

NETA PowerPoint Slides
to accompany

Williams/Champion/Hall

MGMT

Fourth Canadian Edition



CHAPTER 17

Managing Service Operations

16 Oct 2025

Dr Ike Hall

Class Activity: **Productivity**

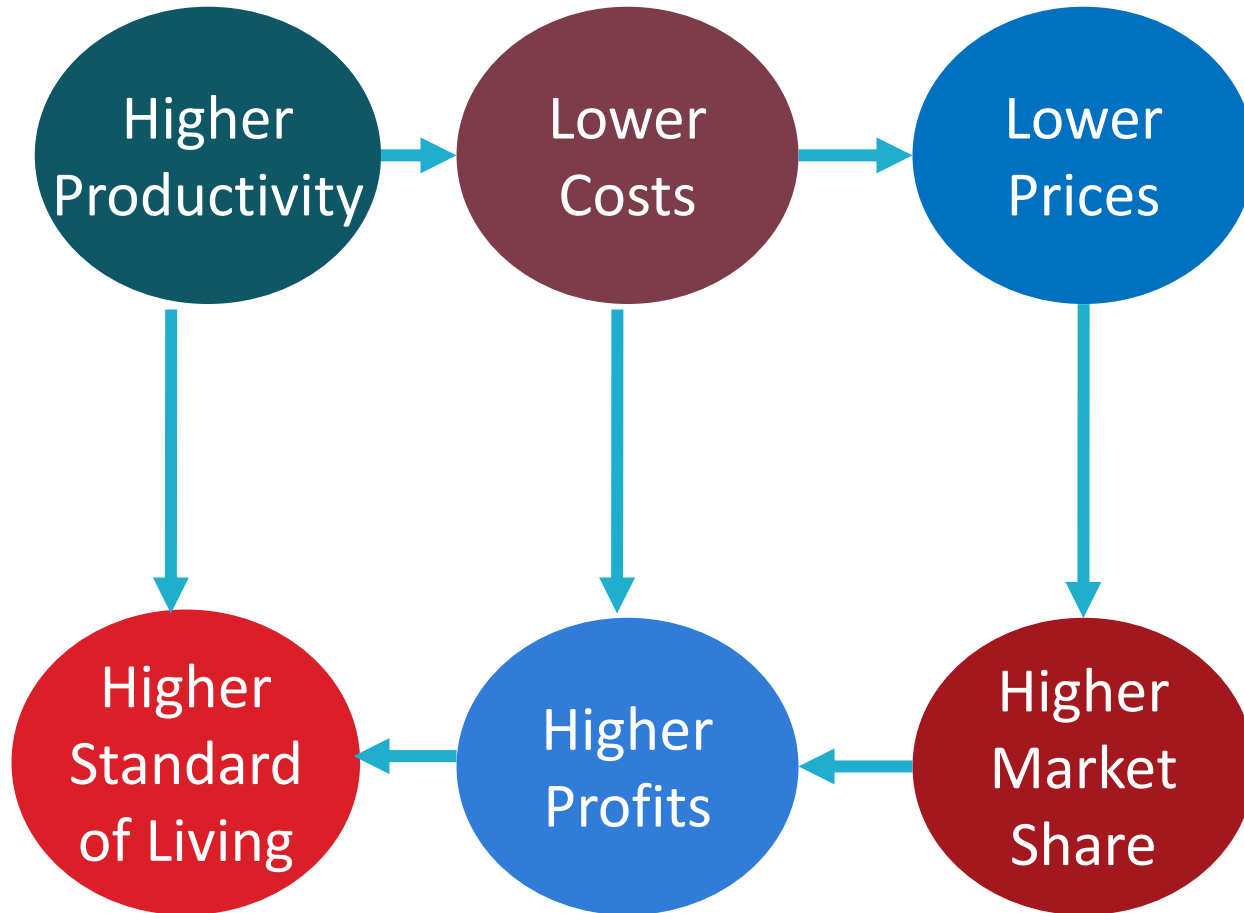
- How productive are you on a scale of 1 to 10, with 10 being extremely productive?
- What keeps you from being more productive?
- What is productivity?
- Discuss as a class.

Productivity

$$\text{Productivity} = \frac{\text{Outputs}}{\text{Inputs}}$$

Productivity:
measure of
performance that
indicates how
efficiently goods and
services are produced

Why Productivity Matters



Kinds of Productivity

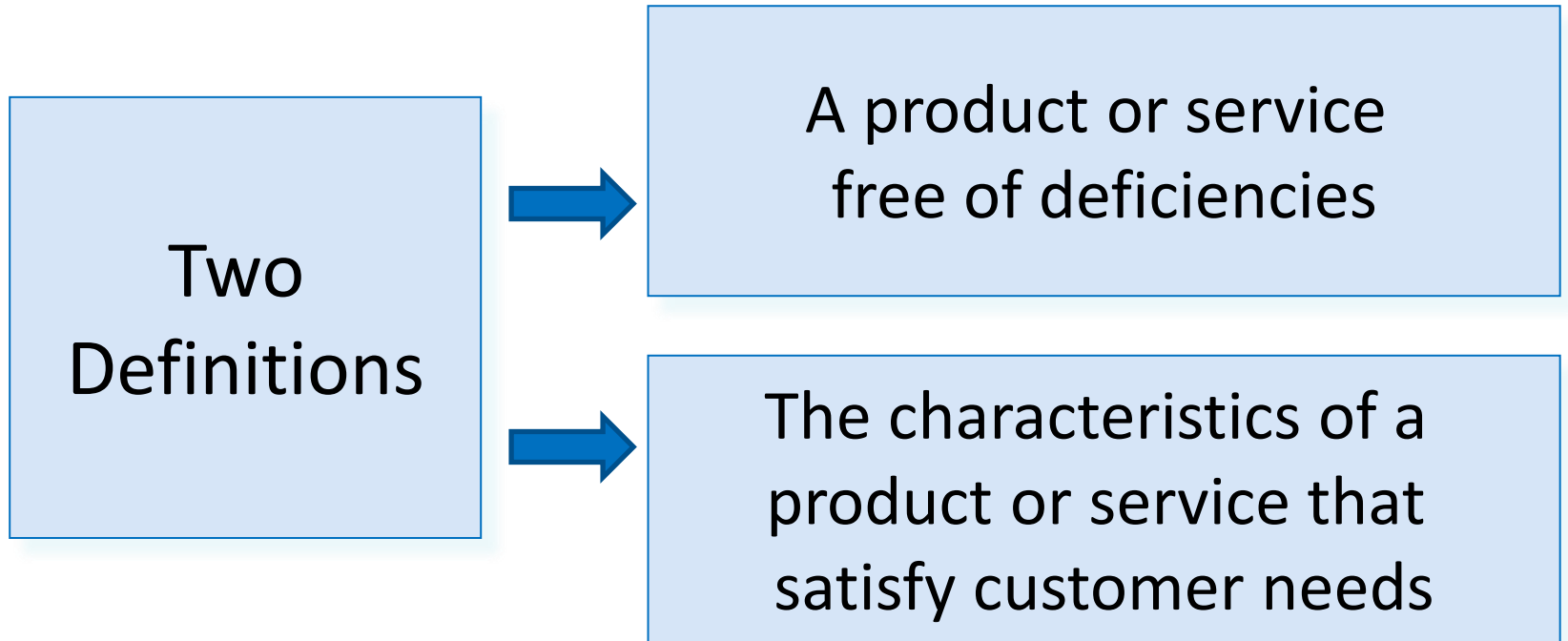
$$\text{Partial Productivity} = \frac{\text{Outputs}}{\text{Single Kind of Input}}$$

$$\text{Multifactor Productivity} = \frac{\text{Outputs}}{\text{Labour} + \text{Capital} + \text{Materials} + \text{Energy}}$$

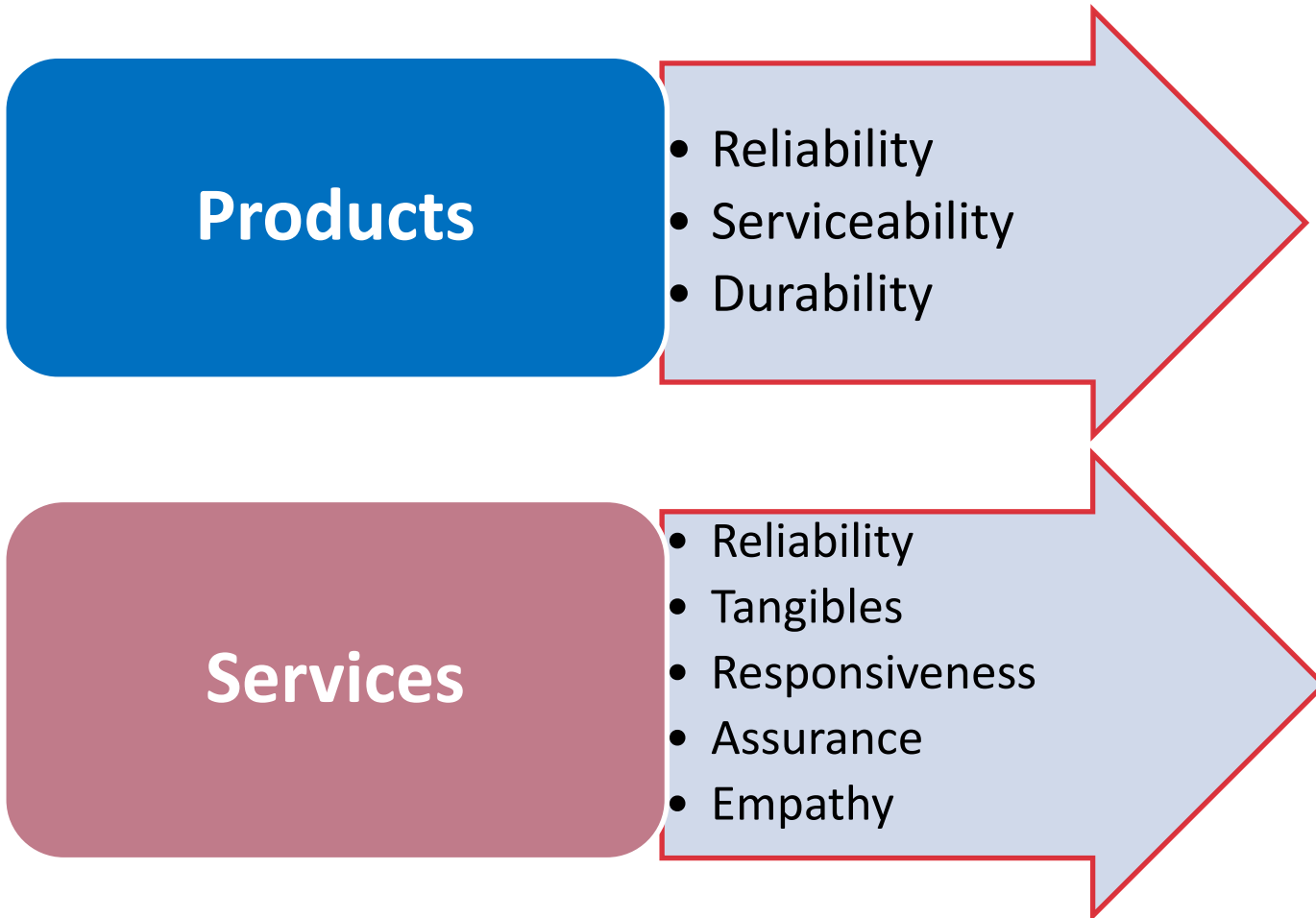
Productivity and Automation

- **Process automation**—using robots to automate routine, highly repetitive, low complexity, or single purpose tasks
- **Intelligent recognition**—using automation programming to recognize and react to patterns of speech, written language, images, and other items
- **Collaborative/social automation**—using robots to automate tasks while working directly with or near people

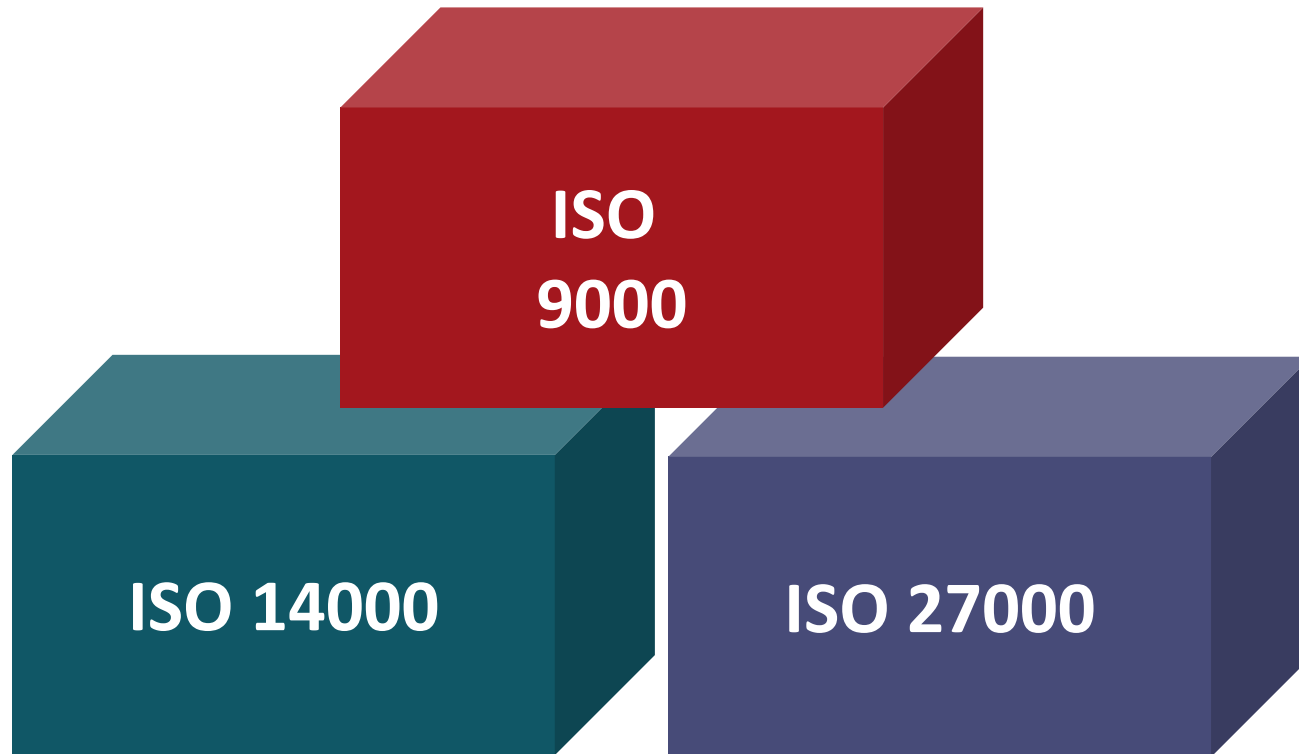
Quality



Quality-Related Characteristics for Products and Services



Quality: International Standards



Quality: **International Standards**

ISO: International Organization for Standardization

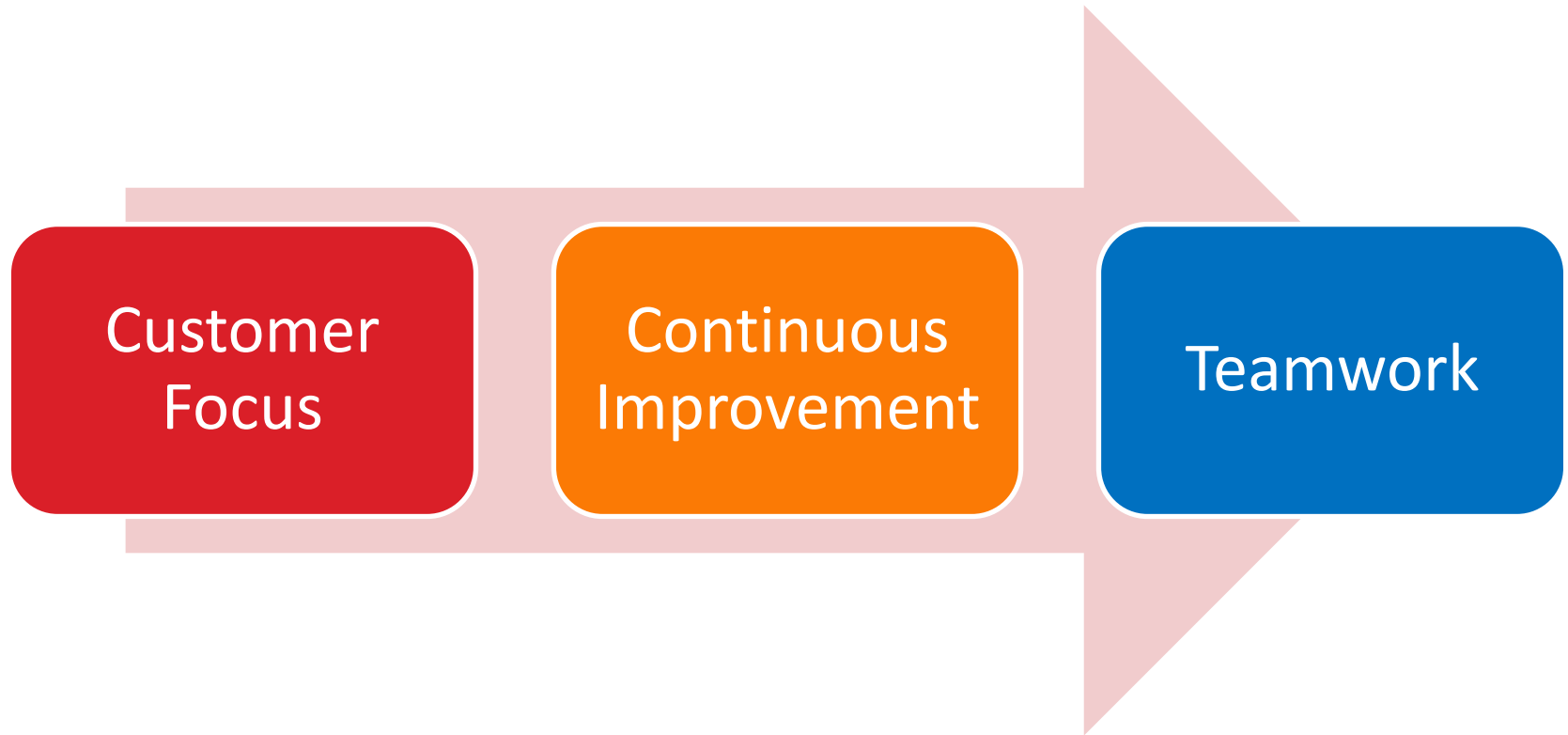
ISO 9000

- Five international standards (ISO 9000 to ISO 9004) for achieving consistency in quality management and quality assurance

ISO 14000

- International standards for managing, monitoring, and minimizing an organization's harmful effects on the environment

Total Quality Management (TQM)



Service Operations

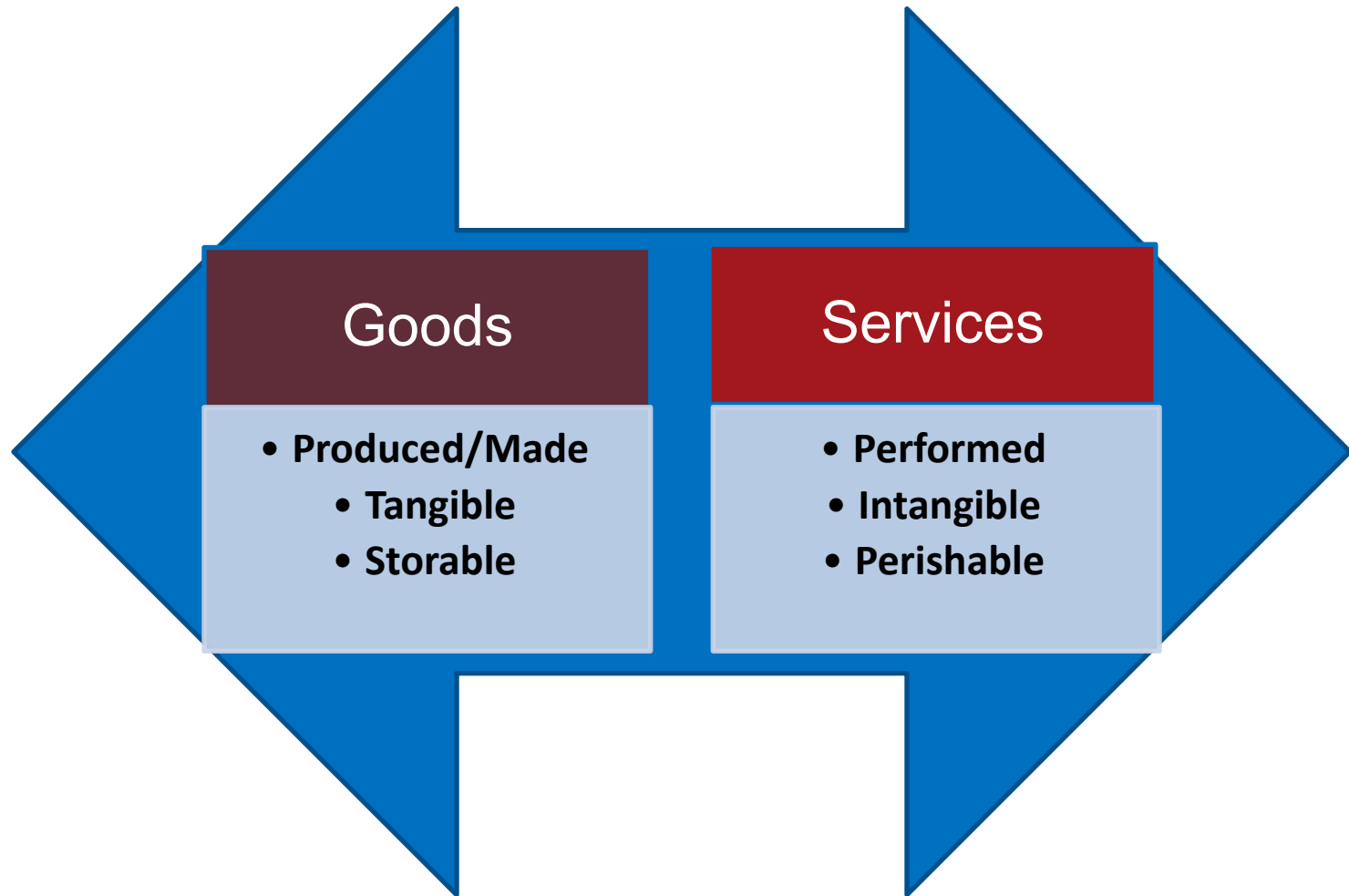
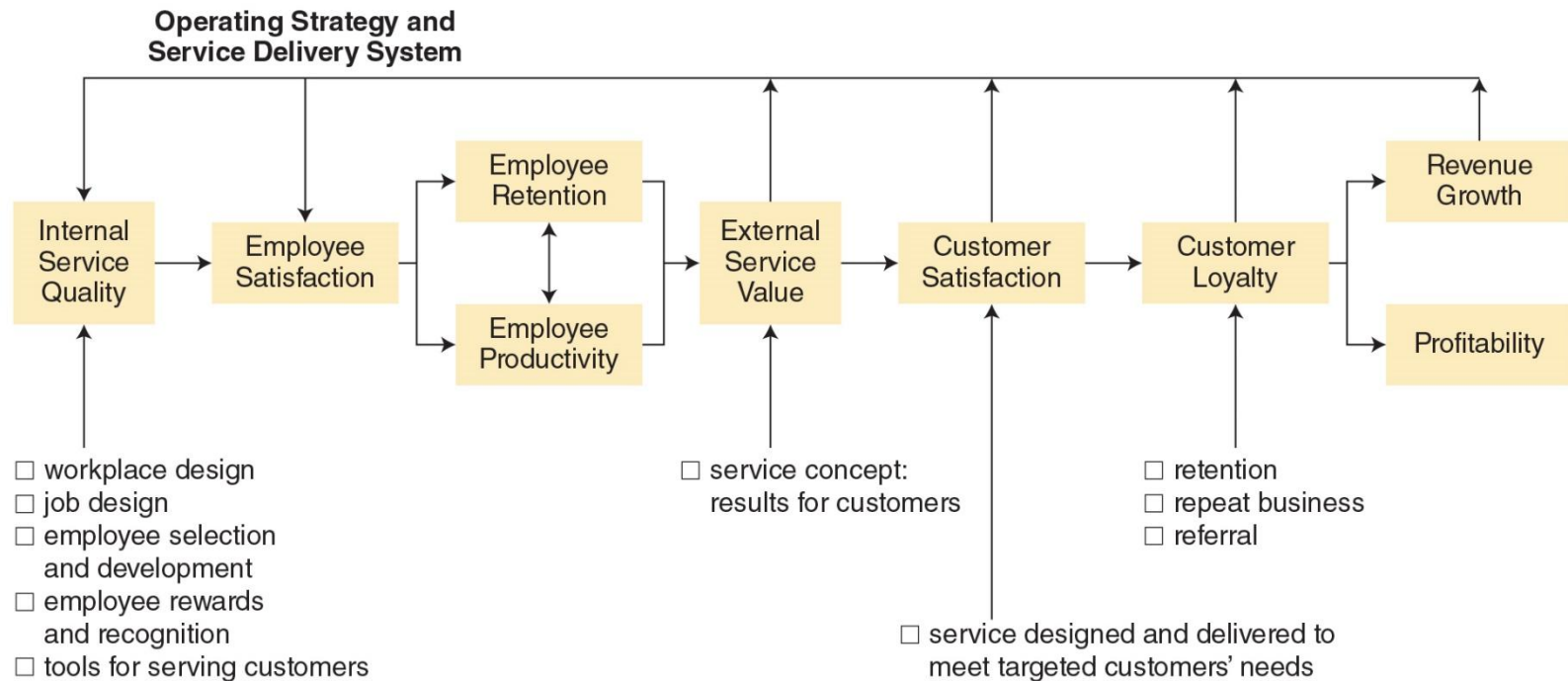


Exhibit 17.2

Service–Profit Chain



Source: J. Heskett, T. Jones, G. Loveman, W. Sasser, and L. Schlesinger, "Putting the Service–Profit Chain to Work," Harvard Business Review, July–August 2008 issue, <https://hbr.org/2008/07/putting-the-service-profit-chain-to-work>.

Service Recovery and Empowerment

Service Recovery

- Restoring customer satisfaction to strongly dissatisfied customers
- Fixing the mistakes that were committed

Employee Empowerment

- Goal: immediate solution to customer problems