seek to clarify the kinds of personal meaning services acquire for customers and also show just how elaborate and comprehensive the activities of customers in service process are. These activities extend well beyond the immediate interactive work with the service provider to include the customers' work of orienting, integrating, and professionalizing themselves. In short, customers' work encompasses everything they have to do so that all the services they are involved in, day after day, are managed in an orderly way. Hoffmann and Weihrich argue that all these customer activities can be profitably understood as 'work' and argue that it is important that the work environment be structured not only for the benefit of service providers but also for the benefit of service receivers.

In Part III, 'Working on Customers,' attention is shifted to service employees and their behaviors. During the previous decade in Germany, social science research into services had begun to articulate increasing interest in the two separate issues of gaining recognition at work and of 'subjectifying action' in the work setting. These new ideas have opened up a much broader panorama onto service work and service interaction generally.

Stephan Voswinkel's chapter on 'The Functional and the Personal Customer' builds on Korczynski (2002) in that he holds out a differentiated picture of the customer in the service relationship (Chapter 7). For him, customers are both economic and social actors. From the perspective of the organization, it is of central importance to uphold a 'functional' relationship with the customer. For them, the act of service is instrumental; when it functions correctly, it is a means to advance the organization's interest. However, for service employees, the 'personal' aspects of customers are more important. When dealing with customers, service employees are confronted with real people, with specific character traits. For employees, interaction with the 'personal customer' is a major source of recognition at the workplace. Building on Honneth's (1995) general concept of recognition, the author explores the implications of service employees receiving performance-based recognition from customers. He shows how service providers frame, in Goffman's sense, their job-related interaction with 'personal' customers such that it becomes possible to receive recognition from them. In other words, service providers set up the situation where they can receive recognition from customers. Observation shows, however, that the structural conditions created by their tasks and by the specific rules of the organization impinge on their ability to frame their customer relationships. The chapter also discusses companies' common service strategies, which cause discrepancies between the approaches to customer orientation taken by management and those taken by employees. These discrepancies can cause conflict. Organizations see customers as an economic factor and thus expect their employees to maintain a distanced or 'bureaucratic' posture toward them, but employees want to address themselves to customers as individual human beings whose characteristics and behaviors are to be judged by common standards of morality and ethics and with whom they develop a personal relationship so as to create the means of receiving recognition at work.

In "Subjectifying Action" as a Specific Mode of Working with Customers,' Fritz Böhle applies the concept of subjectifying action, developed in studies of skilled industrial labor, to interactive service work (Chapter 8). In the conventional understanding, rationally planned actions are central elements of work activity. However, productive processes that are inherently indeterminate and thus subject to unforeseeable disruptions cannot be fully regulated using the tools of rational planning. They must be managed flexibly by individuals able to engage in 'subjectifying' action at work. Subjectifying action is a mode of working that is sensitive to context and supported by complex sensory perception and feeling. The goals and means of subjectifying action emerge only during the actual process of work, as employees begin to actively engage with the objects of their work. Clearly, subjectifying action plays an especially important role in interactive service work, and the author explains its nature by drawing on the example of elder care. This chapter concludes with a typology of service work. Böhle differentiates between direct personal services and material services, further differentiating material services into those types where the material service work is directed toward a non-human object and those types where it is directed toward the interaction with a customer as a necessary means for producing and delivering a material service. These different types of service are linked to three analogous kinds of relationships between providers and customers: exchange, management, and processing.

The topic of the book's fourth and final part is customers and their emerging roles in work processes, especially the new role of 'prosumer' (Toffler, 1980), or 'working customer' (Voß and Rieder, 2005). This role has been created by companies in the last decades, particularly in the context of self-service technologies, and has most recently been expanded to Internet-based participation opportunities. Interactive Internet content and applications (web 2.0) have provided fundamentally new opportunities for Internet users to communicate and collaborate with each other. In this way, users manage complex projects, including for example the creation, expansion, and updating of opensource software. Internet users are also involved in joint production of services for third parties, services that are the sum of a large number of individual inputs as in the example of online user reviews.

Chapter 9 by Kerstin Rieder and G. Günter Voß, 'The Working Customer: A Fundamental Change in Service Work,' critically analyzes the efforts of corporations to harness the productive power of the 'working customer.' They argue that these encroachments signify a fundamental historical transformation in service work and in the broader social relations linking producers and consumers. When customers play an active role in service delivery, they are integrated informally as surrogate employees in organizational routines. This sets up a new constellation of relationships binding consumers to firms, giving corporate actors access to individuals' labor power and productivity and thus opening up a new means of encroachment into the personal lives of ordinary individuals. Companies do this to cut costs by externalizing elements of production to non-employees, but also because it gives them new ways of increasing the value of their products and brands. For Rieder and Voß, these new relations give rise to a new ideal type, the 'working customer,' who stands in stark contrast to the passive 'buying customer' of earlier industrial society. Working customers are defined by the three distinct components of their relationship to firms: their practical activities and skills are systematically integrated into operational business processes; this makes them a kind of informal employee and an informal part of the organization; and in this way they become a source of surplus value

for the firm. The authors prognosticate that this new type of customer will become increasingly common, and they conclude their chapter with a discussion of the implications of this development for the rest of the society.

In a recent development, companies have found a new way to activate the productivity of consumers, in the sense described by Rieder and Voß. Company-sponsored social media collaborations enable Internet users to contribute their own designs and to publicly share and exchange their experiences, criticisms, and ideas. The final two chapters focus on the collaborative efforts of Internet users in various examples of Internet platforms.

In Chapter 10, 'Customers Working for Customers: Collaborative Web 2.0 Services,' Heidemarie Hanekop and Volker Wittke analyze the collaborative, web-based activities of users and the organizational structures that support them. They focus on the example of Internet platforms used by customers to advise and assist other customers. These exchanges are new forms of large-scale collaboration in which a large number of consumers help each other instead of turning to company representatives. They represent a new public service, a service that was first made possible by interactive web technology. These exchanges augment or replace conventional forms of one-to-one assistance provided by companies to the buyers of their products. The authors use two examples to demonstrate how difficult it is for such projects to function effectively. The operators of these exchanges, often commercial enterprises, are highly dependent on the ability of the user community to organize and coordinate itself. Yet, no community organization is possible until a critical mass of contributing users is reached. The analysis shows that the success of such participatory platforms requires that consumers associate it with meaningful, shared goals. Site operators must specify not only these goals but also the kind and quality of every form of input they expect to receive from consumers. For this they must set and enforce clear rules, which in turn must be accepted as legitimate by the affected community. At the same time, however, users must be free enough to regulate themselves, because collective self-organization is one of the most important regulatory mechanisms of such sites. The job of site operators is to foster users' interest in participation and to set the right framing conditions, without letting their commercial interests get in the way of what users gain by participating. From a theoretical perspective, this balanced constellation can be described as a mixed form of governance in which various control mechanisms and imperatives are exercised simultaneously, by both firms and users, on the basis of trust.

The concluding chapter (Chapter 11) by Tabea Bevreuther, Christian Eismann, Sabine Hornung, and Frank Kleemann, 'Prosumption of Social Context in Web 2.0: Theoretical Implications for the Prosumer Concept,' emerges from the debates regarding the applicability of Toffler's 'prosumer' concept to web 2.0 settings (cf. Beer and Burrows, 2010; Blättel-Mink and Hellmann, 2010; Ritzer and Jurgenson, 2010). They point to the unintended consequences of social self-organization of users collaborating in web 2.0, which in turn suggests general conceptual deficits in Toffler's theoretical figure of the 'prosumer.' The authors argue that research about web-based prosumption has tended to focus too narrowly upon how individual users create content, to the neglect of two important questions. First, to what extent is prosumption a collaborative exercise that is somehow dependent on online communities? Second, how do users and site managers together organize and manage prosumption tasks online? These questions are addressed by using observations of individual-level interactions on 22 German commercial web 2.0 sites on which prosumer activity takes place. Three different types of prosumption practices were observed on these sites that do not fit neatly into the current understanding of how prosumption works: mutual support among users, social integration, and normative selfregulation. The text concludes with a discussion of the characteristics of each type of behavior, the functional relationship of these behaviors to content prosumption, the ways they serve as functional supports for each other, and the implications of all this for the prosumption framework.

Note

1. The 'Professionalization of Interactive Work' project was funded by the German Federal Ministry of Education and Research and the European Social Fund of the European Union from 2008 to 2012. For more information on the project and its results, see Dunkel and Weihrich, 2012.

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2 Social Research on Services and Service Work in Germany – from the 'Service Gap' to Service Professionalism

Heike Jacobsen

1. Introduction

German social science research on the organization and performance of service work has been influenced by contradictory impulses. Although Germany was among the first countries, alongside Finland and Denmark, to provide significant public funding for research on innovation in services, there is a long and persistent tradition of skepticism about the overall importance of services for national economic performance. It was a German chancellor, the Social Democrat Gerhard Schröder, speaking to Opel workers in Bochum on August 15, 2002, who remarked scornfully, 'We cannot make a living by giving each other haircuts.' When he said this, more than two-thirds of the gross domestic product was being generated by services, but Schröder had limited sympathy and understanding for the increasing relevance of services to modern economies. Debates about problems of advancing tertiarization had then reached a peak in Germany, and the remarks of European commissioner of the internal market, Frits Bolkestein, that 'either the future of Europe lies in services or it will have no future' (FAZ, November 2, 2002), were still recent. The turn to services was reflected in the development and implementation of the so-called Bolkestein Directive (European Commission, 2004), which set the goal of reducing restrictions on cross-border trade in services among member states. Also at that time, many international and European comparisons portrayed Germany's service economy as a laggard in Europe. Within European politics, Germany was criticized for having shirked its responsibility to effectively promote the expansion of services as the largest economy in the EU. Labor market problems were considered at that time to be grave and were mainly attributed to the deficit in services (Bosch, 2001). Gerhard Schröder's disparaging comment about services was seen by some as placing undue value on what then seemed to be an outdated German tradition of industrial production for export. Indeed, elite attitudes tended to be antagonistic to services, despite the fact that German economic policy did include efforts at supporting services.

The same ambivalence has also characterized German research on services. Considerable empirical and theoretical efforts were made to explain why the service sector in Germany was relatively small, with an eve toward developing corrective policy recommendations. Then, as now, research on services was not acknowledged as an important sub-field of any related discipline and initiatives for allocating public research funding to this field had to overcome severe hindrances. The ambivalence stems from the fact that in Germany, a traditional industrybased system of production was seen as essential for the success of its export-oriented national economy. A strong service sector was held to be of dubious value. Correspondingly, consumer and user participation in service processes were more of a black box than a crystallization point for a science of services. Even among researchers, a long-standing production-centered bias prevented serious theoretical consideration and empirical analysis of services. Only when this bias had been relativized were the perspectives of the users of services seen as integral for explaining tertiarization and the organization of service work.

This chapter lays out the above argument in three steps. First, it outlines the theoretical efforts undertaken beginning in the 1980s by German social scientists to explain expansion in the service sector. Tertiarization theories that reified a fundamental shift from 'industrial society' to 'service society' were criticized in Germany and relativized by concepts in which industrial production continued to constitute the basis of economics. For the same reason, approaches that integrated concerns for service users and their participation in service delivery were not well received (section 2). In international comparison, it is clear that services expanded more slowly in Germany. Hopes that services could compensate for the loss of industrial jobs remained unfulfilled. Whereas this problem for the labor market was discussed intensely, it went unrecognized that the relatively underdeveloped service sector also causes problems for potential users. Currently, the fact that wages and conditions for service workers are worsening in many sectors and regions seems to confirm fears that tertiarization endangers the progress made in labor standards for industrial workers (section 3). Although empirical studies by German sociologists of work are in the rule analytically sophisticated, studies of services were carried out initially without explicit reference to the fundamental ambiguity of service processes or even to the existence of service users and consumers. This has changed recently. Now, service-sector work receives wide attention and key studies are part of the sociology of work canon. In Germany, service work is no longer seen as a special type of work associated only with knowledgebased or interactive work.¹ The kind of interaction specific to many service-sector jobs is thought to require special skills and forms of organization that demand professional skills fully equivalent to those that are normally thought to be required only of higher-level managerials or technical personnel (section 4). Finally, elements will be specified that should be part of any new sociological theory of services. They include the concept of uncertainty as a unique characteristic of services as well as alternatives to the assumption of a goal-oriented, rational behavior among the participants of service interactions (section 5).

2. Theories of tertiarization: From a maintenance function for production to the motor of innovation

Beginning in the mid-twentieth century, economists and sociologists sought to explain the long-term transformation of economic and employment structures characterized by the decline of the primary sector (agriculture, mining, energy production), the rise and subsequent decline of the secondary sector (manufacturing and trade), and the final rise of the tertiary sector (services) to its current position of dominance in all advanced economies. Central questions were: Is this 'tertiarization' the inevitable result of scientific and technological development, or do consumers sustain growth in services through their purchasing power? Will tertiarization continue in the future? What does tertiarization mean for society and for individuals?

In Germany, optimistic assessments of the causes and consequences of tertiarization have been met with skepticism. German reactions were reserved to Jean Fourastié's famous argument (1949) that a 'stable tertiary civilization' was emerging because of the rationalization of production in primary and secondary sectors and the related 'collective hunger for the tertiary'. Daniel Bell resurrected debates in 1973 with his thesis that industrial society is being superceded by a post-industrial society in which the 'game against nature' is replaced by the 'game between persons' (meaning services). These ideas are as controversial today as they were then (Häußermann and Siebel, 1995). Alan Gartner and Frank Riessman's 1978 thesis of a 'consumer revolution' was well received in Germany because their analysis was based on social services and so became a focal point for discourses on social policies (see Gross and Badura, 1977). In the political economy debates, however, it was largely marginalized, and the thesis that social services could not or should not be provided without the participation of service users was not provocative and did not lead to a systematic view of user participation in other kinds of services. A little later, the skeptical analysis by Jonathan Gershuny (Gershuny, 1978, translated into German in 1981) received wide attention among political economists. In contrast to his predecessor authors, his analysis of the reasons driving expansion in services and the theoretical implications of this expansion was not based on the number of workers employed in the service sector. His analysis was based instead on market demand for services. He concluded that both services and goods are 'social arrangements for satisfying needs' and that there is no reason to assume that the service sector will automatically keep expanding. In fact, in the time period he observed, the market for services actually shrank and service users were beginning to find other ways to meet their service needs such as performing services themselves with the aid of industrially manufactured products. It is certainly no coincidence that this quite skeptical position, with its strong emphasis on industrial production, was widely discussed in Germany (Häußermann and Siebel, 1995).

At the same time that Gershuny's arguments were being discussed, Johannes Berger and Claus Offe presented their 'macrosociological and functional definition of the service sector' (Berger and Offe, 1984: 233), which went on to exert a major influence on the way German social science understands services. Its central concepts are that services fulfill a *maintenance function* in production processes; that services are uniquely characterized by *uncertainty* about the extent to which they are actually in demand and about their real value once performed; and that economic rationalization can be accomplished in the service sector uniquely by changing the *institutional basis* of their provision.

Berger and Offe defined the service sector as 'the entirety of functions in the societal reproduction process directed toward the reproduction of formal structures, forms of interchange, and cultural framing conditions by which society's material production takes place' (ibid.: 235). This definition reduces services to a maintenance function, as a means for the 'maintenance of something' (ibid.). Berger and Offe were innovative in taking the positive economic and social functions of services as defining criterion rather than their unique but only negatively formulated characteristics, including for example their immateriality, their unsuitability for storage, their inherent limitations in terms of proximity in times and space, and the like. An important step toward a positive definition of services was made.

Despite this change of viewpoint, services continued to be conceived of in terms of material production, and specifically in terms of their supporting role for production. From this perspective, services are generated only to the extent they are thought to be necessary for production. This functionalistic definition favors the status quo, offering no parsimonious explanation of the very dynamic processes of tertiarization. Berger and Offe explained growth in services as rooted in the increasing complexity of the production process and the corresponding increases in the cost of guaranteeing production output. This argument is similar to those of Fourastié and Bell, and all these authors put forward that more services are necessary to prop up increasingly complex structures. However, Berger and Offe added that services are perennially in short supply because they are related to 'unproductive' costs and unreliable profits. Inherent to services is a unique uncertainty as to whether the service actually serves its accorded purpose, whether it can be performed at a designated time in a designated form, and whether it is even used at all. The maintenance function sometimes is exhausted in the latent availability of a service that ultimately goes unused. Therefore, services cannot be rationalized according to the rules of formal rationality and economic efficiency. Yet, this 'resilience to rationalization' does not mean that services and service work cannot be rationalized at all. It only means that services cannot be reorganized without taking their efficacy into account. Services can be rationalized, but their supporting contribution as a means of production must not be rationalized away.

Berger and Offe differentiated three forms of rationalization in services. 'Mechanization' substitutes machines for laborers. 'Organizational rationalization' consolidates, centralizes, and renders labor more flexible. 'Externalization' shifts labor to another 'entity' (Berger and Offe, 1984: 252ff.). Examples of other entities are private households, private companies, or governments acting alone or through the agency of non-profit organizations. The first two forms of rationalization are analogous to rationalization of production in the sense that services are organized more efficiently or are augmented by technology. Rationalization by externalization, however, is specific to services. Only services can be rationalized by externalization to a wholly different institutional base. A key example is the rationalization of services by getting users to serve themselves. The institutional basis is thus transferred to the user. In many service situations, there is a competition of 'entities' or institutional bases for the service. Berger and Offe attributed this mainly to the problems involved in sustaining an adequate level of social welfare provision. This made much sense in the early 1980s, when this concept was being developed, because the fiscal crisis of the state had already been raised as a major issue.

One merit of this approach is that by defining services in terms of their maintenance functions they are seen as *directed toward something outside of themselves*. Parallels can be found in the business literature, where services are seen as the use of skills for the benefit of another (Hill, 1977; Vargo and Lusch, 2008). Furthermore, Berger and Offe called attention to a fundamental puzzle: that *uncertainty* is unavoidable in the provision of services. With the idea that rationalization by externalization to another organizational basis is unique to services, they brought the user into the center of analysis. At the same time, however, by taking a stance rooted in traditional views of political economy and defining services as unproductive, they blocked further consideration of this point. Thus, they held the service user to be a passive subordinate rather than an active participant who shapes the service process.

Criticism was mainly directed at their focus on production and the factors that guarantee it, a notion inspired by the Marxist tradition. Critics replied that tertiarization is not to be understood solely in terms of the exigencies of material production, a position which cannot adequately explain the massive expansion of consumption and personal services, which are only indirectly related, if at all, to material production (Häußermann and Siebel, 1995). A further critique has to do with gender relations. Focusing on material production reifies gender roles common to the Fordist model and negates the substantial contributions of women outside the workplace, whose family work contributes substantially to the cultural and material reproduction of society (for the most recent argument, see Gottschall, 2001).

In subsequent discussions, increasing doubt was cast on the idea that services possess a general support function for production, whereas the characteristic problem of uncertainty received increasingly more attention. Christoph Deutschmann (2002) argued that the sociological concept of services should not be limited to their maintenance function, the upholding of the status quo, or the hedging of new risks; rather, it must also be able to assess innovations brought by services into production processes through the transfer of social and cultural impulses. Deutschmann explained tertiarization in the same way as his
predecessors: as a result of the differentiation of production processes. Services are for him, also, functionally necessary for the maintenance and ongoing development of material production. However, he came to a fully different conclusion than his predecessors in that he questioned whether the goal of protecting production from external influences can 'guarantee' it. Tertiarization, he argued, is not being driven by problems with the purported guarantee function of services, but rather by increasing economic uncertainty. 'The same methods of organizational and technical standardization with which Fordist management has sought to reduce economic uncertainty causes, unintentionally, new uncertainties. Indeed, mass production itself increases the attractiveness of products and services tailored to individuals' (Deutschmann, 2002: 32). In contrast to Berger and Offe, Deutschmann not only sees growing technological complexity but also the idiosyncrasies of consumption as a key impulse for change. The pressure for tertiarization thus continually increases; more services are necessary to facilitate ever more individualized production. The redirection of production to increase flexibility in responding to rapidly changing consumer habits is part of a feedback loop: individuals express their identity through their consumption, thus creating an inexhaustible reservoir of cultural meanings that are available for integration into the economy via new services and goods.

Deutschmann helped to integrate the perspectives of service users and consumers into the analysis of services. He saw consumption decisions influencing the development of production and thus contributing to the dynamics of innovation. At the same time, his approach makes uncertainty an important key force of tertiarization, because innovation is inconceivable without the challenges of uncertainty.

Another interpretation of the tertiarization process emerged out of a critical political-economy perspective (Bartelheimer and Wittemann, 2003). From this perspective too, the tertiarization process gains momentum by finding new forms of utilization and consumption. Tertiarization involves the expansion of the valorization of capital to previously untouched areas of cultural and social life in a process of capitalist 'encroachment'.

In sum, the production-centered perspective is not yet obsolete in Germany, but it has been relativized. The intellectual history outlined here documents a gradual shift in the focus of explanations of tertiarization away from the argument that services have only a maintenance function for production and toward consideration of consumption and the private sphere as sources of innovation. Two central ideas that emerged from these debates remain quite fruitful for analyzing services: services play a role in guaranteeing production and they are beset by the problem of uncertainty.

3. International comparisons: Disappointed expectations of high service employment

Beginning in the 1990s, international comparisons became the standard means of investigating tertiarization processes. Empirical analyses were carried out to understand these processes and to draw conclusions for further political action. International comparative studies conducted by German social scientists reflect the long-standing German interest in issues of production. Indeed, German discussions were especially vigorous because Germany was considered a 'late comer' service society (Scharpf, 1986) and because a 'service gap' (Stille et al., 2003) was thought to persist.

The share of employment in industrial production in Germany reached its peak around 1970 before being surpassed by service-sector employment. Thus, in solely quantitative terms, industrial society obviously has given way to the service society (cf. Jacobsen, 2012). However, Germany was never on the forefront of this development. In the USA, as early as 1890, the share of service workers (30 percent) was higher than that of industrial workers (27 percent) (Fourastié, 1969: 110). In France, parity was reached in 1936 (ibid.). Germany, however, lagged behind then and continued to do so as the twentieth century progressed, as interestingly documented by Manuel Castells and Yoko Aoyama (Castells, 1996; Aoyama and Castells, 2002) (Figure 2.1).

In comparison to the OECD countries France, Italy, Japan, the United Kingdom, and the United States, Germany had the highest number of manufacturing workers (in the transformative sector) from 1920 to 2000, culminating at 33 percent in 2000. Similarly to all other countries except Japan, it moved toward an employment structure in which social services account for about a quarter of all jobs, growing from 6 percent in 1920 to 26 percent in 2000. Growth in distributive services was relatively limited, from 12 percent in 1920 to 18 percent in 2000. Employment in personal services grew minimally from 7.7 percent in 1920 to 8.6 percent in 2000.

The numbers do justify the characterization of Germany as a latecomer. In the 1990s and the beginning of the first decade of the twenty-first century, a lasting critical discussion began about whether some fundamental German problem hinders economic growth and prevents a reduction of the high unemployment that had set in after the



Figure 2.1 Sectoral transformation in international comparison, 1920–2000 *Source*: Aoyama and Castells (2002: 136–7)

decline of industrial employment. The idea that governments should do more to target job growth in services in order to compensate for industrial jobs lost to rationalization and globalization played an important role in the countries of the European Union at this time, as well as in Brussels. In Germany, calls for a more active service-sector policy were also widespread (Gerhard Schröder's comment was a reaction to this). Little attention was paid then or now, however, to the fact that this 'compensation thesis' is self-defeating. When services are promoted as compensation for lost industrial jobs, the argument is not about improving quality of life (for example, by increasing the net level of services available). Instead, one gets the sense that something of low value is being substituted for something of great value, as if industrial work had been preferable all along. One gets the feeling in Germany that behind every call for more services lies a disappointed industrialist.

International comparisons first investigated the national institutional frameworks of the service sector. Hartmut Häußermann and Walter Siebel's work (1995) was particularly influential. They examined data on national job markets in three countries: Germany, Sweden, and the USA. The welfare state regimes of these three countries previously

had been characterized by Gösta Esping-Andersen (1990) as fundamentally different, and the authors looked for possible correlations between these welfare states and the development of services. They were able to identify correlations mainly between the level of women's participation in the labor market and the growth of services for private use (consumption-related services). Social but also household-related and personal services² are more prevalent in the USA and Sweden than in Germany. In the USA, they are mostly commercially provided; in Sweden they are provided mostly by the government. In both of these countries, female employment is significantly higher than in Germany. Häußermann and Siebel thus concluded that higher female employment is one factor of service-sector growth. Conversely, it can be expected that a larger range of services has a positive effect on employment opportunities for women. Instead of keeping women out of the job market as a way of reducing unemployment at that time, social reform in countries outside of Germany supported the increased entry of women in the job market. With this diagnosis, the authors contributed substantially to demonstrating that changes in gender relations are an important element of the tertiarization process. Many subsequent studies (for example Anxo and Storrie, 2001; OECD, 2001; Bosch and Wagner, 2003) elaborated this point (also see below section 4).

Martin Baethge combined an analysis of the low integration of women in the German job market with a sociological interpretation of 'German industrialism' (Baethge, 2001) in his explanation of laggard tertiarization in Germany. In his analysis, the social institutions of industrial societies still persist today in Germany because of their past success. These institutions include the markedly hierarchical bureaucratic organization structure of companies in which functions and processes are highly integrated and rigorously regulated. Furthermore, norms for work performance and performance evaluation are formalized, and working hours are for the most part fixed. The professional skills and loyalty of employees are the foundation of this production model's success. Skills and loyalty were guaranteed traditionally by the unique German system of vocational training and by the long-term stability of employment contracts. Other key institutions include a social security system that rewards full-time and long-term employment, onebreadwinner families, low female employment, and highly formalized industrial relations with strong unions and employers' associations.

The institutions of the German model were thus thought to hamper service-sector growth, but parallel suspicions that service-sector growth was also limited by weak demand for services were not confirmed. International comparisons showed, in fact, that national differences in the demand for services vary with disposable household income, not consumers' service preferences (Gregory et al., 2007). In countries with higher public spending and higher taxes, consumers have less disposable income, and thus spend less on services. Moreover, the relationship between demand for services and the productivity in service production was also investigated (ibid.). It was found that services in Germany are produced more efficiently than in other countries, that is, fewer units of work are required for each unit of service.

It can be concluded that cultural differences are not reflected directly in different service-sector growth rates. Rather, different forms of organization and production of services contribute to variation in employment levels and structures. This should diffuse to a certain degree German worries about the 'service gap'. Reservations about the utilization of services or about being employed in the service sector are not culturally anchored (and thus difficult to influence). Nor are they the reason why Germany has been something of a 'service wilderness'. If Germans had the same level of disposable private household income as US citizens, they would consume a similar amount of services. Yet because service productivity is higher in Germany, this would not create the same amount of jobs.

This interpretation defuses criticism of the service gap and the lag in tertiarization, and instead points to successes in the way Germans organize services. Are services in Germany thus especially efficient because of the conditions of an industrial production model? Are the diagnoses arising from international comparisons misleading? These conclusions are as yet premature. Although there are many studies on how institutional frameworks inhibit innovation, data on national differences in the organization of services and in levels and structures of consumption are very limited (see Gregory et al., 2007). There is still no convincing evidence countering the thesis that serious barriers to tertiarization exist in Germany.

A decade after debates on the service gap, the original problem that spurred those debates is fading. From a functional standpoint at least, Germany no longer has any deficit in services. With about 70 percent, Germany has the same share of non-manual employment as all other EU countries with the exception of Denmark, the Netherlands, and Great Britain (Eurostat, 2012: 3). The remaining differences in the sectoral composition of employment can be explained in part by the fact that some business services that are typically outsourced in other countries are performed by industrial companies themselves in Germany. Within the industrial sector itself, more people work in service-related jobs in Germany than anywhere else (Bosch, 2001; Stille et al., 2003). The origins of this practice lie in typical elements of the German model of production: a diversified product base, quality-oriented production, a high percentage of skilled labor, and vertically integrated organizations.

From a quantitative standpoint, Germany's tertiarization problems seem to have disappeared. Nonetheless, services and service work in Germany may be becoming qualitatively inferior to production jobs. Service jobs make up the majority of employment in the expanding low-wage sector. These are mostly marginal jobs that do not qualify their holders for social welfare benefits (see Bosch and Weinkopf, 2011). Apparently, there are connections between a broad sectoral move in favor of more services and the emergence and stabilization of a 'lowwage sector' in Germany. According to Bosch and Weinkopf, until the 1980s, service employment grew together with institutions relevant for industrial production and involved the creation of mostly permanent, full-time positions in unionized organizations. Since then, however, the expanding service sector has developed into a 'laboratory for precarious employment' (Jacobsen and Webster, 1999; Bosch and Weinkopf, 2011: 439). They show that working conditions for 25 percent of all service sector employees are substandard, as compared to 11 percent in the secondary sector. In service branches with low to moderately qualified workers, including for example the hospitality industry, this share is 75 percent.

Higher employment in the service sector seems to have come at the cost of job quality, confirming in effect those earlier warnings about too much tertiarization. Workplace quality now lies below the levels once considered normal for industry, and the fears that drove debates over the pro and cons of a burgeoning 'service economy' have been confirmed. Changes in the institutional frameworks implemented as part of the labor market reforms of the Social Democratic and Green coalition government (1998–2005) during the peak of labor market problems in Germany clearly helped generate more service work, but they have not prevented those new service jobs from being offered under substandard conditions.

The global financial crisis that began in 2008 revealed how vulnerable the predominantly service-based economies of the US and Great Britain are to the risks of unregulated financial markets. Since then, the German model, biased as it is toward production, has regained much of the influence and prestige lost during its decades of high unemployment. It is now rare to hear complaints about a service-gap in Germany. In fact, with almost three-quarters of all workers and two-thirds of economic performance rooted in the service sector, it would be hard to support any claim that more tertiarization is necessary.

4. The sociology of service work: Professionalism in the service triad

In the sociology of work, studies of the organization of services, or on the qualifications, skills, and professional orientations of service workers were limited at first to business services directly related to industrial production (for the following see Jacobsen, 2010). Beginning in the 1920s, a 'sociology of white collar work'³ developed that never called into question the dominance of industrial production in the national economy. The management and administration of large industrial companies, and the employees that do it, have been the focus of the sociology of white-collar work for decades (see especially Pirker, 1962; Jaeggi and Wiedemann, 1966; Bahrdt, 1972). In single studies, other salaried employee groups within industrial firms were investigated, including technical professions like engineers, technicians, and master tradesmen. However, salaried employees in service branches, public administration, social services, and other kinds of services such as commerce and transportation have been largely ignored. Thus, the German sociology of white-collar work has limited itself to a much narrower field of services than justified by the high level of service-sector employment.

For the first time in the 1980s attention was drawn to the demands on typical service workers, especially their ability to deal with uncertainty and to integrate factors outside the organization. At this time, researchers on salaried work were increasingly interested in the economic and social context of tertiarization and began to position themselves as analysts of service work.

For industrial workers in the 'core sectors' of German industry, Horst Kern and Michael Schumann (1984) saw a progressively comprehensive utilization of the qualifications, skills, and individual potentials of employees and considered this trend to be an important part of 'new concepts of production.' For white-collar work in those branches and in some large service enterprises (commerce, business finance, public administration) Martin Baethge and Herbert Oberbeck (1986) presented a closely related study. They positioned their analysis in the tradition of the sociology of white-collar work but explicitly reached out also to the discourses of industrial sociology and of the sociology of work. On the basis of case studies, the authors developed the concept of 'systemic rationalization.' This type of rationalization does not work like the then-dominant 'single-function' strategy of increasing the efficiency of individual work processes (Baethge and Oberbeck, 1986: 22). Instead, it works at a level above processes and functions and aims at optimizing both efficiency and effectiveness. The most important aim of systemic rationalization is 'to better anticipate market developments and, if possible, to increase the capacity to control the market, but not primarily to develop technology to replace human labor' (Baethge and Oberbeck, 1986: 22). The motive for utilizing new technologies is the improvement of service quality, improving control over internal processes, and, ultimately, the reduction of personnel costs (Baethge and Oberbeck, 1986: 62).

In their understanding of service rationalization, Baethge and Oberbeck take up the paradox of efficiency versus effectiveness that Ulrike Berger (1984) and Johannes Berger and Claus Offe (1984) had identified, although those authors had seen the paradox as the reason why services are 'rationalization resistant.' Johannes Berger and Claus Offe had argued that a productivity increase in internal services in the companies they investigated loosened up the tight 'relationship between goal and function' (Berger and Offe, 1984: 283), ultimately jeopardizing the ability of services to protect material production from external uncertainty. For Baethge and Oberbeck, however, coping with that form of uncertainty that is so characteristic of services and that is rooted in the incalculability of customers, suppliers, clients, and the other inscrutable actors in service processes, is the main goal of rationalization (Baethge and Oberbeck, 1986: 22).

The relationship of many commercial and technical occupations to unpredictable entities beyond the organization's authority was no longer primarily held up as an obstacle to rationalization. Research became more aware instead of the societal, cultural, and economic contexts that influence the production of services and that are influenced by organizational action. Baethge and Oberbeck sensed that they had broken with the traditional perspectives of the sociology of work: service enterprises and organizations were perceived not only in terms of the same logic of capital valorization that applies also to industrial companies. They were at the same time understood to be embedded via their own 'product,' the service, 'in other lines of development of sociation (*Vergesellschaftung*) that have little to do with corporate developments,' including, for example, the 'increasing sociation of market transactions, societal communication, and the reproduction of labor' (Baethge and Oberbeck, 1986: 408).

This widening of sociology of work beyond the intra-organizational context and the relationship of capital and labor did not find an outlet, at first, in innovative research questions.⁴ Research perspectives that included extra-organizational factors in service process were established only gradually. In particular, gender studies researchers interested in work issues began to link the organization of service work to sociation. One of their central arguments was that the zone between what counts as professionally qualified labor and what counts as a 'natural' skill attributed to women is vague. In these zones, room is made for social constructions of gender-specific significance. The demands on workers in typical 'female occupations' are not seen as demands that require gualification and proficiency but rather as demands that fit what is thought to be 'a woman's natural qualities' (Maindok, 1989: 74). Economic and private spheres thus come together in the social and communicative skills necessary for many service jobs. In the 1990s, gender issues influenced many of other areas of service work research, and not only research into white-collar jobs. Service work was increasingly often defined as work in contact with users of a service who are not members of the service-providing organization. This included, above all, customers, clients, and patients.

This breakthrough was most evident in research on call centers at the end of the 1990s. In call centers, the basic elements of market-mediated services for consumers are everywhere in evidence. They are considered to be a '*Grenzstelle*' (boundary point), where the organization meets the customer, and at such boundary points, two independent logics have to meet in the interaction between service employees and customers or service users (Holtgrewe and Kerst, 2002). A precondition of successful service delivery is that the individuals involved must adjust to each other's logic. The organization providing the service is guided by economic and bureaucratic norms, values, and structures. Users and consumers are guided by their own private norms, values, and structures. At this juncture, economic and private worlds meet. A 'service triad' is formed by the service users and service employees, who as members of an organization thus also represent that organization's rules and aims.

The concept of interactive work as work in contact with customers, patients, or clients is now a central part of the idea of service work in the German literature. The contradictions and dilemmas of interaction at the boundary of the organization are very widely discussed issues in sociological research on services in Germany today (see Jacobsen and Voswinkel, 2005; Dunkel and Weihrich, 2010; Reichwald et al., 2012).

The idea of service work, more broadly understood, includes also activities related to the production and use of specialized knowledge (see Jacobsen, 2010).

Other discussions have emerged more recently in the effort to describe the causes and meaning of change in employment patterns. These include issues of the porosity of boundaries that separate work and life, as economic demands are encroaching more and more on daily life (Voß, 1998); the transfer of business risks from management to salaried employees and the use of market-like mechanisms for internal organizational control (Moldaschl, 1998); and the rise of 'Arbeitskraftunternehmer,' meaning employees who transform their labor power into work as 'self-employed entrepreneurs' (Voß and Pongratz, 1998: 131). These concepts were developed on the basis of empirical studies of interactive and knowledge work. Findings from sociological research on service work have thus found their way into the mainstream of the discipline. Service work, then, is no longer seen as something apart from the norm but as itself setting new norms for future work relations. This does not mean that no differences still separate production and service work, nor that the institutions of industrial society have been replaced completely by new service institutions. On the contrary, many contradictory and seemingly problematic phenomena, as illustrated for example in the atypical employment relations mentioned above, indicate that the incompatibilities between service work and capitalist production have been moderated but not eliminated.

As the issues and problems once thought to be relevant only for service work become more generally applicable, it is only a matter of time before this blurs traditional distinctions between productive and service labor. At some point, it may be possible to describe service and production work with the same concepts. Several suggestions for synthesis have been made. Each differentiate between three types of work or working 'logics' and apply them in an analysis of current problems and future opportunities for service work.

Jacobsen (2008) bases her analysis on a material concept of work in three different 'media' of work (Barley, 1993 after Korczynski, 2002): *objects, information,* and *persons* (see also Baethge, 2011, following Kohn, 1977). Production work in industry, agriculture, and energy is characterized by the handling of objects, having markedly less to do with personal contact and in varying degrees with the handling of information. The profile of service work is progressively removed from this object-oriented standard, focusing either strongly on contact with persons (interaction), on the production and use of information (knowledge),

or on the handling of objects for the purpose of service provision. These work forms can be located on a three-dimensional coordinate system (Jacobsen, 2008: 200) such that both production and service work can be investigated in the same analytic system. For each work situation, what is important is the degree to which uncertainty and risk influence the work process, regardless of whether the work culminates in an object or a service. For the different types, different growth impulses and rationalization possibilities can be observed. Growth in interactionoriented employment, for example, stems from increasing demand for health services due to the aging population, but is limited in growth due to increased efficiency of reorganization measures on the one hand and worsening work conditions on the other.

Michael Vester (2011) differentiates between interpersonal, organizational, and technical work logics. Shifts in the structure of work characterized by these logics take place at the intersection of three dynamics: persisting tertiarization, increasing qualification, and the continuing integration of women into the labor market. Basing his conclusions on representative panel data from 1990 to 2007, he argues that in Germany these dynamics are still less distinct than in comparable countries, not because of structural regularities but rather due to the effects of partially conflictual 'market and actor forces' (ibid.: 633). In effect, the obstacles that prevent growth in services in the context of 'delayed tertiarization' are still at work in his view. Vester criticizes the checked development of social services and the relatively low expansion of women's employment. Yet, according to his own findings, those areas of work that are predominantly characterized by the interpersonal work logic on a professional and semi-professional level (higher education, medicine, the arts, journalism, teaching, social work, and specialized therapy) have been particularly expansive. Somewhat less expansive are the professions characterized by an organizational work logic with similarly high levels of qualification including higher administrative, finance, marketing, accounting, and legal professions. For both fields, employment is shrinking at the lower qualification levels. The professional field with its technical work logic is shrinking, above all in the area of skilled labor. Vester describes a rollback of work characterized by technical and organizational logics and the relative and absolute increase in the importance of professions characterized by an interpersonal work logic, or those in which service users and consumers are joint participants.

The diversification of the entire spectrum of both manufacturing as well as non-manufacturing work based on three 'logics' or 'types of work,' as noted in the approaches outlined above, helps overcome value-laden analytical boundaries separating service and industrial work. Such approaches thus help avoid the devaluation of service work, which stems from the industrial production model, and shift the focus to the actual content of work activity. Here it becomes apparent that the content of interaction-oriented work or employment within the interpersonal work logic cannot be completely understood without including the perspective of users and consumers. In a recent article, Martin Baethge suggests that a 'work logic of interactivity' (Baethge, 2011: 451) should be established in order to define 'work directed to the needs of a concrete other' (ibid.). This work logic is characterized by the fact that interaction is a 'significant content' and not 'means to an end' (ibid.). He sees interaction as central to personal services, but suspects that interaction is also characteristic of 'many industrial jobs' (ibid.) without offering further clarification. His argument aims to clarify the interactivity of the participants, not only the interests of employees in good working conditions and not only the interest of companies in efficient and profitable processes, but also the demands and expectations of users and consumers. The contradictions inherent in this 'service triad' pose for Baethge a central problem in capitalist service societies. Looking at the issue of worker skills, this means that service workers not only possess more codified knowledge but also must have methodological and social skills to make independent decisions in complex work processes and set stable standards for satisfactory service quality. The expectation is that workers should be capable of neutralizing structural contradictions between the interaction necessary for a successful service process and the imperative of economic efficiency. Baethge suggests that service jobs be considered *professional* jobs because they mainly serve to solve users' problems rather than the company's problem of how to derive profit. Herein lies one of the most important sociopolitical challenges for the future: guaranteeing autonomy for dependent employees in light of the overriding economic interest of the service organization. The necessity of undertaking service work as gainful employment under capitalist conditions presupposes that interactive service work is systematically differentiated from productive work. Although interactive service work is organized as employment under capitalist conditions, employees must respond to users' demands, which in turn stem from their own private worlds. Workers in fields of production are not exposed to such disruptive demands. Standards, institutions, and mechanisms of recognition are needed for semi-professional service work in all sectors (Reichwald et al., 2012).

In consideration of the contradictions in the interaction between service workers and consumers or users, sociology of work is moving into areas that until now have not been part of its subject matter. This shift is necessary if the most important aspects of contact work with customers and users are not to be ignored.

5. Conclusion and outlook: Elements of a sociological theory of services

German social science research now considers users, consumers, and consumption to be necessary parts of any explanation of service sector growth, but the path taken to this insight was not straight and narrow. The concepts, developed in the 1980s, of the uncertainty of the adequacy of means to goals in service processes (Berger and Offe) and the need to integrate service functions into 'other sociation processes' (Baethge and Oberbeck) that extend beyond mere economic utilization were only sporadically deepened (Jacobsen and Voswinkel, 2005). Both concepts, however, serve to shed light on the participation of users and the importance of cultural factors for tertiarization and concrete service processes. The concept of the 'service triad' (Holtgrewe and Kerst), developed in the 1990s, did not receive the attention it deserved for its implications for the importance of user participation and the contradictions between service quality and ends-rationality. In current work on professionalization (Baethge, 2011, see also Reichwald et al., 2012), the service triad is finding new articulation in the form of research questions and as call for programs for action.

The tertiarization process cannot be understood easily as a dynamic process with increasing interconnections between production, consumption, and utilization when services are simultaneously to be understood as the action by which these interconnections are made. Discussions in economics of the development of a service science might generate useful impulses for social science. The most comprehensive concept of service science promotes the analysis of a 'service-dominant logic' (Vargo and Lusch, 2004), arguing that in the future, a 'goods-centered logic' will be replaced by a logic of service orientation. All processes are to be configured from the user's point of view. Services are based on the utilization of specialized knowledge and skills for the user's benefit (Spohrer, 2008: 16; Vargo and Lusch, 2004). Services become more like processes of mediation between providers and users; incalculability and uncontrollable factors will greatly affect their outcomes.

The idea of a 'service-dominant logic,' originating from service marketing, implies a fundamental break with the production-centered view of the tertiarization theories outlined here. It is not necessary to complete this break and thereby fundamentally question the concepts and results established up to now. However, accepting the change in perspective this implies and taking issues of service use seriously will prove worthwhile.

The following elements of a sociological theory of service can be formulated (Jacobsen, 2012). In service situations, interactions take place in a context of production and utilization. In both contexts, uncertainty plays a role. Production is uncertain in terms of what, when, how much, and in what quality something is to be produced. Utilization is uncertain in terms of whether the service will result in the anticipated benefit. The individual service event can be observed on the micro level as a social interaction. The concrete form of this interaction is also determined by institutions and conventions that attempt to secure certainty in both sides' expectations. These are, in part, anchored organizationally at the meso-level. A service society is a macro-level societal formation in which services, as the outcome of mediation between production and utilization contexts under conditions of uncertainty, become the dominant mode of economic and social action.

Notes

- 1. The German concept of *'interaktive Arbeit,'* translated as 'interactive work,' is to be differentiated from the Anglo-American idea of 'service work.' Service work is more narrowly defined; it is interactive work 'on the front-line,' but is by definition low-skilled work (see Frenkel, 2005: 357).
- 2. The three classes of services are defined here as consumption-related services in the sense of 'final services,' not as production-oriented services in the sense of 'intermediary services' (Miles and Gershuny, 1983), the latter being not consumed as services but as goods.
- 3. 'Angestelltensoziologie' in the original German.
- 4. For a good survey of the sociology of white-collar work as it was transitioning to research on service work at the end of the 1980s, see Littek et al., 1991.

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3 The Structure of Institutional Support for German Service Research

Bernd Bienzeisler and Wolfgang Dunkel

1. Chronology of support for service research in Germany

One would not necessarily expect a service research community to emerge in a country like Germany, whose past and present economic strength is so closely tied to industrial production. Yet the 3sR initiative (Social Science Service Research) is part of a German service-research community that is, in fact, quite large. This community also includes many universities and research facilities conducting research into business and engineering aspects of the service sector. It is no great exaggeration to claim that Germany has been a pioneer in service research, at least in terms of formal infrastructure. The German national government is one of a very few in Europe that has established a dedicated fund for the support of service-related research. The following review of public support for service research thus focuses on national-level structures; although federal states, individual cities, and scientific foundations also support research related to services, their work has been project-oriented and sporadic.

One of the central reasons behind Germany's early, strong support for service research lies, ironically, in the strength of its industrial sector and in the hardiness of the long-standing social partnership linking German firms, political parties, and unions. Beginning in the 1970s and continuing into the 1980s, these actors sought out new ways to support scientific research relevant for fostering the growth and betterment of industrial employment. They were united in the political consensus that improvements in working conditions not only make the work environment more humane but also lead to increased productivity and higher innovation. As a result, a tradition of service research emerged that was from its outset heavily influenced by the social sciences and that has always been interested in improving working conditions for employees in industrial production. Their efforts were crowned with success. The introduction of work groups in the automobile industry, innovative models for shift work, and improved compliance with safety standards are but a few examples.

By the 1980s it was crystal clear that a transformation of employment structures was underway with permanent economic and social ramifications. With the growth of productive activities tied to knowledge and information and the increase of tertiary sector employment, services advanced to top-priority for scientific research on work issues. Again at this time, the leading actors of the social partnership sought to formulate a response to these new economic developments. In the initial years of the 1990s, more than 300 prominent business, science, and political leaders explored service-related issues with an eye toward identifying strategically important research topics. The result was the formulation of 'top-priority measures' for a national policy agenda for future research into the service economy. Although no dedicated program for service research existed at that point, funds were available from the Federal Ministry for Education and Research (BMBF).

The administration of the resulting projects was handled by the same agencies responsible for previous work-related research, resulting in a continuation of support for service-related topics within these institutions. In the late 1990s, a program dedicated to service research alone, called 'Innovative Services,' was established for the first time. Research into general issues of work and service-related studies were funded parallel to each other intentionally, sometimes with overlapping research questions, as the consensus solidified that the essence of services is embodied in the cooperation of customers and employees for the creation of economic value. This consensus is still widely upheld today, although service research in Germany has undergone major changes in its research agenda and institutional support during the past two or three years, as explained below.

In 2006, Germany's service research program was re-launched as 'Innovation with Services.' As suggested by the new title, the earlier focus on service industries or service activities in and for themselves was replaced by an interest in services as motors of innovation. This made it possible to take up service-related questions that stretch beyond the boundaries of service-providing firms in the service sector to encompass, for example, the entire context of industrial services.

The main topics of the 'Innovation with Services' program are (BMBF, 2006):

- Innovation management for services (development of methods and tools, technology design for successful service innovations).
- Innovation in growth sectors of the German economy (business services, services for the elderly).
- Human resource management in service companies (work design, skilled service work).

A special focus of the program is transfer activities that help firms put useful research findings into practice. The program, moreover, is designed to function as a 'learning program,' meaning that future calls for proposals will reflect the results of current projects as well as general trends in the service sector.

Although the existence of specialized research programs is certainly a strong point for service research within Germany's research infrastructure, the budgets for service research remain moderate in comparison with the resources available for production-related research. Specifically, more than 96 million euros were allocated for several different priority issues within the 'Innovation with Services' program (Table 3.1) between 2006 and 2010, which equates to less than one-fifth of allocations for production research per annum.

The research priorities outlined in the table touch on the topics of particular relevance for a German service-research agenda. Germany, which is one of the world's top exporters of manufactured goods, has not been able to replicate this strong performance in the export or internationalization of services. The integration of industrial products

Priority issues	Budget (€)
Exportability and internationalization of services	23.2 MM
Integration of production and services	20.1 MM
Professionalism for service quality	16.1 MM
Technology, services, and demographic change	22.4 MM
Service productivity	3.8 MM
Priority measure: personal services for rare diseases	6.6 MM
Program administration, transfer measures, other	4.7 MM
Total	96.7 MM

Table 3.1 Budget allocations in the 'Innovation with Services' program

Source: Own calculations based on Korte et al. (2010: 24)

with innovative service components is another central issue, because products and services are being more frequently sold worldwide as combined 'hybrid products,' whose main value consists in the smooth interplay of product and service. Another important focus is the potential of demographic change to transform the way technology and services are connected. Germany is and will continue to be strongly affected by the problems of demographic change. It is hoped that new combinations of technology and services will make it possible to take care of a growing number of elderly people at reasonable cost.

Common to most of the research projects funded in the 'Innovation with Services' program is a synthesis of research questions from management studies, engineering, and social science. An additional goal is getting science and business enterprises to work together in the development of new approaches and business solutions.

2. Recent changes in service research

For about three years now, German service research has been undergoing major thematic and structural changes. In light of this transformation, it is not clear what role the social sciences will play in future research on services or what issues and challenges will present themselves to social scientists interested in services. However, in terms of the probable content of future structural support for service research, the following four developments are very likely.

- 1. In the early phases of service research, interest centered on typical service activities and branches. Future research will focus more on the relevance of services for other areas of economic activity. These include services related to industrial production and services that are supported by information technology. With this change of focus, however, comes a blurring of the service-research agenda and considerable overlap with other research traditions, including for example research into the information economy or industrial relations. Insofar as all branches and industries are subjects of studies from the perspective of service delivery, it becomes more difficult to discern the specific, defining element of services.
- 2. A second development is related to international debates about the establishment of a 'Service Science' as a new scientific discipline (Satzger and Dunkel, 2011). This debate is advancing new questions for research and will influence the future of German service

research in two more ways. First, the debate has spurred comparison of the national infrastructures of service research among the countries of Europe. Second, the nascent 'Service Science' is accelerating the blurring of the boundaries that once separated research on work and research on information technology. For German social science, this is especially important because the international discussion about establishing an autonomous science of services has been dominated by business schools and the information technology disciplines. Social science themes or issues of industrial psychology are discussed only marginally, if at all.

- 3. A third important development can be seen in the re-thinking now underway in German research policy. Until now, just a few organizational units within the Federal Ministry for Education and Research (BMBF) had been responsible for setting the service-research agenda. This silo-structure is now being broken up following the formulation of a 'high-tech strategy' by the national government, a strategy that concentrates research activities onto the five main areas of communication, energy, health, security, and mobility. Every research program must make clear how its goals contribute to the advancement of knowledge in these areas. This applies also to service research, which takes on a bridging role in the high-tech strategy because services are central to all of its fields. At the same time, service researchers are being strongly encouraged to take up issues of technology. This means, however, that the question again arises as to what kinds of questions service researchers could answer that are not already being addressed in other areas of national research policy.
- 4. Fourth, programs in support of service research in Germany are undergoing a review process connected to the relocation of the office responsible for service research within the Federal Ministry for Education and Research from the 'Vocational Training and Life-Long Learning' department to the 'Key Technologies – Research for Innovation' department. This is another reason to expect a much stronger link to technology in future research support for studies on services.

In sum, services were given a prominent place on Germany's national research agenda at an early point in time. This encouraged the emergence of a research community closely tied to the social sciences and engineering, even as the reception of their research was restricted largely to the German-speaking countries. Due to the developments described above, the national research agenda is undergoing thematic and structural changes such that issues of technology in service innovation are becoming increasingly important and research into services will become more tightly focused onto the areas encompassed within Germany's new 'high-tech strategy.'

These developments present a challenge to social science approaches. Social scientists are being asked to intensify cooperation with technical disciplines, for without technical expertise it will be difficult to win national government support for research projects in the future. At the same time, social science research into services must sharpen its understanding and definition of its object of study, 'services,' by formulating the central theoretical, methodological, and epistemological questions for future research. Indeed, the social sciences are predestined to take on this task, because at the very heart of every service lies an interaction between a service provider and a service receiver. If this challenge is not taken up in the next few years, however, the future of service research in Germany as a distinct entity will be in jeopardy.

3. Why 3sR? The social science service research initiative

Social science is particularly well equipped to investigate the issues related to service provision, for services are above all social. They are meant for human beings and are often produced by many individuals working together. This social component differentiates services from other goods and contributes to new dynamics in the work environment and in every day life. If for no other reason, services are a case for social science investigation.

Social science is predestined to be relevant for service research not only because it is best able to deal with the social component of services. Only social science research can encompass a sufficiently wide spectrum of topics relevant for service provision, so as to enable an understanding of the complex societal forces that impinge on service provision and of the implications of services for economic productivity, social processes, workers, and customers. Its approaches range from the macro-level of service cultures, to the meso-level of service organizations, to the microlevel of service interactions.

Questions relevant to services are being addressed by a wide variety of research initiatives in several social science disciplines and subdisciplines. From the point of view of the 3sR initiative, the fact that the researchers doing service research do not always feel like they belong to a single research community is a problem. Important work and findings for service research can thus remain isolated by disciplinary boundaries. This hinders the ability of social science research into services to prepare itself to address the challenges of an emerging service society and the increased relevance of services.

To address this situation, the 3sR initiative pursues the following goals:

- the synthesis of social science contributions to service research;
- the development of components of a theory of services;
- participation in the debates about a new 'Service Science' discipline;
- the internationalization of German service research;
- an improved use of scientific knowledge in practice.

The contributions put together in this volume were written in order to present the 3sR initiative's central findings regarding customers at work to an international audience. It is our hope that these contributions will better situate German-based research within the service research traditions of other countries.

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Part II

Customers and Service Workers at Work

4 Interactive Work: A Theoretical and Empirical Approach to the Study of Service Interactions

Wolfgang Dunkel and Margit Weihrich

From an observation protocol¹:

Check-out at a four-star hotel. Three employees stand behind the reception counter and greet a constant trickle of guests. The sequence involves posing standard questions. Room number? Breakfast? Minibar? Internet use? Parking deck? Was everything OK? The printing of receipts goes quickly, and credit cards had been swiped already at check-in. Goodbyes and farewells. The individual checkout sequences play out in a friendly and efficient manner. Most guests have their room keycards ready, give positive feedback, and are friendly and polite.

With one check-out guest, however, there is a problem. The employee notices that the guest had used his in-room Internet connection for 35 minutes, but he claims to have used it only for five. The employee then asks, 'Did you pull out the cable when you were finished?' She had explained to him at check-in that the connection is terminated only when it is physically cut. The guest answers that he knew how to disconnect the cable and did so. He acted correctly, he says; the problem must be technical.

The employee offers to call the Internet provider to see if there had been a technical problem. The guest agrees. However, it is impossible to get anyone who could provide an answer. There is no more time to continue the investigation because the guest is in a hurry and wants to leave. The employee offers to clarify the issue later. The guest is told he must pay the full invoice but will receive a refund if the problem was a technical defect. The guest consents. He does not look satisfied but refrains from further protest and departs. By this time, a long line has formed in front of the reception counter because this check-out transaction had taken so long.

Services are more than economic transactions. In service relationships, service employees and customers or experts and clients must work together actively if the task or service is to get done. This interactive work is both highly demanding and absolutely necessary. It is demanding because cooperation has to be established and maintained under conditions that can be very tricky, as will be shown. And it is necessary because it is a central, constitutive part of the service transaction, rather than a pleasant but dispensable little extra. Interactive work is inseparable from other aspects of the work process and always involves interaction applied to an 'object' of joint engagement, as interestingly illustrated in the check-out case above. In order to successfully manage the check-out process, employees and guests have to coordinate their actions with each other in situations of varying difficulty. The easiest check-out is comparable to ticking off boxes on a checklist, but more difficult cases can involve complex, multi-stage negotiation processes.

Successfully completed interactive work is always a mutual accomplishment of the service provider and the customer, worked out face-toface in particular situations. What occurs in those situations depends on what the participating actors decide on the spur of the moment and is thus never fully predictable, nor can it be fully controlled from the outside. The example also shows that interactive work is embedded within the firm and is dependent on organizational framing conditions; the service provider and the customer not only had to get through the check-out process, they also had to concern themselves, interactively, with the hotel's specific rules about Internet access.

Our theoretical and empirical approach to interactive work synthesizes different theoretical and empirical research traditions. We elaborate our position in the sections that follow, repeatedly making reference to the case example described above. We begin by introducing a model of the service relationship, which we perceive as a relationship characterized in equal parts by exchange and cooperation (section 1). Our 'interactive work approach' builds, first, on a model of strategic interaction and, second, on the results and methods of qualitative social research on service work inspired by interactionism. The model of strategic interaction is a helpful heuristic for identifying problems of action that characterize service relationships (section 2). Interactionism helps to identify and describe concrete strategies used by customers and service providers jointly to resolve their respective problems of action in the service situation (section 3). Methodologically, we rely on techniques of data collection that have proven their utility in empirical investigations of service interaction when used by researchers capable of maintaining a professional mindset in the field (section 4). Equipped with this methodological toolkit and keeping in mind the case example above, we see that interactive work is constitutive of service relationships but that interaction is naturally very situation-specific. At this juncture in the argument we will show that companies' attempts at coping with situation-specific interdependence problems among the participating actors create new problems for service providers and customers, and that these problems must also be resolved through compensatory interactive work (section 5). The last section contains a short conclusion.

1. A model of the service relationship

At the core of our model of the service relationship is the connection linking the service provider (SP) and the service receiver (SR). This relationship has two primary characteristics. First, that a task is completed in exchange for money and, second, that the SR owns the 'object'² that the SP has to work on. This object must be defined first, because what constitutes the service to be performed is not automatically clear to both parties. The goal to be reached in the service relationship must therefore be separated by the employee, analytically, from the person of the customer and made into an object of work. This object serves to orient the participants and to give them a target for their labors. Both the SP and SR have to know what the 'matter' is, although the 'matter' is often immaterial. In the service interaction described above, the object of the service is the utilization of a specific hotel service (Internet access). However, the actual form the service takes, how it is delivered, and under what conditions it can be purchased are all vaguely defined conditions subject to negotiation by the SP and the SR.

Our case example shows also that the relationship between SP and SR is not simply one of exchange. The cooperation necessary to co-produce the service does not spontaneously generate itself at the instant when supply meets demand. In fact, if cooperation is a precondition of exchange, problems are likely. Gross (1983: 51) notes:

The person-related service occupies...an odd place somewhere between an economically-rational exchange relationship and a

helping relationship on the basis of cooperative solidarity. On the one hand there is an exchange (for example, a haircut for the money charged; advice for a fee); on the other hand the job or service being 'sold' for the price or the fee obviously has to be produced in face-to-face cooperation between giver and taker.

Gross resolves this problematic relationship by way of an either-or and takes up the question of 'which way the service relationship, so to speak, swings: toward the *exchange relationship* side or the *social relationship* side' (ibid., emphasis in original).

We, in contrast, will show the systemic context of exchange *and* cooperation. We conceive of SP and SR as self-interested, goal-oriented actors who are interested in an exchange relationship and nonetheless pursue individual concerns which can undermine their shared goals in practice. Also, this relationship is situation-specific and embedded in rules of the company offering the service.

The parameters of our initial model can be arranged like this (Figure 4.1):



Figure 4.1 A model of the service relationship: The service diamond *Source*: Adapted from Nerdinger (1994: 72)

The dotted line connecting SR and the 'object' symbolizes their special connection, as evident, for example, in the illness of a patient under treatment or in the hair of a hairdresser's customer. These 'objects' of

concern in the service relationship are matters indeed very intimately connected to the SR and hard to separate from his or her person.

This holds, also, in our example, where the personal characteristics of the guest – trustworthiness and technical competence – were called into question. The problem at hand does not only 'belong' to the SR; he or she is working on it by contributing to its exact definition or by voluntarily accepting responsibility for parts of it (as when a customer holds the room keycard at ready to accelerate the check-out sequence). In addition, SP and SR actively coordinate with each other during the interaction. In this model, then, the customer is not an actor who only receives a service but who actively contributes to its production; Hoffmann and Weihrich's chapter in this volume offers further elaboration on this theme.

The service relationship is embedded in a framework determined by the respective service company. This framework consists of all the ways in which an organization attempts to control the performance of employees and of customers. Despite the fact that interactive work tends to be resistant to intentional manipulation from above, SP and SR are nevertheless confronted with the demands of corporate management and with the expectation that these demands be met, as explained in detail in Chapter 5 of this volume by Birken, Menz, and Kratzer. The framework of interaction also includes technical infrastructure. In our example, the problem that landed on the reception counter had its origin in the hardware system used by the hotel company for making Internet access available as a pay-for-use service, a technical system that customers must first learn to use if they are to use the service in compliance with the company's terms.

2. Service work from the perspective of a model of strategic interaction

In the usual social science treatments of service work, there is hardly any mention of interdependence problems; thus they are implicitly considered as already solved. Services are viewed as a form of supply for which there is customer demand, the assumption being that market forces regulate their coordination. The assumption is that customers will not have to buy a service being offered if its quality seems unsatisfactory or its price unacceptable. Alternatively, if an exchange takes place, this is taken as an indication that both partners improved their position through the transaction, for why would they have entered into a voluntary exchange relationship otherwise? In the formulation of Albert O. Hirschman (1970), demand always has an exit option in the ideal market conditions posed by economic theory, and this option is taken if a better offer comes along. Trust is not required.

In the following passages, we will show that this ideal-typical market solution for person-related services does not generally apply. At the root of service relationships lie interdependence problems which cannot be resolved by market exchange alone. For resolving these problems, trust plays an important role.

We explain unusual service interactions like the check-out counter conflict by interpreting them as solutions for problems of interdependence. These types of problems can be recognized by applying a model of strategic interaction. Service provider and service receiver are conceived for these purposes as actors who are self-interested and who direct their actions based on the expected results of those actions and on their expectations of what other actors will do. Here we make use of a 'gamerelated sociology' (Swedberg, 2001) and follow Michael Hechter's (1987: 254) appeal to find solution strategies for these problems through 'observation of people's actual behavior in the field.' To this end, we develop a 'distinctly sociological version of game theory' (Swedberg, 2001: 301) by sorting out the sociologically relevant interdependence problems that systematically arise within service relationships. We explain how this is done in the next section.

2.1. Interdependence problems

Actors in exchange situations depend on the actions of other actors for accomplishing their goals; problematic situations, therefore, are to be expected. Specifically because they are 'rationally' calculating, actors get caught up in social dilemmas that, in the worst case, can become characterized by 'a sharp conflict between individual rationality and collective rationality' (Swedberg, 2001: 316). There is no invisible hand guiding the actors out of such dilemmas. Stable resolutions of these dilemmas are not always the best solutions; good solutions are not always stable, and sometimes there is no solution at all. This, precisely, is the 'annoying fact of society' (Dahrendorf) and the primary problem of social order to which all social theories have addressed themselves and always will address themselves.

Let us now introduce some dynamics into the model of action. James S. Coleman's social theory (1990) assumes that actors want and control specific resources. The optimal state is when I control exactly the resources I want. The relevant sociological problems occur when some-one else controls those resources.³ The interests or goals of the two

model actors, Ego and Alter, relate to each other in different ways. In one case, Ego can only attain its goal if the same applies for Alter; at the same time this is the outcome both actors prefer to all alternatives. In another case, a shared goal can be attained if both actors cooperate but there is one preferred alternative. The outcome for Ego is better if Alter makes a contribution but Ego does not. In the last case, Alter and Ego each pursue a goal that can be reached only at the other's expense.

Given these three kinds of goals, the following three types of interdependence problems can be distinguished.⁴

- 1. *Coordination problems*: Despite trying, the actors may fail to attain shared or complementary goals if Ego does not know where, when, and in which way his co-player might make a contribution. This may result in them not being able to coordinate their activities. If a coordinated solution is found, however, it is stable. Because it matches the interests of both actors, neither protagonist expects to gain from defecting.
- 2. Contribution problems: Here each actor benefits from cooperation, but a benefit accrues to each even if only one actor cooperates. Thus, Ego prefers to defect and let Alter pay the entire cost of obtaining the joint benefit. A contribution problem of this type has the structure of a prisoner's dilemma⁵ and also ends with a stable solution. The solution, however, is the failure of cooperation if Alter anticipates or assumes Ego's selfish behavior, in which case Alter refrains from making a contribution, too. Alter then avoids the 'sucker' position in which Alter cooperates and Ego defects. Together, they fail to reach the zone of mutual profit and both partners end up, in contrast to the coordination problem, in the less-than-optimal position of no costs but no gains.
- 3. *Distribution problems:* Finally, incompatible goals create a problem of distribution or inequality. If the commodity in question cannot be split up, or if the division, once made, appears unjust to either party, instability results and there is no chance to reach even a stable suboptimal outcome. Distributive processes of this type are rife with conflict potential, and the prospect of the protagonists fighting for a bigger share can never be ruled out. One should bear in mind, too, that dividing up means any kind of sharing is possible, thus in case of a decision made there is always the chance that the rules by which something had been divided will be called into question (see, for example, Moore, 1978).

Given these goal constellations and their respective problem potentials, how do self-interested and goal-oriented actors resolve these problems? Rational-choice based decision theories do allow for solutions. Actors can find equilibrium points for their coordination problems (Schelling, 1960; Sugden, 1986). For example, prisoner's dilemmas can be solved by a tit-for-tat strategy⁶ in reiterative super-games. Actors can resolve conflict also by taking turns at suffering the relatively worse outcome. Yet, such strategies reveal disadvantages. First, they function only if certain conditions, such as indefinite reiteration, can be met. Second, these strategies exist as intentional strategies only at a very abstract level. Third, they are often only investigated empirically under laboratory conditions.

From the perspective of a broader social theory, more sophisticated means of problem resolution can be identified. Market, authority, trust, and norms are such means (Coleman, 1990; Lichbach, 1996; Schmid, 1998b: 173ff., 2003; Wiesenthal, 2003; Huchler et al., 2007; 2012).⁷ If one allows for a more complex mode of action, morally motivated action, too, can be conceived as a rational means of problem resolution (Frank, 1988; Kliemt, 1993; Baurmann, 2000; Weihrich, 2002).⁸ Institutions, too, can resolve such problems by providing incentives to choose or refrain from certain actions. The institutional approach, however, is problematic given that institutions are beset by the same dilemmas they are supposed to resolve.

According to Coleman the point of departure for such solutions is the exchange or transfer of the right to act, because actions themselves can neither be exchanged nor transferred. The right to control actions can be exchanged or transferred. If you and I exchange control rights with each other, then we are simply engaging in an exchange relationship. If control rights are transferred without compensation to another person, a power relationship comes about. Relationships of trust may be understood as the transfer of such control rights under risk, and norms will only be maintained if control rights are distributed equally among all members of the group.

2.2. Interdependence problems in service relationships

It would appear fitting to regard the exchange of rights as the common solution for producing commercial services. In this way of thinking, one can say that service providers obtain a right to money in exchange for the right to use their abilities. We would seem to have a coordination problem with a relatively simple market-exchange solution: conflicts are overcome by the service provider doing precisely what the customer wants. But is this the case, really? Even in very simple market relationships⁹ there are contribution problems in which both partners would obtain a favorable outcome by cooperating but have to assume that the respective partner may not be able to honor his or her side of the implicit contract. If they think along these lines and see no further incentive for cooperation, then both will refrain from making a contribution and there will be no cooperation. If a transaction of goods can be made quickly and the quality of the goods is easily ascertained, then the cooperation problem can indeed be solved relatively simply. But when the partners cannot get adequate information on the quality of goods to be exchanged, a problem emerges (Opp, 1987).

These are the precise conditions of exchange in personal services. Understood as a specific type of interaction, personal services are a strategic interaction between actors who exchange a job for payment but who focus their activity on an object (the 'malfunctioning object' in Goffman's terms) that must be agreed upon and worked on jointly as a condition for successful service production. Thus, the job to be performed has to be defined co-productively. This can give rise to a coor*dination problem* if the goal the actors want is a joint priority but one dependent on a prior definition of what the service is and how it is to be delivered. But if the service has to be defined first, then their joint goal is not clear at the outset of their transaction. This means that part of the situation definition for the actors can be *not* knowing, as SR, whether the desired service will be provided or, as SP, whether the service is wanted or will be remunerated. The SR might not know whether the contribution made, including any information surrendered, actually will be used in the production of the desired service. The SP, likewise, might not know whether payment will be given, all the more so if value is attached to 'gratitude' and 'customer satisfaction.' The outcome of the transaction is in permanent doubt. This is why services can only be offered as the promise of service, not as a finished product (Kleinaltenkamp, 1998), and this results in the permanent risk of contribution problems. In fact, however, it can get worse. Goffman's involuntary psychiatric services provide a case when the best outcome from the SP's perspective is the worst outcome for the SR, who does not feel sick. This creates a distri*bution problem* for which there is no possible collective benefit from the perspective of the actors involved, just winners and losers. Against this background, interdependence problems in service interactions can be systematized as follows.

1. *The problem of the definition of the objects and processes of service relationships.* Before the service can be carried out, those involved have to define what the object is and how it is to be treated. Hairdresser and customer have to agree on what kind of haircut they are aiming for; doctor and patient try in the course of a diagnostic interview to determine what ails the patient, and hotel receptionists and guests have to agree upon what services are being offered. All of them have to figure out how to resolve a problem and to obtain the wishedfor goal: wet or dry cut, surgery or physiotherapy, or how to get an Internet connection.

- 2. *The problem of the incomplete contract.* To take up Goffman's metaphor again, neither the 'malfunctioning object,' nor the procedure of its 'repair,' nor the result of the 'damaged arrangement' can be fixed beforehand. Thus, neither the contributions of the service provider nor those of the service receiver can be defined beforehand. In cases where, after concluding the contract, a new incentive structure develops during co-production in which one of the actors can withhold his contribution and the other urgently requires it, there is a danger that the service will not be performed. A lack of patient adherence to therapy regimens is one such problem.
- 3. *The problem of opposing interests.* Service relationships are characterized not only by the fact that cooperation is necessary for their success but also that money is exchanged for work. A particular kind of conflict of interest is inherent in this situation. A contract between SP and SR will only come about if the service provider agrees to the sum to be paid for work performed and vice versa. Because of the specifics of service relationships, both contract partners have opportunities and incentives to defect once the contract is signed. The SP would benefit by working less and the SR would benefit if the SP works more for the agreed payment. Both contract partners must reckon with the possibility that the cooperation that is necessary for producing the service will not be forthcoming.

Services, indeed, give rise to complicated situations. 'We can expect, then,' writes Erving Goffman, 'that the framework of rights and duties on each side of the relationship can form a kind of matrix of anxiety and doubt, even when each party to the relationship is behaving properly' (Goffman, 1961: 336).

In order to overcome these problems, service providers and customers must work together: they must perform interactive work face-to-face and in the here-and-now. Neither customers nor service providers know with certainty what the other will do. Nonetheless, they must still cope with problems if the service is to come about. How do they do this?

For determining which strategies service providers and customers use, we need an empirical approach capable of yielding a detailed picture of such working processes. The mathematical models and laboratory experiments typical of studies based on a rational-choice based game theory are not useful here, as Swedberg (2001: 325) declares: 'If sociological game theory...is not to end up as an artificial exercise...it is absolutely essential that the beliefs, ideas, and experiences of the actors themselves are moved onto the stage.' In this spirit, we bring together a model of strategic interaction on the one hand and methods and results of qualitative research on the other hand for resolving 'empirical puzzles' (Swedberg, 2001: 323). We then rely on a research tradition that allows for quite a different means of accessing interactive work. We consider service work from the perspective of interactionist qualitative research on service interactions. Whereas the model of strategic interaction shows the pitfalls inherent to service relationships, qualitative research on service interactions provides instruments and a rich background of previous findings that allow us to understand how real cases of interactive service work are resolved in daily practice. To this end, we first turn to previous findings of other authors (section 3) before elaborating a methods strategy appropriate to the interactive work approach (section 4) and then checking its plausibility against the case introduced at the outset of this chapter (section 5).

3. Service work from the perspective of qualitative service interaction research

Existing studies of service work contain a wealth of information about strategies used to cope with social interdependence problems in the context of service relationships, although not all of the authors framed this information explicitly in this way. Examples can be drawn from among the most renowned representatives of sociological research on services: Erving Goffman, Anselm Strauss, Arlie Hochschild, Robin Leidner, and Marek Korczynski.

Erving Goffman developed a variety of key components for a theory of 'co-presence' in his work. Many of his concepts, like strategic face-toface interaction (Goffman, 1971) or impression management (Goffman, 1959) are of general importance for the analysis of interaction in public or in partially public spaces but can also be used to analyze service interactions generally. Indeed, Goffman developed some components with service interactions directly in mind. One early and widely known component used often in service research (for example in the title of James
Teboul's book (2006), *Service is Front Stage*) is the differentiation of front and back stages. Goffman (1959) had advanced this in his description of service settings like the hotel kitchen as set against the dining room. On front stage, he writes, employees are supposed to evoke a certain kind of impression, but on the back stage, in his formulation, everything that was suppressed up-front comes out.

Anselm Strauss studied work in hospitals. In his 'negotiated order approach' (Strauss, 1978), organizations like hospitals are conceived of as the sum of many negotiations among the members of the organization. In many studies, Strauss developed not only 'grounded theory' (Glaser and Strauss, 1967), which went on to exert a lasting influence on qualitative methods, but also a specific understanding of interactive work. Negotiation processes are not understood as acts of communication that are separable from 'real work' but rather as constitutive components of work. Participants may well be self-interested, but because they operate in the same organizational framework they have to work together to arrive at acceptable arrangements. Strauss asserts that the working out of acceptable arrangements is itself a form of work:

Working things out is the interactional process through which arrangements are established, kept going, and revised. This process consists of a series of interactional strategies and counter strategies taken by participants, in response to what is said or done by others during the process of making of arrangements – both before and after the actual work begins. Strategies include negotiating, making compromises, discussing, educating, convincing, lobbying, domineering, threatening, and coercing (Strauss, 1978).

(Corbin and Strauss, 1993: 73)

Work in this sense is interactive work. The actors involved apply strategies of interaction that account for the fact that the respective cooperation partner is also behaving strategically. Strauss's studies produced a long list of different strategies of interaction, making clear just how variegated interactive work can be.

With the idea of 'emotion work,' *Arlie Hochschild* (1979, 1983) continued a theme of Erving Goffman's and put the idea that actors have to work on their 'own emotions' at the center of analysis. Emotion work is the repression of some feelings and the calling up of others as appropriate for the situation. The assumption is that one's own emotional constitution never fully corresponds with the range of emotions considered to be socially appropriate, referred to by Hochschild as the 'feeling rules.' Hochschild argues that this discrepancy can be reduced either by a change in the outward representation of emotion ('surface acting') or by changing the emotions themselves ('deep acting'). Her central thesis is that service companies, like the airline she studied, exploit the ability of their employees to do emotion work by establishing and enforcing feeling rules contrary to employee interests. Arlie Hochschild shows that feeling rules draw on gender stereotypes and thus place female employees under more pressure to subordinate their emotions to company demands because it is assumed that women are relatively nicer, more flexible, and more willing to absorb the costs of others' mistakes.¹⁰ In all of her work, she calls attention to the interest of service companies in regulating interactive work for the company's advantage.

In her ethnographic study of the work of McDonald's employees and insurance sales people, Robin Leidner (1993) further developed Arlie Hochschild's research agenda. She expanded the idea of working on one's own feelings to the concept of 'interactive service work' that unites the participation of service-providing employees, the service company, and customers. She shows how service-providing employees protect themselves from customer demands, for example by pointing to certain bureaucratic rules that bind their hands. In her article on questions of control using the example of McDonald's (1996: 29), she argues that interactive service work presents a major challenge to the traditional understanding of work and to the underlying concepts of the traditional sociology of work. Certainly, there is no question that many areas of personal services can be adequately characterized in terms of routinization ('McDonaldization') or deskilling, and that these means allow companies to achieve results familiar to analysts of industrial production: individual workers can be more easily replaced, their ability to act freely as an individual is restricted, and labor becomes cheaper. However, laborers must be able to meet very high demands in the area of interactive work, even if they are formally unqualified and poorly paid. They have to deal not only with a boss but also with the demands of their customers. When doing so, all aspects of their person - their appearance, their forms of emotional expression, their style of communication, what they say and how they say it - are all potential objects of control not only by the service company they work for but also by the customers they serve (Leidner, 1996: 30).

Finally, Marek Korczynski (2002) uses his 'customer oriented bureaucracy' approach to focus on the contradictions service companies create when they attempt to organize personal services. The essential contradiction is that the organization must conform to rules of formal rationality but also to rules that originate outside the bounds of formal rationality. It must act rationally in the sense of pursuing economic efficiency and fulfilling customers' expectations regarding the efficiency of services provided. At the same time it must fulfill expectations unrelated to economic efficiency that spring up from what customers expect of the emotional quality of the service experience. It is particularly difficult to maintain the 'enchanting myth of customer sovereignty,' which refers to giving customers the feeling that they are in control of the interaction even if customers are actually not in control, as Robin Leidner's (1993) quotation from the McDonald's organization, cited also by Korczynski, illustrates: 'We want to treat each customer as an individual in sixty seconds or less.' Service companies can never completely resolve these contradictions. They can only attempt to establish a 'fragile social order' that makes successful service interactions possible.

All these studies share an interactionist perspective on service work and are part of the traditions of phenomenology, symbolic interactionism, and the Chicago School. From their perspective, the following characteristics of service relations come to the fore, all of which escape the scrutiny of the model of strategic interaction and its methods.

- Interactive work is social interaction that can include a large spectrum of communication channels (auditory, visual, sensory).
- It is challenging work directed toward a goal that lies beyond the interaction itself.
- The participants involved are only in exceptional cases emotionally reserved, calculating players; they are more typically existentially and emotionally involved in the interaction situation.
- Interactive work in service relations is a complex process with several participants, each with his or her own view of the process.
- Interactive service work is usually embedded in institutional rules, most especially those of the respective service company; these rules limit employees' and customers' freedom of action.
- Interactive work is shaped by society; cultural rules and economic imperatives suffuse the interactions and also determine the kind and level of resources brought in by each participating actor.

4. A qualitative approach to research on interactive service work

For understanding complex social interactions such as those characteristic of interactive service work, qualitative methods are required. A central precondition for qualitative investigations of this sort is, first of all, the correct mindset of the researcher. After all, the most important instrument for exploring human interaction is not a specific method or technique but the researching person himself or herself. In participant observation or in the open, narrative interview, a researcher's goal is to follow relevant informational leads in the process of discovery. Researchers do this by focusing their attention on specific aspects of a situation being observed or by getting the interview partner to discuss relevant topics. Researchers must always be receptive to the unexpected and be able to react flexibly in the course of a discussion, pose follow-up questions, and learn from the discussion as it unfolds.

The difference between non-scientific forms of knowledge and the process of scientific discovery that characterizes qualitative social methods lies in the way the observer's subjectivity is limited in scientific research. Subjectivity can be controlled, first of all, *theoretically*. This was done through the concept of interactive work in our research project. Subjectivity can also be controlled through *technical methods*. For example, we used structured guides for personal interviews and observations to ensure consistency in the research results across different observations and interviews, as well as among different participating researchers. Moreover, in contrast to daily conversational and interaction situations, the scientific process of discovery mandates a clear separation of the roles of interviewer and interviewee and of observer and observed. The goal of the researcher, finally, is to allow the perspective of the interviewee and the actions of the persons under observation to be expressed in unadulterated form.

Methodological control over data analysis is accomplished, first, by documenting the primary material in full detail and making observation protocols and interview transcripts available to the complete research team throughout the entire process of analysis. Second, only proven methods of interpretive social research should be used to sort through the primary material and arrive at specific findings. Third, the researcher must always be able to explain which steps were taken in the investigation and why, thus making possible a critical evaluation of the methods by other researchers.¹¹

As the researcher, in our understanding, represents the most important instrument of discovery in qualitative social science methods, it is counterproductive to try to lay down or to follow rigidly an abstract set of rules for data analysis. One can and should, however, use methods and principles of data analysis that have proven their utility in the past and thus belong to the canon of qualitative methods. Among these are the *general methodological principles of social science hermeneutics* (cf. Hitzler and Honer, 1997), according to which the researcher's main job is *verstehen*, which means the methodologically directed uncovering of a text's 'deeper' meaning.¹² The ability to *work with codes* is a part of this. An important underlying principle is the constant comparison of cases and text passages as recommended by Glaser and Strauss, which indeed plays a major role in practice. *Work with text sequences* is of central importance here, too, and doing so means that the researcher must identify a group of words as a unique sequence and interpret its immanent and latent meanings.

For choosing data-gathering instruments, we are fortunate in that the sociology of work tradition offers a particularly rich and well-tested set of options. The most important instrument for clarifying the work situation from the employee's point of view is the *employee interview*. For gathering data on interactive work, the most relevant questions encompass the issues of employment biography, work content and conditions, daily routines, performance standards, and problems. Also important are the experiences an employee has had with customer contact and the techniques the employees have learned to use in these interactions.

Expert interviews with managers are useful for understanding the viewpoint of the service-providing company. These provide an overview of corporate structure, employee working conditions, and the services provided. Of interest are not only the facts that managers know but also how they interpret them (Bogner and Menz, 2009), especially regarding strategy, objectives, and assumptions about interactive work for the employees and customers.

Participant observation of the workplace is an appropriate instrument for the investigation of interactive work. From such observations, the interplay of service provider and service receiver can be reconstructed, often yielding insights into issues such as body language or habituated practices that are not obvious to the participants and thus cannot be uncovered in interviews. Conversely, of course, many issues can be brought up in an interview that are invisible to the participant observer, such as subjective intentions or professional mindsets.

Because the concept of interactive work centers around cooperation between employees and customers, *customer interviews* serve as a necessary complement to employee interviews. In these interviews, customers are not addressed as passive recipients of services but as active participants who are involved in providing the service just like employees. Relevant information includes their biography as customers, routine service interactions, 'working' conditions, qualifications, the methods they use to conduct the service interaction, experience with service companies, expectations regarding their own performance, and problems and challenges in service interactions. For further reading on the customer-focused perspective, see the contribution of Hoffmann and Weihrich in this volume.

The empirical investigation of interactive service work should not limit itself to established methods of qualitative social research. Innovation in survey methods is also called for and has proven to be appropriate. In the research project on which this chapter draws, we developed and tested two procedures that tap additional sources for understanding the subjective constructions of reality of the social actors involved in service work. The first procedure we developed is accompaniment. In this procedure, customers and employees are accompanied for a set period of time as they do their jobs and researchers and the persons under observation interact. 'Accompaniment' is meant literally. The observed person takes the researcher into his or her 'field,' and together they observe and discuss the observed person's work activities. At the same time, the researcher takes the observed person into his or her 'field,' explaining the object of research interest. The result is an interactive research process in which the researcher and the person under observation concern themselves jointly with a research problem and slip into each other's roles. The researcher takes on the 'viewpoint' of the observed person and feels what it is like to personally experience that world, just like the observed person observes himself or herself by taking on the role of researcher. This technique is further elaborated in Hoffmann and Weihrich (2011).

The second innovative instrument is the *customer diary*. This is a journal, kept for several days, in which customers describe, reflect, and evaluate their daily service interactions. One advantage of this method is that customers' service activities can be recorded in terms of duration, content, spatial radius, and relation to each other. Asking customers to evaluate each individual service interaction also reveals that these are emotionally loaded. A final advantage lies in the opportunity it provides for customers to learn about their own contribution to successful service delivery. This instrument has already been tested in a pilot study (Schröder et al., 2012).

5. Applying the interactive work approach: An empirical case from the hotel industry

Let us now return to the observation of the interaction in the hotel at the beginning of this chapter. In terms of interactive work, how are that particular situation, its coordination problems, and their final resolution best characterized? For answering these questions, we inquire into the presence and nature of interdependence problems and, for finding resolutions to these problems, look at service work from the perspective of qualitative research on service interactions.

Before the problem involving the said customer and his Internet connection arises, everything is functioning smoothly. This does not mean that no special skills are required to conduct the service transactions, but the check-out process is highly standardized and customers clearly know what they have to do. Guests and personnel appear to work as a well-functioning team. The object of the service and the procedure of its delivery seem to be clear to all. The customers signal that they want to check out: they have packed luggage in tow, approach the reception desk, and usually have their keycard in hand. The procedure, too, seems transparent and uncontested. Sometimes the receptionist requests the room number, sometimes the guest provides that information unprompted and places the keycard on the counter. The receptionist then turns to the computer, addresses the guest by name, and says the number of nights stayed. She asks what other services the guest had used or recites the list displayed on the computer screen. The guests confirm the information. They are then asked how they would like to pay, whereupon the guests usually present their credit card. Their receipt is then printed and the corresponding amount charged to their account. During the entire time, the receptionist and the customer are friendly to each other in a professional manner appropriate to the situation, not intimate or chummy. At the end of the transaction, the employee asks the guests if they had enjoyed their stay at the hotel. This question is answered politely in the affirmative. The parties then take their leave in a friendly manner and the employee wishes the guest a pleasant journey. Both participants seem to be in agreement about what task they have to accomplish and how it is to be done. Their joint coordination problem seems to be resolved. Quite clearly, the customers we observed in this sequence know how to check out of a hotel and they have no objections to the procedure. These guests were also a bit lucky. No one had to wait in line, because the guests trickled in one at a time during the period of observation, not all at once.

The issue of 'how' a service transaction occurs, however, is not the only problem. It cannot be taken for granted that customers are willing to go to the counter and pay for the service they received. For years, the hotel chain registered the fact that a significant share of guests simply leave without paying and for this reason instituted the policy of advance payment. Consenting to a 'credit card swipe' – the formulation used by employees to describe the credit check procedure to guests – is a precondition for staying in all of the hotels of the chain unless the credit card number had already been submitted via Internet. In this way, the hotel chain has resolved the problem from their point of view. For guests, however, the contract remains unfulfilled. At times, the latent contribution problem can surface during check-in, because not all customers are willing to accept the risks incurred by relinquishing their control rights when they pay in advance.

The next guest's problem makes clear that the contract remains unfulfilled, from the guest's perspective. As described above, as the receptionist is calculating hotel service charges, she informs the customer that he is going to be billed for 35 minutes of cable Internet. He, however, claims to have used the service only for five minutes. Thus, suddenly, a problem arises in the service interaction for which there is no standard solution. As there is no common goal serving to orient their actions, they have a distribution problem, not a coordination problem. The guest does not want to pay the fee demanded because, as he claims, he did not use the service for the entire time-span for which the receptionist billed him on the basis of the documentation available to her. The receptionist's job, however, is to make the guest pay his bill. The service provider is supposed to be customer-oriented, but at the same time must regulate the customer. Employees must honor these two, self-contradictory duties, and often they must do so simultaneously in one and the same situation. Distribution problems cannot be resolved simply by the assertion that one party is right and the other wrong, especially not in service situations in which the ideal of customer sovereignty has to be respected. In this particular situation, another issue is that the receptionist is almost completely sure that the customer had not pulled out the Internet cable as required to stop the metering clock. After our observation, we conducted an interview with the reception manager and found out that 'back stage,' it is well known that such cases occur. Despite the fact that customers are informed about the proper procedure during check-in, they often forget to pull out the cable. This customer was certainly no different in the desk manager's opinion.

Meanwhile, up at front stage the service employee is now trying, politely but firmly, to persuade the guest to pay the bill. In a first attempt, she tries to explain to the guest that his own mistake was responsible for the high service charges. She asks him if he had pulled out the cable. The guest retorts that of course he pulled out the cable. He did everything correctly, and the problem must lie with the hotel's Internet system. The service employee, who is very sure that the problem was not technical, believes that the guest is incapable of remembering exactly when he pulled out the cable. And she cannot rule out that he is purposefully lying, although the decorum of her hotel prevents her from accusing him of it to his face. An open accusation would only intensify the distribution problem, anyway, because it would signal her lack of confidence in the guest's ability to master the relevant technical skills and her lack of trust in the guest's honesty. The same applies also to the guest, who could accuse the receptionist of swindling, but as we were, unfortunately, not able to interview the guest, we do not know whether he mistrusted the receptionist or the hotel. We do know that he considered the Internet metering system untrustworthy, as he had made this clear to the receptionist.

The receptionist now takes another tack. She signals a willingness to accept the possibility that there was some kind of technical problem and suggests calling the Internet provider to inquire into the matter. The customer consents. In this way, the problem is externalized onto the Internet provider and the problem of trust is circumvented. The guest and the hotel save face. This changes the kind of interdependence problem. Now, the issue is no longer who is right, competent, and trustworthy. The issue has become whether a knowledgeable employee of the provider can be reached and can clarify the issue. The distribution problem is transformed into a much easier coordination problem in which the two opponents, the guest and the receptionist, can develop a common interest in clarifying the issue. In this way, the 'matter' at hand is removed one step away from the guest's person. The problem now is not whether he is trustworthy or intelligent enough to use the Internet properly; the problem is now a third-party technical issue.

The employee calls the provider, but she cannot reach anyone capable of resolving the matter. The guest is in a hurry and wants to leave. The employee offers him the following resolution. She offers to clarify the issue later and if she discovers a technical glitch, the hotel will refund the fee. However, in the mean time the guest must pay the entire sum. The guest consents, not completely satisfied but sufficiently placated to refrain from further protest. We believe that the explosive servicecharge dispute was diffused because the employee agreed to consider the possibility of a technical problem, although ultimately no problem was identified. This left the guest with at least the impression that his intelligence and trustworthiness were not being doubted. Moreover, the hotel was signaling a willingness to cooperate by offering a refund if indeed a technical problem had caused an overcharge. The guest reacted cooperatively to the employee's offer of cooperation. He paid and left. By that time, however, a line had formed at the counter because this check-out transaction had taken so long. Possibly, the lengthening line had put the guest, who was in a hurry anyway, under even more pressure to terminate the exchange.

This example shows how interdependence problems that permeate service relationships can become explosive. Out of a coordination problem that is resolvable by shared knowledge of a certain procedure and a shared will to carry it out, a distribution problem emerged for which there is no script appropriate to both participants' interests. The solution to this problem must be discovered on an ad hoc basis. Despite the fact that the receptionist cannot resolve the problem using the strategy of contacting an employee of the Internet provider, she is successful at eliciting the guest's cooperation as he no longer has the feeling that he is mistrusted. One clearly sees here that interactive work is very demanding and one never knows what is going to happen and why. 'This process consists of a series of interactional strategies and counter strategies taken by participants, in response to what is said or done by others during the process of making of arrangements' (Strauss, 1978).

Two short additional discussions of the role of the service providing company will suffice to complete the interpretation of the case example. The first issue is the way the company deals with the openness of service interactions and their consequences. The second issue is that interactive work in the service relationship is highly influenced by corporate decisions that take place elsewhere.

Korczynski and Bishop have done work on the 'myth of customer sovereignty,' a method of feigned empowerment used by companies to suggest to customers that they are as autonomous as kings despite the fact that their actions are fully controlled by the company in its attempts to improve efficiency in service delivery. In our case, the 'king customer' is required to master a specific technical procedure if he or she wants to use the Internet. The company knows that many customers are incapable of following the procedure correctly but insists on payment in case of incorrect usage nonetheless. As Korczynski and Bishop argue, customers take their assigned role seriously and defend themselves when it is called into question in concrete service situations. This has negative consequences for service employees, who have to put up with the customer's vilification. The movement from enchantment to disillusionment is a recurring, key trigger for customer abuse of frontline staff (Korczynski and Bishop, 2008: 77). The customer we observed refrained from such abuse. He remained cooperative and bore all of the cost of resolving the problem. We can assume that he had to work on his own emotions so as to keep his anger in check, although he might have raised his chances of resolving the situation in his favor if he had made a scene. The receptionist might have known that angry people rarely negotiate. She might have feared an escalation of the situation, which would have cost more time and may have unleashed a chain of unpleasant reactions from the growing number of guests waiting in line.

Finally, the reception manager indicated in her interview that the hotel could prevent the emergence of the problem described here by making in-room Internet use available at no charge. The hotel will have to do so at some point soon, she said, because the cheapness of private Internet use makes guests increasingly unwilling to accept the relatively high prices being charged by the hotel. If the price is seen as exorbitant, customer-friendly procedures may seem irrelevant for customers. Thus, the conflict between the receptionist and the guest did not emerge from the interactive service relationship itself. It was elicited structurally through the contract between the hotel and the Internet provider, which makes certain services and modes of payment mandatory. The problems this creates can land on the reception counter and must be resolved interactively on the lobby floor.

6. Conclusion

Interactive work is the heart of service relationships. Without the cooperation of service providers and customers, no service can be delivered. Service providers and customers have to resolve the coordination, contribution, and distribution problems that are forever present in service situations. Qualitative analysis can reconstruct the ways in which these problems are dealt with and show that service providers and customers indeed employ a wide variety of strategies to elicit each other's cooperation. They explain, persuade, instruct, give in, use tactics and empathy, work on their own feelings and on those of their interaction partner, and use gestures and words. In short, they throw themselves into the work with body and soul and learn how to seize the moment in hundreds of different ways.

Looking at service relationships in this way lays the groundwork for general, theoretically relevant insights – not just about issues of service work but also about the factors playing out in the ongoing construction of social order. Service relations can be used as natural social laboratories for investigating the conditions and resources actors require for the initiation and stabilization of goal-oriented processes of cooperation. Service relationships are very special situations for several reasons. The participants have a common interest in the outcome of their actions and orient themselves to an 'object.' They engage the problems inherent in these situations jointly and interactively, and the participants are embedded within an organizational context determined by a self-interested third party.

Given these conditions, two social phenomena come together in the service relationship that have long been treated as very separate by sociologists: work and interaction. Work has long been understood as an activity, not as a social action, whereas interaction was not supposed to have anything to do with goal-oriented rationality or objects. The concept of interactive work shows why work and interaction are indeed strongly, even constitutively, connected. It shows that humans must interact in the context of work and makes possible theoretical and empirical inquiry into the interplay of all the actors in the service diamond: employees, customers, employers, and the 'matter' around which they all orbit in the service relationship.

Notes

- 1. The following example is taken from the 'The Professionalization of Interactive Work' project, funded by the German Federal Ministry of Education and Research and the European Social Fund of the European Union (funding codes 01FB08005, 01FB08011). For more information on the project and its results, see Dunkel and Weihrich (2012).
- 2. Erving Goffman (1961: 329) refers to the object of a service relationship as a 'malfunctioning object.'
- 3. In Coleman's language, this person has 'power' over me.
- 4. This typology (under various names) was first presented by Ullmann-Margalit (1977) and then further discussed and developed in Schmid (1998a: 152ff., 1998b: 269ff., 1998c, 2003), Weihrich (2002), Weihrich and Dunkel (2003), Weihrich (2007), and Maurer and Schmid (2010).
- 5. As Ziegler (1998: 138) notes, the prisoner's dilemma is a 'game theoretical Drosophila,' and the literature on it is extensive. But see Sugden (1986), Axelrod (1984), and Homann (2002). Poundstone (1993) details its history.
- 6. The tit-for-tat strategy is when one actor matches exactly the other's decision to cooperate or defect. Assuming no grudge holding, defecting actors will begin to offer cooperation again, even after previous attempts were rebuffed (Axelrod, 1984).
- 7. To the triad of market, domination, and solidarity Huchler and colleagues add the mechanism of subjectivity. They thereby introduced the idea of manipulation of 'the subject' or of the whole person as a social mechanism.
- 8. Violence as a solution merits attention, power can be arbitrary power, and even morality can assume a control function (Weede, 1992; Schmid, 2003).

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- 9. Kliemt (1986: 288) points out 'that practically every exchange situation contains a type of prisoner's dilemma, even if this may not seem evident on account of mutually advantgeous agreements arrived at without problems.'
- 10. Dunkel (1988) suggests three dimensions of emotion work. First, emotions can be an object of work. In the classic studies of work in hospitals undertaken by Strauss and colleagues (1985), different forms of 'sentimental work' are distinguished on the basis of the emotional state that is supposed to be elicited in the person on the receiving end of the work. Anxiety is to be reduced, trust evoked, sorrow soothed. Second, emotions can be used as a means of work. One's own emotions can be used as a means to perceive and regulate others' emotions. A systematic elaboration of this aspect of emotion work (subjectifying work) is offered in this volume by Fritz Böhle. Third, feelings can be a condition of service work. Wolfgang Dunkel takes up the thesis of Arlie Hochschild that work on the emotions of others is more likely to succeed in proportion to the appropriateness of those feelings. For a recent contribution on emotion work in organizations, see the edited volume by Sieben and Wettergren (2010).
- 11. The literature on qualitative methods is vast, but Flick's systematic introduction (2009) is still very good. Denzin and Lincoln (2005) offer a trove of perspectives rich in instructive critique.
- 12. As suggested by the documentary method (Bohnsack et al., 2001; Bohnsack, 2007), one can say that interpretive social research is not about simply putting together the manifestly obvious meanings of a text, nor is it about exposing a level of meaning that is completely unavailable to the 'object' of research (for which a psychiatrist would be necessary). Rather, its goal is to document the latent meanings that are present as structuring principles in what was communicated by the persons under observation.

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5 Management by Customers and Customer Control: (Im-)Balances of Power in Interactive Service Work

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1. Introduction

On society's long journey from its predominantly agrarian past to its post-Fordist present, the Fordist era has now become synonymous with clearly regulated relationships between companies, employees, and customers. Henry Ford, after whom the concept was named, is associated with a very specific way of conceptualizing social production and consumption. His conception was based on three distinctive, mutually compatible pillars: equating value creation with the production of goods, a concept of labor based on the subjugation of human needs to the requirements of production machinery, and an image of the customer's economic contribution as limited to the consumption of standardized mass products as famously illustrated by Ford's statement that 'any customer can have a car painted any color that he wants so long as it is black' (Ford, 1922: 73).

The present-day economy differs fundamentally from this (obviously idealized) Fordist model. The service sector now constitutes the most important economic sector in the developed countries, at least in terms of employment. Due to the growth and increasing importance of the creative sector and of knowledge-based industries, labor no longer automatically involves monotonous manual activities in the production of goods but is characterized by a wide and multifaceted range of work realities. There also have been significant changes in the place of customers

in the calculus of production. If at the outset of industrialization customers were thought as a single mass with standard needs, they have now exploded into a brilliant variety of individuals with diverse demands and preferences. And now, the new dynamic created by the emergence of web 2.0 has brought a permanent blurring and fracturing of the boundaries that once shielded companies' inner processes from the world of their customers. Drawing such boundaries had always been extremely difficult in the delivery of personal services anyway, and this form of economic activity continues to grow in significance among the developed countries.

In labor studies and in the sociology of work, the socio-economic developments commonly referred to as 'tertiarization' and 'transformation of work' have received much attention. At the same time, however, customer issues, as a third dimension of change, have been discussed relatively seldom. One possible reason for the imbalance of focus could be the disciplinary boundaries separating the sociology of work and the sociology of organizations from research into consumption and consumer behavior. Another reason might be that sociologists of work and organizational sociologists tend to think of customers as a kind of marginal framing condition of work at best, and certainly not as integral participants in what employees or organizations do.

The purpose of this chapter is to shed light on the various roles customers play in interactive service work. In doing so, we do not stop at the usual boundaries drawn by the sociology of work but take the additional step of integrating the customer systematically into a broadened sociology of service work.

Our analysis below draws on a research project on interactive service work.¹ In the course of the research project, our team explored the forms of work organization and control among different fields of service work. We utilized a classic sociology of work approach by asking the question of how firms solve the 'transformation problem.' That is, how do they ensure that purchased labor power – the human capacity to perform work – is being converted into actually performed labor in the case of interactive service work? At the same time, we broadened this perspective by not only looking at how companies target employees in their attempts at control, but by asking also how companies target customers for the same purpose. If customers stop being merely passive recipients of standardized services and take on a co-productive role in service provision as 'working customers' (Voß and Rieder, 2006), the question then becomes how such customer activities are shaped, channeled, attenuated, or encouraged by service companies and employees. The

following sections describe a number of empirical examples from the hotel industry and nursing-home care for the elderly, two of the sectors investigated in the broader project.²

The path of investigation taken below follows the three sides of the service 'triangle' (company – employees – customers) and works toward a systematic outline of regulation mechanisms in interactive service work. On our way around the triangle, the customer will appear in two distinct roles: as a target of company control efforts, but also as an agent of control over employees and companies.

The first part of the chapter briefly outlines the Anglo-American and German discourses on the control of labor to demonstrate that the problem of transforming labor power into actual labor, which originally had been thought to apply only to the relationship between management and employees, is doubled in the context of interactive service work. Due to the cooperative logic of interactive service work (cf. Dunkel and Weihrich, in this volume), service providers not only have to ensure the transformation of labor power into actually performed labor on the side of employees, they must also guarantee that customers make certain essential contributions as well.

In the subsequent section, we flesh out the theoretical argument using empirical case material. First, specific strategies and mechanisms used by companies for the purpose of influencing customer behavior in interactive service work are identified. The following section looks at the customer as an agent of control, which then leads to a discussion of the importance of personal norms and values for employees in interactive service work. It becomes clear that the ability of companies to secure employees' profitable labor depends to a certain extent on employees' pre-existing personal normative orientations and that the specific relevance of these orientations for regulation emerges only through direct face-to-face contact with customers. In one last argumentative step, we posit that customers' influence is not limited to employees but extends also to service companies as a whole. Indeed, companies are increasingly becoming targets of critical evaluation and intervention by customers.

In the conclusion, we attempt to synthesize our theoretically based assertions and our empirical observations into an overall picture. The analysis ends in a few summarizing observations regarding the current problematic power relations linking companies, employees, and customers and gives rise to speculation about how these relations might change in the future.

2. Governing interactive service work: Theoretical outline

2.1. The question of control in labor process theory

The starting point and the conceptual core question of labor process theory is the 'transformation problem,' as it is called in the German debate on control. This problem centers on how businesses convert employees' generalized labor potential, or labor power as a human capacity to perform work, into actual labor or the performance of work (Braverman, 1974: 45ff.; see also Thompson and Smith, 2010). Marx (1867: 433–4) had referred to this as 'liquefying' labor power.

The term 'control' was initially used both in the Anglo-American discourse and in its German reception. Later on, it was criticized (by Burawoy, for example) or used only for certain, restrictive forms of labor conditioning (by Friedman, for example). Due to the one-sided connotation of the word 'control,' we prefer the term 'governance' (as a rather unsatisfactory translation of the German concept of *Leistungssteuerung*).

This shift in terminology has two implications. First, governance is not simply a matter of limitation, monitoring, and submission; it also involves motivation, recognition, and affirmation. Second, it should not be perceived as a simple top-down relationship with a single central power player but rather implies a complex arrangement of actors and power relationships. We use 'governance,' a term rooted in organizational and political theory, in order to describe forms of labor regulation characterized by a complex arrangement of different 'subjective' and 'objective' factors. These forms of regulation are thus the antithesis of one-dimensional, top-down control.

Narrowly defined, the term 'governance of work' refers to operational methods, instruments, and mechanisms used by organizations more or less intentionally and strategically to bring an employee's work performance in line with the organizational objectives attached to a specific job.

The problem is not just a matter of setting labor power 'in motion' in the sense of transforming an inactive body into a motivated and goaloriented employee. It is equally essential for the organization to define what constitutes 'performance,' conceived as profitable labor. Only when this condition is fulfilled the question can be raised which concrete mechanisms and instruments are to be used to motivate employees to achieve particular goals.

This governance process is inherently problematic because of the unique characteristic of 'labor power as a commodity.' Labor power cannot be separated from its bearers, the employees, who as spirited human beings always harbor at least the potential for intractability. Accordingly, the first phase of the 'labor process debate' focused on strategies and methods to limit laborers' freedom as independent, 'subjective' agents. Topics included the de-skilling and 'degradation' of labor (Braverman, 1974) as well as 'technical' and 'bureaucratic' forms of control (Edwards, 1979). Later on, the focus shifted away from forms of limiting and subordinating workers' subjectivity onto ways of maintaining but also strategically integrating their subjectivity through 'hegemonic' forms of regulation (Burawoy, 1979, 1985) as well as through the granting of 'responsible autonomy' (Friedman, 1977; Knights and Willmott, 1989; Knights, 1990).

Beginning in the 1990s, 'softer' methods of leadership aimed at the norms and attitudes of employees started to attract more attention. Terms such as 'normative control' (cf. Sturdy et al., 2010), 'identity regulation' (Willmott and Alvesson, 2002), and 'cultural engineering' (Kunda, 1992) were used to describe the way managers construct and manipulate personal values and emotions using symbolic politics, training programs, and other such mechanisms. In these processes, managers do not attempt to control procedures and processes. Instead, they attempt to gain direct access to employees' subjectivity, by 'shaping their characters and habits of thought' (Leidner, 1993: 87). This is not a matter of orientation by rules and targets, both of which are ultimately out of the employees' hands, but is rather an attempt to directly influence employees' conceptions of themselves and their ways of thinking. This form of regulation is especially attractive when working conditions are difficult to plan and predict.

2.2. Marketization and standardization as new forms of work governance

In the German discourses on new forms of work, governance now centers on two main principles: market-oriented governance methods and new forms of standardization. These principles are said to be gradually replacing traditional principles of direct hierarchical or bureaucratic control, but they also differ from Foucault-inspired approaches that focus on the managerial influence on employees' values and self-concepts (Kratzer et al., 2008; Matuschek, 2010).

Those looking at market- or profit-oriented governance argue that employees are being controlled increasingly by methods that tie individual goals to external, market-driven indicators: actors are confronted with abstract, economic goals and expected to internalize a personal responsibility for reaching them ('success orientation'). The contingencies of the external economy are not absorbed at the organizational boundaries. Rather, they are passed on directly to subordinate employees as concrete tasks (Sauer, 2005). Internally, organizational actors are thus turned into entrepreneurial market players (Menz, 2009). This entails a simultaneous increase in the value placed on personal agency and the degree to which it is instrumentalized. Employees are expected to sensitize themselves to market incentives and respond autonomously to those signals. They are given part of the responsibility of ensuring the company's success, which necessitates developing personal expertise and making a contribution to the work process that cannot be hierarchically regulated, as discussed intensely in German sociology of work debates on 'subjectification' (Kleemann and Voß, 2002; Arbeitsgruppe SubArO, 2005).³

Concomitant to this development, a new push for standardization has resulted from attempts to increase the extent to which work can be planned and controlled through ex-ante definitions of processes and products. This represents the attempt to solve the transformation problem in a more conventional way and applies not only to forms of production discussed in the re-Taylorization literature (cf. Springer, 1999; Dörre et al., 2001) but also to areas previously thought resistant to such rationalization. A well-established international discussion has focused on rationalization in consumption-oriented services. In the United States, it is often referred to as 'routinization,' for example in Ritzer's (2004) concept of McDonaldization. But now, rationalization is reaching areas of highly qualified work like technical services. Even quite complex processes and workflows, such as those typical for information technology, are being subjected to process standardization and product modularization in order to make them more manageable and profitable (Boes and Kämpf, 2008).

2.3. From the control dyad to the double transformation problem

A general assumption of these debates is that the governance of work is never problem-free. After all, the unique feature of 'labor power as a commodity' is that it cannot be separated from the employees who bear it, and they are likely to be intractable or even obstinate. Yet, only the worker is considered in these debates as potentially problematic. All of the other factors that make up the work process are considered manageable. This, of course, does not apply to interactive service work, because, in this case, in addition to the employees' work performance, the company also has to govern customers' contributions. The object of service employees' work is not inanimate but is rather a human being with unique characteristics and a will of its own (cf. Böhle, 2006; Böhle, in this volume).

If interactive work is always based on the cooperation of service providers and customers and depends therefore on contributions from both sides (Weihrich and Dunkel, 2003), the issue arises how companies control and govern the performance of their customers. Companies are thus confronted with a 'double transformation problem,' and in addition to the question of 'why workers work' we have to ask also why customers work.

For service companies, the problem of regulation is further aggravated by the fact that 'working customers' are not under the direct control and influence of the organization. They have purchased the labor power of their employees and can manipulate it, but customers are not on their payroll and are therefore free to do as they please. Since managers have no authority to command customers, the company–customer relationship is not characterized by hierarchal control. In fact, top-down control is rarely relevant any more, even for employees, with the advent of new management concepts and alternative forms of regulation. And even if both employees and customers were 'directly' controllable, how exactly would their cooperation be regulated, being as it is always dependent on spontaneous, situation-driven actions and reactions?

The uniqueness of interactive work can also be seen in the problem of defining the object of the service relationship and its specific worth on the side of the customer (cf. Dunkel and Weihrich, in this volume). So even the question of what the service 'product' actually is becomes a matter of decentralized negotiation and can be defined by the organization only to a limited extent, regardless of how precisely the product is defined at corporate headquarters. To take an example from the hotel industry, whether the service product includes shoe shines and room-service for beverages is not only a matter of product definition as centrally defined by the company; the fact that these products are being offered must also be communicated to the guests by the employees. Service personnel may also spontaneously expand the definition of the product by performing services not officially included in the product definition. This actually occurs quite frequently in practice.

The challenge for service professionals is to mediate the contradictions that emerge when organizational standards clash with customer demands. In order to meet this challenge, interactive service must be characterized by some minimum degree of flexibility, at least, because the successful navigation of the hazards of service provision always depends on the behavior of the respective interaction partners, who themselves are agents.

These purely theoretical considerations demonstrate that the empirical question of how interactive service work is governed in practice cannot be answered without expanding our perspective. If interactive work cannot function properly without customer contributions, we must investigate how customers become a target of companies' governance. This question will be discussed in the next section. Also, because customers who are objects of interactive work process are also independent agents, it may well arise that these customers have an effect on service-providing employees and their companies. The implications of this for the regulation of interactive work are described in the subsequent section.

3. Customers as targets of governance

In the following passages, we present some examples of strategies and mechanisms used by service companies to define the conditions of active customer participation and, in so doing, to influence processes of interactive work by manipulating the framing conditions of customer participation. For this purpose, we take up the example of the hotel industry because it demonstrates particularly well that service companies have a whole arsenal of regulatory tools for steering guest behavior in a direction beneficial for the company even if the relatively low 'exit costs' for customers (cf. Hirschman, 1970) make it necessary to nudge customers subtly and non-confrontationally.

3.1. Inclusion and exclusion

Customers must overcome certain initial hurdles before they can become customers in the first place. Implicit and explicit selection processes ensure that only a specific clientele is allowed to enter the interactive-service stage, a clientele that can be assumed to have the appropriate interactive skills.

A central mechanism of exclusion in the hotel business is the room price, and its effect often precedes any interactive contact between hotel employees and guests. Potential guests are usually asked to pay in advance or at least to allow a sum equivalent to the price of the room and possible service charges to be blocked on their credit card before actually getting a room key. Persons who fail the payment credibility test do not become guests.

3.2. Differentiation and distribution

One of the central marketing and sales tasks of the hotel group we chose to study is to make sure that guests' tastes, financial means, and capacities to contribute to service delivery are well matched to the brand of hotel they choose. But this is also the responsibility of local service personnel. Sometimes this involves dismissing guests whose demands clearly cannot be satisfied, for example, by sending them to another hotel in the group. Customers have to be directed to the place where their demands, expectations, and skills correspond to what is offered under the particular hotel brand. In order to prevent the loss of customers to competitors as a result of these placement and distribution processes, the firm's customer-loyalty strategy aims not only to create a specific image for the individual hotel brands but also to ensure a certain uniformity and consistency with respect to the image of the whole hotel group.

3.3. Expectation management

Probably the most important means of governing the 'co-working customer' is managing expectations. While customer distribution is based on a coarsely grained selection logic, the management of expectations requires subtly adjusting customer expectations and skills to the organization's brand and its standards. This begins even prior to actual personal contact with the organization on site, as potential customers begin to reach out for information on hotel characteristics and services from advertisements, websites, telephone inquiries, or other sources. The challenge for the marketing department is to woo customers without encouraging unrealistic expectations that lead to major problems for interactive service workers on site. In many cases, this clearly involves lowering expectations to ensure a good fit. After all, the guest at a low-budget hotel with automatic check-in who walks into the lobby expecting to be greeted with a latte macchiato and a long discussion about the local opera program will be a pain for the hotel staff (if indeed there are any on site) and is unlikely to come back.

The impressions customers gain in other hotels of the same brand is highly relevant for the formation of appropriate expectations, and standardization is an important tool for fulfilling them. Consequently, for our company, standardization means setting not only minimum but also maximum standards because expectations that are raised in one hotel may be dashed in the next.

3.4. Rules and direct control

Despite the 'enchanting myth of customer sovereignty' (Korczynski, 2002, 2009), every organization sets clear rules in some areas and enforces them in the event of conflict, even when this directly contradicts a customer's explicit wishes. This applies particularly to security issues but also to any situation where the core economic interests of the organization are at stake. For instance, the policy of advance payment is upheld rigorously in the organization we studied despite the fact that many guests experience it as manifest distrust, which can lead to unpleasant discussions. Employees, however, are expected to enforce the rule interactively.

Some limits are direct, material, and very tangible. Examples of such hard and fast rules include windows that open only a few inches, keycoded elevators that only stop on the floors for which the guest has authorization, and locked hotel entrances that only the night porter can open. Furthermore, it is not uncommon for uninvited, intoxicated, uncooperative, or threatening guests to be forcibly removed by the police.

3.5. Coaching and empowerment

At the other end of the spectrum are forms of governance that motivate customers' active involvement and that function by setting up learning processes. Through the provision of information and by sending signals for behavior, guests' self-sufficiency and their ability to orient themselves relatively autonomously is queued and trained. Thus, the governance of customers is accomplished less by authority and boundary-setting than by empowerment and enabling. The ultimate goal is to turn a passive guest into a 'working customer' (Voß and Rieder 2005; Rieder and Voß, in this volume) who fits into the everyday processes of the hotel.

These forms of guest regulation are most clearly evident during the final stage of the check-in process when guests are made aware of the most important rules of their stay. They are given a kind of instruction manual for the hotel in matters such as the location of important facilities (the elevator, their room, the breakfast room) and the rules of use for elevators, room key cards, breakfast times, Internet access, the wellness area, and any other hotel services. Self-service instructions, too, are a form of coaching and empowerment. These are especially common at the breakfast buffet, where, for instance, instead of serving coffee to

the guest, hotel staff may point to the automatic coffee machine and explain how it works.⁴

4. Customers as agents of governance

The discussion above centered on mechanisms and strategies by which service-providing companies try to influence customers as targets of governance. These are intended to ensure that the 'right' customers find their way to the 'right' places, that they can play the role of co-workers in interactive work, and that customers do in fact make the contribution to service situations required of them.

We now turn to the significance of customers as agents of governance and their influence on employees and companies. After looking at the ways that customers are relevant for employee control, we argue that developments in web 2.0 technologies allow customers to turn companies into targets of control, too.

4.1. Governance by values: Activation through customer contact

The central research question guiding our empirical investigations into the regulation of interactive work was whether employees' work performance in specific areas of interactive service work can be adequately explained using the concepts of the classic control debate within the sociology of work (cf. Birken et al., 2012). In fact, we found examples of governance that can be understood in terms of the marketization approach or as new forms of standardization. The hotel group in our case study very consciously relies on market principles in the regulation of individual hotels. Examples include franchise models and management contracts or the linkage of lease payments to revenue. Hotel site management acts as an independent entrepreneurial company. Economic variables like occupancy rates and profit margins serve as central control parameters. Also, the 'industrialization' of the hotel business is a major corporate objective. This involves the standardization of products by exactly defining the services offered by the hotel of a certain brand, including such details as room furnishing, staff uniforms, and even what brand of orange juice is served. It also involves process standardization in areas like information technology networking, accounting, and distribution.

Residential elderly care is also characterized by a strong market orientation. An increasing number of private companies are entering into the highly competitive health care market, thus forcing established institutions to pay greater attention to economic criteria of effectiveness and efficiency. At the same time, governmental and semi-governmental regulatory bodies are increasing standardization requirements as a quality control measure. In this context of dynamic markets and expanding quality control systems, nursing homes act increasingly as entrepreneurs on a market for nursing services. This development can also be seen in the transformation of corporate mission statements. Organizational selfdescriptions rooted in religious and ethical considerations about human needs and their satisfaction are replaced by engineering and economic concepts like 'quality development' and 'quality management' (Kelle, 2007).

Importantly, these new forms of governance stop, deliberately or not, before hitting the level of interactive action. Standards and directives are in fundamental contradiction with the autonomy employees need to cope with the uncertainties of interactive work (see Chapter 4, Dunkel and Weihrich, in this volume). Thus, for example, a hotel chain might be able to identify standards for the optimal check-in process. Yet managers also know that employees often will have to deviate from this script in order to do a good job of satisfying the customer. Similarly, performance figures as a guide for interactive work are of low practical relevance because service employees hardly have any control over the attainment of such broadly defined goals. On the one hand, hotel managers and nursing home administrators have to achieve certain quotas for booking and occupancy; but on the other hand, these quotas have little importance for the interactive work carried out by their service employees on the shop-floor level.

This is not to say that market orientation and standardization have no impact on employees or customers. On the contrary, they often result in staff shortages, lower salaries, or other outcomes of high relevance. Yet our findings suggest that they shape only the general framing conditions of interactive work, not its essential logic.

Apparently, then, the forms of governance delineated above do not in themselves explain employee performance in interactive service work. This suggests a new line of argumentation: the specific characteristics of interactive work may themselves have an autonomous governance effect. In the discussion of the 'neo-normative control approach,' below, we show that this is indeed the case.

With the concept of neo-normative control, Andrew Sturdy and colleagues (2010) augmented and extended the concept of 'normative control' as it had been derived within the debates on corporate culture. The term 'normative control' is usually meant to describe management strategies intended to foster certain value orientations in employees or to alter elements of their personal identity. The goal is to train staff to internalize corporate culture so as to create 'useful individuals' in a Foucaultian sense. Neo-normative control, however, refers to the systematic import of personal values and characteristics formed outside the context of the organization for the purpose of extracting an extra quantum of work performance.

The first main difference between normative and neo-normative control is related to the basic logic of managerial access to employees' normative orientations. Methods of normative control tied to corporate culture programs are essentially intended to change individual employees, who bring any number of predispositions with them. The goal is for employees to remake their individual identity so as to make it compatible with the interests of the organization and the shared corporate identity. In short, the goal is to make them into a company man or company woman. Employees are 'domesticated,' leaving the untamed, 'natural' world of their private selves and becoming acculturated within the corporate culture, thus ultimately reaching a more refined state in terms of their individual economic value. Neo-normative control, in contrast, refers to a very different process altogether. Employees are encouraged to live out their personal eccentricities and preferences within the organization. The ability to 'be yourself' within the organization is exactly what is thought to bind them to the company and to its goals.

The second difference between normative and neo-normative control, more implicit than explicit, lies in what is seen as the best possible relationship between employees and their company. In corporate culture programs, the degree to which employees identify with the company and its products plays a central role. The neo-normative control system, however, relies on a feeling of fair exchange in the sense of 'be yourself, but be productive.'

In other words, for the most part, neo-normative control aims to enhance the enjoyment of the job via the freedom of identity and emotional expression surrounding the work performance rather than through it.

(Sturdy et al., 2010: 121)

The concept of neo-normative control places a special emphasis on employees' normative orientations, their individuality, and their authenticity for the governance of work. Without a doubt, this represents an interesting extension of existing analytical tools for describing companies' regulation arrangements. For understanding interactive service work, however, this approach requires further development and specification. Our suggestion for doing so, which we have termed 'governance by values,' is described below.

Essentially, we concern ourselves with a phenomenon best described as the utilization of service employees' private normative values by service companies. As such, it is coupled with the specific characteristics of interactive service work.

Remembering that interactive service work differs from noninteractive work in that the object of interactive service work is itself a human being, employees are always confronted with a counterpart with an independent will and specific needs. This clearly makes a big difference from the standpoint of control theory. In interactive service work, employees must deal not only with abstract company rules and standards but also with a human bearer of wishes, demands, and needs. Customers must be looked in the eye, and by virtue of their mere physical proximity, they exude enormous pressure on the employee to act.

The fact that employees hardly have any means to avoid such realtime physical confrontation with another person's needs can be demonstrated using the example of elderly care. One nurse told us how she tries to make her husband, who works as a plumber, understand why she often 'must' work extra – and usually unpaid – hours:

These are people you cannot simply abandon. You [referring to the husband] either install a toilet or you don't. For me, the situation is different. I can't just set the patient in a corner somewhere and tell them, I'll be back tomorrow!

On the one hand, this statement well illustrates the principle that the form of regulation we call 'governance by values' is linked to norms and values that almost always originate outside the working world; on the other hand, the whole situation is precarious for exactly this reason. Governance by values means that adequate work performance cannot be guaranteed by company control alone but also by the perceived needs of customers – needs that have to be realized and recognized by employees, even when they are not couched as explicit demands.

The fact that another's perceived needs set up an imperative to act is closely linked to aspects of personal identity that develop during the life course and can even include religious motives (e.g. principles like charity and responsibility). These kinds of orientations cannot be easily inculcated by corporate culture training programs. The norms and values that they are based upon are, rather, very stable imports from the employee's lifeworld. If they are to serve as a basis for adequate work performance in interactive service work, they must exist before the interaction takes place.⁵

In terms of the regulation of customer–employee interaction, this means that customers cannot slip into a regulatory role as a 'second boss' (Fuller and Smith, 1991) in governance by values unless one important additional condition is met. Customers' needs and demands only become relevant for regulation through a specific normative attitude of employees. This attitude must already be present in the employee as a non-economic resource.

In turn, the regulatory effect of these normative orientations unfolds only in immediate confrontation with the customer, which indeed is the central characteristic of interactive work. Governance by values, therefore, is closely linked to the specific nature of interactive work because it involves the fact that employees are confronted with the desires, demands, and needs of their customers *face to face* and *in real time* (Birken, 2012).

Governance by values contains elements of both normative and neonormative forms of control. The classic concept of normative control works like governance by values in that it ties into existing normative orientations that are directly related to the content and goal of the service work being performed. These orientations have little to do with the logic of exchange underlying the 'motivation for authenticity' model as described in the neo-normative concept of control. In order for this form of control to work, employees have to genuinely want to do what they are supposed to do. It is not enough just to conform superficially, observing dress codes and being nice to customers; they must personally identify with core aspects and objectives of the job. Neo-normative control, however, works like governance by values with respect to the importance it places on how companies use those value orientations that originate outside the work place.

Governance by values represents a precarious form of corporate regulation. It is precarious in the sense that its effect on employees comes from an external source (the customer). It is precarious in another sense as the normative orientations that work as a transmission belt between customer's needs and employee's work performance are also formed outside the organization's boundaries.

Finally, it should be noted that governance by values is not the only governance principle found in the service sectors we examined in our

case studies. It is best understood as one principle of governance within a broader regulatory arrangement. It closes gaps left open by conventional strategies of standardization and marketization in the regulation of interactive service work.

4.2. Customer control in Web 2.0

With the concept of governance by values, we have seen how customers have an influence over the regulation of employee performance. We now turn to the issue of how customers can have a disciplining, regulatory impact on companies.

Although research in the sociology of work has not yet generally considered customers to be anything more than a marginal framing condition, the 'working customer' concept of Voß and Rieder (2005 and in this volume) is a major exception. These authors have offered a systematic argument that companies now are much more eager to tap into the labor power of customers and use it in the production process. This situation is seen as possibly indicative of the 'emergence of a new, expanded logic of the commercial exploitation of labor in the value creation process' (Kleemann et al., 2008: 33). Empirical examples of an increased instrumentalization of customer contributions within the value creation process are, indeed, readily found in web 2.0 crowdsourcing phenomena.

The fact that web 2.0 applications open new avenues of communication between companies and customers and that through these avenues, companies can harness customer resources for use in their internal processes of value creation has been observed and analyzed (Wittke and Hanekop, 2011). Yet this research rarely broaches the topic that customers can use the very same avenues to influence companies. In these interactions, customers are not simply targets of company control. Nor are they merely instrumentalized as a means to regulate employees, as described in the now classic article by Fuller and Smith (1991) and as captured in somewhat different form in our governance by values concept. Customers act as independent agents on the Internet, criticizing company performance and attempting to influence corporate behavior.

In the hotel industry, this phenomenon is particularly widespread (Birken and Schill, 2012). The new technical possibilities created by web 2.0 have unleashed forces and dynamics over which companies have very little control, much to their own economic peril. Internet-based platforms for customer reviews and comments work very differently than company-based methods of generating customer feedback. Specifically, customers use Internet platforms to subject companies to an unsolicited evaluation by communicating with each other about their experiences with the company in a public space that anyone with Internet access can enter.⁶ The logic of user-driven Internet platforms is that they are used to talk *about* hotels and hotel chains, not with them. Given that a significant part of hotel bookings is now being made on travel websites that allow users to leave comments and ratings (Mühlenbeck and Sibicki, 2010) and that such information has a strong influence on consumer decisions (Raake and Hilker, 2010), Internet-evaluation platforms would appear to be a very significant factor influencing success in the hotel business.

From the perspective of governance, what is interesting about Internet-evaluation platforms is that companies show up there as one particular occurrence of service provision and that customers slip into the mode of critically reflecting whether the company met in that instance what everyone would consider to be legitimate expectations. The company becomes a potential bringer of a particular level of service and the customer tries to use the sanction of negative comments to make sure the company actually delivers the level of service it is capable of.

In terms of the balance of power within the service triangle (company – employees – customers), web 2.0-based platforms give customers a weapon to be used individually or collectively and in both cases in near real-time to protect themselves from service providers' unmannerly presumptions. To use Hirschman's (1970) language, this option expands customers' sphere of action in a very significant way. When confronted with unsatisfactory services, web 2.0 allows customers an entirely new option. Before, they could either 'exit' the service relation, silently tolerate the situation in unhappy 'loyalty', or try to influence the service company with their single, tiny 'voice' within the company's feedback apparatus. With web 2.0, they now can exercise a critical voice to potentially great effect due to the fact that it can be heard by a global public. In contrast to classic forms of control by customers, web-based criticism is not limited to a specific and singular service interaction or service relationship. It has the potential of besmirching the whole company and its business model in the eyes of a critical online public.

5. Conclusion: The balance of power in interactive service work

The starting point of this chapter was the assertion that customers have been, until now, predominantly understood as a kind of marginal

framing condition of work in the sociology of work. In this investigation of the governance of interactive service work, we instead looked at customers both as agents and targets of governance.

Incorporating customers in theoretical analyses of the governance of interactive service work reveals that service companies are confronted with a double transformation problem. Companies have bought a latent labor potential from their employees and must ensure that their employees actually activate this potential in the production process. Now, however, they must also ensure that customers make their contribution to the co-production process of interactive service work, and they must do so using a completely different set of rules than those that apply to their employees.

On the basis of this expanded theoretical view, we sought out specific arrangements of governance in interactive service work in the hotel industry and in elderly care. These arrangements involve complex systems of interdependent relationships within the service triangle where companies, employees, and customers all appear simultaneously both as agents and targets of governance.

In this context, management is confronted with the serious challenge of balancing hierarchical rule-setting with the attitude of openness necessary for effective interactive service work. Making things more difficult is the presence of customers who are not only self-confident but also have the ability to address themselves to a global web 2.0 community in order to get what they want. They can interfere on a small scale by using consumer web platforms to sanction a company through complaints. Customers can interfere also on a large scale by banding together for political campaigns at the national or international level.

For employees, the challenge of interactive work lies in mediating between their employers's overriding interest in profit and efficiency and customers' demands for good service (Korczynski, 2002, 2009). Our discussion of government by values showed how companies instrumentalize their employees' private value orientations as a non-economic resource for ensuring employee performance. The effectiveness of this strategy results from the fact that these orientations are part of the employee's self-conception and not part of a corporate culture program or a sort of company standard that could potentially be ignored by them.

Employees are certainly the targets of attempts at manipulation by company managers and customers. However, they are themselves agents of governance when it comes to getting customers to participate in service co-production. They can use a panoply of techniques for this, ranging from the winning smile to a call to the police, but in every case employees must be ready to activate every ounce of their professional skill and personal resources to get customers to do what the company wants.

A new field of research for the sociology of work is opening up due to the increasing frequency by which customers, too, are being subjected to the regulatory ambitions of companies in interactive work. Customers find themselves in a privileged position in these interactions. Not only can they complain about what they feel to be inadequate treatment by the service-providing company, they also always have the option to exit the arrangement. Because the exit option always entails costs, however, customers usually put up with a certain degree of company manipulation by rule-setting, process definition, and routines. At the same time, however, customers can function as agents of control. They do so on an abstract level, as when their opinions are instrumentalized through customer surveys to measure employees' work quality (cf. Fuller and Smith, 1991). They do so on a concrete level, too, in the sense of governance by values when they place an imperative to act on the employee.

What, then, is the balance of power in the system of regulation described above? Our empirical observations make clear that the mutually interdependent relations of control do indeed allow for many kinds of coalitions and thus can produce very different outcomes depending on framing conditions. Particularly problematic from the standpoint of employees is when they get squeezed between the economic imperatives of company standards and the imperatives inherent to interactive service work. This is especially taxing when a company fails to provide their employees with resources appropriate to the special requirements of work with people, regardless of whether this be related to the resources of personnel as in the case of health care or to product and process standardization in the case of the hotel industry. On the other hand, there are many examples of alliances between employees and customers that are not planned by employers but that can be quite functional for overarching company goals. For example, when customers and employees tacitly agree to depart from standard service scripts in order to provide a service in a way more satisfying for the customer; or when customers demand that a company hire more employees because they do not want to accept long waits or poor working conditions for staff. The new openness and transparency made possible by web 2.0 could spur new developments in service relations and actually contribute to improvements in the framing conditions of interactive service work. The precondition of this outcome, however, is that all parties share

the opinion that it is in everyone's common interest that services be delivered without chronically overburdening employees. The mutual relations of dependency in the service triangle thus certainly provide opportunities for cultivating such an attitude, but these must be used.

From a theoretical perspective there is no reason to expect a major shift in the balance of power between producers and consumers typical of the Fordist model. In the post-Fordist context, the relations linking firms, employees, and customers are surely more interdependent and intense. The fixed boundaries that once separated production and consumption are more porous. Employees are no longer subaltern actors at the lowest level of the firm; they have gained important new power resources vis-à-vis 'their' organization in alliance with customers in all those places where customers come into contact with the organization. Accompanying this potential gain in power through alliances with outside actors, however, is the risk of even more complete control of employees through a new alliance of customers and companies. As we have seen, under certain conditions, firms can instrumentalize consumers to intensify the control of employees.

There is also no reason, from our perspective, to hope that customers will obtain a new degree of influence over companies. Of course, 'paying customers' have always exercised economic power over companies equivalent to their personal finances and their ability to satisfy their consumption needs elsewhere, and now aggrieved customers can use web 2.0 applications to address the global public and open new avenues of influence. Yet, these forms of influence are countered by companies' use of innovative strategies to control customers.

In sum, relations are becoming more complex, more sensitive to external conditions, and therefore more fleeting. The concrete balance of power in any particular constellation depends on the specific strategies, coalitions, and actions of the moment. 'Postfordism 2.0' certainly creates new opportunities for employees and consumers, but it will bring no fundamental shift in the balance of power as a direct consequence of a historical development from the industrial society to an interactive service economy.

Notes

- 1. The 'Professionalization of Interactive Work' project was funded by the German Federal Ministry of Education and Research and the European Social Fund of the European Union from 2008 to 2012 (funding code 01FB08005).
- 2. The research involved a large international hotel group that operated a total of 11 hotel brands of varying price categories and a German social services
provider. The empirical studies included more than 200 observations and interviews with employees, managers, and customers.

- 3. The term 'subjectification' in the German debate is in contrast to Foucaultian use a historical concept. It describes a historical change in the relations between workers' subjectivity and capitalist work organization and regulation from a relation of external impact to an intensified interrelationship.
- 4. Many of the aforementioned methods of 'customer control' are evident also in our second case, nursing-home care for the elderly. Here, the inclusion and exclusion of potential residents and the decision as to which home they actually live in is based primarily upon the kind and level of medical care they require. However, the share of private facilities is growing in this business and the pressure of market forces is increasing such that residents' financial resources certainly play an increasingly important role. The company we studied operates nursing homes that are financed exclusively by public health care and social security funds. The most extreme form of 'strict' regulation was that of a secure care center for persons suffering from dementia. The doors there are always locked and residents could not leave without authorization. For nursing homes, getting the 'customer' to participate in work processes is a central goal and is often also part of therapy plans. The goal is to help residents do as much on their own as possible, for example, to assist in their own personal hygiene and to cooperate with staff.
- 5. Thus the locus of attempts at controlling employees is shifting away from trying to influence employee psychology toward identifying and recruiting employees who already possess the necessary skills for successful service work. This is '[f]inding the right person rather than creating him' (Sherman, 2007: 69). During our interviews, mention was made repeatedly of 'persons talented in personal service' who naturally possess all the requisite skills for interactive service work.
- 6. In Fuller und Smith's (1991: 5ff.) terms, this is a special case of *customerinstigated* feedback as opposed to *company-instigated* forms of feedback like telephone surveys or *company-encouraged* forms of feedback like comment cards. It is of course a form of feedback not only available to the company but to the entire online public.

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6 Interaction in Service Relationships: The Customer's Point of View

Anna Hoffmann and Margit Weihrich

For attaining results in service provision, service providers and customers must work together. Their collaboration unfolds within the service relationship itself, face-to-face and in the here and now. At the same time, it is a form of interactive work embedded both in the organization providing the service and, importantly, in the customer's own everyday life. In this chapter, we reconceptualize service relationships from the customer's point of view and lay out arguments why firms, employees, and especially customers should do the same. Indeed, service work takes on a wholly new aspect when viewed from 'the other side of the counter,' and we hope to show why a change of perspective promotes a better understanding – and improvement – of service work.

Section 1 describes the concept of 'customer as service worker.' Section 2 presents three empirical examples of services from the customer's point of view, revealing the specific contributions customers make. Section 3 lays out a systematic categorization of work typically performed by the customer in service relationships and section 4 presents the rationale for adopting a new concept of service work that emphasizes the importance of customer-friendly working conditions for ensuring good service work.

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This contribution is a slightly changed version of Hoffmann and Weihrich (2012).

Research and the European Social Fund from 2008 to 2012 (funding codes 01FB08006, 01FB08011). The project examined interactive work in three fields: elder care, the hotel industry, and infrastructure services in train stations (see Dunkel and Weihrich, 2012; www.interaktive-arbeit.de).

1. The customer as service worker

In service relationships, employees are not the only ones working. The customer performs work within this relationship as well, because service providers and customers must, after all, work together to attain results. Service relationships systematically entail interdependence problems that must be processed by employees and customers working interactively (for more on the concept of interactive work, see Weihrich and Dunkel, 2003; Dunkel and Weihrich, 2006, 2012).

This concept of service work puts customers in a wholly new light, where they are perceived as active partners, just like employees, in the service relationship. No longer passive consumers or recipients of service, customers become co-producers without whose contribution the desired service outcome could not be realized.

Although co-production has long been regarded as an attribute of service (cf. Gross and Badura, 1977, on the sociological discussion in Germany), there has been little or no systematic examination of services from the customer's perspective. In the study of interactive work (cf. Dunkel and Weihrich, 2012), however, switching perspectives is a crucial methodological tool. If the situational definitions, interests, strategies, and resources of both service providers *and* service recipients are the parameters that define interactive work within the service relationship, then a systematic look at services from the customer's point of view is indispensable. After all, the awareness that the participants on each side of the counter see the service in very different lights is key to a full understanding of what actually takes place in the service relationship.

This change in perspective enables us to find out how services are perceived by the customer. More importantly, it enables us to identify the tasks performed in service relationships by customers, which go far beyond co-production. This is a significant finding made possible by a change in perspective. Customers perform quite a variety of tasks in and around the service itself, and these in turn are embedded in customers' lifeworld. Moreover, this embeddedness itself represents a significant accomplishment, considering what customers have to do in order to manage all the forms of service work that arise day after day, year after year.

We are interested in understanding services from the customer's point of view, and not just out of intellectual curiosity: we challenge service providers to do the same. It is crucial to understand that services are provided not only by firms, employees, and representatives, but also by the customers themselves. We certainly hope that customers will come to take the same view of their role within service relationships. We focus here on customers' interests, unlike most studies of customers, which focus on the interests of business enterprises. At the same time, it will become self-evident that firms have a vital interest in not only acknowledging the tasks performed by the customer but also in ensuring that customers are provided with suitable conditions for their work.

1.1. Predecessors and contemporary voices in service research

As noted above, the idea of service as co-production is not new; nevertheless, service research generally does not view the customer as an equal partner in the service relationship. Rather, it is generally assumed that the product or service is offered by a service provider or service worker and received by the customer. The fact that the customer is also performing tasks is not spoken of – in fact, language itself seems to stand in the way of this idea. After all, 'to serve,' to be 'in service,' and of course 'servant' and 'servitude' all connote the performance of work, while 'user' and 'consumer' sound more passive, even leisurely. The words do not convey the idea that work is going on here – the customers are merely using and consuming. This also serves to complicate a change in perspective in service research. In the search for perspectives on service work that include customers, three general areas of research are in evidence.

The first perspective is that of consumer research and service marketing. Several research traditions posit that customers make some kind of contribution to service production, but consumer research and service marketing studies see their contribution as mainly a form of decisionmaking. The customer is generally perceived as an actor choosing from among the products in a particular market, or choosing a particular firm to which he may or may not remain loyal for the foreseeable future (Hirschman, 1974, is paradigmatic for this approach). Service science, which is geared toward business management, does indeed address the topic of customer integration, but strictly from firms' point of view; thus it is no surprise to find that firms project their own customer images onto their clientele. The fact that customers perform a wide range of tasks in the production of services consumed plays only a marginal role in business-management oriented customer research, just as in the field of customer integration. This is all the more surprising when we consider that, in the course of a steadily widening rationalization of service, our service economy is increasingly characterized by the outsourcing of services to the customer. But the 'consumption' of self-service products is still seen, at most, as 'making a decision.' The customer decides against paying for a certain service and in turn receives the desired product or service at a lower price. Studies on open innovation, on the other hand, do address the issue of services rendered by customers (Reichwald and Piller, 2009); but because the goal is to facilitate the firms' exploitation of the services that customers perform, such research looks only at those services which serve the interests of the firm. A research perspective more relevant to our approach is found in the work of Evert Gummesson, who describes the extensive efforts of customers in building and maintaining networks in order to secure good service. An example of this is the way patients have to coordinate with all of the people involved in one way or another in the treatment of their illness (Gummesson, 2010).

Second, the sociology of professions is another discipline in which relevant ideas could have emerged, but once again, in this field the change in perspective we advocate is not yet an issue. Instead, customers are seen primarily as clients and as lay persons who are on the receiving end of expertise provided by professionals. When the question pertains to obtaining clients' cooperation, the focus is squarely on the professionals and their actions, and almost never on the actions of clients (Oevermann, 1996). One study is relevant for our approach, however, viz. Grenz and Eisewicht (2012), who write on the procedures for lodging complaints related to online shopping. The procedures are examined strictly from the customer's point of view. The fact that customers can also act as professionals has remained largely ignored (but see Voß, 2012).

The sociology of work is a third discipline that takes service work seriously, but it also rarely views service work from the customer's perspective. In Germany, this field is traditionally bound to industrial production, making it difficult to think of 'work' and 'interaction' as taking place together (cf. Dunkel and Weihrich, 2010) or to study any kind of 'work' other than that organized by firms. Concerning service provision, the sociology of work concentrates for the most part on workers (and those who represent their interests) and businesses (and their instruments for control of performance). Where the customer is the subject at all, it is with respect to the protection of workers from customers, the demands and burdens that result from working with customers (Rastetter, 2008), the control that customers have over employees, or the employees' images of customers.

Still, changes are taking place. Within the English-language literature on work and organizational sociology, Sturdy et al. recommend a critical approach to customer service that they see as being relevant for all the parties involved: 'How service is defined, organized, enacted and contested affects our lives, not only as employees, but as customers and citizens' (Sturdy et al., 2001: 1). And yet the perspective of the customer is still largely ignored. Rosenthal et al. reconstruct the various ways in which the customer is represented in academic texts and state in their summary that 'critical analyses of the changing role and significance of the customer should not proceed in the absence of the views of those who actually engage in service work, for example, the conditions under which it is experienced as stressful, fulfilling and so on' (Rosenthal et al., 2001: 35). This refers, however, only to the service workers' views, and the question of how customers see service work is not addressed. Jacobsen and Voswinkel (2005) go a step further by attempting to trigger a change in direction, to position 'the "customer in the service relationship" as the object of social science research' (Jacobsen and Voswinkel, 2005: 7). They propose the study of services by 'looking at the employees, the organization and the customer and exploring their interrelationships' (Jacobsen and Voswinkel, 2005: 9). Nevertheless the customer's perspective is not systematically applied; rather, the customer is viewed from various perspectives. Böhle (2011) recently integrated the interests of customers into his concept of interactive work, but his concept of interactive work has a blind spot in the very area that is pivotal for us. He aims to recognize interactive work as a task performed by employees, involving work upon an object that has a will and interests of its own that cannot be ignored. Böhle thus defines the interests of the customer from the perspective of the researchers, or of the employees and no real change in perspective is made (cf. Stöger, 2011).

The introduction of the notion of the 'working customer' (Voß and Rieder, 2005; Rieder and Voß, in this volume) certainly went a long way toward a change in perspective. These authors describe the 'tendency of firms (especially in the service sector) to outsource functions to their customers for economic reasons' (Voß and Rieder, 2005: 10) with the result that 'customers thus more or less become unpaid workers for the firms' (ibid.). From the perspective of the sociology of work, this study

conveys the important message that not only the employees but also the customers are performing work. At the same time, the study is basically a counterpart to the research on open innovation mentioned above. Where the latter is about making better use of customers' services to benefit the firm, the figure of the 'working customer' is used in criticizing the exploitation of customers by firms. And still, no systematic change of perspective is made. Even though the book begins with 'a foray through the daily routine of today's customer' (Voß and Rieder, 2005: 19), the point of reference is still that of the firm and its rationalization strategies. The objective of study, after all, is a diagnosis of a society in which boundaries are blurred and a new relationship between subject and society is emerging. Furthermore, this study of the 'working customer' concentrates on non-interactive customer work such as selfservice and, primarily, on prosumers, who buy what they themselves produce in a production process initiated by firms. Both prosumers and firms have ideal conditions for this form of collaboration in the age of web 2.0, as is amply demonstrated in the literature (see, for example, Eismann and Beyreuther, 2011).

The figure of the 'working customer' has benefited from a project which presented its results under the title '*Dienstleistung als Interaktion*' ('Service as Interaction'; Dunkel and Voß, 2004). This project attempted to 'examine person-specific service work specifically in terms of interaction' – an idea that, combined with the 'interdependence problems in service relationships' identified by Weihrich and Dunkel (2003; Weihrich and Dunkel (Chapter 4), in this volume), forms the conceptual foundation of this study. Because co-production was the focus of that study, the customer was seen to play a systematic role. Both service workers and customers were observed and interviewed, bringing that study closer than any other to effecting the change in perspective we advocate.

1.2. A systematic change in perspective

With this chapter, our aim is a radical change in perspective. Our camera is with the customers and sees what they see. The camera also pulls back for a wide shot so we can view all the tasks performed by the customer, including those that lie outside the interactive work itself. Thus our change in perspective is rooted in the tradition of studies of 'service as interaction' and also integrates the figure of the 'working customer.' We reunite work and interaction by examining not only the 'interactive work' but also all tasks performed by the customer that are in any way related to the service relationship. The intention is not so much to emphasize the outsourcing of these tasks to the customer as it is to broaden the perspective, to take in the entire range of actions customers must undertake in order to 'receive' a service. We propose that the customer's contribution to the creation of the service, purely in terms of the 'working customer,' be conceptualized as work: both the service provider and the customer are working. For this reason, we applied the same methods in determining what both customers and employees do, adapting them for application to the customer, an approach that produced eye-opening results early on, even in the planning and dataacquisition phases. We asked not only employees but also customers about their activities, their workplaces, their working hours, and their needs. We took an interest in their personal educational and training histories and experience, their workloads and other stressors, the recognition they receive, and the methods they use to accomplish everything that they do day after day.¹ We observed and accompanied both employees and customers in their activities,² and we asked customers to keep a journal recording all of the services in which they were involved over a specific period.³

2. Service work from the customer's perspective

What is seen when service work is observed from the customer's point of view? What tasks do customers perform in order to achieve a service result? What challenges do customers face? And what significance do these services have in the customer's lifeworld? We present three vignettes to illuminate these questions. These brief sketches highlight the actions taken by customers who are seeking services within the hotel industry, in a railway station, and in a nursing home.

In our research project we pinpointed the interactive work within the service relationship as the core business of service provision. An empirical study of the many things that customers do to obtain service clearly shows that the interactive work in the service relationship is not an isolated phenomenon.

The customer performs a great deal of work before the service interaction even begins. First of all, the customer gathers information, formulates the bases for decisions, and takes specific steps; for example, in booking a train journey on the Internet and printing the ticket. Second, when the entire service process is examined, as opposed to the service relationship alone, a constant alternation between interactive and non-interactive work is apparent. Even in classic self-service situations, customers require assistance from employees. Third, from the customer's perspective it is particularly striking that interactive work is a demanding task with many prerequisites, specifically with regard to the handling of the interdependence problems that are inherent to service relationships.

Our vignettes highlight specific kinds of customer work involved in each case. The first immerses us in the work environment of a working customer who seeks to obtain a service before the 'actual' service is even provided: a prospective hotel guest booking a room online. In the second vignette, we are on site in a train station. The focus here is on the interweaving of self-service and interactive work. The third vignette focuses on the interactive work itself; the customer here is the wife of a physically dependent patient in a nursing home. All three examples are intended to show that a highly specific image of service is formed when viewed from the perspective of the customer. Taking up customers' points of view makes it possible to comprehend what they actually perceive and how this perception is embedded in their everyday lifeworld. Their perception is determined by what they have experienced previously and what their plans are, what hinders them and what resources they have, what is important to them and what they are prepared to contribute. And all three cases show how complex the customers' tasks are. Among other things, customers are frequently required to combine services from a number of different providers.

2.1. Guests in the hotel industry

In this vignette we look at services within the hotel industry from the perspective of a potential guest. The topic is the tasks rendered before the individual even becomes a guest at the hotel. The customer in our example is on a business trip. He is employed by a firm, so the tasks he performs are within the scope of his employment. Nevertheless, the activities he undertakes (online booking) in order to receive the service from the hotel (accommodation) are a form of work and are deeply rooted in his lifeworld.

Mr Meyer has been assigned to carry out a contract awarded to his employer. This new client has requested that Mr Meyer spend three days in Gelbstadt. Thus Mr Meyer requires accommodations in that town. His budget for the purpose is fixed, and he is to use public transportation. Mr Meyer uses the Internet to research the connections available to Gelbstadt, and finds that he must travel the day before his first appointment in order to arrive on time. This means he needs a hotel for three nights.

The decision to book hotel services is linked to the outcomes of other service providers, the German railway timetable in this case.

Mr Meyer has never been to Gelbstadt before, but he knows that one of his co-workers often has dealings in that town, so he asks her whether she can recommend a hotel. The co-worker names a location and e-mails him the contact information.

Customers often query their personal networks when seeking to obtain a service.

Mr Meyer calls the recommended hotel. He is told that they are full. Then Mr Meyer searches on the Internet for a hotel in his usual manner. He enters the address of his client in the search field of a well-known route planner and opens a display of all the hotels near that address. Two of the hotels shown are within his price range; both belong to hotel chains. One of the chains is well known to him, but he would like to try out something new, so he opens the homepage of the other hotel. It is similar to many other hotel homepages, but when he looks more closely, he sees the differences. He takes a moment to familiarize himself with the display and finds the fields he needs to fill in to inquire after availability, and then enters the information for his reservation. He has a little trouble understanding the calendar function at first, but manages to figure it out.

The first objective is to orient himself. Customers constantly orient themselves and re-orient themselves, not only at real locations but also in the virtual world of the Internet.

The system offers him a single-occupancy room at a price that is even lower than the limit of his budget. On the mapping showing the area around the hotel, Mr Meyer sees that there is a subway station nearby. That is when he decides to take the room. He will need to use the subway both to reach his hotel from the train station and to travel to his client's office the following day. Mr Meyer enters his name and his credit card information. Entering this information on an Internet page is less worrisome to him than the fact that he has to enter the entire, long credit card number every single time he wants to charge something online. Still, he doesn't want to create yet another user profile online – he has already lost track of how many profiles he has created on which websites.

Many 'services,' such as the provision of online booking or shopping facilities, entail work on the part of the customer that is actually obligatory and requires a great deal of administrative effort. In the end, Mr Meyer is satisfied with what he has found, prints the reservation information on his own printer and files it in the binder with the travel documents that he has already compiled. To help him find his way quickly when he arrives, he also adds a printout of the subway connections from the train station to his hotel. Now he has nothing more to do than book a train ticket, and he is ready for his business trip.

The following customer resources came into play in this example: his own office infrastructure, including printer and diverse filing systems; the time spent figuring out the booking system and then completing the booking; a high level of concentration and foresight because it is important not to forget anything.⁴

2.2. Travelers at a train station

In all of the practical fields we examined, customers are faced with similar challenges. At the same time, the individual fields of service work are also characterized by the fact that in each case there are specific services to be rendered by customers that stand out in a particularly clear light. In the first vignette we concentrated on the preparatory work that must be performed by the potential customer before the actual service takes place. In the second vignette we are now on site observing a service at a train station.

Train travelers must always expend a certain amount of effort in advance. Planning the trip, looking up train connections on the Internet (or asking others to do so), checking ticket prices, and purchasing the ticket. If the advance work is done at the train station, then it involves taking a number, waiting one's turn, obtaining information and advice, and then buying the ticket. Tickets can also be purchased from a machine, and some travelers make an extra trip to the station just to figure out how to do so in advance. Nominally, the central service here is the train journey, itself an entire universe of services that we leave out of this account (see Rieder et al., 2004, for more). Instead, we accompany one traveler who has just arrived at the train station by train with the intention of leaving his bag in a locker, an apparently simple act of self-service for which it may seem there is nothing more to do than follow the instructions printed on the locker itself. As was the case for Mr Meyer, the service that one wishes to obtain is embedded in a lifeworld context and, as we shall see, also in numerous face-to-face interactions.

A man at the train station asked our researcher, who was standing in the gallery at the Munich main station, 'Do you know where the lockers are?' The gallery leads only to the DB Lounge – the customer is lost and finds himself in a dead end.

Today, train stations are shopping centers; they resemble one another and yet each one is different, and the lockers are not always to be found in the same place. The signs that point the way to railway facilities are hardly noticed in the bustle of the station, or, as in our case, they are simply not visible from a certain perspective. Customers ask other customers (or those whom they assume to be other customers) for assistance.

The researcher asks the traveler if it would be alright for him to accompany him on his search. He agrees. The traveler goes down the stairs and then goes in the direction he had not yet searched. On the way, he passes the entrance to the railway ticket office. He goes inside and asks the receptionist where the lockers are. The receptionist explains that the lockers are ahead on the left and gestures in the direction meant. The traveler takes the explanation and the gesture to mean that he should turn left into the corridor that opens up just past the ticket office. As the researcher discovers only much later (and the traveler never at all), the receptionist had intended to explain to the traveler that the entrance to the locker area was on the left, just *beyond* the corridor into which the traveler took his left turn.

Travelers approach the employees of subsidiaries of Deutsche Bahn, the German railway company, to ask for assistance – but these employees are not responsible for the problem. The misunderstanding of directions is a common problem here, and in the hotel, too, because the asker embeds the answer in his or her own perception of the surroundings. When someone says 'left,' one turns left where one has seen an opportunity for a left turn, even if, as in this case, it was one 'left' too soon.

When the traveler finally arrives at the rear entrance to the locker area, he finds that he does not have the correct change for the locker, which necessitates yet another interactive contact. He leaves the locker area, enters a book shop in the train station, explains his problem to one of the clerks and asks him to change a 20 euro note. The clerk cannot make change, or does not want to, and directs the traveler to the locker supervision stand.

Travelers also turn to facilities that do not belong to Deutsche Bahn. Our subject emphatically describes his situation and formulates a heartfelt plea,

probably because he knows that making change for Deutsche Bahn customers is not part of the duties of other service providers at the train station.

Finding the locker supervision stand is an additional task. The attendant is based at the entrance to which the receptionist had directed the traveler, but the traveler is not yet aware of that fact. The traveler and researcher go back the way they came, use the entrance they already know, and wander through the locker area for a while before they finally find the locker supervision stand. The clerk there makes change and the traveler has reached the end of his odyssey. He finds an available locker and deposits his bag. 'And I thought I would have time to see a little of the city,' he remarks.

The search for the lockers is embedded in the traveler's lifeworld. The traveler had planned to spend time in a manner other than searching for lockers and getting the correct change. For the secure storage of his bag, our traveler invested not only money but also time, and he brought a wide variety of skills into play. Now he is under time pressure and must change his original plans.

2.3. Relatives in a nursing home

The following vignette examines elder-care services from the perspective of a relative of a care-dependent person. In a manner of speaking, the relatives are the actual customers. Certainly this is so from the care facility's point of view. As a rule, the contract for elder care is awarded by the relatives of the patient cared for, working together with the care facility and the insurance and the relatives also want to have a say in how the services are to be performed.⁵

Ms Mahler has selected a nursing home for her husband. Just as in the hotel and railway examples above, there is a certain amount of information to be gathered before this selection can be made. Ms Mahler located the facilities nearest her home and visited them. This involved Internet searches and consultation with the Alzheimer's Society. 'Well, there are a number of sources and you always have to make sure you get the big picture, so to speak, because they are only excerpts, all you ever get is pieces of information.'

The customer must do the research and compile the results on his or her own, because there is no single umbrella organization that provides relatives with everything relevant to the search for a care facility. Finding the right care facility, however, is still a long way from actually solving the problem. 'Then they said, "We are full at the moment, but we'll get in touch as soon as space is available." I just thought, "That's all very well, but what am I supposed to do in the meantime?" '

Unlike the other two fields of service examined above, the search for a nursing home for a close relative is an existential and emotionally trying matter. It concerns a person to whom one is very close, and thus it deeply touches one's everyday life. Often the relative conducting the search is also under time pressure.⁶

Once a home with available space is found and the placement has been completed, it takes time to get used to the way things are done. Soon, Ms Mahler began taking an active role in making sure that everyday care is working as it should. 'Yesterday, again, I had to, you know, when I see that there are not enough cups on the table, rather than telling the girl, the kitchen helper, I just go fetch one or two cups myself. And one girl said, "Thank you for helping." But she doesn't know that I was there the day before, they probably don't notice when someone is friendly and helpful – some take more notice of it than others.'

What is noticed, to a greater or lesser degree, is an individual action. What is not noticed is the complexity of the service performed. Ms. Mahler observes the procedures, she sees what is missing, she knows where she can find that which is missing, and she is doing things like this all the time. It is the last point in particular that often goes unnoticed, if only because there are different staff members on duty on different days.

Because they are there so often, these relatives not only know a lot about the organization of everyday routines at the facility; they also become experts on the subject of professional care work and intervene in it. 'If you think to yourself, well, I might do this or that a little differently... of course you also want to try to work with the caregivers, although that can be difficult sometimes, because they can be a bit sensitive about their work, naturally. Or they might see it as meddling.'

The negotiation of the objective and the procedure is a complicated matter in which the relatives, who have long since become experts, come up against professional caregivers, who do not like to have their own expertise questioned. The resulting conflicts must be worked out by relatives and caregivers together in an ongoing process that continues throughout the resident's stay at the nursing home. This is a type of interdependence problem, in the sense of Weihrich and Dunkel (2003, 2012), that cannot be solved once and for all.

The situation above, when Ms Mahler said she 'might do this or that a little differently,' actually referred to a conflict concerning a certain medication that has strong side-effects. The conflict is upsetting for Ms Mahler but she does not let this show. She does, however, work strategically on her own feelings. 'The first impulses are always stronger...but I don't always show it. I think it would just be counterproductive in the situation. But it certainly can be upsetting. Especially because then you...there is relatively little you can do. You can really only have an effect if you cooperate on improving the situation. And then of course you have to see, it's no help at all if you go making accusations...you have to see that some progress is made, that the situation will be better in the future. And that's pretty much what I managed to do.'

The last sentence of this quotation suggests that customers, too, can experience the pride of production for a successfully rendered service.

When we look at service work from the customers' perspective, we see things that the employees and service-providing firms generally do not notice. The employees at the hotel where Mr Meyer stayed have no idea of all the things he did before he obtained their service; the individual service workers at the train station could not know what the gentleman asking for help had already been through in his search for a locker; relatives who are well-informed or are participatory, as in our last example, are indeed more likely to be seen by caregivers as difficult, rather than professional, customers.

3. Kinds of work performed by customers

Taking the customer's point of view results in a completely different picture, of both the service and the customers, from that seen by the service provider. Most importantly, the tasks performed by the customer in order to obtain the desired service from the service provider come into clear view. Below we put forth a systematic framework and an analytic vocabulary for analyzing these types of work, specifying the categories of interactive work, orientation work, integration work, and professionalization work. Furthermore we show that these kinds of work must be integrated in the customer's everyday life and be reflected in the customer's biography.

3.1. Interactive work

Both service providers and customers have to perform interactive work within a service relationship in processing the interdependence problems that arise in the service relationship. Like the service workers, the customers are required to bring all of their personal resources into play. The customers, too, must apply both expert and common-sense knowledge, as well as communication and argumentation skills. They must also manage their own feelings and the feelings of their counterparts strategically in the interaction. Ms Mahler pulls out all the stops when she tries to convince caregivers and doctors to discontinue a certain medication, and describes the way she needs to regulate her own feelings in this context. In fact, interactive work performed by customers includes not only cooperation and negotiation with employees and firms, but also the involvement of other customers and of employees of third-party firms in the service process, as seen in the case of the traveler seeking the lockers. This train station customer tries to persuade the clerk at the train station bookshop to cooperate with entreaty and by describing the awkward situation he is in. Nobody at the train station except the locker attendant, whose existence was unknown at the time, was actually tasked with making change for the lockers, so the traveler had to beg for this service.

3.2. Orientation work

'Orientation work' is a kind of work often required from the customer in advance of obtaining the desired service, for example, when seeking a nursing home for a care-dependent relative. Information must be gathered, and contact with a specific service field must be established. But customers also have to orient themselves within a firm, and learn the ropes or get used to the way things are done, as relatives of nursing home residents put it. This orientation is necessary on various levels. For the hotel guest, it was a matter of finding his way around in the virtual world of websites; our traveler, on the other hand, wandered around in the physical space of the train station and tried to orient himself by reading signs. In either case, what a person perceives depends on his own standpoint, literal or figurative, and sometimes the goal is not reached until after a few false starts. And finally, orientation sometimes does not take place in virtual and physical 'spaces,' but within a system of rules that must be learned and navigated.

3.3. Integration work

'Integration work' refers on the one hand to customers' efforts in combining different services that are offered by one or more firms.

Integration work, rendered by the customer, is often what makes it possible for the desired service to be obtained at all. This is especially true for decentralized organizations such as Deutsche Bahn, as well as for the other service fields examined in our study. Customers who get information, buy tickets, and board trains at the train station are putting together the railway services they want from the services offered by various providers, each of whom targets specific customer needs. By putting together the services they want, the customers are actually creating the service system called 'train station.' On the other hand, integration work also includes feedback concerning the quality of service, which may take the form of complaints, but also - and more importantly - the form of feedback given during interactive work. The customers themselves know best what they need for optimum cooperation, and they signal their needs to the employees. Integration work is also rendered, however, when the customers adapt their needs to the offered services and concomitant procedures, and when customers try to arrange their everyday lives in such a way that the service work can be carried out.

3.4. Professionalization work

Customers become experts in the field of their own needs, which is what makes them professional customers, with regard to both the subjectspecific expertise and the interactive work involved. In the case of the former, the lay person becomes an expert; in the latter, 'King Customer' becomes a co-worker of the employee as they combine their efforts in the creation of the service object. This professionalization process itself can be understood as a separate task. As far as the specific expertise is concerned, customers gather information about offered services, content, and the concomitant procedures needed in the creation of the service, and they are constantly learning. Moreover, this applies to a broad array of services, because customers are in contact with a large number of different firms. As far as the interactive work is concerned, customers learn by experience in widely varied service interactions. They accumulate strategic knowledge, including implicit know-how that makes them experts in interactive work.

Thus customers are professionals, but they are professionals in a very specific manner. Through their various experiences with different services, firms and situations, customers attain skills that they can use across the service spectrum. In this respect they are more professional than the service workers, which comes out in their demeanor, and they feel empowered to act the part of professional customers. When more and more work is outsourced to the customer, and the customer requires more and more expert knowledge for the creation of a service, customers become less inclined to accept the role of layperson. In a way this is a direct and unavoidable consequence of outsourcing work to customers and the concomitant professionalization of customers.

3.5. Coping with everything: An overarching customer service

Customers have one overarching kind of work to render: they must accomplish everything that has to do with service work, day after day, year after year. Seen from the customer's perspective, it is clear that everyone performs the kinds of work described above, and they do this practically throughout their entire lives, working in cooperation with not one but many firms. Looking at the customer journals from our study, the broad spectrum of forms of service work that customers have to accomplish can be reconstructed: railway journeys and the preparation they require, hotel and long-term care services, researching options and placing orders, choosing mobile telephones and Internet service prices, shopping online and off, banking, eating in restaurants, going to doctors, negotiating with craftspeople, administrative and organizational work, and much more. How do customers integrate all of these services into their everyday lives?

To formulate this question more precisely and investigate it further, we draw on the concept of 'the conduct of everyday life.'⁷ This concept encompasses the manner in which a person manages, within their own context, all the different and to some degree conflicting demands they are subject to day after day; how they organize work and everyday life; and how their own desires are adapted to or aligned with the expectations of others. Studies of the conduct of everyday life reconstruct the central frame of reference that orients working people in their coordination of work and family, obligations and needs, and requirements and consequences as they arrange and conduct their lives. Such studies have found that this 'work of everyday life' (Jurczyk and Rerrich, 1993) is an active accomplishment and, thanks to the blurring of social boundaries, is rapidly becoming a whole new form of work.

The concept of the conduct of everyday life can also be applied to the specific work rendered by customers in service economies. With our altered perspective we see that people must actively manage all of the varied and conflicting demands they face as customers in their daily service relationships – again, work and everyday life must be coordinated. Thus, the corresponding concept of 'the conduct of everyday customer life' is an active task performed by the customer. There are many indicators that this 'conduct of every day life' is increasingly becoming a form of productive work in its own right, in a current social process by which each individual member of society must accomplish an increasing variety and number of tasks (cf. Voß, 2012).

In response to these various demands, everyday customer life involves contact with more and more services and firms, requiring individuals to spend a considerable amount of time managing it all.8 At the same time, conflicting demands must also be integrated in the conduct of everyday customer life. One service implies that the customer needs professional advice, while another requires self-service, for which customers must first train themselves. The three vignettes above represent different forms of service systems, each of which requires specific services on the part of the customer. In standardized service systems such as that found in the hotel industry, customers must integrate themselves as well as they can into existing standardized processes. In decentralized service systems such as that of Deutsche Bahn, customers must put together the service mix they desire from the various firms within that system. In a professionalized service system like that in elder care, the relative is expected to learn enough about elder care to be able to understand the treatment strategies of caregivers. Thus customers are faced not only with widely varying but also inconsistent demands, and it is no wonder that customers sometime feel like they are on a roller coaster ride of adaptations, marketizations, and professionalization rivalries.

One way to find out how such diversity and contradictions are dealt with is to analyze the 'conduct of everyday customer life' with a view toward identifying a central theme and mode that we, as customers, develop and use for orientation when performing our tasks. Our empirical data give some indications as to how these central themes can be typified. One type of theme is fatalism: hope that anything will change at the companies with which one works has been abandoned, but withdrawal is not an option because the same set of circumstances is found everywhere. Another type is characterized by the preference of conflict over withdrawal: employees and service companies are given critical feedback whenever possible. And last of all, our findings point to a third type that is reflected in customers who do as much as they can on their own, without feeling disadvantaged by it. This third type is more likely to be a technology buff, and the service work carried out on the Internet if at all possible.

Like the conduct of everyday life, the conduct of everyday customer life also has a biographical dimension. The 'customer biography' develops in interaction with all the demands and impositions to which the customer is subjected over time. Thus professionalization work described above requires a process of professionalization that the customer experiences over time. In these processes, customers acquire expertise in a variety of service contexts, and they become professional customers only due to their experiences with many different service providers and service situations.⁹

4. Cooperating as equals: A new model of service work

In rendering services, the customer – like the employee – is integrated into a mesh of operational specifications, conflicting demands, everyday pressures, and action imperatives. If customers' services are classified using the same categories that are applied to gainful employment – such as working conditions, qualifications, and workloads – it is apparent that the customer's workday has no defined endpoint, customers require training, and customers need to actively manage their work-life balance. If we look at the workloads in more detail, we see that not only the sphere of gainful employment but also the sphere of customer work can create depression, burnout, and overwork.¹⁰

Unlike employees, customers can hardly count on getting managerial or sociopolitical support for their work. Even though service providers cannot provide their services without the customer also rendering the kind of work described above, a glaring lack of recognition is evident. The tasks performed by customers usually go unnoticed and unappreciated. There is generally no acknowledgment at all of the work done by the customer in the service relationship (cf. Hoffmann et al., 2012a). On the contrary, customers' work is taken for granted, which allows the demands on them to be increased, potentially without limit.

We are of the opinion that employees and firms can profit from customers' work without exploiting the customers. This is only possible, however, if the customer can be made an equal partner in the service relationship. That is why the change in perspective we describe is advocated not only as a scientific approach but also as a suggestion for service provision in practice. We call on employees, firms, and the customers themselves to see service work from the customer's perspective. Employees could, for example, recognize the fact that the service worker should engage the customer if cooperation is to succeed and that employees must explicitly offer cooperation to this end. Firms could make sure that their instruments of control allow sufficient freedom for processing the interdependence problems that arise in the service relationship and they could ensure that they provide the kinds of working conditions for the customers that enable them to perform well in service work. And customers can apply the change of perspective to themselves and understand their roles in guaranteeing the successful service provision.

The concept that 'the customer is king' and the modern version of 'the myth of customer sovereignty' (Korczynski and Ott, 2004) are no longer appropriate, as customers have long since become co-workers. They perform a variety of tasks and are indispensable partners in interactive work. Customers and service providers negotiate the object of the service and the procedure for its provision; they process the problem of the incomplete contract by establishing something like a trust relationship; and together they define the quality and value of a service. Under these conditions there is no way to maintain the myth that the customer is king and can decree what shall be produced and how he or she is to be served. But neither can customers continue to be relegated to the position of laypersons, subordinating themselves to experts. Customers have themselves become experts, and express their desire to participate.

To promote good interactive work under these conditions, a new concept is needed, one in which neither customer nor employee is in a superior or inferior position. We advocate a concept that defines service work as 'cooperation among equals' (cf. also Voswinkel, 2005). To integrate customers as partners into a service relationship on these terms, it is essential to examine service work from the customer's perspective. This change in perspective, however, will not be achieved by merely standing on the other side of the counter. Rather, it is an attitude that develops only slowly. It calls for ethnographic methods that enable an immersion in the customer's life and in this way to finally correct the distorted, fragmented, and paternalistic view that firms have of their customers.

A service concept that is based on the idea of 'cooperation among partners' must also change the customer's working conditions within the service relationship, as demonstrated by the change in perspective. Service work requires good working conditions for customers, too. Such a policy benefits the employees as well, because their working situation improves when they work with cooperative, competent, and satisfied customers' needs are ignored and their willingness to cooperate is exploited. The political message of the suggested change in perspective is that 'the work of customers must be humanized, too!'¹¹

Notes

- 1. The last of these questions was formulated on the basis of the 'conduct of everyday life' concept ('*Alltägliche Lebensführung*' project team, 1995). For more on the methods, see also Dunkel (2012).
- 2. See Hoffmann and Weihrich (2011), on the methods of accompaniment.
- 3. This last methodical instrument was designed only for the customer side (see Schroeder et al., 2012).
- 4. For more on what happens when a customer arrives at the hotel (see Hoffmann and Weihrich, 2011; Hoffmann et al., 2012b).
- 5. For the nursing home residents' perspective, see Weihrich et al. (2012).
- 6. For more on this, see also Dunkel and Augustin (2012).
- See, for example, 'Alltägliche Lebensführung' project team (1995), Voß and Weihrich (2000), and Weihrich (1998). The empirical research on the conduct of everyday life has become a broad field of research since 1995 (see, for example, Demszky von der Hagen, 2006; Egbringhoff, 2007; Morgenroth and Schindler, 2012).
- 8. This is due to the outsourcing of tasks that were previously performed by employees (see Voß and Rieder, 2005) and also due to the fact that more and more services previously privately performed are now performed by service providers for payment (cf. Hochschild, 2003).
- 9. In this aspect, our results contradict the thesis of Hollander (1985; gained from a study of early service research) that service relationships are one sided in the sense that what is new and exciting for the customer is a daily routine for the service providers (cf. also Dunkel and Weihrich, 2010). For customers, too, service work has become routine.
- 10. These 'customer illnesses' fit to the types of customer life conduct described above. The 'fatalistic' type can suffer from depression, the 'contradiction' type from burn-out, and the 'do-it-yourself' type from overwork or workaholism.
- 11. Cf. Dunkel (2004).

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Part III Working on Customers

7 The Functional and the Personal Customer

Stephan Voswinkel

Asked by an interviewer, 'Could you describe to me how a normal customer behaves? Are there any points of particular importance?', Mrs Weinlich and Mrs Kowalewski, employees at a discount supermarket, reply:¹

Mrs Kowalewski: 'What's there to say? Normal is when everything is put on the conveyor belt, everything goes through the scanner, [we say] 'hello' and 'good-bye' (Mrs Weinlich: 'Yeah.'), money is handed over, and then he leaves.' Mrs Weinlich: 'He just does his normal shopping. He's glad when he's out again, most customers are glad when they're out again.' Mrs Kowalewski: 'That's right. There's no talking or laughing out loud or anything like that. It's only with regular customers that we chat and say 'well, how nice you're back again!' Then we talk to them. But usually the customer is left alone; most customers want to be left alone. Then we just say 'hello' and 'good-bye'. Mrs Weinlich: 'And we do the checkout quickly, so they can be out of here as quickly as possible.' Mrs Kowalewski: 'So he doesn't have to wait.'

This interview excerpt not only demonstrates the day-to-day dreariness of simple service work, it describes how employees in this distinctive self-service setting perceive a 'functional' customer.

Extended version of Voswinkel (2005b).

In contrast, the following quote is taken from another interview in which Mrs Teschner, a checkout supervisor at a self-service department store, gushes about some of the customers:

They come in and smile at you and then work is really nice, it's just wonderful, you can have fun at the checkout with them. These customers always come to you at your cash register, and they also recognize you if they see you outside the workplace, if they see you on the street, they say, 'oh, hello' (...) I can be walking downtown with my husband on a Sunday and they'll say 'oh, hello,' then he'll say, 'Who was that?' And I'll say, 'oh, that was a customer.' And I find that positive...I find it positive that people greet me when they see me outside of work, even though I don't really know them, just from here.

(Mrs Teschner, checkout supervisor at a self-service department store)

The focus here is not on the functional customer. Rather, the customers here are seen and valued as persons. They recognize Mrs Teschner, and Mrs Teschner often recognizes them as well.

In customer-contact service work, the customer is of functional and, potentially, also of personal significance. Only a small group of customers ever activate their personality, but the possibility that they will must always be factored in. Most importantly, interactions with personal customers are crucial for the way employees perceive their work and for their level of job satisfaction. The low frequency of these interactions is offset by their high qualitative significance.

In this chapter I elucidate the concept and importance of distinguishing between functional and personal customers and show how companies and employees deal in different ways with this duality in the customer. This work is a continuation of the excellent research of Marek Korczynski (2002a: 75ff.) who showed that in customer interaction, the customer is both an economic and a social player who also interacts with personnel as a socially embedded individual, and is thus a source of both pleasure *and* pain.

I first define what is meant by a 'functional' (1) and then by a 'personal' (2) customer. I will argue here that the personal customer is a key to the employees' experiences of being recognized or disregarded as well as to the way they frame their work (2.1 and 2.2). Companies try to functionalize the personal customer and personalize the functional customer (3), or they develop strategies to de-personalize the customer (4). Because the personal customer, as a moral human agent, can put the employee into a moral bind, companies attempt to de-personalize their relationship to the customer through the bureaucratization of customer orientation.

1. The functional customer

With their service concepts, organizations do not simply react to consumers' wishes. Instead, they offer a product or a service and devise the way it will be produced for and, to a greater or lesser extent, with the customer. To do so they first make an assessment of the demand and (potential) market for the product or service as well as of the customer who is to embrace the concept. If customer-contact service is to be provided, the customers must fit themselves into the concept and be willing and able to function in it. This concept of the customer thus not only serves as an orientation for the organization but at the same time excludes many, perhaps most, consumers from belonging to the group of potential customers chosen by the company. When put into practice, it becomes clear whether the customer concept is realistic in the sense of whether enough customers accept the concept. The consumers, on the other hand, search for signals from the provider company that explain what the company expects of them so that they can decide whether these expectations match their own wishes. This reciprocal decision and adaptation process takes place mainly *outside* the service setting.

For the sake of efficacy and clarity and in consideration of the expectations of the customer *within* the service setting, the process and the structure of the service offered are usually designed such that the customer must follow certain norms of action in order to obtain the desired service. Thus, the possibilities for short-term adaptation by the organization and customer expectations *in* customer contact are very limited and are made possible only by a clear exception to the rule. In a selfservice setting, the customer must stand in line at the checkout or at the meat counter, must select fruit from the shelves, and so on. In a setting in which customers are waited on, they cannot just mull through the displayed stock or cut their own hair at the hairdresser's. This is so obvious that deviations would seem like an ethnomethodological breaching experiment. Let us imagine a few such situations:

A customer speaks to an employee in a self-service area of a store and asks for a glass so he can have a small sample of wine. Or a customer takes goods with no price tags to the checkout counter and asks the checkout clerk to tell him the prices so he can decide at the cash register which he will buy and which he will hand back to the clerk. Or a customer enters a restaurant, goes straight to the tap, draws himself a beer, and then proceeds to the inconspicuous cash register in the back.

Such imagined breaching experiments show how remarkable it actually is that service processes almost always function smoothly. This indicates, first of all, that companies apparently send adequately clear signals about their service concepts so that customers know what kind of service they can expect and what expectations will be made of them. However, customers often also commit themselves to a service process without knowing beforehand what to expect. There are several reasons why they might do this. Customers may fear embarrassment if they let on that, in contrast to other customers, they did not know what to expect and did not know the rules of the game. Customers may also be thinking of the costs of again searching for a suitable new service provider. Finally, it is possible that there may be no other options, meaning that customers have no exit option at their disposal or that the costs of these options may be disproportionately high.

When interacting with customers, service personnel thus generally encounter customers who *function* in the service setting because they chose this particular service provider and entered into the service process, tacitly agreeing to its rules. Functional customers can obviously cause normal problems: they may be impatient waiting in line, they may not be able to find something, may not know the name of the product they want, or, in a restaurant, may drag out the choice between white or red wine. Such problems are to be solved by personnel: by opening another checkout, by setting up easy-to-read signs, or by offering suggestions. They belong to the practical realization of a service concept and to the normalization task of personnel.

In contrast to these customers, who indeed cause functional problems but who accept the service concept, there are others who do not accept the service concept, do not seek contact, or who quickly exit again. If too many consumers avoid contact, the service concept is withdrawn from the market or must be revised. However, this results from customer exit, not customer voice.²

When an organization wants to take customers' criticisms and wishes into account, utilizing customer 'voice' to adapt and modify its concept and services, customers must be given the chance to exercise this voice before they switch to another company or brand. The most effective relay points for this are located at the boundaries of the organization. Here, the exchange between the organization and its environment can be established such that the environment is dealt with according to the organization's own standards; here, too, the organization is made aware of changes in environmental expectations (Tacke, 1997). In this way, an organization as a system 'makes demands on its borders that are full of contradictions' (Luhmann, 1995: 223). An organization may also separate and compartmentalize its border exchanges. One kind of border point exchange is externally directed, where the image and goals of the organization are represented to the environment. Another is internally directed, whereby expectations from the external environment are communicated into the organization. Differentiating and separating them increases the organization's ability to control its border point exchanges. Yet, separating input and output segments of communication can also mean a loss of flexibility and information. Because the information gathered in one direction of exchange cannot be relayed back to the other, expectations from the external environment will not be acted upon and organizational actors will not know anything about the external effects of their actions.

In the retail business, the various functions of border points are differentiated as follows. At one (information technology) border point, the company collects information on customers' wishes via customer surveys, from market research projects, or by using data from the goods management system and on customer's consumption behavior (Voss-Dahm, 2003: 82ff). On the basis of this data, they draw conclusions about customer satisfaction and dissatisfaction and about the different expectations of the various customer segments. It is the functional customer whose voice is to be acted upon here. The individual functional customer is also represented in a 'quantified identity.' With this term I refer to the structure of the data entity which serves as a model of the individual customer. The customer-oriented organization then attempts to react to the structure of all of the objective customer identities. The other border point, namely the individual store with its customercontact personnel, often has very little influence on the stock of goods or its presentation. It is here that the organization's sales strategy must be implemented, faults in the service concept corrected or covered up, and solutions to problems improvised.

Different border points are associated with the different areas of 'customer orientation.' Heike Jacobsen and Gerd Möll differentiated between strategic, operative, and interactive customer orientation (Möll, 2003: 45ff.; Jacobsen, 2002). *Strategic* customer orientation refers to the area of sales policy including, for example, pricing, presentation, and orientation to particular customer segments. *Operative* customer orientation strives toward a demand-oriented regulation of the flow of goods

within the commercial enterprise and between commerce and industry. *Interactive* customer orientation deals with the organization of the personal customer interface. This differentiation of border points is thus associated with a separation of strategic and operative customer orientation from interactive customer orientation. In the strategic and operative customer orientation, the customer is seen only as a *functional* customer; only in interactive orientation is the customer experienced not *only* as a functional customer but also – potentially as well as in specific situations – as a personal customer.

2. The personal customer

The *personal* customer is a customer with whom customer-contact personnel establish a *special* relationship. A personal customer activates individual character traits and idiosyncrasies in the process of exchange. He or she has a social identity and demands to be treated as a person, not merely as a functioning unit within a service transaction. Every customer is always a personal customer, too, but not all customers express their personality. Because their characteristics cannot be reduced to simple abstractions, neither service concepts nor information-based, quantified identities are capable of fully describing them or predicting their behavior.

Personal customers are often placed into negative or positive categories by the employee. One example of a *positive* category is the customer who appeals to the employee's desire to help: the elderly woman, the visually impaired person, the older bachelor with no shopping skills. Another positive category is the personable customer, or a customer who talks to the employee on a personal level, cracking a joke, or being able to take a joke, so that the employee does not have to remain detached. Examples of *negative* categories are customers from whom the employee expects negative behavior and who are difficult to deal with: the 'alcoholic' or the 'gypsy' (to use their terminology) or the fussy, grouchy, and arrogant types. Arrogant customers are particularly disliked, not only because they expect a disproportionate amount of attention but also because their behavior is an expression of disrespect toward the personnel.

Such categorizations are quickly made. They are based on past experience and on intuitive sympathy or antipathy, as Mrs Brühling describes:

You see some people and you immediately feel dislike towards them, and you wait on them, I think, not quite so....Some you

immediately find really nice, some are just normal, I'd say, there is just this in-between there. And sometimes you see one and maybe you don't really like waiting on him. But it's not like you can see that he is in a bad mood or that he is sure to find something to complain about, no. There are regular customers who you know are a little difficult, you have to be careful, you have to be one hundred percent careful, you'd better slice everything fresh because he's sure to find something wrong with the slices that are already made, that they have dried spots or something.

(Mrs Brühling, employed at the meat counter of a self-service department store)

For some categorizations there can be a shift in the assessment. 'Children,' for example, are on the one hand often dysfunctional customers because they can be disruptive and annoying and often do not know what they want. On the other hand, they often arouse motherly, caring feelings and can present an opportunity for personal conversation. Talkative customers can provide variety or be a burden, depending on the stress situation or workload.

Regular customers are vital, and not only because they give personnel the feeling that they are doing a good job in their customer relations. Regular customers signal – in a functional sense – that customers have been won over to the company. The longstanding regular customers develop a shared personal history with individual employees or even with the entire staff. This is important for personnel because this gives 'the customer' an individual face, and it makes employees feel like they are recognized as real individuals. Regular customers personalize the workplace by sharing their lives with the employees, thus creating a shared history of their mutual encounters.³

The personal customer, particularly one who is also a regular customer, shapes the staff's relationship to customers and the self-image of employees as service providers to a degree well beyond their functional importance for the service itself. The personal customer's influence is superior to the subjective presence of 'normal customers' as functional customers. It is not just the positive or negative encounters with customers and their personal behavior toward personnel that influences the quality of the workday. In the service concept, there is no role for personal customers, but for staff, they are of considerable importance. Because the workplace is an important part of a worker's life world, personal customers influence the meaning of work
and bring up opportunities for receiving recognition or experiencing disrespect.⁴

Employees gather such experiences not only through contact with customers. Indeed, recognition is best understood as a central aspect of societal and intersubjective relationships that is of such great significance because it infuses social structures into subjects' identities. People see themselves reflected in others and assess themselves in the context of general societal expectations and the criteria for recognition in the narrower (subcultural) environment (Mead, 1995 [1934]). A superior position within an unequal social structure is not only an expression of special recognition, it also shapes individuals' chances to receive recognition as well as their expectations regarding how much recognition they are likely to get. Moreover, recognition is a demand that people direct toward their environment. They develop their identity by examining the expectations of others. They experience different criteria of recognition and must decide which ones they want to adopt for themselves. They also experience a discrepancy between their self-image and their experiences of recognition and disrespect. These tensions can result in a 'struggle for recognition' (Honneth, 1995).

Recognition signifies that actors, or their character traits, have been positively assessed by their environments. These environments are comprised of other actors, social structures (such as organizations or communities), social and political communities, and social norms, institutions and relationships of legitimization. Recognition can be seen on a micro-level as intersubjective recognition, on a meso-level as recognition in social entities and on a *macro-level* as social prestige and societal recognition/legitimation relationships. These levels relate to each other but can follow different forms of logic. Customer-contact workers generally have a low social prestige, yet they may receive a great deal of recognition from their company because of their performance. These same individuals may be disliked by other employees on the basis of their negative personality traits, and yet they may be highly regarded by customers on the basis of their salesmanship skills. Thus, recognition should not only be understood as a communicative relationship, as is common in psychology or in management textbooks, because it is institutionalized within societal structures and social symbols that give expression to social values.

In the context of work and organization, recognition means above all the special value placed on work performance. What is meant by 'performance' varies historically and by context and is the result of social definition. In the working environment, legal recognition also plays an important role, meaning the status of the employee as a working citizen with a chance to participate. Ultimately, the expectations of recognition at work are related to the personalities of workers who not only give their labor to the organization but also develop social relationships in the organizational life world and through contact with customers. They thus expect emotional support.⁵

The striving for recognition and meaning in the context of work can explain why customer-contact personnel sometimes impart a meaning to their work that deviates from their nominal functional task. They often 'frame' their task as 'helping' or 'control' work, and here the personal customer plays a pivotal role. One could also say: employees look for opportunities when dealing with the personal customer to frame their work as helping or control work, because this meaning increases the value of their work or makes it more interesting. This, in turn, gives employees in customer contact a more dominant role and makes it possible for them to experience recognition.

2.1. Framing work as 'Helping'

The functional task of personnel in the self-service setting of a supermarket is, for example, to solve or cover up problems in the service process so as to restore normality. Such problems may arise due to poor product display or temporary shortfalls; they can also arise from customers' lack of skills or from physical handicaps. A task is categorized by employees as helping⁶ when they assist with customer problems not (just) to restore order but motivated by the desire to provide help to a needy person. The act may not differ if framed as a normalizing task or as help. The employee's understanding of the task's meaning, however, is clearly different.

In the following interview excerpt, Mrs König describes a simple work sequence: she reaches up to get goods down from a shelf for a small, elderly woman. She depicts this action in the context of the need for contact by the customer, understood on a personal level:

Particularly in our store, there are now some things on upper shelves, and when a little grandma comes in here, she just can't reach them. So when such a lady comes up to me and says 'Miss, I'd like to have those pickles up there but I can't reach them,' I say 'Just a moment,' and then I go and get them down for her, I have no problem doing that. When someone comes up to me like that, she is looking for some contact, too, maybe because she has nobody at home for her at all. She wants to talk, and she also wants to talk when she is at the

checkout, where another person would say 'Oh, why is she gabbing so much!' These are individual things you just can't put all in one pot, because every person is different, everyone is an individual and wants to be treated as such.

(Mrs König, self-service store)

The next excerpt shows how important such framing can be for the employee:

In answer to the interviewer's question, 'Is there any particularly pleasant customer encounter that you might remember?' Mrs. Kittel, who is employed in the textile section of a self-service department store, recounts the following incident: 'Well, there was this couple who was prowling around a particular sports coat, and it was just before the summer sales began. They put it back on the rack, picked it up again, tried it on, put it back on the rack again, asked "Is it going to be marked down?" And I said "Not at the moment." Again they put it back and left. The man was gone, but the woman came back alone and looked at it again. Maybe it was because they were both a bit handicapped. The woman had lost half of her arm and the man had some hip problem. The woman talked to me a little and explained that it was her husband's birthday and she had hoped that the sports coat would be marked down for the summer sales so that he could get it for his birthday. So then I marked the price down for them. The customer's eyes just shone and well...you could just see that they probably had saved up their money and had treated themselves. And then I went on a break and when I came back, the customer came up to me and gave me a little bar of chocolate as a thank-you, and she had written on it so nice "Thank you" and she just thanked me. So I really made those customers happy. And I found that pretty nice, something like that is really nice, and that made me happy, too....Yes, because it wasn't just taken for granted, they did not treat me with disdain like so many other customers do, but I made them a little happy.'

(Mrs Kittel, self-service department store)

When Mrs Kittel helps these customers, she is offering an extra service – in this case by stepping into a grey zone of sales policy – to customers that she specifically perceives as being individually needy. Such an act is not about creating customer loyalty, particularly since in this case the customers have a low 'customer value.'⁷ Nor is it about preventing

disruption in the service situation by irritated customers. On the contrary, the most important aspect for Mrs Kittel is that she makes the customers happy. And she does not do this only out of altruism; in this situation, she herself experiences gratitude, something that rises above the disdain with which she is often treated by customers. Helping thus raises her self-esteem. These kinds of experiences with *personal* customers are the reason why some employees frame their work as helping, whereas for the functional customer they solve a functional problem (the fact of which the employees can be aware of).

2.2. Framing work as 'control'

Many employees not only provide services to customers, they also have to control them, steer their behavior and engage in conflicts with them (Dunkel et al., 2004). In this context the encounter with the customer has the character of a struggle in which the customer is mainly viewed as a (difficult) *person*. Such situations are rather tense, at times even frightening. Since some employees have to reckon with such situations at all times, tension may occur even without the manifestation of conflict. For some employees, work days are thus shaped more by the potential for conflict with customers than an outside observer might consider justified. These employees thus frame their work essentially as control work.⁸

Since the service setting takes place in publicly accessible locations, the control work sometimes crosses the boundaries of the workplace because the 'customers' who must be controlled also live in the surrounding neighborhood, and personnel may encounter them in non-work situations. The workplace of Mrs Erhan, an employee at a discount supermarket chain, is one characterized for her by conflicts that can spill over into the neighborhood. She is 20 years old, of Turkish descent, and in the supermarket she sometimes is verbally harassed as a foreigner. She experiences work as dangerous because only a few people work with her in the store and only one of them is a man, the store manager. Furthermore, she worries that conflicts that occur in the workplace will continue after work.

When Mrs Erhan emphasizes the 'harshness' of the conflicts with personal customers at her workplace, this is not just a sign of fear but also of anticipatory tension that can actually make the work more interesting.⁹ In fact, the actual or potential conflict with customers can absorb so much attention that the work is framed as control work to a much greater degree than it really is. Because control work places constant mental demands on the worker, other elements of customer interaction become less important in the employee's perception of work. Friendliness and conflict are often just two sides of the same form of behavior that could be called 'offensive friendliness.' Ms Erhan spoke of this in a classic sense when she explained how she behaves when she is verbally harassed, for example about her foreign descent:

You actually hate them, but you always try to get a little kindness in there and view the customer a little bit more relaxed and say, 'Here, I'm going to manage to have a laugh with this customer.'... When you manage to do that, then you say, okay, now you know what you can do. So you can take revenge. When you're good-natured and when you really make a good impression, you can take revenge on the one hand, but on the other hand you think: you did something good, he laughed with you and apologized. Then it's settled.

3. Functionalization of the personal customer and personalization of the functional customer

The argument made above, that organizations focus on the functional customer while customer-contact personnel interact above all with the personal customer, is not complete. Organizations do in fact focus on the personal customer: they *functionalize* them.

3.1. Formation of customer types and 'data mining'

Business organizations think of customers as having different character types and attempt to do justice to this in their operational strategies. A traditional method, the typology, was used in a solution to an exam question published in a preparation textbook for vocational students of retail business. A differentiation is made between 'athletic,' 'ladylike,' and 'extravagant' types, between 'female customer' types ('emancipated' or 'feminine'), and between 'male customer types' ('sensitive,' 'dependable and serious,' 'goal-oriented,' or 'generous'). As to the *personal behavior* of the customer, a differentiation is made between 'stingy,' 'nervous,' 'indecisive,' 'distrustful,' 'pretentious,' 'vain,' 'withdrawn,' 'shy,' 'know-it-all,' and 'talkative' customers (Huber and Huber, 2001: 356–7). Interestingly, this typology appears to have been developed only to address how customers can cause problems for the service provider. In other words, the personal customer is a dysfunctional customer.

There is, however, a more modern method of developing customer types. To learn more about customers' likes and dislikes, their secret desires, and the images rolling around in their heads, companies collect data so as to customize the product, the service concept, or their advertising messages for 'target groups.'¹⁰ To this end, customer cards and other methods are used to entice customers to volunteer personal data for the construction of quantified identities. The attempt to precisely characterize the customer using 'data mining' focuses primarily on consumption habits and income status; and in this way, the customer is (again) viewed as a functional, economic customer.

Pseudo-personal relationships with customers can be made on the basis of these quantified identities. For example, if a quantified identity is made available to service employees via a computer monitor, they can convey the false impression that they actually remember the last encounter with the customer or that they know the customer's preferences or quirks without ever having seen the customer before. Barbara Gutek and colleagues (2000) call this a 'pseudo relationship,' and it is a relationship that is established with a company although interactive encounters have taken place only with individual employees.¹¹ The history of the customer relationship does not have to be transmitted personally through individual employees at the borders of the company but it can be stored using data processing. At the same time, employees at the border points can assume the task of feigning a personal relationship, creating a pseudo-personal relationship to the customer. Even if the company attempts to set up a 'personal encounter,' for example by addressing the customer by their first name or using other standard forms of intimacy, they are actually only functionalizing the personality of the customer and the customer relationship.

3.2. The subjectifying customer orientation

By forming quantified identities, customers' personalities are functionalized. In a process that might be thought of as a *personalization* of the functional customer, a company strives to establish a personal relationship to customers by addressing them as real people and even as personal guests. This superimposition of a personal onto a professional relationship 'turns fatal when it holds out the promise of immediately obtainable closeness and intimacy and at the same time undermines professional goals' (Durst, 1993: 303). Personnel development in many companies aims to train employees to practice a subjectifying customer orientation. A good example is rule number 5 of a list of 20 rules on customer orientation from one of the largest international hotel chains:

We strive to anticipate the needs of our guests and react flexibly to their wishes. We practice 'anticipatory hospitality.' We recognize 'nonverbal' clues and take initiative with personalized service. Employees with a subjectifying customer orientation are supposed to address customers as a person. Employees are not to regard customers as functional units in the service process; they are supposed to treat them like individual human beings. If a guest has a problem or a claim, the employee is to first empathize with them. This is not always easy. Mrs Glas, an employee at the 'At Your Service' customer claims desk in a hotel, remarked that it is not always possible for her to empathize with the anger and irritability of guests when a lamp is broken in a room, the toilet is not flushing properly, or the door will not open with the card. Many of the well-to-do hotel guests are considered by the employees to be spoiled and helpless and thus it is often not possible for them to empathize with the guests' problems. For feigning empathy anyway, the hotel gives its employees a five-step plan, described by Mrs Glas half ironically:

Well, we have this process here, first we listen to the guest, then we agree with him, saying: 'Of course, that's awful' or something like that, and then we apologize: 'We're so sorry that happened.' Then we act, the whole thing gets written down. It is very important to always first listen so that the guest can vent his anger, express why he is at that moment so frustrated. It's often the case that the guest isn't really angry about what the complaint is about...the broken lamp, but he just came in from a very hectic day at the trade fair, had a lot of stress, he comes into his hotel room and then finds the lamp broken. That means the guest is coming first just to vent. You should never interrupt the guest then because it will just get worse. That is the last thing one should do, because then he gets even more agitated and even more irritated and angry, that just doesn't help at all. You just agree with him and say 'Yes, if I were in your situation, I would also find that really bad and I can understand that you're so angry, nobody wants a broken lamp. We'll send someone to fix it right away.' So you need to placate him a little so he feels understood, that is what's important. I can't say something like 'Well, it really is not that bad a thing that your lamp is broken.' (laughs). And you say: 'I'll send someone to fix it right away.'

(Mrs Glas, Hotel)

The personal relationship of the employee to the customer is meant to functionalize the customer's personality. Service providers often do not want only to appeal to the rationally calculating customer but also to the irrational customer. They want to stimulate customers' moods, subconscious desires, dreams and images such that the service is a bit like 'enchantment,' as G. Ritzer (1999) and M. Korczynski (2002b) call it. Thus, the functional customer relationship must be staged as a personal relationship if the latent economic character of the relationship is to be kept latent.

4. Strategies of customer de-personalization

Another company strategy aims to completely exclude the personal customer as an incalculable and uncertain factor from the service interaction. This becomes possible when the customer is routinized (Leidner, 1993) and certain fixed operations in the sequence of automated service processes are implemented. Retail self-service represents a large step in that direction. The next step along this path is the self-service checkout. Here, customers serve themselves at the checkout, ticket machine, automated teller machine, et cetera. The only interaction is with the machine.

This strategy poses quite a challenge for the company. It is essential that the software and equipment used in the self-service system are easily understandable (Esch and Thelen, 1997; Swoboda, 1997). If the display of wares in a supermarket does not follow a normal pattern, if the ticket machine's price system is incomprehensible, or if a website has too many dead-ends, the customer will usually react by exiting the system. A poorly designed computerized 'call-processing system,' for example, makes the customer dial in, listen to a menu of options, press or say the number corresponding to the desired action, then repeat the process at the next level only to get put on hold, listening to cheesy music. Frequently, what the customer really wants is not even mentioned as an explicit option. The disgruntled customer is likely to hang up. The problem for the company is that it receives no feedback about why the interaction failed and thus has no clue about its functional deficit.

Online self-service is another situation where providers attempt to both cultivate as well as functionalize the personality of customers by including them in the advertising and marketing strategy. For example, there are many web platforms enabling customers to write and share subjective, emotion-laden opinions regarding the quality of products, often collecting points or badges. This provides the company who owns the platform with information that can be analyzed and sold to other businesses.¹²

5. Bureaucratization of customer orientation and the customer as a moral agent

With their 'customer orientation' strategies, companies seek to satisfy customers on a subjective level, or at least make it look like they are. One form, noted above, is a 'subjectifying customer orientation' which aims at personalizing the functional customer relationship. Another is a 'bureaucratic customer orientation' in which certain goals of customer orientation are channeled into standardized and bureaucratic processes and requirements for personnel. In this way, the company's relationship to the customer is routinized in a customer-oriented manner and at the same time stripped of its personal, negotiable character. The bureaucratic customer orientation is intended to counteract the dysfunctional implications of customer orientation that result when employees treat customers as persons.

Personal customers cause problems for the customer-oriented company in that they are moral agents for many employees, persons for whom they apply normal criteria of personal interaction. However, for the customer-oriented *company*, customers are an *economic* subject who must be satisfied such that they will return again to the business. This attitude is expressed by the metaphor 'the customer is king': the customer is always right. Or more precisely: employees should always assume the customer is right. People who are always right are *not* measured against normal standards. One either enters into a servile relationship with them or puts himself at a distance to them with apathy, irony, or cynicism.

That companies demand such apathy from their personnel in the interest of 'customer orientation' can be demonstrated in the following empirical example.

Place: The employee kitchen in a textile department store. Time: Saturday, 6 p.m., end of the workday. Participants: 16 female and male employees of the branch store who have gathered for a training session led by a company trainer. The episode of interest here begins just before the planned break. The trainer is explaining the principle 'always offer the quickest solution!' This also pertains to returns. An item being returned should not be refused, nor should the customer be given the impression, not even by a gesture or facial expression, that the employee holds her at fault for the damage or the soiling of the returned item. The trainer says emphatically, 'It is not *your* money! Mr X. (the owner and company head) wants us to take everything back. Be friendly, and just do it!' And with that, the group goes into a break.

However, during the break the participants voice such objections that the manager of the branch is called in to persuade them by noting that returns only make up about 0.5 percent of total turnover. These losses are more than offset by the advertising effect of the generous return policy. However, the employees continue to object and tell stories from their personal experience. One participant notes that customers erroneously think that returned, stained items can be resold later. Again, the trainer refers to numbers. He notes that only 1 percent of customers returning items are actually responsible for damage, but this is met with considerable skepticism. Mr Kleinschmitz, salesman from the men's suits department, describes the following incident. A customer buys a tuxedo from him on New Year's Eve and announces that he will be returning it on the second of January because he only needs it on New Year's Eve. Mr Kleinschmitz first thought the customer was joking. However, the customer actually brought the tuxedo back on the second of January. Mr Kleinschmitz then called his boss to confirm that under these circumstances the tuxedo could not be returned. However, his boss rebuked him, saying 'How long have you been working for this company? You know that we always accept all returns!' And the customer of course - as Mr Kleinschmitz described it - 'jumped for joy' because he was actually allowed to return the tuxedo. While describing this incident, Mr Kleinschmitz was quite upset.

The trainer and the store manager repeatedly attempted to calm the employees and persuade them of the value of the company returns policy. They urged the employees to tell themselves it is not *their* money and not to worry about it. Apparently, however, the employees behave quite differently, as the returns policy is a constant point of contention. As the trainer reported, test customers had recently expressed criticism of return processing. Every other return was unsatisfactorily processed.

How should this conflict situation be interpreted?

First of all, this is about management demanding that employees ally themselves with customers and fulfill customer wishes indiscriminately, thus acting in a customer-oriented manner. One would think that the generous returns policy would be advantageous for personnel: they do not have to deal with customers' anger or get caught between management and customers, which would be the case with a more restrictive policy. Why is this not perceived, then, as a win-win-win situation?

Exactly at this point a contradiction arises. As our interviews and the discussion during the training session show, employees were not complaining about additional work or stress. Quite the contrary, they are demanding a policy that would require *more* effort and subject them to

more stress. They wanted *more* decision-making authority over returns. What motivated them?

One motivational factor is their refusal to accept a restriction of their decision-making authority over the customer. In this situation they are deprived of professionalism, of being able to articulate quality and behavioral standards to customers. If the customer is always right, employees will be forced to violate their own normative values and their own professionalism is ignored. For them, professionalism means valuing the product and the decorum of the sales process. Employees expect customers to take the product and their decision to buy seriously. Company management, however, understands customer orientation quite differently and, ironically, seems to be trying to persuade its employees to adopt an 'I don't care, it's not my money' attitude. This 'bureaucratic' form of customer orientation formalizes and standardizes customer orientation to the point of encouraging indifference toward the customer and toward the employee's own value system.

Sales people prefer another form of customer orientation. The company understands customers as abstract entities, defining them as economic consumers and thus setting up a cost-benefit calculation of economic loss through returns and gains through a positive marketing image. Yet employees relate to customers as real people whose traits and behaviors are thus subject to moral valuation. Interaction with customers is always a social interaction infused with moral judgment. Customer and sales person assess each other normatively, they show respect or disrespect toward each other, and react accordingly.¹³

6. Conclusion

The customer in the service relationship can be seen as a functional or a personal customer. The most appropriate label depends not on the customer's personality but on the customer's behavior in a given situation and, more importantly, on the perspective of the service provider. In companies' service concepts, customers are primarily viewed as functional. This is seen when companies separate strategic and operative aspects of customer orientation and de-personalize their services into functionally differentiated forms of interactions at the points where the company invites customer interaction; for example, in the self-service setting. Customer personality is represented, if at all, by quantified identities like those created for computer data processing. Personality thus becomes functionalized. The contrasting situation is the personalization of the functional customer, which occurs when employees perceive their relationship to the customer as personal, when they treat the customer as a personal guest in keeping with the goal of subjectifying customer orientation.

Customer-contact personnel *interact* with the customer in a dual relationship: an economic relationship with the functional customer and a social relationship with the personal customer. Normally, work is economically determined and characterized by a 'normal' customer functioning appropriately within a defined service process. However, customers are real people, too, with positive and negative traits and behaviors. For employees, they are thus a source of both pleasure and pain. Employees experience and frame their work as the work of helping or as the work of conflict and control. In this way they upgrade their work and place themselves in a dominant role vis-à-vis the customer, setting themselves up to experience or be entitled to recognition.

The relationship to the personal customer is always suffused with morality. The customer is a person, a moral agent, and a customer orientation that turns customers into sovereigns also de-personalizes them and strips them of their moral agency. This is because they are then placed outside of the normal and also normative social rules of common systems of interaction. The relationship is then either servile or detached and apathetic. Detachment is necessary, of course, because the relationship to the customer is not a friendship and not based on lasting empathy. Being professional thus means being detached. However, as the description of returns policy showed, employees' self-image as a professional is just what keeps them from accepting a bureaucratic customer orientation. Both attitudes are thus essential: professional detachment *and* a personal relationship, a functional *and* a personal view of the customer. In short: a service relationship between two people on equal terms.

Notes

- 1. The empirical references stem from a research project carried out between 2002 and 2004 at the Institute for Social Research in Frankfurt/Main, financially supported by the Hans Böckler Foundation (Voswinkel, 2005a). The results are based on eight qualitative case studies in different workplaces in retail and in the hotel and restaurant industry in which 69 qualitatively structured, open interviews were carried out with managers and customer-contact employees. Job training measures as well as the service setting at the workplaces were also observed.
- 2. See the description of the difference between exit and voice in relation to organizations and customers in the classic text by A. Hirschman (1987).
- 3. It was remarkable in our investigation how often the interviewee highly overestimated the number of regular customers. This can be explained by the

amount of attention the regular customer receives, and by the employees' need, because regular customers are so important for their identification with their work.

- 4. In his study on American supermarket personnel, Tolich underscored the significance of the personal customer for personnel, particularly for coping with relatively monotonous work. 'A good deal of the satisfaction that customers provide stems from the fact that they enliven otherwise monotonous tasks.... In these circumstances, the customer, even the difficult one, is at least distracting and at best, stimulating.' (Tolich, 1993: 370).
- 5. For the fundamentals of the sociology of recognition, see Holtgrewe et al. (2000); Voswinkel (2001, 2012a, 2012b); Wagner (2004, 2012).
- 6. It is of course not important here that when the term 'help' is used, it is very often used unassumingly (such as in the standard 'May I help you?').
- 7. Even though this effect may result from the situation.
- 8. This is particularly typical for the checkout, where there is always a potential for conflict with customers. But it is also true for jobs in places where the employees are relatively unprotected, for example when they are alone in the store, or are understaffed with high customer traffic, or because the workplace is in a dangerous area or open at hours that are considered dangerous.
- 9. Another indicator for this is that during the interview Mrs Erhan left no impression of being shy and anxious. This was confirmed also during the one-hour observation of her working at the discount store.
- 10. For this task, sociological knowledge is increasingly necessary. Because of increasing differentiation in the social structure, new group formations and new consumption categories must be constantly identified, if companies are to obtain a useful picture of the many variations in their base of functional customers.
- 11. Barbara Gutek et al. (2000) differentiate between 'encounters' and 'relationships.' If customers and service providers do not expect to interact with each other again, this is termed a selective encounter. A relationship is defined by interactions building on each other, with the development of a history of shared interactions. Encounters facilitate on the one hand the standardization and exchangeability of personnel, but on the other allow for fewer possibilities to foster customer loyalty.
- 12. For example, 'ciao.com' is a for-profit platform for exchanging ratings among members of a mostly youthful community.
- 13. The social dimension of customer relations is overlooked even in consulting books that seek to motivate personnel to be more customer-oriented by appealing to their rational self-interest. As Homburg and Stock (2000: 30) note,

[e]mployees who are highly motivated for customer orientation are characterized by the awareness that their salary is ultimately paid by the customer; they see customer orientation to be essential for their own personal development in the organization. High motivation toward customer orientation means that the customer has a high significance for employees because they can satisfy their personal needs through customer orientation.

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8 'Subjectifying Action' as a Specific Mode of Working with Customers

Fritz Böhle

When customers are involved, work processes are highly unpredictable and indeterminate. Customers and clients have their own interests and needs, act independently, and are not directly incorporated within the organization of service delivery. As revealed by empirical studies of ordinary work practices, indeterminate situations arise even within highly standardized forms of service interaction with customers and clients. Call center interactions provide a good example, and even these services require that employees be able to resolve unforeseen and indeterminate situations using self-directed, situational action (cf. Holtgrewe, 2001; Kleemann and Matuschek, 2003).

With industrialization arose the modern idea that work activities are based upon goal-oriented and rationally planned action. This understanding of work, however, downplays the fact that work processes give rise to unpredictable situations that must be resolved on a case-by-case basis. Empirical investigations repeatedly demonstrate that work involves unexpected situations, not only in the service sector but also in other areas such as the monitoring and regulation of technically sophisticated industrial production facilities. For coping with such unpredictability in work processes, planned, rational action is of limited utility and must be augmented by 'other' modes of working. For understanding the content and implications of such unplanned and non-rational modes of working, the team of the Institut für Sozialwissenschaftliche Forschung e.V. (ISF) in Munich has developed the concept of 'subjectifying action.'1 The concept emerged in the late 1980s in investigations of how technical advances in industrial production affect the organization of work; since then, it has been further elaborated and affirmed in empirical studies of various work contexts including especially service work. The general characteristics of the

concept of subjectifying action as a mode of work are detailed below, in section 3, as a prelude to the subsequent empirical demonstration using the example of nursing care in section 4. The analysis concludes in the last section by ordering these empirical findings within a typology of the relationships linking service providers with customers and clients, followed by a reflection on the special role of subjectifying action in these relationships. First, however, let us review the characteristics and implications of the classic model of planned, rational action, and, subsequently, the increased relevance of unpredictability for general discourses of work processes.

1. Planned, rational action in work processes

The most important philosophical-theoretical formulation of work as planned, rational action stems from Karl Marx (1974 [1864]). Unlike Hannah Arendt, who differentiates between labor, work, and action, Marx does not reduce work to mere physical activity embedded in the 'cycle of nature' (Arendt, 2002: 89ff.). For Marx, work is oriented toward changing both 'external' nature and 'one's own' nature and thus encompasses not only the production of goods but also the process of self-realization undertaken by the worker in the work process (Müller, 1992: 110ff.). Marx illustrates the essential characteristic of human work by contrasting the bee and the architect. Human work is unique because 'at the end of the work process a result is achieved that was, at its beginning, already present in the mind of the worker as an idea' (Marx, 1974: 193). Human work is thus special because it is goaloriented and planned, and because it is as a form of self-determined, autonomous action. This understanding of work is not only typical of Marx's thinking, it also dominates theories of the enlightenment and of modern culture generally. These theories highlight the fact that although work – especially industrial production – is planned, modern workers are restricted to carrying out activities planned by others. The characteristically human part of work is restricted in these analyses to the planning of action; the practical realization of work goals, however, is thought to involve nothing more than carrying out pre-existing plans and directives. Intellectual aspects of work are valued more than physical and practical skills. Planned, rational action is 'objectifying' action. It is characterized by a reasoned, intellectual regulation of action, the use of scientific knowledge and methods, and the subordination of feeling and sensation. Feeling and sensation are not totally excluded, but their apportioned role is restricted to subjective motivation and/or satisfaction because they are thought to disrupt the efficient planning and execution of work activity.

Planned, rational, objectifying action can be distinguished from subjectifying action, described in full below, in terms of four specific characteristics. First, its modus operandi is based on the principle of 'think before you act.' Practical activities are carried out only after a decision is made about the ends and means of action. Practical action is planned in advance, and the better the planning, the higher the chances of successful implementation. A second characteristic involves scientific knowledge and *methods*. If the planning of action is to precede its practical execution, a kind of knowledge is necessary that is independent of the experience generated by practical action. This kind of knowledge is rooted in science and its logical-analytical methods. Third, sensory perception must be focused on the precise, objective registration and reasoned interpretation of information from the environment. This requires a separation of sensory perceptions from subjective sensations. For this purpose, visual perception appears more appropriate than the so-called lower senses of haptic perception, smell, and taste. The body's lower functions play a minor or even disruptive role and must be brought under control. Finally, the *relationship* to objects and problems that need to be solved is distanced, businesslike, and unemotional. This does not mean that problem-solving cannot be spirited and passionate, but such emotions are acceptable only as sources of motivation and energy and must be attenuated during the planning and execution of action.

2. Experience-based knowledge and unpredictability

Since the late 1980s, studies in the sociology of work have been arguing that advances in technology create new demands on the qualification of workers. At first glance, these developments seem to support the thesis that with technological advances, industrial work becomes increasingly 'intellectual.' Closer inspection, however, reveals that although special-ized theoretical knowledge and abstract thinking are indeed increasingly important, this is not what constitutes the essence of new demands on workers. Rather, what makes skilled workers irreplaceable is their personal, experience-based knowledge. Skilled workers know the materials, the 'bugs' in the machines, or the layout of the production line. They recognize malfunctions as they emerge, and they know how to prevent them (cf. Pries et al., 1990; Schumann et al., 1994).

The discovery of experience-based knowledge, also referred to as specialized production knowledge or 'tacit skills,' is not recent (Hoffmann, 1979; Wood, 1986). Yet both the sociology of work and industrial practice have been guided by the assumption that technological progress implies the replacement of experience-based knowledge by scientifically grounded expert knowledge. What is new, then, is a re-assessment of the continuing significance of experience-based knowledge. It is no longer seen as a dying remnant of artisan traditions but rather as an important aspect of workforce qualification, necessary not in spite of, but rather exactly because of continued technological progress and the increased use of scientific knowledge. The reasons underlying this reappraisal lie in a similarly unexpected development: the discovery of inherent limits on scientific-technical control mechanisms. Max Weber considered the idea that 'in principle, everything can be controlled by rational calculation' to be a fundamental characteristic of the modern, scientifically influenced worldview as contrasted to the animistic and religious worldviews of traditional societies (Weber, 1988: 594). For the economist Werner Sombart, rational planning and, even more important, the creation of the conditions that enable rational planning, are among the most fundamental features differentiating industrial production from traditional artisan production and agriculture (Sombart, 1919: 34ff.). Indeed, it is undisputable that scientific knowledge, technology, and organization have served to greatly increase the scope of planning in work environments.

Despite these advances, the shortcomings of rational planning are showing up in exactly those areas that were thought to be premier examples of its unbounded applicability and success. When technical and organizational systems become increasingly complex and are subject to continual change, their workings become unpredictable. What is new and unexpected is that unpredictability emerges even in previously successful, predictable systems. Unpredictability seems always to enter through the 'back door.' The dream of total reliability and control has begun to fade, and the commonly touted contrast between the reliability of automatic systems and the risk of human error has lost its persuasive force. The unpredictability of technical processes turns out not to be the exception but rather the rule, and human intervention becomes necessary for coping with it. The underlying causes range from qualitative differences in production materials to wear and tear in production facilities to functional disruptions in technical monitoring and control systems. They result from internal developments caused by plant facilities and processes or from external influences such as inclement weather or dysfunctional front-end and back-end processes (Böhle and Rose, 1992). The concept of 'critical situations' applies well here (Schulze, 2001: 67ff.). Critical situations arise due to unforeseeable and incalculable influences and because of 'creeping' and mutually reinforcing changes in otherwise stable processes. Studies in different working environments support the conclusion that the ability to cope with the limits of planning and the problems of unpredictability is a central requirement in all kinds of human working environments, not only in the management of highly technical systems (Böhle et al., 2004). As technology and the application of scientific knowledge become more widespread, human intervention is increasingly necessary to cope precisely with those things that escape the control of technology and science (Deutschmann, 2003: 484).

Taking this approach, the sociology of work acquires a differentiated understanding of a 'world of work' that is rarely mentioned in ordinary depictions of work processes and that often remains invisible in practice. Ironically, the more completely workers exercise control over the problems of unpredictability, the stronger is the impression that everything is functioning 'as planned.' At the same time, new forms of decentralized organization make every single employee, not just the management, responsible for ensuring the smooth operation of their firm's internal processes. This applies not only to planning processes but includes also the competence for dealing with unforeseen problems on-the-spot.

For answering the question of how best to respond to unpredictability and uncertainty, it would seem most appropriate to rely on the model of planned, rational action. Critical situations, it would seem, call for reasoned reflection and theoretically grounded expert knowledge. Similarly, the use of tested, formal processes and rules would seem an appropriate way of eliminating the risk of human error. Yet, as early as the 1950s, organizational theorists were calling attention to the fact that the conditions for rational action are often absent in practice (Simon, 1957). Typically, important decisions have to be made under deadline pressure, which precludes extensive reflection, or have to be made in the absence of needed information. Additionally, when unexpected situations arise, routine and tested processes may be more of a handicap than a help, as they make situation-specific adaptive reactions more difficult. In order to avoid a hopeless struggle for control or the fall into total resignation, workers need a 'different' mode of action that is better suited to the specific characteristics of critical situations. Because precise information is not available or is strictly limited, it is even more important to access and use other, usually not officially recognized forms of information such as noises and vibrations in the case of industrial plant facilities. Given that theoretical models cannot capture the complexity of events under specific, concrete conditions, other kinds of knowledge and cognitive powers are needed. Under closer scrutiny, we see a different side of professional expertise coming to the fore that is normally very difficult to perceive because it appears to be an exception to what is presumed to be the rule of 'genuine' expertise and professionalism. Yet if one starts asking employees to describe precisely what characterizes those individuals who are considered to be the 'real experts' in their field, as in the empirical study reported on below, reference is nearly always made to phenomena such as having a feeling or a 'good nose' for something, making quick decisions without long deliberation, presentiment about problems or malfunctions, and reliance upon intuition in problem solving.

3. Subjectifying action as a specific mode of working

As shown by studies of how employees cope with unpredictability in different work contexts, intuition and feeling are necessary precisely in problematic situations that could not have been anticipated or controlled using scientifically grounded, expert knowledge and rational planning alone.² These studies also show that having the right intuition about technical processes, presentiment about malfunctions, or the ability to make decisions intuitively are based on a specific way of interacting with the objects and parameters of the production process. It can be described as 'subjectifying action' and thus contrasted to planned, rational, objectifying action. To call it 'subjectifying' underscores the cognitive and pragmatic significance of so-called subjective factors such as feeling and sensation. It also calls attention to the fact that the objects of work are perceived to 'behave like' a 'subject' in the sense of not being fully predictable and controllable. Sensory perception and personal intention to experience something play an important role as the basis for the acquisition of knowledge. In practice, workers' activities do not involve the application of scientifically grounded expertise but rather are guided by the goal of acquiring experience-based knowledge. For this reason, subjectifying action is sometimes referred to as experience-guided subjectifying action (cf. Bauer et al., 2006).

The concept of subjectifying action as a specific mode of working is an extension of analyses of work activity. It rests on the assumption that human work capacity encompasses both objectifying and subjectifying action and that both are necessary to cope with the challenges of modern work environments. The distinction between objectifying and subjectifying should not be confused with the distinction between the worker as the 'object' of a firm's rationalization processes and as the 'subject' of self-regulated action. Nor should it be confused with the distinction between instrumental action directed to the 'external world' and subjective experiences and feelings related exclusively to the 'inner world.' Rather, the concepts of objectifying and subjectifying action make reference to different forms of (subjective) interaction with the environment including specifically the way it is apperceived, understood, and pragmatically altered. Subjectifying action gives us access to information that objectifying action filters out or cannot access in the first place (Böhle et al., 2004: 48ff.). In the sense of a moderate constructivism, we can say that these are two possible 'constructions' of reality, each based on a different point of reference and able to open different avenues for the discovery of knowledge and for action. The concept of subjectifying action is rooted in research approaches and traditions that emerged or were revitalized through research into the human effects of technology and information management. Examples include different concepts of action: situational and context-oriented (Suchman, 1987), professional-intuitive (Drevfuß/Drevfuß, 1986), and intuitive-improvisational (Volpert, 2003). All of these approaches elaborate the argument that intentional, goal-oriented action is possible also by other ways than rational planning. On the issue of knowledge, for example, work has been done on the concept of the body's own 'implicit knowledge' (Polanyi, 1985; Neuweg, 1999), the difference between 'knowing that' and 'knowing how' (Ryle, 1992), and the idea of context-specific knowledge of the work process (Fischer, 2000). Research by cognitive psychologists into experts and professionals also relativizes a strict interpretation of the planned, rational work model. Their studies call attention to the surprisingly broad spectrum of mental processes used by experts to solve problems such as reflection in action, heuristics, chunks, analogous thinking, and synthetic thinking (cf. Schön, 1983; Sternberg and Wagner, 1986). Finally, other important influences on an expanded understanding of sensory perception for understanding and action arise out of phenomenological theories that posit an embodied relationship to the world (Merleau-Ponty, 1966; Schmitz, 1978). These theories seek to overcome not only the purported mind-body distinction, but more importantly, to overcome the separation, rooted in modern thinking, between the objective, rational acknowledgement of the 'external world' and inwardly directed experiences and perceptions associated with feelings and sensations.

The concept of subjectifying action builds on these insights but sets new accents:

- Like concepts of situational and context-specific action, it is focused on modes of action that are intentional and goal-oriented but that obtain a concrete goal and a concrete plan of action only in the actual process of action. This mode of action can thus be influenced by sensory perception, mental processes, and relationships to the environment. Precisely these influences play a role in helping individuals cope with unpredictability in complex systems. Thus, its focus stands in contrast to standard research on expert knowledge in that it relies not on mental processes alone but rather on the connection linking mental processes with the other components of human action, especially sensory perception and the process of acting itself. Similarly, implicit knowledge is conceptualized as knowledge embedded within and dependent upon a particular mode of action.
- In contrast to the concept of intuitive-improvisational action, subjectifying action is not limited to common, routine situations. Indeed, it is especially necessary and likely to succeed exactly in those situations where problems and unusual circumstances arise. The argument is not that experts act only in this way, but rather that experts are able to use different, complementary modes of action.
- Finally, subjective factors like feeling and sensation are not only important as supports for planned, rational action, for example whenever the execution of planned, rational action depends on emotional incentives and the requirement that goal achievement be emotionally satisfying (cf. Damasio, 2000). Instead, subjective factors have both regulating and cognitive functions for subjectifying action and in this way play a role similar to reason in the context of planned, rational action.

The point of all this is not that subjectifying action involves directing one's attention to additional sources of information. The much more significant point is the scope of attention and the potential resources thereby gained: additional sources of information are looked at in a different way. The concept of subjectifying action directs attention away from the individual elements of action onto the way these elements influence each other interactively. Of central importance are the process of action, sensory perception, mental processes, and the relationship to the environment.³

Of foundational importance for subjectifying action is the process by which concrete goals and the specific plan of action first emerge during action. For outside observers, the process looks like drifting, muddling through, or 'haphazard activism.' Careful inspection reveals that the apparently haphazard process is, in fact, one of dialog and interaction. The typical statement for engineers dealing with the unpredictable elements of complex technical facilities is that 'when trying to tweak the system, you have to wait for the plant's response.' Before the intervention is actually made, it is never possible to precisely estimate its effects. This kind of approach can be described as 'feeling one's way through.' In these kinds of situations, in which unforeseen irregularities arise, it is not possible to develop appropriate and effective responses through mental analysis alone. One must, rather, find out through practical action what works and what doesn't by starting a 'dialog' with the relevant objects of the environment and waiting for them to answer. Action and reaction, decision and practical action are intertwined in an ongoing dance; this stands in stark contrast to the reduction of overarching goals into smaller, component parts as practiced in incremental, planned decision making. These qualities of 'cooperative' action in the interactive-dialogical approach can be seen also in the interaction with material objects. Engineers, for example, often describe 'fighting' or 'cooperating with' technical facilities as they attempt to reestablish an upset equilibrium.

Planned, rational action, just like incremental decision-making and planning, proceeds on a step-wise basis, waiting for a reaction to one's intervention (action) before proceeding to analyze the reaction so as to select and execute the next action. In the process of subjectifying action, however, action and reaction follow upon one another in constant flow. Action thus takes on the character of a cooperative performance or battle, with the actors constantly adjusting their actions in response to each another in one single flowing moment. They are directed by the principle that it is only possible to achieve a concrete result by 'working with' the circumstances, not by 'working against' them. Thus, success depends on learning the quirks and powers of the 'dialog partner' and on adjusting one's strategy and intentions accordingly. This should not be confused with mere reactive thinking or with a passivity that extends to the surrendering of one's own will and goals. Rather, action is directed toward the attempt to realize one's intentions in 'dialog' with the constraints and opportunities presented by the relevant circumstances.

A certain form of *sensory perception* is necessary for influencing and reacting to concrete circumstances in the interactive, dialog-oriented

manner described above. Sensory perception becomes attuned not only to information that can be precisely measured and rationally appraised in the sense of an 'objective' apperception of reality. Rather, it is necessary to perceive diffuse, multilavered characteristics of concrete circumstances and their effects. Examples include noises in technical equipment, collective moods, or subtly disturbing patterns of seemingly insignificant irregularities. In the perception of such information, subjective interpretation and feeling come to the fore, outweighing objectively definable and quantifiable criteria. Perception is focused on qualitative properties that are difficult to measure. Noises are not registered primarily in terms of their frequency and intensity, for example, but rather whether they are 'right,' 'harmonious,' or 'off.' Good engineers thus have an ear for the 'melody' of their machines. Similarly, good leaders 'feel' that organizational processes are on track or, conversely, that project implementation is on the verge of derailing. Actors often associate bodily sensations with these situations, that is, their 'gut feeling.' This gut feeling is not the result of an inward direction of one's sensory facilities but emerges from an interpretation of external circumstances based on subjective feeling and sensation. It is a subconscious process that is rarely consciously harnessed. Importantly, however, it is more than the mere result of the non-conscious, mechanical impulses of the nervous system. Characteristic of this way of perceiving appears to be a mental disposition described as 'attentiveness' and 'subthreshold perception' (cf. also Weick and Sutcliffe, 2003: 55ff.; Varela and Thompson, 1992: 41ff.).

Subjective perception based on feeling and sensation is not controlled or reflected upon by reason. This need not mean, however, that mental processes are neutralized and only feelings count. A person who is relying on feeling and sensation to perceive is still thinking, albeit not analytically in search of a logical conclusion. Rather, much more central are those thought processes that are embedded in practical action in the sense of 'reflection in action.'⁴ Thought occurs in immediate relation to perception, behavior, and action. It is associative, based on analogy and images. From the perspective of planned, rational action, this kind of thought is of inferior quality or misleading. This, however, is an error, at least insofar as subjectifying action is concerned, for in this way, the actor calls up memories of similar situations when dealing with events that are completely new. Previous experiences are not then applied in one-to-one correspondence to the new situation, as assumed to be the case in analogous thinking. Rather, different situations are mentally visualized, compared, and distilled in order to interpret new situations that lie outside the actor's ken. Associations do not emerge randomly. They are anchored to the same object and bounded by the subjectively experienced construct that emerges when particular conditions become situated to each other. In this way, a particular event can trigger a complex chain of associations. Further, individual pieces of information and the individual components of relevant issues are connected visually and perceived simultaneously as a single picture. Being able to make these kinds of connections is a power that resides in the subjective mind and is not inherent in the 'objective facts' themselves. Finally, in this form of visual thinking, complex situations and processes are mentally visualized 'as a film.' Information that is available through sensory perception is spliced together with imagined, possible facts that are not accessible by the senses. In short, one 'sees more than one sees.' This is how it becomes possible to create a complex picture of concrete situations from sparse and disparate information.

Analytically, there is a difference between the dialog-oriented interactive method, sensory-perception based on feeling and sensation, and associative, visual thinking. In practice, they are inseparable. Each is a pre-condition of the other and is based on a *relationship* to the environment characterized by proximity, unity, and connection. In contrast to planned, rational action, the objects that make up the particular situation are not seen as mere objects for manipulation but rather as something akin to the actor and to which the actor has a bond. Actors do not maintain a distance from the thing; they become one with it. The actor and the object together make a kind of unity. Recall the description, noted above, of dialog-oriented interaction as cooperation or battle. The anthropomorphizing of objects and their perception as something living is not irrational, subjective projection. It is, instead, a quite realistic way of describing and grasping uncertain and unpredictable situations. In these kinds of situations, material objects are not limited by normal rules and regularities. Rather, they 'behave' like free subjects whose action is not fully determined or calculable and who cannot be influenced without some minimum amount of personal interaction.

Under these conditions, effective work activity is based on the ability to engage in planned, rational, objectifying action and in experiencedriven, subjectifying action as the situation demands. Coping with the challenges of work means being a master of both and being willing to use both separately or in combination. Subjectifying action is a useful and necessary option for overcoming unpredictability and uncertainty in work processes. As empirical studies demonstrate, subjectifying action makes it possible to preserve one's capacity for goal achievement not so much by overcoming uncertainty as by harnessing the parameters it sets. This is especially the case for interactive service work.

4. Subjectifying action in interactive work: The case of nursing home care

The concept of interactive work in services⁵ understands the 'object' of work not so much as an object that is manipulated by the worker but as a subject in and of itself. In this way, it gives justice to the fact that work with customers and clients is characterized by a high degree of uncertainty and unpredictability. Unpredictability is accepted as a structural element of the service relationship stemming from the fact that customers are not calculable, manipulable objects. They have their own interests, and they act autonomously and upon their own initiative in the service relationship. Even when an attempt is made to influence, control, and standardize customer behavior, the fact that the object of service work is really its own subject can never be fully neutralized. Moreover, service work for customers is dependent on influences that originate outside the workers' organization and sphere of responsibility to a much greater extent than in the case of industrial production and administration. Challenges and problems that require resolution are either brought into the organization 'from the outside' as in the example of stationary health care, or they must be engaged with outside the workers' actual organization, as in the examples of ambulatory nursing care. Finally, personal bodily services like health care and nursing are special because they involve work on the human body, which, as a living organism, cannot be controlled or manipulated like an inanimate object. In the following passages, subjectifying action in work with customers is described empirically using the case of nursing care, a prime example of work involving the human body.

In contrast to sentimental work (Strauss et al., 1982) or emotional labor (Hochschild, 1983), subjectifying action is not only directed at increasing customers' and clients' sense of well-being as an additional goal that runs parallel to workers' central purpose.⁶ It is directly applicable to the core content of service work.

The work introduced below builds on studies showing that nurses possess a unique, experience-based knowledge, the 'knowledge of familiarity' (Josefson, 1988), and that the main channel of communication and interaction between nurses and their patients is not symbolic speech but rather physical and emotional empathy (Groß, 2001; Uzarewicz and Uzarewicz, 2005). Moreover, existing studies point out that deviations from prescribed routines do not occur due to deficiencies of training; they are instead actually typical of nurses who are considered especially experienced and competent (Benner, 1994).⁷ For nurses, the specialized knowledge acquired in training is of course very important, indeed irreplaceable. At the same time, however, nurses repeatedly emphasize that their specialized knowledge is just the beginning, an initial basis. Good nursing, they say, requires additional knowledge based on *professional experience* to be gained only through work interaction with resident patients: 'To know, to feel what is important for this resident right now, I need experience in my profession and experience with the resident.'⁸

Experience-based knowledge encompasses, first of all, intimate familiarity with the resident patients, including, for example, their physical limits, their needs, or their moods as indicated by these example statements. 'We of course learn that they must drink, they must drink, they must drink, but when I know that someone prefers to drink more in the afternoon than in the morning, then I don't have to worry in his case in the morning that something might be wrong when he doesn't drink.' Or: 'We have one patient who is always in a bad mood on days when he has visitors, but I am used to that and know what the problem is. On visiting days some patients are simply always deathly ill so that on Wednesday I know, tomorrow is Thursday and she's going to be feeling poorly tonight, without having to panic - look in after her, of course, but just know.' However, experience-based knowledge is not just an aggregation of individual experiences into a 'trove of experience.' Instead, 'it is simply a certain kind of knowing, a knowledge that is based on my experience as nurse, experience that I gained on the job, things that I experienced, saw, felt, or simply was a part of.'

Experience-based knowledge manifests itself also as *knowledge gathered from having experienced particular events or situations,* knowledge that relativizes the lessons learned in training and that enables nurses to make specific decisions for individual cases and concrete situations.

Experience is thinking out of the box. For example, not every stroke case is the same. Of course, all strokes are a stroke in the sense of being the same diagnosis, and all strokes have some identical symptoms. But every person who had a stroke is different. This is where experience helps, as I see not just the set of symptoms but also the person. I'm experienced enough, now that I've taken care of ten stroke patients, to know that not every stroke is the same.

Using the concept of subjectifying action, two arguments are elaborated in the following passages. First, nurses integrate experience-based knowledge, which is based on a specific method and relationship to the relevant objects of work, into their overall work structure. Second, habits of perception that are body-oriented, utilize all the senses, and are tied to subjective sensations play a special role in this process as a basis for knowledge and action.

4.1. Unpredictability

Nursing care for the elderly is work that is heavily dependent on specific events and situations that are very difficult to anticipate. In this context, forms of unpredictability emerge that are common, also, in other kinds of work environments. For example, administrators call and expect to receive immediate oral or written information, physicians come by, relatives request visiting time, or new patients arrive - all without advance warning. At the same time, a major difference between nursing and production resp. administration work is the fundamental indeterminateness and unpredictability associated with the subjective, human character of their 'objects of work.' Humans are living beings, react in unpredictable ways, and have feelings and personalities. And they have bodies that are only partly manipulable, unpredictable, and of limited strength. In elder care, nurses also have to deal with additional problems of overall physical and mental constitution. Some residents are only partly mobile, some are completely immobile or suffer from chronic pain. Some residents cannot communicate well verbally, and some suffer various degrees of dementia.

4.2. A dialog-oriented interactive method

In order to deal with the challenges associated with their very human 'object of work,' where success is defined as the efficient delivery of highquality nursing care to elderly patients in both process and result, nurses are guided by the principle of *flexible planning*. This sets a loose framework only, with relatively few fixed points. In all the study's nursing homes, a daily schedule determined, for example, the times for basic care (washing, combing, dressing, etc.) and meals. A weekly plan regulated non-daily activities such as showering, bathing, and therapies. Although they are guided by the schedules, nurses reported that they *make adjustments for particular situations and contexts* as needed:

Despite [the schedules], no two days are ever the same. Every resident is different and every individual resident is different from one day to the next. Even just the way I wash this or that patient, what the one patient can do on his own and what I have to assist him with, and how I motivate or activate one patient or another. And even these things are not the same every day. It varies depending on how his day is going or his mood.

Of central importance here is that individual work tasks and activities vary only minimally in terms of content and goals. To the outside observer, they thus seem to be relatively highly standardized or to lend themselves to a relatively high degree of standardization. Yet their execution actually requires permanent adjustment to varying situationspecific conditions, although the necessity of utilizing a situationsensitive procedure does not result from the complexity of constantly changing work demands, as is the case for innovation and management activities. Moreover, despite a widespread perception to the contrary, situational and context-specific nursing procedures are necessary not only for exceptional circumstances as when a resident suffers a fall ('the patient then needs immediate help and I have to forget everything else') or is dying ('I try to ease his last hours, I sponge him, moisturize him, whatever he needs; and I can't leave him alone the whole time, I hold his hand from time to time and talk to him'). Nor does it consist 'merely' of taking residents' preferences, habits, and peculiarities into consideration. Rather, it is precisely the routine, daily nursing care activities such as washing, showering, moisturizing, food service, etc. that are subject to unexpected changes arising from the ever-changing physical and mental states of residents, and these changes make situational adjustment to recent events, to current moods and reactive states necessary:

'I have one patient who always wakes up first. One day I might see that she needs to walk around because she's nervous. She leaves the room and can go to the bathroom outside while I make the bed, etc. Another day she's happiest having me set her on the toilette in her own room early in the morning.' Or: 'You might know how this or that patient likes to be washed, but one day his joints might be much more stiff, and on another day he may be experiencing pains here or there, and then you have to do everything differently. And if he also has a problem articulating himself, then I have to use his reactions as a guide to see, note, sense what's wrong today and how we can get the job done as best as possible.'

Good nursing care is thus characterized by a *dialog-oriented, interactive procedure* in which the planning and execution of action are closely intertwined. Activities such as washing or routine hygiene are planned, but they must be executed step-by-step, in consideration of the resident

patient's physical condition and mood and in interaction with the resident in some form of verbal and/or non-verbal dialog depending on his or her capacity to communicate. The nurse must be attuned to very subtle signs and reactions and use this information to continuously formulate a new reaction in finding the right way to take the next particular step. This requires, in the words of one nurse, 'a special sensitivity, a willingness to figure out and try different things,' which can be described as an 'explorative method.' The following example illustrates this in greater detail:

The question is why is this resident not eating? Is he not able or not willing to eat? Is he simply not able to raise the food to his mouth today? If he cannot swallow, why not? Is he unable to swallow at all, can he control his swallowing? Do I have to insert the spoon on the left side of the mouth or the right side, or how do I have to insert the spoon, does he have to be able to feel the spoon so that the reflex is triggered? Those are all very different little things, all of which are very individual.

In elder care, work on and with the body is also a form of communication that aids the nurse in figuring out the right approach for the current situation. The communication that takes place during bodily care serves to activate the resident's active participation in the work process. The goal is to work together harmoniously to accomplish caretaking tasks and, for the nurse, to avoid responding ineffectively when a resident resists care: 'working as a partner with the resident, I can't do it without him, that's obvious. We are both happiest when we work together and stick together.'

4.3. Sensory perception based on feelings and sensations

An important foundation for the procedures described above is a multilayered sensory perception attuned to the multitude of information typical for elder care, that is, information that is *not measurable, definite, objective, or easily interpretable.* Only a small part of the nurse's task of information gathering involves obtaining numbers, values, or other forms of objective data, as in the measurement of patients' temperature, blood pressure, or blood sugar levels. Sensory perception becomes *nonverbal communication* through interaction, especially when it involves things that are difficult to verbalize, such as pain or psychological and emotional agitation, or when patients cannot clearly express themselves verbally. 'Communication is verbal and non-verbal. Eye contact, eye contact and touching, sign language, facial expression, eyes, hands, arms. The whole day long.' Yet even verbal communication is at least in part ambivalent:

Verbal communication still occurs, but usually it is not a matter of the words, not for all of them of course but for most, but rather of the melody or tone. And of course also of facial expression and gestures to a great extent.

Even *visual perception* is highly *differentiated* and links together multiple visual impressions:

'I observe attentively, notice changes in facial expression, gestures, posture, and language, and then draw my own conclusions.' The basis of nursing care activities, however, is a complex sensual perception that combines several senses in the collection, checking, and evaluation of relevant information: 'The patients usually send out lots of information. What I need is a mixture of everything, seeing, hearing, smelling, touching, and feeling.'

Beyond seeing, the so-called *lower senses* of hearing, touching, and smelling play an important role: 'I can tell if a patient is feeling poorly or is about to fall by the way his steps sound when he walks. The sound is different – wwwrrt, not wrt, wrt, wrt – yes, and then he slips.' Or: 'I can tell by the sound whether it is an asthma attack or a cold. Because I have a lot of information about the resident, it all comes together so I just know.' Even the absence of familiar sounds can be important:

'Mrs. H. hums the whole day long. When she doesn't hum, when you don't hear anything, something is wrong.' Or: 'When a patient who uses a wheelchair leaves the station, you sense it. Suddenly you don't hear something you've been hearing the whole time, and then you know you need to check into it. Somehow you suddenly hear the silence, like with small children, and that's when it can be dangerous.'

Touching, too, can yield valuable information about the physical and mental constitution of a resident: 'By touching I obtain information, is he cold, warm, dry, moist, slippery, pleasant, unpleasant? Does he have a fever or not, is he sweating? That works much faster than a medical thermometer and it lets me rule out some things and find out others.' Touching and feeling is also a means of emotional communication with the resident: 'Touch, in order to feel how he is doing – and to show emotional warmth.'

Even smell is important in elder care. The basic principle is that 'every resident has their own smell.' What grabs a nurse's attention and triggers activity are 'really unpleasant smells that indicate illness, for example halitosis as the result of a stomach ailment.' Smells can also explain behavior: 'You can smell it when asparagus was on the menu. Then you know that the resident probably will have to urinate more frequently and that you don't have to be annoyed that he just went and you know that he'll probably have to go again a couple more times.' And smells can determine the way a certain activity is carried out:

Wounds smell, too, of course. There are different kinds: soiled, unclean, pus-filled, and others, they all smell different. I treat each different kind differently, how often I change the dressing, what kind of bandages I use depending on whether the doctor gives me other materials.

Sensory perception is *connected to subjective sensation and feeling*: 'Looking at 23 residents and sensing what's important.' Or: 'I see and feel at the same time whether the pressure I apply while I'm moisturizing is pleasant or not, whether for example he becomes more calm or more restless, more relaxed or more cramped.' Sometimes nurses override their own sensibilities:

My back is definitely telling me that I cannot lift Frau L. in and out of the bed any more today. But I see that she needs it and do it anyway. Yes, and then she breathes a sigh of relief and then I don't really feel my back any more.

4.4. Associative, visual thinking

In the interpretation of perceived information and in deciding which caretaking measures are necessary at any particular juncture, which are appropriate, and how they should be done, *thinking* often takes place *in images* or in *associative chains*. Importantly, the representation and activation of knowledge in any given situation is always related to perceptions and to the experience of particular situations, as illustrated by the following quote:

I compare with earlier experiences. When for example I am looking at a wound, I think, what kind of ointment did we use for Mrs. So-and-So, this is what we need here. And then we look into the documentation, even of patients who have passed away, because sometimes the treatment occurred in the distant past and I don't remember all the names. I see a picture. I see the wound, how it looked, and I see the ointment. And I know that it was good, that it helped.

In this kind of thinking, subjective sensation and feeling is not neutralized or disruptive. The opposite is the case: 'Figuring out the problem is a mental seeing and a gut feeling.' Feeling in this sense does not refer so much to an emotional state as to a method of discovery and judgment in the sense of a sensitivity for shades and nuance. Feeling also plays a role in evaluating decisions: 'A decision is good only when it gives me a good feeling.' Feeling helps the nurse know whether a particular decision or the situation it created is 'right' or not. Yet, thinking based on personal feeling and knowledge based on personal experience should not be equated with subjective arbitrariness. Rather, reasoning processes are refined and developed further in interaction with colleagues, as one nurse described:

When I pass on my observations and interpretations, and the second or third person does the same, than it's no longer subjective and you can come to the right conclusions, I think.

4.5. Emotional warmth and personal attachment

The work procedures described above are rooted in a personal and emotional relationship to residents. This statement refers not to an emotional tie, but rather to emotional warmth and familiarity with the resident as an 'object of work.' Only if such a relationship exists can the nurse know and respect the resident's habits and particular physical traits. And only if such a relationship exists can the nurse perceive and react appropriately to the constantly varying needs and daily changes in the resident's physical and mental constitution. Of critical importance for a relationship of emotional warmth and personal attachment is *empathy*:

It is important to empathize and feel sympathy. For example, a crisis situation is something quite different for an elderly man than for me at this stage of my life, because he doesn't have the same level of energy, so there are many things he cannot take care of by himself. For example, a dentist's appointment can cause a crisis because the resident doesn't know how he is going to get on the chair or something like that. We could say to him: no problem, we'll figure it out, why worry?, we'll do everything. So I could respond that way or I could try to sympathize with what he's going through so as to respond to his needs better.

It is important to know and respect one's personal limits in order to avoid emotional burnout, to protect one's integrity, and preserve one's work capacity:

I empathize and try to imagine how bad it is or how I would feel in the same situation. But I don't identify myself in the sense that...I have to limit myself, set boundaries, so that I see the other person but I remain myself and see myself, too. So each person has and keeps his own personality – and we are equal partners.

The resident as an 'object of work' is not perceived as an object but is recognized as a human *subject* and accepted as an *individual*:

'When I think about it, I imagine that this lady was as independent as I am just a few years ago. And now she cannot even undress. Then I don't just see a part of her but the whole person. I see her as an individual and then I treat her in a very different way.' Or, in another nurse's words: 'Accepting a resident as an individual is very important, even if he cannot speak anymore. That my needs are not the measure of all things, that you really make the effort to see and accept the other person, without denying or forgetting yourself. That works only in mutual cooperation.'

The resident is also seen as a *partner* in the achievement of common goals. This applies also to completely immobilized and inactive residents:

Seeing the resident as a partner even if he can only lie in bed and cannot do anything, in this case you really have to be careful not to turn him into an object.

5. Customer relation types and subjectifying action as a specific mode of working

Nursing care is an example of a service that applies directly to the mental and physical constitution of the customer. Such services are thus often called personal services or direct personal services in contrast to material services such as banking, insurance, transportation, or technical assistance; in the provision of material services, the service activity is linked both to a material or immaterial object and to interaction with customers.

There are three different types of relations between service providers and customers: exchange relationships, management relationships, and handling relationships (cf. Böhle, 2006).

Nursing is a form of *handling relationship* because the customer is an immediate 'object' of the worker's manipulation. This is also the case for medical treatment or beauty services such as hairdressing. Similarly, in consulting or training, the customer is an immediate 'object' of the worker's manipulation. The service provider 'processes' either the physical constitution of the customer or their skills and behaviors.

An example of a *management relationship* is provided by any technical service, such as machine-tooling, rendered by a subcontractor for the contracting customer. In this case, the customer performs 'like' an employer or manager who assigns a job and who is responsible for making sure the service is delivered. A management relationship is created also when customers are integrated into the organization of the service provider. The customer must then honor the rules of the service organization and follow its directives. This occurs, for example, when a technical service cannot be provided 'on site' but must be undertaken within the service organization and, accordingly, specialized equipment has to be delivered for the service provider's use. The example of nursing shows that in personal services, service providers and customers are always also in a management relationship in addition to being in a handling or processing relationship. There is a difference, however, between stationary and ambulatory care. In both cases, the same kinds of caretaking services are rendered and both give rise to management and processing relationships, but the intensity of the management relationship differs. In stationary care, the customer is integrated into the service provider's organization; in ambulatory care, the service provider enters into the 'organization' (the household) of the customer.

A third form of relationship between service providers and customers is the *exchange relationship*. Sales activity is a prominent example. In contrast to the asymmetric management relationship, the relation between service providers and customers is egalitarian, in principle at least. The exchange relationship is thus often held out as best describing the reception of services in the role of 'customer' as opposed to the reception of services as a 'person in need of care' or a 'manager.' The relationship
between service providers and customers can be one of pure exchange, for example in the sale and purchase of material and immaterial goods. It can also be a mixed relationship of exchange *and* management, for example in the sale and purchase of repair services 'on site,' as in the case of medical care or beauty services offered on the market. The concept of interactive work focuses attention on the need for cooperation between service provider and customer (see Margit Weihrich and Wolfgang Dunkel's chapter (Chapter 4) in this book). Considering the different types of relationship linking service providers and customers, however, we see that interaction and cooperation in customer and client relations are not an inherent part of the relationship at its outset but rather that they have to be created within the service process and that precisely this task is a core element of interactive work. The exchange relationship is not based primarily on cooperation but rather on different interests and mutual autonomy; the management relationship is based on power asymmetry; the handling relationship is based on a more or less one-sided manipulation. In light of these structures, subjectifying action in the work with customers is oriented not only toward overcoming unpredictability but supports also the creation of cooperative relationships. It is a mode of working by which the worker establishes a warm, personal relationship with the object of work; the worker then accomplishes tasks or resolves problems together with the object rather than by one-sided manipulation. Clearly, then, subjectifying action is all the more possible and likely to succeed to the extent that the relationship between service provider and customer is characterized by cooperation and thereby molds or transforms through practical action the relationships of exchange, management, and processing. From a broader perspective of social science theory, the question becomes whether and how it would be possible to organize services and service work within different institutional frameworks (market. organization, etc.) such that a substantial cooperative relationship is established at the outset of service delivery and need not only be worked out during the actual provision of the service.

Notes

- 1. Examples of our work are cited in note 2.
- 2. Relevant empirical findings range from studies of machine tool operators in industrial production in the metal industry (Böhle and Milkau, 1988; Bolte, 1993; Carus and Schulze, 1995) and of monitoring and regulation of complex technical systems like those in the chemical industry (Böhle and Rose, 1999; Bauer et al., 2006) to the piloting of aircraft (Cvetnic, 2008), to highly abstract

activities in computing (Pfeiffer, 1999, 2004), social interaction in the service sector (Böhle, 1999; Böhle and Weishaupt, 2003; Pfeiffer, 2004; Dunkel, 2006; Koch, 2010), and cooperation and communication in the technical development, planning, or management of projects (Meil et al., 2004; Porschen and Bolte, 2004).

- 3. For further elaboration on what follows see also Böhle, 2009.
- 4. On this topic see the discussion in Schön (1983) and Volpert (2003). Here, too, the immediate connection between doing and thinking is put forward in opposition to the guiding principle of 'think before you act,' but without any further elaboration. Schön, however, indicates that this form of thinking must be comparable to the state of concentration of jazz musicians engaging in improvization.
- 5. See Margit Weihrich and Wolfgang Dunkel's chapter in this book (Chapter 4).
- 6. As Brucks shows for physicians, for example. Physicians' sentimental work is limited to reducing angst or creating trust; their professional diagnosis and treatment, on the other hand, is fully consistent with planned, rational, objectifying action (cf. Brucks, 1999).
- 7. Our studies also confirm the special role of experience-based knowledge.
- 8. The following empirical findings are taken from an interdisciplinary research project on the work of interaction. The project included four nursing homes and investigated subjectifying action, sentimental work, and emotional labor (Böhle and Glaser, 2006). Detailed descriptions are taken from Böhle and Weishaupt (2004). Additional material can be found in Böhle (1999), Böhle and Weishaupt (2003), and Weishaupt (2006).

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Part IV

Working Customers – Self-Service and Web 2.0

9 The Working Customer – A Fundamental Change in Service Work

Kerstin Rieder and G. Günter Voß

1. Introduction¹

The idea that customers are active is not new. Customers have always and in many ways, contributed to the process of service provision. They have always had to inform themselves about the products and services on offer, had to get to the point of sale, transport the goods, prepare them at home and to dispose of the wrapping and packaging. Customers have thus never been completely inactive. However, the role of the customer has been changing substantially over the last century. Enterprises have increasingly been transferring functions from employees to customers, clients, and patients. Early milestones of this development are outlined below.

- One first step was the opening of warehouses in major American and European cities at the end of the nineteenth century (Porter Benson, 1988). For the first time, customers could take the products they wanted themselves and carry them to the cashpoint.
- In food retailing, the first self-service store, the Piggly Wiggly Store in Memphis, Tennessee, opened in 1916 (König, 2000). In Europe, supermarkets began to spread in the 1950s. Substantial activities, such as acquiring information on the goods, selecting, and bagging them, were now accomplished by the customers themselves. This saved enterprises a considerable amount of cost. However, successful self-service required certain things from customers. For instance, they had to be able to read in order to understand the written information about the products that substituted for the sales advisory service (König, 2000).

- In the 1970s, self-service spread to many different sectors of the economy, including gastronomy (with the very familiar example of McDonald's), gas stations, home improvement stores and drugstores. IKEA even went one step further and shifted product assembly to the customers (Grün and Brunner, 2002).
- From the 1980s onwards, banks began to use automated teller machines (ATMs), the first EC machines, and subsequently, bank statement printers and automatic machines for payment and bank transfers (Voß, 2005).

Since then, customers have taken over many more activities which were formerly conducted by employees (see below). There have been at least three different forces driving this development. One important factor was the aim of further rationalizing processes (Ritzer, 2010). A second factor was the development of new self-service technologies, most importantly the Internet, but also new ATMs and vending machines (see Rosenbloom, 2010). A third factor was the desire of consumers to gain more control of the consumption processes of products and services. This latter factor is especially important in the field of health care, where concepts like empowerment and shared decision-making are of growing importance (Rieder and Giesing, 2011).

2. The academic debate on the active role of customers

Research on work and on consumption form different traditions with little in common (see, for example, the critique on the division between the sociology of work and the sociology of consumption, Korczynski, 2009). This might be the reason why consumer research has paid little attention to the customer's active role in service work (see for example Rosenkranz and Schneider, 2000; Blackwell et al., 2006). Other research traditions began to draw attention to these phenomena in the 1970s. Three separate research perspectives have each independently investigated different aspects of active consumer participation (Voß and Rieder, 2005).

Sociology and economics treat consumer behavior as a part and outcome of larger social and economic transformations. Research into the tertiarization of the economy, coupled with the realization that the consumer cooperation is often necessary for the provision of services, gave an important impetus to investigations of consumer *co-production* activities (Gartner and Riessman, 1974; Gross and Badura, 1977). Active consumption became progressively investigated from the early 1980s onward. One central term emerging at this time was that of so-called *prosumers* (Toffler, 1980). According to Toffler (1980), a prosumer is a person who consumes what he or she produces. One characteristic of this concept is that it refers not only to the customer's active role in service work, but also in the production of goods. Toffler describes three forms of prosumption: self-help groups, the do-it-yourself movement and the participation in the design and production of goods. This concept did not receive much attention in the 1980s, but has done so in the last few years (for example Blättel-Mink and Hellmann, 2009; Richard and Ruhl, 2009; Collins, 2010; Ritzer and Jurgenson, 2010). Another core concept was *McDonaldization*, first mentioned by Ritzer (1983), which refers to the rationalization of service routines, whereby consumers themselves are expected to perform certain essential steps.

Whereas sociology and economics have focused on the linkages between consumer behavior and broad social change, the management literature has concerned itself with the practical matter of developing recommendations for firms dealing with active consumers. As early as the 1970s. and in the context of reflections on the transition to the service economy, a central question was how to integrate so-called external production factors (consumers in this case) into service provision and what risks were involved in doing so (Lovelock and Young, 1979; Maleri, 1994). Getting customers involved in production processes was an important issue even for manufacturing firms, for example in the widely touted concept of the virtual corporation (Davidow and Malone, 1993). The customer was discovered as a central resource for corporations, which were advised to treat customer development as seriously as personnel development (Gouthier and Schmid, 2001; Gouthier, 2003). One began to speak of outsourcing to the customer and even to think of customers as service providers (Grün and Brunner, 2002). The customer was seen as a source of value co-creation (Prahalad and Ramaswamy, 2000).

A third research tradition focused on individuals and their roles. Parsons (1951) pioneered this approach with his reflections on the complementary roles of doctors and patients. This research made clear that the quality of service provision depends just as much on how well customers play their roles, as on how well employees play theirs. Over time, both sets of roles were less often described as complementary and more often as similar. Customers were thought of as *partial employees* (Mills and Morris, 1996) or as unpaid employees (Nerdinger, 1994). These roles even came to be understood as interchangeable (Bowers et al., 1990). Digital technology was often noted as a precondition for many new

forms of self-service, as in the case of services offered by mobile telecommunications companies (Hanekop et al., 2001; Hanekop and Wittke, 2005). Other studies showed that consumers often did not have the skills one would expect of employees and that consumers were often confronted with unsatisfactory 'working conditions' (Dunkel and Voß, 2004).

3. The thesis

It is characteristic of the literature reviewed in section 2 that the active consumer is not treated as a subject in his or her own right, but rather tangentially, by way of answering questions of internal significance to each of the individual research traditions. We have attempted to overcome disciplinary boundaries in our review and come to a synthesis of these separate approaches, summarizing their findings in what we refer to as the 'working customer thesis' (Voß and Rieder, 2005; Rieder and Voß, 2009; Rieder and Voß, 2010). This thesis is based on both quantitative and qualitative changes concerning active customer participation.

3.1. The quantitative increase of customer contributions

Currently, a pronounced increase in outsourcing to non-employees can be observed, even as the forms and prevalence of self-service in all sectors of commerce and industry are multiplying (Rieder et al., 2008). Traditional services are increasingly being substituted by self-services. This process is taking place not only in supermarkets, where we expect a comprehensive implementation of self-scanning cash points, at fast food chains, and at banks (where the traditional counter is mostly being replaced by ATM and online banking), but also for public transportation services (where tickets are sold by vending machines and via the Internet), air traffic (e-ticket, check-in machines), mail (pack stations), internal revenue offices (electronic tax returns), health services (e-health, see Rieder and Giesing, 2011), and even at the hairdresser (self-blow-dry).

The range and extent of these activities are by now very substantial, which can be demonstrated with two examples:

• Until 2009, about 40 million of the famous IKEA Billy-shelf had been sold. If we estimate 30 minutes to assemble Billy and assign a fictitious value of 5 Euros per hour to this work, then IKEA customers have rendered services worth 100 million Euros.

• A rough calculation of services that customers provide by clearing the tables at fast-food restaurants is even more compelling. In 2012, McDonald's, for instance, had about 68 million customers daily worldwide. If only 0.10 Euros per customer are assigned as the value of clearing the table (including waste separation), this sums up to 2.48 billion Euros per year. This impressive figure illustrates the level of savings for enterprises as a result of what is in fact (free) outsourcing to customers.

3.2. Qualitative changes of customer contributions

Yet, the quantitative increase of outsourcing to non-employees is not as significant as the qualitative changes that it is causing. Indeed, we are witnessing a new phenomenon in commerce and industry. Nonemployees (customers, consumers, clients, patients, patrons, citizens, etc.) are fulfilling functions themselves and contributing to the valuecreation process, usually for free. This contribution can be and is being exploited commercially. Accordingly, customers not only serve themselves, they also serve other customers and work for the benefit of the enterprise. For instance, Amazon.com customers advise other customers by writing product reviews, uploading lists of favorite books, and rating the reliability of private sellers. Customers also assume 'managerial functions' for the employees, such as feedback and acknowledgment (Jacobshagen and Semmer, 2009). This can take the form, for instance, of questionnaires on customer satisfaction, which are being made available by more and more enterprises. Another example is the Internet travel agency Expedia. Customers need not rely on the statements and claims of sellers when they choose their destinations and associated services. Instead, they have access to numerous customer evaluations. Most notably, so-called crowdsourcing (see Benkler, 2006; Howe, 2006, 2008; Tapscott and Williams, 2006; Keen, 2007; Kleemann et al., 2008, Papsdorf, 2009; Gillespie, 2010; Wexler, 2011) provides many examples of a new element of active contribution from customers. Jobs traditionally performed by employees are outsourced to the customer or user, most often through an open call in the Internet (Howe, 2007). Tasks outsourced in this manner can be tied to innovation (for example at Dell IdeaStorm) or to operational activities such as marketing (for example Starbucks Idea) or user-generated content for social media websites (for example YouTube, Facebook).

In all cases, however, the act of value creation is changed from a firm-dominated process to one of co-production, involving the active

participation of customers and other Internet users. These developments are discussed with reference to the term *interactive value creation* by Reichwald and Piller (2006). YouTube is an excellent example of the estimated worth of enterprises that are based mainly on customer contributions. YouTube was sold in 2006 to Google for 1.7 billion dollars.

3.3. A new type of consumer: The working customer

The conventional and prevailing notion of consumers originally arose in conjunction with industrialization and is characterized by the act of consuming as opposed to the act of work (for more detail, see Voß and Rieder, 2005). Although some aspects of the role of the consumer in this dichotomy are active, he or she is mainly passive; consumers buy and use products and services. Even in the act of buying, they are waited upon. As discussed above, relationships between firms and consumers have recently undergone far-reaching changes. Customers have ceased to be mainly passive consumers of goods and services provided by company employees. Rather, they increasingly participate actively and directly in firms' production and service-delivery processes. Customers are no longer the classic kings to be waited upon but are more like co-workers who assume specific elements of a production process that remains ultimately under the control of a commercial enterprise. We interpret this development as the emergence of a new consumer type, the working customer (Voß and Rieder, 2005).

Three characteristics of the working customer are central to formulating a viable definition of the ideal type (Max Weber, for more analytical detail, see Voß and Rieder, 2005):

- 1. With his or her *practical* activities and competences, the customer is no longer only a buyer and mainly passive user of products and services. Instead, his or her productive *labor* (and very often knowledge and creativity) is *used* systematically by enterprises. Hence, the private productive activities of consumers are systematically integrated into operational business processes.
- 2. *Economically* customers become an explicit *source of surplus value*. That means that individuals not only create added value in their role as employees at their regular place of work but also in their role as customers. The 'consumptive productivity' of individuals in their private lives is thus subject to a totally new form of economic exploitation and economization.

3. Finally, the customer in nearly all *existential* aspects or dimensions of his or her personal *life* becomes a kind of *informal employee* and a more or less informal part of organizational structures and processes. Customers use enterprise resources (for example, vending machines or software in the Internet) to contribute to business processes, and the productive elements of individual consumption are subject to organizational rules and restrictions. However, these differ systematically from what people do and experience in conventional gainful employment, in that their work has no official legal form, no legal protection, no adequate pay or compensation, no lobby, and so on.

The working customer thus differs systematically from the 'prosumer' (Toffler, 1980) and the 'co-producer' (Prahalad and Ramaswamy, 2000; Grün and Brunner, 2002), who are involved *selectively* by enterprises. Instead, he or she is engaged *systematically* as a quasi-employee (see also Ritzer, 1983, 1996; Nerdinger, 1994; Ritzer and Jurgenson, 2010). Additionally, whereas in earlier concepts the customer was involved mainly in activities the result of which he used himself, the working customer works to a considerable extent purely for the benefit of other customers. However, although the working customer sometimes obtains a price reduction or some form of incentive, he or she is usually unpaid. This is even the case if customers provide services they don't use themselves, but that create added value (see Reichwald and Piller, 2006) purely for the enterprises.

4. Historical types of consumers

The concept of a new 'working' type of consumer can be integrated into a rough scheme of historical stages of consumption, with three basic forms of 'consumer'. To further clarify the concept of the working customer, we now contrast it with the two other historic types of consumers, the 'self-producer' of preindustrial societies and the 'buying customer' of industrial capitalist societies. The description of the three types follows the concept used above that differentiates between *practical, economic, and existential* dimensions.

4.1. The 'self-producer' of preindustrial societies

Preindustrial consumption is a fundamentally productive form. The term 'preindustrial' refers, over a very long historic period, mainly to agricultural and subsequently to craft-orientated working and living conditions. The use of goods is very closely associated with the

production of necessary everyday things within the narrow social and spatial living range of the 'consumer' – who is not really a 'consumer' at all in our modern sense.

The *practical logic of the activities of this 'consumption'* is not identical to the production of goods itself, but is relatively close in time, space, and social relations. Production and use are directly related, in that the producer knows those who use and consume the product. Likewise, the consumer knows the working person, the social means and practical elements of the production process, the specific quality of the individual product, and its component parts or raw materials.

In *economic* terms, this consumption is essentially 'self-consumption', which is very closely associated with production aiming at the direct individual use of goods. Without doubt, this is already a form of 'economy', but a very basic one in the sense of the antique Greek idea of 'oikonomia' (Aristotle, 1932), which is not yet based primarily on an elaborate exchange of goods or even a money-based economic system. Economic principles are related to direct practical utilitarian value in everyday life and not to an exchange-value-based transfer of commodities. In a way, this economy is use-centered and not primarily production-focused. That is, one produces what is needed and does not consume what is produced. This was even (very often) the case when it was an economy characterized by severe shortages or poverty.

Against this background, the logic of everyday living (and accordingly, the life course) was an existential unity of consumption and production; both together constitute the essence of existence. Living and work-ing/producing are still one entity, or alternately expressed, two sides of one way of living.

This picture is, of course, a very crude one – not least because of the extremely long historic period it describes. Therefore, a differentiation in the form of two variants or subtypes of the outlined ideal type of the self-producer may be helpful:

(a) The earliest form of consumption can be referred to as *the mere self-producer* – a type who consumes only what he or she produces himself in the narrowest social and spatial context. From time to time, there may be some form of exchange of goods with other families or tribes. However, this does not characterize the form of economy and thus the way of life. Of course, there are individuals or small groups in such societies who do not produce (chiefs, warriors, religious, or spiritual elites), but they are exceptions. On the other hand, there are large groups who commonly produce under

extremely alienated conditions and have only a limited right to consume the results of their onerous work (slaves, serfs, servants, farmhands).

(b) Some time later in history, we find a subtype who is still a self-producer, but with substantial product purchasing from others. This subtype can be referred to as the *purchasing self-producer*. He or she visits markets not very often but regularly, mainly in nearby villages or towns, or from time to time meets other tribes to exchange surplus products or goods with a particular quality or characteristics. For quite some time, this is a history dominated by an exchange of goods and only in relatively recent times, based on a regularly operating monetary system. Yet, even in ancient times and at the latest in the early middle ages, this led to elaborate crafts (still limited to small groups of people), financial transactions and directly moneyrelated professions (money changers and lenders, early bankers), and complex forms of trade and commerce.

This constellation subsequently dissolved. First within medieval towns and then driven by nobles and their court economies, proto-industrial forms of production developed (manufactories). This correlates with an increasing consumption of non-self-produced goods or commodities and later on, with the first mass-produced goods that we have in modern economies – reaching its full present scale by the 1920s.

4.2. The 'buying customer' of industrial capitalist societies

The socio-economic 'Great Transformation' (Polanyi 1944/2001) to a fully developed industrial-capitalist society not only constitutes new means of work and production, but a new world of consumption. This is the first time that the word 'consumption' really makes sense in a modern context. A completely new quality of the product usage, with a previously unknown societal role model, emerges, which contrasts the 'worker' or 'employee' with the 'buyer' or 'purchaser' (and later on, the 'shopper') of commodities and the 'customer' of retail stores and enterprises in general.

The previously close connection of *practical activities* in producing and using goods breaks down and becomes differentiated. Both spheres are distinct, not only practically, because the production of goods generally follows a different logic to that of product usage. The spatial logic also changes (one generally works in areas different from living spaces), as well as the temporal structure (working times are not those of recreation and personal living) and the social means of living (those you

work with are not those you buy from). From now on, consumption, in all its dimensions, is a societal sphere with a completely unique quality and reality.

Economically, the logic of consumption shifts even more. It is no longer dominated by the use of self-produced goods, but of products manufactured by others - and to get them, you have to pay for them. Even more than in production and the use of the labor force, societies witness an almost complete commodification of the sphere of consumption. Goods are more than ever economic in the sense of being tradable, and only in combination with this economic quality (exchange value) do they have practical use value (one of the important findings of Marx, based on concepts from Adam Smith and Aristotle). The acquisition of goods by consumers becomes a genuine economic activity that not only requires (sufficient) money, but also sufficient market-related knowledge and the associated skills. From now on, the 'buving customer' dominates in this sphere. He or she not only has needs but also economic preferences and no longer decides how to produce or gather things that are really needed, but makes economic decisions based on prices and merchandise attributes.

The *existential* logic of the buying customer also differs fundamentally from that of the self-producer. The man of industrial societies is not only the famous 'organization man' (Whyte, 1956/2002) or Marx's commodified laborer, but the privatized (but equally commodified) 'man of consumption'. In order to differentiate within this otherwise analytically and historically narrow, rather simplistic picture, we can contrast two variants of the buying customer:

- (a) At the beginning of industrialization and in many areas almost until the present, the described modern consumption and new type of 'customer' can only be found in incomplete forms. In many respects, customers are buyers of commodities, but they still perform a *substantial share of residual production*, such as in gardens and with private livestock breeding or even as part-time agricultural production, as substantial home production or the end-production of semi-finished goods and elaborate stockpiling. This may entail much more than conventional 'housework'.
- (b) In contrast, we can describe a model of the modern buying consumer who is a narrower form of an almost complete 'customer'. However, we should not forget that even in modern times, most people perform a *minimal residual production* in his or her personal sphere. This refers not only to 'housework' (cooking, cleaning) or

'family labor' (child upbringing, care for the elderly). We find substantial and often elaborate practices of private production and social 'service' work: 'do-it-yourself' and 'hobbies', neighborhood and voluntary work.

With this type of consumer, the historic phase of the buying customer may gradually come to an end. As usual with historic processes, this will be a long complex drift with many detours, variations, and contradictions. However, there are some distinct characteristics of the transformation which may become a new 'great transformation'. We can now venture into a deeper description of the new consumer type we see emerging at the 'horizon of history' and which is now clearly conspicuous.

4.3. The 'working customer' as a new type of consumer in flexible neo-capitalism

The development of a new 'working' quality of consumption is the result of a long term transformation, but one that converges with the transition of society to a flexible post-Fordist capitalism. In the past, there have been historic phenomena with similar characteristics, captured partially by some scattered scientific concepts mentioned in section 2: the consumer as 'prosumer' (Toffler, 1980; Ritzer and Jurgenson, 2010), 'active consumer' (Gartner and Riessman, 1978), 'co-producer' (Prahalad and Ramaswamy, 2000), 'partial employee' (Mills and Morris, 1996), or 'service provider' (Grün and Brunner, 2002). Nevertheless, we argue that we are currently facing important changes with new characteristics in the interaction between enterprises and customers that may lead to the emergence of a fundamentally new type of consumer: the 'working customer'. His or her key characteristic is not the historic re-emergence of a self-related productive activity in the sense of Toffler's 'prosumer', but something genuinely new. Furthermore, the fact that enterprises attempt to reduce costs by externalizing previously internally processed functions at a new level and with new mechanisms (or technologies) to their customers, is also not really crucial.

Much more important is that firms recognize the productive activities and competences of the consumer as a source of practical and economic value, and are beginning to systematically integrate and exploit this new source. To do this, they attempt to integrate and control customer activities in a completely new way. Accordingly, consumers become a form of new labor force – complementary to that of traditional employees, but with completely opposing characteristics in nearly every respect. This transformation of consumption has an astonishing parallel or even more so, a complementarity in the transformation of *formal labor power* and its economic exploitation. While the new customer is integrated into and systematically exploited by firms in a new way, the traditional labor force is more than ever 'freed' from organizational structures and forced to act as a relatively autonomous market-related or 'entrepreneurial' actor ('*Arbeitskraftunternehmer'*, '*entreployee'*, Voß and Pongratz, 1998; Pongratz and Voß, 2003; '*unternehmerisches Selbst'*, '*entrepreneurial self'*, Bröckling, 2007).

The consumptive *logic of activities*, which is currently still essentially reproductive, becomes more explicitly productive with this transition. The working customer is not only a user, but increasingly a producer for and within enterprises. Also, the customer now produces not only what he or she consumes. He or she also produces what others consume. Through this process, consumers acquire a new role as an informal labor force, which is integrated systematically into organizational structures and processes, so as to generate productive use values.

Economically, consumption becomes an explicit source of exchange value that is systematically skimmed and commercialized by enterprises. This is nothing less than a completely new logic of economizing private life beyond buying. Private life now becomes a sphere that directly generates economic value through exploiting labor power in a fundamentally new way. As a consequence, nearly all aspects of work that we know from analyzing the control and exploitation of 'conventional' labor power in the organizational sector will now gradually emerge in the private sphere of society. Therefore it makes sense to analyze it in similar terms.

The *existential* or everyday and biographical dimension of consumption will become a substantial sphere not only of individual but of societal and ultimately, economic productivity. The consumer himself or herself will have to accept this new reality and be forced to act in terms of its logic. Yet, even this formerly somewhat protected private region will be regarded increasingly as a publicly important and externally controlled part of consumer life. The new role as an informal laborer will deeply affect and overshadow all other roles one has to perform – and it will be a demanding task to coordinate and integrate.

In analyzing the ideal type of the working customer in greater detail, we can differentiate between two variants that can be regarded as constituting historic phases in the transition of consumption that we consider in this chapter:

- (a) We are currently witnessing a take-off phase of the described transition. What we find are mainly incomplete forms of working customers. Customers are still primarily buyers, but who make more or less substantial productive contributions to economic processes. They are at present generally not more than partial working customers - but the amount and quality of work conducted as informal elements of organizations are increasing substantially. It is particularly important to take into account that the relative extent of 'working' participation in the productive process of individual enterprises tends to remain marginal. Nonetheless, the total quantity and the resulting demands on customers in terms of working activities, in cooperation with organizations of all sorts every day and over the entire life span, is rising dramatically. Additionally, most customers are beginning to understand that their role as customers is changing radically. This becomes evident at the latest when they feel explicitly sanctioned by organizations to behave and contribute in a meaningful way, as even laid down in the company rules.
- (b) Thinking this through to a logical conclusion yields a picture of a fully developed working customer in a society, where life as a systematically and almost '24/7' highly productive and organizationally correctly behaving and cooperating consumer will be the norm. For some of us, this may sound exaggerated, or amount to an Orwellian nightmare. For many young consumers, especially those we can regard as 'digital natives', this is not far from reality. In many aspects, they already live and work this way and perceive it as normal. For them, it would seem strange or overdramatized to point out that this new type of consumer entails a doubly exploited labor force, as a formal worker or employee and parallel, as consumer and customer. Furthermore, because it is becoming increasingly common for us to live longer, one is not a proper member of society until one contributes a substantial amount of work over the entire life span. It will surely become accepted as normal that people have to do this in the other (previously mainly consumptive) part of their lives, too.

5. Consequences of the rise of the working customer

Toffler (1980) has already postulated that the historic change in the relationship between production and consumption can be described through three steps or waves. According to him, the third wave (the title

of his book refers to this wave) is characterized by a prosumer-economy. Following Toffler, the main driver of the development of the prosumer is the process of individualization. Moreover, in his view, consumers begin to mistrust the business practices of enterprises, because they focus almost exclusively on profit and neglect other values like ecology or equal opportunity. Furthermore, unemployment tends to rise, so that consumers have more time for do-it-yourself-activities. Therefore, they tend to reject mass products and rely on individual goods they produce themselves.

In contrast, we see the rise of the working customer as mainly brought about through business strategies of the enterprises which progressively more systematically integrate customers into the process of value creation. This is why the trend toward the working customer differs considerably from that of the prosumer as postulated by Toffler (1980). Toffler sees the rise of the prosumer mainly as an opportunity for individuals to gain control over the way they consume. However, the working customer is in many ways controlled by enterprises and other organizations. As a result, a new form of work develops that is performed outside paid work. This brings about fundamental changes to individual privacy. Work invades the *private lives* of individuals in a completely new way.

Looking back, the separation of public and private life originated at the beginning of the modern age (Ariès, 1991). In the middle ages public and private life were integrated. Individuals knew each other personally and they interacted almost continually in the public domain. Not until the modern age did privacy become important. Around 1800, the family became the mainstay of private life. Employment and housework were separated with regard to content, location, and time (Hausen, 1978). At the same time (at least for the middle classes), housework was assigned to women and 'gainful' employment to men. While paid employment was dominated 'by the rhythm of the business' (Martin-Fugier, 1992: 207, translated by B.B.), private life acted as a retreat in which the male breadwinner could organize his time according to his own desires and preferences. Later, with the first and the second women's movements, the gendered segregation of work became an object of criticism.

Hence, work outside the sphere of paid employment (in this case, housework) is nothing new. The current linkage of work for enterprises with the private lives of individuals is, however, completely new. Over time, the customer ceases to be a private person. He or she is a *working customer* and the 'employer' offering such work is the enterprise. Accordingly, it makes sense to speak of a current *erosion of private life* which, until now, characterized society. The working customer uses resources and has to face the demands and restrictions imposed by enterprises in his or her private sphere. Moreover, the result of his or her work is being commercialized actively and deliberately by enterprises.

Rössler defines privacy as the ability to control access to something (Rössler, 2001: 23). This includes three aspects (ibid.): decisional privacy (protection from external influences), informational privacy (protection from external access to one's personal data), and local privacy (protection from external access to one's place of abode). If customers 'work' for enterprises in their private lives, each of these aspects of privacy may be compromised. For instance, decisional privacy of the customer is affected if customers are forced to use a self-service option (for example a ticket machine) because the service option (buying the ticket at the counter) is no longer available. Another example refers to self-service when using hotlines with interactive voice recognition, where the customer has to strictly follow the script formulated by the organization. Informational privacy is affected by what Beer and Burrows (2010) call 'participatory consumption' in the web 2.0. By using Google or by writing reviews for Amazon, customers create data that may be used by organizations to develop marketing strategies. Moreover, enterprises 'capture' private households and transform them into a kind of work station with all the necessary technical equipment, Internet access, and software. This affects the local privacy of customers.

However, the organizational capturing of private life through work is not entirely negative. Through their connection to organizations, customers also gain new options to their advantage. They can access resources of enterprises that were not available to the classic buyercustomers and apply them for their own purposes. Thus, customers can use the vast databanks of enterprises in the Internet, in order to obtain information on products and services (for example, information on books at Amazon or travel information at Expedia).

Moreover, as Ritzer and Jurgenson argue (2010), so-called digital prosumers are more difficult to control than employees. Ritzer and Jurgenson (2010) focus on the changes caused by the web 2.0 and what they call 'digital prosumption' (p. 31). They postulate the rise of a new form of capitalism, in which customers produce surplus value. They argue that the relationship between digital prosumers and enterprises differs systematically from that of employees. One main aspect is that there is a greater likelihood of resistance from prosumers than

from conventional employees. This is because enterprises depend on the genuine willingness of users to do unpaid work.

Moreover, the web 2.0 offers options to inform a great number of other customers with minimal effort about one's experiences with a particular product or service. Therefore, web 2.0 is not just a tool for enterprises to put customers to work. It is also a powerful instrument in the hands of customers, which may significantly influence the image and turnover of enterprises.

Finally, if customers are not content with the offers on hand, they may become creative themselves. Customers can now use the resources of enterprises to participate in so-called open innovation (Chesbrough, 2006). This can be interpreted as a way of democratizing innovation (von Hippel, 2005). What could be considered exploitation of the consumer also goes hand in hand with his or her self-actualization (Zwick et al., 2008). Following Foucault, Zwick, Bonsu, and Darmody argue that, with co-creation, enterprises leave surveillance and discipline behind, and develop a new form of power.

Accordingly, the customer may lose a form of privacy that was established with the rise of capitalism, but he or she may gain a new means of participation. Customers acquire access to information and sometimes even participate in decisions, such as on the production of new products, not in their role as buyers, but as working customers.

The literature on changes in the active contribution of customers to corporate activities usually focuses either:

- on societal changes (for example the McDonaldization of Society, Ritzer, 1983; or the rise of a new form of capitalism, Ritzer and Jurgenson, 2010),
- on the strategies of enterprises and their potential success (value co-creation, Prahalad and Ramaswamy, 2000) or
- on the individuals involved and their roles (e.g. roles of employees and customers are regarded as interchangeable, Bowers et al., 1990).

With the concept of the working customer, our aim is to integrate these different strands of research. We wish to show that the changes described from the perspectives of different disciplines and with different focuses are in fact associated with one another.

The development of a new type of consumer, the working customer, is the result of corporate strategies, some enabled by technical progress and especially the Internet. This process is associated with societal changes and entails an erosion of private life. The 'long arm of work' now reaches deep into the former sanctuary of private life. Yet, for the working customer, this change is not always prejudicial, but may constitute a new opportunity. Which of the two ultimately prevails depends on how working conditions for customers are designed by enterprises. Furthermore, with the rise of new social networks in the Internet, it also depends substantially on the collective strategies of working customers.

Note

1. Parts of this text have already been published in the journal *Psychology of Everyday Activity* (Rieder and Voß, 2010). We thank the editor for his friendly permission to use them for this article. We also wish to thank Dr Brian Bloch for his accurate and articulate translation of the manuscript.

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10 Customers Working for Customers: Collaborative Web 2.0 Services

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The development of web 2.0 technologies since the mid-1990s has given a powerful new impetus to the growing trend of customers participating in the creation of services. Not only has it enabled this participation on a larger scale, it has also stimulated the development of a new type of service – one that integrates customers in the service creation process in ways never seen before. Customer service is now provided not by service providers alone but also by customers. Large numbers of customers are working for customers in a collaborative effort or, to be more precise, in large-scale collective action.

The phenomenon of user-generated services on the web is widespread and steadily growing. In the broad field of IT products, there is hardly a manufacturer today who can afford *not* to offer a user forum or user support website. In other areas, online communities form in which users support one another in the pursuit of specific, shared interests or activities, such as sports or travel. Customers who have purchased a certain type of equipment, play a certain sport, or have traveled to a certain area, report on their experiences in a user forum on that topic and, in doing so, help other customers by sharing the specialized knowledge gained from the activity or from the use of the product.

User forums and user-generated platforms do not necessarily involve firms. The two famous examples of user-generated services on the Internet, open source software development and Wikipedia, are produced and managed exclusively by user communities. This demonstrates that such work can be done without firms (von Hippel, 2005b). Operating a large, successful web platform, however, requires sophisticated infrastructure and well-organized management. In the case of Wikipedia, the not-for-profit Wikimedia Foundation was established for this purpose, and similar organizations have been established for large open source projects like, for example, Mozilla (O'Mahony, 2007).

But if the platform content revolves around a commercial product or service, frequently a firm is involved. Because in this case a relationship between the customer and the company already exists, it stands to reason that the firm would operate the platform, as does the navigational device manufacturer Garmin, which we analyze below. In other cases, the participating firm is an intermediate service provider, such as TripAdvisor, a platform where travelers share their experiences involving hotels, restaurants, or other providers of travel services. All in all, the number of user communities centered around products and services is constantly growing and a very broad spectrum of different operator-user constellations is emerging.

In this chapter, we take a closer look at exactly how customers are working for customers – or more precisely, how these user-generated, web-based service platforms actually work. We begin by characterizing user-generated web 2.0 services. In the second section we present two successful platforms: the Garmin Forum and TripAdvisor. Based on these examples, we analyze in the third section how these customers are cooperating with one another and how this leads to large and widely used service platforms. In the fourth section we examine the role of firms in user-generated web platforms, again on the basis of our two sample websites, as well as the relationship between company and user community. In conclusion, we argue that these user-generated web 2.0 platforms represent a new type of service. Our thesis is that the combination of different coordination mechanisms - the collective logic of the customers on the one hand and firms' logic of production on the other – results in a new form of mixed governance. The challenge with this type of service is how these contradictory coordination mechanisms can be linked with one another.

1. Customers working for customers: A new type of service

The division of labor in user-generated, web-based service platforms contrasts starkly to the division of labor typical of conventional suppliercustomer relationships. The actual service is performed almost entirely by customers, while the task of the participating firms is more or less reduced to providing the web platform. Rather than being merely the recipients of services, customers also act as producers of services for their fellow customers. As illustrated by the examples below, the creation of the content by customers or users implies that the process of service production is taken out of the companies' hands. The customers decide themselves what they can and wish to contribute to advise or help other customers; their contributions in forums or other user communities are voluntary and self-organized. This autonomy within the framework of the shared goal is a basic principle of participation. Although it would seem to be in a company's interest to control contributions or even to 'buy' contributions with content favorable to company interests, doing so would undermine the nature of this service and the interests of active customers, and ultimately it would deprive this production model of its very foundation.

A fundamental characteristic of this new type of service – and the one that makes it highly attractive to users – is the authentic, unembellished, and unfiltered nature of the contributions from large numbers of customers sharing their experience and practical knowledge with other customers. The key to generating this special form of *content* lies in the self-determination of the customers concerning their own contribution: the customers decide what they want to tell other customers about the product or service. The participating company, by contrast, limits itself to providing the infrastructure and organizing the platform.

The second fundamental characteristic is the manner in which content is contributed by customers. The service they provide is made up of a large number of generally uncomplicated contributions from a large number of customers. The threshold for participating is thus relatively low: each individual contribution can be very small. When a large number of such contributions is amassed, a very useful and practical collection of information and advice is the result.

The main difference, however, between the user-provided services described here and conventional customer co-production in services is that here, customers are creating services *for other customers*. Up to now, the paradigm of co-production held that customers participate in the production of services that they use themselves. On the one hand, it was taken for granted that the willingness to participate grew out of self-interest in using the service, and on the other hand, specifying their own needs was seen as a generic task of customer co-production. In conventional service constellations, customers are systematically involved as co-producers in the creation of the service (Gross and Badura, 1977; Gross, 1983; Gutek, 2000; Kleinaltenkamp, 2001; Jacobsen and Voswinkel, 2005). In travel services, for example, customers must be involved, because without their co-presence the trip does not take place. Of course this also applies to personal services such as hairdressing and elder care, in which customers may be more or less

passive but are very much involved (in the sense of being affected). It is also true, moreover, of *self-service*, where the customer usually takes over a significant part of the production of the service in return for a lower price, for example, or a larger selection of variants or design options in (industrially pre-fabricated) mass-use products. However, in conventional service customers participate for their own benefit and not for that of other customers.

This conventional paradigm of co-production is not applicable to user-generated services on the web because the customers are participating – systematically and extensively – in the co-production of services *for other customers*. User-generated service platforms thrive on the fact that specific user knowledge and experience is made available and utilizable by customers for other customers. Users have specific knowledge that has grown out of their own experience, their particular situation, their familiarity with a certain place, and from their particular interest in a given topic (von Hippel, 2005; Piller et al., 2011). This gives them an exceptional capability in helping or exchanging information with other customers. But that raises a question that did not arise in connection with conventional service. *Why* do customers work for other customers? This is a typical 'collective action' problem in which the willingness of a given customer to contribute is dependent on whether other customers are contributing as well.

Another consequence of customers working for customers is the way it alters the relationship between firms and customers. Conventional co-production typically involves a one-to-one relationship between company and customer: a relationship of exchange and cooperation, with the supplier and its personnel on one side and the individual customer on the other. User-generated, web-based services, by contrast, grow out of cooperation between a large number of users on one side and the company on the other (Wittke and Hanekop, 2010). Collaboration is found between customers who are working for one another, but there is also a relationship between the user community as a whole and the company. In the following, we examine both the implications of this new type of service and the prerequisites for this new type of web 2.0 production model.

2. The cases

This section presents qualitative analyses of two successful usergenerated, web-based service platforms: the Garmin user forum and TripAdvisor. We specifically chose to analyze successful user communities, because we are interested in how this new type of service functions. The two web sites represent two different kinds of operator constellations. The method applied thus involves contrasting case studies. In the first case, the Garmin user forum, the website operator is linked to the role of device manufacturer. In the second case, the TripAdvisor travel information site, the web platform is operated by an intermediary whose primary task is to gather a large number of authentic and often critical user reviews. This is a kind of review that one does not usually get from a conventional travel agent, for example, because it would negatively affect their own sales and that of the hotels they book for.

It has been pointed out elsewhere in the literature that users have special experience and expert knowledge (von Hippel, 2005; von Hippel and von Krogh, 2006; Piller et al., 2011), which enables them to provide highly competent advice and recommendations for other users. The particular attraction of these user reviews is that they provide public access to authentic user reports on products or services. The advantage over information from travel businesses is authenticity: criticism and problems are not sugarcoated or glossed over, nor tinged by commercial interests or marketing strategies. The specific qualities of the knowledge contributed by users for other users can differ. The Garmin forum accentuates the bundling of highly specialized user knowledge, while at TripAdvisor, the extensive collection of authentic experiences of customers and users concerning a wide range of travel destinations is in the foreground.

What our two examples have in common is the openness of their web platforms, imbuing the respective services with the character of public goods. The information they offer is freely accessible, and anyone can contribute. There are no formal limitations; all that is asked of users is that they register before writing.

2.1. Garmin forum

The basic concept of the Garmin Forum (https://forum.garmin.de) is spelled out in the first rule of forum use: 'This forum is first and foremost to be used for users' questions and for the exchange of information regarding the use of Garmin products.'¹ The forum is for Garmin customers who use their GPS devices in outdoor activities (e.g. motorcycle riding, cycling, trekking, mountain climbing) or in their work (usually for traffic navigation). Regular users not only have specific knowledge about the devices, but are also familiar with the particular needs and problems of users who have the same hobbies or enjoy the same outdoor activities as themselves. The Garmin forum is a platform on which they can converse with each other about experiences, problems and solutions. The same kinds of exchange take place offline as well, whether among friends and acquaintances or at work, but in the online forum, the number of people reached by a given discussion is expanded radically. The more people involved in the discussion, the greater the likelihood of finding another user whose experiences are similar to one's own, among them perhaps one who can help solve a problem. Many members of the user community spend a lot of time online and check the forum frequently for new posts, though most of them only rarely contribute. The German Garmin Forum has about 20.000 active (registered) users. In the beginning of 2012, there were about 80,000 user posts in 10,000 threads. The number of readers is many times higher than the number of members registered in this forum. The ten thousand threads on the website represent roughly the same number of user questions, which have quite likely already been answered within the forum or, if not, then at least the forum has informed the manufacturer of a problem so the company can solve it. Generally, every question is taken up for discussion immediately (within at most a few hours) among the users. This rapidity of response is another advantage of the large number of users and the openness of the platform.

From their common interest comes a shared motivation to act, as is vividly expressed in the following user's personal introduction in the Garmin forum:

For those of you who do not know me yet: As you can easily see, my name is Andreas and I come from beautiful Berlin. I am about 40 years old and have been using Garmin GPS devices for about 10 years now.... In my free time I use them for both short and long trips on my motorcycle.... I try to help other GPS users whenever I can. Because Garmin equipment means a lot to me, I also write fairly often about what can be improved in these devices, and I hope that this is the right place for these suggestions.

(ANDREASL. This user has added 116 contributions since April 2009)

On the basis of their common interests, the users share their experiences in a self-determined and self-organized way. Any registered user can start a new thread, usually for the purpose of describing a problem with a Garmin device. Other users answer and frequently a long debate ensues, often joined by a Garmin moderator as well. In this manner, the user contributions determine what topics are discussed. This openness toward users' needs is the special quality of this user-generated service.

The fact that the questions and answers are publicly and permanently available is crucial for the usefulness and efficiency of the service provided by the user forum. Even interactions that involve just a few parties can benefit a large number of users over a long period of time. In other words, the help provided by this user-generated service is not limited to the person who asked the question; the number of hits per thread as documented in the Garmin forum indicates that there are often hundreds of other users reading these discussions and solutions. Thus a huge reservoir of problem descriptions and solutions is created, where users can search for answers any time and without restriction.

But if anyone can start a thread about any topic, how can the result be a well-structured and helpful service? In the Garmin forum, the phenomenon is explained by their clear and simple rules, complied by all contributors. If a user breaks a rule, she is warned by a moderator; if necessary, the warning is followed by action. The contributors' voluntary compliance is the main factor, however, and this is linked to the general acceptance of the rules. Thus, the rules have a normative character in the context of the user community.

The Garmin forum is structured along the lines of product series and models. There are forums on street navigation, outdoor activities and leisure, sports and training, smartphones, maps, and map software. Each of these has subforums for individual devices. Another forum area is dedicated to customer feedback directed at the Garmin company, with the subcategories 'Customer Requests and Ideas for *Garmin* products,' 'Report a Defect,' and 'Feedback.' Within the device-specific subforums the structure is problem-oriented, an arrangement that results from the threads started by users. Other contributions contain criticism or suggestions for improvements. These may be addressed to Garmin, but they can gain in significance if supported by other users.

The Garmin Forum is structured in part through adherence to the forum rules, such as the following:

Please post each contribution in the forum provided for the specific topic.

Please limit each thread to only one topic.

When starting a new thread, please enter a Subject Line that clearly describes the content.

- Before starting a new thread, please search the forum for existing threads addressing your topic, as your question may have already been answered.
- Writing multiple posts on a single topic and posting them in different forums is not allowed.²

The rules help ensure that information on a given problem can be found in one thread so that it is easy to find. Without the rules, it would be inordinately more difficult to find relevant information, which would detract considerably from the value of the forum. The rules are formulated in such a way that they are easy to follow and do not restrict the posts, making the problem of convincing users to observe the rules a minor issue.

The fact that Garmin 'limits' the forum content to its own products and subdivides topics into device-specific subforum threads is in no way a disadvantage from the user's point of view; rather, these features are in the interest of this user community. As long as the topic discussed is in the right forum and thread, there are no restrictions on the content of the individual posts. Some contributions are critical and even articulate sharply negative statements about product characteristics and some go so far as to advise others not to buy certain products until the manufacturer has addressed the defects described by users.

For Garmin, the forum is an effective approach to the problem of customer support, while at the same time the company gleans input concerning product improvements. Thus, the forum is also a part of their innovation strategy. Garmin is involved in forum organization and content presentation through the forum moderators. On the subject of defects or deficiencies of the equipment, Garmin is addressed, and sometimes even challenged, directly as the product manufacturer. Garmin sales representatives are also active in the forum, and use it to forward customer criticisms to the company. Garmin does not operate the forum as part of a value-adding strategy (e.g. advertising), but rather offers it as a form of customer support that flanks its core business as a manufacturer.

2.2. TripAdvisor

TripAdvisor is a large, international travel information site (www. TripAdvisor.de), on which travelers report their experiences with hotels, inns, flights, sightseeing, or other activities. The basic idea of the founder and CEO of TripAdvisor is to offer travel advice based on the authentic experiences of travelers.³ The more reviews on a given hotel, restaurant, or famous sight, the better the quality of advice. The TripAdvisor web pages, according to the company (www.TripAdvisor. de), currently contain more than 75 million reviews from 30 countries (as of May 2012), which are used by approximately 50 million visitors per month.⁴

The TripAdvisor service consists of authentic user reviews from travelers who have actually been to the places they review, with the kind of information previously available only in personal conversations with the travelers. The goal of this web-based service is to collect neutral - including critical - information from users and make it available uncensored and without comment. That is why there is no moderator role at TripAdvisor (or at least none that is perceptible). The spontaneity of the descriptions conveys authenticity and is characteristic of the contributions. The specific quality of these user-generated travel reports lies in learning from others about places that one has not visited (e.g., a hotel in another town). Everyday common sense is what counts - no special expertise is required. Individual contributions may address a very specialized aspect of travel or of a particular journey or visit, but the sum of the many user posts combined with sophisticated search and research functions yields a scope and intensity of service which one-toone consulting on a hotline or with a travel agency employee cannot equal.

The quality of the service provided depends not only on the quality of the individual contributions, but also very much on the scale of participation: the more contributions there are from many different users, the better the service. Another effect of the large number of contributions is the improved credibility of the advice. If there is only one post on a certain hotel, for example, readers may wonder whether the review is believable. But if similar reviews are posted by five different people, they will be less likely to question their validity. The problem of trusting posts written by total strangers is significantly reduced when one is not dependent on the opinion of only one contributor, but rather can compare a number of opinions.

The basic structure of TripAdvisor is intuitive and uncomplicated: it is organized around the hotels, restaurants, etc. that the users review. If the name of a place, hotel, famous sight, etc. is not found in the system, the user can create an entry under that name. Every review must refer to a specific destination (city, hotel, restaurant, etc.), and is automatically linked to that destination name. When a user looks up a certain hotel, for example, all reviews that refer to this hotel are listed in their complete, original form, chronologically and without comment. The user can also sort the list of reviews, for example by language or evaluation points. The suppliers (such as hotel or restaurant management) can comment on the reviews, but these posts are not displayed as reviews themselves. Readers are meant to find as many reviews as possible from which they can take the information most meaningful to them and use it to form their own opinion. Unlike the Garmin forum, there is no public discussion about the reviews, most likely because it might discourage users from contributing their honest opinions and evaluations. Everyone knows that differences of opinion can sometimes be unpleasant.

Another level within the structure is that of the persons who have written contributions. Each review indicates who wrote it, what else that user has contributed, and the user's profile if he or she has created one. TripAdvisor provides the infrastructure for storing user profiles in order to give users some basis for the evaluation of other users' reviews. A profile can list the user's personal characteristics and interests, and, most importantly, information on where they have been (in the form of a map) and their interests related to those destinations. The TripAdvisor site counts the number of reviews contributed by each user and shows this number, along with other user data, together with each review. Viewing the profile and reading the other reviews written by a given user can help the reader get an idea of that user's interests and the criteria applied in his or her reviews. The person reporting gains points from the profile and from being ranked as an expert.

TripAdvisor is a commercial platform with the purpose of selling advertising space. The majority of the site's advertisers are travel businesses.⁵ At the same time, however, the independence of the website from the travel businesses is a prerequisite for the credibility of this platform among its users. The trust problem is also particularly significant in the case of TripAdvisor because the independence and authenticity of the user reports cannot be taken for granted. For example, it has been suggested that hotel guests might receive some form of reward from hotels (such as room upgrades or free meals) for posting positive reviews, or that hotels might even commission their own reviews, written under pseudonyms. On the other hand, travel businesses have also criticized TripAdvisor, and on occasion have even filed lawsuits, regarding negative reviews that they say are not credible. Thus in spite of, or perhaps because of, TripAdvisor's position as an intermediary, their relationship with travel businesses merits scrutiny. TripAdvisor itself does not make any appearance on the website in the form of written contributions or (visible) forum moderation; rather, the organization of the website is (apparently) for the most part automatic; that is why there are no moderators (or at least none perceived by the user).
3. A new service type based on customers' collective action

The sites we describe above show how customers assist other customers by sharing knowledge, answering questions, and even working out solutions to problems for one another. Successful platforms like these thrive on having a large number of (mostly small) contributions from a multitude of users. It is the quantity and broad variety of the contributions that creates a new quality of service. But whence this willingness of so many users to help others? And how are the innumerable contributions organized, when their creation is entirely at the users' own discretion? In this section we argue that the user-generated, web-based service platforms in which customers work for customers represent a new form of collective action, even though the web 2.0 platform is operated by firms.

Web 2.0 technologies enable joint production of public goods on a scale previously unseen - so the argument of Benkler (Benkler, 2002, 2006) - and a new culture of sharing, of which open source software, Wikipedia, and user-generated content sites are prime examples. The central argument of this section is that user-generated, web-based service platforms cannot be sufficiently explained without drawing on theories of collective action, and interestingly, web 2.0 technologies facilitate collective action in many ways. First, by making it possible for users to share their experiences and their knowledge with other users with a degree of simplicity and immediacy never seen before. Second, by bringing together large numbers of contributions from different contributors; in the aggregate, these numerous contributions provide more comprehensive, precise, and balanced user support than an individual professional advisor could provide. The web enables 'mass collaboration' of large numbers of users (Tapscott and Williams, 2006). And third, by providing free access to the web platforms that are open to everybody and where all contributions are publicly documented. The new service type which has evolved from these user-generated, web-based service platforms is a form of collaborative production with a highly specialized division of labor, and this enables new forms of co-production of services in which users exchange their knowledge and experiences and make them generally available on the web.

A central condition for mass participation of the users in our two examples is previous positive experience with this type of assistance from other users. Contributors feel they are doing something for others that is useful and socially approved. Social ties are formed online and roles emerge on the basis of shared interests, the presence of others on the web, and the shared everyday practices which are visible to all users of the website. Membership in this web community is attained through making a contribution to the forum (unlike traditional communities, which require formal membership procedures). The desire to belong to the community is an incentive to contribute. At the same time, barriers to making a contribution are low and there is no obligation to remain involved over a long period. This makes it easier to participate. The better the mutual support among users, the greater the attractiveness of the community to new users.

3.1. Collective action in a web 2.0 user community

Collective action aims at the attainment of a shared goal. The actors who are interested in using a certain collective good are the ones who participate in collective action toward its achievement (Ostrom, 1990). User-generated content on the web can be seen as such a collective good. A prerequisite for collective action on user-generated web platforms is, again, a goal shared by the actors involved. The mutual exchange of experiences and knowledge among the users of Garmin devices is a joint action toward a shared goal, as is the exchange of travel experiences as seen at TripAdvisor. With web 2.0 technologies, this collective action by users can take place on a much broader basis than ever (Benkler, 2006).

According to a common assumption in the literature, actors act collectively when they can reasonably expect that other members of the community are also contributing to the shared goal; that is, when they feel that reciprocity is assured (Ostrom, 1990; Wiesenthal, 2000, 2006; Brint, 2001). Typically, however, collective action constellations are fraught with uncertainty as to whether the expectation of reciprocity is justified. This uncertainty about the behavior of others is what Ostrom refers to as the 'collective action dilemma' (Ostrom, 1990). In conventional communities, trust – and the lasting relationships that permit its formation – can help resolve the dilemma. But web communities differ fundamentally from conventional communities (Wittke and Hanekop, 2011): they are large, impersonal, and highly volatile, for which reason personal trust alone is insufficient for solving the collective action dilemma.⁶

But in web 2.0 user communities, the collective action dilemma is defused through the transparency and openness of the web platform: the behavior of others is visible and lasting documentation of contributions is provided. Successful web 2.0 platforms give users a feeling of community and of solidarity in working toward a shared goal. Moreover, most of the contributors to these platforms spend some time as 'inactive' observers before actively participating in the production process (by making contributions). In other words, they profit from the collective action of others before they perform services for others. This is how the visibility of contributions from others can provide an incentive for contributing. Another feature of attractive platforms is that users see something big growing out of a mass of very small contributions that includes their own.

The other side of the coin, however, is another form of 'collective action dilemma,' which is usually discussed as the problem of 'critical mass' (Cominoa and Manenti, 2008, 2007; Prasarnphanich and Wagner, 2008). User-generated content requires many contributions from many users, but as long as there are only a few contributions, this kind of support service is not particularly attractive. The early stages, when only a few contributions are present, are marked by uncertainty as to whether the web platform will become a valuable product or will disappear – and with it, one's own contribution. A good web 2.0 user forum functions well only after the number of contributing users and contributions has reached a critical mass, because at this point, positive feedback effects typically cause the growth curve to climb exponentially. These effects help forums like TripAdvisor and the Garmin forum achieve steady growth. The intriguing question is: How do they attain this critical mass?

In her well-known study, 'The Governance of the Commons,' Elinor Ostrom (1990) used the example of the commons to show that collective action in large groups is promoted through collective self-organization. The self-organization of joint action, in which activities are organized by participants in accordance with collective goals, processes, and rules, is demonstrated to be an efficient form of coordination for collective action (in contrast to coordination through hierarchy). Subsequently, we want to show that Ostrom's principles of collective self-organization are transferable to user-generated web 2.0-based services.

3.2. Institutionalized rules and processes of self-organization

A condition of collective self-organization according to Ostrom is that the parties involved share collective goals and organize their activities in accordance with common rules, norms and practices. In other words, collective self-organization is based on the institutionalization of shared goals, processes, and rules for the production of collective goods. This implies the existence of an underlying idea about structure and rules for the collective good that are in the interests of, and are suitable for orientation of, the members of a user community (Ostrom, 1990; Raymond, 1999). In open source projects and at Wikipedia, such an idea comes from an initiator, who both proposes and begins the project. Because it is a collective project, the idea also addresses the collaboration process and the ways in which others can participate. It includes both a rough product design and rules for contributions.

Unlike Wikipedia and many open source projects, the rules governing contributions to the user-generated web platforms we examined are laid out by a company in its role of web platform operator. However, because the service offered is not produced by that company but rather by the users, it is important that the product idea, the design, and the rules for contributions are all accepted by these users. Sharing the goals and accepting the rules stated by the company is essential for voluntary and independent participation by users. Furthermore, it must be made clear just what can be contributed and how contributions are to be made, and a low threshold for contributing must be maintained because small contributions are just as important as larger ones.

Self-organization and autonomy promote the willingness to participate. But how can contributions of many autonomous contributors be coordinated in a way that a structured and useful good is created? With so many contributors deciding autonomously what to contribute, their sheer number and variety could lead to such confusion that it would be difficult or even impossible for users to find answers to their questions. We shall argue that collective self-organization of users requires specific coordination mechanisms that integrate contributions in a collaborative production process. This is facilitated by the orientation of the individual contributions along institutionalized rules and processes. The Garmin forum, for example, has rules that help maintain content-based structuring, such as the instruction to check for existing discussions on one's topic of interest before opening a new discussion thread on that topic. A similar rule is familiar from Wikipedia, where it is not permitted to publish a second article on a topic that already exists. These rules for content-based coordination are very important for the quality of the service offered by the platform. Other rules regulate the type and form of the contribution. Frequently, possible contribution types are implemented in the collaboration tools provided by the platform technology. In the Garmin forum, for example, this takes the form of threads; at TripAdvisor, of reviews. Clearly there are a number of ways to coordinate the contributions of autonomous co-producers. Which form is best for a given case depends on the object of the service provided and on the participating actors and their interests. Furthermore, processes and rules for user participation are the subject of arguments and negotiation

processes at practically all user-generated websites, whether among the users themselves or between the user community and the company involved. This is seen in discussions on the platforms and is reflected in modifications to the rules, which are usually part of the terms of use for the web platform. The Facebook social media platform recently provided a prominent example of such interactions and negotiation processes (Elkin-Koren, 2011).

The rules of collective self-organization extend to the tone of contributions as well, because irrational or insulting posts have the effect of discouraging or even deterring contributions and impair the feeling of community. Of course, not all users of such websites are polite, friendly, competent people. There are always the notorious egomaniacs, the complainers, the incompetent know-it-alls, and others who do not contribute anything to the purpose but regularly annoy others with personal, nonsensical, or otherwise irrelevant contributions. And there are the fighters, who have little to say about the topic under discussion but make up for it by saving a lot about the people discussing it in the form of personal insults or other provocations. Because these websites are basically open, this kind of thing always happens in some form or other. In this respect there are also rules which contributors are supposed to follow. Those who do not comply with the rules are given warnings and may in the end be excluded (see the rules mentioned above regulating the Garmin and TripAdvisor forums). The Gamin forum rules, for example, explicitly state that insults, slander, provocation, and sarcasm will not be tolerated.7

Our central argument in this section is that the coordination of the customers, who are working for other customers in the successful, usergenerated, web-based service platforms we studied, takes place neither in pursuit of economic interests nor in accordance with hierarchical principles of planning, control, and company-dictated rules. Rather, there is a development of collective self-organization processes and rules that are accepted and shared by users and give them space for autonomous decision-making. The logic of the exchange among users is oriented around shared goals and production processes, as well as around collective rules, norms, and practices.

4. Firms as operators of user-generated web-based service platforms

As operators of the sites for user-generated, web-based services, firms play a role that is clearly distinguished from the conventional role of a

service provider. The operator role in our examples consists in offering opportunities for customers to advise or support other customers, rather than having the firm or a sub-contractor do this. Our thesis in this section is that the firms, as seen in our examples, do not follow their own logic exclusively but rather adapt themselves to the collective logic for the purpose of encouraging participation in co-production by customers for other customers.

Garmin and TripAdvisor succeed in attracting large numbers of user contributions because they make the interests of users in supporting one another the central point of the website. Furthermore, their production processes are organized to enable users' collective action, as well as autonomy and self-organization. The consequence of these features, however, is that they deviate from the conventional principles of production and the value-creation logic of firms.

Characteristic for both of our examples is that the division of labor is turned on its head: customers carry out the major part of the work, while the firms and their employees do a smaller part. In fact, a major part of the work is not only quantitatively shifted onto the customers. The quality of the service, in the sense of what type of service is actually being provided, changes as well. The special quality of the customer support service available at websites with user-generated content results from users sharing their knowledge and experience. The service is based on the particular knowledge and experiences of users. This quality of authenticity is lost if other motivating factors, such as monetary gain from the firm or market-driven relationships, influence the content written by users. As is seen clearly in the discussion at TripAdvisor, purchased contributions generally contradict the collective goals and expectations of the users. We posit that the attractiveness of the user community in the Garmin user forum or at TripAdvisor stems from the very fact that the user contributions do not arise from market-driven intervention or monetary incentives, but rather solely from the common interests of the user community. The collaboration of users follows the logic of collective action. But, paradoxically, it is the task of commercial firms to initiate and foster this collective behavior of customers, to organize processes and rules for the collective action of customers working for customers to produce a public good, in order to operate a successful web 2.0 platform (Wittke and Hanekop, 2011).

4.1. The operator and moderator role of firms

What do firms do as operators of user-generated web-platforms? As described above in our examples, Garmin and TripAdvisor implement

processes and define rules for user participation that are accepted by their users and contributors. Various processes and rules are adapted from the community-based practices of open source or open content projects. Firms also monitor the observance of these rules, and enforce them if need be. The latter is not trivial from the user's point of view, because this aspect of the firm's role could be abused to censor unwanted critical contributions (which would be entirely in line with conventional behavior of firms).

The firms in both examples are responsible for control and administration tasks, although they carry them out in different ways. Administrators are – insofar as can be detected – employees of the company. They check whether the contributions are relevant, serious, and in keeping with the rules. Administrators have a key position because they function on the one hand as representatives of the firm, while on the other hand they are a part of the online community and need the acceptance of the users. Garmin plays this role proactively, while TripAdvisor is more reticent; the activities of the latter are all but invisible. At TripAdvisor, there are no administrators or moderators who get involved personally or take part in discussions (whether there are any at all is, in fact, difficult to tell). In the Garmin forum, by contrast, each subforum is moderated, and the moderators take an active part in debates.

The critical point in the operator role is that the commercial interests of the firms might conflict with the interests of customers in the publication of a critical, unbiased user opinion. After all, the extensive and unbiased posts from customers actually are not the firms' objective, but are rather a means toward the goal of value creation. Thus firms might be accused of using their administrator role to censor user contributions, in which case a fundamental legitimacy problem arises. How the operator and moderator roles are played is thus a sensitive dimension in the success or failure of the platform.

4.2. Value creation strategies of the firms

User-generated content at the Garmin and TripAdvisor forums is a collective service provided by customers for customers. These voluntary, unremunerated contributions from customers cannot be directly marketed by firms. At the same time, the operation of a large, successful forum is no small expense for the firm. From the perspective of the firms it is important that such user forums be compatible with value-creation strategies in spite of their openness; in other words, the firm must have a value-creation strategy that does not require commodification of the user contributions. The Garmin forum and TripAdvisor are examples of two different value-creation strategies, both of which are in widespread use. The Garmin user forum presents an additional support for their devices, available free of charge. The objective is the better marketing of the firm's own products. The use of these highly specialized, complex devices is demanding, in particular when used professionally or in sports. The advantage of the user forum lies in the high degree of specialization of the information offered in the device-specific forums, the collective expertise of masses of users, the opportunity to post questions, and the rapidity with which satisfactory solutions are interactively found. The strategic advantages for Garmin include the improved customer support, community-based marketing, and also the potential for development and improvement of products through following up on criticism and suggestions from users (open innovation in the sense of Chesbrough, 2003, 2006, 2011, and Piller et al., 2006, 2011).

By contrast, TripAdvisor is a commercial travel website with a valuecreation strategy aimed at reaping advertising revenue. The majority of the advertisers on TripAdvisor are firms in the travel sector. The highly successful strategy of TripAdvisor is based on setting themselves up as an intermediary, independent of travel businesses, that presents content-based reviews while at the same time generating their revenues through advertising from those very businesses. From the user's point of view, it can be assumed that TripAdvisor's independence from the travel businesses reviewed probably enhances the credibility of the content offered. Interestingly, some - if not all - of the same people who write reviews on the TripAdvisor site are sure to be customers of the travel businesses that advertise on TripAdvisor. At the same time, TripAdvisor generates its income from advertising contracts with these very travel businesses. Balancing this contradiction is a tricky business, but also a highly attractive strategy for value creation based on advertising revenue.

5. Conclusions and outlook: A new type of service and a new mix of governance

The user-generated web-based services described in this chapter are, as we argued above, a new form of service. In traditional co-production scenarios, the company is dominant in producing the service, while in user-generated services the user is dominant with regard to both the extent of the service and the form of its content. This is due to the users' autonomy in deciding whether and what to contribute. In conventional service relationships, customers are systematically involved in the production of the service, as co-producers. Here, however, the customer is integrated in a company-organized process of service production. In traditional co-production, the supplier–customer relationship is typically a one-to-one constellation. The individual customer is involved in the creation of his own service; it is a relationship of exchange and cooperation between the supplier on the one hand and an individual customer on the other.

User-generated web-based services, however, are created by the collaboration of a large number of users working for other users. Web 2.0 technologies are used to combine user-generated, open content production with the organization and marketing of services through a commercial supplier to create a new type of *collaborative co-production*. Self-organized, large-scale collaboration of users is combined with the principles of internal coordination (hierarchy) of production by firms, who are the operators of the web-based services platform. This combination is a new mix of different coordination mechanisms, and as such has a number of social prerequisites.

5.1. Governance of user-generated, web-based service platforms

On the one hand, the coordination mechanisms of large-scale user collaboration are oriented around the principles of collective action within a user-community. User-generated, web-based services are public goods; no one is excluded from using them. The participation of a large number of users and contributors is essential for the quality – and thus the value – of these platforms. The willingness of large numbers of users to actively participate is closely connected to their expectation of reciprocity. The creation of these services is self-organized by the users, while the norms and rules that guide the service creation are quite similar to those of open source software production or Wikipedia. On the other hand, commercial firms provide the infrastructure for these usergenerated services. Not only the operation of the web platforms, but also the establishment and maintenance of their structure are tasks of the firm, which, of course, is pursuing its own commercial value-creation interests.

Characteristic for this specific production model, which we have termed 'collaborative' (Wittke and Hanekop, 2011), is that the creative context of the production process is not the company but rather the community of users who are producing the services. Thus the creative context is external to the firm, outside its logic of planning, instruction, and control. Our study of the Garmin user forum and TripAdvisor shows that the firms do not attempt to apply company principles to the contributing users and customers; instead they adapt the mechanisms and rules from community-organized projects.

This is a decisive condition for success, because hierarchical coordination mechanisms are not effective in collaborative action constellations. They either remain without effect, due to user resistance, or they block the development of collective action and collective coordination mechanisms. Coordination mechanisms are specific to certain social action and creative contexts. They are not interchangeable, neither are they transferable (without risk) to another social creative context.

Our analysis of the social context of the content creation in the Garmin forum and at TripAdvisor shows patterns of collective action and orientation among the contributing users. The coordination of the many parties involved takes place in transparent, IT-based processes on the web. This enables collective action on a new level, with a large number of participants, far-reaching individual autonomy and with a highly specialized division of labor. They are oriented around the rules, norms, and practices of the user community. These coordination mechanisms have a strong similarity with the mechanisms of collective self-organization in the commons as explored by Ostrom (1990).

In the cases examined here, typical market-driven relationships are irrelevant, and monetary compensation is, as far as can be detected, performed only selectively, carefully, and in limited fashion. However, the boundaries between the user community and the company workforce seem to be quite fluid. This seems to be a mechanism of interconnection in mixed governance forms that calls for more intensive investigation. Our conjecture is that the role of the actors in this area cannot be satisfactorily described in the conventional terms of hierarchical or market-driven relationships. Obviously, the coordination mechanisms in web 2.0 communities also differ fundamentally from those in conventional communities, which are based on lasting personal relationships, stable memberships, and personal trust.

In the user-generated, web-based service platforms examined here as representing a new type of service in web 2.0, we find a link between the collective logic of the user communities and the hierarchical logic of companies. Typically, the producer role is displaced onto the customers and the firm's role is reduced to that of website operator. Our examples show that a company's role can vary in accordance with different business concepts, just as the involvement of Garmin, a manufacturer, differs from that of TripAdvisor, an intermediary. The value-creation strategies vary as well, although in both cases the user contributions are publicly available.

The fact that the firms establish rules and processes through which collective action among users is initiated and maintained is both characteristic of the firms' role as operators and a basic condition for the success of this form of mixed governance. The specific mix of governance forms relies not on a disconnected, parallel coexistence, but precisely on the mutual acceptance, and even joint adaptation, of each others' mechanisms. The more far-reaching the displacement of production work onto customers, the more far-reaching the need for each side to adapt or accept the rules of the other. From the firms' perspective, web-based organization of the users' production processes fits in with the role of the firm as platform operator because many technical aspects of these abstract, rule-guided processes are to a large extent standardized and automated.

5.2. Social prerequisites for mixed governance

Our concluding argument holds that this combination of different coordination forms has its own social prerequisites and that these prerequisites have not yet received the full attention they merit, neither from scientific observers nor from many of the participating firms. To illustrate the underlying problem, we refer to articles on the coordination of economic and social action by Marc Granovetter (1985) and Helmut Wiesenthal (2000).

We can adapt Helmut Wiesenthal's idea that a mix of different coordination mechanisms does not necessarily pose a governance problem. In his article on the systematization of different forms of social coordination, he argues that the mix of coordination mechanisms is not unusual; rather, empirically observable coordination methods are generally composed of a mix of the three basic different coordination mechanisms of market, organization (or hierarchy), and community (Wiesenthal, 2000). In fact, the very combination of the different coordination mechanisms tends to make mixed governance more robust than monostructures, because each contributes its specific strengths while compensating for the weaknesses of the other. Whether this actually takes place and which mixture of capabilities is best are empirical questions; the 'right' answer depends on the specific characteristics of each case. We can also learn from Wiesenthal's deliberations that mixed governance methods are not only possible but, empirically speaking, represent more the rule than the exception.

In our efforts to define the specific social prerequisites for coordinating user-generated services, we also refer to the work of Marc Granovetter, who argues in his oft-quoted essay on social embedding of economic action (Granovetter, 1985) that genuine market coordination functions because it is embedded in social norms and rules. This embeddedness engenders the trust necessary for the market exchange because neither side acts opportunistically. When these ideas are combined with those of Wiesenthal we arrive at precisely the particular social prerequisites that apply to the coordination of user generated services.

To ensure the success of the specific mix of coordination mechanisms on user-generated, web-based service platforms, it is important that the activities of the firms are embedded in social norms and rules. Those rules are binding for all actors participating on user-generated platforms, both for the actors within the company and for those in the user community. The observance of the rules and the transparency of the processes promote mutual trust among the actors participating in the distributed creation of the services.

On both sides, trust applies not only to the assumption that other actors with the *same* coordination forms do not act opportunistically (as in Granovetter), but also that they observe specific norms and rules even though their actions are coordinated in a *different* manner (Wiesenthal).

We argue that user-generated, web-based service platforms function successfully only to the extent that users and firms alike accept the institutionalized rules and to the extent that they accept that the actors on the other side follow the logic of that side. Users who help other users with their contributions on these platforms accept that firms pursue commercial value-creation interests. At the same time the users expect that the value-creation of the platform operator does not violate the rules and norms essential for the participation and large-scale collaboration of the users (for example, deletion of critical contributions). Our assumption is that the users accept the value-creation interests as long as they do not denigrate the quality and usefulness of the service platform. Participating companies, on the other hand, accept the principles of self-organization that are followed in large-scale collaboration among users. In this context, they also accept the fact that the users' support for one another includes critical contributions and that they have no influence over the content of the criticism. We surmise that the firms accept these principles precisely because the visible acceptance of critical contributions is a prerequisite for the quality of the platform in the

perception of the user. Furthermore, the firms trust the users who help other users to supply honest and applicable contributions, thus ensuring that the content of the service is reliable – another aspect for which there is no guarantee. They accept these principles because without them, it would be difficult to attract large numbers of active users, and having large numbers of contributors is essential for the success of the platform and consequently for achieving the firms' value-creation goals.

This mutual trust, with each side expecting the other to observe relevant norms and rules, is a fragile resource, for presently, unlike the cases to which Granovetter refers, the newness of this phenomenon of usergenerated services means that the basis of experience, which is where actors find evidence that their trust is justified, is still relatively small.

Notes

- 1. Forum Rule no 1 (Forumsregel 1) on https://forum.garmin.de/showthread. php?1591-Forumregeln-wurden-erg%E4nzt, retrieved on August 16, 2012.
- https://forum.garmin.de/misc.php?do= showrules, retrieved on August 24, 2012.
- 3. http://www.tripadvisor.de/presscenter-c5-our_team.html, retrieved on August 25, 2012.
- 4. http://www.tripadvisor.de/pages/about_us.html, retrieved on October 10, 2012.
- 5. It seems likely that this would conflict with the independence that TripAdvisor is expected to have from the travel businesses.
- 6. For more on how the establishment of trust can be supported on the web, see Josang, 2011.
- 7. https://forum.garmin.de/showthread.php?1591-Forumregeln-wurden-erg% E4nzt; retrieved on August 20, 2012.

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11 Prosumption of Social Context in Web 2.0: Theoretical Implications for the Prosumer Concept

Tabea Beyreuther, Christian Eismann, Sabine Hornung, and Frank Kleemann

In his 1980 book *The Third Wave*, Alvin Toffler introduced the concept of the 'prosumer.' The portmanteau word describes the increasingly common fusion of consumer and production roles in advanced industrial societies. Whereas the traditional forms of agricultural and industrial production dictate a strict division between those who produce and those who consume, in advanced service-based economies (Vargo and Lusch, 2004), consumers often consume goods and services that they themselves produced in whole or in part. The notion is often related to the do-it-yourself culture or the 'invisible economy,' and it covers a vast array of activities ranging from furniture assembly, to blood pressure self-monitoring, to participation in self-help groups.

The Internet has extended the frontiers of prosuming. A large number of individuals worldwide now have access to instant communications through the world wide web. The dramatic increase of Internet-ready mobile devices and the widespread use of wi-fi networks has ushered in the age of ubiquitous computing. This decoupling from the dimensions of space and time (Giddens, 1990) boosts the importance of the Internet as a space of prosumption. We argue, however, that the most significant new developments in prosuming are not being driven by the hardware alone. They arise instead from the fact that the new density of Internet coverage, coupled with new software applications and habits of communicative interaction known as 'web 2.0,' have brought social factors into play.

Kaplan and Haenlein (2010: 61) characterize web 2.0 such that 'content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a

participatory and collaborative fashion.' Users add or modify various types of content on platforms, for example by writing articles on Wikipedia, uploading videos on Youtube or photos on Flickr, or publishing long texts on blogs. Moreover, on social networking sites such as Twitter or Facebook, the entire content consists almost exclusively of user communication. 'Content' is anything that can be digitalized and exchanged electronically. Given the state of current technology, digitalized content can translate into a great variety of goods and services. Thus, 'content' is to the Internet what 'product' is to conventional forms of economic enterprise. All web 2.0 sites have in common that without user-generated content, their pages would be empty, and so it certainly makes sense to focus primarily on content-generation as the core issue of prosuming.

This, however, brings us to this chapter's point of departure. Authors writing about prosumption on web 2.0 sites have favored a narrow focus on how specific individuals produce and consume content. As a consequence, two important questions have been neglected. First, to what extent is prosumption a collaborative exercise that is somehow dependent on online 'communities,' and second, how do users and site managers together organize and manage prosumption tasks online? Authors such as Ritzer and Jurgenson (2010) do not necessarily ignore the ways that prosumers produce 'community' in their definition and use of the prosumption framework. However, few authors have made a clear distinction between content prosumption and prosumption activities that are not directly content oriented but rather serve to 'support' the generation of content or center around 'goods' and 'services' that one can only make and consume collaboratively and in a community context. In short, the literature does not distinguish between content and non-content prosumption.

Web 2.0 platforms function differently than do other media of prosumption. They also build a medium in which online communities arise.¹ From a sociological point of view, Wellman (2001: 228) defines these kinds of virtual communities as 'networks of interpersonal ties that provide sociability, support, information, a sense of belonging, and social identity.' Interactive platforms are the 'computer-mediated space or virtual settlement' (Jones and Rafaeli, 2000: 215), that is, the nurturing environment for virtual communities. The scientific interest (as well as an economic interest concerning the utilization of communities in business contexts) in analyzing these social phenomena has produced a huge amount of research and literature on online communities (Li, 2004; Tilley, 2008). Online community research so far focuses mostly

on community processes and structures as well as on the members (Li, 2004: 2713), but members are conceptualized on an aggregated level. Different categories or types of users and their roles and functions within communities are examined (e.g. Kim, 2000), but rather little can be said about user behavior at the individual level, and more importantly, how individual behaviors somehow add up to collective outputs. In sum, we need to know more about how collaborations and rules in web 2.0 communities emerge and how they are maintained and modified.

Without taking account of the special qualities of the web 2.0 setting, the application of the prosumption framework is likely to make us blind to crucial aspects of the real phenomena of content creation in web 2.0. This chapter attempts to fill this gap first by considering some of the unique qualities of content production via the Internet and, in the subsequent section, through empirical observations of individual-level prosumption activity on web 2.0 platforms. Our research question is two-fold. First, to what extent is prosumption a collaborative exercise that is somehow dependent on online communities, and second, how do users and site managers together organize and manage prosumption tasks online? The chapter ends with a discussion of how these types of behaviors serve to support successful content-oriented prosumption, how they are related to each other, and what this all means for the prosumption approach.

1. Toward an extended perspective on prosumption in web 2.0

As mentioned, analyses of prosumption in web 2.0 settings so far have set a rather narrow focus on the production and consumption of the website's content. This is, of course, the main purpose of such interactive websites, and production centers around contributing new and editing existing content. Looking at common web 2.0 sites, typical content consists of written articles (Wikipedia), designs (99 designs), photographs and videos (Flickr, YouTube), or software (the Linux project). The act of consumption is tied to the form of the content: reading Wikipedia articles or watching video clips on YouTube, for example. It should also be noted that not every user of web 2.0 applications automatically becomes a prosumer. Usage can also consist of consumption alone. Prosumption takes place only when a user also makes an active contribution to the production of content on a particular website.

Toffler's (1980) original main focus on do-it-yourself and self-service applications implies a strong coupling at the individual level in terms of

the object of prosumption: the prosumer consumes the selfsame object, be it a good or a service, she has produced. Toffler makes the distinction between goods and services in terms of the temporal ordering of production and consumption: a material object (e.g., home-made furniture) is at first produced and afterwards consumed or used by the prosumer. Many of the new kinds of services becoming universal in the 1970s, however, such as self-service in a fast food restaurant, had to be consumed in accordance to the uno-actu principle, that is, produced and consumed at the same time.

The original prosumption literature was stimulated by the new ways individuals were being incorporated in the uno-actu production of services. But what about the purely informational objects of which web 2.0 applications consist? How do they affect the temporal aspects of prosumption? One difference lies in the celebrated potential of the Internet to overcome 'space and time,' that is, to deactivate the uno-actu principle by temporally separating acts of production from acts of consumption. This seems to be what Xie, Bagozzi, and Troye (2008) have in mind when they define prosumption broadly as 'value creation activities undertaken by the consumer that result in the production of products they eventually consume and that become their consumption experiences' (p. 110, emphasis added). This definition underscores the point that the consumption of products can be temporally decoupled from the time of production. However, this quality is not unique to the Internet. We focus also on the fact that as long as content can be digitally stored on a website and is accessible, informational objects can be consumed by multiple users for an infinite period of time. Thus, another important difference of web 2.0 prosumption is that most if not all of its content consists of forms of non-rival goods; that is, the consumption of digitalized content by one user does not preclude its consumption by other users. This not only deactivates the uno-actu principle; it also introduces new possibilities for collaborative, project-based prosumption as we see with Wikipedia. Finally, in their analysis of web 2.0 prosumption settings, Zwick et al. (2008) and Arvidsson (2008) note also that the very experience of the act of production, not just the end product itself, can also be an object of consumption for the prosumer. This, however, brings up the empirical question of what kinds of such abstract experiences are actually being consumed and how these are linked to content production.

These observations contain the basis for a theoretical broadening of the prosumption concept. Doing so is crucial in order to analyze web 2.0 settings of prosumption. Prosumers do not necessarily have to consume the selfsame objects they have themselves produced; they can also consume similar products provided by other participants. Even more, it is typical of web 2.0 websites that prosumers do *not* consume the selfsame objects they produce. Thus, web 2.0 applications can also be conceptualized as platforms of social exchange, where prosumers make the immaterial goods they produce accessible to others, and in turn consume the products of other prosumers. This opens up another important feature of web 2.0 Internet 'platforms' (Grinnell, 2009) for prosumption: each prosumer contributes only a small part of the content while being able to consume the whole.

While Toffler's perspective is rather individualistic in the sense that it primarily focuses on single persons producing and consuming objects, prosumption in web 2.0 has to be conceptualized as a collaborative or collective endeavor, as Ritzer and Jurgenson (2010) point out and as implied by Zwick and colleagues (2008) in their focus on co-production. Toffler's approach did not exclude collaboration. He mentions the case of self-help groups, for example, where participants do not consume their own contributions but rather the encouragement and relief provided by the group and the supportive atmosphere created collaboratively by all participants. However, he could not anticipate how ubiquitous these kinds of social contexts would become in the Internet era, and so he did not devote much attention to them.

Clearly, then, 'web 2.0 is defined by the ability of users to produce content collaboratively' (Ritzer and Jurgenson, 2010: 19). If we take this seriously, it must be expected that users of web 2.0 also play a role in the creation and maintenance of not just the content that is prosumed but also of the 'means of prosumption' (ibid.: 19). Prosuming in web 2.0 takes place in a context of the presence and interaction of many active users who may also behave in collaborative ways. And, even more importantly, it is not only the content but also the 'means of prosumption' that are produced collaboratively. The infrastructure for collaborative interaction is certainly available, based on conversation technologies such as comment or discussion sections set up by website architects. On YouTube, for example, prosumers are able to comment on each uploaded video clip. And on Wikipedia, participants are able to discuss all articles on the corresponding discussion page and leave publicly visible personal messages to other Wikipedia participants. Wikipedia also provides a separate 'Community Portal'² in order to inform participants about what is happening on the platform, to bring members together for discussions and to coordinate collaborative tasks (cf. Kuznetsov, 2006).

On that basis, mutual exchange between users takes place which builds the basis for a 'virtual community,' that is, 'a group of people who may or may not meet one another face-to-face, and who exchange words and ideas through the mediation of computer bulletin boards and networks' (Rheingold, 1993: 58). Thus, governed by general rules of conduct for communication among users, a particular social context emerges in each community that is being produced and reproduced by the participants' contributions.

Content prosumption in web 2.0 is thus embedded in a community structure with a corresponding culture of communication and cooperation. We call this the social context of content prosumption. This very context can also be conceptualized as being prosumed, that is, produced and consumed, by the participating users. We argue that the concept of prosumption should be complemented by this kind of systematic consideration of non-content prosumption (or context prosumption).

Note that the extended perspective we propose is not necessarily restricted to Internet sites. For example, Yang (2009) draws on the prosumption concept to analyze the development of the winner of the 'Super Girl' contest (the Chinese equivalent of 'American Idol'). A crucial part of the process involves fans creating a social context to support their idol, e.g. by buying CDs and merchandise, by promoting their favorite music among friends, or by joining campaigns against music piracy, for example. In this way, organized fan groups collaboratively create crucial support for the maintenance of their idols' music production, which is necessary for their success in the business. Evidently, what the participants consume is the feeling of being a group member.

Given the arguments above, we expect to see collaborative behaviors in web 2.0 prosumption that go beyond content prosumption. However, we still know little about how prosumers interact collaboratively and socially with each other and how these interactions link back to content production. The empirical study presented below is designed to help us better understand these processes. Its main purpose is to identify specific collaborative practices of prosumers on web 2.0 sites, how these might generate social context, and what the functions of social context are for content production.

2. Methodology

The following study is based on observations of prosumption activities on web 2.0 websites. See Kleemann et al. (2012: 43–7) for a detailed presentation of the research design. The sample includes 22 comprehensive

case studies of commercial websites, all run by German companies with profit-making intentions. Thus it is important to note that our sample does not include non-profit projects like Wikipedia or the Linux project, and the commercial character of these sites has implications for prosumption activity as discussed below. These sites were selected using the techniques of theoretical sampling (cf. Glaser and Strauss, 1967) with the goal of including a wide sample of prosumer practices on company-run interactive websites.

The sample includes websites run by small start-ups and by wellestablished and internationally active companies with several hundred employees. The companies include food manufacturers, producers of articles for daily use or household goods, vehicle manufacturers, financial services firms as well as design service providers. The forms of prosumption on these websites included both time delimited and permanent activities. In some cases, Internet users began prosumption at the inception of the website. In other cases, companies developed prosumption opportunities later. Although we intended to select as cases only websites intended to encourage prosumption, the prosumption behaviors we observed on these sites were not always those which site architects wanted or anticipated.

The prosumption activity we observed involved solving problems, product development and design, generating ideas for new products, creating elements of corporate identity such as logos or website structure, and answering requests for information. Content included, among other things, fashion pictures, housekeeping tips, statements on banking and insurance operations, and employer information. By means of content analysis (Gerbner et al., 1969; Krippendorff, 2004), we analyzed the collaborative practices of social context prosumption as manifested in the recorded interactions among users on the websites. Although our findings are based on activities observable throughout the entire sample, in this chapter we have chosen to illustrate behaviors using examples from a small selection of cases in order to provide readers with a richer picture of actual interactions. User quotes are either translated from German or reproduced in the original English with minimal corrections of spelling and punctuation.

3. Prosumption of social context in web 2.0 – empirical findings

Inducing from analyses of communications among users of interactive company websites and between users and site operators, we abstracted

categories of the ways in which prosuming activities go above and beyond the mere production of content. The three categories we found are a supportive atmosphere, a friendly communication environment and emotional succor, and a well-governed setting. In this section we describe each kind of behavior, paying attention to how each contributes positively to content prosumption.

3.1. Supportive practices of prosumers

First of all, prosumers create a supportive atmosphere by writing comments or messages to encourage each other in content creation, thereby working collaboratively on the main task created by the website. We saw these behaviors even when website tasks are structured as a competition. An exchange of help, as illustrated in the examples below, is one of the core characteristics of online communities (Preece and Maloney-Krichmar, 2003).

The German subsidiary of Bombardier Inc., a manufacturer of airplanes and railway transportation systems, hosted the 'YouRail Train Interior Design Contest' over a six-month period ending in March, 2010. In this contest, participants were able to upload train interior designs and to create seat designs using an online configuration tool. The task for the user was to communicate a vision of train travel in the future. The contestants could communicate with each other by writing personal messages (visible to all contestants) or design-related comments on each other's public profiles. They were able to rank all designs using a point system as well. The community ranking facilitated an independent jury's selection of the best interior and seat designs. Winners received cash and non-cash prizes. Also receiving prizes were the creators of the community's top-rated designs and those users most active in communicating and voting.³ This structure succeeded in generating a large volume of comments.

During this contest, one participant uploaded a space-saving seat concept intended for short trips in densely populated regions – an example of website-generated content. The participant proposed a kind of three-person bench with a slanted seat, a backrest, and a footrest that would allow travelers to take a half-seated position. This design was discussed by many other participants using the site's comment function. Some prosumers pointed out problems with the design. The contestant Diego Hebling mentioned that the benches might create barriers to people with impaired health: 'I believe it is not very comfortable; while saving space, it is a bit exclusionary to many types of people with disabilities...' This remark was intended to point out a problem with online

content and was typical of similar remarks commonly observable in all of our cases. This form of advice can encourage a content author to revise his or her content, thereby improving the quality of content production.

Other prosumers in the Bombardier contest made explicit suggestions to the same designer. The following examples show how users make positive suggestions to other prosumers as to how they can improve their performance in content production. Wolff At Hyve wrote that 'there needs to be some sort of shelf, because especially everyday travelers want to use their laptops or just read comfortably.' Others wanted armrests, and grab handles. Prosumer SkyWay said 'if you'd make this to only have a support for the person's back, you would save space while giving passengers something to lean onto, which in turn would eliminate the ankle problem. It would also alleviate the [problem that] people [are] of different sizes.' Others recommended omitting the seat altogether so as to allow riders to adjust their standing positions. Again, these examples illustrate behaviors that we observed across all cases.

In order to point out important problems or to make constructive suggestions, prosumers use specific knowledge and skills. The critique and suggestions we observed in this case were often built on individual impressions and from personal evaluations, but they did lead to qualitative improvement in online content. Looking at the last two examples, we observed that the designer responded to critiques and suggestions by developing a new design.⁴ This design consisted of individual seats with foldable armrests, trays with cup holders, and seats formed like bicycle saddles.⁵

Another kind of supportive practice was evident on hiogi.de, a German website for answering all kinds of questions. The Hiogi GmbH runs this website, where registered users, who refer to themselves as 'Hiogis,' field any and all questions posed by other users via SMS, Skype, iPhone App, or the input interface on the website. 'Hiogis' research their answers mostly via Google. Once an answer is confirmed by one other registered member, it is released and sent to the particular inquirer. The hiogi members gain points for each answered question, depending on its difficulty. The inquirers can evaluate the given answer as '+' (positive), '~' (neutral) or '-' (negative). Furthermore, they are able to comment queries and replies publicly and discuss with each other and the host using the website's private bulletin board.⁶

Hiogi members improve joint content creation by pointing to helpful external resources. For example, shortly after one person wanted to know where he or she could buy stocks of the major German retailing company Karstadt, one user posted two links referring to Karstadt stocks to which the answering person could refer in his or her response.⁷ By posting adjuvant information, registered website members help to improve the quality of replies and minimize the turnaround time for confirmed responses. This activity of noting potentially helpful external resources was also observed in our other cases, whenever content creation involved finding existing solutions or information. Prosumers do this if they want to contribute to the creation of good quality content, know how to do it, but do not have the time or immediate desire to create the content themselves.

The supportive activities noted above show that website users often cooperate with each other while producing content. Supportive activities make it easier for each user – especially less skilled individuals who might author less valuable inputs – to make a contribution toward fulfilling the common task posed by the website. These behaviors help secure a higher volume and quality of content production. Moreover, when helping behavior becomes the rule, a general culture or atmosphere of mutual support is created within the online community. This supportive atmosphere can itself be consumed by prosumers: in each particular supportive act, prosumers reflect on others' contributed content or improve their own content by applying suggestions. Arguably, a general culture of support increases an individual user's expectation that his or her inputs will be processed by the community constructively. This is a source of individual motivation that may, in turn, increase the amount of usable content generated on the site.

3.2. Social-integrative practices of prosumers

Prosumers use communication tools to produce a friendly communication environment and emotional succor to other active website members by several *social-integrative* practices. These activities increase members' sense of belonging to an online community. An example from Bombardier's design contest illustrates the practice of welcoming new website members. A user named 21158067 was welcomed by the user Francisco with the greeting, 'Welcome to the contest!' as well as by the user EMDesigns 'Hello and welcome.'⁸ We observed these kinds of greetings on all the websites; Becker and Mark (2004) observed similar behavior in virtual multiplayer games as well. Welcoming consists only of a few words and follows generally accepted guidelines of behavior. It may serve to motivate new users to stay on and become active contributors.

Beyond welcoming new website members, prosumers exchange every day salutations and 'good night' farewells. On the bulletin board of the German webpage frag-mutti.de, a site for housekeeping tips, the user montgo1 wished 'A wonderful good morning to all.'⁹ Pinguin21 posted, 'I wish a good night to all of you and sleep well.'¹⁰

Welcomes, salutations, and farewells can make sending and receiving prosumers feel like a member of the local community. This behavior takes place on websites with an already existing and strong online community, where users have developed personal relationships with each other.

Prosumers on interactive websites also use communication tools to exchange personal information such as nationality, education level, employment situation, hobbies, or local weather. The conversation between EMDesigns and 21158067, two participants of the Bombardier design contest, illustrates the typical kind of exchange practiced by prosumers:

EMDesigns: I wish you a happy new Year 2010. Lots of success

- 21158067: I wish you a happy new year, too:)
- EMDesigns: [...] you're a nice contester, where are you from, what country? I am from Portugal.
- 21158067: I am a student from Germany. Is there any snow in Portugal?:)
- EMDesigns: Nope no snow. In the moment I am in Algarve, the weather hot but with a little rain. Hope to know your country soon and learn a lot with your culture. What do you study? I am a graduate in Product Design and have some background in Visual Arts Studies.
- 21158067: I am a student of Business Informatics.¹¹

The chat started with New Year wishes, a common practice. Later they talked about their country of origin, the weather, and their professional background. In some cases, there are special threads in bulletin boards to discuss one's personal background.

With these exchanges prosumers obtain personal background information needed to assess each other's behavior within the community. Furthermore, it gives them a feeling of being a community member with all of its needs and wishes.

On hiogi.de, user Mimbrocken informs the other website members: 'We've heard that Dr. Questler [...] stays in hospital and it might take a while. [...] Anyway I'd like to wish quick recovery.'¹² The expression of well wishes regarding sick community members follows generally accepted guidelines of social behavior. It strengthens the personal

relationship between online community members by articulating the feeling that members are perceived and wanted as a whole person.

The case of the 'Smellfighters Innovation Contest' exemplifies another social-integrative practice of prosumers. In the contest, participants searched for sources and remedies of common domestic malodors. Organizing the contest was a company that belongs to the Melitta Unternehmensgruppe Bentz KG, a German-based group of companies that sells food items and sanitary products. The Smellfighters Contest took place in the five-month period ending in March, 2010 and was focused on Melitta's Swirl brand, which is a line of household sanitary products.¹³ The participants of this contest were 'challenged' to identify situations in which bad smells occur and to come up with ideas of how to counteract them. Other contestants were asked to respond to the challenges by uploading solution 'ideas.' Users were able to upload ideas independently of specific challenges, too. Beyond the activities of challenging and idea-creation, the contestants were allowed to vote on and evaluate contributions and to communicate with each other generally by writing publicly viewable comments. An independent jury selected three winners, who received cash prizes. Non-cash prizes were distributed to the three users who were most active in communicating and voting.

On all analyzed interactive websites, prosumers lauded each other's uploaded content and expressed thanks, praise, comments, and evaluations by using website communication tools. One interaction between two 'contesters' illustrates the typical practice of lauding and thanking. The participant called Neccie uploaded the idea of making paints out of 'natural' and 'odorless' substances so as to avoid the chemical smell of fresh paint. The prosumer Emanuel Maia commented, 'I like the idea and in the process of creating something I would use this idea.' In response, the idea-giver answered, 'Thank you Emanuel! I would use it too, and I hope something similar will be available soon!:).' In a similar vein, prosumers of a contribution or another user's individual abilities.¹⁴

These kinds of short exchanges are very common and follow globally accepted rules of courteous interaction. By engaging in them, users create a friendly communication atmosphere, which makes them feel that they belong to the website's online community and motivates them for further activity. Lauding and thanking thus helps stabilize interactive activity on user-generated content websites.

One example of how users overcame a threat to community is enlightening. After the introduction of an iPhone app for hiogi.de,

the number of highly technical or absurd questions began to rise. The influx of questions from the app users slowed overall response times and increased the share of unanswered questions. Many active 'Hiogis' were irked, one of whom opened a thread on the internal bulletin board called 'I need to talk.' Many other members voiced their displeasure as well and collectively comforted themselves, arguing that it is no disgrace if hiogi members are not able to answer inappropriate questions.¹⁵ They also made suggestions for standardizing group responses. It was proposed, for example, that highly technical questions be referred to appropriate, specialized bulletin boards. 'Hiogis' suggested also that absurd questions, such as wanting to know the name of a person imaged on an uploaded photograph, be dismissed with a notice that hiogi members cannot know everything.¹⁶

The practice of discussing website problems and frustrations also conveys a sense of community, because the members jointly tackle a problem that affects everyone. Assuaging frustration helps to make the beneficiaries of emotional succor feel that they are valued as community members irrespective of their content production.

On hiogi.de, a very active member named Mimbrocken threatened to quit after his (or her) answer to a sexist question was rated negatively by the inquirer. Other users entreated Mimbrocken to stay on. They created a virtual group called 'mim must stay!' Users could enter the group and communicate their support by putting a corresponding thumbnail on their user profiles.¹⁷ Their lobbying was eventually successful. After the website operator cancelled the offending negative rating, Mimbrocken was persuaded to continue contributing to the website. The practice of persuading others to stay active occurs when participants are highly active over long periods; others come to recognize their importance for the functioning of the website arising from their contributions to production of content or the social context. Appeals to stay active give the targeted prosumer a feeling of being a wanted community member. This kind of behavior helps secure the website's future existence, since it depends on permanent content creation.

The users on frag-mutti.de engaged in collective grief for a deceased user, Janice, using a bulletin board thread called 'condolence book.'¹⁸ User Wurst wrote:

Janice lost her fight today's afternoon Janice 26th November 1966 – 23th July 2009 Member since: 30.01.2006

Wurst ended the entry with a poem. Many users responded to this comment. Usch wrote, 'Janice, you will be in our hearts forever.' Freesie added, 'Janice, with your warmth and humor, you were one of the first who caught my attention at FM.'¹⁹

This behavior pattern was observed only on websites where users interact over a long period of time, such that they were able to build deeper relationships. Mourning someone you knew well is a normal need that occurs in other virtual environments as well (Sugarman, 2006; Barnhill and Owen, 2007). The emotional support among grieving members strengthens the relationship of website members and makes them feel part of the local online community.

By engaging in the social-integrative practices we identified on the websites, prosumers create a friendly communication atmosphere, which in turn facilitates 'a sense of togetherness' (Preece, 2000: 10). Members make each other feel like they are an accepted member of the community. The emotional succor in online communities, as mentioned also by Sproull and Faraj (1997) and Preece (2001), secures the overall capacity of members to make productive contributions. Furthermore, we may think of prosumers as consuming the friendly communication environment as a whole. Kuznetsov (2006: 2) described this phenomenon as enjoying 'a sense of...collectivism and benevolence.' Moreover, prosumers on interactive websites may also consume the individual social-integrative act.

3.3. Normative-regulative practices of prosumers

Like any social system, user-content websites are always governed by policies 'in the form of tacit assumptions, rituals, protocols, rules, and laws that guide people's interaction' (Preece, 2000: 10). On the one hand, website hosts create formal rules, often called 'terms and conditions' to which users must agree before being allowed to participate. They also articulate standards of behavior that are formalized to different degrees. Website hosts can enforce these rules by expelling offenders. The ability of hosts to punish deviant behavior helps to reduce the severity of interaction problems.

Certainly, setting and gaining compliance for rules is necessary for guaranteeing orderly communications on any website. However, existing formal rules may need to be adjusted or corrected in response to newly arising secular problems or to conflicts created by the rules themselves. Preece and Maloney-Krichmar (2003) note that innovation in roles, norms, and rules 'is often done by community leaders, or managers who work with the community' (p. 19). This reflects the conventional wisdom that it is the job of managers to adopt new rules and the job of employees or users to follow them. However, prosumers also impact existing formal rules when active on web 2.0 websites. They modify the existing formal set of regulations in collaboration with the host, who alone has the power to make changes quickly and unilaterally (Butler et al., 2007). In doing so, prosumers produce a well-governed setting that enables prosumption.

The example of designenlassen.de, a design competition platform for products such as logos, business cards, websites, or advertising banners, illuminates how prosumers can modify existing formal rules. On this site, an initiator puts out a call for the design of a particular product, announces the amount of prize money offered, and sets up a deadline. Then, an international designer community uploads suggestions or drafts. Designs can be evaluated by the person who set up the competition with the help of a rating function. The initiator also chooses a final winner who vests the copyright.

The 'one-winner' principle on designenlassen.de had been long criticized by participating designers and by viewers of the competitions. In response to these criticisms, the website owners announced a new rule structure on their blog. They introduced a multiple-winner principle such that the first-place winner shares the prize money with other designers. All users with designs rated with three or more stars by the contest initiator were to receive a share of the prize money. Soon after the new rules were posted, a large number of community members commented in the blog. Many designers criticized the threestars rule.²⁰ Prosumer Flamingflow commented, 'designs and drafts with 4 stars at least should be taken into account.' PicctureVisions added, '[f]irstly, I have...to agree with Flammingflow that only drafts with 4 stars should be taken into account.' At one point, the host responded with this comment: 'OK, this with the 4 stars seems to be a real issue, thanks for the suggestion.' There then followed another example of cross-referenced comments. User smik offered this comment: 'On top of that, this cuts the profit of the winner which is usually much too low anyway.' Designer groundhog responded directly: 'I agree with smik totally...a contest should have a winner.' The debate was closed when the host conceded the point: 'The threshold for sharing the bonus for favorites has been raised to 4 stars.' He commented that '[t]his simply makes more sense, thanks for the good comments on that topic.' At the end of this long debate, the host implemented the rule as suggested by the designers. The users got their way.

The prosumers on designenlassen.de discussed with the host potential adjustments of the formal rules governing the site's incentive structure. The impression of potential unfairness as well as the unheralded and

unexpected modifications provoked collective protest by prosumers. After one prosumer voiced objections, others joined in. That this could occur is due to the public character of communication tools commonly used on interactive websites, such as comments or bulletin boards, through which website users are able to refer to postings of others. In discussing formal rules with the host, prosumers try to adjust their content production environment. Those rules are of central importance for their daily usage of the website. Having the possibility to establish new formal rules generates a higher level of commitment to the community. It can be assumed that prosumers are more likely to comply with rules they produced themselves, as these should better harmonize with their own interests. Thus, the discussion of potential adjustments of formal rules with the host improves the content production.

Users also often create informal rules in addition to the formal rules given by the host. Souza and Preece (2004: 580) argue that the negotiation of informal standards and, in consequence, a permanent and reflexive evaluation of rules of behavior are a central quality of dynamic, evolutionary online communities. The YouRail Design contest illustrates this phenomenon. As explained above, participants of this contest not only had the chance to win design prizes but also competed for rewards for the highest volume of voting and communication activity. Users negotiating both types of activities occurred on the contest website. The rules of the design contest provided incentives for designers to vote down competing designs as often as possible; this would serve to lower competitors' overall ratings, upgrade one's own relative ranking, and allow the negative reviewer to accumulate points for communication volume. Furthermore, for communication volume prizes, it did not matter if the content of comments and voting made any sense or not. Taken as a whole, this rule structure rewarded senseless and random acts of unconstructive negative feedback. Indeed, the person with the highest 'activity counter,' a user named EMD, was accused of just such behavior in the following message by user aanand:

Don't take it personal EMD, it may just misguide the designers...if it's not really up to the mark, you can either say why it's not good or just give no comments...it's just an opinion.... I hope you will agree with me on this.... As designers...we evaluate lots of designs, and we justify why it's good or how it can be bettered...right...?? so chill out;).²¹

EMD responded courteously: 'Yes I agree with you in some aspects and am sorry for the inconvenience that I may have caused.;) Yes

it can...misguide...them.'²² In this case, the criticism of evaluation behavior was accepted by the user and a negotiation process on voting and commenting norms among prosumers was successfully resolved. It is worth noting that this is an additional example of how users overcame barriers – in this case poorly constructed rules – to the production of high quality content.

Two facts strengthen our impression that this kind of negotiation serves to change actual behaviors and establish order. First, both comments could be read by all other contestants, since they appeared in the publicly viewable message boxes of the two members' user profiles. Second, since the criticized user was the most active user in the contest and his message box was viewed by a large number of other contestants, it was quite likely that a large number of users would notice the criticism of his behavior. Assuming that most contestants do not want to become targets of public criticism, it is plausible to expect users to adjust their behavior to conform with requested behavioral standards. They start to follow the rules. The practice of negotiating informal rules emerges due to conflicts among partially incompatible rule systems. Such collisions are not unusual for large social systems like the communities of website participants. Therefore, self-coordination among users in ways that extend beyond mere compliance with formal terms and conditions - is an important precondition for content production on interactive user-generated content websites.

In their treatment of online communities, Preece and Maloney-Krichmar (2003) underscore the importance of compliance: 'Having rules is fine but how should they be enforced?' (p. 18). In their view, moderators are the central enforcers. However, our study revealed how normal prosumers are involved in enforcing all kinds of formal and informal rules. Voluntary compliance and voluntary self-enforcement among users plays an important – possibly the most important – role in rule maintenance. These normative-regulative practices enable the socialization of website members, which may be conceptualized with Parsons as the 'learning of any orientations of functional significance to the operation of a system of complementary role-expectations' (1991: 208). Some practices are relevant for the socialization of new website members, others for established members.

In general, users who stay active automatically comply with formal and informal rules. They do not have to explicitly remind each other of existing rules. In addition to discursive means of rule reproduction there are other, less visible (but no less important) means. For example, prosumers replicate a particular tone of communication that permanently pervades exchanges of users. Interactions can be friendly, critical, supportive, emotional, or competitive. In doing so, established and new website members internalize rules through direct participation and without explicit communication (Dholakia et al., 2004). When new members are confronted with a particular tone of communication in former and current entries, it is highly likely that they will replicate this tone in their own style.

Another common situation occurs when new community members introduce themselves in the forum. Experienced members use this as a chance to call the new user's attention to website-specific norms. For example, a new member on hiogi.de asked the established members what can be done on the site. Clara, an experienced hiogi user, responded as follows. 'Hello, welcome to hiogi! Before you get started, read this. The guidelines for new members should be especially good for answering your questions. Have fun here!' The message included links to three sets of rules and guidelines.²³ Another user wrote:

Also a hello from me! It would be nice if you use reliable sources when you answer a question (gutefrage, yahooanswers, etc. are not so good). It's not so good when you write 'I just know' or something like that, so even if you are sure you are right, please do a quick research in order to find a source. This is usually no problem if you already know the answer. This makes it easier for the confirmer to check the answer. Best regards Zeiti.²⁴

These two examples demonstrate that experienced prosumers socialize new members by teaching them the existing rules for correct behavior on the website. The teaching prosumers apparently self-identify with the website and want to improve the quality of its content, because it requires time to teach rules. This practice helps newcomers use the website and its functions properly. This, in turn, is a governance mechanism that helps ensure high-quality content production. Sites in which these behaviors are common should be more attractive for new users, and a constant influx of new registered users is important for ensuring the maintenance of site output. These interactions, also called newbie orientation, are also noted by Dholakia et al. (2004) and Lampe and Johnston (2005).

On frag-mutti.de, the long-term member Rausg'schmeckte complained about the behavior of some users in a forum to which all members have direct access. The user provided instructions about how to use threads, demonstrated how to create a signature, and admonished users not to carry out personal arguments with each other in the forum: We noticed a lot of chat within a lot of threads, which are not earmarked for that. [...] That's why we request users to move lively off-topic conversations to a new thread....Please ensure that your signatures are not too large or that your pictures are not oversized....Signatures are nice and amusing but should not be disruptive....Please don't have personal disputes on the bulletin board; there are more appropriate communication tools like PM, email etc. Other bulletin board members don't care about your personal trouble. Thanks a lot.²⁵

This message shows how prosumers permanently remind each other directly about accepted norms of communication. On sites with users from multiple countries, prosumers remind others to use English.²⁶ They also condemn any form of advertising.²⁷ These forms of normative-regulative behaviors occur when users spend a lot of time on 'their' interactive website and thereby know the rules very well and also observe the behavior of other users. Moreover, only respected members can produce desired educational outcomes; comparatively new members do not have the required authority to change the behavior of other participants.

'Tchibo ideas' exemplifies another way of rule reproduction by active website users. It is an open innovation platform run by the Tchibo GmbH, a German household goods manufacturer. On this webpage, prosumers are able to upload ideas for new products or problems for which they want a product solution. They are able to comment and vote on each contribution. Every month the best problems and solutions are voted on in a multilevel procedure by the prosumers. Winners get cash prizes. Furthermore, the Tchibo GmbH may produce the submitted designs together with the prosumer, who then profits also through sales of the product.

On some platforms like Tchibo ideas, prosumers are able to report deviant behavior to the host by using the 'report abuse' button.²⁸ This may be used to call attention to problematic content related to problems, product ideas, or comments. Another report option is to write personal messages to the host to advise him of potential rule breaches. We suspect that this practice takes place on all of the websites we studied. Although we did not have access to empirical evidence for every case, all hosts do provide an email address that prosumers can use to report problematic content or behavior. This kind of policing activity helps ensures high-quality contributions indirectly, for it helps the host ensure rule compliance.

By complying with the existing rules, giving direct instructions to new members, reminding each other of norms and rules, and advising the host of deviant behavior, 'normal' prosumers take over important regulating functions in community management. Without these self-regulating activities, an official moderator would be necessary.

As a consequence of all of these practices, many users become acquainted with the community communication style, roles, rules, and structure. Prosumers self-produce a well governed setting that frames and supports content prosumption. It governs content production as well as the social relationships between active users. By complying with formal rules and informal standards, situational order is established. According to Pankoke-Babatz and Jeffrey (2002: 221), 'knowing and applying the right norms and conventions gives each participant the feeling of being part of the group.' As a consequence, users start to 'feel at home' (Lechner and Hummel, 2002). Moreover, prosumers may be thought to consume the well-governed setting by enjoying orderly operations on the website as a whole.

4. Discussion: Prosumers' contributions to web 2.0 applications

We began our inquiry with two questions: to what extent is prosumption a collaborative exercise that is somehow dependent on online communities, and how do users and site managers together organize and manage prosumption tasks online? With the extended perspective on prosumption in Web 2.0 suggested above, one can gain deeper insights in how individuals behave in online communities. Empirical analysis revealed three types of community-oriented, collaborative, and organizational practices: supportive practices directed to the platform content (producing and consuming written texts, videos, or pictures), social-integrative practices leading to a friendly communication atmosphere on the platform, and normative-regulative practices ensuring a certain degree of orderliness in user interaction. The activities we observed are summarized under these categories in Table 11.1 and discussed below.

First of all, website users create a supportive atmosphere by *encouraging each other instrumentally* via giving hints and advices. In doing so, they expand opportunities of increasing both the quality and quantity of content production. Thus, these prosumer practices are instrumentally useful in securing the website's future viability as a common venture of users/prosumers and the host. The higher the content quality, the
Practices of prosumers	Effects and functions	Examples
	Supportive practice	S
Pointing to problems of created content	Improves content production Produces professional and helpful atmosphere	'I believe it is not very comfortable while saving space is a bit exclusionary to many types of people with disabilities more usual that a chronic deficiency'
Making direct suggestions to enhance the created content		'Also, there needs to be some sort of shelf, because especially everyday travelers want to use their laptops or just read comfortably'
Pointing out to external resources for good content creation		'In conformity with Wikipedia 99¢ oder 99c. http://en.wikipedia.org/ wiki/Cent_(currency)'
	Social-integrative prac	tices
Welcoming new website attendees	Motivates new users to become an active part of the community	'Welcome to the contest!'
Exchanging every day addresses of welcome, 'good night' farewells and holiday wishes	Makes greeter and greeted actors feel as a part of the local community	'A wonderful good morning to all!'
Divulging personal information	Provides personal background to assess each other's behavior	'I wish you a happy new Year 2010. [] where are you from, what country? I am from Portugal' – 'I am a student from Germany'
	Gives feeling of being wanted as a complete person	
Wishing a quick recovery to users suffering from illness	Strengthens personal relationship between community members Gives a feeling of being wanted as complete	'I'd like to wish quick recovery'
Lauding and thanking each other	person Creates friendly communication atmosphere	'Compliments for your project!'

Table 11.1 Summary of observations

Practices of prosumers	Effects and functions	Examples
	Makes users feel belonging to the online community	'You have talent' 'Exciting picture!:' 'Thanks for the
	Motivates users to ongoing activity	comments!!!:D'
Discussing website caused problems	Conveys a sense of community	Discussion 'I need to talk' on hiogi.de caused by iPhone-App provoked inappropriate questions
	Makes beneficiaries feel as valued community members irrespective of the quality of their inputs	
Persuading users to stay active	Conveys sense of community	'For all who don't want to lose Mim! And who want to show how important she is for the them and the community!\ Mim must stay!'
	Secures ongoing content production by avoiding exit of members	
Grieving the death of former users	Strengthens relationship of website members	'I'll keep you in mind for ever'
	Makes users feel as a part of online community	'Bye Janice, will miss you'
	Provides emotional support and ensures work capacity	
	Normative-regulative pra	actices
Discussing potential adjustments of formal rules with the host	Improves content production	' designs and drafts with 4 stars at least should be taken into account'
	Generates higher level of commitment to community and rules	
	Amends working environment	
Negotiating informal rules among the users	Settles conflict between partially incompatible rule systems	'You are a spammer ' – 'nope no i am not '
	Regulates formally non-adjusted areas of user interaction	

Table 11.1 (Continued)

Complying with existing rules	Socialization of newcomers	Tone of communication (friendly, critical, supportive, emotional, competitive)
Giving direct instructions to new members	Socialization of newcomers Ensures content production in good quantity and quality by proper use of website functions	'Before you get started, read this. The guidelines for new members should be especially good for answering your questions.'
	Secures ongoing contributions of users in good quality	
Reminding other users on valid rules directly	Resource-saving assumption of community management function	'If you recognize a thread becoming a convivial conversation, transfer it to one of the bar threads'
	Secures ongoing contributions of users in good quality	
Advising the host of deviant behavior	Ensures qualitative contribution of website users	Use several abuse buttons Write an email to the host
	Assures ongoing website existence	

more attractive the website is for Internet users, which in turn can attract more prosuming members and may also generate higher revenue through advertising.

Second, prosumer interaction can also be *socially integrating* in that it creates a friendly communication environment and gives emotional succor to community members. Social-integrative practices create ties closer to what Tönnies (2001) referred to as '*Gemeinschaft*' or 'a community of mind.' In communities created through social-integrative interaction, common feelings and shared opinions transform users into 'friends' and provide attachment both to the community and to the particular web 2.0 platform. Bonds to community can tie users also to the community goal of producing and consuming content. This effect is particularly important for the kind of commercial websites we analyzed, because it is more difficult to engender user loyalty on commercial sites than sites that generate open-content or open-source products. Prosuming on commercial websites is associated with a certain sense of being exploited. Even though participation is voluntary, prosumers are aware that they are creating surplus value for the host. This can lead to quite divergent interests of prosumers and site managers. We found, however, that a sense of community can arise and can strengthen personal ties to the platform on commercial websites. These bonds are probably even stronger for prosumers active on non-commercial sites.

Third, prosumers create a well-governed setting through several normative-regulative practices. The literature to date has not paid much attention to rule setting and rule adherence among web 2.0 users (but see Bruns, 2005; Demil and Lecocq, 2006; Kozinets et al., 2008), but self-regulating activities were very common among our cases. Prosumers reproduce prosumption rules and negotiate order among themselves. On interactive websites, rule reproduction can focus on the socialization of new members in the early stage of joining. It can also take the form of a permanent process of reminding other users to comply with rules. Of course, socialization within a rule system presupposes the existence of rules in the first place. These are always set up by the site's operator as part of the process of initiating the site. However, when people start using the site and applying those rules, they often encounter problems and try to modify existing or create new informal rules and norms in response to these conflicts. In our cases, the examples of the kinds of results coming out of these processes of conflict and negotiation we observed included guidelines of behavior authored by experienced users and modifications of incentives in creativity and design contests.

Normative regulation can also be done in close cooperation with the host. Working together with site managers, prosumers also request and negotiate innovations in the structural elements of computer-mediated services like special features, additional tools, or the platform's layout.

The normative-regulative practices of prosumers we observed bring to mind Anselm Strauss's (1978, 1993) concepts of 'negotiated order' and 'processual ordering.' Social orders, be they explicit or tacit, are continually negotiated among members of particular organizations or of 'social worlds,' which are communities with shared meanings and common points of reference. The term 'processual ordering' points to the fact that order is always a temporary accomplishment. Strauss includes both formal and informal rules, norms and regulations in his perspective. Thus, 'the negotiated order on any given day could be conceived of as the sum total of the organization's rules and policies, along with whatever agreements, understandings, pacts, contracts, and other working arrangements currently obtained' (Strauss, 1978: 5–6). In Strauss's pragmatist perspective, when a collective practice in a social world stalls due to problems of action or the legitimation of action, arguments between participating actors about the issue are exchanged in what Strauss calls an 'arena.' An arena denotes a public forum where the involved actors explicitly negotiate a new course of action, legitimate goals, procedural rights, etc.

Noting the differences in what exactly is prosumed in each of these three categories sheds light on the function of each kind of prosumer activity and how they relate to each other. In supportive practices, prosumers consume criticism and suggestions that are directly related to content production. On one level, prosumers use this to improve their contributions. On another level, they consume social comparison and, in the best case scenario, an atmosphere of mutual support. These secondary gains seem also to motivate prosumers to act supportively themselves. In social-integrative practices, consumption is primarily emotional in nature. Users and prosumers enjoy a homelike atmosphere and a sense of belonging to an overarching social entity. This intensifies the feeling of self-esteem and makes one feel needed by others. Our findings, then, confirm similar findings of other studies of participation in communities (Benkler and Nissenbaum, 2006; Kuznetsov, 2006). In normative-regulative practices, consumption is of the experience of acting in a clearly structured, well-ordered and calculable environment that prevents unpleasant incidents. A high degree of regulation facilitates predictable outcomes of one's own and others' behavior. Thus, in a sense, through normative-regulative practices, prosumers and users consume certainty. Through all of these activities together, prosumers consume the shared social context they produce.

Finally, these three types of prosumption seem to complement each other, or at least they do in a best-case scenario. Content can get prosumed on almost any site, but as we have seen, on many sites users create communities. In doing so, they prosume non-content elements of social context. These elements can directly support and enhance content prosumption. The quality of content can be improved when a supportive atmosphere emerges where members help each other. Strong social connectivity between community members can motivate them to contribute more and better content. Finally, an efficient system of rules and a balanced self-organization within the community supports the sustainable prosumption of content. Behavioral standards and norms, in fact, are important for the existence of a platform defined by the interaction of many individuals in the first place.

All in all, supportive, social-integrative and normative-regulative practices of prosumers – and their continual self-adjustment – are mutually reinforcing elements of valuable and continuous content prosumption. We do not wish to suggest that community interaction or rule-making behaviors always and necessarily improve content creation. We can imagine many situations in which community-building becomes more important to prosumers than content production, for instance. Further research can enhance our understandings of the links among certain types of prosumption behaviors linked to social context.

To summarize, this study points to two central ideas that need to be included in the prosumption framework if it to be applied to web 2.0 contexts. First of all, researchers should keep in mind that prosumers' products are not limited to website content but include also the 'social context' in which the prosumption of content is embedded and regulated. Second, the acts of production and consumption in prosuming should be theorized as connected through community, not as immediately and personally connected in an individual who produces the selfsame content he or she consumes. Through the Internet, prosumers consume similar kinds of content as well as 'social context' produced by other prosumers collaboratively.

Notes

- 1. There are several alternative adjective modifiers of 'community' in circulation: 'virtual, cyberspace, computer-mediated, digital, and electronic' (Butkevičienė and Rinkevičius, 2006: 33).
- 2. http://en.wikipedia.org/wiki/Wikipedia:Community_portal (accessed September 19, 2012).
- 3. http://yourail-design.bombardier.com/ (accessed September 19, 2012).
- http://yourail-design.bombardier.com/profile/index/mode/idea-details/ ideaId/637 (accessed September 19, 2012).
- http://yourail-design.bombardier.com/profile/index/mode/idea-details/ ideaId/2438 (accessed September 19, 2012).
- 6. http://www.hiogi.de/ (accessed 19 September 2012).
- http://www.hiogi.de/question/gibt-es-eigentlich-karstadt-aktien-zu-kaufen-130134.html (accessed September 19, 2012).
- http://yourail-design.bombardier.com/profile/index/mode/user-details/ userId/3633 (accessed September 19, 2012).
- 9. http://forum.frag-mutti.de/index.php?showtopic=2190&st=1400 (accessed September 19, 2012).
- 10. http://forum.frag-mutti.de/index.php?showtopic= 3297&st= 320 (accessed September 19, 2012).
- http://yourail-design.bombardier.com/profile/index/mode/user-details/ userId/3633 (accessed September 19, 2012); http://yourail-design.bombardier. com/profile/index/mode/user-details/userId/2783 (accessed September 19, 2012).

- 12. http://www.hiogi.de/feedbacks/posts/page:1/threadID:3441 (accessed September 19, 2012).
- 13. http://www.swirl.de/; contest platform www.smellfighters.com, no longer available.
- 14. http://yourail-design.bombardier.com/profile/index/mode/idea-details/ ideaId/2566 (accessed September 19, 2012); https://www.tchibo-ideas.de/ index.php/loesungen/ansehen/wohnen/detail/idee/id/613 (accessed September 19, 2012).
- 15. http://www.hiogi.de/feedbacks/posts/page:1/threadID:5811 (accessed September 19, 2012).
- 16. http://www.hiogi.de/feedbacks/posts/page:2/threadID:5811 (accessed September 19, 2012).
- 17. http://www.hiogi.de/community/buttonDetails/Mim+muss+bleiben (accessed September 19, 2012).
- 18. http://forum.frag-mutti.de/index.php?showforum= 38 (accessed September 19, 2012).
- 19. http://forum.frag-mutti.de/index.php?showtopic= 30238 (accessed September 19, 2012).
- 20. http://www.designenlassen.de/blog/2010/05/07/groses-update-vorkasseprojekte-nutzungsvertrag-neue-vergutungsregeln/#comments (accessed September 19, 2012).
- 21. http://yourail-design.bombardier.com/profile/index/mode/user-details/ userId/2783 (accessed September 19, 2012).
- 22. http://yourail-design.bombardier.com/profile/index/mode/idea-details/ ideaId/637 (accessed September 19, 2012).
- http://www.hiogi.de/feedbacks/posts/threadID:5335 (accessed September 19, 2012).
- http://www.hiogi.de/feedbacks/posts/threadID:4493 (accessed September 19, 2012).
- 25. http://forum.frag-mutti.de/index.php?showtopic= 16135&st= 0&#entry 863526 (accessed September 19, 2012).
- http://yourail-design.bombardier.com/profile/index/mode/user-details/ userId/2670 (accessed September 19, 2012).
- 27. http://www.frag-mutti.de/tipp/p/show/category_id/1/article_id/2412/Steakund-Grillsauce-%28erstklassig%29.html (accessed September 19, 2012).
- 28. https://www.tchibo-ideas.de (accessed September 19, 2012).

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