

**A better understanding of value creation  
in citizen-centric services:  
A case study of Job Services Australia**

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## Abstract

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Customer perceived value (CPV) has attracted considerable attention of both academic researchers and business managers, because it can help gain a competitive advantage and manage customer behaviours, resulting in better long-term business performance. However, despite the wide-ranging documentation of customer value at both the conceptual and empirical level, there are some notable gaps in the extant research on CPV. These include a debate on value definition and its measurement in different settings (Gummerus & Pihlström 2011; Lin, Sher & Shih 2005), the need for more empirical testing (Williams & Soutar 2009) and, particularly, for examining the notion of CPV in public service contexts (Moliner 2009). In addition, an emerging service-dominant (S-D) logic offers a new perspective. This thesis examines the multifaceted nature of value perceptions through the S-D lens. In this emerging perspective, the customers are seen as ‘active actors’, rather than a ‘passive audience’ member of the traditional goods-dominant (G-D) logic.

This study is motivated by the significant opportunities for using CPV in public service provision, the important insight it provides, and the growing interest in elaborating S-D logic theoretically and empirically. Its purpose is to gain a deeper insight into the nature of CPV and the issue of value co-creation in the public environment setting as well as to develop and examine a framework for elaborating the value perceived and co-created by customer-jobseekers in the public service context of Job Services Australia (JSA). Consequently, this thesis addresses the gaps in research streams on customer value and S-D logic. The outcomes provide suggestions for business managers and policymakers in relevant agencies to be implemented in service provision. The research is also a direct response to the call by Vargo and Lusch (2008a) and Vargo et al. (2008) for deeper insight into this emerging area.

The integration of two theoretical foundations: the theory of consumption values and the structuration theory provides the theoretical framework for this study. This research uses a mixed methods design, in which the quantitative phase follows the qualitative exploratory phase in order to tell a more comprehensive and convincing story demonstrating the richness of the research findings. Additionally, the outcomes of the qualitative research led to the development of a questionnaire in the quantitative phase.

Because of the relative fragmentation of CPV measurement, diversified understanding and further development of the new S-D mindset, the exploratory design with qualitative methods

enriches knowledge and gives insight into interpretations by different actors, that is, the jobseekers, the service providers and the relevant government agencies. In addition to the in-depth interviews, the researcher carried out an online survey to collect the hard laddering data from the jobseekers. Information collected from the in-depth interviews and the online hard laddering survey is analysed by applying different strategies. Several groups of variables arose from the analysis of interviews, including service quality, comprising staff competence, empathy, reliability, responsiveness, and physical availability; knowledge benefits; social benefits; emotional benefits; and value alignment. Analysis of the hard laddering data provides the key perceptual components for each of the variables according to their linkages (attributes, consequences and values) and the visual presentation of linkages between those variables. Service quality was at the attribute level, and CPV was measured in the second-order construct, comprising knowledge, social and emotional benefits. Analysing data from the hard laddering survey provided the researcher a list of seven types of personal values at the end-states of values in the ladders. These types of personal values have been utilised for conceptualising and measuring value alignment in the further quantitative phase.

Together with the literature review, the outcomes of this exploratory phase enabled the researcher to develop a conceptual framework with a set of testable hypotheses. These hypotheses were then empirically tested in the following phases. In the first phase a self-administrated e-questionnaire was used to collect data from a large number of JSA jobseekers. Finally, 294 responses were complete and usable for further analysis, yielding a net response rate of 55.9%. The descriptive analysis of the sample and data is discussed. Then, a partial least squares (PLS) analysis with the principles of the structural equation modelling (SEM) technique is utilised. This exploratory approach allows the researcher to assess the validity and reliability of the data and the richness of the gathered information, and simultaneously to analyse and test the relationships among the variables of interest.

The findings of both the qualitative and the quantitative phases in this study make some substantial contributions to a number of fields. It contributes to the body of knowledge on CPV, S-D logic, methodological practices, as well as to the areas of construct measurement. In addition, the outcomes of the research are useful for managers in service businesses as well as for policymakers. Some implications related to customers are also discussed. Finally, the research acknowledges limitations, particularly with regard to methodology and the methods employed in this study. Some suggestions for the direction of future research are also presented.

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## Acronyms

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APS	Australian Public Service
BIBD	balanced incomplete block design
BWS	best–worst scaling
CES	Commonwealth Employment Services
CPV	customer perceived value
DEEWR	Department of Employment, Education and Workplace Relations
DoE	Department of Employment
EPF	Employment Pathway Fund
EPP	Employment Pathway Plan
EU	European Union
FP	foundational premises
G-D	goods-dominant
JCA	job capacity assessment
JN	Job Network
JSA	Job Services Australia
JSCI	Job Seeker Classification Instrument
JSK	jobseeker
OECD	Organisation for Economic Co-operation and Development
PES	public employment services
PLS	partial least squares
S-D	service-dominant
SEM	structural equation modelling
ST	theory of structuration
TCV	theory of consumption values

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