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

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Abstract

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

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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Chapter 1 - Introduction

1.1 Background to the research

The examination of customer perceived value (CPV) is of increasing interest for both academics and practitioners (Graf & Maas 2008). For instance, when updating their marketing definitions, value emerged as a key concept for the American Marketing Association in the United States of America (US) (Lusch 2007; Vargo & Lusch 2004) and the Chartered Institute of Marketing in the United of Kingdom (UK) (Grönroos 2011). Researchers and business managers have also recognised the determining power of customer value in realising a competitive advantage (Day 2002; Gallarza & Gil Saura 2006), in strategic management of customer behaviours (LeBlanc & Nguyen 1999), and for a company's long-term survival and success (Payne & Holt 2001).

As well as this departure from the service-dominant (S-D) perspective, there have been discussions in the marketing literature over the active role that customers play (Brodie, Pels & Saren 2006). One school of thought based on S-D logic has been significantly reviewed, revised and redeveloped in many respects, with contributions by numerous leading scholars and also from conference discussions (Grönroos 2011; Ballantyne & Varey 2008; Baron et al. 2010; Gummesson 2008; Lusch & Vargo 2006b; McColl-Kennedy et al. 2012; Vargo & Lusch 2008b). Despite the large amount of work done in this field, a surprisingly limited number of empirical studies exist, especially in public service settings (Vega-Vazquez, Revilla-Camacho & Cossío-Silva 2013).

Additionally, the pressure to reform has been observed in public services in general, and in social welfare provisions in particular, in many countries, including Australia (Bruttel 2005). Existing research provides evidence that the reforms have been going beyond the new public management models (Hood 1991). Some common characteristics can be found, such as collaboration, balancing values, deliberative processes, citizen-oriented services, value creation and the emerging relation aspects (Alford & O'Flynn 2009; O'Flynn 2007). As the core institution within the Australian government, the Australian Public Service (APS) has confronted many challenges arising from domestic, as well as global, issues. In September 2009, the Prime Minister of Australia established an Advisory Group to review Australian Government administration and develop a blueprint for reform. The advisory group has

proposed that the APS reforms be in four areas to ensure that the APS can provide outcomes of the highest quality for the Australian public through integrated citizen-centric services, an effective regulatory framework and high-quality, forward-looking advice to government (Advisory Group on Reform of Australian Government Administration 2010). A proposed framework for evaluating APS performance and for providing a benchmark for future reviews includes four main components of high-performing public service. One of the most important is meeting the needs of citizens. Subsequently, Job Services Australia (JSA), like many other government programs and agencies, has been facing growing pressure to meet customer-citizen needs (Advisory Group on Reform of Australian Government Administration 2010)for the provision of high-quality services (Halligan & Wills 2008) and improved efficiency (Robinson 2003).

The nature, the antecedents and the consequences of CPV were investigated conceptually and empirically in many different settings (Cronin, Brady & Hult 2000; Ledden, Kalafatis & Mathioudakis 2011), ranging from the manufacturing domain (Dodds, Monroe & Grewal 1991) to the retail environment (Gounaris, Dimitriadis & Stathakopoulos 2010) and various services (Gallarza & Gil Saura 2006; Gummerus & Pihlström 2011; Roig et al. 2006; Sánchez et al. 2006; Williams & Soutar 2009). However, it was surprising that most of these studies were done within commercial services settings (Ladhari & Morales 2008) or in industrial markets (Eggert, Ulaga & Schultz 2006). This leaves a gap in the extant studies, given that a significant number of public services occur in real life. Additionally, the differences between the public and the private sectors revealed by Tregear and Jenkins (2007), and particularly the non-monetary costs in the public service domain shown by Moliner (2009) suggest that applying a framework of CPV taken from the commercial settings and used in the public service one should be undertaken carefully.

This study of value creation in the employment service context is motivated by the significance of changes in the public service, the importance of understanding how customers judge and value services, and the increasing interest in elaborating S-D logic theoretically and empirically. The purpose of this dissertation is to provide a deep understanding of the phenomenon of value perceptions of customers in the public service domains in general, and to develop and examine a framework for illuminating the value perceived and co-created by customer-jobseekers in the context of Job Services Australia (JSA) in particular. Consequently, the research outcomes assist to provide suggestions for the relevant agencies so they can improve the effectiveness of their service provision.

1.2 Research questions

The study addresses the following research questions:

- **RQ1:** How do customers conceptualise value in different service settings?
- **RQ2:** How do different aspects of customer value interact within different service settings?
- **RQ3:** How do value perceptions influence customer behavioural intentions in the service context?
- **RQ4:** What role does value alignment play in understanding and improving service outcomes?

These proposed research questions are founded on the two well-established theories: the theory of consumption values and the structuration theory.

1.3 Justification for the research

For the last few decades researchers examined from different angles the ways to conceptualise, develop and implement measures of the ways customers perceive value in diverse domains (Ledden, Kalafatis & Mathioudakis 2011). The findings have brought significant understandings for marketing and management researchers, business practitioners and policymakers (Sánchez et al. 2006; Steenkamp & Geyskens 2006; Woodruff 1997). However, the literature is divided on how value should be defined (Lin, Sher & Shih 2005) and measured (Gummerus & Pihlström 2011; Sinha & DeSarbo 1998). It is expected that the same issues will be found in the under-examined public service context, and that more research in various settings will be required to enrich our body of knowledge around the construct (Williams & Soutar 2009).

A comprehensive review of prior research on CPV by Zauner, Koller and Hatak (2015) indicated that conceptualisation and measurement of CPV should be context specific (Gallarza, Gil Saura & Holbrook 2011), multidimensional (Ruiz et al. 2008), and also hierarchical (Lin, Sher & Shih 2005). A multidimensional view has largely been employed to portray value perceptions in service settings (Dubé, Cervellon & Jingyuan 2003), and various frameworks, with deviations, have been developed (Sánchez-Fernández & Iniesta-Bonillo 2007). Among these frameworks, the model by Sheth et al. (1991a, 1991b) has been extensively applied in different fields and provide the best groundwork for studying the value

construct (Wang et al. 2004). However, in the extant literature, this model's modifications or differences in application have been observed in various domains (Whittaker, Ledden & Kalafatis 2007). Customer perceived value has been applied in diverse contexts (tourism, industrial clusters, education, etc.) which strongly affect the proposed/required dimensionality (Gallarza, Gil Saura & Holbrook 2011). Rintamäki and the co-authors (2006) emphasized that the conceptual knowledge about CPV and its application to service settings was quite fragmented. Thus, due to its context specific nature and the underlying focus of this study in public service sector, more extensive empirical testing is required. It also addresses a call by Sánchez-Fernández, Iniesta-Bonillo and Holbrook (2009) to continue examining the findings across service sectors and different settings.

It has been widely argued that there is a need to investigate not only CPV itself but also its relationships with other marketing outcome variables, like customer satisfaction and behavioural intentions (Boksberger & Melsen 2011; Cronin et al. 1997). Most publications have included at least one outcome variable in practical analyses. However, previous studies have varied in the way they explain the power of the value construct level in relation to customer satisfaction and behavioural intentions (Lin, Sher & Shih 2005; Wang et al. 2004). Inconclusive claims have also been made about the substantial relationships between service quality, value perceptions and other outcomes in the model applications. Hence it is necessary to conduct empirical work in the precise setting of employment services.

Despite the wide-ranging documentation of customer value at both the conceptual and empirical levels, it is argued that these studies were mainly conducted within the settings of commercial services (Ladhari & Morales 2008) or industrial markets (Eggert, Ulaga & Schultz 2006). There is very little research in the public service context, which has non-monetary features (Moliner 2009) or very little choice to use service provided by other suppliers (Brown 2007). This leaves a large gap in the literature and indicates that there is a need to investigate CPV in the public service setting.

The recently emerging service-dominant (S-D) logic offers a new perspective. This study examines the complex and multifaceted nature of value perceptions through the S-D logic lens (Vargo & Lusch 2004, 2008a, 2008b). According to Frow and Payne (2011) and Akaka and Chandler (2011), topics of value co-created by multiple actors have been a key component of this service-centric view. The S-D view provides a new lens to explore the active roles of all stakeholders in service practices generally, and customers in particular

(McColl-Kennedy et al. 2012; Ng & Smith 2012). A considerable body of research in various streams of different disciplines is representative of the strong interest in this area (Brodie, Pels & Saren 2006; Saarijärvi, Kannan & Kuusela 2013). However, the literature contains a limited number of empirical publications in the field-specifically, no study has investigated the public service context in Australia. This supports Åkesson's (2011) claim that the public service domain remains a relatively untouched setting for research.

The customer's perception of the service they receive is partly determined by the behaviours and attitudes of the organisation's personnel who the customer contacts with (Hartline & Jones 1996; Pieters, Bottschen & Thelen 1998). Thus, academic attention is needed to examine to what extent customers align with the service providers in value creating, and how this alignment influences their satisfaction - and, further, how employment service providers can gain an advantage by understanding their customers' perceptions of value, directing resources to this area, and therefore achieving customer satisfaction and loyalty.

In recent decades, firms and business managers have found themselves in an increasingly complex and competitive business climate, in which increasingly knowledgeable customers demand value creation (Sánchez-Fernández, Iniesta-Bonillo & Holbrook 2009). The firms have faced both opportunities and challenges. Many firms find creating customer value an important strategy to attain and sustain a competitive advantage (Steenkamp & Geyskens 2006; Woodruff 1997), and they apply customer value as a key determinant of consumer decision-making and behaviour analyses (Havlena & Holbrook 1986; Sheth, Newman & Gross 1991a; Sweeney & Soutar 2001; Zeithaml 1988). A challenge for any business is developing and maintaining satisfaction in long-term relationships with customers (Wang et al. 2004). Business practitioners should learn how to balance business performance with meeting their customers' needs when making decisions around contracting-out practices within the public service context, how much to invest in gaining value assessments, and the importance of managing such value to achieve competitive advantages.

The outcomes of this study offer business practitioners, especially those in the services sector in general, and the public service in particular, with an inclusive understanding of CPV as a decision-making factor. These determining aspects involve service quality, knowledge benefits, a social dimension and an emotional dimension. The findings of this study also provide a better understanding of the role of value co-creation, operationalised as value alignment, in predicting service outcomes.

1.4 Research context

1.4.1 Job Services Australia in the Australian labour market

Government services related to employment or job searching in Australia have been subject to innovation over time. The Commonwealth Employment Service (CES) was founded in the 1990s. The system seemed to 'manage' unemployed people rather than 'place' them in the labour market (Department of Education, Employment and Workplace Relations 1997). In 1996–97, the Australian Federal Parliament passed legislation to merge the functions of the CES and the Department of Social Security, establishing Centrelink, which had the main function of supporting the financial welfare of people across Australia. Centrelink is a single point of initial contact for jobseekers who wish to access income support and employment services, as well as certain other government benefits and services. The delivery of employment services was contracted out to Job Network agencies. These organisations are contractors with the responsibility of assisting people in getting jobs.

Under the Rudd government in 2009 the program was renamed Job Services Australia. As of 30 June 2011, about 2,251 JSA sites across Australia were cooperating with Centrelink to help unemployed people get into the labour market. After the re-tendering and contract renewal process, the number of JSA sites is about 2,001 in 2013. Under this framework of employment services, four streams of jobseekers were formulated. Stream 1 jobseekers were classed as work-ready, and streams 2 to 4 were classed as disadvantaged jobseekers. Centrelink places registered jobseekers into one of the four streams, using the Job Seeker Classification Instrument (JSCI) and, where needed, a Job Capacity Assessment (JCA). Centrelink registers jobseekers and refers them to a JSA provider as soon as possible. In addition to an Employment Pathway Plan (EPP) developed mutually by the jobseekers with the JSA provider's assistance, most jobseekers are also required to make periodic contact with Centrelink to activate income support payments. Before 1 July 2010, a majority of jobseekers regularly reported their job-search activities to Centrelink by submitting in person a fortnightly application for payment. Since 1 July 2010, under the new changes, only newly unemployed stream 1 jobseekers must attend fortnightly personal contact interviews with Centrelink for their first 13 weeks of unemployment. Other jobseekers have less frequent personal contact interviews and often report online or by telephone.

According to a report prepared by the taskforce on strengthening government service delivery for jobseekers (2011), some positive results have been reported from JSA's ongoing efforts.

For instance, the overall positive outcomes were 62.2%, accounting for outcomes in both education and training, and employment. Thus, despite the global recession of 2008–09, Australia's unemployment rate was lower than those of many other developed economies, except Japan, and significantly lower than those of the US and the UK. In December 2009, the unemployment rate in Australia was 5.1%, while it was 9.7% in France, 9.4% in the US, and 7.9% in the UK. However, Australia's long-term unemployment rate is still higher than those of some comparable economies, such as Canada and New Zealand. In November 2014, the most recent number of jobseekers (aged 15 and over) was 782,986, the average age of registered JSA jobseekers was 37 years, and the average length of time jobseekers had been registered in the program was 26 months. The unemployment rate (for people aged 15 and over) was 5.7% (Department of Employment 2014b).

1.4.2 Scope of the study

This study focuses on customers and service providers in the public service domain. The empirical testing of the developed conceptual model was conducted within Australia, with a particular emphasis on JSA providers and its affiliated agencies. In line with the worldwide tendency to contract out public services, the Federal Government of Australia has been contracting out employment services to JSA providers across country since 1996–97 (Webster & Harding 2001). In addition, the importance of this initiative is demonstrated by the unemployment expenditure component in the budget: the first deed period of JSA, 2009–12, was implemented via an investment of $4.7 billion over the three financial years 2009–12 (The taskforce on strengthening government service delivery for jobseekers 2011). This investment will increase to $5.1 billion over the next three financial years from 2015–16 (Department of Education, Employment and Workplace Relations 2012a).

1.4.3 Unit of analysis and key concepts

1.4.3.1 Unit of analysis

The unit of analysis of the research is individual customers' perceptions of value, and their outcomes in the setting of employment services. This approach reaffirms the complex and multifaceted nature of CPV within the service process, represented by JSA providers. Additionally, the study replies to Woodruff and Gardial's recommendation (1996) that the hierarchical nature of value perceptions be examined in order to understand the concept more deeply, and it responds to the call by Vargo and Lusch (2004, 2008a) to elaborate S-D logic

with an emphasis on the value co-creation phenomenon. In modelling the quantitative data from this study, the analysis has been done at the individual level of jobseeker-respondents.

In addition, this study has used a set of data collected in another related project for calculating best–worst scaling (BWS) measurements. That project administered a survey to public servants in the Department of Employment and the Department of Social Services whose job tasks are relevant to employment services. At the same time, another similar survey was conducted among employees and managers of JSA contracted providers. The selected BWS tasks were at the individual level in each survey, but the gathered information of these other two surveys has been aggregated for the BWS calculation.

1.4.3.2 Key concepts in this study

Service quality. Perceived service quality is defined as a global judgement or attitude relating to the superiority of the service (Parasuraman, Zeithaml & Berry 1988). Among various approaches used to operationalise the construct of service quality, performance-based perceptions have been employed to measure the construct, following the suggestion of Cronin and Taylor (1992).

CPV. According to Woodruff (1997, p. 142), 'customer value' is a 'customer's perceived preference for and evaluation of those product attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situation'.

Customer satisfaction. One of the constructs frequently used in the literature is that of customer satisfaction. In this thesis, 'customer satisfaction' is defined as disconfirmed expectations, in accordance with previous studies (Bolton & Drew 1991; Boulding et al. 1993; Cronin & Taylor 1992).

Customer behavioural intentions. Customer loyalty has a focus on predicting buying behaviour, or using behaviour. In academic research, behavioural intentions have been used to predict loyal behaviour (Cronin, Brady & Hult 2000; Dodds, Monroe & Grewal 1991; Mathwick, Malhotra & Rigdon 2001). Different ways have been adopted to express customer behavioural intentions including positive word of mouth, recommendations, intentions to use alternatives, and intentions to re-use or willingness to use (Cronin et al. 1997; Lam et al. 2004).

Value co-creation. Introduced by a new emerging S-D perspective, value co-creation is considered a vital component in the research stream focused on customer value (Lusch, Vargo & O'Brien 2007; Maglio & Spohrer 2008). Underpinning this S-D view, 'value co-creation' was defined as the joint production of value for both parties through interactive processes (Chathoth et al. 2013). Value co-creation has been conceptualised as a construct of value alignment that can be measured in terms of the 'adaptiveness or ability to fit in' within its settings (Vargo, Maglio & Akaka 2008).

1.5 Research methodology

As many academics in marketing and management fields would recommend (Davis, Golicic & Boerstler 2011), a mixed methods design has been implemented for conducting this study, in which the qualitative exploratory component is followed by the quantitative components. A precisely sequential combination of quantitative and qualitative methods has been used at different stages of the research. They are complementary to each other (Kirkwood & Campbell-Hunt 2007; Leech & Onwuegbuzie 2009), as the outcomes of the qualitative phase informed the inputs for the following quantitative phase. Employing both research methods also provides the researcher with wide-ranging insights into the examined phenomenon of value perceptions (Cooper & Schindler 2011), resulting in a more comprehensive and convincing story (Boyer & Swink 2008; Davis, Golicic & Boerstler 2011; Johnson & Onwuegbuzie 2004) or more robust research findings (Carter, Sanders & Dong 2008).

1.5.1 Qualitative phase

Although CPV is not a new phenomenon, the measures for operationalising the construct of value are relatively fragmented in the literature (Khalifa 2004; Sánchez-Fernández & Iniesta-Bonillo 2007), especially regarding the context of the public service (Ladhari & Morales 2008). In addition, the instruments for the key determinants of CPV are diverse and not well defined (Boksberger & Melsen 2011). The S-D mindset is an emerging perspective that requires further development and refinement. An exploratory design with qualitative methods will provide the opportunity to identify important variables, explore the phenomenon in-depth, and develop instruments for measuring its prevalence (Creswell & Plano Clark 2011). The qualitative study will enrich existing knowledge and give insights into the behaviours of jobseekers and relevant agencies regarding:

- primary information about the tasks and businesses under the JSA framework;

- key determinants associated with service quality, the significant/important characteristics of employment services that jobseekers value, and how jobseekers would align with their providers, from the viewpoints of different agencies, including public servants and managers from JSA providers; and
- key characteristics connected to service quality and the fundamental dimensions of what the jobseekers would value about these services, from the jobseekers' viewpoint.

In-depth face-to-face interviews and a hard laddering online survey were selected for data collection. For interviewing, the researcher invited participants from government bodies (the Department of Employment-DoE, a part of the former Department of Education, Employment and Workplace Relations-DEEWR, and the Department of Social Services) and JSA providers. Informants for the hard laddering online survey were jobseekers registered with JSA providers. Ten informants participated in the in-depth interviews; six interviewees came from DoE and four from JSA providers. All these participants were working within the JSA framework, and they are knowledgeable about employment services. An online survey was used to collect the hard laddering data from jobseekers, in order to ensure an appropriate number of usable respondents. At the end of the survey, 64 responses had been collected-many researchers suggested a minimum of 20 for a valid means-end approach (Reynolds, Dethloff & Westberg 2001).

The researcher then analysed the content of these interviews, applying a variable-oriented strategy. Several groups of variables arose from the analysis, including service quality, comprising staff competence, empathy, reliability, responsiveness and physical availability; knowledge benefits; the social value dimension; the emotional value dimension; and value alignment.

The data collected from the hard laddering online survey was analysed using three steps, suggested by Reynolds and Gutman (1988): summarising the key perceptual components for each of the variables according their linkages (attributes, consequences and values); constructing the summary table (matrix) of linkages between those variables; and creating a tree diagram, called a hierarchical value map. Subsequently, the number of categories was reduced to 49. Out of that, the lowest level of abstraction was described by a total of 26 attributes which exemplify the characteristics of good employment services. Within the

described ladders, 16 constructs identified the consequences of such characteristics, whereas seven constructs represented the highest level of abstraction, that is, values.

After a review of the literature, the outcomes of this exploratory research enabled the researcher to develop a conceptual framework with a set of testable hypotheses. These hypotheses were then empirically tested in the later quantitative phase.

1.5.2 Quantitative phase

The quantitative study is an important part of this project, as it helps the researcher to:

- understand what the jobseekers perceive is the value of the employment services, in particular which qualities of the service they value;
- understand the importance of each variable identified in the first stage of the research (which include service quality, knowledge benefits, social value, emotional value, and desired states of values), which contributes to what is being predicted-that is, the jobseekers' satisfaction and their behavioural intentions; and
- understand and identify the nature and characteristics of the potential relationships among these variables, as well as the relationships between value alignment, value dimensions and predicted outcomes variables.

In this phase, an online self-administrated survey was employed to collect data from a large sample size of the jobseekers in the JSA program. The Prospect Shop helped to access the large number of jobseekers across the country. The study uses a non-probability convenience sampling method, with a final sample of 526 JSA registered jobseekers who attempted to complete the survey. Of those attempts, 294 complete and usable responses were collected for further analysis, yielding a net response rate of 55.9%. The study has shared information with another project which was conducted at the same time among public servants in DoE and DSS, and people working for JSA contracted providers. The collected information from these surveys has been aggregately used in this study for the purpose of calculating BWS metrics. In total, data from 131 responses from public servants (from 301 attempts) and 134 responses from JSA providers' staff (from 345 attempts) were usable for further analysis. Thus, the net rates of response for the survey with public servants and JSA providers' staff were 43.52% and 38.84%, respectively.

At first, several steps were taken to prepare the data for further analysis, such as checking for missing information, recording all items as categorical or nominal as applicable, and calculating BWS measures. It should be emphasised that the calculated BWS metrics were then utilised in forming or measuring value alignment constructs for later modelling. The next step was a descriptive analysis of the quantitative data, which described some main features or characteristics of the sample in terms of JSA streams, types of income support, locations of JSA providers, different education levels, and age groups.

The researcher then conducted the partial least squares (PLS) analysis within the principles of the structural equation modelling (SEM) technique. This exploratory approach allowed the researcher to assess the validity and reliability of the data, by assessing the measurement model, and simultaneously to analyse and test the relationships among the variables of interest in structural models.

1.6 Contribution of the research

The outcomes should reflect the main objectives of the study. Consequently, the research contributes to the theoretical development of marketing and management knowledge and at the same time highlights some implications for marketing practitioners, service provider managers, practitioners and policymakers.

1.6.1 Theoretical contributions

This study employs concepts found in the literature on CPV and on S-D logic. The study extends the application of the consumption-value theory and the structuration theory to a public service domain. More particularly, the study contributes to the body of knowledge by examining the aspect of value co-creation under the S-D view.

Additionally, the study contributes to the service marketing and consumer behaviour literature by exploring customer perceptions of value itself and in its relationships with other outcomes variables, especially for the public service setting. The research explores the multifaceted nature of customer value, addressing the gaps in value research streams.

Another contribution of this study is the resulting framework, which concurrently investigates value perceptions of customer-jobseekers as well as uses alignment between customers and service contact personnel and relevant public officers to predict customer satisfaction and

customer behavioural intentions. The introduction of value alignment constructs in examining these relationships addresses gaps in both value research and S-D logic literature.

This study was conducted using a mixed methods design, integrating both qualitative and quantitative components, as recommended by many scholars such as Creswell et al. (2003), Tashakkori and Teddlie (2010), Johnson and Onwuegbuzie (2004), and Milliken (2001). In particular, the researcher has utilised both a traditional method of in-depth interviewing and an online laddering technique for collecting data in the qualitative phase. Another online survey, based on a self-administered questionnaire, was conducted in the quantitative phase. The online approach of collecting information is supported by the growing rates of internet access and usage across Australia (Australian Bureau of Statistics 2014); it is suggested as a contemporary method of data collection in research practices (Iacobucci & Churchill c2010; Matz 1999; Wu & Newfield 2007).

The study also contributes by developing measures. That is, the study took into consideration and inspected the multidimensional, hierarchical structure of CPV, the multidimensional aspect of service quality, and the measurement of value alignment.

1.6.2 Practical implications

Managing customer behaviours is particularly important for businesses in order to attain a competitive advantage (Steenkamp & Geyskens 2006; Woodruff 1997). It contributes to the business's ability to retain customers, and therefore to its survival, success and profitability (Vega-Vazquez, Revilla-Camacho & Cossío-Silva 2013). The outcomes of this study provide business managers with wide-ranging suggestions for developing strategies to foster positive customer behaviours, in order to improve business performance, including in service quality, customers' perceptions of value, and indicators of value alignments between customers and service delivery personnel.

For service providers, the results of this study imply that improvements in service quality considerably determine benefits to customers', like knowledge enrichment and other features they perceive as valuable. There are many varied strategies to enhance service quality, ranging from enhancing staff competence, empathy, responsiveness and reliability to improving the availability of facilities. Emphasis is placed on the firm's personnel. Employees' competence and the staff turnover in a business directly affect how customers perceive service quality (Zeithaml 1988). This advises firms to give more weight to strategies

around improving their human resources. These mechanisms are designed to minimise staff turnover and at the same time enhance staff members' professionalism and knowledge.

Business performance also depends on improving CPV to gain an advantage over competitors (Woodruff & Gardial 1996) by retaining customers, consequently increasing profits (Sweeney & Soutar 2001; Zeithaml 1988). The findings from both qualitative and quantitative data in this study provide a conceptualisation and measurement of value perceptions in various aspects, including knowledge benefits, and social and emotional dimensions, which are key determinants for consumer decision-making and behaviour analyses (Havlena & Holbrook 1986; Sheth, Newman & Gross 1991a; Sweeney & Soutar 2001; Zeithaml 1988).

The findings made from the collected information show that providers should keep enhancing customer satisfaction with the services provided, since a customer's satisfaction level meaningfully influences their behaviour and loyalty. Customer satisfaction, loyalty or commitment can be improved by improving customers' perceptions of the provider's service quality and other aspects of value perceptions, varying from knowledge benefits to the social and emotional dimensions.

Value alignments, measuring the fitness in value perceptions between customers and relevant parties in a service system, have some predictable impacts on customers' levels of satisfaction and behaviour. Explicitly, reducing disagreements or misunderstandings between customers and policymakers can directly improve a customer's perceptions of value, since tensions decline or are eliminated (Abela & Murphy 2008). Similarly, improving understanding between the customer and the service firm's frontline staff also leads to higher levels of CPV and better customer satisfaction and loyalty. Alignment of service outcomes has a mediatory influence on service outcomes, via the impacts of value perceptions.

The findings of both phases of this study emphasise the recommendation of many S-D logic scholars (Arnould, Price & Malshe 2006; Vargo & Lusch 2004, 2008a) that customers themselves are operant resources, and value creation is related to resource integration. That requirement implies that the value co-creation process should operate collaboratively between a firm and its customers, as well as its other value-network actors. This gives providers a chance to obtain competitive capacities through resource integration and innovative ways of co-creating value (Chaston & Scott 2012; Lee, Olson & Trimi 2012; Lusch, Vargo & O'Brien 2007).

Implications for customers

A customer's perceptions of value in service provision will determine their satisfaction level, which in turn leads to decisions around their behavioural intentions. Those perceptions of value are rooted in the customer's perceptions of service quality. It suggests that developing long-term relationships and improving conversations between customers and frontline staff would greatly contribute to determining service outcomes. Furthermore, better exchanges of information and understanding between customers and public servants in relevant government agencies also improved CPV, and that indicated a higher level of satisfaction in the outcomes of service.

1.6.3 Implications for policymakers

The service context examined in this research is the public service environment, the citizen-centric employment services in Australia. It is hoped that the outcomes of this study will have some implications for policymakers. The research investigates service provision based on contracts to JSA providers. The positive outcomes of the JSA system advocate adopting market-based innovations in the public sector. These positive outcomes support achievements made through new forms of interactions with various relevant parties (Mainardes, Alves & Raposo 2011), and the adoption of innovations (Alves 2013), especially in the public sector, where there are a number of constraints and limitations, such as high aversion to change, lack of resources, lack of management guidance, conflicts over policy directions, and time-consuming responses to changes in legislation and boundaries (Mainardes, Alves & Raposo 2011).

The findings of this research revealed a determining influence of value co-creation, measured in the form of value alignment in relationships with other service outcomes. Value alignments had a marginally direct influence on service outcomes; these alignments also had a significant impact on CPV. An unbalanced flow of information between a business and its stakeholders, or less congruence between the two parties, will create lower levels of customer satisfaction and affect customers' behavioural intentions (Chathoth et al. 2013; Edvardsson et al. 2011). This finding implies that government agencies should establish and advance their strategies for encouraging citizens to participate. This value co-creation endows citizens with information, knowledge, and the capacity to access and utilise the services on offer.

Public agencies should institute opportunities for such co-creation processes. The work of Aarikka-Stenroos and Jaakkola (2012), Lusch (2007) and Vargo and Lusch (2004) is related to a collaborative process of value co-creation under the S-D logic. It states the importance of managing and developing those collaborative interactions. A range of different approaches, such as analysing resource availability, identifying needs, planning solutions and encouraging active participation from all parties would lead to further collaboration (Aarikka-Stenroos & Jaakkola 2012).

In previous studies, many scholars- for example, Cronin and Taylor (1992), Sweeney and Soutar (2001), Whittaker et al. (2007) and Moliner (2009)- working in various environmental settings showed that service quality and CPV played vital roles in determining customer satisfaction and predicting customer behaviour. These affect citizens' assessments of public services in general-in this study, of employment services. This finding implies that government agencies should guarantee service quality in their provision of services. The findings of this study provide a concept of service quality, such as staff professionalism and skillfulness, taking care of the people, engaging with citizens, and responding to citizens' needs. All these aspects of enhancing service quality could be included in contracts between the government and service providers.

1.7 Thesis structure

The thesis consists of six chapters. The content of each chapter is briefly outlined below.

Chapter 1 provides an overview of the whole research project. It illustrates the research background, emphasising the research questions, and then justifies the importance of the study. This is followed by a discussion on the context of the research and the chosen methodology of a mixed method exploratory approach. A brief introduction of both theoretical and practical implications, as well as implications for policymakers, is presented. The chapter concludes with a summary of the thesis structure.

Chapter 2 comprises four main sections. The first section provides some background information of the research context of public employment services. Employment services provision has a long history and has evolved all over the world-in Australia, to become the existing JSA system. The section reviews the reform of Australian public employment services (PES) into the Job Network (JN) framework between 1999 and 2006, and some significant characteristics of its marketisation. Then the changes and some positive outcomes

of the existing JSA system are introduced and discussed, with an emphasis on citizen-focused employment services.

The second section begins with a discussion of the nature and conceptualisation of CPV. This is followed by a review of the extant literature on CPV, highlighting different frameworks for the phenomenon, and its relationships with other variables involving service quality, customer satisfaction and behavioural intentions. The section closes with an explanation of the need to study CPV in the context of government services.

The third section of Chapter 2 includes a brief summary of the new emerging perspective of S-D logic for service research, underlining the key phenomenon of value co-creation under this logic. This is followed by a review of some current publications on value co-creation. Gaps in research on value co-creation are discussed, reinforcing a justification for this study in terms of creating a measurement for co-created value and its role in improving service outcomes.

The final section presents and justifies the two well-established theories selected to provide a theoretical background for this study. Those theories include the model of consumption values put forward by Sheth et al. and the theory of structuration. The section introduces three research issues to address gaps identified in the literature. Four questions related to these three research issues are presented, along with the appropriate theoretical foundations for examination.

Chapter 3 includes two key parts to the study: a discussion on methodology and the first phase of this study, which is the qualitative phase.

The first major part of this chapter discusses several epistemological issues guiding this research. The research design, which employs both qualitative methods and quantitative methods to investigate value perceptions, is then justified. In addition, an overall research design governing this study is introduced.

The second major part of Chapter 3 starts with a discussion of the first phase of the research, the qualitative research methods, and a justification of the selected methods of in-depth interviewing and online hard laddering survey for this study. Sampling and research procedures for this qualitative phase are considered. Ethical considerations are discussed. Finally, a content analysis of the interviewing data and an analysis of the data from the means-end survey within this qualitative phase are provided.

Chapter 4 begins with a summary of the key findings in the qualitative phase of this research. Based on outcomes of the qualitative stage and the findings from reviewing the extant literature on phenomena related to value perceptions, a set of hypotheses is proposed which address the relationships between those phenomena and other possible outcomes in the service settings. The chapter ends with the construction of a conceptual model and its possible variations to be tested in the subsequent phase-the quantitative phase of the research.

Chapter 5 contains two main parts. The first part begins with a discussion of a quantitative design for this phase of the study. The chosen method, an online survey with a self-completion questionnaire for collecting data, is explained and justified. The design of the self-administered questionnaire, and a consideration of measurement scales, is discussed. The subsection then turns to validity and reliability related to quantitative analysis, ethical issues in the quantitative phase, and the sampling and survey procedure.

The second key part of Chapter 5 commences with a brief summary of the characteristics of the final sample. This is followed by an analysis of the collected data in the quantitative study. SEM techniques and PLS are employed to explore different models and to test the set of hypotheses developed in Chapter 4. The data analysis is based on a systematic approach involving data preparation, testing for construct reliability and validity, hypothesis testing, and model identifications.

Chapter 6 outlines the research objectives for this study. Next, the research findings are summarised and discussed, leading to the study's contributions to theories and business practice and implications for policymakers. Finally, the chapter acknowledges some limitations of the study and suggests potential directions for further study.

Chapter 2 - Literature review

2.1 Background: government employment services

2.1.1 International context

2.1.1.1 Welfare-to-work philosophy

Around the turn of the century, governments in industrialised economies were providing public employment services (PES) to address concerns about the social and economic consequences of unemployment. Initially, the PES had been formed as a public bureaucracy with many local offices that provided labour market information and job placements, as well as active labour market policy interventions to ease unemployment (Bruttel 2005). During 1960–70, many Western European countries established national PES-France in 1967, Denmark in 1969, Ireland in 1971, and the UK in 1973 (Weishaupt 2010). In addition, in some OECD and EU countries the PES also managed income support for jobseekers (Bruttel 2005; Phan, Hansen & Price 2001). As a result, expenditure on PES accounted for a significant share of welfare expenditure in many Western economies. For instance, countries like Germany, France and those in Scandinavia spent more than 1% of their gross domestic product on their PES in 2002 (Organisation for Economic Co-operation and Development (OECD) 2004, p. 319). These figures stayed at the same levels in 2004 in these countries, while Australia spent 0.39%, much the same as Canada (0.36%), New Zealand (0.42%) and the UK (0.52%) (Organisation for Economic Co-operation and Development (OECD) 2006).

Founded in 20th century, the welfare system combined social insurance and assistance to help the unemployed to find jobs (Freud 2007). A comprehensive system of welfare offers people not only a safety net but assistance and encouragement back into the labour market. Phan and others (2001) summarised the PES activities into four major fields: job-matching activities between employers and jobseekers; actively producing and using labour market information; administering labour market adjustment programs; and, finally, administering unemployment welfare. These writers claimed the PES also intervened in the labour market to improve social welfare to targeted groups and to provide human resources to aid the country's economic development. In particular, the PES worked as a means to help the unemployed beneficiaries gain employment as soon as possible. In the same vein, in a review work, Freud

(2007) came to the conclusion that these active and passive policies had been balanced over time within welfare system reforms.

2.1.1.2 Key similarities and differences

There were some similarities in the content of the PES in different economies. As previously mentioned, the PES usually includes four main areas (Phan, Hansen & Price 2001):

- job placement or job-matching services between employers and unemployed people;
- gathering and producing labour market information;
- administration of labour market adjustment programs, consisting of three different kinds of programs, namely, job-search assistance, training and education, and direct job-creation programs; and
- administration of unemployment benefits.

The first three areas seem to be of mutual interest in many countries, ranging from developing economies to those that are emerging, transitional or developed, and across continents. However, the field of providing and managing unemployment welfare (administration of unemployment benefits) can only be found in some developed countries, such as the UK, Australia, New Zealand and other OECD and EU countries. There have been a growing number of changes for the PES in recent years in the administration of labour market adjustment packages. Consequently, governments have considered a move to find a balance between 'passive' and 'active' policies for the labour market (Freud 2007). Traditionally, according to Dockery and Stromback (2001), job-matching services have been delivered at local PES offices or shared between public and private agencies, while training programs have normally been outsourced to private suppliers. In recent decades, job placement services have been extensively moved to external providers. This trend has gained traction through reforms in such countries as the UK, the Netherlands and Australia (Bruttel 2005). As Phan and co-authors wrote (2001), the PES was instituted with one of the following three legal statuses:

- an integral part of the ministry of labour, or the department, has their responsibilities related to employment services;
- autonomous administration under a commission or council representing the social partner; and
- privatised agencies.

The last institutional characteristic was initially employed in Australia when the PES was totally privatised and substituted by Job Network (JN) in 1998 (Davidson & Whiteford 2012), while the other two legal statuses have evolved to adapt to a changing labour market (Phan, Hansen & Price 2001). Yet Australia is still the only country to apply privatisation at a national scale. Over time, the contracting regime for PES has been adopted and continued to operate in many OECD and EU countries-for instance, the implementation of the Implementation Structure for Work and Income (SUWI) in the Netherlands, and Employment Zones in the UK (Bruttel 2005). It is noteworthy that the Australian approach was exceptional and inspired the transformation of many other countries' PES (Finn 2011b). The OECD (2001, p. 11) described the JN that commenced in 1998 as a 'radical transformation … without parallel in OECD countries'.

The next section presents a review of the JN and the existing JSA in the delivery of employment services in Australia.

2.1.2 The Australian experience

2.1.2.1 Motivations

Minicucci and Donahue (2004) defined outsourcing public services, or contracting out, as replacing the provision of public services by government employees with provision by other parties. Since the 1990s, this trend has steadily grown in many areas of delivering human welfare-related services, across the world as well as in Australia (Webster & Harding 2001). Different theoretical concepts have been used to explain this tendency in public services delivery. Alonso and co-authors (2013) argued that there were two reasons for the extensive trend for contracting out: increasing competition and the application of private ownership disciplines. Kettl (2000) suggested that competition and market rule would provide incentives to cut costs and provide an effective means to decrease public sector size. Similarly, the role of competition and contestability can provide the rationale for outsourcing public employment services (PES) in Australia (Webster & Harding 2001). These authors also claimed that the new mechanism would be a means to establish the important characteristics of a competitive market, such as cost efficiency, innovative incentives and the respond to the market needs changes. An incentive to move to contract out was to maximise the service delivery capacity and the quality for the unemployed people. Webster and Harding (2001, p. 25) explained the efficiency as 'increasing the quality of a service for the same cost is of course the same as cutting costs'. Hence, in this new public management environment, in

1998 the Australian Government established and introduced the Job Network (JN) in order to fully privatise employment services market.

2.1.2.2 Design and development of Job Network

Employment services in Australia have been rapidly changed for the last three decades. Until 1998, the CES was the primary public agency to provide services in the Australian labour market. At that time, other private job placement agencies were working in a relatively open market and were awarded considerable contracts by the government for labour market programs (Dockery & Stromback 2001). At that time, in order to receive unemployment benefits, jobseekers had to register with the CES and complete activity tests at different levels. According to Dockery and Stromback (2001), in the last two years of existence the CES spent more than A$2 billion and had almost 300 offices across the country.

In 1998, the CES was replaced by JN in Australia for the purpose of creating more competitive incentives in the employment services market. In this process, a single organisation, Centrelink, was created. Centrelink was a public sector executive agency one-stop shop, working as the 'gateway' in employment services delivery. The Centrelink agency was responsible for the registration of jobseekers, eligibility assessment and administering all working-age income support payments. When first-time jobseekers applied for benefits, a frontline Centrelink employee commenced administration of the jobseeker's profile and utilised the JSCI to streamline registered jobseekers. This instrument was employed to classify the jobseeker's barriers and determine the relevant level of support in employment services. In contrast, the UK system uses the type of benefit claims and duration of payments to identify the jobseeker's barriers and suggest the relevant assistance. Also, the funding formerly spent on labour market programs was redirected to the new JN.

JN existed between 1998 and 2009, in which time it went through three contracting periods. The first three-year contract was modelled on fixed prices for more intensive employment services, and a price competition for job placement services. The next three-year contract extended price competition, and there was a pre-set 'floor' price for more extensive services (Finn 2011b). After two contract periods, evidence showed that the experiential framework was working, and some primary positive indicators were revealed.

The OECD (2001) found that competition had generated incentives for efficiency as the job entry rates increased. At the same time, the Productivity Commission (2002) specified that jobseekers and employers had rated their satisfaction levels regarding JN providers more

highly than for the CES. However, these two contracts had some problems, too. Findings of several researchers (Burgess 2003; Eardley 2003) supported claims by the OECD (2001) and the Productivity Commission (2002) that price competition and regulation deficiency left many disadvantaged jobseekers behind, as many of them received little assistance in the intensive period. The employment services providers were motivated to earn the up-front fee and work with the most job-ready jobseekers, and 'park' the long-term jobseekers. The Productivity Commission (2002) criticised these models in terms of reducing the quality of service delivery and weakening co-operation between providers.

Subsequently, the third JN contract for the two three-year terms between 2003 and 2009 contained significant changes. Under the new 'service continuum' and 'outcomes-based funding' model, jobseekers were regularly contacted by their providers and actively involved in job-search and other activities as required. On-off commencement fees and cost competition on delivery were abolished. The new system of specific service fees and a 'jobseeker account' was introduced (Finn 2011b). By 2009, the JN payments included service and job-matching fees, the jobseeker account, and outcome payments for sustainable employment for 13 and 26 weeks. Providers' performances were monitored and regulated, with the increasing role of employment outcomes and the application of 'star ratings' (Burgess 2003). The star ratings provided signals for jobseeker-participants when they were selecting a provider (Finn 2011b), and at the same time operated to motivate competition and competitive performance among suppliers (Productivity Commission 2002).

2.1.2.3 Transition to Job Services Australia

A report by the Productivity Commission (2002) highlighted some positive findings around the application of the purchaser-provider model of JN's outcome-focused, rather than process-focused, approach under this new framework. Particularly, the new model created more competition and flexibility to provide assistance to the target groups of jobseekers. However, the employment department's evaluation (Department of Education, Employment and Workplace Relations 2008) revealed several deficiencies under the JN. The report's criticisms mainly addressed the complicated, out-of-date and fragmented system, its excessive administrative burden, and its 'one-size-fits-all' approach that did not consider the individual needs of jobseekers.

Furthermore, although the unemployment rate declined considerably, from 7.7% in 1998 when the JN commenced to 4.2% in 2008, the number of long-term unemployed climbed,

from 10% of the total claimants to 25% over the same period (The taskforce on strengthening government service delivery for jobseekers 2011, pp. 6-13). In the same trend, people classified as highly disadvantaged increased from less than 20% when the JN arrangement began in 2003 to 29% in March 2008 (Department of Education, Employment and Workplace Relations 2008). As the DEEWR report (2011) disclosed, over that time the Australian labour market has adapted well to the consequences and impacts of the global economic crisis. However, there have been many other concerns regarding the growing number of long-term claimants and the high rate of youth unemployment (Department of Education, Employment and Workplace Relations 2008).

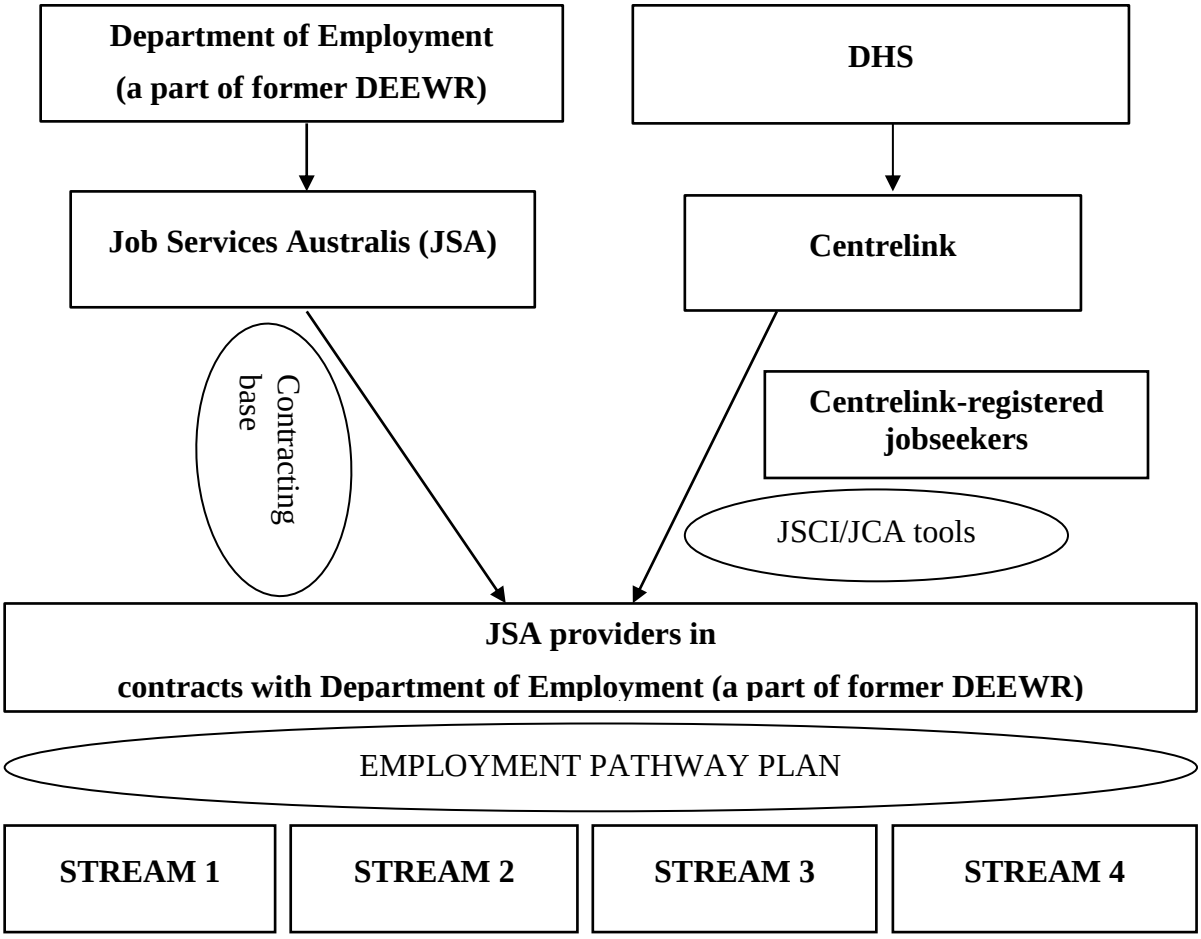
After the review of the JN and the development of a policy agenda which included reform of employment services system under the Labor Government, JSA was proposed and implemented in July 2009 (Senate Standing Committee on Education 2009). One of the main objectives of this new framework was to deliver higher levels of assistance and personalised services to the more disadvantaged jobseekers. In other words, JSA has been designed to address specific features of long-term unemployment and youth unemployment in the Australian labour market.

Under the new framework, the seven previously existing specialist programs were integrated, and jobseekers were channelled into one of four main streams for service provision. The jobseekers in stream 1 were the most job-ready. Jobseekers in stream 4 faced 'severe barriers'. The more barriers a jobseeker had, the higher their stream. Centrelink uses the JSCI and, where necessary, a JCA to categorise the registered jobseekers into one of these 4 streams. The role of Centrelink involves assessing jobseekers and referring them to an employment service provider as soon as possible. In the meantime, Centrelink keeps in contact with the registered jobseeker, to monitor them and to impose sanctions on their benefit payments if needed, to ensure their active participation (Department of Education, Employment and Workplace Relations 2008). DEEWR was in charge of managing the tender process as well as the whole JSA program. As the Senate Committee of Employment, Education, and Workplace Relations Legislation (2009) stated, this tender process supported governance arrangements, tender guidelines and training for staff making the assessments.

As the new, fresh approach came in, the jobseeker account in the JN framework was replaced by an Employment Pathway Fund (EPF) which could be used to purchase services for individual jobseekers (Finn 2011b). Depending on the individual's needs, the length of time

they have been unemployed, and the barriers and disadvantages they face, various activities are designed and mapped out in their EPP. This tailored plan is mutually developed by a JSA provider and the jobseeker on their entry into the system. It may include training, work experience, job searching, work preparation, or other additional assistance the jobseeker needs in order to gain sustainable employment. In its discussion paper on the JSA's introduction, DEEWR proposed that the new approach would target more disadvantaged unemployed people, simplify the system and be more flexible in meeting individual jobseeker's needs. The new framework also enabled the utilisation of information technology (IT) systems in the managing and monitoring processes (Department of Education, Employment and Workplace Relations 2008). The advantages of IT and innovations were extensively deployed in this JSA framework. The figure below demonstrates the JSA framework and its relevant parties.

Figure 2-1 Overview of Job Services Australia framework



Source: Adapted from Appendix 1 in *The future of employment services in Australia: a discussion paper* (Department of Education, Employment and Workplace Relations 2008, p. 30).

2.1.2.4 Tendering and market analogy

The experiences of other countries and the body of knowledge (Considine, Lewis & O'Sullivan 2011; Finn 2009; Sanger 2003) provide valuable understanding in the evolution of welfare reform and employment services delivery reform in Australia. It is argued that contracting out will enable innovation and a new capacity for service provision (Sanger 2003). Finn (2009) stressed that the market components of competitive settings and performance-based payments would lead to efficiencies and cost savings, or more value for taxpayers. Additionally, from the viewpoint of public servants, the contracting-out mechanism gives them more flexibility and the ability to more quickly expand delivery capacity and to reform a system.

Since it moved from the CES system towards a more competitive and privatised framework-first as the JN, then the JSA-the tendering process has been implemented and reformed over the years. The JN introduced the purchaser-provider model, which was working with its positive outcomes over the CES at a certain level. According to a report by the Senate committee of Employment, Education, and Workplace Relations Legislation (Senate Standing Committee on Education 2009), the JN model focused on outcomes more than processes, and created a more competitive environment, which had been lacking under the CES model. As the JN had addressed some key objectives for this model, including flexible assistance to target groups of jobseekers, it represented better efficiency and better value for the money. In this purchaser-provider model, the government managed the tendering process and became a purchaser of service delivery from a network of providers, rather than a direct supplier of employment services. Finn (2011) emphasised that, under the JN model, the first two contracts were tendered on the basis of price competition; the price competition and one-off commencement fees were scrapped for the second and third rounds of tendering for the three-year terms.

Despite the successful application of this purchaser-provider model, in its report on the independent review the Productivity Commission (2002) recommended some other mechanisms for delivering employment services by external agencies, such as licensing, competitive tenders, vouchers and franchising. In addition, following a noticeable trend under the JN framework for the emphasis of the tender processes to move from price competition to quality-based decisions, reform of employment services provision continued and resulted in the transition to JSA.

The change in the tender process was published by DEEWR in its request for tender for JSA's first three-year term (2009–12), which required bids to be submitted by September 2008. After consultation with providers and other stakeholders, the final release of tendering had a renewed deadline of 14 November 2008 (Senate Standing Committee on Education 2009). The peak body of all employment and employment-related service providers, the National Employment Services Association (NESA), found that the new model of employment services provision addressed more than 80% of the issues identified in the JN (National Employment Services Association (NESA) 2008). It was reported that 438 tenders were submitted for nearly 3,000 bids to provide services in 116 'Employment Service Areas'. The tendering process was determined by quality rather than competition on price. In this process, the tenders were assessed on different aspects: 20% were assigned on the strength of

their understanding and general strategies 10% on management and governance; 30% on previous performance; and the remaining 40% on local strategies. Finally, as the same Senate Committee's report (2009) revealed, 141 lead providers and 48 subcontractors were appointed to deliver employment services at just more than 2,000 sites under the JSA framework in the first round. Under JSA, the department tenders out all kinds of employment support to profit and non-profit providers-contractors who receive payments for inputs in service delivery, investment in work experience, training and other assistance to jobseekers, and employment outcomes. Thus, the model is also known as a performance-based model.

In 1999 under the JN, a comparative star ratings system was introduced to monitor and measure the performance of employment services providers. This 'star ratings' system was a momentous innovation providing information for jobseekers to inform their choice, and later providing the incentive of intra-market competition to drive the providers' performance (Finn 2011b; Organisation for Economic Co-operation and Development (OECD) 2001; Productivity Commission 2002). In 2001, the regression formula was developed and revised several times to adjust to conditions in the labour market and participants' characteristics. As a result, the star ratings performance allows comparison between local providers.

The transition from the JN to the new JSA system created some disruptions for both relevant parties—jobseekers and providers (Bowman & Horn 2010; Finn 2011b; Senate Standing Committee on Education 2009). The inquiry by the Senate committee of Employment, Education, and Workplace Relations Legislation in 2009 (Senate Standing Committee on Education 2009) found that just under 40% of the claimants that were current at that time would have to move to new providers from 1 July 2009, and an additional 9% would have to move in the following year, which would affect an estimated 320,000 jobseekers. At the same time, the department was criticised for a number of job losses at providers who were unsuccessful in their tenders, which would contribute to the already high rate of unemployment in Australia at this time (Senate Standing Committee on Education 2009). In order to minimise disturbance and manage the transition process, the department had launched an awareness campaign aimed at existing jobseekers, including sending personal letters to advise them of the commencement of JSA, as well as who their prospective provider would be, and their right to choose an alternative provider (Finn 2011b).

2.1.2.5 Systems, processes and performance measurement

So far, two rounds of tendering have been conducted under the JSA framework, and the third three-year term arrangements commence in July 2015. The first arrangements were awarded for 2009–12, and the next three-year term contracts were implemented in 2012–15. The budget for JSA was an investment of $4.7 billion over the first tendering round, and another package of more than $4.1 billion over the second tendering round (Department of Education, Employment and Workplace Relations 2011). Under the arrangements for the first round, employment services were delivered in more than 2,100 sites across the country. Under the current JSA program's process, jobseekers are placed into one of four streams:

- stream 1: job-ready jobseekers;
- stream 2: jobseekers with moderate disadvantages (for instance, poor work history or lack of training);
- stream 3: jobseekers with more substantial barriers and a mixture of barriers to employment; and
- stream 4: jobseekers who have complex and more severe barriers to employment. These are often combinations of vocational and non-vocational barriers. They may involve drug and alcohol addiction issues, health issues, mental health issues, homelessness, domestic violence etcetera.

Depending on the level of disadvantage, different levels of support and funding are allocated to different streams. For example, fees range from between $385 and $440 for a job placement for a stream 1 jobseeker, to $6,600 for a placement for a stream 4 jobseeker (Bowman & Horn 2010, p. 8). As the level of employment barriers for jobseekers increase, the funds allocated for their service go up.

According to the report prepared by the taskforce team of DEEWR (The taskforce on strengthening government service delivery for jobseekers 2011), the main features of the JSA model include:

- Centrelink plays the gateway role into JSA. Unemployed people contact Centrelink for assessment of their eligible status for benefit claims. Centrelink uses JSCI and JCA when needed to assess the jobseekers' barriers to employment. Depending on the level of disadvantage, eligible jobseekers are classified into one of four streams.

- At the first contact with Centrelink, it is recommended that the jobseeker choose a JSA provider, and an initial interview with the selected JSA provider is arranged, which takes place in two days' time.
- At the initial interview, the jobseekers and their JSA providers will mutually map out individually tailored support in the form of an EPP. This plan sets out all activities to be undertaken by the jobseekers towards their employment. Those undertakings may include training, job interview preparation, work experience and any other kinds of vocational and non-vocational assistance.
- The jobseekers' obligation is to meet regularly with their JSA providers to provide updates and review their progress towards finding work.
- The personalised EPP is funded by the EPF. This fund replaced the jobseeker account under the previously existing JN framework. The EPF can be used to purchase goods (like work clothing and safety equipment) or services (such as training and interpreters) to support jobseekers in finding job.

In brief, while some main arrangements of the JN model remained, the new JSA model also introduced some changes (Davidson 2014; The taskforce on strengthening government service delivery for jobseekers 2011), including:

- an EPF to replace the former jobseeker account;
- the sanction regime of 'no show, no pay' to ensure regularity of meetings, attendances and supervision on required activities;
- more emphasis on outcome payments on sustainable employment for 3 to 6 months, as well as more resources spent on servicing the long-term and more disadvantaged claimants; and
- regular performance management established on the 'star ratings' system and the possibility of business share re-allocations among local providers.

2.1.3 Service delivery considerations

2.1.3.1 Outcomes and effectiveness

The JSA framework was introduced and implemented in July 2009, in order to assist welfare claimants to find and sustain quality employment. According to DEEWR (2012b, p. 7), almost 700,000 people get assistance from employment services at any time or over a year, and on average 1.6 million Australians use these services to find a sustainable job. In the end

of 2012, 98 JSA contracted providers deliver services across 116 employment services areas in Australia. Between July 2009 and October 2012, the JSA mechanism has made remarkable achievements: about 1.4 million job placements were made, out of which 230,000 were disabled jobseekers, almost 236,000 were young people aged 21 years and under, more than 187,000 were mature jobseekers aged 50 and over, and-last but not least-155,000 were homeless jobseekers. Additionally, over this time, there were nearly 600,000 outcomes of sustainable employment or education for 13 weeks, and more than 361,000 outcomes of sustainable work for 26 weeks. Particularly, an independent evaluation (The taskforce on strengthening government service delivery for jobseekers 2011) highly appreciated the demand-driven model under JSA, as it had the capacity to cope with challenges in economies, such as the global financial crisis, and at the same time remain flexible in order to adapt to the changes in labour market.

Table 2-1 Structure of participants by streams in Job Services Australia at September 2013

Stream	Number	Percentages
Stream 1	267,000	35%
Stream 2	193,000	25%
Stream 3	150,000	19%
Stream 4	156,000	20%
Work experience phase (also included in streams)	207,000	27%
Total	770,000	100%

Source: Table 1 in Davidson (2014, p. 12)

Table 2-1 demonstrates the structure of jobseekers participating in JSA at September 2013. Of the total 770,000 jobseekers, just under 40% (streams 3 and 4) were classified as highly disadvantaged jobseekers in terms of finding employment. In addition, 27%, equivalent to almost one-third of the total JSA participants, were involved in the work experience phase, who were those participants assessed as being long-term unemployed.

The fee structure lifted financial funding for short-term unemployed jobseekers with a high risk of falling into the long-term unemployed category (Davidson 2014). Hence, providers were paid higher service fees and EPF funds by targeting the groups in the higher streams rather than the long-term unemployed. As this author also noted, the funding structure under

the JSA mechanism was shifted from ‘curing’ long-term unemployment to ‘preventing’ long-term unemployment. Table 2-2, below, shows that expenditure combining service fees and EPF credits for jobseekers in streams 3 and 4 was at the highest level in a jobseeker’s first year of unemployment. Once the benchmark of the first 12 months of unemployment was reached, the jobseekers moved into the work experience phase, in which the fees were cut almost by half and EPF spending feel sharply, to about $500 (see Table 2-2 for more detail) (Organisation of Economic Co-operation and Development (OECD) 2012). Meanwhile, the customised assistance placed emphasis on long-term unemployed groups and, among them, a small number of people at high risk of becoming long-term unemployed.

Table 2-2 Comparison of the highest levels of assistance between the previous model, Job Network, and the present model, Job Services Australia

	Job Network: duration-based targeting	**Job Services Australia: risk-based targeting**
Highest level of assistance	Customised assistance	Streams 3 & 4
Duration	6 months	12 months
Payments to providers in typical cases	Service fees of $600–$900 for fortnightly to monthly interviews Plus $500–$900 in jobseeker account	Service fees of $1,100–$1,900 for fortnightly to monthly interviews Plus $1,100–$1,900 in Employment Pathway Fund
Targeted towards	Unemployed 12–18 months Unemployed 24–30 months Highly disadvantaged (high risk of becoming long-term unemployed) in first 12 months	Jobseekers with disability/social barriers (stream 4) Others at high risk of becoming long-term unemployed (stream 3) Jobseekers in the first 12 months of unemployment

Source: Adapted from Table 13 by Davidson & Whiteford (2012, p. 77) and Table 2 by Davidson (2014, p. 14).

Overall, it was projected that the new fee structure would save almost A$370 million over the four-year period compared with the previously existing JN (Department of Education, Employment and Workplace Relations 2008). In fact, at the end of January 2011, according the task force’s evaluation (2011), out of the available EPF credits almost A$300 million was

underspent. Research by Davidson and Whiteford (2012) argued that this was due to decreased funding for long-term unemployed jobseekers and the shift in the fee structure.

Although the direct comparisons of JSA outcomes and its predecessor (the former JN) were challenging, a review report by the task force (2011) demonstrated some positive evidence that the outcomes of JSA outweighed the similar categories under the former JN, or at least were at a consistent level with the gains made under JN. Data for job placements and employment outcomes supported the claims. For instance, as of August 2010:

- The employment outcome rate for JSA was 52%, the education/training outcome rate was 17%, and overall positive outcomes for JSA were 62%. It is also noteworthy that for streams 1 and 2 employment outcomes were 57% and 63%, respectively, compared with 51% of outcome rates for JN intensive support. Similarly, the rate of education/training outcomes was 18% for stream 1 and 16% for stream 2, while it was only 13% under JN intensive support.
- Stream 3 was compared with the most comparable JN group, who received highly disadvantaged intensive support and customised assistance. There were slight differences between these two categories under the two systems in terms of positive post-assistance outcomes (50% under JSA compared with 48% under JN), employment outcomes (38% compared with 35%) and education/training outcomes (17% against 16%).
- The outcomes for stream 4 were compared with the results for the most similar group of people in the personal support program. Some significant improvements were found for this group. The positive outcome rate for stream 4 was 35%, much higher than the 23% rate for the compared group. The other two indicators of employment outcomes and education/training outcomes were 22% and 17%, respectively, under JSA, and 17% and 8%, respectively, under JN.

Table 2-3 shows some effectiveness indicators under the new system of JSA that exceeded the predictable data. In particular, 63.2% of total participants in stream 2 found a job in the first three months they were registered with JSA. That ratio was much higher than the estimate, which was only 38% positive outcomes for this stream. Another impressive achievement of JSA was seen in the high rate of employment outcomes for stream 4, comprising the most disadvantaged jobseekers: the actual rate was 21.8% compared with the estimated rate of 13%. Similarly, the trend of higher actual effectiveness indicators across all

four streams could also be found in the data of education/training outcomes in the first three months after registration with JSA.

Table 2-3 Effectiveness of Job Services Australia for fiscal year 2009–10

	Estimated indicators	Actual indicators
Percentage of Jobseekers in employment 3 months after participation in JSA		
Stream 1	55.0	56.5
Stream 2	38.0	63.2
Stream 3	25.0	37.9
Stream 4	13.0	21.8
Percentage of Jobseekers in education/training 3 months after participation in JSA		
Stream 1	10.0	18.2
Stream 2	10.0	16.1
Stream 3	12.0	16.8
Stream 4	12.0	16.5

Source: Table 3.2 in the report by the taskforce on strengthening government service delivery for jobseekers (2011, p. 20).

Table 2-4, below, shows some indicators of effectiveness of JSA over recent years. Overall, the percentages of employment outcomes and positive outcomes were stable in this period for all four streams pooled. The employment outcomes rate was unchanged, at 42.8%, in the last 2 years, compared with the slightly higher rate of 48.4% in 2012. In this trend, the positive outcomes rate was 59.0% in 2014, a downward trend from 61.7% in the two years before. The biggest change was seen in stream 2, with a decline of 10.4 percentage points in employment outcomes over the period 2012–13. A drop of 6.3 percentage points was observed in stream 4 over the same period, and the effectiveness indicator remained stable the following year.

The outcomes of education or training activities maintained an upward trend over the three years. It steadily grew from 20.7% in 2012 to 22.9%—in other words, by an increase of 2.2 percentage points over this period. This growing trend was partially offset by the downturn in effectiveness indicators of employment outcomes, as well as positive outcomes for most streams in JSA.

Table 2-4 Effectiveness indicators of Job Services Australia at September 2012, September 2013 and September 2014

	Employment outcomes (%)			Education/training outcomes (%)			Positive outcomes (%)		
	Sep. 2012	Sep. 2013	Sep. 2014	Sep. 2012	Sep. 2013	Sep. 2014	Sep. 2012	Sep. 2013	Sep. 2014
Stream 1	61.5	57.2	55.8	19.8	22.8	21.9	72.2	70.5	69.1
Stream 2	51.8	41.4	40.6	22.2	24.4	25.6	65.7	58.7	59.4
Stream 3	38.3	33.8	33.4	21.7	22.1	23.2	53.9	51.5	51.8
Stream 4	29.7	23.4	23.8	19.1	20.4	21.2	44.1	39.8	40.9
Streams 1–4	48.4	42.8	42.8	20.7	22.7	22.9	61.7	58.5	59.0

Source: Adapted from Tables 1.1-1.5 in the 2014 DoE report (Department of Employment 2014a)

2.1.3.2 Performance management

The star ratings assessment commenced in 1999 has been revised over time to adapt to changes under system reforms. That most crucial innovation initially assisted the department to inform jobseekers when they were selecting their providers, and then it provided a competition signal between employment services providers. Table 2-5 indicates the weightings assigned to each type of outcome in calculating the star rating for each provider.

Table 2-5 Weighting in calculating Job Network star ratings, 2005

Interim 'full' outcomes	Final 'full' outcomes	Intermediate outcomes*	Job placement
40%	20%	20%	10%

*Includes a 5% weighting for educational outcomes

Source: Australian Nation Audit Office NAO (2005)

In this formulation, a large focus was placed on the employment outcomes, or full outcome payments, in which jobseekers found sustainable employment and as a result were taken off the benefit for at least three to six months (Davidson & Whiteford 2012). The star ratings measured the impacts of providers' performance relatively, rather than absolutely-they enabled comparison with competitor contractors in the same local area. The higher the number of stars the provider achieved, the better their performance. For that reason, in 2003, when the third round of tendering commenced, almost all of the top 60% of the JN providers were rolled over while the remaining 40% had to bid to enter the market again (Finn 2011b).

When the new JSA system commenced, revisions and adjustments to the process for calculating star ratings also continued. The three key performance indicators (KPI) used for calculating star ratings were comparable to those used for JN (Davidson 2014):

- KPI 1: speeding indicator, which measures the average time it takes for jobseekers engaged with the provider to gain an employment placement (but exclusive of the time taken to become involved in approved training courses), so it encourages the jobseekers to improve their vocational skills;
- KPI 2: the percentage of participants for whom the provider has been paid outcome fees; and
- KPI 3: the quality measurement base on four key features: organisational viability, compliance with requirements of JSA arrangements, providing individually tailored services, and client experience of services provision.

In this methodology, the outcomes were defined by comparison between the site's performance and the national average. Furthermore, the number of tiers in the previous ratings was reduced by half; a 5-star ratings system replaced JN's 9-tiered system. The assigned weightings were also revised. This reflects JSA's emphasis on providing assistance to the most disadvantaged people (as higher weightings for outcomes were achieved by placing participants from streams 3 and 4, although the weightings were not higher for outcomes attained for longer term unemployed jobseekers). The revision resulted in more consideration for 26-week outcomes compared with 13-week outcomes, a new weighting for 'bonus outcomes' for getting a job after training, and a proportion for 'social outcomes' for people completing stream 4's support program.

Table 2-6 Weighting in calculating star ratings under Job Services Australia, 2009–12

	Stream 1 (overall weighting of 10%)	**Stream 2 (overall weighting of 20%)**	**Stream 3 (overall weighting of 30%)**	**Stream 4 (overall weighting of 40%)**
KPI1: 'Speed to place'	18%	7%	5%	2%
KPI2: Interim 'full' outcomes	10%	23%	25%	19%
KPI2: Final 'full' outcomes	10%	30%	30%	21%
KPI2: Intermediate outcomes	10%	20%	20%	18%
KPI2: Paid placements	42%	10%	10%	10%
KPI2: Completion of stream 4	n.a.	n.a.	n.a.	20%
KPI2: 'Bonus' outcomes	10%	10%	10%	10%
Total	100%	100%	100%	100%

Source: Adapted from table 14 Weighting used for JSA Star Ratings in Davidson and Whiteford's report (2012, p. 80)

Star ratings for each provider still informed jobseekers making decisions about their referrals and continued to be shared by businesses among employment services providers. As with the second round of tendering under JSA, most sites with ratings of three stars or above had their contracts rolled over, while providers with ratings of one or two stars had to bid for their contracts again.

2.1.3.3 Changing nature of the market

Table 2-7, below, identifies some insufficiencies under the JN (the previous system) and changes made under the JSA (the new system) to address those issues. Before looking for insights into these two frameworks, it should be acknowledged that it would be difficult to directly compare the performance of the JSA model and the previous JN model, because they were designed differently. The JSA framework integrated all seven employment services programs into one, while under the JN seven programs had varied in terms of their

procedures and assessments (Senate Standing Committee on Education 2009). What is more, JSA put more emphasis on long-term unemployed people and the youth unemployment issue. Many of these most disadvantaged jobseekers were not serviced under the JN framework (The taskforce on strengthening government service delivery for jobseekers 2011). In particular, JN did place jobseekers into categories of disadvantage without considering the length of their unemployment. As a result, some people who were not highly disadvantaged found themselves on a waiting list for up to 12 months in order to receive intensive customised assistance. Under the JSA model, those jobseekers access intensive services in streams 2 to 4 (Department of Education, Employment and Workplace Relations 2011). All JSA services are demand-driven and individually tailored to the needs of jobseekers.

Table 2-7 Changes towards the new system-Job Services Australia

Job Network system	Job Services Australia system
Poorly targeted assistance	Redistributing assistance to the most highly disadvantaged and wider access to the EPF
Continuum too rigid	An EPP based on the needs of the individual jobseeker
Lack of incentives for skills and training in areas of skills shortages	Bonus on outcomes achieved after accredited training and 238,000 training places
Employment services too complex and fragmented	Combining 7 contracts into 1
Excessive red tape	Streamlined programs and simplified EPF administrative arrangements
Insufficient employer focus	Higher outcome payments for provider-brokered outcomes and creation of specialist employer brokers
Inadequate services for remote jobseekers	1.7 multiplier for service fees and EPF to reflect broader definition of outcomes to encourage further education
Under-utilised JSA	More flexible use of EPF
Counterproductive compliance system	More work-like compliance system based on ‘no show, no pay’
Performance management	Streamlined contract management and monitoring based on a Charter of Contract Management (to be developed with providers)
Unsuitable IT system	IT system to be rebuilt in consultation with users

Source: Adapted from DEEWR’s discussion paper (2008, p. 10)

The welfare-to-work reforms introduced some significant changes in the labour market in Australia and the employment services market. The current JSA system was designed to encourage jobseekers to be active participants, to motivate them back into the workforce as soon as possible, to ease their dependence on welfare, and to support better targeted labour market strategies. Specifically, the system placed emphasis on more disadvantaged claimants, such as people with disabilities, parents (single or in a couple), mature-aged people, and the very long-term unemployed. The employment rate will rise with the growing rate of workforce participation, and reliance on benefits will decrease (Freud 2007). In one discussion paper, DEEWR (2012b) made the evaluation that the introduced JSA had outperformed the JN which had operated previously. The current system has made achievements in supporting jobseeker-participants with multiple disadvantages to gain employment. They are no longer on a waiting list for up to 12 months before receiving intensive assistance, which was the case under the prior JN system. The outcomes for these people were considerable-the employment outcome rate was at 30.7% compared with 15.2% under the previous JN contracts. Even the rate of employment outcomes for job-ready people registering with JSA in the 12 months to 31 March 2012 was higher than the achievement of JN in the 12 months to 30 June 2009 (53.2% compared with 50.6%). All the evidence showed that the JSA operation had brought notably better outcomes for jobseekers, and that demand-driven services and personalised assistance designed to meet individuals' needs helped the system to respond to the rapid changes in the labour market, even with the impacts of the global financial crisis or the global economic recession (Department of Education, Employment and Workplace Relations 2012b; The taskforce on strengthening government service delivery for jobseekers 2011).

2.1.3.4 Shift towards citizen-centric service provision

Most government-funded activities are delivered by the government. However, government services may be provided in various ways (Webster & Harding 2001). For instance, in waste collection government-funded services compete with external collectors. However, many welfare-related services funded by the government are spared from competition and market motivations. Webster and Harding (2001) presented an example where the Australian government provides free primary and secondary education, free health care and subsidised public housing to guarantee levels of economic justice and equality in the society. The illustration is reinforced by a claim of the Advisory Group on Reform of Australian

Government Administration (2010, p. viii), asserting the reform 'is able to provide outcomes of the highest quality for the Australian public, through integrated citizen-centred services'.

Parkington and Schneider (1979) highlighted that service provision can be located anywhere from being a bureaucratic to an enthusiastic service. These authors also defined a bureaucratic focus as the efforts with maintenance and compliance with rules and regulations, but disregarding the responsiveness of service provided to customers. Meanwhile, a customer-centric agency improves their functions and business around the customer by placing an emphasis on service enhancement. These customer-centric practices play an important role in generating and supporting competitive advantages (Caemmerer & Banerjee 2009). As Boulding et al. (2005), Srivastava, Shervani and Fahey (1999) argued, these customer-oriented businesses not only make a commitment to their customers but also form long-term profitable and mutually beneficial relationships between the parties.

In the existing literature the concept of customer-centric orientation in private sector contexts has been well recognised (Caemmerer & Banerjee 2009), and some efforts have been made to bring these concepts into public sector research. These have been observed in the works of authors such as Kaboolian (1998), Payne and Frow (2005). These academics are also acknowledged in the debate over the notion of citizens as customers, and the commencing adoption of customer-centric practices in the private to the public sector. In line with this view, Caemmerer and Banerjee (2009) emphasised that public services are expected to become less bureaucratic and more responsive, flexible, and also more adaptive to the changing and wide-ranging needs of their various customer groups. As a result, the government can expect increasing citizen/customer satisfaction and public trust, while at the same time saving the expense of providing the services across a number of different channels.

In recent decades the trend towards a citizen-centred approach has received considerable attention in the literature and in practice (Considine, Lewis & O'Sullivan 2011; Finn 2011a). Under this reform, contracting out, or outsourcing, government-funded services has been generally employed to utilise the desirable characteristics of a competitive market, including innovation (Webster & Harding 2001), incentives for efficient production and quick response to market changes (Bruttel 2005; Phan, Hansen & Price 2001).

Targeting groups of people on benefits

Harker and Oppenheim (2007) suggested that in a citizen-centred welfare-to-work model assistance would be tailored and based on working towards meeting individuals' aspirations.

In a similar vein, the advisory group proposal (Advisory Group on Reform of Australian Government Administration 2010) for a high-performing public service aims to meet the needs of citizens. In particular, in the employment services sector, as raised by National Disability Services (Department of Education, Employment and Workplace Relations 2012a, p. 22), the approach is 'a person-centred flexible approach that enables service providers to respond to the diversity of individuals and their needs'. In the same report, the Youth Affairs Council of Victoria asked that the reform 'take into account the real needs and interests of young people, especially people experiencing vulnerability, marginalisation, or difficulties securing or maintaining employment'(Department of Education, Employment and Workplace Relations 2012a, p. 22).

The design and implementation of employment services has been developed over time to address this mission (Department of Education, Employment and Workplace Relations 2008). As Davidson and Whiteford (2012) found, the JSA system placed great emphasis on the group of jobseekers who had multiple barriers to employment, whose disadvantages were not only vocational but also social, based mainly on their JSCI score rather than their duration of unemployment. As a result, within the JSA scheme, those people on benefits will receive higher levels of support (meaning higher service fees for their providers and a larger EPF). At the same time, the scheme offers less incentive to support the least disadvantaged jobseekers, since those people will attain a job outcome with little assistance. With this optimal distribution of assistance among different groups of jobseekers, the program can make more social gains by reducing the cost of unnecessary employment assistance (payment for results that would have been achieved without much intervention) (Davidson & Whiteford 2012; Department of Education, Employment and Workplace Relations 2008).

Growing autonomy and engagement with citizens in provision

The approach which centres on the jobseeker has also created increasing autonomy for both parties: jobseekers and service providers. Jobseekers actually participate in their EPP, which allows them to choose from a range of activities addressing their needs, and to participate in the decision-making process. For instance, jobseekers have the chance to select vocational programs that they are interested in and that meet their needs, or they can choose to engage in Work for Dole activities to gain work experience (Department of Education, Employment and Workplace Relations 2008). The advisory group (Advisory Group on Reform of Australian Government Administration 2010) suggested that engagement and consultation

processes be varied and flexible. In employment service provision, jobseekers' involvement in planning their pathways to work is expected to give them more incentives and, at the end, more chances to attain a job (Department of Education, Employment and Workplace Relations 2008, 2012b).

Under the current JSA arrangements, jobseekers have more opportunities to switch JSA providers than they did under the previously existing JN (Davidson & Whiteford 2012). Under the JN, jobseekers generally stayed with the same provider throughout the whole time they were receiving employment assistance, even in the case of a breakdown in the relationship between the jobseeker and the provider. As a DEEWR discussion paper (2008) reported, only at initial registration at Centrelink did the jobseekers have the choice to select a provider (and they may have had no, or very little, information about providers). In other words, service provision is now more flexible and more client-focused. That primary selection was seen as a restriction, and it constrained the jobseekers' motivation to get sustainable employment. Since moving towards a more client-focused approach, there have been options for jobseekers to have a say in determining their suppliers and in dealing with unexpected issues that occur during a period of unemployment.

To ensure quality standards in the process of service delivery, the government did not completely withdraw, but it did reduce control over the delivery by making arrangements with contractors (Bruttel 2005). Mosley (2003) argued that the extensive rules and regulations, and the focus on outcomes rather than processes, give the contractors more incentives to deliver services effectively and efficiently. In the Australian experience, Considine (2001) revealed that having more flexibility, or a 'soft' quality management framework, enabled private caseworkers to tailor their assistance to the needs of individual jobseekers.

To sum up, the reforms resulting in the evolution of PES into the JN, then into the current scheme of JSA, provided increased local flexibility; service contestability through improved quality and price; and a single gateway for Centrelink to reduce process duplications and to make services more accessible to jobseekers. Those reforms all work towards a jobseeker-centred, or citizen-centred, approach in the provision of employment services in Australia.

2.1.4 Section summary

This section conveyed changes in the PES in the international context. The trend of decentralisation and marketization-partially or wholly-of the PES has continued around the world in account of more cost-effectiveness, higher levels of competition, and improved quality in service delivery. That also reflects the trend for new public management in many countries, including Australia. The section then gave more detail on the changes in the PES in Australia. The section reviewed the evolution of CES (the name of the PES organisation in Australia) into JN during 1999–90, then into the JSA system from July 2009 to the present. The section also highlighted the introduction of star ratings for assessing providers' performance as a significant innovation in management practices. The review stressed that the employment services system has operated more effectively over time, to address the more disadvantaged claimants while retaining individualised assistance to jobseeker-participants. In other words, the employment services reforms have been designed, been implemented and evolved to meet the needs of citizens.

2.2 Parent theory 1: customer perceived value

Customer value has received attention from, and is of increasing interest to, business managers and researchers (Parasuraman 1997). Sheth and Uslay (2007) claimed that emphasis on value creation in marketing research would continue to grow.

In the existing literature, two dominant understandings can be found: value for the customer (customer perceived value or customer received value) and value for the firm (value of the customer) (Woodall 2003). The latter is now conventionally called customer lifetime value or a sense of value from a service provider's perspective (Berger & Nasr 1998; Dwyer 1997; Grant & Schlesinger 1995; Jain & Singh 2002; Venkatesan & Kumar 2004). This study focuses on the concept of customer perceived value (CPV) or the interchangeable terms 'customer value' or 'consumer value', since many academics asserted that 'how' clients interpret value is more important than 'how' suppliers come to believe what value should be (Blois 2004). It reconfirmed the conclusion by Drucker (2012) that it is what customers do with what suppliers produce, and what they think is value for them, that is decisive for any business. Although value research has been done in quite various ways, and is multidisciplinary in nature (Sánchez-Fernández & Iniesta-Bonillo 2007), research opportunities do exist in the service sector (Rintamäki et al. 2006)-in particular, more attention is required to empirically investigate customer value in public service settings

(Moliner 2009). This chapter gives an overview of the existing research on CPV and argues for a study of constructing CPV in employment services by JSA providers.

This chapter section is structured as follows. First, it discusses the nature and conceptualisation of CPV, using the two main approaches. Second, the section provides a review of the extant literature in frameworks measuring CPV. The section highlights the theoretical developments in operationalising dimensions of value, particularly noting that inquiries into constructing customer value in relation to public services have been limited. Finally, a justification for a study of the relevant dimensions of customer value in the public sector is presented.

2.2.1 Defining customer perceived value

The term 'customer value' has been defined in various ways in previous research (Flint, Woodruff & Gardial 2002). Despite the growing studies on consumer value in many interdisciplinary areas involving psychology, sociology, economics, finance and business, there is a lack of agreement among academics regarding its definition and conceptualisation. Leszinski and Marn (1997) asserted that value perceived by consumers had become one of the most overused and misapplied concepts in social sciences. Additionally, the term 'value' has often been poorly distinguished from many other related constructs, such as 'utility', 'price', 'quality' and 'satisfaction' (Sánchez-Fernández & Iniesta-Bonillo 2006).

A review by Boksberger and Melsen (2011) showed that different perspectives have been employed to study CPV. The variety of research fields can be seen in a number of definitions of 'customer perceived value' applied in the literature (Table 2-8).

Table 2-8 Definitions of customer perceived value

Author(s) and year	Definition
Rescher (1969)	CPV is defined as the outcome of an evaluation made by a single customer, and it constitutes three overlapping dimensions, namely, the object that the customer evaluate, the locus of value in a certain context, and the underlying values that measure what is desirable for the customer
Zeithaml (1988)	'Perceived value is a customer's overall assessment of the utility of a product based on perceptions of what is received and what is given'
Holbrook (1999, 2005)	Customer value is 'a relativistic (comparative, personal, situational) preference characterizing a subject's [consumer's] experience of interacting with some object… i.e., any good, service, person,

Author(s) and year	Definition
	place, thing, even, or idea' or in short as 'an interactive, relativistic preference and experience'
Woodruff (1997)	Customer value is a 'customer's perceived preference for and evaluation of those product attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situation'
Flint, Woodruff & Gardial (2002)	A value judgement is the customer's assessment of the value that has been created for them by a supplier given the trade-offs between all relevant benefits and sacrifices in a specific-use situation

Scholars (Ulaga 2003; Woodruff 1997) stated that terms such as 'utility', 'quality' and 'preference' were used to define customer value, even though these terms themselves are variously defined. A simpler definition of consumer value by Zeithaml (1988, p. 14) states 'value is the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given'. Within this definition, the author identified four versions for the meanings of value: 1) value is low price; 2) value is whatever I want in a product; 3) value is the quality I get for the price I pay; and 4) value is what I get for what I give (Zeithaml 1988, p. 14). Sánchez-Fernández, Iniesta-Bonillo and Holbrook (2009) wrote that all four meanings are conventionally perceptive definitions of the concept of value among many marketers. However, among Zeithaml's conceptualisation supporters there has not been agreement on how the function should be revealed-as a ratio or as an accumulation of benefits and costs (Cronin et al. 1997). Likewise, Patterson and Spreng (1997, p. 416) defined perceived value as 'a ratio or trade-off of total benefits received to total sacrifices'. It means that one of the following mathematical expressions should be applied to measure consumer value:

- Service value = Perceived benefits / Perceived costs (sacrifices); or
- Service value = Perceived benefits – Perceived costs (sacrifices)

The governing, although unproven, interpretation is equation 1, in that service value is measured as the ratio with the numerator of service benefits and the denominator of service costs/sacrifices (Bolton & Drew 1991; Heskett & Schlesinger 1994; Zeithaml 1988). Cronin et al. (1997) suggested the additional presentation, taking into account the integrative nature of benefits and sacrifices as well as the compensatory trade-off between them, which seems to be a more 'natural' process.

Another definition of perceived value is as something fundamental to the design of what is offered and how this is managed (Meredith, McCutcheon & Hartley 1994, Richardson & Gurtner 1999). Alternatively, Payne and Holt (2001) proposed an integrated standpoint, where value implies an interaction between a customer and a product or a service beyond the trade-off between benefits and sacrifices. These scholars also preferred another one, comprehensive definition of the term 'customer value', conceptualised by Woodruff (1997, p. 141), that encompasses the contexts of pre- and post-use, numerous evaluation criteria (attributes, performances, and consequences), and multiple cognitive tasks (preference for and evaluation of). Parasuraman (1997) argued that Woodruff's definition of 'perceived value' heavily relied on measurement issues and might not be operationalisable in practice because of its complexity.

Based as they are on utility perception, the Zeithaml definition and its variations excessively concentrate on economic utility (Moliner et al. 2007). The alternative view on value, integrating cognitive and emotive variables, has been gaining ground in hedonic value literature (Hirschman & Holbrook 1982) as well as in multidimensional constructs (de Ruyter et al. 1997; Sheth, Newman & Gross 1991a; Sweeney & Soutar 2001). For instance, Huber, Herrmann & Morgan (2001) asserted 'the value concept is multi-faceted and complicated by numerous interpretations, bias and emphases'. Holbrook (2005, p. 46) termed 'customer value' as an 'interactive, relativistic preference and experience'. This conceptualisation seems challenging to comprehend and apply (Smith & Colgate 2007). The literature review found that only some studies (Mathwick, Malhotra & Rigdon 2001; Sánchez-Fernández & Iniesta-Bonillo 2006) support Holbrook's framework.

Lin, Sher and Shih (2005) argued that the multidimensional view better captures emotional, intangible and intrinsic elements, which are noteworthy in many services. Hence, the authors agree that value definitions should combine both utilitarian and emotive aspects of consumption. These authors also postulate that value judgement is subjective (that is, it differs between individuals) (Holbrook 1999) and that higher-order personal values affect perceived value through experiences and expectations, as defined by Rescher (1969).

A comprehensive examination of customer value (see Boksberger & Melsen 2011 for more details) classifies two key views on conceptualisation of customer value: utilitarian and behavioural. Scholars of the former perspective have defined 'customer perceived value' as the trade-off between benefits and sacrifices from the customer's point of view.

Representatives of the latter view have investigated the value based on studies on customer behaviours from different angles. These two dominant themes in the extant literature, explicitly, utilitarian and behavioural perspectives, will be discussed in the next sections.

2.2.1.1 The utilitarian perspective

The utilitarian view of perceived value has its roots in cognition-based perception, in which 'any increase in wealth, no matter how significant, will always result in an increase in utility which is inversely proportionate to the quantity of goods already possessed' (Bernoulli 1954, p. 25). Traditionally, in economics, 'value', 'utility' and 'desirability' have been used interchangeably. Tellis and Gaeth (1990) suggested that the theory of utility offers the foundation for constructing value. Grounded on expected utility theory, Von Neumann and Morgenstern (2004) also indicated that price is the value of a good or service and therefore 'utility of a service is measured and defined as an individual's subjective value of money under risk and uncertainty' (Boksberger & Melsen 2011, p. 230). Hence, customers spend their money in order to maximise the 'value' they obtain from services. In other words, there are trade-offs between the utility from a service usage and the disutility of having the service (McDougall & Levesque 2000).

Realising this view, several scholars (for instance, (Thaler 1985; Zeithaml 1988) have employed the term 'utility' to define and conceptualise perceived value in various manners. Monroe (1990, p. 46) presented the widely utilitarian view that 'Buyers' perceptions of value represent a trade-off between the quality or benefits they perceive in the product relative to the sacrifices they perceive by paying the price'. Similarly, Dodds, Monroe and Grewal (1991) and Gale (1994) conceptualised consumer value as the comparison between what customers obtain (benefits, quality, worth, utility) from the purchase and use of a product (a good or a service) and what they pay (price, costs, sacrifices). However, 'price' is multifaceted and complex rather than being a simple indicator of paying (Dodds, Monroe & Grewal 1991), or, 'price' itself is an indistinct and elusive construct (Woodruff & Gardial 1996). Furthermore, Sánchez-Fernández and Iniesta-Bonillo (2007) argued that the term 'price' includes not only monetary payment for a product or service but also a full consideration of the time, effort and search made by the customer. Hence, CPV should be more than a simple rational assessment of 'utility' and more than a plain trade-off between utility and price.

A work by Ruiz et al. (2008) revealed that the research stream with the utilitarian perspective has evolved, and been adapted and extended, over time. For instance, Parasuraman and Grewal (2000) proposed a four-element model comprising acquisition value, transaction value, in-use value and redemption value. In the same vein, based on exploratory methods, Ulaga (2003) demonstrated six general components driving customer value, namely, product/offering quality, delivery performance, service support, personal interaction, supplier know-how and time-to-market. In this model, an increase in the value perceived by the customer can be gained through decreasing the costs and/or increasing the benefits for the customer (Eggert, Ulaga & Schultz 2006).

In short, the utilitarian approach is founded on the assumption that people make rational calculations of what is given against what is taken in terms of both monetary and non-monetary expenses. Nevertheless, the cognitive trade-off models, or the utilitarian benefits and sacrifices, are considered to be more 'parsimonious' (Gummerus & Pihlström 2011) or partial (Moliner et al. 2007). Thus, adoption of the alternative approach, the behavioural perspective, has been encouraged.

2.2.1.2 The behavioural perspective

The behavioural approach of perceived value, combining cognitive and emotive aspects of consumption, seems to overcome the shortcoming of an excessive concentration on economic utility in the utilitarian view (Lin, Sher & Shih 2005). The social exchange theory (Emerson 1976) identified that the main principle of this approach is in essence mutual exchange transactions or a social interaction. In other words, perceived value is treated more broadly with a cognitive component (getting and giving) and affective variables. The affective component may capture either 'emotional benefits', 'emotional reactions' (Havlena & Holbrook 1986), or intangible and intrinsic dimensions (Sánchez-Fernández & Iniesta-Bonillo 2007).

In stipulating the behavioural-motivated conceptualisation, de Ruyter et al. (1997) distinguished three dimensions: emotional value, practical value and logical value. Recently, this behaviourally driven approach has been gaining ground in multidimensional conceptualisation and proposed typologies of perceived value. In this view, those dimensions are interactive and preferential in the assessment of some concept (experience) by some subject (usually a customer) (Boksberger & Melsen 2011). Key studies by Sheth, Newman and Gross (1991a, 1991b) proposed a theory of consumption values, which differentiates five

dimensions of perceived value, namely, functional value, social value, emotional value, epistemic value and conditional value. Starting from there, many researchers have made empirical efforts to test Sheth et al.'s proposal in different contexts. For instance, the PERVAL instrument, which measures perceived value, developed by Sweeney and Soutar (2001) includes only three dimensions: functional, social and emotional. Sanchez et al. (2006) also suggested the GLOVAL scale with multiple items to explain those three dimensions.

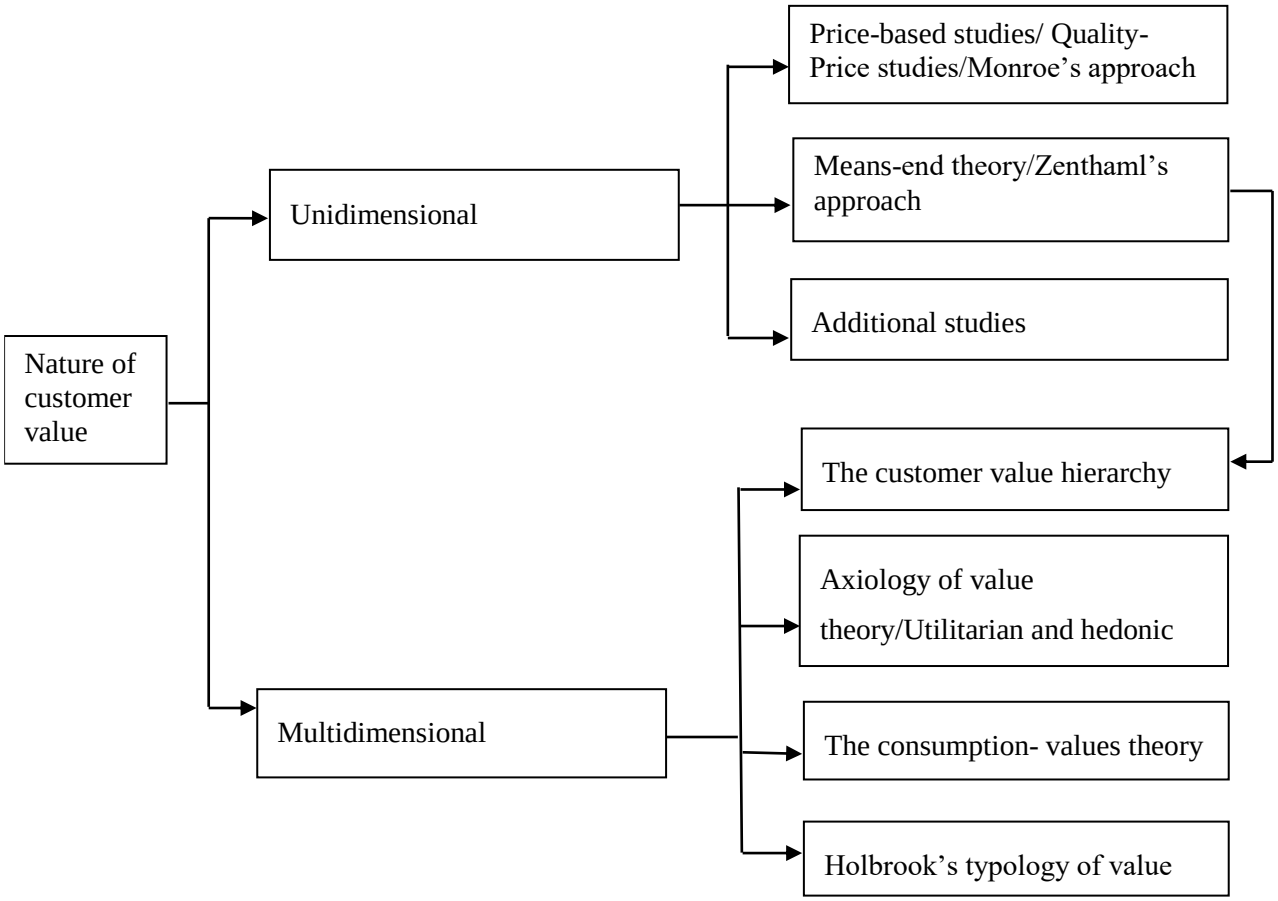
Under the behavioural perspective, Holbrook's typology has also captured some important features of customer value (Smith & Colgate 2007). This typology includes unique perceptions by individuals, context-specific or condition-based particulars, relative comparison (with the known or imagined alternatives), and dynamic character (changing within persons over time). It is not surprising that some scholars (Sánchez-Fernández, Iniesta-Bonillo & Holbrook 2009; Sánchez-Fernández & Iniesta-Bonillo 2006) acknowledged Holbrook's typology as one of the most wide-ranging and detailed descriptions of CPV.

In short, two main perspectives, namely, utilitarian and behavioural, have been found in the extant value literature. Boksberger and Melsen (2011) argued that the behavioural view comes over the utilitarian view in examining perceived value comprehensively and in explaining the construct in-depth, since the utilitarian view predominantly focuses on economic utility only. The next section provides an overview of theoretical frameworks applied in recent research on CPV.

2.2.2 Frameworks for customer perceived value

Although many initiatives have been made to develop and operationalise it, there is no conclusive framework or typology of customer value, since it has no commonly accepted conceptualisation. Previous research provides evidence for the existence of the two main streams of research regarding dimensions of customer value, particularly unidimensional and multidimensional frameworks (Sánchez-Fernández & Iniesta-Bonillo 2006). This classification (see Figure 2-2 for more details) is then affirmed in subsequent work by the same authors (Sánchez-Fernández & Iniesta-Bonillo 2007).

Figure 2-2 Streams of research on perceived value frameworks



Source: Figure 1, Research streams on perceived value (Sánchez-Fernández & Iniesta-Bonillo 2007, p. 430).

2.2.2.1 Unidimensional frameworks

Quite a large number of works are in favour of the unidimensional construct for customer value. In this approach, perceived value is a single overall construct that may be measured by either only one self-reported item or a series of items (Agarwal & Teas 2001; Dodds, Monroe & Grewal 1991). Among those scholars, representatives can be found for each above-presented conceptualisation of the value concept.

For instance, with a grounding in pricing theory and consumer theory rooted in the economic literature, Thaler (1985) proposed a two-determinant model of measuring value as a combination of transaction and acquisition utilities. The writer defined consumer value as consumer mental accounting, by summing these two attributes. In this model, the acquisition utility, considered as a subjective measure, is mainly based on non-monetary costs involved

in a purchase, and it encompasses the subjective benefits derived from this purchase. Transaction utility is conceptualised as an objective and monetary measure of utility.

An alternative framework, based on the quality-price relationship, can be found in works by Agarwal and Teas (2001), Dodds and Monroe (1985) and Dodds, Monroe and Grewal (1991). According to this approach, pioneered by Monroe (1990), external factors (such as price, brand name and store name) influence customer perceptions of quality and value, and the price negatively affects a product's value but positively affects the perceptions of product quality. Subsequently, some other studies have made contributions to the framework by suggesting additional determinants, for instance, perceived risk (Agarwal & Teas 2001), internal reference price and perceived store image (Dodds, Monroe & Grewal 1991), and the concept of price fairness (Oh 2003).

Using the means-end theory and the initial model developed by Dodds and Monroe (1985), Zeithaml (1988) proposed a means-end structure, in which a hierarchy of variables is established according to their levels of abstraction. This model gives an overview of the relationships among the concepts of perceived price, perceived quality and perceived value. The author indicated that both value and quality seem to be variables at higher-level abstraction, but they are distinct constructs. In this model, individuals evaluate products based on their perceptions of price, quality and value, rather than on the basis of objective attributes (likewise, actual prices or physical quality). Lastly, the model developer also addressed the importance of contextual factors, as well as the consumer's reference frame in capturing value perceptions. Although the unidimensional frameworks are operative and direct, they cannot reveal the complex nature of perceived value (Lin, Sher & Shih 2005). Hence, the value literature has inspired the use of multidimensional measurements (Gummerus & Pihlström 2011).

2.2.2.2 Multidimensional frameworks

The traditional approach to defining consumer value, given the name 'unidimensional' has been criticised by some other academics-for example, by Mathwick, Malhotra and Rigdon (2001) for being 'narrow-minded', by Sweeney and Soutar (2001) for being 'summarised', and by Huber, Herrmann and Henneberg (2007) for being 'mysterious'. Subsequently, the authors of those criticisms and many other scholars (de Ruyter et al. 1997, Sánchez-Fernández & Iniesta-Bonillo 2006, Ruiz et al. 2008) suggested the use of multidimensional

models for conceptualising consumer value, arguing that the trade-off conceptualisation of consumer value does not consider the multidimensionality of the construct.

Adopting means-end theory and customer value hierarchy considerations, Woodruff (1997) suggested a 'customer value hierarchy' which considers higher-order outcomes that a customer experiences, rather than a narrow focus on product attributes. Some noteworthy characteristics can be seen in this model, such as three hierarchical levels of value; higher abstraction degrees at higher levels in the hierarchy; and an increasing trend for stability at the higher level in the hierarchy. However, as mentioned earlier, this model seems to be too complicated. Consequently, there is only 'a handful' of studies that follow this framework (Ruiz et al. 2008). Similar to this approach-but by segmenting the customer sample-Parasuraman (1997) introduced the four-type model of customer value, which includes first-time customers, short-term customers, long-term customers and defectors.

Noble, Griffith and Weinberger (2005) and other scholars (Babin, Darden & Griffin 1994; Chandon, Wansink & Laurent 2000; Holbrook 1999; Klein & Ford 2003) shared a similar view of consumer value, basing it on two categories: utilitarian and hedonic values. 'Utilitarian values' are functional, instrumental and cognitive in nature, and a means to an end; hence, their examination needs to consider issues related to time, place and possession needs. 'Hedonic values' are non-instrumental, experiential and affective, often related to non-tangible product attributes (Babin, Darden & Griffin 1994). Noble, Griffith and Weinberger (2005) developed and tested a model of magnitude differences in consumer-derived utilitarian values (information attainment, price comparison, possession and assortment seeking) across various channels of information searching and purchasing.

Woodall (2003) indicated five primary forms of value for the customer (VC): net VC (balance of benefits and sacrifices), derived VC (use/experience outcomes), marketing VC (perceived product attributes), sale VC (value as a reduction in sacrifice or cost), and rational VC (assessment of fairness in the benefit–sacrifice relative comparison). The author also found some specific types of values associated with the higher order, which included derived VC, marketing VC and sale VC. Despite there being a variety of frameworks on customer value, Smith and Colgate (2007) argued that there is noticeable overlap in the model, since the same benefits appear under multiple headings. Additionally, the domain at the higher order does not fully cover the benefits and sacrifices.

Based on consumption-value theory, Sheth, Newman and Gross (1991a, 1991b) constructed and categorised five forms of value-functional, social, emotional, epistemic and conditional-that affect customer choice behaviour. Subsequent works by other academics (de Ruyter et al. 1997; LeBlanc & Nguyen 1999; Sweeney & Soutar 2001; Whittaker, Ledden & Kalafatis 2007) have theoretically and empirically investigated this model. For example, Sweeney and Soutar (2001) made a great contribution to the development of scale measurement, while Whittaker, Ledden and Kalafatis (2007) modified Sheth and colleagues' model by adding image and price/quality value for professional services. However, as well as having a lack of consideration regarding other functional, experiential and symbolic dimensions, this framework does not specifically capture the cost/sacrifice aspect of customer value (Smith & Colgate 2007). Also, Sweeney and Soutar (2001) highlighted the possibility of interrelation or mutual correlations between these dimensions of value, since the hedonic and utilitarian components of attitude might be related to each another.

Finally, Holbrook (1999, 2005) suggested a value typology (axiology) based on three criteria: extrinsic/intrinsic value, reactive/passive value and internal/external orientation. He introduced eight types of value: efficiency, excellence, status, esteem, play, aesthetics, ethics and spirituality. The scholar stressed that each of these eight types of perceived value seem to be 'compresent'. In other words, they all present but at different levels/degrees in any given consumption experience. Despite the clear emphasis on consumer outcome and meaning, this framework limits the capture of a full domain of the customer value construct (Smith & Colgate 2007).

2.2.3 Measurement of customer perceived value

As a part of the analysis to investigate the theoretical foundations of CPV, an overview of some extant studies was made, drawing on constructed frameworks and theoretical backgrounds. Data were arranged by years and primarily classified by the approach used, either unidimensional or multidimensional (see Appendix 1). The review showed that researchers have examined CPV from different viewpoints in various settings, resulting in different dimensions of value perceptions. An analysis of those studies resulted in the following observations.

First, research on CPV, as demonstrated in Table 2-2, is remarkably complex, varied and multidisciplinary (Woodall 2003; Zeithaml 1988). But there has been a lack of consistency in

value conceptualisation (Lin, Sher & Shih 2005) as well as a divergence of value dimensionality in the literature on value (Gummerus & Pihlström 2011). It is expected that value research in public services will contain the same issues. Thus, further research is necessary, as concluded by Gallarza and colleagues (2011).

Second, most of the reviewed studies on value involved empirical examinations, except for the work by Smith and Colgate (2007), presenting a conceptual framework. This guides the proposal that more studies on value perceptions should be theoretically and empirically tested in various contexts. This study will make a contribution to value research.

Among the empirical investigations, the value research was conducted predominantly with quantitative approaches, with surveys being the main technique for data collection. Only the works by Zeithaml (1988) and Woodruff and Gardial (1996) utilised a qualitative approach to investigate the value construct. Additionally, structural equation models were employed to examine CPV and its relationships with other marketing variables, in all these quantitative studies. This confirms the complexity of the value perception as well as its linkages with other constructs (Cronin et al. 1997; Whittaker, Ledden & Kalafatis 2007). The finding suggests that there is a need for this thesis to investigate not only CPV itself but also its associations with its outcomes, such as customer satisfaction and behavioural intentions.

Third, a review of value literature indicated that a multidimensional view has been largely employed, as it better portrays different angles of perceived value in specific service contexts (Dubé, Cervellon & Jingyuan 2003). This supports the use in this thesis of a multidimensional framework to construct value. The findings of this review also suggest that Sheth et al.'s (1991a, 1991b) framework has been expansively applied in different fields and seems to provide the groundwork for studying the value construct (Wang et al. 2004). However, Whittaker and co-authors (2007) pointed out that the modifications or differences in Sheth et al.'s typology application resulted from the nature of contextual specifics and underlying focuses. Moreover, there are some evident agreements between those models, for instance, in terms of intrinsic or hedonic benefits, for example, emotional and social dimensions in Sheth et al.'s model (1991a, 1991b); play and aesthetics in Holbrook's typology (Gallarza & Gil Saura 2006); utilitarian benefits (functional in Sheth et al. (1991a, 1991b); and efficiency in the work of Sánchez-Fernández and Iniesta-Bonillo (2009).

As a result, this model was used as the principal pillar forming the theoretical foundation for this study, as it includes both the cognitive and emotive aspects of consumption (Ledden,

Kalafatis & Mathioudakis 2011). The model's authors (Sheth, Newman & Gross 1991b) worthily claimed that these dimensions might not all have the same importance in decisions about consumption. Furthermore, there was evidence that these aspects were associated at some level (Pihlström & Brush 2008; Wang et al. 2004). This study needs to take into account the interrelationships between these dimensions.

Fourth, most of the data collected in the empirical works were cross-sectional in nature, ranging from the goods manufacturing sector to the service sector. In addition, 11 studies focused on one particular industry, such as beverages (Overby, Gardial & Woodruff 2004; Zeithaml 1988); cigarette smoking (Sheth, Newman & Gross 1991a); restaurants (Sánchez-Fernández & Iniesta-Bonillo 2009); consulting services (Patterson, P & Spreng 1997; Whittaker, Ledden & Kalafatis 2007); audit services (Caruana, Money & Berthon 2000); tourism packages (Gallarza & Gil Saura 2006; Petrick 2002; Sánchez et al. 2006); and shopping (Rintamäki et al. 2006). The other four studies, by Cronin et al. (1997), Woodruff and Gardial (1996), Sweeney and Soutar (2001), and Ruiz et al. (2008), were conducted in, and compared, different environments. Four works, by Patterson and Spreng (1997), Whittaker, Ledden and Kalafatis (2007), Woodruff and Gardial (1996) and Caruana, Money and Berthon (2000) were studied in business-to-business (B2B) contexts; all others used business-to-consumer (B2C) contexts.

Fifth, the value research was conducted predominantly in the USA and Europe, using single-country data. Cross-national data was found in only one work, by Overby, Gardial and Woodruff (2004). Taking into account the contextual variety of value perceptions, analysing CPV and its relationships with other constructs in the employment services in the JSA program in Australia is the focal interest of this study. The research contexts discussed so far mainly related to the private sector; the next section discusses some observations from existing studies on value within public services.

Although studying the nature of customer value is necessary and important, research on customer value has moved beyond the discussion of conceptualisation and measurement of the value construct. Many academics (for example, Bolton & Drew 1991; Cronin, Brady & Hult 2000; Lin, Sher & Shih 2005; Sweeney & Soutar 2001, just to name a few) have examined linkages between this construct of value and many widespread known constructs and outcomes, such as customer satisfaction, loyalty, commitment and intentions. The next

section discusses the causal relationships of CPV to other relevant variables (such as service quality, satisfaction and behavioural intentions).

2.2.4 Customer perceived value within services

2.2.4.1 Customer perceived value in public services

Value perceptions by customers have been recognised as an important factor of the customer decision-making process ((Rust & Oliver 1994; Sheth, Newman & Gross 1991a), and a crucial aspect of re-use intentions (Cronin et al. 1997; Pura 2005). Also, other authors, such as Reichheld and Sasser (1990) and Woodruff (1997) illustrated that delivering customer value is an effective source of competitive advantage. Much conceptual and empirical evidence investigates the nature, antecedents and consequences of CPV (Cronin, Brady & Hult 2000; Ledden, Kalafatis & Mathioudakis 2011), whether in the context of small electrical products (Dodds, Monroe & Grewal 1991); shopping (Gounaris, Dimitriadis & Stathakopoulos 2010); tourism and travel services (Gallarza & Gil Saura 2006; Sánchez et al. 2006; Williams & Soutar 2009); telecommunications services (Bolton & Drew 1991; Gummerus & Pihlström 2011; Pura 2005); education (LeBlanc & Nguyen 1999; Ledden, Kalafatis & Mathioudakis 2011); or banking services (Roig et al. 2006). Ladhari and Morales (2008) claimed that these studies were done within the commercial services settings, or in industrial markets (Eggert, Ulaga & Schultz 2006). This leaves a large gap in the literature, given that a significant amount of public services occurs in the real life. This also shows the need for this thesis to investigate CPV in the public service setting.

So far, the construct of CPV has been widely documented in the general value research (for example, Bolton & Drew 1991; Sánchez-Fernández & Iniesta-Bonillo 2007; Boksberger & Melsen 2011; Woodall 2003), but very little research has been conducted in public service contexts, where non-monetary features are notable (Moliner 2009) and there is very little choice in suppliers (Brown 2007). As has been emphasised, in the private sector service interactions are elective, which means individuals choose to use one or another service provider, but in the public sector consumers might not be always free to select. To the best of my knowledge, value perceptions have not been examined in the employment service domain. This identifies a need for the research conducted in this study. In addition, adapting a framework from the commercial context to fit the public service context should be done cautiously: Moliner (2009) emphasised the importance of non-monetary costs in a public service setting while Zauner, Koller and Hatak (2015) recommended that CPV should be

conceptualised within context-specific considerations. Tregear and Jenkins (2007), likewise, found nine differences between the public and private sectors, that is, in terms of the public interest, public accountability, public sensitivities, the ecosystem of the whole government, budget cycle complexity, information exchange between the government and citizens, regulating society, cultural influences and the machinery of government.

Furthermore, some attempts to address this gap in the value research stream can be found in the recent literature. For instance, a measure of CPV of a public service broadcaster was included in Hasting's study (2004). Ladhari and Morales (2008) explored CPV within their model for measuring value and its connection to behavioural intentions (word of mouth) in a public library context. In another study, Moliner (2009) examined the relationships between CPV, customer satisfaction, trust and customer commitment in the healthcare service context. Moliner also made similar conclusions in comparing two samples of private and public hospitals and hence proposed a universal application of the model. This suggests that this researcher could apply the findings from existing value research, but with consideration of public services particulars.

Following the establishment of frameworks in the commercial domain, several papers utilised Sheth et al.'s typology to examine the value construct, such as studies in higher education (LeBlanc & Nguyen 1999; Ledden, Kalafatis & Mathioudakis 2011; Whittaker, Ledden & Kalafatis 2007), health care (Moliner 2009) and public libraries (Ladhari & Morales 2008). In all the works mentioned, the data were collected by self-administered questionnaires and then analysed in structural equation models. This provided further evidence of the multifaceted nature of value perceptions, and encouraged the researcher to apply a multidimensional framework to examine the value construct in the public service domain. Additionally, similar to the trend in the general research of value, the CPV research in the public service domain examined predominantly North America and Europe.

2.2.4.2 Customer perceived value, service quality and customer satisfaction

Customer perceived value is a strategic factor in attracting and retaining customers, and has become one of the key determinants in the success of businesses (Gale & Wood 1994; Khalifa 2004; Zeithaml 1988). Marketing and management researchers have also highlighted that providing quality service is a vital strategy for a firm's success and survival in the current world of competitive business (Parasuraman, Zeithaml & Berry 1985; Reichheld & Sasser 1990). Therefore, apart from strategies focusing on providing superior customer value, both

academics and practitioners have had their primary focused on defining what service quality means to customers, and developing strategies to meet customer expectations. However, service quality generally emphasises the product or service itself, i.e. what the firm provides, while customer perceived value explores the interaction between the product/service and service delivery (Woodruff & Gardial 1996). As many researchers have suggested, firms should emphasise their operations and strategies towards the creation and delivery of high quality services and customer value in order to achieve a positive level of customer satisfaction (Day & Crask 2000; Sánchez et al. 2006), and so improve their customer relationship management performance (Jensen 2001; Wang et al. 2004).

Furrer and Sollberger (2007) claimed that service quality and customer satisfaction were the themes that had mostly been studied in the 1990s, although such topics have probably reached their research maturity. Service quality is one of many other abstract concepts, such as customer value and consumer satisfaction, subject to debates on specification, measurement and management issues (Carman 1990; McGuire 1999). Different researchers have defined the quality in very different ways. From the numerous studies on service quality, three perspectives emerge that are used to define the concept of service quality, namely, 'conformance to standards', 'outcomes against objectives' and 'customer perceptions'.

The first, conformance to standards, traditionally views service quality in terms of quality assurance and service reliability. It refers to zero defects in products and zero delivery failures in the service context-in other words, 'doing things right'. The second approach, outcomes against objectives, reveals a focus on service profitability and customer repurchase or retention. Profitable customer retention is a measure of performance objectives, which are relatively associated with customer value to the provider (McGuire 1999). The last, and extensive, approach in a number of academic studies defines service quality as being based largely on customer perceptions. There are two main schools of thoughts of service quality in the literature, including the disconfirmation paradigm and performance-only. Under the disconfirmation paradigm, quality perceived by customers is conceptualised as a mode of attitude and the result of expectations minus perceptions of the service performance (Grönroos 1988; Gummesson 1979; Parasuraman, Zeithaml & Berry 1985, 1988; Rowley 1998; Zeithaml 1988). Other scholars, such as Woodruff, Cadotte and Jenkins (1983), Cronin and Taylor (1992, 1994) and Santos (2003), argued that a performance-only measure is better than the disconfirmation paradigm because the performance-only approach is more reliable

and defensible. As a result, in this research, service quality is measured using performance-based perceptions.

In the previous research, there are two streams of conceptualising customers' degrees of satisfaction, namely, the transaction-specific and the overall or cumulative satisfaction (Bolton & Drew 1991; Cronin & Taylor 1994). The former is defined as the post-choice feelings regarding a specific encounter, while the latter refers to the accumulative feelings across a series of encounters (Rust & Oliver 1994). Since accumulative customer satisfaction has been widely acknowledged as an important indicator of a firm's performance through time (Lam et al. 2004; Rust & Oliver 1994), and in achieving business goals (Smith, Bolton & Wagner 1999), this study focused on the cumulative perspective of satisfaction. Furthermore, Hunt et al. (2012) claimed that the disconfirmation paradigm is the dominant framework in satisfaction research which describes customer satisfaction as a comparison of an individual consumption experience against their expectations. In other words, satisfaction is conceptualised as overall thoughts and feelings that a product or service has met someone's beliefs, needs or desires (Griffin & Hauser 1993).

Given the nature of the globalised market, firms in the service industry seek to provide superior quality in their service, and to provide CPV in order to achieve customer satisfaction and loyalty. A number of scholars (for instance, Cronin, Brady & Hult 2000; Parasuraman, Berry & Zeithaml 1991; Santos 2003) have argued that service quality, CPV and satisfaction are significant influences in determining competitive advantage and success for service suppliers. Furthermore, in today's customer-oriented market, many academics have indicated that these factors are of central interest for all marketers and managers (McDougall & Levesque 2000; Vargo & Lusch 2004). The existing literature demonstrates various attempts to address service quality, CPV, customer satisfaction and behavioural intentions, as well as linkages between these constructs. However, there has been a lack of convergence in conceptualising the nature of those constructs in general (Gallarza, Gil Saura & Holbrook 2011; Khalifa 2004), and in the public services sector in particular.

The debate over the nature of relationships between service quality, consumer value, customer satisfaction and other constructs is far from complete. A number of concerns remain, ranging from which antecedents belong with which construct (Zeithaml 1988) to how they are interrelated or associated with each other (Lin, Sher & Shih 2005), and from the complexity of the linkages between these constructs to the causality relationships between

these constructs (Sánchez-Fernández & Iniesta-Bonillo 2007). The considerable debates over these themes have had their roots in the fact that, being latent variables, most of those terms are perceptual or cognitive concepts (Boksberger & Melsen 2011). Also, a concept's name might have different meanings to different people (Zeithaml & Bitner 2000). Hence, conceptualisations and their measures have been challenging for academics as well as practitioners. Nevertheless, most scholars confirmed that 'service quality' and 'perceived value' are the distinct constructs (Day & Crask 2000).

Extensive research in services (Bolton & Drew 1991; Day 2002; Dodds & Monroe 1985) shares the view that 'value' and 'quality' are distinct constructs. Zeithaml (1988) is one of the pioneer scholars who developed and provided a comprehensive framework for determining these constructs and their relationships with each another. Zeithaml (1988) highlighted that previous research had confused those concepts. The reason for that is that the two constructs share some features, including subjective, individualised and context-specific customer judgements (Rust & Oliver 1994; Zeithaml 1988). The author developed a model first proposed by Dodds and Monroe (1985) into a means-end model, in which value is considered a higher level of abstraction compared with quality. Thus, value differs from quality in two main aspects: value is more personal and individualistic than quality; and value is therefore a higher-level concept than quality. Several authors also treated quality as a component of value (Petrick 2002; Ruiz et al. 2008; Sánchez-Fernández, Iniesta-Bonillo & Holbrook 2009; Sweeney & Soutar 2001). Consequently, following the previous research, in this study the researcher adopts the view that quality is an element of value perceptions and is less abstract compared with value, as these papers suggested.

Empirical support can be seen in many studies examining the impact of value on consequence or outcome in terms of satisfaction. Customer satisfaction is a comparison of performance to expectation (Moliner 2009; Oliver 1980) or of the pre-purchase expectation of value to the after-purchase perceived value (Parasuraman 1997; Ravald & Grönroos 1996). Early service quality researchers (for instance, Cronin & Taylor 1992; Oliver 1980) stated that customer satisfaction should be logically considered as an outcome of service quality. Dedeke (2003) proposed that service quality and satisfaction contribute to service value. However, most other researchers (Dodds, Monroe & Grewal 1991; Eggert & Ulaga 2002; Monroe 1990) highlighted that there has been a consensus that positive perceptions of service quality lead to the improvement of value attributions and, reversely, higher levels of sacrifices lead to value markdown. Several scholars empirically confirmed that good service quality would have a

positive effect on customer satisfaction of the service and explain some variance in customers' satisfaction (Edward & Sahadev 2011; Patterson, P & Spreng 1997). Furthermore, Caruana, Money and Berthon (2000) empirically tested and found evidence supporting the moderating role of value in the relationship between service quality and satisfaction in professional services provided by auditing firms. Nevertheless, service quality as an antecedent of customer satisfaction has been empirically tested and confirmed in many studies (Chandrashekaran et al. 2007; Dabholkar, Shepherd & Thorpe 2000). The significant impact at the value construct level, as opposed to the component level, of CPV on satisfaction is still inconclusive (Lin, Sher & Shih 2005; Wang et al. 2004).

As well as discussing service quality and customer satisfaction, several scholars have argued that satisfaction and value are complementary but distinct constructs (Woodruff & Gardial 1996), and CPV should also be included in the model predicting a business's performance (Eggert & Ulaga 2002; Gale & Wood 1994). Heskett and Schlesinger's model (1994), for instance, argued that value received by the consumer, which was derived from service quality and consumer costs or sacrifices, drives the variance in customer satisfaction. Sharing the same opinion, Walker, Johnson and Leonard (2006), additionally claimed that a consumer's sense of value derives from not only service quality but also inherent qualities or some other features of the service. Meanwhile, a comprehensive model by Edward and Sahadev (2011) disclosed that customer satisfaction is determined overall by service quality and fractionally by CPV as influences on customer behavioural intentions.

2.2.4.3 Customer perceived value, customer satisfaction and behavioural intentions

In service research, behavioural loyalty plays a significant part in achieving market and financial goals for businesses (Gounaris, Dimitriadis & Stathakopoulos 2010; Oliver 1996). Zeithaml and co-authors (1996) proposed customers' behavioural intentions as a sign of whether or not they are willing to retain a sustainable connection with the firm, and that, in turn, has financial importance for the firm in its competition with other firms (Rust & Roland 1993).

Although the relationship between service quality and customer satisfaction has converged (Walter, Edvardsson & Öström 2010), regarding consumer value, the relationships between value, consumer satisfaction and especially behavioural intentions have been still questionable in the service literature (Edward & Sahadev 2011; Sánchez-Fernández & Iniesta-Bonillo 2007). In service research, behavioural intentions have been variously

conveyed, in word of mouth or recommendations (Cronin, Brady & Hult 2000; Eggert & Ulaga 2002; Lam et al. 2004), intention to repurchase or re-use (Lin, Sher & Shih 2005; Wang et al. 2004) or willingness to buy (Chen & Dubinsky 2003; Pura 2005).

In the extant papers there have been many attempts to address these relationships, using a range of diverse models. Zeithaml (1988) and Dodds, Monroe and Grewal (1991) made theoretical and practical contributions to the value research by proposing that CPV had a direct effect on behavioural outcomes, disregarding the satisfaction element. In this line, Batra and colleagues (1993) showed that in an extreme case perceived value might not have much effect on satisfaction levels but still directly affect behavioural intentions. By contrast, using the cross-sectional data collected in six service industries, Cronin et al. (1997), for example, tested the effect of consumer value as a value-adding component of customer purchase intentions. They came to the conclusion that adding consumer value, recorded by a single direct measure, would better explain the variation in purchase intentions. Nevertheless, the authors stated that the question 'how effective is adding satisfaction as a relevant input in consumer evaluation of service value?' remained unanswered. Similarly, authors such as McDougall and Levesque (2000) and Gallarza and Gil Saura (2006) supported the conclusion that value affects intention only indirectly, through satisfaction. Meanwhile, many other researchers (Edward & Sahadev 2011; Whittaker, Ledden & Kalafatis 2007) empirically tested and confirmed that customer satisfaction was a mediating variable in the relationships between CPV, service quality and behavioural intentions.

2.2.4.4 Service quality and customer perceived value: the higher-order construct conceptualisation

Existing research has shifted from defining and conceptualizing to actually examining different measurements of CPV in the diverse contexts (Zauner, Koller & Hatak 2015). Although these multidimensional models have assisted the previous studies in sharping the complexity of the nature of CPV, those frameworks are inadequate (Lin, Sher & Shih 2005). As Zeithaml (1988) revealed, CPV should be conceptualized at a more abstract level. Furthermore, Lin et al. (2005) are concerned about a possible problem that might be raised regarding the abstraction levels of endogenous and exogenous constructs in analysing a structural modeling. Consequently, the conclusions concerning the effects of SQ and CPV on other consequent constructs in modeling might be unconvincing. Moreover, the abstraction of the constructs of CPV and SQ included in the model allows for more theoretical parsimony and less model complexity (Law & Wong 1999; Law, Wong & Mobley 1998; MacKenzie, S,

Podsakoff & Jarvis 2005). All the above suggestions signpost the researcher that in this thesis CPV and SQ should be conceptualised as second-order constructs.

Further, many researchers have indicated that the reflective construct for SQ should be multidimensional (Brady & Cronin Jr 2001; Parasuraman, Zeithaml & Berry 1985, 1988), and hierarchical (Dabholkar, Thorpe & Rentz 1996; Fassnacht & Koese 2006; Parasuraman, Zeithaml & Malhotra 2005) although existing research still continues the debate over the formative vs reflective conceptualization of CPV (Zauner, Koller & Hatak 2015). Regarding the first-order levels of CPV, a majority of researchers have specified that CPV has a reflective formation at the lower level indicators or measures (items) (Zauner, Koller & Hatak 2015). However, Baxter (2009), Diamantopoulos (2010), Ruiz et al. (2008), Roig et al. (2006), to name a few of many scholars, have raised the question of whether the higher order conceptuliasation of CPV should be formative or reflective. So far, the debate surrounding this issue is still going on. Coltman et al. (2008), Jarvis, MacKenzie and Podsakoff (2003), recommended some key decision rules for applying either a formative or a reflective construct in measurement modeling. These rules cover: a) the nature of the construct and the direction of causality from the latent construct to measures; b) characteristics of the items used to measure the construct (sharing common themes, interchangeability of the items/indicators); and c) item inter-correlation (covariance among the items/indicators).

Theoretically, CPV is a latent construct with a complex nature. In the conceptual definition the causality direction is predicted to be from perceived value construct to its dimensions (functional, social, knowledge, and emotional). Hence, with Sheth et al.'s (1991b, p. 163) proposition that the value dimensions are independent, "relating additively and contributing incrementally to choice", some researchers such as Lin, Sher and Shih (2005), Roig et al. (2006), Ruiz et al. (2008) have argued that CPV should be a formative construct. In contrast, Sweeney and Soutar (2001), Pura (2005) suggested that the value dimensions are dependent and interrelated. As a result, the concept of CPV should be identified as a second order reflective construct (Lapierre 2000; Mathwick, Malhotra & Rigdon 2001; Sánchez-Fernández & Iniesta-Bonillo 2009). This debate over the interrelationships between the CPV dimensions provides an indication to the researcher that there is a possibility of reflective conceptualization of CPV in the measurement model used in the quantitative study.

Moreover, in the formative model, each component plays a vital role in forming the whole construct, and the whole would be incomplete if any element were missing (Lin et al 2005). Jarvis, MacKenzie & Podsakoff (2003) also specified that the exclusion of any component from the formative model would change the realm of the perceived value construct. However, in the reflective model, indicators are expected to share similar content, and thus theme. The construct validity should be maintained even if an indicator is dropped (only the reliability should suffer), and thus equally reliable indicators should be interchangeable (Jarvis et al., 2003; Rossiter 2002). Therefore, in this thesis, we adopt the view of the second-order reflective modeling of CPV (Coltman et al. 2008; Jarvis, MacKenzie & Podsakoff 2003) since all the indicators in our model share a common theme, and dropping an indicator should not adjust the domain of the construct. This is especially because, the later empirical analysis in the quantitative data phase of this research, showed a highly positive correlation between indicators and internal consistency, which is expected for such reflective constructs (MacKenzie, Podsakoff & Jarvis 2005).

2.2.5 Section summary and research lacunas

This section provided an overview of extant research on CPV over the last decades. Two major perspectives, the utilitarian view and the behavioural view, provide the grounds for scholars in conceptualising the latent concept of CPV. Based on these perspectives, a number of frameworks have been developed with the aim of constructing customer or consumer value. Those models have been categorised into two large groups, unidimensional and multidimensional frameworks, which have been empirically tested. Although a large number of works examine consumer value as a unidimensional concept, the recent work by La, Patterson and Styles (2008) and Sweeney and Soutar (2001) affirmed that value is multifaceted and contextual. Sánchez-Fernández and Iniesta-Bonillo (2007) suggested that the multidimensional approach may overcome the excessive focus on economic utility in the traditional view of perceived value. In other work, those authors (2006) also pointed out that this approach provides a point of departure for studying consumer behaviour regarding customers' feelings in purchasing and consumption habits.

The review of the customer value literature suggests some opportunities for further research. Firstly, work needs to be undertaken in investigating the weights of different dimensions of customer value across a range of industrial and cultural settings (Boksberger & Melsen 2011; Graf & Maas 2008). Secondly, the consideration of all relevant stakeholders, especially

employees, should be taken into account in studying customer value (Payne & Holt 2001). Further, there is room for future study in the measurement area. Work should be done to understand and outline the measures of CPV (Lin, Sher & Shih 2005; Whittaker, Ledden & Kalafatis 2007). Based on the findings from the review of value research in general, and in public services in particular, the construct of CPV is a critical element influencing satisfaction as well as customer decision-making in public service contexts. Therefore, this study seeks to address the gap in the consensus of understanding and operationalising the construct of customer value in service research.

2.3 Parent theory 2: value co-creation

In order to explore the key phenomena of 'value' and 'value co-creation' in intensive citizen-oriented service settings, the researcher has reviewed the research on CPV and its relevant variables. These themes have been studied in a range of different theoretical frameworks, which have roots in the traditional goods-dominant (G-D) logic. Within this logic, services were identified by four distinguishable characteristics (intangibility, heterogeneity, inseparability and perishability) in comparing them with goods (Lovelock 1983). In other words, services are considered as special kinds of goods. Within this view, preceding research considers that customers have a passive role, separately and outside the firm- that customers are merely passive receivers of what the firm provides (Payne, Storbacka & Frow 2008).

An emerging S-D logic perspective proposed by Vargo and Lusch (2004) has challenged the abovementioned traditional well-known view in investigating value creating. Value should no longer be considered as being created during the manufacturing process or by suppliers; it is considered as something that customers administrate in their own consumption setting (Grönroos 2008b; Grönroos & Voima 2013; Lusch & Vargo 2006a; Vargo & Akaka 2009; Vargo & Lusch 2004). An early work by Prahalad and Ramaswamy (2004b) acknowledged the active role of customers in creating value. Walter, Edvardsson and Öström (2010) further stated that so far in investigations of customer value there had been a lack of in-context consideration of customers' personal interactions with others. The focus of value creation shifted towards a collaborative practice of co-creation between different entities (Prahalad & Ramaswamy 2004b), making new chances for service provision (Vargo & Lusch 2008b). Value co-creation is considered one of the keystones of S-D logic. The aim of this section is to shed light on the paradigm shift and the nature of the value co-creation process generally.

Following the brief overview of S-D logic as a theoretical basis for service research, the section discusses the movement from G-D logic to S-D logic. Then a review of the extant literature on value co-creation is given. Based on this review, the researcher will highlight the gaps in the research stream in value co-creation, in order to justify the current study. The section concludes with the framework of theoretical foundations underpinning this study.

2.3.1 Service-dominant logic: an emerging lens for value creation

Since the notion of S-D logic was advocated for the first time by Vargo and Lusch (2004), emerging interest in this mindset had stimulated more than a thousand citations in Google Scholar by March 2010, and hundreds of articles using the term 'service-dominant logic' (Brodie, Saren & Pels 2011, p. 76). That number has grown enormously, to nearly 10,000 articles by September 2014. The fundamental idea of the service-centric logic is that service is exchanged for service, where service is the process that applies competencies (that is, knowledge and skills) for the benefit of another and is the fundamental basis of exchange (Vargo & Lusch 2008b). To that extent, topics of co-creation of value by multiple actors have been the broad focus under this service-centred view.

The two pioneers of S-D logic acknowledged that although they were the first to use the name they were not its inventors. It was likely an open-source advancement (Vargo & Lusch 2008b). For instance, some parts of S-D logic regarding co-creation had been introduced in work by Prahalad and Ramaswamy (2004b). Alter (2010) pointed out the direct overlap in studying customer roles and value co-creation in comparison with S-D logic and the service system approach. The following subsection will discuss in more detail the main premises building up the S-D logic.

2.3.1.1 Foundational premises of service- dominant logic

Over time, S-D logic has been reviewed, revised and developed in contributions by numerous leading scholars and conference discussions dealing with various aspects of this logic (Ballantyne & Varey 2008; Baron et al. 2010; Gummesson 2008; Lusch & Vargo 2006b). Since S-D logic was first introduced in 2004, its foundational premises (FPs) have been modified several times in subsequent works by the same authors (Lusch & Vargo 2006a; Vargo & Lusch 2006) and have been comprehensively updated (Vargo & Lusch 2008a). Significant evolution in the S-D logic school of thought can be identified in many aspects, including the extension of provisions presenting this service-centred logic; the terms or

lexicon used for the perspective; and, particularly, the interpretation and elaboration of the FPs of this view.

The eight initial FPs presented in the seminal paper (Vargo & Lusch 2004) were expanded to 10 FPs in the revised version (see Table 2-9). FP9 was modified to recognise the role of all resource integrators involved in value co-creation, since the resource-integration role of individuals and households must be equal to that of the firms (Arnould, Price & Malshe 2006). Additionally, FP10 emphasises the nature of value, which is value-in-use and further value-in-context determined by the beneficiary, typically customers in use. The conceptualisation of value and the role of customers or consumers change from being exogenous variables in the G-D logic to being an endogenous variable in the S-D view (Lusch & Vargo 2006a).

Table 2-9 Foundational premises of S-D logic

FPs	Original foundational premises	Modified/new foundational premises	Comment/explanation
FP1	The applications of specialised skill(s) and knowledge is the fundamental unit of exchange	**Service** is the fundamental **basis** of exchange	Service is exchanged for service The basis of activities performed by parties engaged in business is to provide service
FP2	Indirect exchange masks the fundamental unit of exchange	Indirect exchange masks the fundamental **basis** of exchange	Because service is provided through complex combination of goods, money and institutions, the service basis of exchange is not always apparent
FP3	Goods are distribution mechanisms for service provision	Goods are a distribution mechanism for service provision	Goods (both durable and non-durable) derive their value through use-the service they provide
FP4	Knowledge is the fundamental source of competitive advantage	**Operant resources** are the fundamental source of competitive advantage	The comparative ability to cause desired change drives competition
FP5	All economies are services economies	All economies are **service** economies	Service (singular) is only now becoming more apparent with increased specialisation and outsourcing

FPs	Original foundational premises	Modified/new foundational premises	Comment/explanation
FP6	The customer is always a co-producer	The customer is always a **co-creator** of value	Implies value creation is interactional The customer as user is always involved in the value-creation process
FP7	The enterprise can only make value propositions	The enterprise **cannot deliver value,** but can only offer value propositions	Enterprises can offer their applied resources for value creation and collaboratively (interactively) create value following acceptance of value propositions, but cannot create and/or deliver value independently
FP8	A service-centred view is customer oriented and relational	A service-centred view is **inherently** customer oriented and relational	Because service is defined in terms of customer-determined benefit and co-created, it is inherently customer-oriented and relational
FP9		All social and economic actors are resource integrators	Implies the context of value creation is networks of networks (resource integrators)
FP10		Value is always uniquely and phenomenologically determined by the beneficiary	Value is idiosyncratic, experiential, contextual and meaning laden

Source: Vargo & Lusch (2004, 2008a); Grönroos (2011)

A substantial development in S-D logic insight has been found in the transition of service conceptualisation (Vargo & Lusch 2008b, 2008a). Vargo and Lusch in 2004 provided the following definition of 'services': 'the application of specialized competences (knowledge and skills), through deeds, processes, and performances for the benefit of another entity or the entity itself' (Vargo & Lusch 2004, p. 2). Their explanation for the narrowed-down definition, compared with the typical definition by Zeithaml and Bitner (2000), is that it is more inclusive and covers all kinds of businesses. The most emphasised change is the use of the singular form 'service' to replace the plural form 'services', which was used in their first publication. In some more advanced versions of S-D logic, 'services' is used to refer to one

special kind of goods (intangible) while ‘service’ is defined as the process or activity of doing something for and with another. In some later studies, the two scholars acknowledged that in the first publication the definition and the use of the plural form ‘services’ still relied much on the traditional G-D view. Starting from the 2006 work, the authors argued that the term in plural form, ‘services’ actually comes from the G-D view that considers it as a special kind of goods with some special characteristics (intangible, heterogeneous, inseparable and perishable—‘IHIP’ features). Vargo and Lusch (2008b) emphasised and insisted on the use of the singular form of ‘service’. Particularly, in the special issue of the *Journal of the Academy of Marketing Science* (2008) these authors presented an essay focusing on this usage of ‘service’ versus ‘services’.

Kohli (2006) and some other scholars called for a focus on wording and language in the new logic. Over time, there has been a considerable improvement, and a departure from the lexicon used in the Vargo and Lusch’s 2004 seminal work. As the logic creators realised and expressed in papers after the first publication, under the influence of the so-called traditional view of G-D logic the terms or language initially used in the seminal publication might have created some confusion or traps in identifying and expressing the ideas of the S-D perspective. One of the reasons is that the G-D logic, known as a world view, has a paradigmatic position and has become potent over time. However, in the 2008 version, the terms interpreting the S-D view have been much improved, moving out of the G-D logic lexicon (Vargo & Lusch 2008b).

Another significant evolvement that can be observed in the insights of this S-D perspective is that, through the lens of the S-D view, co-production is considered as only a subset of value co-creation. Involvement of customers in co-production of the offering is optional; however, value is only created with customer participation. Hence, use of the term ‘value-in-context’ is recommended for the term ‘value-in-use’, although the term ‘value-in-use’ is clearly an improvement on the use of ‘co-production’ the Vargo and Lusch’s article (Vargo 2008).

Moreover, in an effort to elaborate S-D logic, contributions by these scholars and many other academics and managers should be considered. Quite a large number of various studies intend to explain one (Chunyan, Bagozzi & Troye 2008; Moeller 2008; Payne, Storbacka & Frow 2008) or more propositions of S-D logic (Blazevic & Lievens 2008; Fisher & Smith 2011; Flint 2006) . Some key streams of exploration and explanation of the service-centric logic have been revealed in research, including resource-based studies, relationship

marketing, brand marketing and some other areas. The most extensive effort can be found in the research field regarding the customer as being co-producer and co-creator. These themes will be precisely addressed in the next section of this chapter.

Furthermore, Gummesson (2006, 2008) challenged the S-D logic perspective with the notion that service should contain balanced centricity rather than either firm/provider centricity or customer-centricity as the S-D logic proposes. Based on relationships and the S-D logic foundations, the writer emphasised that the win-win strategy plays an important role here as both the firm and the customer should feel satisfied. In the extended network view (many integrators) the relationship should give mutual/simultaneous satisfaction for the network-involved parties. Additionally, Maglio and Spohrer (2008) suggested that the logic might become the foundation on which to build a theory of service science.

Vargo and Lusch (2008a) acknowledged that the S-D logic is still at a 'pre-theoretic' stage and that it is a mindset and a developing framework. Further development and enhancement is required for it to become a scientific world view or paradigm. Employing another approach to S-D logic, Löbler (2011) came to the same conclusion, that the perspective is classified as primarily inter-subjective and needs further improvement. Employing the S-D logic view, Tynan and McKechnie (2009) tried to explain the difference in experience marketing between academics and practitioners. Following this direction, Warnaby (2009) investigated place marketing context through the lens of S-D logic. Notably, S-D logic authors suggested that the logic may provide a foundation for a general theory of marketing and/or the market (Lusch & Vargo 2006; Vargo & Lusch 2008b).

2.3.1.2 Shift from goods- to service- dominant logic

The traditional study of service(s) has been addressed in the literature by various names, such as 'neoclassical economics research tradition' by Young, Klemz and Murphy (2003) and Zywno and Waalen (2002), 'marketing management' by Webster (2000) and Webster Jr (2006), 'old enterprise logic' by Zuboff and Maxmin (1991), 'manufacturing logic' by Normann and Ramirez (1998a), 'goods-based logic' by Grönroos (2006) and, finally, 'goods-dominant logic' by Vargo and Lusch (2004). These scholars explained that the goods-based view considers 'goods' (tangible output with embedded value) as the primary emphasis of economic exchange, and 'service(s)' as either one special kind of goods (intangible) or an additional or supplemental part that increases the value of those goods. For instance, Normann and Ramirez (1998a) claimed that 'traditional thinking about value is grounded in

the assumptions and the models of an industrial economy'. Additionally, Vargo and Lusch (2004) argued that, despite whatever name is given to this view, the G-D logic applies the ideologies established for goods production to managing services production and delivery.

Sheth and Uslay (2007), for example, re-examining the traditional paradigm of exchange or G-D logic, identified several limitations. Based on that view, the practical single-minded research has focused on the role of the customer as being the buyer/selector only. Less importance is given to the customer as user and payer. Similarly, the role of the producer and the financier has been neglected by focusing on the single role of the seller or the supplier. In other words, the exchange paradigm or goods-based view restricts the roles and responsibilities of the two parties.

The two pioneers of S-D logic ((Lusch & Vargo 2006a; Vargo & Lusch 2004, 2008b) have proposed and reshaped a new logic perspective named 'service-dominant logic'. This logic views 'service' (in singular form) as a process of doing something for another party, in which service is the primary basis of exchange activity (Vargo & Lusch 2008b). The two authors did not ignore the role of goods. They stated that goods might play the service delivery role in a subset of economic exchange. In other words, goods originate their value through use-the service they provide. Based on a service-driven approach and principles, S-D logic is precisely different from the G-D logic approach modified from goods managing to service(s) managing. One of the significant differentiating features of S-D logic is the endogenous role of all customers, employees, managers and organisations being operant resources and integrators. Thus, it must change the definition of the similar phenomenon of customer value as well as who is the customer in a relational exchange, since they are all actors and simultaneously integrate to create value, and the role of buyers and suppliers will overlap at some levels.

A review of the literature regarding service marketing and relationship marketing partly provides some evidence of the transition from the G-D to the S-D logic (Grönroos 2006). For instance, Berry (1983) proposed the concept of 'relationships' to replace the common terminology of 'transactions'. 'Quality' has been conceptualised in terms of 'customer perceptions' rather than 'manufacturing standards' (Grönroos 1988; Parasuraman, Zeithaml & Berry 1985). The Nordic school of thought represented by Grönroos (1984; 1994), Gummesson (1979) and many other scholars proposed a new direction for service marketing research away from the existing goods-based models. It takes as a departure point the

question ‘what should marketing look like to fit this phenomenon?’ (Grönroos 2006, p. 318). Similar to the S-D mindset, the Nordic school has supported the notion of consumers as a resource, participating as co-producers in the service production process: ‘the consumers are also actively taking part in shaping the service offering, i.e., in product development’ (Perry 1996, p. 596).

Rust (2004) stated that the traditional transactional choice models (from the G-D view) are insufficient in investigating the order-of-entry issues that late-movers a position of advantage. The author posited that, since developments in IT continue at a rapid pace, the S-D logic provides an opportunity for studying the optimal market-entry position in the context of a relationship. Similarly, based on the resource theory, Barnes, Collier and Lueg (2009) revisited how resource dominance in a competitive environment (operant versus operand) impacts on the optimal entry for the firm. They concluded that the first movers have advantages in the setting, with the operant-dominant environment being based on building a long-term relationship with the customer, along with the co-creation of value and the complex processes within the firm. In contrast, for operand-dominant service the late-movers actually have advantages over the pioneers by using different strategic plans.

More recently, Michel, Brown and Gallan (2008) provided evidence for the shift in favour of a service-centric logic in the research on discontinuous innovations. They argued that the traditional G-D logic models have their roots in technological product inventions, and they lack the power to explain many new forms of innovation. For example, the success of the then newly-established (it was seven years old at the time the paper was published) Google was valued at billions of dollars and was overtaking a list of business giants, including Coca-Cola Co. and British Airways in terms of market capitalisation. This claim also supports Barnes and colleagues’ (2009) argument on the advantage that late-movers have. The traditional approaches grounded on models based on G-D logic, and, likewise, models of innovation diffusion, seem to be inadequate to deal with a number of innovation issues. For example, patterns between consumers and producers have been unclear (e.g., ‘wikinomics’ has now expanded to become ‘macrowikinomics’), and some firm strategic integration creates high profit margins while offering low prices (e.g., the retailer IKEA). Those authors, Barnes and colleagues, affirmed that S-D logic makes room for explaining such issues of innovation. They presented a framework that indicates S-D logic innovation changes the customer’s roles as buyer, payer or user, and firms can find advantage through different channels of smart offerings, different value integration approaches, and reconfigured value

constellations. In particular, drawing from the conceptual framework, these authors suggest that the results of their study can have several implications in many different areas, ranging from developing nations, management and policymaking to the research community. Similarly, a movement from the G-D to the S-D view has also been identified in the research on value (Lindgreen et al. 2012). In the next section, the research on value creation and co-creation is reviewed, and an explanation of the need to conduct this study is presented.

2.3.2 Contemporary research on value co-creation

Reviewing a growing body of research and publications on customer value over the last three decades, Fisk, Brown and Bitner (1993) stated that the field has developed and reached a higher level of maturity. However, this development would be revised with the publication of 'Evolving to service-dominant logic for marketing' by Vargo and Lusch (2004) in the *Journal of Marketing.* In this line of thinking, based on the views of 11 academic experts in the service marketing field, Edvardsson, Gustafsson and Roos (2005, p. 118) asserted that 'service is a perspective on value creation rather than a category of market offerings'. Thus, defining a service should consider 'what a service should do for the customer' and 'services as activities' (Grönroos 2006).

In the more recent literature in both marketing and management fields, the focus on value and value creation is emphasised more than ever. Examples include attempts by the American Marketing Association and the Chartered Institute of Marketing to market redefinitions (Grönroos 2011; Keefe 2004; Lusch 2007), and works by Prahalad and Ramaswamy (2004a), Grönroos (1989), Ravald and Grönroos (1996) and Holbrook (1999). Grönroos (2011) noticed that reciprocal value creation is the basis of all business, in which value for the firm is made by business engagement, whereas value for the customer is determined in terms of the customer becoming better off either economically or in some other respect (Sánchez-Fernández & Iniesta-Bonillo 2007; 2006).

Vargo and Lusch (2004) acknowledged that transactional marketing is still predominant, with all types of firms and the majority of businesses still subscribing to a G-D view where the product is the primary unit of exchange. Likewise, many other scholars (Aaker et al. 2013; Matz 1999; Patterson, A, Hodgson & Shi 2008) confirmed that the S-D approach has been employed by only a small percentage of businesses. Also, Lusch and Vargo (2006b, p. 247) highlighted that 'some firms might be adopting part of each (G-D and S-D logic)'. In addition, drawing on the findings of the contemporary marketing practices group, Brodie,

Pels and Saren (2006) challenged the singular use of S-D logic. Subsequently, those authors and other scholars (Brookes 2007; McCalla 2003) called for attention from the research community to seeking integrative and comprehensive approaches that would address S-D practices but equally as well accommodate G-D and hybrid forms of practices.

2.3.2.1 From co-production towards value co-creation

In refining the concept of value co-creation in the S-D logic, a distinction should be made between 'co-production' and 'value co-creation', although they have usually been treated as interchangeable terms (Vargo & Lusch 2006, 2008a).

In service management research, 'co-production' refers to customer involvement during service production (Chathoth et al. 2013). In co-production, due to the interactive nature of service activities, where production and consumption processes occur partly simultaneously, customers engage in a joint production process and service offering and become participants in that process (Lengnick-Hall, Claycomb & Inks 2000). In this process, the customer and the supplier's personnel interact and participate together (Meuter & Bitner 1998), which leads to the joint creation of results (Bendapudi & Leone 2003). Auh et al. (2007) acknowledged the long-time recognition of the participation role of customers in the service delivery process. Other scholars, like Dabholkar (1996) and Lovelock and Young (1979), proposed that the focus on customer participation creates productivity benefits and lower costs by substituting customers for employee labour (Mills & Morris 1986). Auh et al. (2007) identified the co-production benefits as customised service offerings. Taking a different approach of customer co-production, via a customer's inputs of efforts, time and attention, Cheung and To (2011) arrived at the same conclusion- that this co-production enables the service providers to adapt to customer requests and, hence, inspire the customer's favourable opinion of the service with which they were presented (Mills & Morris 1986).

The literature also includes another view of co-production, by combining and exchanging resources among collaborators, in particular customers (Chen, Tsou & Ching 2011). This view has the emphasis on joint construction and usage of resources by the customer and service supplier (Möller 2006; Ulaga & Eggert 2006). During the service-offering process, customers can contribute their resources in terms of either information (Bitner et al. 1997) or knowledge (Blazevic & Lievens 2008). Consequently, Chen, Tsou and Ching (2011) argued that co-production involves customer participation as well as the associations among customers in a value network.

This view of co-production puts the firm at the centre of value creation and seems partly to ignore the significance of the exchange between the firm and consumers, as well as their mutual dependence (Chathoth et al. 2013). Payne and other scholars (2008) argued for a firm-centric view informed by the traditional view of G-D logic. They postulated five constraints in applying the co-production approach. These were the emotional engagement of customers through advertising activities; self-service in which customers gain from labour contribution; customers being part of the setting in which the firm offers a service experience; customer self-selecting and using the prescribed processes of the provider; and the firm and customers collaborating and acting collectively to co-design products and services. This theme places excessive emphasis on the firm's value creation activities, while customers play a passive role (Prahalad & Ramaswamy 2004b). The alternative view, 'co-creation', has been proposed to overcome some of the restrictions of the G-D view.

Value co-creation was informed by S-D logic and is considered as essential to the extant research on value (Lusch, Vargo & O'Brien 2007; Maglio & Spohrer 2008). Underpinning the S-D logic, value co-creation was defined as the joint production of value for both parties through interactive processes (Chathoth et al. 2013). In this view, Vargo and co-authors (2008) emphasised that firms and customers play balanced and interdependent roles in service production and value creation. In addition, there were joint efforts and collaborations between firms and customers in value-creation activities. In this process, it is essential to engage the customer in a dialogue (Matthing, Sandén & Edvardsson 2004; Normann & Ramirez 1998b; Vargo & Lusch 2006) or to learn from the customers (Ballantyne & Varey 2006).

Lusch and Vargo (2006a) recognised that value co-creation includes two important components, namely, co-creation of value and the co-production component. The latter element involves participation in the creation of the core offering itself. That may happen through sharing ideas, co-design or sharing production of related goods (Lusch, Vargo & O'Brien 2007). Particularly, it may occur with any other partner, not only customers, in the value network (Gummesson 2008). Co-creation of value is the most encompassing component (Vargo & Lusch 2008a). It happens at the intersection of the offerer and the customer over time: either in direct interaction or mediated by goods.

An increasing amount of work in marketing—for example, by Chandler and Vargo (2011), Grönroos (2006), Lusch and Vargo (2006), Moeller (2008), Peñaloza and Mish (2011), Vargo

and Lusch (2004, 2008a) and Woodruff and Flint (2006), just to name a few—has contributed to the understanding of co-creation in the service-oriented view. In the interdisciplinary field of strategic management and marketing, scholars such as (Edvardsson et al. 2011; Edvardsson, Tronvoll & Gruber 2011; Prahalad & Ramaswamy 2004a, 2004b) have also made contributions to the expansion of this research. Furthermore, the concept of value co-creation or value formation can be found in the research theme of service encounter studies, which deals with the outcomes of the contact between the provider and the customer (Grönroos, C 2008a).

The role of customer as a co-producer of service activities has been addressed in some early works by Grönroos (1989) and Ulaga (2003). A later work by Grönroos (2011) further identified that production generates only potential value, while usage generates real value. Drawing on practice theory, Korkman, Storbacka and Harald (2010) stated that value is not created but emerges for the customer from a well-supported practice. Grönroos (2006; 2008a) debated that co-creation of value can take place only if interactions between the firm and the customer happen or exist. If there are no direct interactions, no value co-creation is possible. Furthermore, Grönroos (2011; 2012) argued that value creation is not an all-encompassing process; it does not include design, development and manufacturing of resources, or back-office processes. These activities are considered part of production but not part of value creation. The author also underlined that only in certain settings when the customer is involved in such activities may they become part of value creation. For example, when airline customers check in and print their boarding card by using the check-in facilities, they co-produce the service embedded in the resource; hence, the value was co-created with the option of saving time and reducing stress. In other words, value co-creation is considered a function of co-production.

Moreover, according to several scholars (Prahalad & Ramaswamy 2004a; Vargo & Lusch 2004, 2008a), co-created value is the level of perceived value created by virtue of interactions, over and above the value derived from consuming the service itself. Studies on different types of interactions exist, ranging from interactions with frontline personnel (Prahalad & Ramaswamy 2004b) and interactions with other customers (Grönroos 2008b) to interactions with the digital communications environment (the internet, for instance) (Bolton & Saxena-Iyer 2009). Hence, Hollebeek and Brodie (2007) suggested that it is necessary to determine the specific levels of co-created value generated by different types of customer interactions. Although the first step of developing those measures was undertaken by some

scholars-for example, Zhang, Chen and Li (2007) developed measures of two constructs of service capability and customisation competence-further development and improvement of valid measurement instruments of consumers' perceived co-created value is still required. Since the introduction of the newly emerged S-D logic, value co-creation has been considered a complex phenomenon that needs to be investigated more deeply. The next section provides a review of the phenomenon's conceptualisation in the extant literature, and then the justifications and the research questions to guide this study.

2.3.3 Conceptualisation of value co-creation

Traditionally, in the literature on service, services have been considered as goods with some other distinguishing characteristics (namely, intangible, perishable, inseparable and heterogeneous). However, some goods are also perceived as intangible (Grönroos 2006). Many scholars have identified that, with the application and development of information and communication technology, goods and services are produced in new ways using techniques that allow customers to engage in the production process. Goods are undoubtedly becoming like services. Thus, the goods-based logic or view has been challenged and is under pressure to change. Vargo and Lusch (2004) initially proposed a S-D logic, or a service-based view, that may give more general guidelines in a marketing context.

The service-oriented view is presented with a distinction being made between 'operand resources' and 'operant resources'. Operand resources are 'resources on which an operations or act is performed', for example, 'land, animal life, plant life, minerals and other natural resources'; operant resources are most prominently the 'skills and knowledge' that are 'employed to act on operand resources (and other operant resources)' (Vargo & Lusch 2004, p. 2). The foundational premise 6 of this logic, stating 'the customer is always a co-creator of value', implies that the customer is actively engaged in a process-labelled value creation (Vargo & Lusch 2008b, p. 7). Additionally, according to Vargo, Maglio and Akaka (2006), within models based on the G-D view, the roles of different actors in value creation (for example, service providers/suppliers and consumers) are separate, but they might overlap in a S-D view. Tapscott and Williams (2008) showed that customers can reshape their roles to become contributors or creators. Although it shares the notion of the more active customer role, and the subjective, process-based nature of value, the discussion of what value co-creation is primarily about and how it can assist business purposes remains debatable (Saarijärvi, Kannan & Kuusela 2013). These authors have also provided a review of various

approaches addressing the phenomenon of value co-creation in present literature, which is introduced in the subsection below.

2.3.3.1 Different approaches to value co-creation

In the last decade, the issue of value creation and the focus on value for customers has received growing interest from both management and marketing research. When exchange is considered the principal conception in the field, value for the customer has to be predictably embedded in what is exchanged-in other words, in the product itself (Grönroos 2006). However, this traditional logic, viewing value for customers (or value-in-exchange) as being embedded in products that are outputs of a supplier's manufacturing processes, has been tested by the notion of value-in-use. The notion of value-in-use, primarily proposed by Woodruff and Gardial (1996), implies that value is created when products, goods or services are used by customers. Woodruff and Gardial (1996) defined the value for the customer as:

> The customers' perception of what they want to have happen … in a specific use situation, with the help of a product or service offering, in order to accomplish a desired purpose of goal (p. 54).

A number of scholars (for instance, Grönroos 2006; Lusch & Vargo 2006a; Prahalad 2004; Vargo & Lusch 2004, 2008a) have extensively supported and extended this view. The complex nature of value co-creation has been reported, and diverse approaches to the concept have been applied complementarily, enriching the research body (Saarijärvi, Kannan & Kuusela 2013). This complexity is presented in Appendix 2, an overview of some selected works on value co-creation in different domains. As evidenced in Appendix 2, researchers have undertaken different approaches to examine diverse aspects of value co-creation in numerous research settings.

The service-dominant logic approach

According to Vargo and Lusch (2004), an S-D framework views value as being defined by and co-created with the customer rather than embedded in the product. In other words, according to the value-in-use view, value for customers is not created and delivered by the supplier but emerges during usage in the customer's process of value creation (Ballantyne & Varey 2006; Grönroos 2011; Gummesson 2008). Vargo and Lusch (2004) emphasised that value is created by the user and also experienced by the user, who also uniquely determines what value is created. Being operant resources, individual customers would create various levels of value depending on the amount and quality of their skills and knowledge (Lusch &

Vargo 2006a). Moreover, value creation has been related to an interactive process (Grönroos 2008a; Vargo & Lusch 2008b), to relationships (Vargo 2009) and to customer experience (Baron et al. 2010; Cova, Dalli & Zwick 2011; Patterson, Hodgson & Shi 2008). Therefore, value is always co-created (Vargo & Lusch 2008b). In short, Edvardsson et al. (2005) summarised that value co-creation, having an interactive, processual, experiential and relational nature, through the lens of the customer is considered the central theme of the S-D mindset.

The service science approach

Originally, service science was developed within an IBM-led discipline (Gummesson, E & Polese 2009). 'Service systems' are defined as value co-creation patterns consisting of individuals, technology and value propositions (Saarijärvi, Kannan & Kuusela 2013). Vargo and Akaka (2009) suggested that service systems were the foundation element of analysis in service science. Maglio and Spohrer (2008) characterised service systems as follows:

> The smallest service system centers on an individual as he or she interacts with others, and the largest service system comprises the global economy. Cities, city department, businesses, business departments, nations, and government agencies are all service systems (p. 18).

Spohrer et al. (2008) stated that every service system is reliant on other entities. In addition, each of them can be considered as both a customer and a provider, and together they can interact to co-create value. Spohrer et al. also argued that, in service systems, the purpose and realisation of interaction and exchange is the value co-creation. In other words, value co-creation occurs through 'the integration of existing resources with those available from a variety of service systems that can contribute to system well-being as determined by the system's environmental context' (Vargo, Maglio & Akaka 2008, p. 150). Baron and Harris (2008) empirically examined value co-creation through customers' resource integration and came to the same notion. The slightly misleading argument of this approach was theoretically established on the S-D logic (Maglio & Spohrer 2008), since, as Vargo (2007) claimed, S-D logic is a mindset rather than a theory. In short, the service science approach focuses on the notions of resources and interactions, and especially the significant role of technology to enable the process of co-creation.

The service logic approach

The service logic approach can be found in a number of studies by several scholars, for instance Grönroos (2006; 2008b; 2011), Grönroos and Ravald (2009), Åkesson (2011) and Heinonen et al. (2010). Within this logic, the customer is in charge of the value-creation process by combining their resources with the resources provided by the firm, consequently concentrating on the service orientation of consumption. Grönroos (2006) concluded that value is not co-created. Furthermore, the author argued value co-creation happens only in some cases when the firm adopts and establishes interactions between the firm and the customer. In these cases, there should be mutual activities thorough which the entities can influence each other to realise the value proposition as value-in-use (Heinonen et al. 2010). Grönroos (2008a, p. 307) stated 'it is not the customer who becomes a value co-creator with a supplier, rather it is the supplier which, provided that it adopts a service logic and develops firm–customer interactions as part of its market offerings, can become a co-creator of value with its customers'. Grönroos (2006, p. 324) emphasised that 'suppliers only create the resources or means required to make it possible for customers to create value for themselves'.

Other approaches

Although the dyadic relationship between the customer and the firm is significant, Gummesson, Lusch and Vargo (2010) also highlighted the presence of other actors, such as intermediaries, employees, neighbours and society in general. This is a reminder of the FPs of the S-D logic, that all social and economic actors are resources integrators (Vargo & Lusch 2008a, 2008b). Therefore, value is the concern of each actor who performs a role in the network, not just the customer (Mele 2009). Cova and Salle (2008) examined value co-created with customer network actors; Frow and Payne (2011) had close insight into value propositions by different stakeholders; and Gummesson (2006, 2008) suggested a 'balanced centricity' perspective to replace customer-centricity.

Likewise, using social construction theories Edvardsson, Tronvoll and Gruber (2011) located value co-creation within a social context, with an understanding of actors, their levels and interplay. The central idea is that the context of value co-creation is also co-created (Giddens 1984). In this approach, the networks should be investigated in the context of their network connections, at different levels of micro, meso and macro (Chandler & Vargo 2011). Thus, these scholars proposed use of the concept in a value-in-social context instead of value-in-use context as the S-D logic suggested.

2.3.3.2 Concepts of value-in-use, value-in-context, value-in-exchange

In an S-D view, despite an emphasis on the value derived and determined through the use or context, the value determined by exchange is still a vital part in the co-creation of value (Vargo & Lusch 2006). In particular cases, there is a need to access resources from others or to require the participation of other service systems. Consequently, Vargo and his colleagues (2006) stressed that the process of co-creating value is driven by value-in-use but mediated and monitored by value-in-exchange.

More recently, work by the two S-D logic authors (Vargo 2009; Vargo & Lusch 2008b, 2008a) proposed a replacement of value-in-context for the use of value-in-use. The underpinning reason for this change is that the value is always created within a certain context. Based on consumer culture theory, Peñaloza and Mish (2011) came to the conclusion that value is a social construction. They found that cultural meaning is an important part of value and that value informs meaning. These writers shared the same view as Vargo and Lusch, (2008a) in which value is meaning-laden, contextual, experiential, phenomenological and operative for multiple actors/agents at the level of the social system.

Taking a social construction approach, Edvardsson, Tronvoll and Gruber (2011) presented an integrated model between S-D logic, social structure and social systems for value-in-context study. Cheung (1997) emphasised that the customer's active role in creating meaning (and so value) forms part of the social exchange process. The meanings can be identified and appreciated dissimilarly in different social systems or contexts. Consequently, value should be seen as value-in-context or, further, value-in-social-context.

In this regard, Chandler and Vargo (2011) advocated that the context of value co-creation is also co-created. To be comprehensively understood, the actions of agents/actors must be seen in the context of their network connections at the different levels of micro, meso and macro. Nevertheless, Grönroos (2009) argued that, although the value creation might change with its context, the use of value-in-context was problematic since the context setting could be static while the value creation was dynamic. Taking into account all those considerations, in this study value is considered as value-in-context, which is more complicated than only 'use' in the consumption process aspect or the specific interaction with the service.

2.3.4 Challenges in measuring co-created value within the complex service ecosystems

In S-D logic, the concept of value co-creation, it has been stated, is one of the decisive issues (Ng & Smith 2012). Vargo and Akaka (2009, p. 39) also underlined the important aspect of research on value creation: 'each instance of value creation is unique to and can only be assessed from the perspective of an individual service system'. Some scholars (Etgar 2008; Payne, A, Storbacka & Frow 2008), however, indicated that the concept of value co-creation presented by S-D logic authors (Lusch & Vargo 2006a; Vargo & Lusch 2004, 2008b) has been treated on a high level of abstraction. Consequently, the knowledge on how value is created, by whom and for whom is ambiguous (Grönroos 2009). Echeverri and Skålén (2011) asserted that the value formation framework is not founded on systematic empirical analysis. However, the authors conceded that there had been some attempts to deal with the concern, for instance, the conceptual framework by Vargo and Lusch (2004) or other works on service encounter research. Thus, there was room for empirical research on S-D logic in general (this study focuses on value co-creation).

Analysis of the contemporary research on value co-creation (see Appendix 2) brought the following insights:

- First, the service marketing and management literature provided the principal grounds for these value co-creation studies. Additionally, diversity theoretical approaches and theoretical foundations were employed in the studies, evidence that using a number of theories enriches the body of knowledge of value co-creation. It also suggests the existence of research opportunities to investigate the complexity of the phenomenon of value co-creation.

- Second, despite the growing body of research on value co-creation, recent research on the phenomenon is predominantly conceptual in its nature. In fact, among the reviewed literature, only seven papers were empirical, while the rest-accounting for more than two-thirds of the reviewed publications-were only conceptual frameworks. In addition, only two out of these seven empirical works presented quantitative results. In one of these two studies, scholars used experimental methods (Dong, Evans & Zou 2008); in the other, the authors utilised a conventional survey and supported it with some preliminary in-depth interviews (Yi & Gong 2012). Scholars also employed other qualitative methods, including case studies (Baron & Harris 2008;

Peñaloza & Mish 2011; Pongsakornrungsilp & Schroeder 2011) or in-depth interviews (Echeverri & Skålén 2011; McColl-Kennedy et al. 2012).

- Third, several studies were guided by an integrated theoretical framework consisting of more than one theory. The findings reinforced the notion that questions remain about the nuanced and multifaceted nature of value co-creation. It shows that examination of the phenomenon is underdeveloped. This provides the opportunity to investigate the phenomenon under different views and different integrated frameworks.
- Fourth, although they relied on different approaches, the majority of reviewed papers were based on the dyadic relationship between the customer and the provider as the principal unit of analysis. However, some studies either empirically or theoretically highlighted relationships among multiple actors, such as those inside customer networks (Baron & Harris 2008), and with social entities/agents (Akaka & Chandler 2011; Edvardsson, Tronvoll & Gruber 2011).
- Fifth, within the empirical studies the collected data was cross-sectional in nature, with a focus on the service-offering sector. Only one study investigated particular goods (Dong, Evans & Zou 2008). Among the other six empirical works, only the work by Peñaloza and Mish (2011) was done in firms across industries, whereas only one work examined the setting of the public sector (Yi & Gong 2012). This leaves a gap in the extant literature. It also provides research opportunities to investigate value co-creation in public service contexts.

It should be noted that measuring co-created value is a challenge for researchers and practitioners, since different approaches are employed, as shown in the data of Appendix 1 and in the literature review. Vargo, Maglio and Akaka (2008) asserted that the service system, a configuration of various resources (involving not only humans but also information and technology), is the appropriate analysis unit in studying service-for-service exchange. Those authors also pointed out that it is necessary to analyse not only the service system itself but its connection to other systems by value offers. Many other researchers, such as Akaka and Chandler (2011), Lusch and Webster Jr (2011), Frow and Payne (2011) and Wieland et al. (2012), advocated for the meaning of value to include interactions between stakeholders in networks, or ecosystems of resource integrators. In particular, they argued that the complexity underlying the conceptualisation and measurement of value creation or co-

creation is based not only on approaches from multiple perspectives (Saarijärvi, Kannan & Kuusela 2013) but also on the impacts of a constellation of social networks and institutions, and the various integrations of resource practices that they both reproduce over time (Giddens 1984, 1990). As a result, the claim that there is a need to understand value creation in connection with other systems implies that the difficulties in quantifying value co-creation emerge from varying motivations in groups of system stakeholders and other groups. That is ultimately for the researcher to deal with in altering the value alignment, which will allow the measurement of the co-created value construct. In the next subsection, the concept of value alignment will be introduced and explained.

2.3.5 Value alignment: an emergent concept for measuring co-created value

Because the S-D logic is the result of an open-source evolution, its creators (Vargo & Lusch 2008b) encouraged scholars to expand the understanding and application of the logic from a variety of viewpoints. It is noted that there are 'many avenues for (empirical) research about SD logic' (Brodie, Saren & Pels 2011). To expand this notion, Edvardsson and co-workers (2011) suggested that the research on value co-creation should be examined in a variety of social contexts, for instance, different groups of knowledge and socio-economic conditions. This study uses the themes of value co-creation in public service settings. As mentioned, the conceptualisation and measurement of value co-creation is challenged by the multiple theoretical standpoints and the complex service systems networks, with a multitude of resource integrators and agencies. It suggests a perspective to help understand how well those stakeholders align with one another within the service system. It is proposed that this alignment would affect the perceptions of value offerings. The direction was supported by the work of Vargo and co-authors (2008), which stated that value can be measured in terms of the 'adaptiveness or ability to fit in' within its settings.

Value alignment is not a new concept in the streams of strategic management in general, and information systems in particular, or human resource management. In the general stream of management on business strategies, the notion of alignment has contributed to explaining why some business mergers and acquisitions were successful or unsuccessful (Ramaswamy 1997). Scholars in this research stream shared the view that a merged or acquired firm's better performance was associated with its better alignment with the other firm-success was achieved by pooling similar resources (Lubatkin 1983, 1987) or broadening relationships with suppliers and clients (Swaminathan, Murshed & Hulland 2008), which helped it gain

economies of scale, reduce costs, and create more opportunities to integrate. Meanwhile, differences between the two firms in terms of strategies and resources can bring negative effects for both parties, such as conflict or delays in making decisions (Salter & Weinhold 1979). In particular, many scholars-such as Venkatraman (1990), Henderson and Venkatraman (1993), Reich and Benbasat (2000), Chan and Reich (2007), and Cabiddu, Lui and Piccoli (2013)-gave their attention to the branch of this general stream which focuses on the fitness of organisations and their IT strategies. Those researchers came to a similar conclusion: that the organisation's strategies should be aligned with the objectives of every component in its system, including its IT and employees. As Cabiddu and co-writers suggested, the IT strategic fitness or alignment could be extended to the study of strategic alignment with other related businesses. Taking it one step further, the concept of alignment can be adapted to examine the alignment of behaviours between customers and employees (Kohli 2006; Prahalad & Ramaswamy 2004b), and between a business and its staff (Cabiddu, Lui & Piccoli 2013). That argument confirmed the usefulness and applicability of the notion of fitness or alignment in various settings-it can be applied in measuring the adaptability or fitness of a service system in its interactions, as Vargo, Maglio and Akaka (2008) proposed in their work.

Within the S-D perspective, some scholars—such as Vargo and Lusch (2006a; 2008a), Vargo and Akaka (2009) and McColl-Kennedy et al. (2012), among others- affirmed that value-in-use is value 'derived and uniquely determined by an individual service system (e.g., customer)' (Vargo & Akaka 2009, p. 39). It highlights attention for the customers' or actors' in general positions and roles in the co-creation process. In particular, in this process of collaborative creating, as Edvardsson et al. (2011) proposed, actors utilise their resources and socially interact with others within the social context. It pointed out a need to investigate value co-creation at the individual level (this thesis captures the individual value alignment).

2.3.6 Section summary and research lacunas

This section briefly introduced the emerging S-D logic and its 10 FPs as proposed by two scholars, Vargo and Lusch (Lusch & Vargo 2006a; Vargo & Lusch 2004, 2008b). In the S-D logic, customers are considered as playing an active role in the value process, rather than the passive role they are considered to play under the traditional G-D logic (Prahalad & Ramaswamy 2004a). Since the S-D perspective was introduced, there has been a transition, in

service research and marketing literature, away from the traditional view of the G-D view towards the S-D view.

In particular, the six FPs in the S-D perspective declared that 'the customer is always a co-creator of value'- in other words, value co-creation has been seen as a central focus for evolving and developing the logic of S-D (Ng, Nudurupati & Tasker 2010; Ng & Smith 2012). As a result, within the stream on S-D logic, a large body of research has placed attention on the phenomenon of value co-creation. A review of contemporary research on value co-creation revealed that, under the transition from the G-D to the S-D view, recognition of co-production has moved towards recognition of value co-creation. Co-production requires the participants' involvement in creating the core offering (Lusch & Vargo 2006a), through idea-sharing, co-design or production-sharing (Lusch, Vargo & O'Brien 2007). Value co-creation is understood through interactions between the offerer and the customer, either in direct engagement or in a mediating way in the purchase of goods (Vargo & Lusch 2008b). Moreover, co-production may happen not only between the consumer and the provider but also among stakeholders or participants within the value network (Gummesson 2008).

The review of the research found a range of approaches attempting to conceptualise the notion of value co-creation (Saarijärvi, Kannan & Kuusela 2013), as well as attempts to operationalise value co-creation. The review pointed out some avenues for further examination. First, different approaches utilised in research and in diverse contexts provided evidence of complexity and that there is room for the further study of value co-creation. Second, most studies that have been conducted have so far been at the theoretical or conceptual level, and those works have mainly been interested in the dyadic relationship between the customer and the offerer, although other interrelationships can be found among the network elements. An empirical work would make some contributions to the body of knowledge and for the work of practitioners.

Based on the findings from the review of contemporary research on value co-creation, the notion of value alignment as a measure of value co-creation is an emerging construct, and its role in improving service outcomes needs to be studied. Thus, this study seeks to address the gap in understanding and operationalising the construct of value co-creation in service research, especially in public service settings.

2.4 Initial focal theory: value creation in citizen-centric services

To investigate value creation in the citizen-centric setting of government services generally, and especially in JSA, the researcher reviewed two existing research streams on CPV and value co-creation through the lens of S-D logic. Academic studies in these two streams have employed a range of theoretical bases. Reviews of the related research streams suggested that a unified approach would be useful for this thesis, since it will provide a comprehensive view of the studied phenomena as well as take advantage of using the well-established theories. These reviews (see Appendices 1 and 2) presented a range of different theories employed to explain value co-creation process and value perceptions. The initial focus of this thesis adapts the theory of consumption values (Sheth, Newman & Gross 1991a, 1991b) and the theory of structuration (Giddens 1984, 1990).

Based on this review of the literature, three initial research issues have been identified, which provide context for the qualitative phase:

Research issue 1: To develop a better understanding of CPV.

Research issue 2: To explore the influence of CPV within the public service setting.

Research issue 3: To examine the impact of value alignment on behavioural intentions.

2.4.1 Developing a better understanding of customer perceived value

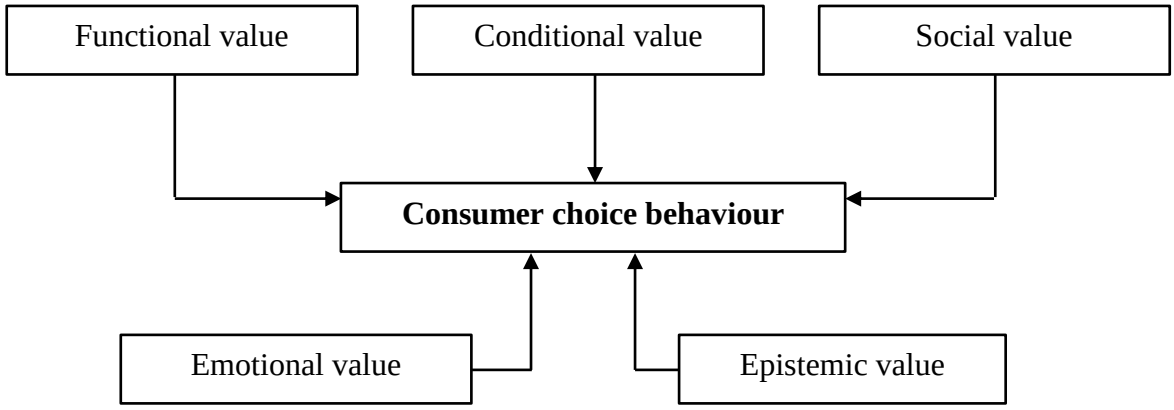
Drawing on comprehensive examination of works within the areas of consumer behaviour, marketing, economics, psychology and sociology, the consumption-value model proposed by Sheth, Newman and Gross (1991b) is one of the most up-to-date models that explain a consumer's preference process. According to Sheth et al., the consumer preference process incorporates components from numerous consumer behaviour models and assumes that:

- consumer choice is a function of multiple consumption values;
- consumption values make different influences in any given choice situation; and
- consumption values are independent.

Sheth and colleagues (1991b) identify five values (or dimensions of value) that determine consumption decisions: functional value, conditional value, social value, emotional value and epistemic value. Collectively, these value dimensions represent the theory of consumption

values (TCV). A diagrammatic representation of the model shows the power and the simplicity of TCV (Figure 2-3).

Figure 2-3 Theory of consumption values



Source: Sheth, Newman & Gross (1991b, p. 160)

Functional value derives from a product's intrinsic capacity for functional, utilitarian or physical performance, that is, physical appearance, performance, quality and price. Service quality acknowledged and treated as a functional dimension of value can be found in several studies (Gallarza & Gil Saura 2006; Ruiz et al. 2008; Sweeney & Soutar 2001).

Conditional value derives from changes in consumer behaviour depending on some specific conditions or different times. Sheth, Newman and Gross (1991b) defined conditional value as an extrinsic utility derived from the capacity to provide functional value that satisfies a customer need in the context of a specific and transient set of circumstances or contingencies associated with the antecedent situation. Consequently, conditional value is transient and has little worth to the consumer until they are faced with the specific circumstance that gives rise to purchase or service usage behaviour. Following a claim by many other scholars (Lapierre 2000; LeBlanc & Nguyen 1999; Whittaker, Ledden & Kalafatis 2007), conditional value was only a temporary and transient derivation, and so it has not been included in this study.

Social value is associated with the social benefits obtained by persons when they use products or services or buy a brand-named product. The perceived benefits can be negative or positive, depending on particular demographic, cultural or social groups. The dimension of emotional value contains the feelings or emotions experienced by individuals when they use a product or services. The epistemic component of value is defined as the innovative and creative features of a product or service, or the satisfaction of consumers in meeting their needs. This

is likely to occur in the case of experiential services such as holidays, adventures or even shopping trips (Babin, Darden & Griffin 1994; Sheth, Newman & Gross 1991a).

Many scholars have made theoretical and empirical attempts to develop and revise TCV. Sweeney and Soutar (2001) introduced the PERVAL model, which has only four constructs- namely, quality, price, emotional value and social value, with quality and price being seen as subcomponents of functional value- and does not include the epistemic value and conditional value components. Whittaker, Ledden and Kalafatis (2007) suggested a revised model including the constructs of image and price/quality. In the meantime, Petrick's research (2002) proposed five categories, including behavioural price, monetary price, emotional response, quality and reputation. The author indicated that these five categories can be applied to all services. Although a number of studies and different approaches have been taken by different academics, functional, emotional and social dimensions of value seem to represent a convergence of these works (Boksberger & Melsen 2011).

To address this proposed research issue, the following research question is suggested:

RQ1: How do customers conceptualise value in different service settings?

The proposed research question is also a response to a call by Ruiz et al. (2008) to investigate the formation of the construct of CPV. As Overby, Woodruff and Gardial (2005) claimed, it is a challenge for any business to ascertain what customers actually value. By understanding value perceptions in the employment service context, this research will examine the importance of the diverse factors that influence customer satisfaction and behavioural intentions.

TCV is extensively employed for constructing a framework in previous literature, as demonstrated by the data in Appendix 1. Value perceptions may be understood differently by different participants and can vary depending on social context, which suggests that it would be appropriate to utilise TCV to begin the exploratory work in order to gain insights into the experiences of jobseekers and other stakeholders, and their interpretations of the value of employment services within JSA.

Vargo and Lusch's (2008a) FP10 is that 'value is idiosyncratic, experiential, contextual and *meaning laden*'. The notion that value is meaning laden has also been supported by some other scholars (Arnould, Price & Malshe 2006; Peñaloza & Mish 2011). In the original model introduced by Sheth and colleagues (1991b), different dimensions make different

contributions to the choice decision, and these dimensions are independent of each other. Changes in one dimension might not affect changes in others. In other words, any or all of these five values can impact on the customer's choice, and the weights assigned to these magnitudes vary from one to another context. Subsequently, a growing body of works applied TCV in different contexts. In many empirical works, these dimensions of TCV were treated as independent and separate constructs (LeBlanc & Nguyen 1999; Petrick 2002; Whittaker, Ledden & Kalafatis 2007). However, other scholars argued that these five value dimensions are not independent of each other. In fact, there is evidence of interrelationships between these dimensions of TCV (Pihlström & Brush 2008). This study should take into account possible interconnections between the dimensions of TCV, which leads to the next research question:

> **RQ2:** How do the different aspects of customer value interact within different service settings?

Relationships between service quality (functional value), customer satisfaction (conditional value) and customer value have been observed in the literature (Gallarza & Gil Saura 2006; Patterson & Spreng 1997). Most studies so far have supported the notion that service quality positively influences customer value and customer satisfaction (McDougall & Levesque 2000; Zeithaml 1988); however, a conclusion on the direct association between customer behavioural intentions and the value perceived by the customer is still debatable (Ledden, Kalafatis & Mathioudakis 2011). Therefore, the third research question is:

> **RQ3:** How do value perceptions influence customer behavioural intentions in the service context?

TCV provides a foundation for investigating the varied weights given by customers to different benefits when they appraise alternative products or services, and the possibility of interrelations.

2.4.2 Influence of value alignment on the performance of service systems

The theory of structuration (ST) has been systematically elaborated and improved by British social theorist Anthony Giddens over more than three decades. This research will look to ST (Giddens 1984, 1990) to provide an initial lens for understanding the nature and impact of value alignment. Giddens (1984) argued that ST is a social theory which claims that society should be recognised in terms of agents and structures, as a duality rather than two separate

entities. The relationship between individuals and society is the crucial issue of ST. The ongoing nature of society is a result of human action, and the ongoing nature of human action is a result of society. In other words, human agents utilise social structures in their actions, and at the same time these actions assist to shape and reshape social structure. Giddens (1984, p. 25) emphasised 'a reciprocal relationship where neither structure nor action can exist independently'. ST duality characterises agency and structure as two sides of the same coin.

Structure is a process, not a product or steady state that gives the conditions for action. Giddens (1984, p. 377) defines structure as 'rules and resources, recursively implicated in the reproduction of social systems. Structure exists only as memory traces, the organic basis of human knowledgeability, and as instantiated in action'. Structures are continuously recreated, renegotiated and redefined over time and across space because of what people (agents) do and how they think (Hardcastle, Usher & Holmes 2005). Rules are described as codes of signification (or meaning) and normative elements (or sanctions). The theory's creator distinguishes two types of resources, explicitly, authoritative resources and allocative resources. The former can command persons while the latter generally command objects or other material phenomena.

ST affirms agents as being highly skilled ('knowledgeable') about their environment and interactions across time-space ('contextuality') as they draw from rules and resources ('structural properties') available to them (Giddens 1984; Hardcastle, Usher & Holmes 2005). It means that the more well-informed an agent is about their social context and the social structures accessible to them, the more capacity they are supposed to have in performing their agency. According to Giddens (1984), agency is not the intention individuals have to do, but rather their capability for doing, meaning 'power to do', and it is gained by access to and use of structural properties (the rules and resources).

The Giddens structuration approach, as well as many other social construction theories, suggests that customers are vigorous in creating meaning (and thus value) from the social exchange process (Chandler & Vargo 2011; Giddens 1984; Jones & Karsten 2008; Vargo 2008). Thus, interactions between a customer and a provider can have wide-ranging social and personal meanings, relying on how such meanings are outlined and recognised in various social systems. Edvardsson and colleagues (2011) acknowledged that the term 'value-in-context' is described as a multidimensional phenomenon individually and socially constructed between precise agents, and that includes how value is perceived. Work by

Deighton and Grayson (1995) confirmed this argument by showing how the level of social consensus about such value determines the value of products. Value is composed of a person's perceptions of value-in-use and their wider social views.

Since a better understanding of the value perceived by customers is important in itself, an investigation of how well these perceptions are aligned with those perceived by their key stakeholders in the system is crucial within service interactions. The following research question addresses this issue:

- **RQ4:** What role does value alignment play in understanding and improving service outcomes?

The fourth research question seeks to refine the issue of value co-creation by examining it in the context of employment services. It also addresses the lack of empirical evidence in the context of public services. In particular, this study investigates the role of value alignment in terms of moderating or mediating the impact of service quality, customer satisfaction and CPV on behavioural intentions.

As stated earlier in this chapter, the JSA system includes a number of different participants, such as jobseekers, contracted JSA providers and their employees, subcontractors and their staff, related government agencies such as Centrelink, and the Department of Employment (formerly the Department of Education, Employment and Workplace relations). The interactions between these parties within the system, as well as with other agencies or individuals, would contribute to creating, modifying or reshaping their perceptions of value in employment services. In that sense, ST provides some foundations for the exploration of value perceptions from different views. The epistemological assumptions underpinning the research, discussed in the following chapter, also reaffirm the application of Giddens's ST in understanding value as it relates to participants in the JSA system.

2.4.3 Section summary

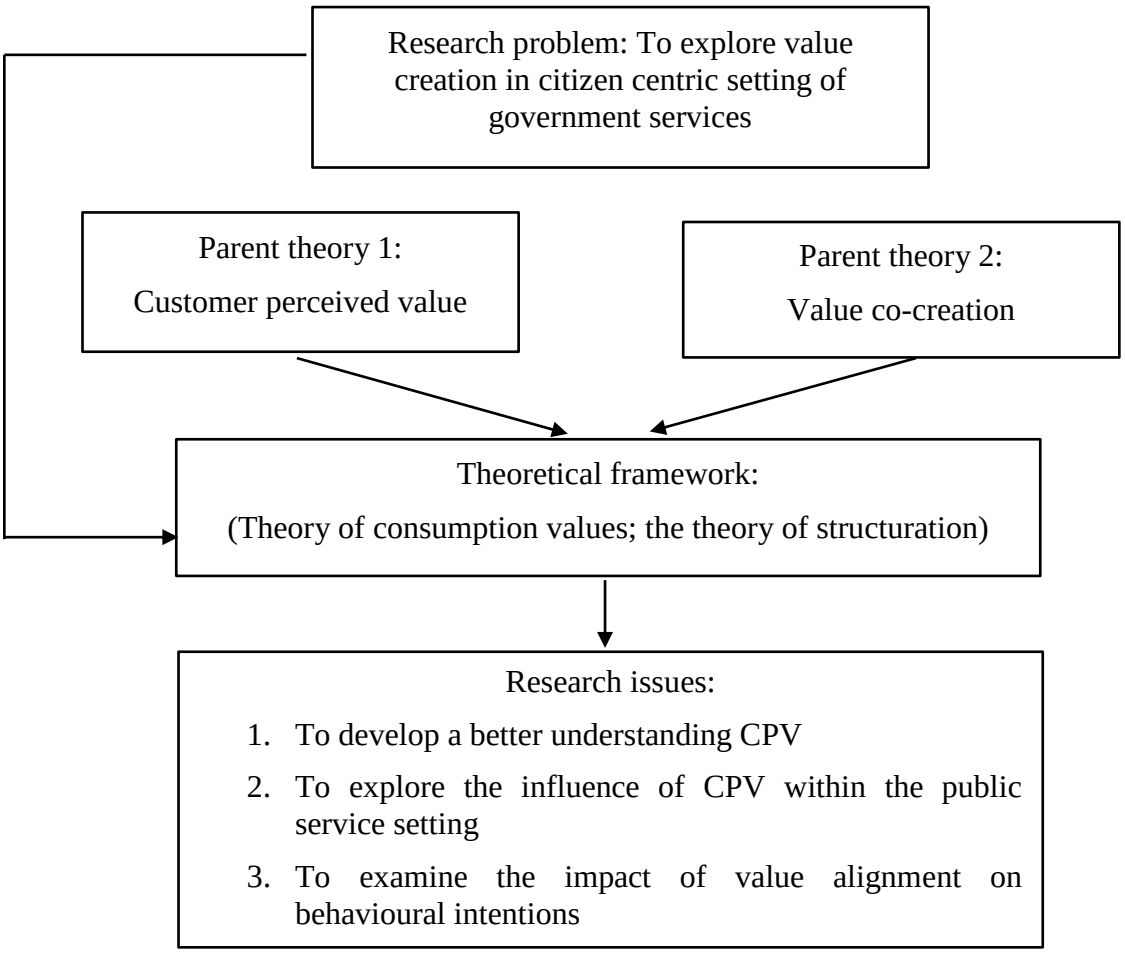
This section of the chapter introduced three issues that guide the research. Each issue was then examined through the lens of an appropriate theory, identifying specific research questions. CVT was introduced to provide a lens for understanding CPV and for examining the influence of value perceptions on the service outcomes in terms of customer behavioural intentions. This theory has been widely utilised and tested in different domains (Sheth,

Newman & Gross 1991a, 1991b; Whittaker, Ledden & Kalafatis 2007), especially in the public service setting (Ladhari & Morales 2008; Moliner 2009).

ST was employed to shed light on co-created value. Contemporary researchers employ a range of different theories in investigating the value co-creation phenomenon, and ST is one of those. In particular, Edvardsson and co-authors (2011) presented a discussion of contextual and meaning-laden value co-creation, Chandler and Vargo (2011) looked at value co-creation at different levels in network connections, while Frow and Payne (2011) proposed value co-creation from various viewpoints of different stakeholders within the service systems.

CVT and ST provide lenses for the research in its examination of CPV and value co-creation, and in the research setting of citizen-centric employment services in Australia. Figure 2-4 below summarises the linkages between the research problem, the parent and the initial focal theories as well as the research issues that were discussed and developed above in this chapter.

Figure 2-4 The links between the research problem, the parent theories, and the theoretical framework developed to address the research issues



2.5 Chapter summary

This chapter includes four major sections. The first section provided an overview of government employment services in the international context as well as in the case of Australia. Then the researcher reviewed the PES reforms, looking at the CES, the JN (1999–2006) and the current JSA. An examination of the tendering process, operations and some assessments of the performance of JSA provided context for this research.

The second section reviewed previous research on parent theory 1, CPV. This review summarised and presented two key perspectives grounded in the extant literature: a utilitarian viewpoint and a behavioural viewpoint. From these bases, a number of studies shed light on constructing the phenomenon of CPV. All those frameworks can be classified into one of two

groups, explicitly, unidimensional and multidimensional frameworks. Multidimensional frameworks have been utilised more extensively and favourably than unidimensional frameworks. The review of CPV literature suggested there was some room for further research. As a result, two research issues were raised for examination in this study. Four research questions, two for each research issue, were proposed.

The third section introduced S-D logic, which has recently emerged in the research field. The section then discussed the transition from G-D logic to S-D logic, from different angles, highlighting an emphasis on studying the phenomenon of value co-creation. An evaluation of contemporary research on value co-creation raised a research issue about the role of value alignment in a chain of inputs, along with another two research questions.

The chapter concluded with the introduction of an integrated theoretical framework used to guide this study. The theories that framed the foundation for this study were TCV and ST. The next chapter introduces the overall research design for the study and the findings from the qualitative study from the exploratory research.

Chapter 3 - Research methodology and qualitative phase

3.1 Introduction

The preceding chapters examined the relevant research streams and framed the multiple theory foundation for this current study. The examination indicated that researchers working in different contexts place different levels of importance on the dimensions of CPV (Boksberger & Melsen 2011; Graf & Maas 2008), such as stakeholders' views on customer value (Payne & Holt 2001). There is room for future study to be done in order to understand and outline how to measure CPV. In particular, this work should compare the formative or reflective nature of the dimensions of value (Ruiz et al. 2008) or the hierarchical formation of value perceptions (Overby, Woodruff & Gardial 2005; Woodruff, R & Gardial 1996). The two creators of S-D logic (Lusch & Vargo 2006a; Vargo & Lusch 2008a) acknowledged that S-D logic still needs more elaboration, refinement and expansion.

This study employs a multiple-phase and multiple-method research design in order to create a better understanding of the phenomenon of value perceptions and co-created value. This chapter will address the exploratory research phase and present primary findings from the qualitative data collected at this stage. The chapter will conclude by proposing a model to be tested in the next phase of this research.

The chapter is organised as follows. First, some epistemological issues are considered, and then the multiple-method research design governing this study overall is presented. The chapter then discusses the qualitative study phase in detail. In-depth interviewing and a laddering online survey were chosen for discovering value perceived by the customer-jobseeker in the employment services context. A discussion of the sampling and research procedures follows. Finally, the chapter presents a content exploration of the collected information in order to describe and advance the potential relationships among constructs, which leads to hypotheses and models for the quantitative phase in this study.

3.2 Epistemological issues

This section discusses some epistemological issues and the theoretical perspective of this study. The succeeding sections discuss the methodological issues associated with this research. The discussion will give an understanding of the assumptions underpinning the

research, about reality, how human knowledge is attained, and the methods used to obtain the required information.

3.2.1 The world view of constructionism

Guba and Lincoln (2005) argued that the fundamental starting point for most research should be questions underlying the philosophy of its world view, which should guide the inquiry. This should come before the method selection, according to Denzin and Lincoln (2005). In this study, the researcher has been guided by a constructionist view, in which human knowledge is constructed or explored rather than discovered. Many post-positivists believe that knowledge is out there waiting to be discovered, but under the constructionist philosophical world view there are multiple realities of information shaped by different participants in that social setting. The information exists in the engagement with the real world. Creswell and Plano Clark (2011) argued that researchers with a constructionist view aim to understand the world of experience from the people who live within its social settings. The objective world is shown in limited perceptions, and those insights also vary from the participants and the contexts. As a result, a constructionist needs to collect views from diverse participants, and the findings are always formed by the people's experience in context.

Epistemology asks questions like, 'How do I know the world?' and, 'What is the relationship between the inquirer and the known?' By answering those questions, the researcher's ethical-moral standpoint, as well as insights about the research itself, is revealed (Denzin & Lincoln 2005). The term 'constructivism' came from the Latin word meaning to interpret or to analyse. In the social science fields, Kayrooz and Trevitt (2004) emphasised the social environments in which constructivist researchers construct and try to know, communicate and become. Social constructionism establishes its view of the world on the understandings of the world and those understandings are reproduced, transformed, and redefined through social interactions (Cohen, Duberley & Mallon 2004). The way human knowledge is accumulated implies that individuals may conceive meaning in various manners. Value perceptions, the focus of this research, mean different things to different participants (Zeithaml 1988). This suggests it is possible to learn more about value perceptions, which can be constructed in diverse ways based on environmental or social characteristics. On one hand, this justifies the researcher's exploration of the various meanings of value for different participants in the

Australian employment services setting; on the other hand, care needs to be taken in making this study's findings.

3.2.2 The interpretive theoretical perspective

Understanding the nature of theoretical views allows researchers to make decisions about the importance of the proposed research questions and to determine what methods are available to examine these questions (Deshpande 1983). This study of consumer value and value perceptions can be seen as part of the research in the marketing and consumer behaviour field. The area is related to interactions among individuals, private businesses and government agencies. In particular, these relationships face ongoing technological and organisational changes and innovations.

Various theoretical perspectives are discussed and used in marketing and consumer behaviour research. These paradigms may involve positivist and interpretive approaches. The positivist approach adopts the view that the reality of the world is objectively identified and can be defined by measurable characteristics, so those properties exist independently of the inquirer and their ways of quantifying them. Myers (1997, p. 241) stated, 'Positivist studies generally attempt to test a theory in an effort to increase predictive understanding'. This investigation of value perceptions and value co-creation is not experimental in nature and could not be done in a laboratory. It is an exploratory study in nature, as it aims to interpret meanings of value from the points of view of various individuals and participants. Therefore, there is no suggestion that positivism paradigm will be utilised for this research.

In contrast to the assumptions of positivism, contested on universal uniformities or causal regulations, interpretivism attempts to understand the phenomenon through the meanings that people assign to them, to explain the social reality (Crotty 1998). Creswell and Plano Clark (2011) explain that within this interpretive perspective there are considerable multiple realities, and the research is carried out in the social world with the aim of understanding and explaining the social phenomenon under investigation. The phenomenon of value was examined, and findings were made by jobseekers revealing their subjective experiences of the service they received; jobseekers and other people in the employment services industry themselves described and interpreted their experiences. In order to understand and conceptualise the phenomenon of value perception in the social context, the interpretive perspective will best underpin this research. This allows the researcher to investigate and report on participants' perceptions of value (Walsham 2006).

Ontologically, interpretive research assumes that the social world (including social relations and organisation) is not 'given'. Rather, the social world is produced and reinforced by humans through their actions and interactions. Different stakeholders and participants within the JSA framework do exist and interact with each other, and so their perceptions cannot be captured, characterised, and measured in an objective or universal way. This research focuses on government citizen-centric services. The examination of the JSA system in the employment services sector requires flexibility to enable the researcher to incorporate subjectivist points of view. The requirement of subjectivity (in understanding issues of value perception) is due to the recognition that there might be several different alternative perspectives of reality, all of which may be 'valid' and all of which should be explored.

Interpretive research commences with the assumption that access to reality is possible only through social constructions such as language, consciousness and shared meanings. Myers (1997, p. 242) stated, 'Interpretive studies generally attempt to understand phenomena through the meanings that people assign to them.' Furthermore, the interpretive perspective advocates a close relationship between researchers and participants, or active involvement of researchers, in order to examine the world as it is realised by participants (Creswell & Plano Clark 2011). In other words, collecting information from the view of the insiders of JSA in its provision of employment services is important in order to understand value perceptions in this area. As a result, information-gathering through in-depth interviews and an online laddering survey allows the researcher to explore the different views of various JSA insiders, ranging from jobseekers, contracted JSA providers and relevant public agencies. The findings will enrich the knowledge and understanding of the multidimensional nature of the value phenomenon (Ruiz et al. 2008; Sánchez-Fernández & Iniesta-Bonillo 2007).

3.3 The mixed methods research design

A research design is a basis outline or a detailed plan for a study that governs the data collection and data analysis processes. This plan instructs on the type of information to be collected, the sources from which to obtain information, and the procedures for collecting and analysing this information. An appropriate research design serves two purposes: ensuring consistency with the research objectives and relevance to the research problem, and saving the researcher time and cost.

This study uses a combination of qualitative and quantitative research methods, since those methods will be complementary. The advantages of using both qualitative and quantitative

methodologies is that they can support each other (Creswell 2008). In other words, a mixed methods design can be considered a means to maximise the strengths and minimise the weaknesses of each method. Brannen (2005) pointed out that mixed methods research can use both 'technical' and 'simple' communication to meet the requirements of different stakeholders. That is why a growing number of studies in many disciplines, including marketing and management, use mixed methods in different stages (Currall & Towler 2003).

Sale and colleagues (2002) claimed that using mixed methods designs might provide deeper insights into the phenomenon being examined. The aim of this study is to explore the nature of value perceived by customer-jobseekers, its integration in value creation, and the possible outcomes of the perceptions of value in the employment services context. The topic of interest (value perceptions and value co-creation in the public service context) is far too complex to define and to measure using existing instruments. Creswell (2008) and Creswell and Plano Clark (2011) suggested that research with a mixed methods design should be considered when deciding which variables to explore first, and then the variables found should be tested with a large sample of individuals. In this study, a mixed methods approach is employed.

Non-supporters claimed that it is contradictory to mix theoretical world views (Iacobucci & Churchill c2010), and that it is impossible to join both text and numbers in one research paradigm (Aaker et al. 2013). Supporters of mixed methods design suggested that 'qualitative and quantitative data do not inhabit different worlds … most quality studies will need both sorts of data' (McCalla 2003, p. 36). Hence, 'a variety of mixes are possible- mixes of measurement, design and analysis' (Patton c2002, p. 189). Molina-Azorin (2012) showed that mixed methods designs might be applied in different ways in management research, such as by using sequential processes and triangulation strategies. By considering timing decisions, weighting and mixing choices, Creswell and Plano Clark (2011) identified four major types of mixed methods designs:

- triangulation: concurrently qualitative and quantitative, with the data being merged during interpretation or analysis;
- embedded: concurrent or sequential, with one type of data being embedded within a larger design using the other type of data;
- explanatory: sequential, with the quantitative process followed by the qualitative process; and

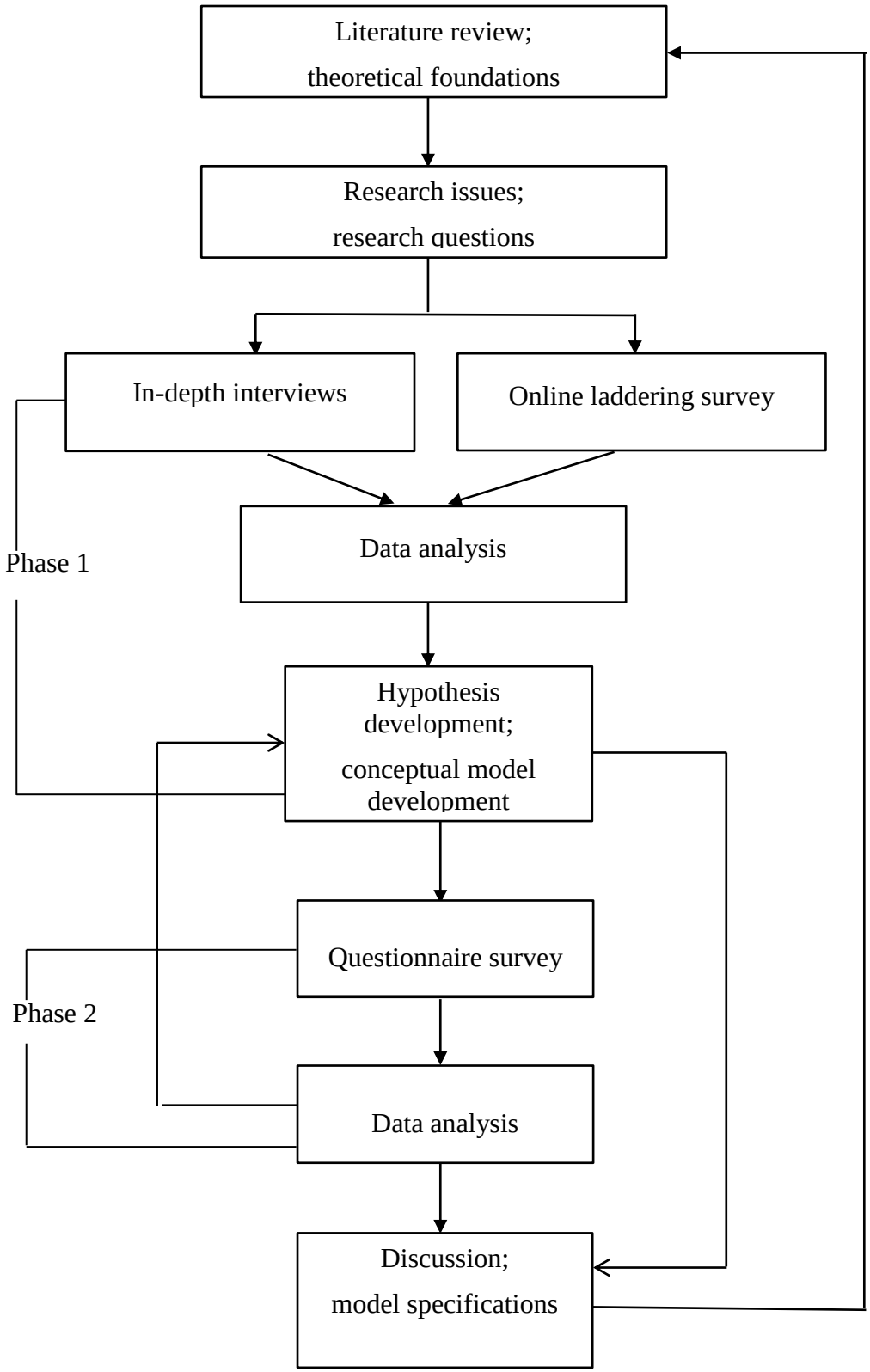
- exploratory: sequential, with the qualitative process followed by the quantitative process.

A lack of prior full theorising about the topic under examination makes the inductive qualitative approach appropriate for developing a framework, variables and hypotheses (Morse & Niehaus 2009). Consequently, for this study an exploratory design of mixed methods was chosen as the most appropriate strategy to link the qualitative findings with the statistical results from the quantitative survey. In order to get a deeper understanding of value perceptions and co-creation within the job-finding domain, participants will engage in in-depth inquiries. These inquires will investigate to what extent the customer-jobseekers value employment services, the dimensions of their value perceptions, the relationships between customer value and service outcomes, and ways to measure value co-creation in this service setting.

This study was designed to be conducted in two main phases: the exploratory research component followed by the explanation component. First, the measures for operationalising constructs of customer value were relatively fragmented in the literature (Sánchez-Fernández, Iniesta-Bonillo & Holbrook 2009), varying under different research settings. Second, the S-D mindset is an emerging logic that needs to be elaborated (Vargo & Lusch 2008a). Therefore, the exploratory design phase would identify important variables to enable the in-depth exploration of the phenomenon of value co-creation, and identify follow-up measures or directions towards the development of instruments for measuring its prevalence (Creswell & Plano Clark 2011).

The overall research design for this study is illustrated in Figure 3-1 below. Within this design, the first phase is the qualitative exploratory study, followed by the quantitative phase (descriptive and causal study). The qualitative phase will be discussed in detail in the next section of this chapter, whereas the quantitative phase will be detailed in Chapter 5.

Figure 3-1 Chart of the overall research design



3.4 Qualitative research methods

Crotty (1998, p. 3) spelled out that methodology is 'the strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcomes'. Crotty (1998, p. 3) then referred to methods as 'the technique or procedures used to gather and analyse data related to some research question or hypothesis'. As discussed in the previous section, the exploratory approach is utilised to address the complexity of the phenomenon of interest- CPV- and the need to elaborate the emerging concept of value co-creation. The aim of this study is to explore the meaning-laden and contextual value perceptions in employment services under the JSA system. To achieve this, it was necessary for the research participants to tell their stories, which could help the researcher to produce meaningful interpretations and understandings of value perceptions.

Van Maanen (1983, p. 9) described qualitative methods as 'an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world'. That allows flexibility and richness in the information collected, both textually and verbally, for analysis (Gilmore & Carson 1996). In particular, Gilmore and Carson (1996) argued that there was the potential for ambiguity, misunderstanding and a range of perceptions to occur within the interactions between customers and the relevant agents in service delivery. That is why this study sought to obtain a more holistic view of value perceptions and the different views of individual jobseekers, JSA providers and policymakers—it was important to be open and flexible when examining the complex phenomenon of CPV. Riley and Love (2000) affirmed that the context and its natural surroundings would provide an outline for the unit being investigated. This study aims to contribute to the body of knowledge on customer value in public services.

Despite the growing use of qualitative methods in service research, some scholars have criticised the use of qualitative methods, citing a lack of accurate data-based validity (Wells 1991), or a lack of reliability in the findings, as researchers would be unable to make the same findings if the research were conducted again (Ritchie 2001; Ticehurst & Veal 2000) or if a different sample were used (Gorman & Clayton 2005). However, other conventional qualitative researchers (for instance, Lincoln & Guba 1985; Denzin & Lincoln 2005) argued that in qualitative research, in order to establish trustworthiness, researchers should pay more attention to methodological quality than validity presentation.

Furthermore, Ticehurst and Veal (2000) criticised qualitative research for its selective identification of the important themes or issues discovered from interviews with informants, which are decided upon by the researcher alone. However, these authors claimed that the content analysis, the thematic analysis and the direct quotations from the informants' interviews will guarantee that the emergent themes are reliable.

A wide range of data collection methods in qualitative research have been documented, such as in-depth interviewing, group interviewing, focus group discussion, document interpretation and participant observation (Gorman & Clayton 2005; Ritchie 2001; Ticehurst & Veal 2000). In this study, the researcher has employed two methods to collect the data. The first one is the in-depth interviewing technique used to collect information from managers of JSA providers, as well as government officials who are directly related to the JSA system. The second technique, an online laddering survey, is utilised to gather information from JSA jobseekers. The justification for the selected methods and their research procedures will be presented in the following part of this section, and in the next section.

This section started with a justification of the chosen methods of in-depth interviewing and an online laddering survey. Explanations of their sampling methods and procedures for collecting data are presented next. Then, the section demonstrates the qualitative findings as a way to construct the conceptual model that is tested in the next quantitative phase of this study.

3.4.1 In-depth interview

Although this study needed considerable statistical data, it also required a different type of data that could be obtained only by the use of open-ended questions. This information allowed exploration of the nature of the phenomena of interest, which helped address the research question about understanding CPV. Ritchie (2001, p. 157) suggested that 'in-depth, individual interviews are chosen as the most appropriate method of gathering data when the purpose of the research is to expose beliefs, perceptions, attitudes and opinions that are otherwise hidden in people's minds'. The researcher decided to use a common model of interviewing- personal focused interviews- whereby informants were encouraged to offer relevant data using a conversational format (Patton c2002). Semi-structured interviews are considered to be an appropriate method of data collection that allows exploration of the meaning of questions and answers, by both the researcher and the respondent. Morse and

Field (1995) posited that semi-structured interviews allow informants to answer freely and shape concepts, and all intended issues can be expressed at the same time. Interviews facilitated negotiation and enabled immediate responses. By conducting interviews, researchers may identify the primary reasons beyond the attitudes and behaviours of the respondents (Clark & Watson 1995), and discover new concepts (Cooper & Schindler 2011).

Cavana and co-authors (2001) advocated the use of open-ended questions because it allows a wide range of answers to the same question. This semi-structured interview appears to better reveal the view of the respondents (Emmert 1989). Aaker, Kumar and Day (2013) found that semi-structured interviews are efficient for busy managers, executives and other leaders. The focus of this study is the concept of value, which conveys an experiential and process-based nature (Edvardsson, Gustafsson & Roos 2005), so using semi-structured interviews makes it possible for the researcher to cover a range of sub-topics or areas. As a result, in interviews the researcher might receive a flow of rich, useful information (Creswell & Plano Clark 2011).

3.4.1.1 Sampling

To understand customer value and the value co-creation process, it is necessary to hear from various viewpoints, such as suppliers (JSA providers), executives/managers and officers in the administration system (DEEWR) and jobseekers. In this study the in-depth interviews were designed for groups of 10 interviewees, comprising DEEWR staff (the government agency with responsibility for JSA) and JSA provider managers in the local area (Canberra and Queanbeyan). A total of 10 interviewees from government agencies and JSA providers participated in this study (Table 3-1). The federal network of employment services providers was is selected as it covers the whole country, with more than 2,000 JSA providers to be found in most areas of Australia.

Table 3-1 General information on interviewees

Interviewee #	Position	Organisations
M#1	Branch manager	DEEWR
M#2	Team leader	DEEWR
M#3	Senior staff	DEEWR
M#4	Staff	DEEWR
M#5	Staff	DEEWR
M#6	Staff	DEEWR

Interviewee #	Position	Organisations
M#7	Operational manager	JSA provider
M#8	Branch manager	JSA provider
M#9	National manager	JSA provider
M#10	Area manager	JSA provider

Note: DEEWR is the previously existing Department of Employment, Education and Workplace Relations, which has been replaced in part by the Department of Employment.

3.4.2 Online laddering survey

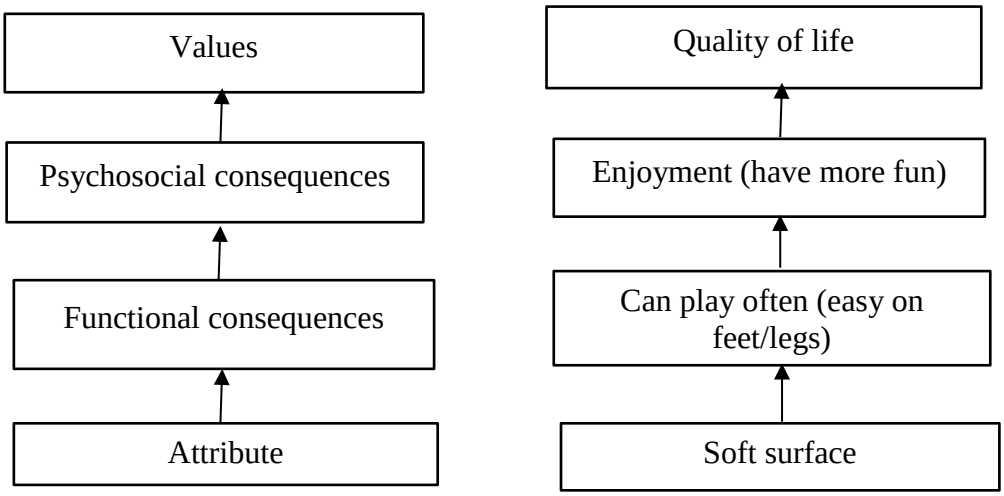
Because of the construct's complex nature, customer value should be investigated from different angles (Sánchez-Fernández, Iniesta-Bonillo & Holbrook 2009). So far it has been investigated using the views of some stakeholders, such as public servants and provider managers, in the context of JSA. In this study, to examine the jobseekers' viewpoint on quality and the value of good employment services, an online laddering (means-end) approach is taken. This method was selected to identify various aspects of CPV in the employment services setting in general; in particular, the results or the identified relationships and the value end-states of will allow the researcher to further measure value co-creation. The process of applying personal value end-states and forming measurements for value co-creation will be discussed in Chapter 5, Quantitative phase, analysis and findings.

The means-end approach has its roots in Kelly's Personal Construct Psychology, which states that each person has their own understanding of the world and is able to reflect on and regulate their behaviour by creating rules or developing theories (Gruber, Szmigin & Voss 2006). This means-end approach is based on two assumptions. First, values play a substantial role in directing behaviour. Second, consumers classify products and services into sets to simplify the choice-making process.

Within the cognitive structure view, Gutman's (1982) means-end theory (MET) has been extensively applied in investigating linkages between values and consumer behaviour (Botschen, Thelen & Pieters 1999; Brunso, Scholderer & Grunert 2004; Gutman 1982; Reynolds & Gutman 1988). According to Reynolds and Gutman (1988), MET discloses the linkages which connect the attributes of products, services or individuals (that is, means) to the consequences (or the reasons) these attributes signify for the respondent (a customer-

jobseeker), and the values or beliefs in turn are satisfied by these consequences (ends). In other words, the MET advances that attributes (A) derive their relative importance from satisfying (functional and psychosocial) consequences (C), which in turn derive their importance from satisfying higher-order personal values (V). In Gutman's MET, the key characteristics are the three levels at which conceptual operationalisation and abstractions take place, that is, attributes, consequences and values (Grunert & Grunert 1995; Gutman 1982).

Figure 3-2 Example of a means-end model



Source: Phillips & Reynolds (2009, p. 84)

Attributes can be tangible or intangible characteristics of an offering (this study refers to the characteristics of quality employment services by JSA providers). It was argued that consumers do not value product attributes for their own sake but for their ability to help them gain some favoured outcomes or consequences (Manyiwa & Crawford 2002). The jobseeker may think that using employment services will lead to consequences that are psychological, physiological or process results (Gutman 1982). Finally, at a higher level of abstraction, values are more relevant to the overall goals than the consequences, which are normally considered to be at the middle level of abstraction. Values represent the most general and personal consequences that individuals are motivated by.

Within the employment service setting, this might include determining how important features of good employment services (i.e., attributes) are to the jobseekers, features such as helpful staff, a willingness to help, or effective communication. Further, it also would include identifying reasons for considering a good quality of employment services (i.e., benefits or

outcomes) such as getting reliable information, or knowing assistance is available. Finally, it would include determining how personal values play a role in the underpinning reasons for accessing good employment services. Values are highly abstract and are considered to represent desired end-states of humans (Schwartz 1992). As such, in the context of this employment service domain, they might involve feeling a sense of achievement, security, power, benevolence, universalism, self-direction, and/or hedonism.

To utilise this means-end approach, a laddering technique was employed for the survey with JSA jobseekers. The laddering survey embraces a tailored interviewing design using principally a series of directed probes, commenced by the questions such as: "Why is that important to you?" or "What makes that important to you?" The goal of these series of questions is to determine the sets of relationships between the fundamental components amongst the various attributes, benefits, and values. In the survey, when a participant answers an initial query from the survey, his/her response is then used as the context for the next question "Why is that important to you?" and the process keeps going on until the participant no longer can give a meaningful answer. This laddering technique guides the participant up or down the level of abstraction, and enables the linking of relatively concrete meanings of attribute or benefit level to more abstract benefit levels or more abstract meanings of the personal values (Overby, Woodruff & Gardial 2005).

Laddering techniques have been practised in various research areas, such as service marketing (Gruber, Szmigin & Voss 2006; Henneberg et al. 2009), service quality and customer value (Woodruff 1997; Zeithaml 1988), and band management (Dodds & Monroe 1985; Gutman 1982). Using laddering techniques, scholars determine the connections between the attributes of an offering or individuals (that is, means), the consequences these attributes characterise for the informant (customer-jobseeker), and the values or beliefs satisfied by the consequences (ends) (Reynolds & Gutman 1988).

According to Gutman (1982), 'attributes' refers to the tangible or intangible characteristics of an offering (in this study, these are the characteristics of good employment services). 'Consequences' are the reasons certain characteristics are important to the customer. They can be psychological, physiological or process results that the customers think they can gain by purchasing an offering (in this study, by receiving good service). Finally, 'values' refer to the customers' universal life goals. They are at the highest level of abstraction compared to the middle level of consequences and the low level of attributes. In other words, the

respondents will be directed to ‘produce ladders one by one and to give answers in such a way that the sequence of the answers reflects increasing levels of abstraction’ (Grunert, Beckmann & Sorensen 2001, p. 75).

Botschen and other scholars (1999) distinguished two types of laddering, explicitly, soft laddering and hard laddering. A so-called hard laddering approach is used in this study, which implements a questionnaire to collect data, via an online survey or a paper-and-pencil version. Soft laddering employs in-depth interviews where informants are less limited in their answering flow (Gruber, Szmigin & Voss 2006). Laddering techniques have been utilised extensively to discover the deep incentives of consumer decision-making or behaviour (Phillips & Reynolds 2009). So far, a number of works drawing from in-depth interview data have been published, while some used questionnaires for collecting the data (Henneberg et al. 2009).

Despite that, hard laddering can reduce respondent bias and minimise social stress, since the respondent can decide when they want to finish the laddering (Botschen & Hemetsberger 1998). Botschen and colleagues (1999) advocated for hard laddering because of its cost-saving and time-saving methods in data collection. It is also easier to manage and analyse data from hard laddering compared with data from soft laddering. Particularly, Herrmann and other scholars (1997) proved the convergence in results from both soft and hard laddering approaches in their research on the automotive industry. Many academics (Botschen & Hemetsberger 1998; Botschen, Thelen & Pieters 1999; Goldenberg et al. 2000; Pieters, Baumgartner & Allen 1995) have succeeded in using paper-and-pencil design in their studies. An online laddering technique was also effective in work by Henneberg et al. (2009).

Apart from the in-depth interviews with some public servants from the DoE (the former DEEWR) and managers of several JSA providers, this study also utilised an online version of hard laddering techniques with JSA jobseekers instead of personal interviews . The online approach of data collection offered several time-saving and cost-saving benefits, since data were already recorded in electronic form and did not to be transcribed (Henneberg et al. 2009). Additionally, Wood, Griffiths and Eatough (2004) pointed out that an online survey is more convenient for the informant, who can fill it in when it is most suitable to them. Evidence showed that using a hard laddering online survey was an appropriate technique for this qualitative phase.

3.4.2.1 Sampling

Reynolds and colleagues (2001) suggested that the marginal number of informants for exploratory laddering research should be around 20. The sample size should be big enough to provide an understanding of the main characteristics, consequences and values of offering, services or people. The funds and time available for the research should also be taken into account. In this study, the researcher contacted 50 unemployed people to implement the online laddering survey. The Prospect Shop provided an Australia-wide list of jobseekers. Some of these possible participants may not have been registered with a JSA provider. Therefore, the survey design included a screen question to identify whether the jobseeker was registered with JSA, and the survey was carried out only with these registered jobseekers until the sample size of reached 50 JSA jobseekers.

3.5 Research procedure

3.5.1 In-depth interview

The first draft of the interview schedule was piloted with some academics, interested staff and some higher degree students at the University of Canberra (UC). Changes were made when clarifications were necessary. The schedules were then used for all interviews, with both managers of JSA providers and the public officers.

The researcher first obtained the contact details of the DEEWR staff using a snowball approach and then made contact, mainly by emails, to introduce the study. Once the selected managers agreed to an interview, the researcher emailed them the interview guide, which contained the open-ended questions to be asked during the interview. This interview guide was developed around the research topic. The guide did not contain complete questionnaires but merely the type of questions that would be raised. In addition, in appreciation of the time and information contributed by the interviewees, the researcher offered to provide them a comprehensive report of the study once all the research phases had been completed and the dissertation had been examined.

The interview outline served as a guide to ensure that all topics were covered, but a wide range of questions was discussed during the interview with several public servants from the DoE (the former DEEWR) and managers of providers working within the JSA program. The researcher encouraged the respondents to elaborate and discuss issues that may initially seem marginal but over time achieve valuable insights during the interviews. All interviews were

recorded with the informants' permission. Those full records of interviews serve as a 'chain of evidence' of the study (Yin 2009). Furthermore, the systematic organisation of research data made it easier to write up the results of the research and reduced the probability of making mistakes (Gorman & Clayton 2005), as the recorded interviews enabled the researcher access to the collected data in the original form when necessary (Silverman 2006).

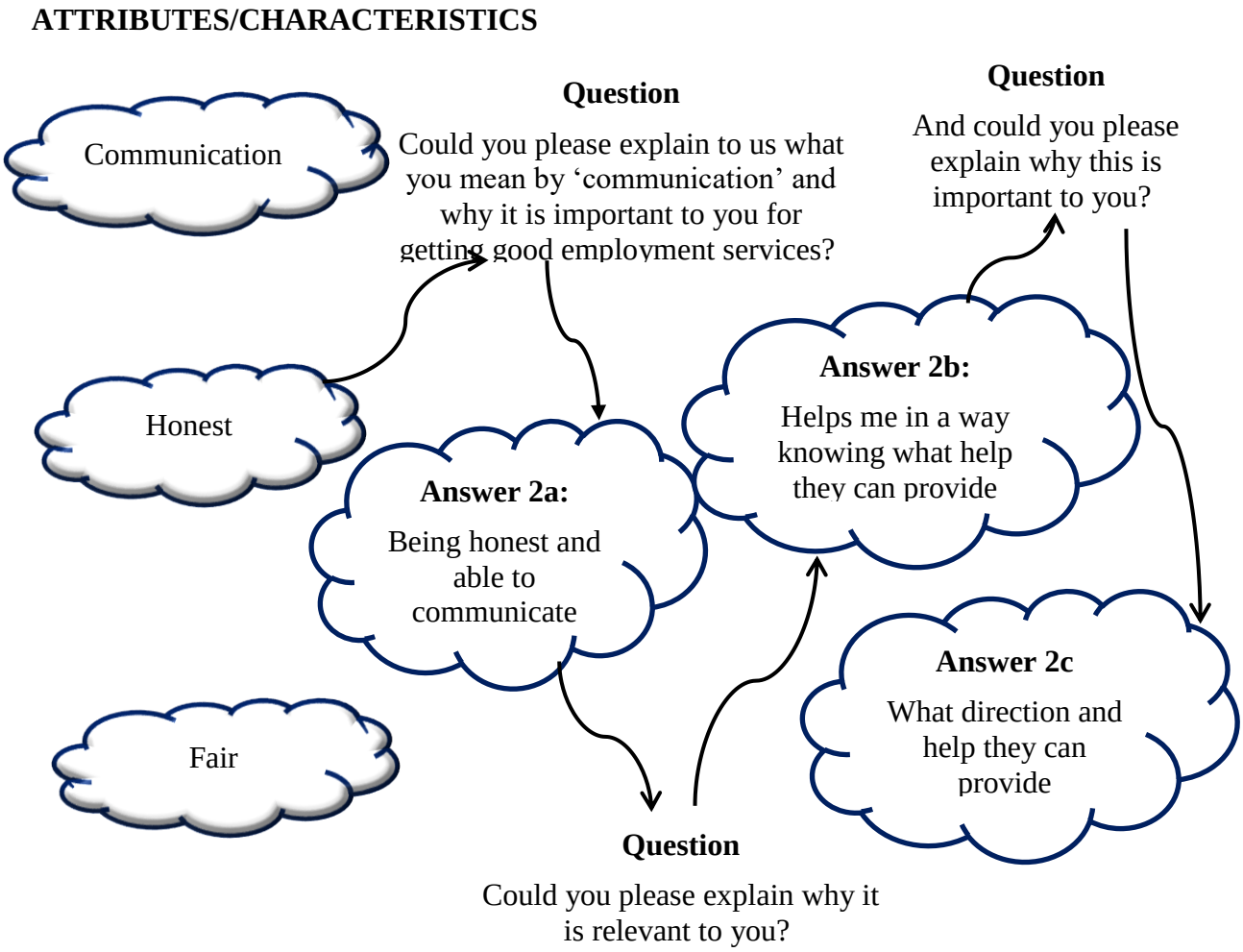
After these in-depth interviews, transcriptions and further information-gathering questions were sent to interviewees if it was necessary. Transcripts of these interviews were done by a professional service provider in Canberra. All personal information, such as the names of respondents, organisations and clients, was kept confidential and separate from the records. However, it should be noted that the transcripts do not reflect the entire character of the discussion- non-verbal communication such as gestures and behavioural responses are not revealed in transcripts. Notes by the researcher and/or observer provide some observational data obtained during the interviews, additional to the transcripts.

3.5.2 Online laddering survey

In a 2009 publication, Henneberg and co-workers presented several shortcomings of using laddering questionnaires attached to emails. First, there is a fear that computer viruses may be attached to the file to be downloaded. Additionally, not every respondent will have the appropriate program to open the document. Lastly, the respondent may not return the filling-in script due to it being time-consuming or demanding (Gunter et al., 2002). Taking into consideration of all these drawbacks, and the alternatives to doing an online survey, the researcher decided to use a website to host the questionnaire. That meant that all collected data would be stored on the website, as the emails sent to respondents would provide only an outline of the research project and an invitation to use the link to visit the website. Figure 3-3 demonstrates an example of the laddering process.

Similar to preparing the interview guide, at first the pre-test version of this laddering survey was circulated among some academics, relevant policymakers, policy advisers and research students to get feedback and recommendations. Changes or modifications were made when it was necessary to make clarifications. The final format was sent to 50 respondent-jobseekers. To investigate the jobseeker perceptions of customer value, the respondent-jobseekers were asked about their views on good employment services. Information about this online questionnaire and the protocol of the in-depth interviews can be seen in Appendixes 3 and 2, respectively.

Figure 3-3 Example of the laddering process



3.5.3 Validity and reliability in the qualitative study

Richards (2009) emphasized that the data is as important as ensuring the quality of it because the collected data sometimes may not add meaning or value, or may provide biased views (Taylor-Powell & Renner 2003). Good quality information should contain 'accuracy, notes on context, thick description, usefulness, and reflexivity' (Richards 2009, p. 57). However, most researchers have reached agreement that the quality criteria developed for quantitative studies, such as generalisability, validity, reliability and replicability cannot, nor ought they be, applied to qualitative studies (Ritchie 2001; Spencer et al. 2003). In particular, Creswell and Plano Clark (2011) explained that in qualitative research reliability does not play a vital role and is mainly linked to agreement on codes amongst the team researchers. Validity in qualitative research is identified with the information provided by the participants as well as

with the account of the researcher's analysis (Creswell & Plano Clark 2011). In this vein, Lincoln and Guba (1985) proposed the term 'credibility/trustworthiness' or, as Tashakkori and Teddlie (2003) expressed it, a concept 'inference quality' to replace the term of 'validity'. In this study some suitable practices were designed and accepted ensuring that the qualitative research was credible and trustworthy.

Triangulation was considered to be one of the vital processes undertaken in order to obtain deeper understanding of the phenomenon of interest (Ritchie 2001). Denzin and Lincoln (2005) highlighted data triangulation as a common and appropriate way for qualitative researchers to assess the accuracy of the collected data. Data triangulation is the use of several sources of data for the purpose of obtaining different views. In this thesis, the qualitative study was conducted not only with public servants working within the JSA program and JSA providers' managers, but also with JSA jobseekers. Hence, through the sampling design and collected data, different views of value and value co-creation were gained. Two theories were employed in the research framework because triangulation is used to understand a single set of information. Furthermore, it was anticipated that the quality of the qualitative research could also be achieved through several strategies, such as in the selection, sampling, and analysis processes.

Many qualitative researchers have paid attention to the sampling issue, especially that of how to decide who should be interviewed or who should participate in the research (Morse, Janice M. & Niehaus 2009). Morse and Niehaus also suggested that an interviewer must have some specific characteristics, for instance, be experienced or informed on the topic under study, to have a willingness to participate and share time during the interview, and be expressive, articulate, and reflective as well. In this thesis, a nominated (snowball) sample was recruited for being both purposive and convenient (Hackley 2003). All the participants selected for interviewing had been working for the JSA program for a number of years, in fact from three to nearly twenty, and some were in managerial positions. It was ensured that the interviewees meet the above mentioned criteria for the sampling selection. Additionally, by selecting appropriate participants the adequacy of the qualitative study was enhanced, and the researcher was able to obtain enough information about the topic of interest so that redundancy of the data or saturation of the data could be achieved (Morse, Janice M. & Niehaus 2009). It was for this reason that the size of the sample was weighted against considerations of the time consumed, the financial constraints, and the amount of data needed for saturation. Finally, the trustworthiness of the qualitative study that was part of this thesis

was obtained through the analytical process. This analysis actually provided some disconfirming evidence showing that, in the real world, various and divergent perspectives can exist at the same time (Creswell & Plano Clark 2011).

3.5.4 Content analysis for the qualitative data

Each interview was audio recorded, transcribed, and evaluated against the research questions presented in chapters 1 and 2 of this thesis. The information collected was coded and interpreted in terms of thematic findings. The analysis of the qualitative data in this thesis was directed by the Richards' (2009) guidelines which are as follows:

- Take the initial data document and become familiar with the data: skim read, then read again and read the text again very thoroughly, line by line or word by word. The aim of this is to understand the data deeply;
- Note anything considered interesting about any piece of the data;
- Question why the text is interesting and document your answers;
- Focus on interesting passages and explore them, compare them to other situations, and
- Question yourself as a researcher, why are you interested in that topic and write down your answers/ideas.

The analytical process commenced with reading, thinking and reflecting on each piece of collected information. The purpose of this deep reading stage was to question the information in the data records, add to it, comment on it, and move from the particular text to the themes of the thesis. The aim of coding the qualitative data was to retain data and enable the researcher to break a topic into a subtopic and review the topics as needed (Riviera 2010). Riviera (2010) also pointed out that most qualitative researchers are familiar with coding in either the form of a system of symbols or numbers: for this thesis symbolic coding was used for the analysis. Patton (c2002) and Richards (2009) distinguished three types of coding: descriptive, topic, and analytical. The first two kinds are quite straightforward but the last requires interpretative processes as the researcher needs to think about ideas and meanings of the data and also construct new ones. It should be remembered that this primary part of the coding process is clerical and mechanical, not analytical (Richards 2009).

Lincoln and Guba (1985) described this type of data analysis as an iterative procedure. In other words, the analytical process included reading and re-reading the transcripts and progressively purifying predefined as well as emerging categories and themes. In this

research, single comments were formed into themes. Then, the transcripts were revised in line with the labeled categories and the relationships, and reviewed until stable sets of categories and relationships were established (Bryman, A. & Burgess 2002; Miles & Huberman 1994). Coding data provided a chance to reflect on what the coded segments told about a theme and its meaning in the project, then an opportunity to identify patterns in attitudes and behaviour. Through the iterative approach recommended by Richards (2009), the researcher moved from the descriptions of the initial data to a conceptual and analytical write-up.

3.6 Ethical considerations

Since the research project contacted a number of information sources, including public servants, managers at JSA provider sites and jobseekers across Australia, ethical issues were considered so as to prevent negatively affecting the participants' physical and psychological health. In addition to being providing all the interviewing guidelines and issues in advance, the interviews' informants were contacted by email to arrange a time and venue for interviewing. All of them were well-informed in a letter of invitation and a participant information form. All these documents obtained ethical clearance from the UC's Human Research Ethics Committee. The letter invited participants to the research project, and the participant information form explained the purpose of the study, assured the informants of complete confidentiality and provided them with the contact details of the principal researcher and the research project's supervisors. Additionally, at the interview all of the informants signed a consent form agreeing to participate.

The participant-jobseekers, as participants of the online laddering survey, were advised to consider their emotional wellbeing and confidentiality matters. At the beginning of the survey, a welcome message to the participants described the main purpose of this research project, ensured the participants that they were to be treated with complete confidentiality, and gave participants contact information for the principal researcher and the project's supervisors. Additionally, all collected information was stored according the regulations set by the UC Human Research Ethics Committee. No-one but the researcher and the project's supervisors have access to the material provided by the participants. Also, the researcher presented the expression of confidentiality by housing the online laddering survey on the Service Innovation Lab server at UC. The server ensured that the collected data would be handled in strict confidence, and no-one except the researcher and the supervisors could access the data. Names, identities and personal information would be substituted by

pseudonyms when participants were quoted. Interview transcripts would not contain any identifying information and would be stored in password-protected files. All analyses would be presented only in the unidentified aggregated information.

3.7 In-depth interview findings

As mentioned earlier, the exploratory phase is carried out in order to obtain vital ideas and insights, to refine the basic conceptual framework of the central concept of CPV and the constructs associated with it, and, finally, to propose a range of hypotheses that will be tested in next quantitative phase of the project. Analysis of the data collected from the in-depth interviews will allow the main dimensions of CPV to be identified and verified. Data collected from interviews confirmed that CPV has a multidimensional nature (Ledden, Kalafatis & Mathioudakis 2011; Lin, Sher & Shih 2005), so the use of a single measurement is insufficient (Petrick 2002; Sánchez et al. 2006). This section documents the findings from these interviews into five groups of constructs, namely, service quality, including staff competence, empathy, reliability, responsiveness and the physical facilities available; knowledge benefits; social value; emotional value; and value alignment.

3.7.1 Service quality

Data collected from this qualitative study supported the literature's wide recognition of service quality as one of the key determinants of value perception (Boksberger & Melsen 2011; Petrick 2002; Sweeney & Soutar 2001). Sheth, Newman and Gross (1991a, 1991b) proposed that quality service and performance point to the positives of functional value. So far, researchers have examined various indicators of services quality (Cronin & Taylor 1994; Gallarza & Gil Saura 2006; Parasuraman, Zeithaml & Berry 1985; Petrick 2002).

Grönroos (1984) and Rust and Oliver (1994) constructed studies of service quality based on technical quality (or service product, what the process leads to for the customer) and functional quality (or service delivery, how the service process functions), then later included image attribute (Grönroos 1993). However, Lassar et al. (2000) recommended that this model based on functional quality and technical quality is more predictable for outcomes (for example, customer satisfaction and customer loyalty) when they actively involve contexts or when customers are significantly involved in the manner of delivery. From another perspective, the multidimensional facets of service quality are captured in terms of assurance,

empathy, reliability, responsiveness and tangible attributes (Cronin, Brady & Hult 2000; Parasuraman, Zeithaml & Berry 1988).

The participants in the in-depth interviews discussed an array of examples of employment service quality that contributed to jobseekers' value perceptions. For instance, service quality, according to some informants in this qualitative study, included the organisation having a high star rating for its performance, receiving personalised or customised service, and seeing complaints handled well. Participant M#3 summed this up as 'how they respond to feedback, how they address customer complaints and how they solve customer issues'. Rowley (1998) suggested that the most appropriate scale may depend upon the service sector or contextual features. Hence, the dimensions of service quality may in some sectors be complicated by many factors, and in other sectors be very simple or even unidimensional. Five main domains materialised from the discussions, including the professionalism of the contact personnel, empathy, reliability, responsiveness and physical facilities. Further discussion on these features of the functional dimensions of value or service quality appears in the following subsections.

3.7.1.1 Staff competence

Research shows that an organisation's investments in its service employees can drive sustained business success, as the organisation's employees are often considered to encapsulate the service that the organisation provides (Zeithaml, Bitner & Gremler 2009, p. 352). Most interviewees emphasised how important it was to them, as customer-jobseekers, to work with competent staff. For example, in answer to the question 'What do you think is your key to success?' participant M#7 stated, 'It is all about people. We are able to attract and retain good quality people and good quality leaders'. Several characteristics representing the proficiency of frontline employees were uncovered in the data obtained from interviews.

Capable and knowledgeable staff

Several studies suggested that the contact personnel should have good, up-to-date knowledge (Sánchez et al. 2006). JSA provider personnel should have knowledge of the program and the labour market, as M#7 explained:

> We have an intranet where all our postings and all our processes and procedures are located for our staff, and there is a significant suite of programs and policies available … So they do online training, and they engage staff from anywhere across the country, and the training is relevant to the policies and procedures. So staff are

> inducted into the business and they're mandated to learn about the policies and procedures, and then … there's follow up training ongoing to ensure that people are up-to-date.

This argument was supported by M#8: 'It never ends. It would be just keep refreshing. And policies change and things change, so we just go through it again'. Staff working in the employment services context should have knowledge of both sides, the employer as well as the jobseekers, as commented upon by M#1: 'A lot of it is how they deliver services both to employers and towards the disadvantaged jobseekers'.

Different approaches to recruitment in this industry address the need to ensure staff are professional and capable. Some employment services providers do select and recruit very skilled and reasonably well-paid experts, but it may affect their business viability. As M#1 stated:

> A lot of the better five star providers have quite a deal of in-house expertise in dealing with disadvantaged job seekers, and [are] able to address all of their needs rather than just their employment need.

On the other hand, the interviewee added that, 'Others are also very good at achieving collaboration with other providers in terms of servicing a jobseeker's many needs'.

Furthermore, M#10 emphasised the importance of building relationships in the employment services context: 'Cultural awareness first and foremost, and then the ability to be able to develop those relationships accordingly [is] really important'. This is consistent with findings of research into cultural differences in consumer behaviour (Liu & McClure 2001; Mattila 1999). This claim was strongly confirmed by M#2:

> … in this contract all providers are required to undertake culturally sensitive training so that they can work with Aboriginal and Torres Strait Islanders jobseekers in a way that's appropriate to work with them … we are tailoring, we're actually developing training for providers in the disability employment service space as far as mental health goes.

Other interviewees also presented different examples of cultural sensitivity in employment consultations. For instance, M#9 stated, 'In a particular area, where we have [a] high Asian [population,] for example, we would tend to look for engaging Asian staff, and it is mainly about language and communication'. M#9 told another story:

> … down in Dandenong … [there is] a fairly high African community, and that's just from Sudanese. So [what] we actually identify right from the start is that we have to get someone who from that community employed … who was respected within that community that we were able to engage. And, he was able to actually go to them and tell them you can or can't do certain things, or you need to behave in a certain way, or you need to turn up at this, and it's different from home.

M#9 stated that, 'Capacity and knowledge was the focus in employing staff in different sites'.

Consultants have the significant and responsible role of giving valuable advice and satisfactory information to jobseekers (Cronin et al. 1997; Sánchez et al. 2006). Two interviewees, M#9 and M#10, claimed that the consultants should inform and shape the jobseeker's expectations within the services as M#10 stated that, 'That is discussed during the initial interview, and it is about sort of formalising what our expectations of the assessment are'. Information should also be exchanged in a meaningful and well-timed manner (Anderson, Narus & van Rossum 2006). Similarly, M#4 said, 'Basically the provider has outlined the right requirements for the jobseeker'. M#9 gave more detail:

> A lot of people come to employment services providers and have unrealistic expectations, or on the other side of it some of them come with an expectation that they won't have any expectations.

M#10 stated, 'We look at [the] motivational, [which] I think is a big factor.' Hence, consultants need to effectively inform the jobseekers about 'their social obligation as much as anything else'. M#1 said:

> Employment services by themselves don't necessarily create employment, so you actually need the employment opportunities to achieve outcomes … the best providers work in where there are usually job opportunities and then their ability to be able to place jobseekers into those job opportunities.

Skilful staff

According to Cronin, Brady and Hult (2000), competence involves the skill levels of staff as well their knowledge and ability. Studies by Parasuraman and other scholars (1985, 1988) elaborated and overlapped this work, and added the factors of reliability, courtesy, communication and credibility. Ulaga (2003) referred to personal interactions, adding

communication and problem-solving skills. Having skilful staff is a key factor that enables customer-jobseekers to deal with providers and consultants more easily and effectively.

- ***Communication skills***

Ulaga (2003) identified the significance of communication to build and grow relationships. The interview results revealed the strategic role of communication in driving value for customer-jobseekers. For instance, M#2 said:

> People, often older jobseekers in particular, find that they are often working with young employment consultants and they feel like they don't understand their individual circumstances. But I think, that's possibly a generational thing too, they communicate differently.

Consistent with Parasuraman, Zeithaml and Berry (1985), the interviewees defined communication as updating customers in simple language that is easy to understand, and listening to them. In this light, Jun and Cai (2001) talked about communication in terms of providing clear answers to customers, informing them of vital information. As such, M#5 said:

> In the first instance, they're aware of what they are entitled to. So, for the lower streams [we] just give them some plain English policy and make sure they understand that [while for] the higher streams [we] give them policy and make them understand the program … make sure that they are getting as much service as they can to assist with getting a job.

More precisely, communication helps by reducing uncertainty, strengthening relationships (Homburg et al. 2002; Kalafatis 2002), and providing information so jobseekers can manage their expectations (Parasuraman, Zeithaml & Berry 1985). This idea received support from M#8, who said, 'Trying to get them back to level one just to get a job, a suitable job, something that they can do. Not the dream job'. M#2 said, 'It is making sure that we set their expectations,' by giving details, such as, 'Providers would stream people into where employment opportunities existed, not necessarily where they want to work'. M#6 complained, 'A bit of miscommunication … goes on,' and suggested, 'They should be able to listen and they should be able to empathise, and they should be clear about what people are going to get out of the program I think, and what can be offered'.

- ***Problem-solving***

More effective and efficient problem-solving assists customers to value services positively (Eggert, Ulaga & Schultz 2006; Ulaga 2003). M#1 highlighted the importance of understanding the customer's circumstances and issues, and then making the appropriate response:

> So the employment service provider needs to be aware of that, so they don't push them into looking for work when they're clearly not ready to look for work. As I said, it's a case of making sure that the person receives the assistance, the appropriate assistance which gives them confidence to look for work and [be] able to engage with employers in a way that they look like as if they're an employee that could be hired. If the person comes through unprepared then the employer won't want to employ them.

M#1 added, 'It's got to be ensured that the jobseeker's ability to look for work is relative to their level of disadvantage'. M#10 proposed:

> It's very much a collaborative approach working with the jobseeker in the first instance to self-identify, to self-disclose, so it's quite a collaborative approach … we generally try and look at the whole person.

Employment services have certain characteristics, explained in a statement by M#9:

> It would have been what is the cause of their being unemployed in the first place, and often if you don't address some of those things all you're going to do is put them in a roundabout, they'll get into employment for a couple of months a few months, and then they're back into the unemployment pool again, because none of the underlying issues have been addressed.

To the extent of employment services, M#8 gave an example:

> A typical stream 4 [jobseeker] for us is drug-addicted, alcohol dependent, mostly both. They often have both. Fifty per cent of them are either homeless or couch surfing … Attitude problems. They've been in the system a long time, they believe the system is against them, they believe we're against them because we're part of that system.

In short, M#6 said, 'Listening to the needs of the customer and addressing the issues that they actually have'.

To sum up, the interviewees' claims supported findings from previous research highlighting the important role of contact people in the services process and showing that proficient

personnel can directly influence CPV (Sánchez et al. 2006) or customer satisfaction (Tam & Wong 2001; Dedeke 2003).

3.7.1.2 Empathy

Previous research suggested that the aspects of service quality varied in importance across service industries (Dabholkar, Thorpe & Rentz 1996). Intuitively, it is expected that empathy and staff proficiency might be considered more important in a healthcare organisation than an entertainment organisation (Bloemer, de Ruyter & Wetzels 1999). Parasuraman, Zeithaml and Berry (1988, p. 23) defined the attribute of empathy as caring, individualised attention that the firm provides its customers. In other words, empathy is an aspect of service quality that highlights the treatment of customers as individuals. In the employment services context, there was evidence of empathy in perceptions of service quality. As M#5 noted, 'Obviously most jobseekers appreciate [it] when they go to an appointment and they get personalised feedback'.

Customisation or individualisation

Customisation can be defined as 'tailoring of service outcome according to customer needs offered to all customers' (Paul et al. 2009, p. 220). Some academic research reveals the significance of tailoring on perceptions of quality as well as of value (Paul et al. 2009; Simonson 2005). Such practice is particularly important for service providers, as M#2 stated:

> … quality of the employment services varies. There are a lot of larger providers and there are some smaller providers … if it is a specialised service I think people get a much higher quality of service because it's tailored more specifically to their needs.

To support this claim the informant gave an example:

> We get a lot from the South Coast and the majority of what they are complaining about is not targeting. It is not individualised service; they feel like they are getting a general service.

Similarly, M#8 said:

> Each person that walks in this office is an individual, we don't believe them to be one particular person, and we treat them individually, assess them individually, react to them individually.

Jun and Cai (2001) described individualised services as understanding the customer or giving personal attention. In an interview, M#5 agreed:

> … understanding their situation so for example … so they like it when they go in there and their consultant will already know what kind of jobs they are looking for and what work they are already been doing or applying for and different things. I think they value a personalised service.

Several academics also found that offering differently personalised kinds of services is another facet of customisation (Borle et al. 2005; Paul et al. 2009). Borle et al. (2005) empirically concluded the significant effect of a range of levels can change customer retention rates. Relating this to the JSA program, M#7 explained:

> That is the complexity of our world. And, I guess that is something that makes it difficult to service jobseekers because they're requiring so much for so different people. It is a customised service.

M#1 supported this idea, saying, 'You have to address multiple needs in multiple different ways'. The complexity of the needs and issues varies according to the JSA stream of the jobseeker, as M#4 elaborated:

> Stream 1 receive the most limited assistance … stream 4 are the most disadvantaged. So [with] stream 4 it's a lot more intense servicing … the provider [has to] provide a more tailored service for their needs.

M#6 gave an example:

> Consultants will go out of their way to get them through their issues, to get them psychological assistance and all this sort of thing, and particularly in, say, stream 3, stream 4, and the extreme cases.

To respond to the complex nature of employment services, M#9 distinguished two modes used to engage specialists in the industry, namely, 'internal permission' and 'usage of external providers'. The former is when the provider employs a psychologist to work from various sites in a particular area. The latter refers to the engagement of specialist providers that work with staff and jobseekers on site. Service delivery of these types can be found in forms of external and internal collaboration in the paper by Jun and Cai (2001).

Empathy should involve taking care of and showing interest in all customers (Parasuraman, Zeithaml & Berry 1988), customer orientation (Brady & Cronin Jr 2001; Brown et al. 2002) or attentiveness (Johnston 1995). Similar claims can also be found in work by many other scholars (Boulding et al. 1993; Cronin & Taylor 1992). M#8 stated:

> We try to get them to do it by themselves but we do touch base with them. If they need any assistance we get them to … if they've not progressing, if they've been here six weeks in a row and haven't done anything, we work more closely with them. We refer them to our marketer to sit with them while they're here. Often the consultants will go out and check on them, go through their lists

That claim is supported by M#10:

> The other way to look at it as well is to say, well, if we're working collaboratively we're actually giving that person the opportunity to make a change, assess, partake in the process, have more ownership. And we see that as [giving] greater long-term benefits to the individual ... that process and try and ensure that they're less dependent on us and we work with them proactively to try and instill them with those skills so they can self-manage, and rather than being entirely dependent and in being entirely directed by us.

Courtesy

In earlier works on service quality, Parasuraman and the co-authors (1985) and Arnold et al. (1983) identified courtesy as politeness, respect, consideration and friendliness of contact personnel. Other scholars found empathy in the warmth displayed by employees during service encounters (de Ruyter et al. 1997), in employees being consistently courteous and friendly when addressing complaints (Jun & Cai 2001), and in perceived equity (Olsen & Johnson 2003), honesty and fairness (Paul et al. 2009). Empirical evidence showed that accuracy and friendliness were the most important determinants of customers' banking preferences (Oppewal & Vriens 2000). Previous studies have confirmed the beneficial influence of courtesy on how customers perceive value (Gallarza & Gil Saura 2006). That claim is supported by M#9, who said, 'The key thing is that it addresses the person rather than the problem', and, 'That sort of brings [it] down [to] a nutshell, it is actually treating the person as a person and not as another number'.

The interview with M#2 documented that one of the most important things for a jobseeker was how they were treated while they were registered with a provider. The interviewee expanded by saying ethical and accountable behaviour by providers was important. Additionally, M#5 claimed 'So the higher streams will generally complain about the behaviour of the provider towards them and perhaps bullying and different things like that'.

M#8 pointed out:

> A lot of them get really mad, like aggravated. They throw things, they storm out, slam doors, yell. They don't like their time being taken up. It's a difficult situation because on one hand you want to say to them what does it matter, you're unemployed, but you can't … you can't do that. So we try and talk to them.

On the other hand, M#8 related:

> I'm not going to turn someone away at my desk and say look, stop … stop crying right now. I don't want to hear about your issues, I need you to leave because Bob's waiting. You don't turn people away like that.

3.7.1.3 Reliability

Although the dimensions of service quality varied in importance across service contexts (Bloemer, de Ruyter & Wetzels 1999), some scholars (for instance, Parasuraman, Zeithaml & Berry 1988; Zeithaml, Parasuraman & Berry 1990), argued that reliability was the most important factor determining customer loyalty, despite the research context. Discussions of reliability can be found in a number of publications on service quality, such as those by Cronin, Brady and Hult (2000), Jun and Cai (2001), Johnston (1995) and Bloemer et al. (1999). Paul et al. (2009, p. 220) defined reliability as 'consistent, accurate and dependable service outcomes'. Parasuraman et al. (1988, p. 23) conceptualised reliability as the 'ability to perform the promised service dependably and accurately'.

Provider performance

In this qualitative study, high performance emerged as a good proxy for service quality. Scholars defined performance differently depending on the research context. For instance, in tourism Sanchez et al. (2006) discussed provider performance in relation to organisations that were well organised, performed at an acceptable level, maintained their quality, and delivered results that the customer expected. In Patterson and Spreng's study (1997), performance is defined as outcomes. Academics consistently argue that performance is positively associated with value. The findings from the qualitative data supported this claim.

For instance, M#7 observed, 'Where you see a high-performing site you definitely see a better quality of service and more jobseekers getting in to work'. In contrast, the interviewee said, 'If you're a low-performing provider … if you don't provide a quality service over a duration of time, so you know, it will impact … on the jobseekers that are within that site'. In

other words, M#4 defined performance in terms of the quality of service: 'If a jobseeker does receive good service from the provider, there's no reason to see why the jobseeker doesn't have an advantage in gaining employment'.

M#1 also differentiated some indicators of successful performance:

> The main element is finding employment for the jobseeker…. can either be a full-time job, a part-time job or training, and the larger the number of quantity of those that they can achieve, the great[er] the quality of the provider. For the lowest streams, for the lower least disadvantaged, we also have an element of speed to outcome. So the quicker you can get someone into employment or training, that's considered an advantage.

In particular, M#5 posited:

> The star ratings are calculated to best service for the jobseeker … we've got a feedback system where all of our complaints and compliments get recorded … it does go back to the provider and how well they have been rated on handling complaints.

M#2 showed the same line of thinking, but explained it in a different way:

> I think that for the majority of jobseekers, yep, the better the provider, the more satisfied those customers are. But certainly, and if I was to think about it sort of retrospectively rather than looking forward, we get complaints about providers and we can actually go back and have a look and they were a poorer performing provider. And we've recently actually had complaints from ones for disability employment service providers that have actually lost their contracts because they only got two stars, and … they had to be at least a four-star provider to get an extension.

Image or Job Search Australia provider's reputation

The significant aspect of image has received growing attention in the marketing research, as it affects the individual's subjective perception and consequent behaviour (Bloemer & de Ruyter 1998; Gallarza, Gil Saura & García 2002). The literature shows that image or good reputation contributes to credibility assigned by the customer (Parasuraman, Zeithaml & Berry 1985, 1988). The firm's reputation relates to how the customer values its services (LeBlanc & Nguyen 1999; Patterson & Spreng 1997). The qualitative data revealed support for this claim. For example, M#7 confirmed that jobseekers are interested in 'brand

reputation, name, you know. People talk, word of mouth … So they look at the organisation from a name point'.

M#8 said:

> We worked so hard, how could we … how can we be four-star? But when you looked at it, and you could see the reflection of what we were doing and what we were achieving, we were working hard to achieve it, but we just hadn't got there. So it was … it was a good indication that yes, we hadn't got there.

The extant literature shows both theoretically and empirically that image is considered a risk-reducing mechanism (Whittaker, Ledden & Kalafatis 2007), and that a firm's reputation or image has a significant impact on customer attraction (LeBlanc & Nguyen 1999; Sánchez et al. 2006). That claim is supported by M#9:

> Well, technically they're supposed to be acting under the same contract and that's addressing the issues of a person and getting them into sustainable employment, but we can give you anecdotal evidence that some providers simply look at a person and say, 'This is too hard, go round to the Salvos.'

Punctuality and continuity

Reliability in terms of punctuality has been revealed in several works (Boulding et al. 1993; Parasuraman, Zeithaml & Berry 1988; Paul et al. 2009) to be an important factor. Consultants should be approachable, available, on time and easy to contact. According to M#2:

> We often get complaints from people because they arrived on time for their appointment; their employment consultant was busy … so they had to wait. But then if they turn up late for an appointment they get in trouble.

M#8 stated, 'We very rarely change appointments. There will often be a wait', and, 'We very rarely ask them to reschedule'. M#8 claimed that a waiting time should be acceptable: 'Like [when] you go to a doctor, you'll sit and wait as long as it takes'.

Spending time working with jobseekers is very important for quality of service (Cronin et al. 1997) and for customer perceptions (Parasuraman, Berry & Zeithaml 1991). This claim was strongly supported by M#7, who said, 'If you have more time available to dedicate and spend

with clients, that's more likely they're getting a better service and they're going to get better outcomes'. The interviewee explained:

> If you could spend more time researching, calling employers, providers, engaging directly with them rather than rushing that process so that you can make sure that comments are written well, and make sure that you've ticked every box in their system, then of course … we all know that the quality of service is going to be greater.

However, there are time constraints for consultants. For example, M#10 stated:

> Not always, I mean obviously with stream 1 we do not have the time, as much time as what we would like to be able to sit down and spend 45 minutes with each individual, because it is just not viable and logistically practical when you have got a big caseload and high-volume numbers. So stream 1 obviously has more numbers than the other streams, yeah, the funding arrangements are entirely different, so is the performance framework credits, the performance credits. So you are not going to spend as much time as what we'd like personally.

Finally, the qualitative data revealed that keeping continuity in relationships between JSA provider employees and jobseekers had a significant impact on perceptions of value (Boulding et al. 1993). The endeavour of developing mutual relationships with the consultants was emphasised by M#2:

> [What] I have seen a lot with JSA providers is they have a high turnover of staff. So, a lot of jobseekers find that from one appointment to the next they've got a different employment consultant every time. When they get continuity of service they are getting … a better quality service and they feel more valued … And particularly for people who are in vulnerable positions because they don't have to tell the new person all of their problems again. They sort of build a relationship or a rapport with that person and that works better for them.

M#6 claimed:

> They change employment consultants … so one person will make a lot of promises and give them a lot of assistance, and then they'll change to somebody else who's less helpful, and this can generate complaints obviously.

Although there are complaints about consultant change, seeing the issue from a different angle M#8 stated:

> By changing consultants you get fresh eyes, a new look at it. And a new consultant will ask different questions. You'll get them recapping their story again, and it reminds them …

M#7 had another reason to support the consultant change:

> And the other danger is, too, that consultants have big case lists of jobseekers [they] are engaging with, they're working with, so they're going to forget a lot of their people because they're constantly seeing new people every day.

As such, in contrast with previous research noting the role of continuity in predicting customer value (Gallarza & Gil Saura 2006; Moliner et al. 2007) or customer satisfaction (Boulding et al. 1993), the data collected from these interviews presented mixed results. There is room for further investigation of the potential impact of continuity on service quality and then on customer value.

To sum up, the qualitative findings shows that reliability, consisting of the provider's image or reputation, its performance and continuity of service, has a direct bearing on perceptions of value in employment services (LeBlanc & Nguyen 1999; Sánchez et al. 2006).

3.7.1.4 Responsiveness

One of the five key dimensions of service quality in the SERVQUAL model is responsiveness (Parasuraman, Zeithaml & Berry 1985, 1988). This aspect can be described as the willingness to help customers and provide prompt service. Bloemer et al. (1999) placed emphasis on the attitudes of service personnel attitude, in terms of them being attentive to customer requests, questions and complaints.

Complaint handling

As M#7 stated, 'Quality is a significant and important indicator, but if you look at high level you are looking at value for money, at outcome claims and how providers avoid fraud'. Stauss (2002) argued that complaining customers provide opportunities for the company to solve a problem and diminish the possibility of disappointed customers moving to a competitor and giving negative word-of-mouth reviews. Furthermore, a company which successfully handles its complaints is more likely to sustain positive customer relationships

(Gruber et al. 2010). Understanding the importance of complaint handling for business sustainability, M#8 acknowledged:

> We generally get in-house complaints. Those complaints are generally in regards to their consultants. I believe if we don't get complaints we're not doing our job properly. And we take all complaints seriously

Additionally, to address the consequences of customer complaints, M#1 stressed, 'This feedback is given back to providers, and if there is a substantial number … that [will] impact on their performance, their star rating'. M#2 added, 'The absence of complaints- I mean, I don't agree with that particular theory but- that's a mark of quality'. However, M#3 argued:

> Jobseekers might complain about a provider [but that] doesn't mean they are a bad provider. It could mean that the provider is making sure that people do what they have to do and the jobseeker doesn't like that.

There is disagreement among the informants around the matter of whether complaints affect perceptions of service quality and value, so this area may need to be further investigated.

Existing research on consumer complaints has looked at aspects influencing complaining behaviour, such as characteristics of complaining customers (McAlister & Erffmeyer 2003) and the attribution of blame (Folkes 1984). In the context of employment services, regarding the source of complaints, M#1 revealed:

> … the main complaint of feedback tends to be from streams 3 and 4. Mainly because they're the most difficult to place, those that have been out of employment for very long periods of time … they don't believe their job employment service provider has assisted them adequately to find a job, they don't believe they're getting the tailored assistance, they don't believe that enough money is being spent on them to help them with developing their skills levels.

M#6 differentiated between different levels and channels receiving complaints from customer-jobseekers:

> The complaints handling process is essentially that the jobseeker goes to the provider first, they are directed to their provider. If they are not satisfied then they call the customer service line, generally after that if it's really considered to be serious enough it goes through a contract manager. That contract manager who manages that provider

> will probably then go into a discussion with the provider, and they'll try and investigate the issue and see how it all flashes out.

M#4 also placed complaints into two level groups:

> If someone's complaining about the program they have to give us examples of what they don't agree with within the program ...We can make an assessment and then forward that to the relevant areas within the department … Complaints about a provider, basically we co-ordinate [through] our customer service line, which is … state wide. So when there is a complaint we would arrange for a customer service officer to contact the jobseeker to gain their consent to follow up with the provider regarding the matter, and then try and, I guess, aim for a resolution.

Flexibility

Research by Parasuraman et al. (1988) considered responsiveness in terms of flexibility- that is, timelines of service, such as quickly setting up appointments (Johnston 1995; Parasuraman, Zeithaml & Berry 1985) or quickly getting back to customers (Jun & Cai 2001). The research findings from the interviews for this study were clearly backed up by the literature. As M#6 said:

> They really value if the provider is willing to work with the times that these people have, because often you'll find too that you'll have single mothers and they need to pick up their kids from school, and they need to be available in the afternoons. Or somebody's working a part-time job, and they have to go into their provider, which of course will negatively affect the work that they have.

Customers also evaluate service quality in terms of waiting times for accessing the services. As M#8 suggested, one source of complaints relates to time: 'We often get that from people that walk out after 15 minutes; we do put in a participation report to Centrelink to say that they didn't attend their appointment'. To solve problems and quickly set up appointments with jobseekers in these cases, the interviewee said:

> We do change consultants at the last minute if … if, like, Sue's got four clients waiting and … I haven't got anyone, I will jump up and grab someone. Just to keep the flow going. We all support each other here.

Flexibility in the employment services context is also found in opportunities to reschedule appointments, as M#8 explained:

> Depending if they're usually compliant, they usually attend their appointments. We do have the discretion to change. And if they ring us before and say, 'Look, my daughter's sick, I've got to take her to the doctor', that's fine. Come in later, or come in first thing tomorrow. And the ones that are legitimate will. The ones that aren't won't.

The qualitative data is supported by previous research on service quality, in that responsiveness in service quality is indicated by the service provider's handling of complaints and flexibility in service delivery.

3.7.1.5 Physical facilities

A feature of service quality that is often referred to is the availability of facilities and equipment (Chen & Hu 2010). As M# 8 claimed:

> I think they do … like the facilities. They do want to know what we have. And a lot of them will say, 'Oh, how many computers have you got?' or, 'Can I use the phone? Is there something I can use? Can I have tea and coffee?' Things like that. But it's not essential to them … There are those that definitely look for diversity in their own branch.

In addition, M#8 said:

> We have a room next to us here about the size of this, with the computers, papers, phones, they come in here and they look for work once a week.

The findings confirmed that confidentiality and privacy inside the office is part of the establishment's value (Sánchez et al. 2006).

Customers have a positive view of the organisation when its office is well located and convenient (such as being easy to find, being in a central location and/or with good transport links) (Chen & Hu 2010; Sánchez et al. 2006). This was supported by M#2:

> Centrelink usually just refer [jobseekers] … via their postcode. So, you know, they put in their postcode as 2601 [because] they live in the city of Canberra, and … then the Centrelink system will automatically send them to a provider in the area. And often people will move from the one that they've been sent to by Centrelink because, you know, it's within their postcode but it's the furthest from their home address. There's actually one in the next postcode which is closer. Or so it often will change.

Overall, the qualitative study indicated that service quality, including staff competence, evidence of empathy, reliability and responsiveness, and the availability of equipment, has a significant influence on value perceptions, supporting the arguments of Parasuraman et al. (1988), Cronin et al. (2000), Sánchez et al. (2006) and Gallarza and Gil-Saura (2006). The epistemic value dimension, or the knowledge benefit, is discussed in the next subsection.

3.7.2 Knowledge benefits

Sheth, Newman and Gross (1991a, p. 162) described epistemic value as 'the benefit perceived and obtained from the need and desire for curiosity, need for knowing and innovation'. Whittaker and co-authors (2007) emphasised satisfaction based on skill and knowledge improvement. There is an obvious association between this value dimension and employment services, in which acquisition of information is one of the major benefits. Regarding the epistemic aspect of customer value, or knowledge benefits, M#8 explained how jobseekers could gain skills and improve their job prospects by working together with their caseworker:

> Once a month we have in-house training run over four days. And they change. So you have got things like job search skills, so it is a two-day course where they learn how to look for a job.

Jobseekers have an active role, where the trainers 'only assist the customer-jobseekers but not … work for them'.

Similarly, M#2 gave an example of where providers have put in place an innovative solution:

> Some of the places in Alice Springs I think have done really well. They have actually got, like, world-renowned chefs who come in and teach jobseekers to cook in the kitchens at the provider sites. And so, like, people really like that not only do they actually learn the skill but they actually get to meet some really good chefs.

M#2 gave another example of an innovative way to train and obtain knowledge through the workshops:

> You said you've done some work in the Northern Territory … They actually have things like mechanic workshops … young men can actually bring their cars in … it doesn't matter how old the jobseekers are but they can bring their own cars in and work on their own cars there.

In the employment services setting, it is vital that customer-jobseekers know what services are available to them as well as about the requirements of the JSA program. In other words, the expectations and obligations should be established up-front. This information should also be clearly provided at the initial meeting, as M#3 stated:

> Sometimes jobseekers only want to work in a certain job, whereas they're obliged to take work that is considered suitable. So just because it's not, you know, your dream job doesn't mean that you shouldn't take it. So yeah the jobseeker has to be motivated and flexible and, you know, interested in working, obviously- as long as, you know, the employer is reputable and is not sort of doing anything that's not appropriate.

The epistemic dimension of value, or knowledge benefit, in the employment services context might be positively associated with customer-jobseekers' emotional and social perceptions. The next subsection will discuss another important facet of CPV- the social dimension.

3.7.3 Social value

Social characteristics have traditionally been conceptualised as social norms, for example, persuasion by others to use new technology like mobile services (Venkatesh et al. 2003). In the educational context (LeBlanc & Nguyen 1999) and the tourism context (Sánchez et al. 2006), social characteristics also include the beliefs and views of people who are important to the customer. According to Whittaker, Ledden and Kalafatis (2007, p. 347), 'social value represents the benefits derived through interpersonal/group interactions'. In other words, the belief of reference groups can constitute a key part in the customer's value assessment (Ledden, Kalafatis & Mathioudakis 2011).

In terms of understanding social value in terms of social norms, M#7 gave an example of a jobseeker's proposal when they said, 'My friend went over there, got a job, yeah, want to go there'. M#8 told another story:

> We get a lot of people come in and say, 'Oh, my mate just told me he got a job, and I'm interested in the same sort of thing. Can I transfer in?' and things like that.

Value research also showed that social respect and others' appreciation can guide a customer to decision of using a particular service (Gummerus & Pihlström 2011; Pura 2005). In the employment service context, this aspect of value can improve the feelings that employers treat jobseekers who use the services of reputable providers. That is supported by a statement by M#10:

> [There are] the special interest groups, the community groups and also employers, so if you look at, say, Springvale, for example, [it helps to have] people that can liaise with employers [where] maybe the workplace is not English. It might be Vietnamese … Africa's also Springvale as well.

Together with social value, emotional value makes a contribution to relational benefits (Whittaker, Ledden & Kalafatis 2007), positively influencing customers' value perceptions. The next subsection will discuss the emotional dimension of value.

3.7.4 Emotional value

Emotional value is obtained when a product or service arouses feelings (Sheth, Newman & Gross 1991a, 1991b). The extant literature indicated that these can be feelings of comfort (Sánchez et al. 2006), emotional reactions or feelings (LeBlanc & Nguyen 1999) and emotional relationships (Fournier 1998).

In many cases, customer-jobseekers feel comfortable with their employment service providers, as M#8 identified:

> You'll have an Aboriginal woman walk in and if we're all white fellows she won't want to be here. But if she can see that we have coloured people here, people of different backgrounds, she [is] more comfortable… A lot of people will come in looking for that a little bit. [They look] around the office, see who's about. 'Oh, what's that guy's name? I'd like to speak to him.' We have an African consultant, and our African clients will often stop and talk to him in their own language, and they love that, you know.

Meanwhile, emotional reactions can create positive feelings (LeBlanc & Nguyen 1999; Ledden, Kalafatis & Mathioudakis 2011; Sánchez-Fernández & Iniesta-Bonillo 2006). In this qualitative study, for instance, M#4 indicated that this can occur 'where the provider has provided a high level of assistance to the jobseeker, and the jobseeker is happy with basically that service'. In employment services, emotional value can arise in a negative way in feelings of fear, anger and guilt, as M#5 found:

> They don't feel like they're a number per se, they don't feel like they're a statistic or anything. They're going in, they're seeing their employment consultant and they feel like their employment consultant knows their case and that they're genuinely trying to help them.

In addition, M#1 pointed out:

> There is a clash in that there are requirements placed on jobseekers and we require them to look for work, we require them to actively look for work, and … then the agreement is we will provide them with the services and assistance to find them a job. Not all jobseekers place a high value on that … as I said, it's very different to you going to purchase recruitment services. Those services are provided to you but that's only because you're on income support … At the end of the day, not every jobseeker will be happy … generally most people that go through employment services are happy with their employment service provider and it is quite a high satisfaction rating … Some jobseekers believe they don't get the tailored assistance that they should be getting and hence they're not happy, whereas many others do get it and are happy.

Value research indicated emotional relationships result from an organisation being willing to satisfy customers' wishes (Sánchez-Fernández & Iniesta-Bonillo 2006) and creating a sense of assurance (Sweeney & Soutar 2001). As M#2 revealed, customers can feel unhappy if the service is not customised: 'It is not individualised service … they feel like they're getting a general service, they think that it's not being actually specifically to meet their individual needs'. The interviewee repeated the point:

> As a public servant we tend to do things, as a government we tend to do things, very bureaucratically and we do tend to treat everybody the same. So I think that while there are things in place to tailor services for individuals … we often fall short of the mark.

M#2's opinion was supported by M#3's statement that 'stream 1 jobseekers … think that they're not getting enough support', as, 'there's not much intensive activity because they're the people that are considered to be the most job ready'. M#2 also spoke of the special context of employment services and JSA, and the direct influence of the provider, claiming, 'jobseekers will work with their providers, they see it as a relationship with their provider that they are working with … not with government'.

To sum up, along with the significant determinant of service quality attributes, the qualitative findings revealed other essential dimensions of CPV, including knowledge benefits, social value and emotional value, supporting claims by many researchers in value studies that value is multidimensional in nature (Moliner 2009; Sánchez-Fernández & Iniesta-Bonillo 2007; Whittaker, Ledden & Kalafatis 2007). The phenomenon of value alignment, or how well-

matched the value perceptions of jobseekers are to those of the employment service providers, is deliberated in the next subsection.

3.7.5 Value alignment

The interviewees in this study held different views on customer-jobseekers being value co-creators. Some informants suggested that the jobseekers cannot be seen as value co-creators. M#2 said:

> I don't think jobseekers see themselves as co-creators. I think that the majority of time they see themselves as being subjective to the government policy … they see it as a relationship with their provider that they're working with … not with government.

However, value co-creation was identified at a certain level, when the phenomenon was described as benefits realised through the use and integration of consumer operant resources (Baron & Harris 2008). In the same way, McColl-Kennedy et al. (2012, p. 375) defined customer value co-creation as 'benefit realised from integration of resources through activities and interaction of collaborators in the customers' service network'. M#2 said in relation to quality, 'It's about giving the jobseekers the choice and educated choice'. For instance:

> The idea of that is that [because there are] providers on Job Search Australia … jobseekers can actually go and look for a provider … with this Connections for Quality, providers are actually put up there, what their specialisation is if they've got one, what their outcomes are, how well they're performing. So they can put all of that up there and so then jobseekers can actually go and [say], 'Well, that provider … works really well with mature-aged people, so I'm mature age, so … I'll want to work with that provider'. Or, '[I'm] specifically … from a non-English speaking background, so this provider has people who work with my particular language'. They can actually do that.

This process of looking and matching might be voluntary or optional for many jobseekers in the JSA program, but it is mandatory for people in some special cases. M#2 stated:

> With disability employment service providers [it's] actually going to be compulsory for them to actually do Connections for Quality, so if there's somebody out there who has a particular disability and there's a provider who's performing well in that field then they can actually choose to go and work for that provider.

M#1 also pointed out the interaction of value co-creation, where it is desirable for the jobseekers to be involved at some level of participation:

> Whenever every jobseeker has an employment pathway plan developed for them, it's individualised, it's targeting what assistance that they should be getting and the jobseeker has the opportunity to be part of the planning of that. I mean they have to be agreeable to that plan, they have to co-sign it. So I mean they can contribute to identifying what their needs are and how best the employment service provider can assist.

Adapting management and strategy approaches for the public sector has not been an easy task. Tregear and Jenkins (2007) found nine differences between the public and private sectors, in terms of the public interest; public accountability; public sensitivities; the ecosystem of the whole government; budget cycle complexity; information exchange between the government and citizens; regulating society; cultural influences; and the machinery of government. Subsequently, the consumer may have no choice but to, or very little room to, switch from one supplier to another. Brown (2007) emphasised that, in the private sector, service interactions are elective, which means individuals choose to use one or another service provider- but in the public sector they might not be always free to select. M#4 discussed the compulsory activities for jobseekers:

> It's important that jobseekers meet their requirements, and do actively participate, but it's not because if they do not participate they'll receive a cancelled payment. It's important that they participate to actively look for work, to try and get back into the workforce, because that's highly important for each individual. Providers can encourage them to actively look for work, and participate in training and those sorts of things. But I think a lot of it lies within the … person.

M#3 reinforced the claim:

> [You] have to participate, you have to attend appointments. It is mandatory and if you can't make an appointment you've got to let the provider know before time and organise a new one, and you have to sign an EPP, Employment Pathway Plan, which is kind of like a contract.

This characteristic of a public service organisation is confirmed in the statement by M#1:

> It's a public service, we're actually paying you money, and the fact that you're getting income support [means] there are obligations required on you to do things … because we're actually paying income support there are requirements placed on you, and therefore the jobseekers sometimes resent the fact that they have to attend interviews, they have to do activities which [they] are required to do.

Taking it one step further, it can be argued that the value alignment- the extent to which there is congruence between jobseekers' perceptions and the other actors' perceptions- is the key construct enabling value creation. The term 'alignment' can also be in strategic literature as 'strategic fit' in Henderson and Venkatraman's work (1993) and Cabiddu et al.'s study (2013). These studies suggested that the degree of adherence to a specific profile has significant effect on performance and this view had been adopted in numerous research settings (Venkatraman 1990). For instance, in the business-to-business (B2B) context, minimal disparities in core competencies (such as strategy, managerial style and resource allocation) would make a positive contribution to the performance of merged firms (Chatterjee & Wernerfelt 1991; Ramaswamy 1997). Likewise, in a healthcare domain Brown and Swartz (1989) found that differences between physician and patient perceptions were strongly related to overall patient satisfaction. In one recent study in a B2B domain, Ng and co-authors (2010) presented value co-creation as one of seven aspects of a multi-attribute construct around outcome achievement. Among the proposed attributes, on the theoretical basis of fitness or alignment, these authors conceptualised behavioural alignment as follows: 'both customer and firm have to ensure that the right behaviors are in place to ensure effective and efficient value co-creation and co-production' (Ng, Nudurupati & Tasker 2010, p. 19). Similarly, in this study, the value alignment construct can be defined as the degree of discrepancies in value perceptions between the jobseekers and the other actors (such as the contact staff at the providers' sites, and the public servants in the Department of Employment and the Department of Social Services).

3.8 Findings from the online laddering survey

This survey was conducted between August and September 2014 among the sample group of jobseekers across Australia, after they received their email invitations. A total of 64 completed responses were recorded. Table 3-2 details the characteristics of this sample.

Table 3-2 Description of the studied sample in the online laddering survey

Indicators	Number of respondents	Percentages in total
Gender		
Female	31	48.4
Male	33	51.6
Education		
Primary school	1	1.6
High school	28	43.8
Trade/diploma	17	26.6
Bachelor	6	9.4
Postgraduate	6	9.4
Other	6	9.4
Being of Aboriginal or Torres Strait Islander descent	1	1.6
Income support type		
Newstart	43	67.2
Youth Allowance	4	6.3
Single parent	2	3.1
Family parent	1	1.6
Disability	7	10.9
No payment	7	10.9

Females account for 48.4% of the sample; more than half the respondents are male (51.6%). The minimum age of the participants is 18, the maximum age in the JSA program is 64, and the average age of this sample is 42.3 years. The highest level of education by the majority of respondents was a high school certificate or a trade or diploma; these two groups account for 70.5% of the sample. Most (67.2%) respondents received Newstart.

3.8.1 Analysis of laddering data and results

After the survey has been conducted, the analysis of laddering data involves the following three steps, suggested by Reynolds and Gutman (1988):

- summarising the key perceptual components for each of variables: attributes, consequences and values, using standard content analysis procedures;
- constructing the summary table (matrix) representing the number of connections between the recognised components; and
- graphical demonstration of the main connection ladders (attributes–consequences–values) in a tree diagram called a hierarchical value map (HVM).

In this study, all these procedures were done manually, without the use of any software. Firstly, the researcher constructed individual ladders for each respondent- comprising attributes, consequences and values- by classifying the raw data, to form meaningful elements. In other words, coding of each variable made it possible to make comparisons across respondents (Gengler & Reynolds 1995). Meaningful categories were developed to group together phrases with identical meanings. The raw data was broken down into separate phrases, and meaningful categories were developed in order to group together comparable phrases with identical meaning. Those categories were identified using phrases and key words used by the respondents, as well as concepts from the existing literature review. The highest level of constructs of values was adapted from Schwartz's value list (1992, 1994). Primarily there were 58 concepts. Krippendorff (2012) identified that coding is an iterative processing of re-coding, separating, uniting concepts, and creating new concepts or dropping present concepts depending on the context. Subsequently, the number of categories was reduced to 49 (see Table 3-3 and Appendixes 5 and 6 for detail). The codes appear in descending order based on how frequently they were referred to in the ladders.

The lowest level of abstraction is described by 26 attributes which exemplify the characteristics of good employment services. Within the described ladders, 16 constructs identify the consequences of such characteristics, and seven constructs represent the highest level of abstraction, that is, values. Among these 26 attributes mentioned by the 64 survey respondents, the most important characteristic of good employment services was helpful staff, which was mentioned about 50 times. That was almost double the attribute that ranked second (28 jobseekers quoted mentioned individualised attention). These identified characteristics can also be grouped in five sets of service quality attributes, following the proposal by (Parasuraman, Zeithaml & Berry 1985, 1988). They are assurance, empathy, responsiveness, reliability and facilities. Assurance was identified as the most significant factor affecting how customer-jobseekers perceive service quality and value service, while

the availability of physical facilities has the least effect on customer perceptions of quality and value.

Table 3-3 Overview of values

Name of Values	Number	Characteristics
Achievement	33	
successful		Get a job, get quickly into labour market
self-respect		Belief in one's own worth
ambitious		Hardworking, aspiring
Security	30	
sense of belonging		Feeling that caseworkers care about him/her
safety		Being safe, free of risk, danger
family security		Safety for children, partner in family
Power	22	
wealth		Material possessions, earned money
fame		Protect my public image
social recognition		Respect, approval by others/employers
Benevolence	17	
honesty		Genuine, sincere
loyalty		Faithful to people, my group/family
responsible		Dependable, reliable
Universalism	10	
broad-minded		Tolerant of different ideas and beliefs
equality		Equal opportunity for all
inner peace		At peace with myself

Name of Values	Number	Characteristics
Self-direction	8	
autonomous		Getting own purposes. JSK feels the EA allows her/him to decide and act on her/his own with EA assistance
curious		Exploring, finding new skills/information
creative		Imagination
Hedonism	5	
pleasure		Gratification of desires
freedom		Free to think and act several things towards employment
enjoyment		Enjoying the job, not only for earnings

Values are described at the highest level of abstraction. Jobseeker-respondents to this online survey on good employment services identified seven types of values in Schwartz's (1992, 1994) list of values at the end of the ladder. In the context of employment services, achievement is considered the most significant end-state value, with 33 mentions, followed by having a sense of security, with 30 mentions. Hedonism values, including pleasure, freedom and enjoyment, were mentioned only five times, and self-direction values were mentioned the least, just three times. The other three values, namely, power, benevolence and universalism, were identified 22, 17, and 10 times respectively.

At the second step, an implications matrix showing the linkages between constructs was created at different levels (attributes/consequences/values) and shown by accumulating individual means-end chains between respondents (Henneberg et al. 2009). There are two types of connections in this matrix. Direct connection occurs where one attribute/consequence refers directly to another attribute/consequence in the same chain. In indirect connections, two attributes/consequences are linked through at least one other attribute/consequence. As Gruber and co-authors (2006) suggested, the implication matrix

connected the qualitative and quantitative components of the laddering techniques. All identified constructs and their linkages can be found in Appendix 7.

At the final step, an aggregate map, a HVM, (Figure 3-4) was produced that represented the most dominant attributes/consequences/values and their linkages (Claeys, Swinnen & Vanden Abeele 1995). According to Gruber, Szmigin and Voss (2006), a HVM commonly comprises three different ranks related to the three concepts of meaning. Personal values are placed at the top of the map, functional and psychosocial consequences are arranged at the middle, and the lowest level of abstract attributes are positioned at the bottom of the diagram. Furthermore, in this analysis, a cut-off point of two was set, meaning that connections are shown in the HVM only if at least two respondents revealed the connection. Henneberg's (2009) work argued that the cut-off level was a trade-off between increasing the interpretability of the HVM and losing information. The selected cut-off point of two may keep the balance between data reduction and retention (Gengler, Klenosky & Mulvey 1995) and between detail and interpretability (Christensen & Olson 2002).

Figure 3-4 Hierarchical value map

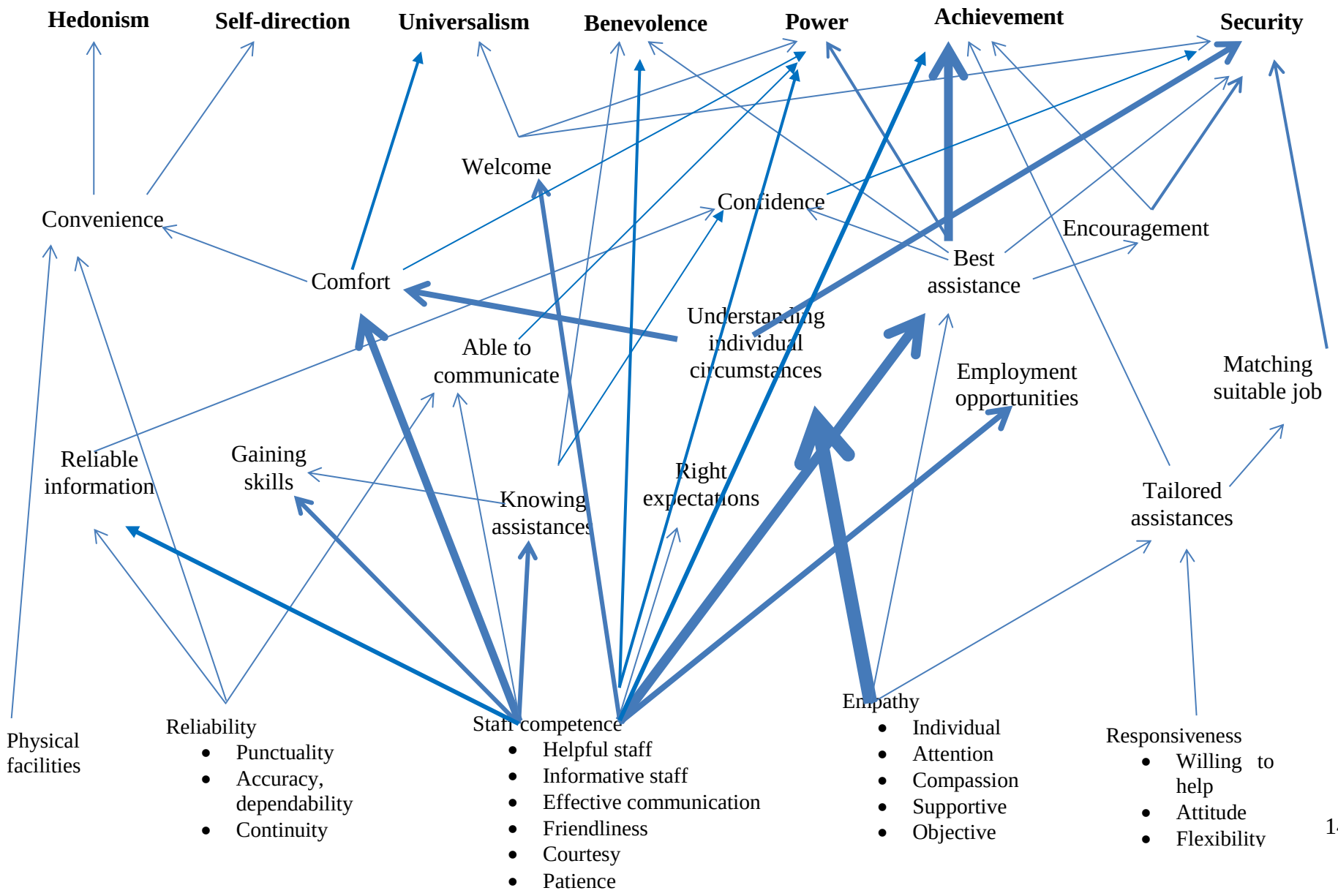


Figure 3-4 provides a visual image of linkages between the attributes/characteristics, consequences and the value end-states in the employment services context. In other words, this HVM summarized the sets of chains linking between attributes//characteristics, consequences and the personal values (Reynolds & Gutman 1988). In this framework, the value-level components are located at the top of the diagram to imitate the more abstract upper-level role they play in representing the meaning for other attribute and benefit/consequence components, which are positioned lower in the diagram. The attributes/characteristics elements are located at the bottom of the diagram while the benefit components are placed around the middle of the HVM. All these positions reflect the noteworthy means-end linkages identified through the analysis of the data obtained from the laddering survey.

For instance, one relationship between attribute, consequence and value was revealed from 'individual attention' to 'understanding individual circumstances' and resulted in a sense of belonging (security).

- Individual attention → Understanding individual circumstance → Security (sense of belonging)

Starting again from the same attribute, 'individual attention', we can see another path: the jobseeker would like to get 'individual attention' in order to make the JSA provider understand their circumstances so that the jobseeker will feel comfortable—then the jobseeker can attain the desired state of power (recognition, wealth) or universalism (inner peace and equality). The connections may be illustrated as follows:

- Individual attention (Empathy) → Understanding individual circumstance → Comfort → Power (recognition)
- Individual attention (Empathy) → Understanding individual circumstance → Comfort → Power (wealth)
- Individual attention (Empathy) → Understanding individual circumstance → Comfort → Universalism (inner peace)
- Individual attention (Empathy) → Understanding individual circumstance → Comfort → Universalism (equality).

Looking closer at this HVM, it is evident there are strong connections between the attribute factors “staff competence” and “empathy”, and benfit factors “ comfort”, “knowing assistance available”, “understanding individual circumstance”, “reliable information”, “best assistance”, and “comfort”. Then these links spread out across the seven important value factors. The strengh of the linkages between “empathy” and “understanding individual circumstance” along with the diverse directions to the different values (for instance, feeling sense of belonging, safety, social recognition, tolerant of different ideas and beliefs, equal opportunity for all, pleasure or autonomous) can be clearly observed by the colour and thickened arrows. This may suggest how management should pay attention to the attributes such as individual attention, compassion, supportive attitude or open-mindedness to the jobseekers, facilitating the jobseekers into feelings of comfort and convenience, building and developing themselves in autonomy, in getting their own purposes or making them feel a sense of belonging and that caseworkers care about him/her in the deliverying of employment services. The linkage between “staff competence” and the benefit of getting the “best assistance” is also a noteworthy one. In that case, most of the attributes involving the “staff competence” factor offer a change for the jobseekers so they feel they get the most assistance they need and are encouraged, confident, and therefore possibly achieving the values of success and respect. This may be significant for the jobseekers who are constrained in several ways such as disabled people, or people having limited time or people with children. Overall, from a management perspective, the HVM suggests that in employment service provision attention should be placed on improving staff competence, and empathy factors for attaining the jobseekers’ benefits and personal values.

So far, the in-depth interviews and the online laddering survey were conducted within the frame of the qualitative phase of this research. A summary of the findings from both two data collections is presented in table 3- 4 below.

Table 3-4 Summary of qualitative findings at glance

Themes	Findings	Comments
1. Customer perceived value formation	1.1 Hierarchical construct	These findings were supported by previous studies by Woodruff and Gardial (1996) and Overby, Gardial and Woodruff (2004) and the means-end model.
	1.2 Different aspects of the construct	CPV could be measure d in different dimensions. That varies in different settings. In this research, in citizen centric employment services, CPV was constructed in knowledge benefits, social benefits and emotional benefits.
	1.3 Service quality as the lower rank of CPV in its hierarchy	SQ was found in five dimensions, namely staff competence, empathy, responsiveness, reliability and physical facilities. That findings were supported by many other extent research by Brady & Cronin Jr 2001, Parasuraman, Zeithaml & Berry 1985, 1988, and Patterson & Spreng 1997.
2. Value alignment	The measurement- the extent to which there is congruence between jobseekers' perceptions and the other actors' perceptions- is the key construct enabling value creation	Henderson and Venkatraman (1993) and Cabiddu et al. (2013) argued that the degree of adherence to a specific profile has significant effect on performance, as a result customer satisfaction.

3.9 Chapter summary

The chapter first described an overview of the research design for the study, then gave an explanation and justification of the qualitative phase. The chapter then concentrated on an exploratory study of employment services in JSA. The key qualitative research methods of in-depth interviews and a hard laddering online survey, sampling and research procedures, and the research findings from these two sets of data were discussed.

The research findings assisted the researcher to refine the primary framework developed from the literature into a conceptual model. The data affirmed the multidimensional and hierarchical nature of CPV, which is determined by a number of factors. In this ladder, the lowest rank of abstraction is service quality, which comprised five groups of attributes, namely, assurance, empathy, responsiveness, reliability and facilities. The middle level of abstraction is consequences, which involves social aspects, emotional aspects and epistemic factors or knowledge benefits. Finally, CPV's seven personal value end-states (namely, achievement, security, power, benevolence, universalism, self-direction and hedonism) form the highest rank of abstraction. These findings, as well as the literature review, provide the foundation for the construction of a conceptual framework and a set of testable propositions, which will be presented in the next chapter.

Chapter 4 - Conceptual model, hypothesis development

4.1 Introduction

The earlier chapters examined the relevant research streams and framed the multiple theories underpinning this study. Chapter 3 discussed the findings from the qualitative phase of this project. These qualitative studies revealed the multifaceted nature of CPV, its hierarchical formulation and the possibility of linkages between CPV dimensions. The exploratory investigation conveyed in-depth insights into the research phenomenon of CPV (Iacobucci & Churchill c2010). Several scholars, such as Creswell (2008) and Creswell and Plano Clark (2011), advocated for utilisation of a mixed methods design, where the benefits of both qualitative and quantitative methodologies can be employed to support each other. A quantitative component allows the researcher to examine the significance of relationships between constructs identified in the qualitative phase. In order to carry out the quantitative study, a conceptual model with a set of testable hypotheses should be developed and verified.

Chapter 4 is structured as follows. First, a summary of the outcomes of the qualitative studies is discussed. Based on these findings and the findings from the literature review, a set of testable hypotheses is developed and refined. Finally, a basis conceptual model and its various modifications are introduced for examination in the subsequent phase of this research- the qualitative study.

4.2 Summary of the key findings of the qualitative phase

The two parts of the qualitative phase explored the nature of CPV in the employment services context. The findings of this qualitative phase (details in Chapter 3) supported the findings of the literature review (see Chapter 2 and 3 for more detail). A summary of the qualitative findings is presented in the following sections.

4.2.1 Different aspects of customer value perceptions

The results from the laddering survey with jobseeker-customers affirmed that CPV is multidimensional in nature, which was also revealed in interviews with some public servants and managers of JSA providers. These outcomes supported suggestions by Sánchez-Fernández and Iniesta-Bonillo (2007) and many other scholars (for example, Khalifa 2004; Ledden, Kalafatis & Mathioudakis 2011; Lin, Sher & Shih 2005; Moliner et al. 2007, to

name a few) that CPV is multifaceted. In particular, analysis of the data obtained from the interviews and the laddering survey endorsed Seth et al.'s framework reflecting the multifaceted nature of CPV.

This qualitative research proposed that the jobseekers have conceptualised the value of employment services in terms of service quality, knowledge benefits, social value, emotional value, and the desired personal value end-states. These conclusions contained five distinct dimensions, explicitly, functional, conditional, social, emotional and epistemic dimensions, identified by Sheth et al. (1991a, 1991b). In the same vein, in the retail context, Sweeney and Soutar (2001) found that CPV was conceptualised in terms of quality, emotional aspect, price and social aspect. Student-participants in another study valued a university's course for its different features, explicitly, functional, epistemic, emotional, price/quality, social and image (Ledden, Kalafatis & Mathioudakis 2011). In another study of travel behaviour, Gallarza and Gil Saura (2006) suggested that value perceptions involved service quality, efficiency, social value, play, aesthetics, perceived monetary cost/risk, and time and effort spent. All these, and many other, existing studies on CPV were based on the Sheth et al. framework, but the facets of value perception varied and were adapted to the contextual characteristics (Gummerus & Pihlström 2011; Roig et al. 2006; Ruiz et al. 2008; Sweeney & Soutar 2001). The aspects of CPV revealed in this study's qualitative findings will be refined in the subsequent quantitative phase.

4.2.2 A hierarchical construct of customer perceived value

Apart from disclosing that there are multiple aspects to value perceptions, the qualitative study outcomes also made it possible to visualise the CPV construct. The laddering survey data informed a hierarchical structure of CPV which comprised service quality at the lowest rank of abstraction, consequences at the middle rank, and the desired personal value end-states at the highest rank of abstraction. These findings were supported by previous studies by Woodruff and Gardial (1996) and Overby, Gardial and Woodruff (2004). Those works, and the laddering survey in this study, were supported by the means-end model, forming a ground for this research. Specifically, the means-end data showed that the consequences were variable and consisted of three aspects, namely, knowledge benefits, social value and emotional value. The results of qualitative analysis suggested the researcher should consider the second-order construct, the consequences variable, in the testable models in the next phase of this project.

Consumption theory's establishers (Sheth, Newman & Gross 1991a, 1991b) and many other followers (LeBlanc & Nguyen 1999; Roig et al. 2006; Ruiz et al. 2008) treated these aspects of the CPV construct separately or independently. However, the outcomes of the qualitative study showed connections leading from the lower levels of abstraction to the higher levels of abstraction in the hierarchical structure of the CPV construct. Pihlström and Brush (2008) and Wang et al. (2004) acknowledged the existence of these interconnections among the features of CPV. Additionally, the extant research on customer value has consistently demonstrated that service quality contributes to customer value (Dodds & Monroe 1985; Zeithaml 1988). The detection of these relationships in the laddering survey data prompted a proposal to investigate some linkages between the aspects of CPV. In this employment services domain, it suggested that the researcher should examine the potential impacts of service quality on the consequences variable, and on the desired personal value end-states.

4.2.3 Value alignment with the relevant parties

The data collected in interviews with public servants and managers of JSA providers led to some insights into the phenomenon of value co-creation in the employment services environment. Underpinning the key factor of fitness of value perceptions, in this qualitative study value co-creation has been enunciated as the extent to which value perceptions by customer-jobseekers are similar to or different from the perceptions of employment services valued by other relevant parties (employees of the Department of Employment, the Department of Social Services and JSA contracted providers).

As discussed earlier, the concept of fitness, or alignment, has its roots in the strategic management stream and was first applied to the associations between organisational and IT strategies within firms (Henderson & Venkatraman 1993; Reich & Benbasat 2000). It was then successfully applied in the examination of the links between organisations involved in mergers and acquisitions (Chatterjee & Wernerfelt 1991; Lubatkin 1987; Ramaswamy 1997). In these situations, firms can pool their resources, resulting in economies of scale, which leads to cost reduction and better performance (Lubatkin 1983). At the same time, the firms benefit from being able to utilise the broadened relationship to integrate and seek further opportunities (Swaminathan, Murshed & Hulland 2008). In contrast, Salter and Weinhold (1979) argued that dissimilarities could create conflict and delays in decision-making, thus affecting both sides in the merger. Furthermore, the strategic fit view was expanded in the contexts of business-to-business (B2B) and business-to-consumer (B2C) relationships. For

instance, some recent studies have investigated behavioural alignment (Leuthesser & Kohli 1995; Ng, Nudurupati & Tasker 2010) or process alignment (Evans & Jukes 2000; Hung et al. 2010).

So far, all the evidence has supported Venkatraman's (1990) claim that examining fitness in different research domains results in various implications. In the context of this research, in employment services provided by JSA contractors, value alignment is conceptualised as the degree of divergence in value perceptions between jobseekers and on-site contact staff of JSA providers, or between jobseekers and public servants in related agencies. Particularly, the seven types of personal values identified in this qualitative phase will provide the researcher a departure point for comparison of those values mentioned by stakeholders in the research context of employment services provided by JSA contractors.

4.3 Hypothesis development

The outcomes from the qualitative phase of the study enabled the researcher to refine the findings from the literature review (see Chapter 2 and 3 for more details) into a set of testable hypotheses, and, in the next stage, to develop and refine the conceptual framework for the research. The subsections below will discuss each hypothesis.

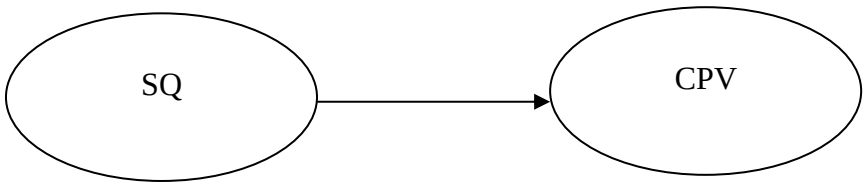
4.3.1 Service quality and customer perceived value

As discussed above, the qualitative outcomes suggest that value perceptions are multifaceted, including service quality, knowledge benefits, social aspects, emotional aspects, and personal value end-states. In addition, three aspects- knowledge benefits, social value and emotional value- form the consequences stage in the hierarchical formation of CPV. The extant research streams on service quality and CPV affirm that there is a trend to recognise similarities and dissimilarities between these two constructs. For instance, Rust and Oliver (1994) argued that they both had subjective, personalised and contextual characteristics. However, the research showed that CPV was different from service quality in terms of its higher abstraction and greater personalised experience (Bolton & Drew 1991; Parasuraman, Zeithaml & Berry 1988; Zeithaml 1988).

Moreover, the positive association between service quality and CPV has been well documented in research in various disciplines (Sánchez-Fernández & Iniesta-Bonillo 2007; 2006), and confirmed in a number of research contexts (Ledden, Kalafatis & Mathioudakis

2011; Pura 2005; Roig et al. 2006). Zeithaml's (1988) contribution was that this hypothesised relationship was theoretically supported by the MET, as linkages exist between abstraction levels in the hierarchy. The following hypothesis is a departure point for the quantitative phase:

H1: Service quality is positively associated with customer perceived value.

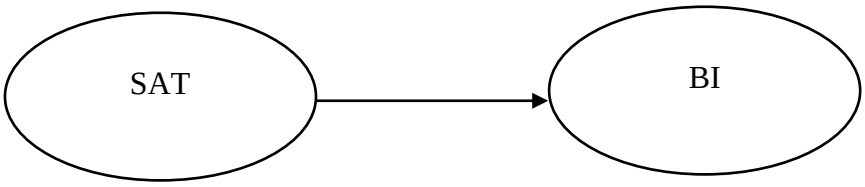


Obviously, analysing the laddering data revealed some potential relationships between these features, as there were connections between service quality at the lowest rank and consequences at the middle—further, consequences were connected to end-state values (Dodds & Monroe 1985; Zeithaml 1988). In this study, value perceptions will be measured in terms of consequences and the combination of the seven desired personal value end-states which were revealed in the laddering survey. The hypothesis about the positive impact of service quality on CPV can be tested in two connections-that between service quality and consequences, and that between service quality and the seven types of personal values.

4.3.2 Customer satisfaction and behavioural intentions

It is noteworthy that the qualitative study did not capture the variables of customer satisfaction or behavioural intentions, neither at the design stage nor at the data collection stage. These constructs have been extensively examined in previous literature. The qualitative study focused on taking a closer look at the construct of interest, CPV. However, acting on recommendations by many researchers (Gallarza, Gil Saura & Holbrook 2011; Ruiz et al. 2008; Wang et al. 2004; Whittaker, Ledden & Kalafatis 2007) the modelling for the quantitative study includes the two outcomes-namely, customer satisfaction and behavioural intentions-to enrich the findings and implications of the research on the behavioural chain of value- satisfaction- loyalty. A common finding of existing research is that the more satisfied customers are with providers, the more positive intentions they have (Lin, Sher & Shih 2005; Wang et al. 2004). Hypothesis 2 addresses the positive effect of customer satisfaction on behavioural intentions.

H2: Customer satisfaction is positively associated with customer behavioural intentions.



4.3.3 The impacts of customer perceived value within services

As mentioned above, the qualitative study was not designed to measure either customer satisfaction or customer behavioural intentions. This study relies solely on the review of previous studies on these relationships.

Many scholars, such as Cronin and Taylor (1994), Parasuraman, Zeithaml and Berry (1994) and Caruana and others (2000) reached the conclusion that service quality greatly contributes to degrees of customer satisfaction. Most studies show that there is a connection between service quality and customer behavioural intentions, through their perceptions of value (Cronin et al. 1997; Ruiz et al. 2008) or their level of customer satisfaction (Lam et al. 2004). Yet only some studies—for instance, by Bloemer and co-authors (1999), Edward and Sahadev (2011) and Hartline and Jones (1996)—found evidence of a direct relationship between service quality and behavioural intentions. In short, the preceding literature seems to demonstrate a well-established link between service quality and customer satisfaction (Edward & Sahadev 2011), while the connection between service quality and customer behavioural intentions remains questionable (Gremler & Brown 1996). Both these linkages will be tested in the quantitative phase with the following hypotheses:

H3: Service quality is positively associated with customer satisfaction.

H4: Service quality is positively associated with customer behavioural intentions.

The extant research indicates that CPV contributes to customer satisfaction (Boksberger & Melsen 2011; Sánchez-Fernández & Iniesta-Bonillo 2007). However, the significance of a direct relationship between CPV and customer behavioural intentions remains debatable (Gallarza, Gil Saura & Holbrook 2011). Many researchers- for instance, Patterson and Spreng (1997), McDougall and Levesque (2000), Lin, Sher and Shih (2005) and Gallarza and Gil Saura (2006)- found that CPV made a positive contribution to customer behavioural

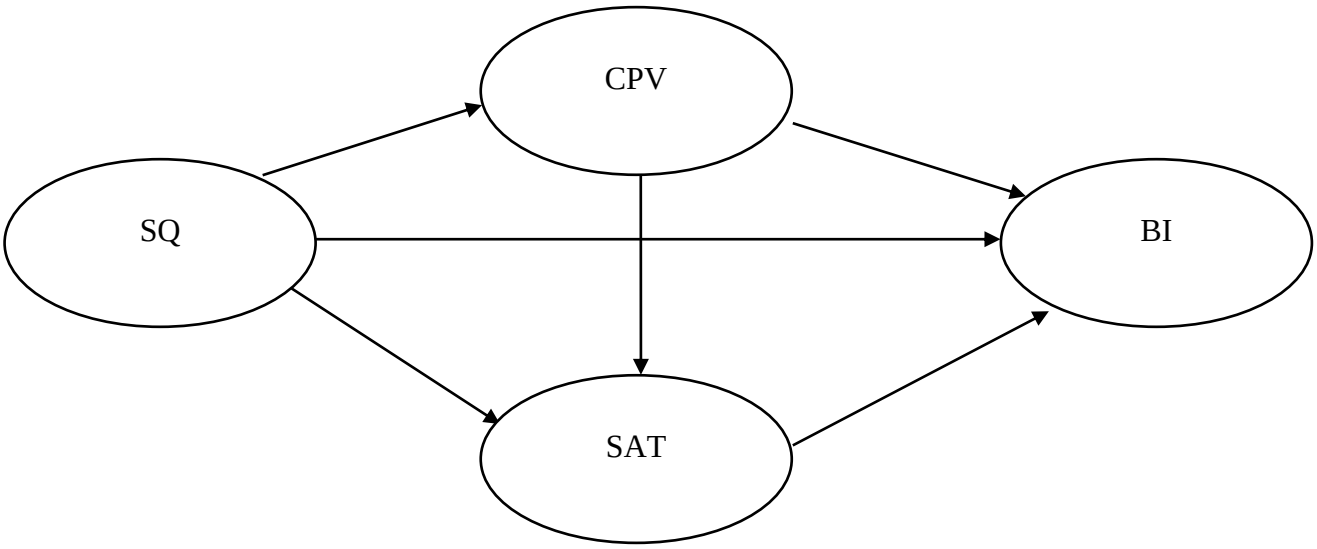
intentions, completely mediated through the outcome of customer satisfaction. In other studies (Cronin, Brady & Hult 2000; Edward & Sahadev 2011; Tam 2004), the construct of CPV certainly had substantial predictive power on customer behavioural intentions, both directly and indirectly through customer satisfaction. A hypothesis about the positive impacts of CPV measures on customer satisfaction is proposed for further quantitative examination. Furthermore, similar to the construct of service quality, there is room for empirical testing of the total or partial contribution that CPV makes to behavioural intentions. The literature review led to the following hypotheses:

H5: Customer perceived value is positively associated with customer satisfaction.

H6: Customer perceived value is positively associated with customer behavioural intentions.

The connections proposed in this subsection, and the two associations noted above, together form the model shown in Figure 4-1.

Figure 4-1 Proposed relationships between CPV and customer satisfaction and behavioural intentions



Note: SQ = service quality; CPV = customer perceived value;
SAT = customer satisfaction; BI = behavioural intentions.

4.3.4 Influence of value alignment

Value co-creation was measured in terms of value alignment, based on the theoretical foundations of strategic alignment or strategic fit in studies by Henderson and Venkatraman

(1993) and Reich and Benbasat (2000). Cabiddu and others (2013, p. 101) wrote 'strategic alignment is the process and the result of linking the organizational strategy and its objectives with every unit and employees, including information technology'. These writers then extended the concept of alignment to apply to other agencies. Ng et al. (2010) expanded the concept of alignment to take in the relationship between the customer and the service firm. As for relationships between firms, similarities in values and norms among stakeholders are more likely to contribute to success in mergers and acquisitions (Birkinshaw, Bresman & Håkanson 2000). For instance, Swaminathan and others (2008) found extensive support in strategic literature for the proposal that significant similarities between firms create greater value.

Applying these notions to this study in the employment services setting, the customer-jobseeker's value perceptions should be aligned with the perceptions of other relevant actors in order to create positive effects. Following recommendations made by Drazin and Van de Ven (1985) and Henderson and Venkatraman (1993), these value alignment variables- which were conceptualised as being the difference between the customers' notions of CPV and the relevant parties' understanding of CPV- were calculated using the Euclidean distance between each individual jobseeker's perceptions of value and the aggregate profile of the related agencies. The larger the difference, the less positive were the outcomes (Lubatkin 1983; Salter & Weinhold 1979; Swaminathan, Murshed & Hulland 2008). In this study, it is predicted that the value alignment variables, measuring the dissimilarities in value perceptions, will negatively affect the perceptions of value by customers, the level of customer satisfaction, and the customers' potential behaviours. Since there is very little evidence of value alignment affecting the outcomes of service provision, hypotheses about value alignment will be empirically tested.

Because there is only limited literature which examines the impact of value alignment on other service outcomes, and some empirical evidence to quantify these impacts, there is a need to investigate the impacts of value alignment or value fitness on the concerned outcomes, in either a mediating or moderating role. Two models are presented below to address this emphasis.

In the employment services setting of the JSA program, two main relevant parties were identified, namely, JSA contracted providers and public servants in relevant agencies (the Department of Employment and the Department of Social Services). Hence, two empirical

hypotheses about prospective connections will be investigated in the quantitative phase. The first hypothesis relates to the mediating impacts of the construct of value alignment:

> **H7**: Value alignment (VA-CP Value alignment with contracted providers and VA-PS Value alignment with public servants) mediates the key relationships depicted in Fig. 4-1

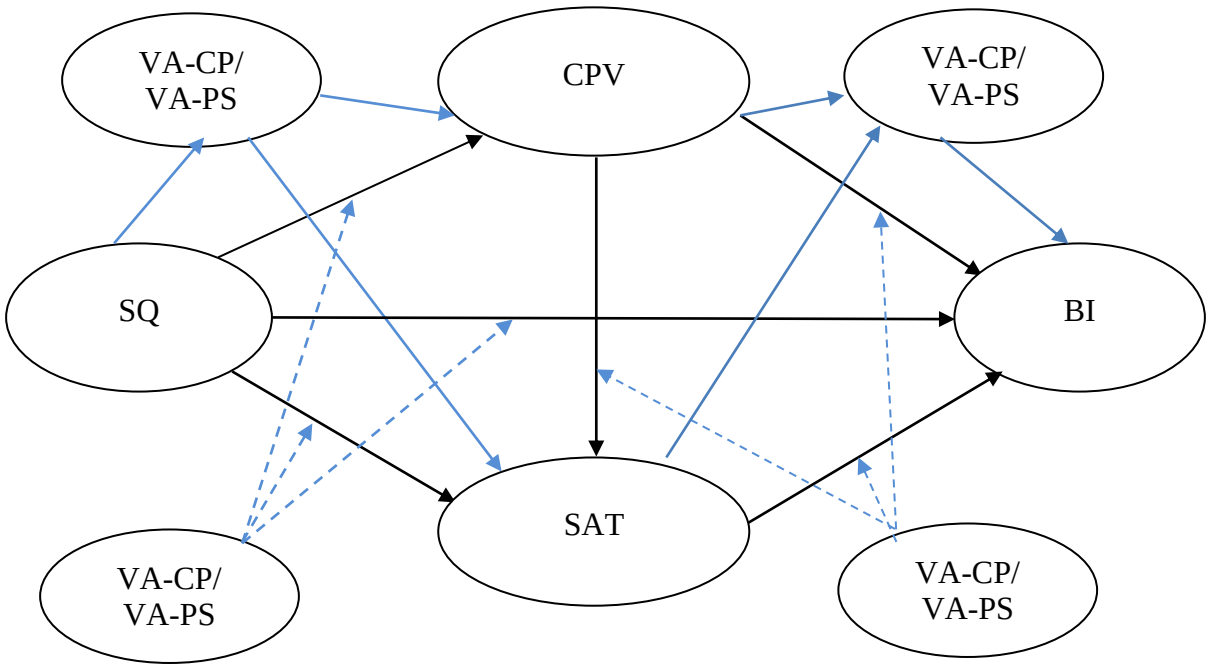
The second hypothesis relates to the moderating impacts of the construct of value alignment:

> **H8**: Value alignment (VA-CP Value alignment with contracted providers and VA-PS Value alignment with public servants) moderates the key relationships depicted in Fig. 4-1

4.4 Conceptual framework for quantitative study and its modifications

The findings from the qualitative study of this research, as well as the reviews of the extant research, provided the basis for some sets of testable hypotheses discussed above, which allowed the researcher to develop a comprehensive framework for testing these hypotheses (see Figure 4-2 below). The mediating relationships are depicted by solid lines, while the moderating relationships are depicted by broken lines.

Figure 4-2 A basic framework for the quantitative phase



Note: SQ = service quality; CPV = customer perceived value; SAT = customer satisfaction; BI = behavioural intentions; VA-CP = value alignment with contracted providers; VA-PS = value alignment with public servants.

The research design takes an exploratory approach. The impacts of value alignment on other outcomes of service offerings were neither well documented nor widely empirically tested. For that reason, different models based on this framework are also investigated. The exploratory study seeks to discover and examine the influences of value alignment constructs on other relevant variables in the conceptual framework, in either moderating or mediating ways. Hence some modified models based on this framework are proposed, as follows.

In order to examine the moderating/mediating effects of value alignment variables, the following models are suggested. Models presented in Table 4-1 will be used to assess the mediating effects of value alignment with contracted JSA providers. Similarly, models listed in Table 4-2 will be employed for value alignment with public servants at the relevant agencies. Finally, Table 4-3 consists of models which will be utilised to explore the moderating effects of value alignment constructs in base model 1.0.

Table 4-1 Testing mediation for VA-CP

	Model 1.0 Baseline	**Model 1.1 Full mediating**	**Model 1.2 Direct effects**	**Model 1.3 Partial mediating**
SQ → CPV	X	– B C D E F	A B C D E F	A B C D E F
SQ → SAT	X	A – C D E F	A B C D E F	A B C D E F
CPV → BI	X	A B – D E F	A B C D E F	A B C D E F
SAT → BI	X	A B C – E F	A B C D E F	A B C D E F
SQ → BI	X	A B C D – F	A B C D E F	A B C D E F
CPV → SAT	X	A B C D E –	A B C D E F	A B C D E F
SQ → VA-CP		A B – – E –	– – – – – –	A B – – E –
CPV → VA-CP		– – C – – F	– – – – – –	– – C – – F
VA-CP → CPV		A B – – E –	A – – – – –	A B – – E –
SAT → VA-CP		– – – D – –	– – – – – –	– – – D – –
VA-CP → SAT		– B – – E F	– B – – – F	– B – – E F
VA-CP → BI		– – C D E –	– – C D E –	– – C D E –

Note: SAT = customer satisfaction; BI = behavioural intentions; VA-CP = value alignment with contracted JSA providers.

"X" means this connection included in the baseline model.

"A" means connection exists where impact of VA-CP is examined in relation to SQ-CPV relationship.

"B" means connection exists where impact of VA-CP is examined in relation to SQ-SAT relationship.

"C" means connection exists where impact of VA-CP is examined in relation to CPV-BI relationship.

"D" means connection exists where impact of VA-CP is examined in relation to SAT-BI relationship.

"E" means connection exists where impact of VA-CP is examined in relation to SQ-BI relationship.

"F" means connection exists where impact of VA-CP is examined in relation to CPV-SAT relationship.

Table 4-2 Testing mediation for VA-PS

	Model 1.0 Baseline	**Model 1.4 Full mediating**	**Model 1.5 Direct effects**	**Model 1.6 Partial mediating**
SQ → CPV	X	– B C D E F	A B C D E F	A B C D E F
SQ → SAT	X	A – C D E F	A B C D E F	A B C D E F
CPV → BI	X	A B – D E F	A B C D E F	A B C D E F
SAT → BI	X	A B C – E F	A B C D E F	A B C D E F
SQ → BI	X	A B C D – F	A B C D E F	A B C D E F
CPV → SAT	X	A B C D E –	A B C D E F	A B C D E F
SQ → VA-PS		A B – – E –	– – – – – –	A B – – E –
CPV → VA-PS		– – C – – F	– – – – – –	– – C – – F
VA-PS → CPV		A B – – E –	A – – – – –	A B – – E –
SAT → VA-PS		– – – D – –	– – – – – –	– – – D – –
VA-PS → SAT		– B – – E F	– B – – – F	– B – – E F
VA-PS → BI		– – C D E –	– – C D E –	– – C D E –

Note: SAT = customer satisfaction; BI = behavioural intentions; VA-PS = value alignment with public servants in the relevant government agencies.

"X" means this connection included in the baseline model.

"A" means connection exists where impact of VA-PS is examined in relation to SQ-CPV relationship.

"B" means connection exists where impact of VA-PS is examined in relation to SQ-SAT relationship.

"C" means connection exists where impact of VA-PS is examined in relation to CPV-BI relationship.

"D" means connection exists where impact of VA-PS is examined in relation to SAT-BI relationship.

"E" means connection exists where impact of VA-PS is examined in relation to SQ-BI relationship.

"F" means connection exists where impact of VA-PS is examined in relation to CPV-SAT relationship.

Table 4-3 Testing moderation

	Model 1.0 Baseline	**Model 1.7 Moderation VA_CP**	**Model 1.8 Moderation VA_PS**
SQ → CPV	X	A B C D E F	A B C D E F
SQ → SAT	X	A B C D E F	A B C D E F
CPV → BI	X	A B C D E F	A B C D E F
SAT → BI	X	A B C D E F	A B C D E F
SQ → BI	X	A B C D E F	A B C D E F
CPV → SAT	X	A B C D E F	A B C D E F
SQ*VA → CPV		A – – – – –	A – – – – –
SQ*VA → SAT		– B – – – –	– B – – – –
CPV*VA → BI		– – C – – –	– – C – – –
SAT*VA → BI		– – – D – –	– – – D – –
SQ*VA → BI		– – – – E –	– – – – E –
CPV*VA → SAT		– – – – – F	– – – – – F

Note: SAT = customer satisfaction; BI = behavioural intentions; VA-CP = value alignment with contracted JSA providers; VA-PS = value alignment with public servants in the relevant government agencies.

"X" means this connection included in the baseline model.

"A" means connection exists where impact of VA is examined in relation to SQ-CPV relationship.

"B" means connection exists where impact of VA is examined in relation to SQ-SAT relationship.

"C" means connection exists where impact of VA is examined in relation to CPV-BI relationship.

"D" means connection exists where impact of VA is examined in relation to SAT-BI relationship.

"E" means connection exists where impact of VA is examined in relation to SQ-BI relationship.

"F" means connection exists where impact of VA is examined in relation to CPV-SAT relationship.

4.5 Chapter summary

The chapter first summarised the findings from the qualitative phase. The in-depth interviews and laddering survey shed light on the conceptualisation of the nature of value perceptions in JSA employment services. CPV was conceptualised as a multidimensional construct, consisting of service quality, knowledge benefits, emotional value, social value and the desired personal value end-states. Additionally, the outcomes revealed that CPV had a hierarchical structure, comprising, a service quality attributes level including knowledge benefits, emotional value and social value; a consequences level; and a personal values end-state level. Hypotheses were proposed in order to quantitatively examine a number of potential relationships, such as between CPV and its aspects; the predictable relationships between CPV, its aspects and two outcome variables, namely, customer satisfaction and behavioural intentions; between value alignment variables and CPV; and between other outcomes in service provision. Finally, the chapter outlined a comprehensive conceptual framework for the following quantitative phase. Based on this framework, a number of the modified models were presented for further quantitative examination in the next chapter.

Chapter 5 - Quantitative phase, analysis and findings

5.1 Introduction

As discussed, this study consists of two phases: qualitative and quantitative research. The study utilises the mixed method approach, as proposed by several scholars (Iacobucci & Churchill c2010; Pihlström & Brush 2008), incorporating both qualitative and quantitative patterns. Chapter 4 discussed the research process for the qualitative phase and the findings from this qualitative exploratory study, resulting in a proposed conceptual framework and a set of hypotheses for testing, which will be presented in detail in Chapter 5. Following recommendations by Gummesson (2005) and Ladhari et al. (2011), this chapter highlights the quantitative study, empirically testing the hypotheses proposed in the previous chapter.

Chapter 5 is divided into two major parts. The first part, section 5.2, Quantitative study design, is structured as follows. First, the data collection method, a survey, is discussed, including the justification of the use of an online survey. These discussions are followed by an outline of the e-questionnaire used in this study. A brief description of the finalised questionnaire is given, and the full version is provided in the appendices. Next comes a discussion of measurement scales, construct validity and reliability before a discussion of sampling and the survey procedure.

The second main part of this chapter is section 5.3, Analyses of quantitative study data, which includes several subsections to provide the analysis of the data collected in this quantitative phase. The first subsection describes the characteristics of the sample profile. Data preparation is then illustrated, followed by assessments of the measurement model as well as the structural models. The chapter concludes with an analysis of the quantitative data that have been collected.

5.2 Quantitative study design

Over the last few decades, many researchers- such as Creswell et al. (2003), Tashakkori and Teddlie (2010), Johnson and Onwuegbuzie (2004) and Milliken (2001)- have advocated for the combination of quantitative and qualitative methods for research in the social sciences. In particular, for research on value perception, Frow and Payne (2011) recommended a mixture of both qualitative and quantitative designs to enable deep exploration and empirical

assessment. This study design included both research methods in order to obtain the benefits of the complementary methods (Milliken 2001), to provide comprehensive insights into the examined phenomenon of value perceptions (Davis, Golicic & Boerstler 2011), and to broaden research questions (Johnson & Onwuegbuzie 2004; Kirkwood & Campbell-Hunt 2007). Explicitly, the quantitative phase will statistically examine the impacts of CPV and value alignment within the public service setting; in other words, it will help to quantify the relationships of aspects in this area, and determine the predictive power of value perceptions on improving service outcomes.

As mentioned in Chapter 3, this study employs a mixed method research design to gain a deeper understanding of value perceptions in public service contexts. The quantitative study, which takes an exploratory approach, follows the qualitative study. The results from the qualitative phase, undertaken first, inform the next phase, the quantitative stage, which expands on the findings made on the research issues. The first-phase qualitative findings about different dimensions of CPV were used to develop hypotheses to test in the quantitative phase. In particular, the findings about the seven types of personal values, from the hard laddering survey data, will be further utilised in the quantitative phase to capture the notion of value co-creation. In this quantitative phase, the numeric data collected will allow the researcher to specify and quantify relationships between the constructs. Finally, the quantifiable findings and the findings from the previous qualitative phase will be compared and contrasted. This study aims to contribute to the body of knowledge of CPV and value co-creation within the public services setting. It may also provide some useful implications for managers and practitioners in the field of service provision.

The quantitative research approach confirms theories, concepts and hypotheses in a cause-and-effect order, suggesting the researcher measure objectively after collecting information in questionnaires, surveys or other instruments. As Tronvoll et al. (2011) and Hanson and Grimmer (2007) observed, service research uses predominantly quantitative research methods, especially marketing research, due to the traditional nature of the science and the managerial demand for information collected quickly and normatively. Historically, not only academic marketing but also other disciplines, such as psychology, have been built mainly on the philosophical foundations of economics (Hanson & Grimmer 2007).

Although quantitative methods provide a powerful means for service research, their utilisation can bring ‘a sacrifice of possible important data and/or abandoning certain research

topics' (Walle 1997, p. 531). Mackenzie and Knipe (2006, p. 199) pointed out the drawback of the use of quantitative methods for their 'parsimony' or simplicity in a complex world. However, the researcher argued that the data from quantitative methods and their analysis would provide a clearer understanding of value perceptions. Additionally, some findings from the quantitative phase can be generalised in other situations.

Surveys and experiments have been traditionally employed in quantitative research (Creswell 2008). In this study, a survey method was chosen for the quantitative phase. Researchers utilise survey tools to access large population groups and to obtain data effectively. Researchers have recently employed electronic means to conduct surveys, as new developments in technology have been made over the last decade. The features of this survey method are further discussed in the following subsections.

5.2.1 Quantitative research methods

As mentioned above, a survey method was selected to collect more information for the quantitative analysis. An online survey with a self-administered questionnaire was selected for several reasons. First, recent Australian Bureau of Statistics data (Australian Bureau of Statistics 2014) show that a large majority (almost 83%) of Australians use the internet. A shift is also evident in that many government policies not only emphasise basic internet use, like email and browsing, but also engage residents in other more complex interactions, such as e-government programs and online financial transactions (Advisory Group on Reform of Australian Government Administration 2010). In particular, under the JSA program an internal online system has been established to connect JSA providers to the Department of Employment. Also, interviews with public servants from relevant departments and with managers of JSA providers showed that internet access and use was available at all JSA provider sites, and jobseekers can learn and practice essential skills at those sites. For all these reasons, the internet is a practical tool for data collection in this study, from both jobseekers and JSA providers and public servants at relevant agencies.

The decision to use an online questionnaire rather than a mail survey or a telephone survey was also based on sampling issues. A database of addresses and telephone numbers of Australian jobseekers registered with the JSA program exists, and it is confidentially accessed by certain government agencies such as Centrelink and the Department of Employment. An e-list provided by the Prospect Shop enabled the researcher to reach

different jobseekers around Australia. Quantitative studies normally require large numbers of participants. Additionally, the online survey was a tool which was easy to use and a practical way of collecting measurable data (McCalla 2003).

Previous research shows that electronic surveys have several advantages over traditional methods, such as mail surveys and telephone surveys (Evans & Mathur 2005; Wu & Newfield 2007). The benefits of an e-questionnaire include overcoming the slow response time involved in using hard-copy questionnaires (Gunter et al. 2002), and the speed and ease of data collection it enables (Jennings 2001), since potential participants can be reached regardless of their geographical location or time constraints. Online surveys allow a quick turnaround time for the researcher (Iacobucci & Churchill c2010).

Another benefit of using an online option is the flexibility it affords the researcher in designing the survey format (Evans & Mathur 2005) and the many ways it is convenient for both the respondents and the researcher (Jennings 2001). Respondents can complete the survey whenever they feel it is suitable for them (Hogg 2003). The researcher will be able to easily access and analyse the data. Using an online survey eases the administrative burden of sending and receiving hard copies and of entering data (Evans & Mathur 2005). Additionally, the data are collected and instantly stored at the storage space whenever the last questionnaire for the study is completed (Wilson & Laskey 2003), which can also prevent errors in data entry.

Another advantage of using an online survey is the minimal cost involved (Evans & Mathur 2005). The cost of employing an online survey method can include low administration costs, such as for purchasing software, a supporting database, storage space for returned answers, and server capacity (Simsek & Veiga 2001). But it does not include the cost of printing hard copies, postage or data entry (Gunter et al. 2002). Time and effort can be saved in unnecessarily preparing addresses and envelopes to mail out. Ilieva, Baron and Healey (2002) advocated the use of the online survey for the way it can minimise the need for financial resources, as large-scale surveys do not always require proportionally larger financial supports in comparison with small-scale surveys.

Daft and Lengel (1986) suggested that richer information can be collected through online surveys, as the questions can be designed in various ways, using different formats, types and content (Evans & Mathur 2005). The researcher is then able to obtain different types of data and concepts from respondents (Hair, Bush & Ortinau 2000). It means that data vary in terms

of demographics, opinions, attitudes, intentions, motivations, underpinning actions, and behaviours (Iacobucci & Churchill c2010). In addition, the researcher can ensure the participants answer all the questions, by putting in place prompting messages before the questionnaire is completed (Simsek & Veiga 2001).

The limitations or disadvantages of using online surveys also need to be considered. Among these, there is the possibility that respondents lack IT knowledge or online experience, along with sensitivities such as spam email (Evans & Mathur 2005), the possibility of unreliable e-lists, data corruption due to virus transmission (Jennings 2001) and issues related to privacy and security (Berry 2004). Additionally, online surveys may exclude a small proportion of the population of jobseekers in Australia who have no access to the internet. These shortcomings in the use of an online method of data collection would be considered a limitation of this study. However, the discussed benefits of using an online survey outweigh the drawbacks. This supports the use of an e-questionnaire to collect data for the quantitative phase of this study.

Although some scholars (Ilieva, Baron & Healey 2002; Matz 1999; Wilson & Laskey 2003) reported low response rates for several online surveys, the electronic method resulted in fewer incomplete responses (Wu & Newfield 2007). Most importantly, the results from online surveys did not differ significantly from the results obtained from paper surveys (Deutskens, de Ruyter & Wetzels 2006; Matz 1999). Overall, the literature supports the use of electronic data collection using online surveys. The design of the e-questionnaire used for this survey is discussed in the next subsection.

5.2.2 Questionnaire design

The questionnaire was designed for self-report by participants, as ‘people’s self-reports or subject’s responses are the best sources of information’ (Sproull 2002, p. 164). Additionally, considering that a large sample of respondents was needed for quantitative analyses, a self-administered online questionnaire was appropriate for this study. It is vital that all variables are identified and operationalised (Iacobucci & Churchill c2010). This information is included in the discussion of theoretical foundations in Chapter 2 and in the findings of the qualitative study presented in Chapter 3. The questionnaire was designed with the aim of addressing the research questions outlined in the introduction and in Chapter 2, and to test all aspects of the model outlined in Chapter 4.

The questionnaire was divided into five sections, each representing different characteristics of the proposed model. These sections were as follows:

Section 1: Screening;

Section 2: Customer personal views regarding service quality and CPV, as measured through knowledge benefits, emotional benefits and social benefits;

Section 3: Customer perceptions of the importance of different types of values;

Section 4: Customer satisfaction and behavioural intentions; and

Section 5: Demographic information.

A complete copy of the questionnaire is provided in Appendix 9. The questionnaire was designed using the website SurveyMonkey (see www.surveymonkey.net). The questionnaire was designed using closed questions, with pre-coded answers or scales in all sections except for the usage of best–worst scaling (BWS) design for Section 3.

The research aims to obtain a better understanding value of co-creation in government employment services, so the respondents were people registered with a JSA provider to find a job. The screening section was designed to recruit only jobseekers registered with JSA providers, who went on to become the survey's informants. The section about demographic information asked respondents about their gender, age, education and whether they are of Aboriginal or Torres Strait Islander descent.

Sections 2 to 4 were designed to collect the respondent's perceptions of service quality, knowledge benefits, social value, emotional value, customer satisfaction, and preferences for personal values, formed by CPV and behavioural intentions in their dealings with JSA providers offering employment services. The individual CPV dimensional variables and the outcome variables are described below. Because most items in this survey had already been acknowledged as valid measures in previous research, this study should also confirm the factors identified in the literature. These items were appropriately modified for the setting of employment services offered by JSA providers. The individual measures used are described in the following subsections, which are followed by a discussion of the measurement scales applied in this study.

5.2.2.1 Service quality

Items for this value dimension were derived from readings of the literature exploring service quality (Brady & Cronin Jr 2001; Parasuraman, Zeithaml & Berry 1985, 1988; Patterson &

Spreng 1997) and the qualitative research already undertaken. This qualitative study comprised in-depth interviews with 10 informants- six from the Department of Employment (formerly DEEWR) and four from JSA providers- and the hard laddering online survey of 64 JSA jobseekers. Many scholars have identified service quality as one of the important determinants of CPV (Chen & Hu 2010; Gallarza & Gil Saura 2006; Roig et al. 2006), finding that it had a predictive impact on not only CPV but also customer satisfaction and behavioural intentions (Patterson & Spreng 1997).

In line with suggestions by several researchers (for instance, Brown et al. 1993; Caruana et al. 2000), the performance properties on their own explain more variance in service quality compared with the disconfirmation scores used in the SERVQUAL model by Parasuraman et al. (1988). This would improve data collection efficiency (Edward & Sahadev 2011). Furthermore, referring to the review work by Babakus and Boller (1992), Rowley (1998) suggested that the most appropriate scale may depend upon the service sector or the contextual features. The dimensions of service quality may be factorially complicated in some sectors, and very simple and unidimensional in others. In other words, the items representing service quality were revised and adapted to the context of employment services in this research.

Analysis of the interview data, as well as the hard laddering data, once again supports the use of the five-dimensional measure for the service quality construct: empathy, staff competence, responsiveness, reliability and physical facilities. Each of these dimensions is measured using different items. Fourteen items measure the five dimensions of service quality this study. Additionally, the construct's validity and reliability will be tested using factor analysis. Moreover, similar to the previous works by many academics such as Brady and Cronin Jr (2001) and Parasuraman, Zeithaml and Berry (1985, 1988), the Likert scale was employed to measure this construct. Jobseeker-participants selected their answers from a seven-point scale, ranging from 1 (very strongly disagree) to 7 (very strongly agree). The items for these five dimensions of the service quality construct are listed in Tables 5-1 to 5-5 below.

Table 5-1 Items for 'empathy' dimension of 'service quality' construct

1	The caseworkers are approachable and easy to contact	Developed from literature (Cronin, Brady & Hult 2000) and findings from the qualitative study
2	The caseworkers listen to me carefully,	Developed from literature (Cronin, Brady

	speak in a clear manner/language that I can understand	& Hult 2000) and findings from the qualitative study
3	The caseworkers make the effort to understand my needs	Developed from literature (Cronin, Brady & Hult 2000) and findings from the qualitative study

Table 5-2 Items for 'staff competence' dimension of 'service quality' construct

4	The contact personnel are courteous, polite and respectful	Developed from literature (Cronin, Brady & Hult 2000) and findings from the qualitative study
5	The caseworkers are trustworthy, believable and honest	Developed from literature (Cronin, Brady & Hult 2000) and findings from the qualitative study
6	The caseworkers know well about JSA program, job vacancies	Developed from literature (Cronin, Brady & Hult 2000) and findings from the qualitative study

Table 5-3 Items for 'responsiveness' dimension of 'service quality' construct

7	The caseworkers are helpful in looking for a job	Developed from literature (Parasuraman, Zeithaml & Berry 1985) and findings from the qualitative study
8	The caseworkers are helpful in preparing (resume, job interviews…)	Developed from literature (Parasuraman, Zeithaml & Berry 1985) and findings from the qualitative study
9	The caseworkers are willing and able to help jobseekers in a timely manner	Developed from literature (Cronin, Brady & Hult 2000)

Table 5-4 Items for 'reliability' dimension of 'service quality' construct

10	The caseworkers' advices are valuable, dependable	Developed from literature (Sánchez et al. 2006) and findings from the qualitative study
11	They provide service reliably, consistently	Developed from literature (Cronin, Brady & Hult 2000)
12	The waiting time for the caseworker is acceptable	Developed from literature (Parasuraman, Zeithaml & Berry 1985) and findings from the qualitative study

Table 5-5 Items for 'physical facilities' dimension of 'service quality' construct

13	The office is convenient for customers (easy to find and to access: central and/or with good transport links)	Developed from literature (Parasuraman, Zeithaml & Berry 1985; Pura 2005) and findings from the qualitative study
14	The facilities are available to use (internet access, computer usage)	Developed from literature (Parasuraman, Zeithaml & Berry 1985; Pura 2005) and findings from the qualitative study

5.2.2.2 Customer perceptions of value

The results of the qualitative phase in this study, particularly the outcomes of the hard laddering survey, suggested that the construct of CPV would be measured in three dimensions, namely, knowledge benefits, emotional aspects and social aspects. It is also supported by the claim made in previous studies that CPV is multidimensional- for instance, by Moliner (2009), Sweeney and Soutar (2001), Ledden et al. (2011) and McDougall and Levesque (2000), just to name a few. All the questions measuring these three CPV dimensions were designed using a Likert scale, as they were in the existing literature. A total of 19 items were employed, in which four items measured knowledge benefits, another four measured social benefits, and the remaining 15 measured emotional benefits. Each of these dimensions is presented in Tables 5-6 to 5-8.

Epistemic dimension or knowledge benefits

The epistemic value dimension, or the knowledge benefits dimension, was measured with four items asking the jobseeker-respondent to make judgements about knowledge benefits (LeBlanc & Nguyen 1999; Pihlström & Brush 2008) when they were dealing with a JSA provider. The jobseekers responded on a seven-point scale, ranging from 1 (very strongly disagree) to 7 (very strongly agree). The items for this scale are listed in Table 5-6 below.

Table 5-6 Items for 'knowledge benefits' measure

1	I would gain new skills for job-finding	Adapted from Ledden, Kalafatis & Mathioudakis (2011) and findings from qualitative the study
2	I would get training in various innovative ways	Adapted from Ledden, Kalafatis & Mathioudakis (2011) and findings from the qualitative study
3	I would have more opportunities introduced to employers	Adapted from Ledden, Kalafatis & Mathioudakis (2011) and findings from the qualitative study

4	The guidance from caseworkers would enhance me to get job quickly	Adapted from Ledden, Kalafatis & Mathioudakis (2011) and findings from the qualitative study

Emotional benefits

Measurement of the emotional dimension of CPV was developed for use in this study by adapting items from the scale established by Sánchez et al. (2006), Ruiz et al. (2008), Pihlström and Brush (2008) and Roig et al. (2006), and the findings from the qualitative phase of this study. Participants responded on a seven-point scale, ranging from 1 (very strongly disagree) to 7 (very strongly agree). These four items are shown in Table 5-7 below.

Table 5-7 Items for 'emotional benefits' construct

1	I feel comfortable with the caseworkers	Adapted from Sánchez et al. (2006) and findings from the qualitative study
2	The caseworkers keep good track records of the jobseeker	Adapted from Sánchez et al. (2006) and findings from the qualitative study
3	The caseworkers always try to understand my situation and my issues	Adapted from Sánchez et al. (2006) and findings from the qualitative study
4	I feel appreciated and being cared for in the services	Adapted from Sánchez et al. (2006) and Roig et al.(2006) and findings from the qualitative study
5	They give individualised assistance to each jobseeker	Adapted from Sánchez et al. (2006) and findings from the qualitative study
6	I feel convenience in saving time and less effort	Adapted from Ruiz et al. (2008) and Pihlström & Brush (2008) and findings from the qualitative study
7	I have more confidence in working with the caseworkers	Adapted from Ruiz et al. (2008) and findings from the qualitative study
8	The encouragement of the caseworkers has been important in helping me to look for a job	Adapted from Ruiz et al. (2008) and findings from the qualitative study
9	I feel less stressed and less pressure working with these caseworkers	Adapted from Sánchez et al. (2006) and Ruiz et al. (2008) and findings from the qualitative study
10	I feel this JSA provider gives the best assistance for jobseekers	Adapted from Ruiz et al. (2008) and findings from the qualitative study
11	I feel easy to contact and talk with the caseworkers about my needs and wants	Adapted from Sánchez et al. (2006) and Pihlström & Brush (2008) and findings from the qualitative study

12	I feel interested in knowing help available for jobseekers	Adapted from Ruiz et al. (2008) and findings from the qualitative study
13	The personnel gave me a positive feeling	Adapted from Sánchez et al. (2006) and findings from the qualitative study
14	I feel I can trust this provider	Adapted from Sánchez et al. (2006), Ruiz et al. (2008) and findings from qualitative the study
15	The caseworkers use sound judgment for matching jobs with my circumstance	Adapted from Sánchez et al. (2006) and Ruiz et al. (2008) and findings from the qualitative study

Social benefits

A four-item scale measuring social benefits was initially developed and used by Sweeney and Soutar (2001) and Moliner et al. (2007), and was modified for use in this study after consideration of the findings from its qualitative phase. Participants responded on a seven-point scale, ranging from 1 (very strongly disagree) to 7 (very strongly agree). Table 5-8 below presents the four items of the social dimension of value.

Table 5-8 Items for 'social benefits' construct

1	The employment services by this provider are taken by many others I know/I'm pleased when my friends/relatives come here too	Adapted from Sweeney & Soutar (2001) and Moliner et al. (2007) and findings from the qualitative study
2	Taking this provider's services improved the way I am perceived by other employers (at job interviews)	Adapted from Sweeney & Soutar (2001) and Moliner et al. (2007) and findings from the qualitative study
3	Would help me to feel easier accepted by many employers	Adapted from Sweeney & Soutar (2001) and findings from the qualitative study
4	I know what to expect in having the employment services (my responsibilities under JSA program as well as the expected assistance)	Adapted from Sweeney & Soutar (2001) and findings from the qualitative study

5.2.2.3 Customer satisfaction

Customer satisfaction compares a customer's expected value with their perceived value after usage/performance (Moliner et al. 2007; Oliver 1980). This four-item measure was developed based on work by McDougall and Levesque (2000) and Lam et al. (2004), and was modified

to adapt to the employment services context. Jobseekers responded on a seven-point scale, ranging from 1 (very strongly disagree) to 7 (very strongly agree). The four items measuring customer satisfaction are listed in Table 5-9.

Table 5-9 Items for 'customer satisfaction' construct

1	I think I did the right thing in deciding to use this JSA provider to help me in job looking	Adapted from Lam et al. (2004)
2	The services I got is exactly what is needed for employment services	Adapted from McDougall & Levesque (2000)
3	Overall, I am very satisfied with the rela tionships with this JSA provider	Adapted from Lam et al. (2004)
4	Overall, I am satisfied with this provider	Adapted from Lam et al. (2004) and McDougall & Levesque (2000)

5.2.2.4 Customer behavioural intentions

Behavioural intention, understood as passing on word-of-mouth recommendations, has been adopted in the extant literatures as part of the expression of intention. The four adapted items were developed from the customer behavioural intentions measure by Lin, Sher and Shih (2005) and Lam et al. (2004). Participants respond on a seven-point scale, ranging from 1 (very strongly disagree) to 7 (very strongly agree). The four items measuring customer behavioural intentions are listed in Table 5-10.

Table 5-10 Items for 'customer behavioural intentions' construct

1	I would say positive things about this JSA provider to other people	Adapted from Lin, Sher & Shih (2005)
2	I would recommend this JSA provider to someone who seeks my advice	Adapted from Lin, Sher & Shih (2005), Lam et al. (2004)
3	As long as the present service continues, I doubt that I would switch the provider	Adapted from Lin, Sher & Shih (2005), Lam et al. (2004)
4	I will choose this provider next time if I need to look for a job	Adapted from Lin, Sher & Shih (2005)

5.2.2.5 Personal values for measuring value alignment

The findings from the online hard laddering survey revealed seven types of personal values: achievement, security, power, benevolence, universalism, self-direction and hedonism (see Table 5-11 below). These personal values were included in the list of values originally developed by Schwartz (1992, 1994), then improved in many other works by several scholars (Paul et al. 2009; Schultz & Zelezny 1999; Schwartz & Sagiv 1995). This study investigates the notion of value co-creation in the public service setting. In particular, value co-creation was conceptualised as value alignment (see section 2.3.5 for a discussion of the theoretical framework). For that reason, these seven personal values would be applicable for the value alignment construct, using BWS. Using a balanced incomplete block design (BIBD) method, seven subsets were generated. Each involved three types of the seven personal values. In this design, the participants were asked to choose which mattered *most* and *least* to them in each subset. An example task is presented in subsection 5.2.25, and a full version of these seven subsets of personal values is included in Appendix 9.

This study tries to examine how well the jobseeker aligns with their JSA providers, as well as with the departments. Other sets of data are also used to estimate value alignment. Staff of JSA contracted providers and public servants working for the Department of Employment and the Department of Social Services are the two key groups who communicate with JSA jobseekers. The surveys with JSA contracted providers and the departments were carried out separately in another project of which the researcher is a part. Data was shared between the two projects. In that project, staff of JSA contracted providers and public servants at those departments did the same BWS task as the jobseekers in this study.

One of the advantages of using BWS in this exploratory design looking at preferences for different value types is that results can be achieved either at the aggregated or the individual level of BWS (Lee, Soutar & Louviere 2008). In brief, following the suggestion by Venkatraman (1990), Venkatraman and co-author (1993) and Drazin and Van de Ven (1985), this study utilises the Euclidean distance between each jobseeker-respondent and the aggregate profile of the opposing groups (JSA providers and the government departments). The calculation of BWS, introduced shortly here, is discussed in detail in subsection 5.3.2.2, as part of the analysis of the quantitative data.

Table 5-11 Personal values for measuring 'value alignment' construct

1	Achievement: success, self-respect, ambition	Adapted from Schwartz (1992, 1994), and findings from the laddering online survey
2	Security: sense of belonging, safety, family security	Adapted from Schwartz (1992, 1994), and findings from the laddering online survey
3	Power: wealth, recognition, fame	Adapted from Schwartz (1992, 1994), and findings from the laddering online survey
4	Benevolence: honesty, loyalty, responsible	Adapted from Schwartz (1992, 1994), and findings from the laddering online survey
5	Universalism: broad-minded, equality, inner peace	Adapted from Schwartz (1992, 1994), and findings from the laddering online survey
6	Self-direction: autonomous, curious, creative	Adapted from Schwartz (1992, 1994), and findings from the laddering online survey
7	Hedonism: pleasure, enjoyment, freedom	Adapted from Schwartz (1992, 1994), and findings from the laddering online survey

5.2.3 Construct measurement

Two kinds of measurement scales, namely, the Likert scale and BWS, were utilised to design the questionnaire used for the online survey in this quantitative study. The next subsection discusses the use of Likert scales, which is followed by a discussion of the employment of BWS.

5.2.3.1 The Likert scale

Likert scales are commonly applied in order to measure attitudes and perceptions (Johns & Lee-Ross 1998). In this survey, Likert scales were used to measure perceptions. They included the ratings 'very strongly disagree', 'strongly disagree', 'disagree', 'neutral', 'agree', 'strongly agree' and 'very strongly disagree'. Although scholars (Johns & Lee-Ross 1998) debate the use of a mid-point neutral ranking in such scales, the researcher saw little value in imposing on respondents the requirement to select one or another extreme view.

According to Emmert (1989), the Likert measurement tool is employed to collect the required information because it is easy to adapt, easy to detect, and has the ability to reduce item

outliers as well as to calculate aggregated scores for each construct of interest. The validity and reliability of this scale measurement is well documented (Clark & Watson 1995; Cummins & Gullone 2000). However, there are some concerns about the scale's discriminative value and sensitivity, related to the number of intervals (Cummins & Gullone 2000). Initially, Likert (1932) developed five-interval scales. This design was reviewed in terms of reliability, validity and sensitivity when the number of intervals is greater. There is still disagreement between researchers upon the most appropriate number of intervals. For instance, Clark and Watson (1995) found that providing more response alternatives (e.g. a 9-point rather than a 5-point scale) does not necessarily enhance reliability of validity. In fact, increasing the number of alternatives actually may reduce validity if respondents are unable to make the more subtle distinctions that are required. That is, having too many alternatives can introduce an element of random responding that renders scores less valid.

In contrast, Cummins and Gullone (2000) and Diefenbach, Weinstein and O'Reilly (1993) found that, when comparing seven-point Likert measures with five-point Likert measures, discriminative sensitivities in the scale were observed, while the scale reliability seemed unchanged. All the evidence suggested that a seven-point scale for this survey was suitable, which is consistent with most scales measuring original items. The next subsection discusses BWS, the measurement tool used in section 3 of the questionnaire.

5.2.3.2 Best–worst scaling

Using the emerging S-D perspective, this study investigates value co-creation, which is also included in the theoretical framework and analysis. In order to elicit the jobseekers' relative preferences for different types of values which form CPV, a discrete choice experiment, or BWS, has been utilised. As discussed in Chapter 2 (in sections 2.3.5 and 2.4.2), value co-creation was conceptualised as the value alignment construct and measured by the Euclidean distance between each jobseeker-respondent and the aggregate profile of the opposing groups (JSA providers and government departments) (Drazin & Van de Ven 1985; Venkatraman 1990).

Lee and co-authors (2010) argued that the alternative approach of BWS was able to reveal latent trade-offs between different kinds of social and ethical behaviours. They pointed out that a variety of combinations of types of personal values might indicate the diverse range of behaviours in different settings. Recently, many scholars (Anderson et al. 2011; Keating et al. 2010) have suggested that discrete choice analysis is their favoured approach, as it is

considered to be an efficient and effective method. In a discrete choice experiment design, respondents are asked to choose from sets of designed alternatives, enabling the researcher to find the weighted significance of each type of value which forms CPV (Lee, Soutar & Louviere 2008).

BWS, as a reduced form of discrete choice experiment (Marley, Flynn & Louviere 2008; Marley & Louviere 2005), is set up as a method in order to elicit values in this study. There is growing interest in the use of BWS as a method of preference elicitation in many different research domains, including in the health sector (Flynn 2010; Flynn et al. 2007; Lancsar et al. 2013), consumer ethical beliefs (Auger, Devinney & Louviere 2007), food consumption (Mueller Loose & Lockshin 2013), higher education (Huybers 2014), social research (Potoglou et al. 2011), marketing research (Louviere et al. 2013), business research (Coltman, TR, Devinney & Keating 2011), and, in particular, exploring values (Lee, Soutar & Louviere 2008; Lee, Soutar & Sneddon 2010). Several advantages of the BWS approach were identified when it was compared with the Likert scale (Cohen 2003). BWS allows improved discrimination (Marley & Louviere 2005)—in other words, it allows expanded diagnostic power (Kember & Leung 2008). BWS also overcomes the 'skewing tendency' of responses (Lee, Soutar & Sneddon 2010). Lee and co-authors (2008) argued that the BWS method helps avoid some of the effects of problematic responses found in Schwartz's (1992) values. Hence the utilisation of BWS is appropriate in this study for referencing types of values identified in the qualitative phase.

The BWS task includes asking respondents to choose the 'best' (or 'most applicable' or 'most important') and the 'worst' (or 'least applicable' or 'least important') type of values in each subset. Following Lee, Soutar and Louviere (2008), first the subsets (or choice sets) of value types were created using a BIBD. This design intends to minimise the subsequent number of selections while guaranteeing balance between the total number of times each value type is seen in the experiment and the number of times each value type is paired with another type (Burgess & Street 2005; Raghavarao & Padgett 2005). The seven types in Schwartz's (1992) values were identified earlier with the findings from the qualitative phase of the study, in Chapter 3. The design resulted in seven subsets, each containing three kinds of values (see Appendix 8 and 9 for more detail). The characteristics of the design meant each respondent would see each value type three times. As a result, a total of 21 measures of the seven value types were included in the questionnaire. Finally, within each choice set, the values were

randomly ordered across individuals. Figure 5-1 provides an example of how the BWS task appeared to respondents, who were given the following instruction contained within.

Figure 5-1 Example of a best–worst scaling task

In this part of this survey we are interested in understanding your personal values. Please consider each group of three values and indicate which matters MOST and LEAST to you? Please attempt all questions - even though they may seem similar, they are all different, and it is important that we obtain your preferences for all of the combinations presented below.

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Security: sense of belonging, safety, family security	O
O	Benevolence: honesty, loyalty, responsible	O
O	Self-direction: autonomous, curious, creative	O

5.2.4 Validity and reliability

Validity is defined as 'the extent to which the measures reflect the underlying construct' (Groves et al. 2009, p. 50), or the truthfulness of the results (Adams & Schvaneveldt 1991). Different types of validity are applied in social research and survey analyses, including face validity, content validity, predictive validity, concurrent validity, construct validity and external validity.

Face validity refers to the common-sense meaning of the measure. In this study, all possible steps were taken to guarantee that the questionnaire was designed to maximise the validity of this research. Steps included testing questions with supervisors, fellow academics and fellow HDR students, and making changes to the questionnaire as necessary. The questionnaire was then given out as a pilot among fellow students at the faculty; again, amendments were made as appropriate. The researcher was assured that the terminology used within the questionnaire would be clear and comprehensive to an extensive audience through its use of simple, understandable language. The questions were designed to maximise their potential to collect

useful and appropriate information. Face validity is usually established prior to the survey being administered.

Content validity refers to the comprehensiveness of the content of the subject of interest. A test of content validity ensures that the research includes all the features of the concept that it is intended to measure. Similarly to face validity, content validity does not test statistically but, rather, carefully examines the items for consistency and inclusiveness within the theoretical concept.

Predictive validity refers to the ability to predict some important behavioural intentions in the proposed relationships. This type of validity guarantees that the items are predictive for the variables—in other words, that items measure what they are supposed to measure. This validity type is essential to understand the linkages between variables or constructs in modelling. The outcomes should make sense in relation to the measurements and the theoretical concepts.

Concurrent validity refers to the ability to distinguish between groups. In social science, that relates to matching the utilised measure with the existing measure of the same construct or behaviour. In this study, the items were developed from the existing research and the findings of the qualitative phase; hence concurrent validity was not examined.

Construct validity refers to how the employed operationalisation accurately reflects the construct of interest. Following a recommendation by Wong (2013) and Hair et al. (2006) about using PLS techniques, this study examined two important types of construct validity in addressing the measurement model: convergent validity and discriminant validity.

- *Convergent validity:* This relates to the degree to which the utilised measurement is similar to (converges on) other measurements that it theoretically should be similar to. In other words, it is an assessment of 'the degree to which two measures of the same concept are correlated'. The level of convergent validity among item measures can be measured in a number of ways. For instance, Wong (2013) recommended checking factor loadings and the values of average variance extracted (AVE). It is important to assess the size of the factor loadings, as high loadings on a factor indicate that they converge on some common point. Hair et al. (2006, p. 777) stated, 'AVE is a summary indicator of convergence'. The benchmarks of these two indicators will be discussed in more detail in subsection 5.3.3.1.

- *Discriminant validity:* Hair et al. (2006, p. 778) defined discriminant validity as 'the extent to which a construct is truly distinct from other constructs'. The statement implied that

constructs are distinctive from one another and that, at the same time, each included item should represent this latent construct. Fornell and Larcker (1981) established a criterion - named after them- for assessing the discriminant validity of constructs. An AVE analysis should test whether the square root of every AVE value belonging to each latent construct is much larger than any other correlation coefficient for any other specific latent construct (Chin 1998). Hair and co-authors (2011) explained that a latent construct shares more variance with its assigned item measures than with any other latent construct in the model. The second way to assess discriminant validity is by undertaking a cross-loadings analysis. This widely accepted test for discriminant validity proposes that a measure loading with its associated latent variable should be higher than its loadings with the other variables.

External validity: Similarly to construct validity, external validity is related to generalising issues. However, construct validity relates to the generalisability of the used measures to the theoretical constructs, while external validity refers to the degree the study context can be generalised to other settings, people, places or times. In that sense, external validity demonstrates that research findings are relevant in natural contexts, as contrasted to set-up environments such as classrooms, laboratories or surveys. Correct sampling allows generalisation and thus provides external validity. For the statistical discussion and explanation, this type of validity can be achieved by choosing a randomised sample from a related population, selecting a research context from real-world settings, and considering a research design maintaining the connections between the sample population and the real world.

Reliability

Statistical reliability refers to the independent reproduction of research findings—in other words, the ability to obtain the same results in other, wide-ranging studies. The traditional measurement for reliability is the examination of Cronbach's alpha values. An acceptable alpha coefficient indicating good reliability for the measurement should be no less than 0.70 (Hair et al. 2006). The reliability results for each variable in this study will be reported using Cronbach's alpha coefficients.

Some academics, such as Chin (1998) and Henseler, Ringle and Sinkovics (2009) criticised the traditional Cronbach's alpha for its underestimation of reliability. Different measures have recently been suggested for measuring reliability, such as indicator reliability and composite reliability (Hair, Ringle & Sarstedt 2011; Rose et al. 2012). Indicator reliability is

calculated using the square of each of the loadings; the values should be higher than 0.70, as a general rule of thumb, for analysis (Wong 2013). Composite reliability is an estimation of a construct's internal consistency. Hair et al. (2011) recommended that the values of composite reliability should be larger than 0.70. In some exploratory research, values of 0.60 to 0.70 are acceptable, as it would indicate a satisfactory convergence, or internal reliability, of the constructs. All three indicators of reliability are used in the analysis of the measurement model in this study.

5.2.5 Ethical considerations

The quantitative phase continues contact with a number of informants, including public servants at relevant agencies, employees at JSA provider sites, and jobseekers across Australia. As for the qualitative phase, ethical issues should be considered so as to not negatively affect the participants' health, either physically or psychologically.

In this study, the questionnaire was sent through a URL embedded in the invitation email. This link directed the respondents to the web-based questionnaire, hosted on Surveymonkey.com. All these documents were approved by supervisors and later obtained ethical clearance from UC's Human Research Ethics Committee, which considered the emotional wellbeing of participants, and confidentiality matters. Jobseeker-participants received a welcome message at the beginning of the questionnaire, which described the main purpose of this research project, ensured the participants of complete confidentiality, and gave the participants the contact details of the principal researcher and the project's supervisors. After the participant accepted the invitation and consented to complete the questionnaire, they were able to stop answering the questions at any time if they did not want to continue. The information was collected and processed only when the participant clicked on 'submit' at the end of the questionnaire.

All the information was stored according the regulations set by the UC Human Research Ethics Committee. Only the researcher and the project's supervisors had access to the material provided by the participants. In addition, the researcher ensured confidentiality by housing the questionnaire and data on the Surveymonkey.com server. The server ensured that the collected data would be handled in strict confidence, and only the researcher and the supervisors could access the data. The use of pseudonyms when citing the responses given in the questionnaire would protect the names and identities of respondents. Analyses would be presented only in unidentified, aggregated form.

5.2.6 Survey procedure

The target population for this survey was identified as the nationwide population of jobseekers who were, at the time of the research, registered with a JSA program. At June 2014, the total number of jobseekers (who were 15 years and older) in Australia was 809,308 (Department of Employment 2014b). The target population was redefined as people aged 18 and over, to take into account the need for participants to give consent. Employment status can change over time, although on average jobseekers are registered with a JSA provider for about 25 months (Department of Employment 2014b). These were challenges to creating a complete, comprehensive and long-lasting list of jobseekers. Government agencies like Centrelink and the Department of Employment confidentially maintain the confidential database containing the addresses and telephone numbers of Australian jobseekers in the JSA program.

Sample size is an important issue to be considered in quantitative study design (Tabachnick & Fidell 2007). Evidence from the previous studies has not established what, in theory, is a suitable sample size. Bentler and Yuan (1999) achieved results with a sample as small as 60 informants, while MacCallum, Browne and Sugawara (1996) suggested that a minimum number existed for tests of good of fit. McQuitty (2004, p. 181) advised the sample should be at least 100, as 'larger samples have considerable and important advantages for estimation'. In this research, the survey was carried out until 350 responses were received from people who were aged 18 or over and were registered with a JSA provider. This number was decided based on time and financial constraints as well as its suitability for statistical analysis.

This study involved the administration of an e-questionnaire to a non-probability convenience selection of jobseekers which comprised the population for this study, who were registered with the 'Empowered Network'. This technique of convenience sampling is the most common of those used in social science research (Mohr 1990). In addition, IT advances and the existence of the Prospect Shop have made it possible to reach jobseekers around Australia. Because the quantitative study required a considerable number of respondents, the researcher contacted respondents through the e-list managed by the Prospect Shop. The email had an embedded URL which directed the respondents to the web-based questionnaire, hosted by Surveymonkey.com, a well-known, well-established and credible website providing an online survey tool appropriate for many academic and business practitioners.

As well as collecting survey data from JSA jobseekers, to calculate BWS in the analysis stage this study also used data collected from another project, which had been funded by the Australian Research Council and conducted by a team of researchers from UC and Monash University. The project surveyed public servants working at the Department of Employment and the Department of Social Services, as well as employees of JSA providers across Australia. The project explored perceptions of employment services and the current employment system in supporting those working in employment services. The researcher was part of that team. The data were shared between two projects in order to support comprehensive quantitative analyses in both studies.

5.3 Analyses of quantitative study data

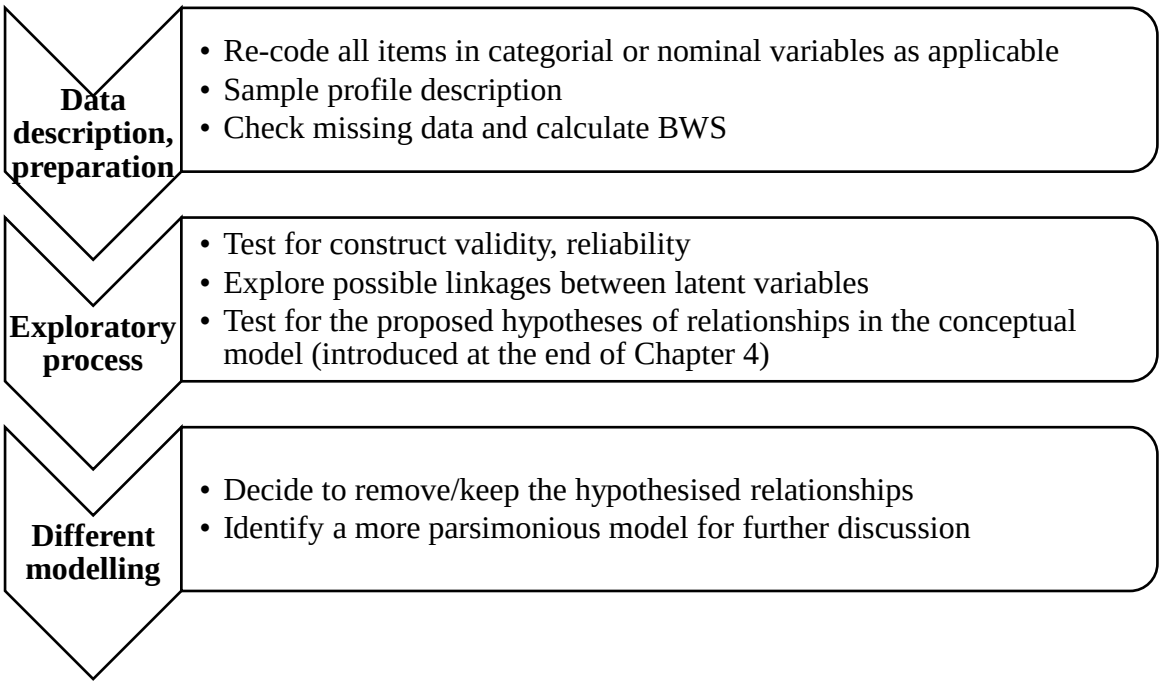
The first part of this chapter described the design of the quantitative study, including the collection of data from jobseekers during September and October 2014 via Surveymonkey.com. During October and November 2014, the data for value alignment were collected from JSA providers and public servants at the relevant government agencies. This second key component of the quantitative phase of the study involved analyses of the collected data. The analyses included descriptive data analysis and multivariate data analysis, with use of SEM.

SEM techniques with a PLS approach were utilised using SmartPLS software to explore the conceptual model proposed in Chapter 4. The PLS technique was used to concurrently estimate the structural elements of both the inner and the outer models (Reinartz, Haenlein & Henseler 2009; Tenenhausa et al. 2005)—in other words, both the measurement and the causal models were estimated simultaneously (Chin & Newsted 1999; Rose et al. 2012). Hair et al. (2012) acknowledged that over time the number of publications using the PLS-SEM techniques had grown remarkably in both marketing and strategic management fields.

The PLS-SEM practice was selected for use in this study for several reasons. First, based on the variance approach, PLS is considered an appropriate method for estimating complex cause–effect relationships models with several latent and manifest variables. Wold (1985, p. 589) claimed that studies using this technique were ‘simultaneously data-rich and theory-primitive’. Consequently, the researcher could explore different models to learn more about the data (Wold 1985) as well as gain deeper insights into the phenomena of interest underlying the collected data (Rigdon 2012) by testing and validating the exploratory models. Second, the PLS method is universally suitable in the flexibility it offers—for instance, its

handling of non-normal distribution properties of data characteristics (Hair et al. 2012; Wetzels, Odekerken-Schroder & Van Oppen 2009). Cassel et al. (1999) and Reinartz et al. (2009) reported that in some extreme cases PLS-SEM was robust when used to analyse highly skewed data. Further, the PLS-SEM method does not require a large sample size (Hair et al. 2013; Hair et al. 2014). The final advantage of PLS-SEM is its capacity to work with various types of data, ranging from nominal, ordinal, interval and ratio-scaled variables (Fornell & Bookstein 1982; Haenlein & Kaplan 2004), and different measurement models, either formative or reflective (Chin & Newsted 1999). The PLS-SEM technique is illustrated in Figure 5-2 below.

Figure 5-2 Data analysis procedure



5.3.1 Sample profile

From 620 invitations to complete the survey, 526 attempts were made by respondents who were eligible in terms of their JSA registration, and 350 questionnaires were completed by eligible respondents. Only 294 responses were complete and usable for further analysis, so the net response rate was 55.9%. Out of the total 294 completed responses, 163 were female jobseekers, accounting for 55.4% of the whole sample, and 131 were male jobseekers, 44.6% of the research sample. Only 14 people were identified as being of Aboriginal or Torres Strait

Island descent, 4.8% of the sample. Some characteristics of the sample profile are presented below.

Data collected from another project was used to calculate value alignment. That data was collected from government officials working at the Department of Employment and the Department of Social Services and from staff at JSA provider sites across Australia. These two surveys and the quantitative survey for this study were completed at a similar time, and the information is compatible for analysis. From the other project, 131 responses from public servants from 301 attempts, and 134 responses from staff of JSA providers from 345 attempts provided usable responses for further analysis. Therefore, the net rates of response for the survey by public servants and staff of JSA providers were 43.52% and 38.84%, respectively. In the survey of public servants, of the total 131 completed responses, 71 were females, accounting for 54.2% of the sample, and 60 were male, 45.8% of the survey sample. In the survey with staff of JSA providers, of the 134 completed answers, 82 were females and 52 were males, accounting for 61.2% and 38.8% of the sample, respectively. The average age of the participants was 46 years for public servants, and 44.6 years for staff of JSA providers.

The survey conducted for this research was of JSA jobseekers across the country. For that reason, the researcher will provide an overview of the sample profile for this survey only. The remaining part of the subsection discusses characteristics of solely this sample.

The largest part of the JSA program is made up of stream 1 jobseekers, as shown by the sample profile. More than half of the respondents were jobseekers belonging to stream 1 (56.12%), while 20.41% of the profile indicated they came from stream 4, 14.29% from stream 2, and 9.18% from stream 3 (see Table 5-12).

Table 5-12 Streams within the JSA program

Streams	Number of jobseekers	Percentage in sample
Stream 1	165	56.12
Stream 2	42	14.29
Stream 3	27	9.18
Stream 4	60	20.41
Total	294	100

The majority of the jobseekers received Newstart income support, accounting for 72.8% of the total respondents. The second largest group of income beneficiaries received the disability support pension (10.2%), followed by Youth Allowance (6.8%) and parental payments (7.82%). Less than 2.5% of the respondents were not qualified to receive income benefits (Table 5-13).

Table 5-13 Income support types

Types	Number of jobseekers	Percentage in sample
Newstart	214	72.79
Youth Allowance	20	6.80
Parenting payment single	9	3.06
Parenting payment partnered	14	4.76
Disability support pension	30	10.20
No payment	7	2.38
Total	294	100

The jobseekers participating in this survey were from all Australian states and territories, except the Northern Territory. The biggest groups of participants were located in eastern Australia. The participants from Victoria represented 30.95%, while less than 1.5% of the participants from New South Wales. The percentage of participants from the Australian Capital Territory was smallest, at 0.68%, due to the size of its economy and the characteristics of its labour market (Table 5-14).

Table 5-14 State location of JSA providers

State location	Number of jobseekers	Percentage in sample
Queensland	57	19.39
New South Wales	87	29.59
Victoria	91	30.95
South Australia	32	10.88
Western Australia	18	6.12
Australian Capital Territory	2	0.68
Tasmania	7	2.38
Total	294	100

The largest proportion of jobseeker-participants in the sample had graduated from trade or vocational institutions (32.31%). Next came the group of jobseekers who had finished high school (equivalent to Year 12), representing 21.09% of the sample. Surprisingly, as many jobseekers had a university degree as a Year 10 certificate as their highest level of education. In addition, 7.92% of the participants had undertaken postgraduate education (Table 5-15). The diversity in education levels among the sample might be explained by the online method of data collection: people with more skills and capability in accessing IT may have been more likely to be involved in the survey.

Table 5-15 Highest education levels of the interviewed jobseekers

Education level	Number of jobseekers	Percentage in sample
Did not attend school	4	1.36
Primary school	3	1.02
School certificate (Year10 equiv.)	52	17.69
Higher school certificate (Year 12 equiv.)	62	21.09
Trade/vocational diploma	95	32.31
Undergraduate degree	55	18.71
Postgraduate degree	23	7.82
Total	294	100

Finally, the sample included different age groups. The largest group of respondents were aged between 45 and 54 (25.85%). Thus, the respondents aged 45 or over made up more than 43.88% of the total number of respondents. The second largest group was aged 25 to 34 (24.51%), and less than 4% of respondents were aged 35 to 44 (Table 5-16).

Table 5-16 Age groups of jobseekers

Age groups	Number of jobseekers	Percentage in sample
18 to 24	34	11.56
25 to 34	71	24.15
35 to 44	60	20.41
45 to 54	76	25.85
55 to 64	50	17.01
65 to 74	3	1.02
Total	294	100

As well as data collected from jobseekers, data was collected from other sources, including staff of JSA providers and public servants working within the JSA program. These surveys were components of another project, conducted by a team of researchers from UC and Monash University. The data included 131 respondents from public agencies and another 134 respondents from contracted providers of employment services. Only the BWS scores at the aggregate level were calculated for that data, in order to help estimate the value alignment variables.

5.3.2 Data preparation

5.3.2.1 Handling of missing values

Several steps were taken to prepare the collected information before the data were analysed. First, all variables were coded to be entered into SPSS. Following this recording step, missing data was considered. The issue of missing data is ubiquitous (Raghunathan 2004) or the most pervasive problem (Tabachnick & Fidell 2007) in data collection and analysis involving human beings. In survey data, missing data can be found in terms of unit non-response (people not answering any of the survey) or item non-response (people not responding to some of the questions in the survey) (Raghunathan 2004). This section refers to the latter concern. In the sample, less than 1% of the variable values were missing. Hence, it is possible

to replace the missing data without risking the integrity of the dataset (Kline 2011). The software used to code and prepare the dataset automatically standardises the data and replaces these missing values with the column mean (Pallant 2011; Tabachnick & Fidell 2007). This procedure of replacing missing values supported the forecast of parameter estimates more reliably and precisely in comparison to other methods (Graham 2009).

5.3.2.2 Best-worst scores calculation

In a BWS task the respondent was forced to choose the relative importance of the value types in each set; there were trade-offs between the set components (Huybers 2014). The first step before calculating is transforming the personal value type numbers in each choice set to the original type numbers, as shown in Table 5-17. The calculations were done using an Excel spreadsheet. After transforming the 'best' and the 'worst' in each choice set to the original type number, the BWS metrics were calculated for individual respondents in the sample and at the aggregate level.

Different metrics can be derived from the collected BWS data (Auger, Devinney & Louviere 2007; Coltman, TR, Devinney & Keating 2011). The common scale with conventional interval was introduced by Finn and Louviere (1992). The score for each personal value type is calculated by taking the number of times the value type was selected as 'best', and subtracting the number of times the value type was selected as 'worst' across the experiment. For each individual respondent, these best–worst scores should range from –3 to +3, as each value type appearing **r** times in the experiment determines these boundaries of the scale (from –**r** to +**r**). If there are no missing data, then the aggregate best–worst scores should be bounded from –**r** x **n** (that is, –3 x 294 = –882) to +**r** x **n** (that is, +3 x 350 = 882), where **n** is the sample size and **r** is the number of times each personal value type appears in the BWS experiment. The sum of the number of times each value type was chosen as the *most* should be the same as the sum of the number of times each value type was chosen as the *least*. These sums should also be equal to the product of **n** x **s,** where **n** is the sample size and **s** is the number of choice sets (in this study, 294 x 7 = 2058). In particular, across each respondent, these two sums should also be equal to **s** (in this study, 7). The sum of best-minus-worst scores across all seven personal value types should be 0.

Another metric is a ratio-scaled, or a relative, score for each personal value type, initially developed by Marley and Louviere (2005). This value is calculated by taking the square root of the ratio of the total frequency count of 'best' responses and the total frequency of 'worst'

responses (Huybers 2014). Cohen (2009), Massey et al. (2013) showed a different way of calculating a standardised score, using the equation below:

$$Std.Score = \frac{Count_{Best} - Count_{Worst}}{n \times r} \qquad (1)$$

In addition, Massey et al.'s ratio scales (or Cohen's average B-W score) should be in the range –of –1 to +1 for a BIBD design.

The average best–worst scores get both positive and negative numbers; therefore, it is difficult to interpret these values (Mueller Loose & Lockshin 2013). Following the suggestion of Lee, Soutar and Louviere (2008), the best–worst scores were rescaled so that they were more intuitive and easier to interpret. The values were calculated by taking the square root of the 'best' divided by the 'worst'. According to Mueller Loose and Lockshin (2013), these sqrt(B/W) ratio scales can be transformed to a standardised scale, where the most important factor takes a value of 100 and other factors:

$$Weighting\ factor_{ratio\ scale} = \frac{100}{max_i(sqrt\frac{B}{W})} \qquad (2)$$

Several other BWS metrics based on work by Flynn et al. (2007) and Louviere et al. (2008) have been found in the literature, but these easy-to-calculate best-minus-worst and relative best–worst ratios are considered to be reliable, representative metrics (Huybers 2014). They are employed to calculate BWS values in this research.

Since the BWS tasks used a BIBD design, these characteristics of BWS data can be used to check for data integrity (Massey et al. 2013). As expected, the data integrity was examined by looking at results listed in Table 5-17. The importance of each type of personal value is its rank. As Table 5-17 shows, the ranking order is similar to the results of best-minus-worst scores (B_W), the standardised scores or the square root scores. Data collected from the hard laddering online survey revealed that, of the seven personal types of values, security seemed the most important, accounting for 425 of best-minus-worst scores. Power ranked as the least important type compared with all other types of personal values. Data from the survey showed that the jobseekers-informants valued most highly security (2.10), benevolence (1.75), achievement (1.36) and universalism (1.01) as the most important motivation values.

Table 5-17 BWS metrics and ranks for JSA jobseekers

Personal value types	Best	Worst	B_W	(B_W)/n*r	Relative importance	SQRT (B/W)	Rate
Security	549	124	425	0.4819	100.00	2.10	1
Benevolence	388	127	261	0.2959	83.07	1.75	2
Achievement	377	205	172	0.1950	64.45	1.36	3
Universalism	281	276	5	0.0057	47.95	1.01	4
Self-direction	189	364	–175	–0.1984	34.25	0.72	5
Hedonism	154	360	–206	–0.2336	31.08	0.65	6
Power	120	602	–482	–0.5465	21.22	0.45	7
Sum	2058	2058	0				

Because the best–worst scores are on a relative measure, comparisons could be made between values, as shown in Table 5-17. Jobseekers considered that security was about 4.67 times more important than power; similarly, benevolence, in second place, was 3.89 times more important than the motivation value of power. These BWS scores can be compared with the scores for the respondents who were staff of JSA providers or public servants, as shown in Table 5-18 below.

Table 5-18 shows that staff of JSA providers and the government agencies shared some similar views on the importance of value types. For instance, they both think the value of security is the most important, followed by achievement and benevolence. Jobseekers considered security as the most important value, followed by benevolence and achievement. All three groups of respondents viewed power as the least important. The importance assigned to the remaining personal values - universalism, self-direction and hedonism - varied between groups.

Table 5-18 BWS metrics for JSA providers and public servants in relevant departments

Personal value types	Government agencies				JSA providers			
	Best	Worst	B_W	SQRT (B/W)	Best	Worst	B_W	SQRT (B/W)
Security	267	30	237	2.98	282	29	253	3.12
Benevolence	96	94	2	1.01	113	81	32	1.18
Achievement	262	34	228	2.78	221	35	186	2.51
Universalism	50	230	–180	0.47	64	211	–147	0.55
Self-direction	104	139	–35	0.86	94	175	–81	0.73
Hedonism	82	140	–58	0.77	116	136	–20	0.92
Power	56	250	–194	0.47	48	271	–223	0.42
Sum	917	917	0		938	938	0	

The BWS scores are helpful for computing the value alignment between JSA providers and government agencies. Applying the guide on strategic alignment by Henderson and Venkatraman (1993), we used the individual BWS scores for each jobseeker, along with the deviation approach, to calculate how well-aligned each jobseeker was to the aggregate level of the staff of contracted JSA providers and the government bodies in terms of the seven personal values. Following the suggestion by Drazin and Van de Ven (1985), the deviation can be estimated using the following formula:

$$Alignment_k = \sqrt{\sum_{i=1}^{n}(V_{ki} - \bar{V}_i)^2} \qquad (3)$$

In this formula, k = ID of the jobseeker-respondent in the sample, V_{ki} = normalised score for the k-jobseeker in the sample on the ith type of personal values, $\bar{V}_i$ = the normalised aggregate score for the sample of government officers or for the sample of JSA providers on the ith type of personal values, and i = the number of personal values types (1 through to 7). This estimation resulted in a distance value; it implied that a slight distance between the jobseeker's individual level and the aggregate level rating for the relevant parties (JSA providers or government agencies) revealed a stronger alignment. The next subsection

discusses some key criteria used to evaluate the models in processing and analysing the collected data.

5.3.3 Criteria for evaluating structural and measurement models

Adequateness of sample size: Kline (2011) and Schreiber et al. (2006) argued that SEM techniques needed a sample size that was large enough, but there is little consensus on what is an adequate sample size for SEM (Sivo et al. 2006). Some scholars suggested a minimum size of 100 to 150 responses (such as McQuitty 2004 and Anderson & Gerbing 1988), or at least 200 responses for an SEM sample (as suggested by Hoelter 1983 and Garver & Mentzer 1999). Others proposed an optimal range of 250 to 500 (Lei & Lomax 2005). The quantitative phase of this research collected information from 350 jobseeker-respondents, which resulted in 294 complete and usable responses, which would be considered an adequate size for SEM application.

SmartPLS 2.0 was used to estimate the measurement and structural models, and to obtain parameters to evaluate both models. In this study, PLS path modelling was applied with a path weighting scheme for the inside guesstimate (Chin 1998; Hair et al. 2013; Tenenhausa et al. 2005). That was applied by default values variance = 0; standard deviation = 1; maximum number of rotation for the model to converge = 300; and cut-off criteria when the changes were less than 0.00001. Furthermore, for the PLS approach, using the SmartPLS software, in terms of the bootstrapping to assess the significance of the model, it was recommended that the minimum number of the bootstrap sample should be 5,000 and the number of cases should be equal to the number of observations in the sample—in this study, 294 (Hair, Ringle & Sarstedt 2011).

5.3.3.1 Reflective measurement models

SEM techniques are powerful statistical tools which can assist in the development of a measurement model and a structural model investigation (Hoe 2008). The measurement models (outer models) were normally evaluated prior to assessing the full structural model. As outlined earlier in this chapter, all variables/constructs used in this quantitative study were operationalised adopting multi-item measures which are well known in research on CPV, service quality and personal values. The items were adapted to suit the research context of employment services. A statistical technique allows us ‘to evaluate the number of latent constructs underlying the observed responses and to examine the adequacy of individual

items or variables as indicators for the latent constructs they are supposed to measure' (Lei & Wu 2007, p. 34). Various indices were employed to assess the acceptability of the collected data in terms of reliability, convergent validity and discriminant validity. Those indices and their thresholds are introduced below.

Reliability indicator: An indicator loading is the typical traditional index used to assess the reliable items to form the constructs (Kline 2011; Tabachnick & Fidell 2007). Anderson and Gerbing (1988) proposed that for indicator loadings to be statistically significant the minimum requirement was 0.70 (Hair, Ringle & Sarstedt 2011).

Cronbach's Alpha (CA): The traditional indicator of convergent validity represents the model reliability. The coefficients measure the internal consistency of the factors of each construct (Churchill Jr 1979), and its values of 0.70 or higher indicate well-fitting models (Hair et al. 2013).

Composite reliability (CR): According to Chin (1998) and Henseler et al. (2009), the traditional Cronbach's α likely shows an underestimation of reliability. Thus, many other scholars proposed the application of the CR to assess internal reliability of the constructs of the measurement model (Rose et al. 2012), which is calculated based on the factor loadings and the error variances (Fornell & Larcker 1981). When this composite scale reliability of all scales either is equal to or exceeds 0.80 cut-off values, convergent validity is obtained (Fornell & Larcker 1981). But Bagozzi and Yi (1988) suggested that an acceptable level was 0.60. More recently, it was suggested that the cut-off level should be higher than 0.70 (Hair et al. 2013; Hair, Ringle & Sarstedt 2011; Rose et al. 2012). To consider the exploratory nature of the modelling analysis, the level set for this study was 0.70.

Average variance extracted (AVE): The AVE calculations were applied to assess to what extent the measured constructs were different from one another (Hair et al. 2006), or their convergent validity. This index represents the average amount of variance that a construct explains in its indicator variables relative to the overall variance of its indicators (Fornell & Larcker 1981). The acceptable level for AVE is more than 0.50 (Bagozzi & Yi 1988; Henseler, Ringle & Sinkovics 2009). Then, each latent variable on average describes more than half of the change of its indicators (Götz, Liehr-Gobbers & Krafft 2010).

Crossed loads: These measures are used for the purpose of assessing discriminating validity. In this study, the researcher evaluated all the PLS indicators that should have loaded much higher on their hypothesised factor than on all other factors in the model (own loadings are

higher than cross loadings) (Barclay, Higgins & Thompson 1995; Chin 1998, 2010; Ringle, Sarstedt & Straub 2012).

Fornell-Larcker criterion: The Fornell-Larcker criterion evaluating discriminant validity has been widely recommended and applied in PLS analysis (Hair, Ringle & Sarstedt 2011; Henseler, Ringle & Sinkovics 2009; Peng & Lai 2012). Fornell and Larcker (1981) claimed that the latent variable shares more variance with its allocated factors than with another latent construct in the structural model. Statistically, the square root of the AVE of each latent variable should exceed the latent construct's inter-correlations with any other latent variable (Chin 1998; Gefen & Straub 2005; Hair et al. 2013).

Student t-test: This is the evaluation of the significance of the correlations and regressions, as recommended by Hair et al. (2013) and Hair, Ringle & Sarstedt (2011). A cut-off point of critical t-vales for a two-tailed test are 1.28 (for p value 0.2), 1.65 (for p value 0.1), 1.96 (for p value 0.05) and 2.58 (for p value 0.01) (Hair et al. 2013; Hair et al. 2014; Rose et al. 2012).

5.3.3.2 Structural models

Once the construct measures have been confirmed as reliable and valid in the measurement models, the subsequent stage is to assess the inner model or the structural model results. The primary assessment indices for the structural model include the R^2 values and the level and significance of the path measures.

R^2 measures: The scales vary, and much depends on the specific research disciplines (Hair, Ringle & Sarstedt 2011)—consumer behaviour researchers may accept a cut-off point as low as 0.20, while 0.75 was commonly acceptable for the studies on determinants of success. For instance, Cohen (1988, 2003) argued that for social and behavioural studies R^2 values of 0.02, 0.13 or 0.26 can be classified as having, respectively, a small, median or substantial effect. In marketing, several scholars, like Hair et al. (2011) and Hair et al. (2013), proposed a rule of thumb for assessing the structural model: R^2 values of 0.25, 0.50 or 0.75 for endogenous latent variables would indicate a weak, moderate or large effect, respectively. In addition, Falk and Miller (1992) recommended that the variance (R-square) explained in the endogenous variables should be at least more than 0.1.

The significance of each individual path coefficients of the PLS inner model: Those parameters can be described as standardised beta estimators of ordinary least squares regressions (Cohen, J 1988). They were obtained from the results of a bootstrapping

procedure, and should be evaluated with the rule for the student t-test discussed above (Hair, Ringle & Sarstedt 2011). Significant paths support the hypotheses and empirically confirm the projected causal linkages. The opposite sign of the calculations, or the insignificant estimators, do not support the submitted expectations (Hair et al. 2013; Reinartz, Haenlein & Henseler 2009).

Global fit measure (**GoF):** Following the guideline by Tenenhausa et al. (2005), the GoF values are estimated to ensure the global validation of the PLS models. This index is defined as the geometric mean of the average communality and average R^2 for all endogenous constructs. The baseline values for the index range from 0.1 for small prediction power, 0.25 for medium and 0.36 for large. The calculation was made using the following formula:

$$GoF = \sqrt{\overline{AVE}\ x\ \bar{R}^2} \qquad (4)$$

Where $\overline{AVE}$ = the average of community values, and $\overline{R^2}$ = the average of R^2 of all endogenous variables in the model.

5.3.4 Modelling relationships among service quality, customer perceived value, value alignment, customer satisfaction and behavioural intentions

To address the exploratory objectives of this study, and to ensure the richness of the collected data, different models were assessed, including:

- models 1.1 to 1.3, to examine mediating effects of value alignment with JSA contracted providers (see Figure 4-2 and Table 4-1);
- models 1.4 to 1.6, to examine mediating effects of value alignment with public servants (see Figure 4-2 and Table 4-2); and
- model 1.7, to examine moderating effects of value alignment with JSA contracted providers; and model 1.8, to examine moderating effects of value alignment with public servants (see Figure 4-2 and Table 4-3).

A check should also be made of the validity and reliability of the measures used to operationalise the constructs in this study. A measurement assessment should be carried out before further examination of the proposed models. In this research project, the measurement model will be assessed based on the basis model 1.0. Results from model 1.0 will be assessed for reliability and validity of the outer model, before any further analysis. The following

subsections will present this assessment of the outer model. In operationalising the latent constructs, two were formed and measured as second-order constructs. Specifically, service quality was measured in five dimensions - empathy, assurance, responsiveness, reliability and tangibility - and CPV comprised knowledge benefits, social benefits and emotional benefits. Because of that, the researcher assessed the first-order constructs, then the second-order constructs.

5.3.4.1 Measurement model assessment: assessment of the first-order constructs

Information about assessing the validity and reliability of the first-order constructs can be found in Appendices 10 and 11. Appendix 10 presents the assessments for all first-order constructs involving the modified model 1.0. The factor loadings for all variables ranged from 0.844 to 0.969; all these loadings were larger than 0.70. The reliability indicator (that is, the squares of each factor loading) ranged from 0.713 to 0.940; all exceeded the value of 0.70. This means that the minimum requirements for factor loadings and indicator reliability were met. The alpha values obtained in this study were reasonably high, ranging from 0.897 to 0.983, well over the benchmark of 0.70. This means that the measures were reliable.

The CR values (see Appendix 10 for detail) all exceeded the suggested benchmark, ranging from 0.936 to 0.984. This implies that the model met internal consistency reliability. The AVE criteria values all exceeded the minimum requirement of 0.50, ranging from 0.807 to 0.914. As such, the variables used in this model have a good level of convergent validity. The items-construct correlations were also checked (see Appendix 11 for detail). Appendix 11 shows that all the PLS indicators were higher on their hypothesised latent variables than on the other latent variables, and that the discriminating validity for the model was met.

To assess discriminating validity, the researcher also used the Fornell-Larcker criterion to examine the correlations between latent variables in the measurement model.

Table 5-19 Correlation matrix of the latent variables for the first-order constructs

Construct	Assu	BI	EB	Empa	KB	Rely	Resp	SAT	SB	Tag
Assu	0.927									
BI	0.701	0.956								
EB	0.810	0.853	0.898							
Empa	0.937	0.723	0.820	0.943						
KB	0.669	0.762	0.825	0.663	0.919					
Rely	0.911	0.766	0.845	0.906	0.714	0.911				
Resp	0.832	0.786	0.833	0.837	0.745	0.902	0.946			
SAT	0.726	0.938	0.891	0.738	0.788	0.775	0.801	0.955		
SB	0.713	0.775	0.856	0.719	0.805	0.749	0.735	0.790	0.904	
Tag	0.787	0.522	0.669	0.796	0.523	0.791	0.680	0.570	0.591	0.955

Note: Square root of the AVE on the diagonal

SQ = service quality; KB = knowledge benefits; SB = social benefits; EB = emotional benefits; SAT = customer satisfaction; BI = behavioural intentions; Empa = empathy; Assu = assurance; Resp = responsiveness; Rely = reliability; Tag = tangible.

Table 5-19 shows the correlation matrix among the constructs and an assessment of the Fornell-Larcker criterion in this study. The square roots of the AVE, listed on the diagonal in Table 5-19, exceeded the correlations of the construct with the other constructs in the model, as suggested to ensure discriminating validity.

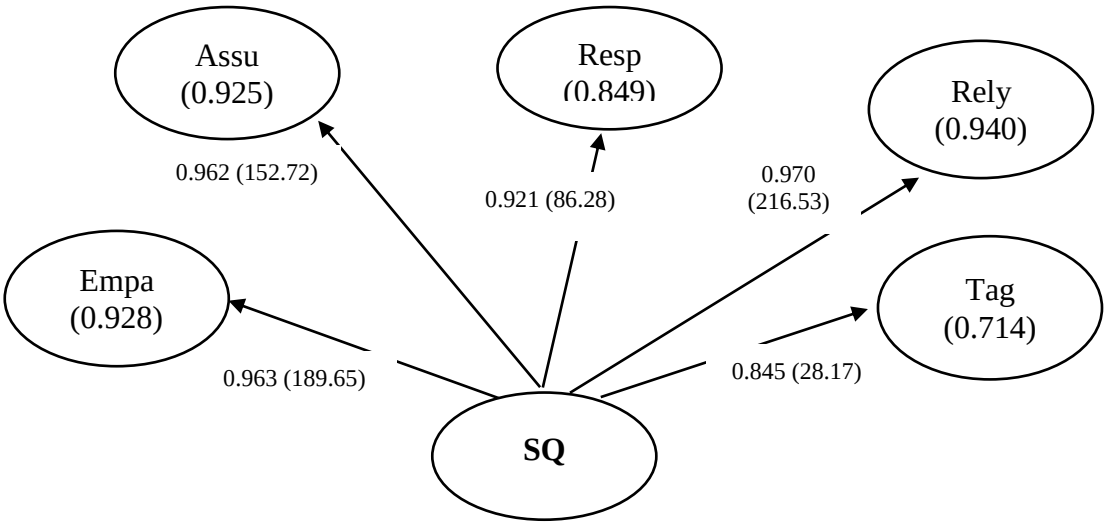
The results displayed in Table 5-19 and Appendix 11 show that the model met discriminant validity, which can be used for further analysis.

5.3.4.2 Measurement model assessment: assessment of the higher- order construct

In earlier chapters of this thesis, service quality and CPV were conceptualised and measured as second-order constructs. After checking the validity and reliability of the items and the first-order variables in the measurement model, we should assess for the higher- order constructs, SQ and CPV.

Figure 5-3 presents the construct of SQ as a second-order reflective construct. The degrees of explained variances of the second-order SQ construct were reflected in its first-order components—empathy (92.8%), staff competence (92.5%), responsiveness (84.9%), reliability (94.0%) and physical facilities elements (71.4%). All the path coefficients between SQ and its first-order components are significant at the p value 0.01.

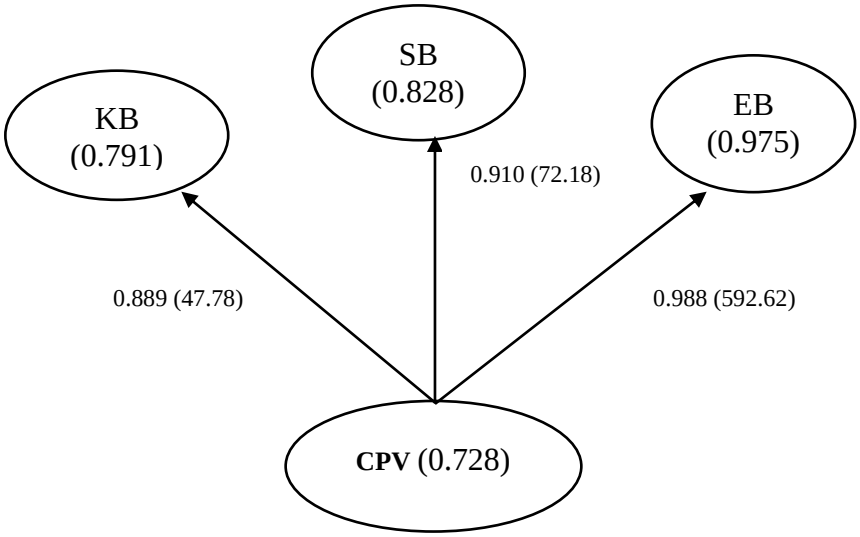
Figure 5-3 The second-order construct of SQ



Note: SQ = service quality; Empa = empathy; Assu = staff competence;
Resp = responsiveness; Reply = reliability; Tag = physical facilities.

Figure 5-4 below shows the parameters of CPV as a second-order reflective construct. The degree of explained variance of the second-order CPV construct is reflected in its first-order components, knowledge dimension (79.1%), social dimension (82.8%) and emotional dimension (97.5%). All the path coefficients between CPV and its first-order components are significant at the p value 0.01.

Figure 5-4 The second-order construct of CPV



Note: KB = knowledge benefits; SB = social benefits; EB = emotional benefits; CPV= customer perceived value.

Table 5-20 shows that the CR and AVE of the second-order model are greater than the cut-off levels of 0.80 and 0.50, respectively. That provides evidence of the reliability of the higher-order measures of SQ and CPV in this study. CPV is an endogenous variable in the model, so R^2 = 0.728 implies that all other included factors contribute to 72.8% of the variance in CPV. SQ is an exogenous variable in the model, which is why the R^2 does not appear here.

Table 5-20 Reliability of higher- order constructs CPV and SQ

Construct	CR	AVE	R2
CPV	0.985	0.747	0.728
SQ	0.979	0.767	-

Finally, the R^2 of the key target constructs of BI and SAT are 0.882 and 0.801, respectively, much higher than the recommended level of 0.75 for substantial effects. The R^2 value of the CPV construct is 0.728, which can be described as a moderate effect.

In all the assessments above, the measurement models were considered satisfactory, with evidence of reliability, convergent validity and discriminant validity. The researcher could then undertake further analysis to examine the relationships between the constructs of interest.

5.3.4.3 Assessment of structural models for mediating effects of value alignment

This subsection outlined the effects of the value alignment variables in various models (see Tables 4.1 and 4.2 for more detail). This study is interested in whether value alignment mediates or moderates the effect of customer satisfaction and behavioural intentions. Therefore, the mediating effects need to be checked in different models, adjusted from the basic model 1.0, with the construct of value alignment with JSA contracted providers (models 1.1 to 1.3), and with the construct of value alignment with public servants (models 1.4 to 1.6)

Results of models 1.1, 1.2 and 1.3, with variations A, B, C, D, E, and F, are presented in Appendix 12. The PLS results of the models 1.4 to 1.6, with variations A to F, are shown in Appendix 13.

Regarding models 1.1 to 1.3

It is notable that the positive associations of SQ and CPV, CPV and SAT, and SAT and BI are always statistically significant, which is similar to the results from model 1.0. This means that these relationships—those of H1, H2 and H5—are supported by the collected data. H3 (regarding the positive association of SQ and SAT) is supported only in model 1.1F, where the direct link between CPV and SAT was not included. Neither did the collected information support H4 in any variation but model 1.1C, which was statistically significant at level $p = 0.05$. Regarding H6, results about the positive effect of CPV on BI have been ambiguous, as CPV is positively associated with BI in model 1.1D at $p = 0.01$, in model 1.1E at $p = 0.05$ and in models 1.3E and 1.1F at $p = 0.2$. In all other varied models, the coefficients of the relationship between CPV and BI are close to being statistically significant, at $p = 0.2$, which suggests that the relationship coefficient may have been statistically significant if the sample had been larger.

In relation to the mediating effect of VA-CP in the relationship between SQ and CPV, although all coefficients for the links between SQ and VA-CP, and VA-CP and CPV in models 1.1 A, 1.2A and 1.3A had a hypothesised sign (a negative sign), none is significant. Similarly, statistical significance was not found, neither partially nor fully, for a mediating effect of VA-CP on the following relationships: between SQ and SAT (in version B models), between SQ and BI (in version E models), between CPV and BI (in version C models), between SAT and BI (in version D models), and between CPV and SAT (in version F models). This led the researcher to investigate the moderating effects of VA-CP in variations of models for this study.

Regarding models 1.4 to 1.6

The results of models 1.4 to 1.6, with variations A to F, on the mediating effects of VA-PS prompted very similar conclusions to those from the previous models involving VA-CP. More precisely, the data collected in this study support H1, H2 and H5, as the coefficients for the relationships of SQ to CPV, CPV to SAT, and SAT to BI are significant in terms of sign and statistical value.

However, the coefficient for the relationship between SQ and SAT (H3) is statistically significant only in model 1.4F, in which there is no direct link connecting CPV and SAT. Regarding the hypothesised relationship between SQ and BI (H4), all models reveal a positive association between these two constructs, but only in model 1.4C is this relationship detected statistically at $p = 0.1$. Nor has the collected data shown a positive association between CPV and BI (H6). CPV is positively associated with BI in model 1.4D at $p = 0.01$, in model 1.1E at $p = 0.05$, and in models 1.4A and 1.6D at $p = 0.2$. In the other models, the coefficients of the relationship between CPV and BI are close to being statistically significant, at $p = 0.2$, which suggests that the coefficient may have been significant if the sample size had been larger.

With regard to the mediating effect of VA-PS in the linkage between SQ and CPV in version A of models 1.4 to 1.6, the coefficients in the relationships between SQ and VA-PS, and VA-PS and CPV have a negative sign, as hypothesised, but none is statistically significant, even at $p = 0.2$. However, based on the t-value, the coefficient of the relationship between VA-PS and CPV is quite close to being significant at $p = 0.2$, so it may have been significant if the survey had been conducted using a larger sample. This is similar in the relationship between VA-PS and CPV in models 1.4C, 1.6C, 1.4F and 1.6F.

Turning to the mediating effects of VA-PS on the rest of the examined relationships, namely, between SQ and SAT (in version B models), between SQ and BI (in version E models), between CPV and BI (in version C models), between SAT and BI (in version D models), and between CPV and SAT (in version F models), the survey data did not show statistical significance, neither partially nor fully, for a mediating effect of VA-CP. This led the researcher to examine the moderating effects of VA-PS in the different models used in this study.

In the assessment of the models, other control variables were included, like age group, stream, education level and income types. The estimations show that these findings are not

sensitive to differences in jobseekers' age groups, streams in the JSA program, education levels, or the types of income support being received.

5.3.4.4 Assessment of structural models with moderators

As suggested by the results of the previous subsection examining the mediating effects of value alignment constructs, the researcher was led to investigate further moderating effects in the relationships presented in Figure 4-1. The results of different variations of model 1.7 on the moderating effects of VA-CP are listed in Appendix 14, and the outcomes of varied modifications of model 1.8 on the moderating effects of VA-PS are presented in Appendix 15.

With regard to the moderating effects of VA-CP in variations of model 1.7, value alignment with JSA contracted providers has a statistically significant impact on CPV and a moderating effect on CPV, at level p = 0.05, in model 1.7A. However, there is no evidence that the moderating effects of VA-CP on other relationships in the basic model 1.0 are significant, that is, the relationships between SQ and SAT (model 1.7B), CPV and BI (model 1.7C), SAT and BI (model 1.7D), SQ and BI (model 1.7E), and CPV and SAT (model 1.7F).

Turning to the moderating effects of VA-PS in variations of model 1.8, in a similar vein to the moderating effects of VA-CP, value alignment with public servants in the relevant agencies has a statistically significant impact on CPV and a moderating effect on CPV, at level p = 0.1, in model 1.8A. In addition, there is evidence of a significant effect of SAT on VA-PS, at level p = 0.2, in model 1.8D. Furthermore, the effects of VA-PS on CPV are close to being statistically significant, at level p = 0.2. But for all other variations of model 1.8 the significance of moderating effects of VA-PS were not noticeable, in relationships between SQ and SAT (model 1.8B), CPV and BI (model 1.7C), SAT and BI (model 1.8D), SQ and BI (model 1.8E), and CPV and SAT (model 1.8F).

Models 1.7A and 1.8A seem to capture some effects of value alignment constructs on other relationships proposed for study (see Figure 4.1). Thus, a global fit measure (GoF = $\sqrt{\overline{AVE}\ X\ \bar{R}^2}$) was used to assess those structural models. GoF values of 0.5433 and 0.5428 for model 1.7A and 1.8A, respectively, were obtained, which exceeds the cut-off level of 0.36 for large effect using R^2 (Hair, Ringle & Sarstedt 2011). Thus, the findings sufficiently confirm the global suitability of the PLS models.

5.4 Chapter summary

This chapter comprised two main components. The first component started with a discussion of the quantitative study design, based on the self-administered survey. A justification was given for using an online survey to collect data at the quantitative phase. Then, the design of a comprehensive self-administered questionnaire and the measures of all constructs were outlined in detail. After that, the measurement scales—Likert scales and BWS—as well as the validity and reliability of these measurements were discussed. The first part ended with a discussion of ethical considerations in the survey procedure.

The second key component emphasised the analysis of data collected from the online survey. The sample characteristics were briefly presented and prepared for further analysis. The steps taken to analyse the data were outlined, along with the modified models used to test the research hypotheses. First, the missing data were checked and then the 294 usable responses were used to calculate BWS. Then, using SmartPLS 2.0 software, a number of different versions of the conceptual framework were estimated and evaluated. The measurement model and the structural model were obtained concurrently. The researcher then investigated the outer model using a variety of criteria. The validity of the constructs, including convergent validity and discriminant validity, and their reliability were confirmed. After that, the researcher assessed several modified models for the moderating and mediating effects of the value alignment constructs in different proposed relationships among SQ, CPV, SAT and BI constructs.

The next chapter will discuss the findings of the model estimations and compare these findings with the outcomes from the qualitative phase of this study, as well as with the extant research in the field.

Chapter 6 - Discussion, implications and conclusions

6.1 Introduction

For researchers and practitioners, customer value has become an interesting phenomenon because of its competitive advantages for businesses (Day & Crask 2000) in the way it can assist with customer behaviour management (Whittaker, Ledden & Kalafatis 2007) and improve the firm's performance and existence (Payne & Frow 1997). Nevertheless, remarkable disparities exist in research on CPV in terms of its conceptualisation and measurement (Boksberger & Melsen 2011; Khalifa 2004; Lin, Sher & Shih 2005; Sánchez-Fernández & Iniesta-Bonillo 2007; Sinha & DeSarbo 1998). Further, researchers point out that various settings have not been widely examined, particularly public service domains (Ladhari & Morales 2008; Williams & Soutar 2009).

Additionally, a newly introduced perspective, the S-D mindset, considers the active role of customers and the value co-creation concept (Akaka & Chandler 2011; Baron & Harris 2008; Frow & Payne 2011; Frow, Payne & Storbacka 2011; Grönroos 2008b; Ng & Smith 2012; Vargo & Lusch 2004, 2008b). However, despite the growing body of work on the phenomenon, in various disciplines, scholars alike have realised that there is a significant lack of empirical examination, specifically in the public service context (Åkesson 2011; Vega-Vazquez, Revilla-Camacho & Cossío-Silva 2013).

Moreover, there has been considerable reform around the contracting-out mechanism for provision of public services, for provision of social welfare services in particular, in many countries, including Australia (Bruttel 2005). This growing trend is thought to help the Australian Public Service (APS), and specifically the JSA program, to provide outcomes of the highest quality for the Australian public by providing integrated citizen-centric services, an effective regulatory framework, and high-quality, forward-looking advice to government (Alford & O'Flynn 2009; Moran et al. 2010; O'Flynn 2007). This new public management aims to meet customer-citizen needs (Moran et al. 2010), provide good-quality services (Halligan & Wills 2008) and improve efficiency (Robinson 2003).

All these issues motivated this study, which investigates the key dimensional structure of CPV, taking into account the role of alignment perceptions among the parties. Earlier chapters included a review of the extant research streams on CPV and the literature on S-D

logic within streams focusing on value co-creation. From this point, the theoretical framework for this study was proposed. The overall research design of the study was presented, along with findings from the two phases of the study—qualitative and quantitative. This chapter will mainly discuss the overall research outcomes and then present the contributions to knowledge and implications for practice.

This discussion chapter is structured into three key sections which integrate the research findings with the current literature. Initially, a review of the research objectives for this study is presented. The first main section then summarises and discusses the research findings. The first section starts with the findings about the multifaceted and hierarchical nature of CPV, and the connections between value perceptions and other related constructs. The discussion attempts to identify specific aspects and integrate the results with those of previous studies. The second section discusses the findings from the measurement of value alignments between relevant parties, including staff of JSA contracted providers and relevant government agencies. This section also discusses the findings of the moderating/mediating impacts of value alignments in the relationships with CPV, customer satisfaction and behavioural intentions. The final section explores the contributions of this thesis, acknowledges the limitations of this study, and suggests some areas for potential further study.

6.2 Research objectives

This study's research objectives were to gain a deep understanding of value perceptions in public service domains generally, and to identify and investigate a model revealing the value perceived and co-created by customer-jobseekers in the particular setting of JSA. In order to fulfil the objectives, the study investigated the hierarchical structure comprising various value dimensions, namely, service quality, knowledge benefits, social aspects, emotional aspects and, at the highest level, different types of personal values. The study also examined the potential relationships between these dimensions of value perceptions with two other outcome variables, being customer satisfaction and behavioural intentions. The researcher was interested in studying the alignment between jobseekers and other parties under the JSA framework (the JSA contracted providers and the relevant government bodies). Furthermore, the study analysed the potential mediating effects, moderating effects or direct impacts of these alignments within the JSA context.

To achieve these objectives, the researcher conducted two consecutive studies. At first, the exploratory phase sought primary information to understand what jobseekers value in

employment services, from the viewpoints of public servants and managers of JSA providers. Then the hard laddering online survey was conducted, which allowed the researcher to gain initial information about the hierarchy of value perceptions and key characteristics, from the perspective of jobseekers. Based on the outcomes of this qualitative exploratory phase, the researcher established a conceptual framework and a set of hypotheses testable in the following phase, the quantitative study. In this second phase, the researcher conducted a self-administered survey using an online platform to collect data from the sample of jobseekers. A total of 294 usable responses were employed for further analysis, using the PLS-SEM technique and SmartPLS 2.0 software. The outcomes of this analysis are discussed in the next section.

6.3 Summary of results against research questions

This research utilised a theoretically-based framework to empirically investigate how jobseekers evaluate their JSA employment services provider, how well their values align with those of other related agencies, and the impacts on their satisfaction levels and behavioural intentions in the framework of the JSA program. The findings of this thesis highlight that customer-jobseekers value employment services from different angles, ranging from lower to higher ranks of abstraction. This helps the researcher to compare how well the jobseekers' values match the value perceptions of JSA providers and public agencies. Table 6-1 presents a summary of the important outcomes related to each proposed research question in this study.

Table 6-1 Summary of the key findings against research questions

Research Questions	Proposed Framework/Hypothesises	Findings
RQ1: How do customers conceptualise value in different service settings?	**1.1** Multidimensional nature vs. singular dimensional conceptualisation.	The qualitative study findings confirmed the multidimensional nature of CPV in data collected from public servants and managers of JSA providers, as well as from the hard laddering online survey with jobseekers. The qualitative data proposed that service quality, knowledge benefits, and social and emotional dimensions were important. Service quality reflected five aspects: staff competence, empathy, responsiveness, reliability and the physical facilities available. Service quality became the lowest level of abstraction for perceptions around valuing service delivery. CPV was allocated as a second-order construct of another three constructs: knowledge benefits, social aspects and emotional aspects. Similarly, the results of the quantitative data analysis revealed the conceptualisation of various aspects of CPV from the points of view of jobseekers who responded in the online survey. Analysis of the survey data showed that CPV comprised service quality, knowledge benefits, and social and emotional facets. CPV was measured as a second-order construct of knowledge, and social and emotional benefits. Service quality was measured as a second-order construct of staff competence, empathy, responsiveness, reliability, and physical facilities.

Research Questions	Proposed Framework/Hypothesises	Findings
	1.2 The hierarchical framework is utilised to conceptualise value perceptions from lower levels of abstraction to higher levels of abstraction.	In the qualitative phase, the online laddering survey data confirmed that CPV was hierarchical, placing service quality at the level of attributes, and consequences at the higher level. Consequences were measured by knowledge benefits, and emotional and social features. The results of the online laddering survey also provided the researcher a means to construct and measure value alignment in the quantitative phase. As a result, seven personal value end-states were identified in the HVM, and those values were then employed to design the questionnaire's BWS questions. The quantitative data analysis supported the ranked formation of CPV as the second-order construct in modelling. This construct included three other dimensions, namely, knowledge benefits, social value and emotional value aspects. The positive association of service quality at the lower rank, with this second-order construct of CPV at the higher rank, was shown in all examined models.
RQ2: How do the different aspects of CPV interact within different service settings?	**2.1** An integrated framework combining the consumption value in Sheth et al.'s model and a means-end model is used to capture CPV. In this framework: • service quality is at the lower level of abstraction;	Based on the extant literature and the findings in the qualitative phase of this study, CPV was operationalised by a number of features, namely, service quality, knowledge benefits, social aspects and emotional aspects. Furthermore, the online laddering survey revealed that service quality was measured as a second-order construct of five other

Research Questions	Proposed Framework/Hypothesises	Findings
	• CPV, comprising knowledge, and social and emotional benefits facets, is at the higher level of abstraction.	aspects: staff competence, empathy, responsiveness, reliability and availability of physical facilities. Meanwhile, CPV was measured as a second-order construct of the dimensions of knowledge, and social and emotional benefits. The qualitative study supported the interaction between different first-order measures of service quality and first-order measures of CPV. These linkages were assessed and quantified in the quantitative phase of this study. The findings of quantitative analyses provided evidence that CPV was a second-order construct and that service quality was a second-order construct in all models. These findings once again supported the outcomes of the qualitative phase regarding the construct formations.
	2.2. The interconnections between the levels of abstraction were proposed within this hierarchical model. In other words, service quality is positively associated with CPV (H1).	The outcomes of the survey data analysis also confirmed the association between the service quality and CPV constructs. It is supported by the existence of linkages between the lower level and the higher level within the ladder framework of value perceptions in the qualitative phase. The qualitative data of the online hard laddering survey showed linkages between the ranks in the hierarchical model of value perceptions. The positive relationships between attributes (service quality) and consequences (CPV, comprising three other aspects, namely, knowledge, and emotional and social dimensions) were observed in these ladders.

Research Questions	Proposed Framework/Hypothesises	Findings
		The quantitative data confirmed that service quality has a positive effect on the construct of CPV, in all assessed models.
RQ3: How do value perceptions influence customer behavioural intentions in the service context?	**3.1** Service quality and CPV are positively associated with customer satisfaction (H3 and H5, respectively).	The qualitative phase in this study was not designed to include the construct of customer satisfaction, although linkages can be found in some conversations with interviewees. That is why the findings came mainly from the quantitative data analysis. The e-questionnaire data empirically tested and supported H5, which is about a positive association between CPV and customer satisfaction constructs in all examined models. The quantitative analysis did not support H3 (regarding a positive effect of service quality on customer satisfaction). That statistical significance of the impact of SQ on SAT was noticed only in models 1.1F and 1.4F, where there was no direct link between CPV and SAT. It can be explained through the mediating role of CPV on customer satisfaction.
	3.2 Customer satisfaction, service quality and CPV constructs are positively associated with customer behavioural intentions (H2, H4 and H6, respectively).	The quantitative data findings revealed that customer satisfaction had a positive impact on customer behavioural intentions in all investigated models. This supports H2. There was no evidence to support H4 that the service quality construct had a direct positive influence on customer behavioural intentions, except in models 1.1C and 1.4C, where the link between CPV and BI was marginal.

Research Questions	Proposed Framework/Hypothesises	Findings
		A conclusion on the positive effect of CPV on BI (H6) is still indecisive. In the examined models, CPV was positively associated in all models and quite close to being statistically significant. In models 1.1E, 1.3E, 1.1D and 1.1F, the coefficients of the relationships between CPV and BI were statistically significant. This suggested that the impact of CPV on BI was partially through customer satisfaction. It also proposed that the effect of service quality on BI was mostly transferred through customer satisfaction.
RQ4: What role does value alignment play in understanding and improving service outcomes?	**4.1** Measurement of value co-creation: Co-created value was measured by the notion of value alignment. The concept was adopted from strategic management and human resource management streams of research. A model which measured value alignment as the Euclidean distance between each type of seven personal values was identified early in the qualitative phase, between each customer-jobseeker and the aggregate profile of the related group (in this study, there were two groups: staff of JSA contracted providers and public servants of the relevant government agencies).	The quantitative phase used the findings from the qualitative phase of this study to collect data on and calculate the construct of value alignment. The seven types of personal values revealed in the online laddering survey were designed as a BWS task in order to gain information about value alignment between jobseekers and the two relevant groups. As well as calculating the metrics of value alignment, this method also showed some differences in the rankings respondents gave about the importance of these seven types of personal values (see subsection 5.3.2.2 for more detail). These two related groups (staff of JSA contracted providers and public servants at the relevant government agencies) and the customer-jobseekers shared a mutual view in assigning security as the most important personal value, and power as the least

Research Questions	Proposed Framework/Hypothesises	Findings
		important. They ranked the importance of other types of personal values quite differently. The jobseekers assigned benevolence as more important than achievement, with the rates of 1.75 and 1.36, respectively. Next they assigned universalism, then self-direction and, finally, hedonism. However, people in the two studied groups (staff of JSA contracted providers and relevant government agencies) shared quite comparable viewpoints in terms of personal values. The quantitative data showed similar rankings in BWS metrics for these groups. They both ranked achievement as more important than benevolence, and hedonism and self-direction as more important than universalism.
	4.2. Value alignment constructs (VA-CP/ VA-PS) mediate the key relationships depicted in Figure 4-1 by assessing a number of modified models. They were models 1.1 to 1.3 for VA-CP and models 1.4 to 1.6 for VA-PS, with: version A: for assessing the mediating effects of VA-CP or VA-PS on the relationship between SQ and CPV; version B: for assessing the mediating effects of VA-CP or VA-PS on the relationship between SQ and SAT;	For the construct of VA-CP, an analysis of all versions of models 1.1 to 1.3 found no evidence for either a partially mediating effect or a full mediating effect of value alignment with JSA contracted providers on all relationships in H1 to H6. In other words, VA-CP does not mediate effects in any of the linkages proposed in Figure 4-1. However, some evidence of a mediating effect of VA-PS on CPV can be observed in models 1.4A and 1.4C. These impacts were close to being statistically significant in these models. In the other examined models, the sign was negative, as hypothesised, but

Research Questions	Proposed Framework/Hypothesises	Findings
	version C: for assessing the mediating effects of VA-CP or VA-PS on the relationship between CPV and BI; version D: for assessing the mediating effects of VA-CP or VA-PS on the relationship between SAT and BI; version E: for assessing the mediating effects of VA-CP or VA-PS on the relationship between SQ and BI; version F: for assessing the mediating effects of VA-CP or VA-PS on the relationship between CPV and SAT;	the value was not statistically significant.

Research Questions	Proposed Framework/Hypothesises	Findings
	4.3. Value alignment constructs (VA-CP/ VA-PS) moderate the key relationships depicted in Figure 4-1 by assessing a number of modified models. They were model 1.7 for VA-CP and model 1.8 for VA-PS, with: version A: on the relationship between SQ and CPV; version B: on the relationship between SQ and SAT; version C: on the relationship between CPV and BI; version D: on the relationship between SAT and BI; version E: on the relationship between SQ and BI; and version F: on the relationship between CPV and SAT.	The outcomes of the modified modelling were diverse. Regarding the different versions of model 1.7 for assessing the moderating effects of VA-CP on the proposed linkages depicted in Figure 4-1, only one model (1.7A) showed statistically significant evidence of a moderating effect of VA-CP on the relationship between SQ and CPV. There was no finding of significant moderating effects of VA-CP in any of the other versions of model 1.7. Assessment of different versions of model 1.8 for moderating effects of VA-PS on the hypothesised relationships depicted in Figure 4-1found that the moderating effect of VA-PS was discovered in model 1.8A for the relationship between SQ and CPV. No other variation of model 1.8 contained any evidence for supporting the moderating effects of VA-PS. However, some evidence for the linkage between VA-PS and CPV was revealed in versions A, C and F of model 1.8. Also, only in model 1.8D was the relationship between SAT and VA-PS statistically significant.

6.4 Customer perceived value

This study examined CPV, taking into account its multifaceted nature and hierarchical formation, and the interconnections between each aspect. These key facets of CPV and its relevant associations are summarised in this section.

6.4.1 Multifaceted nature and hierarchical structure of customer perceived value

Along with the outcomes of the qualitative phase, the findings from this quantitative study again confirmed the multidimensional nature of the phenomenon of CPV, identified by so many researchers (Boksberger & Melsen 2011; Sánchez et al. 2006; Sweeney & Soutar 2001; Whittaker, Ledden & Kalafatis 2007). This study provides a deep insight into value perceptions from the perspective of customer-jobseekers. According to Sheth and co-authors (1991a, 1991b), CPV comprises five distinct dimensions, namely, functional, conditional, social, emotional and epistemic. Many other scholars shared a similar view, but with slightly different revisions of Sheth et al.'s framework. For instance, Sweeney and Soutar (2001) empirically examined a conceptualisation of CPV involving quality, emotional aspect, price and social aspect. CPV was measured in six different dimensions, namely, functional, epistemic, emotional, price/quality, social and image (Whittaker, Ledden & Kalafatis 2007). Other scholars, such as Pura (2005), investigated a CPV formulation of six components, containing social, emotional, epistemic and conditional benefits, along with two sacrifices, being monetary and convenience issues. This study identified some important aspects of the construct, including service quality, epistemic value (or knowledge benefits), a social value aspect, and an emotional value aspect. These findings show the complexity of defining CPV and measuring it in practice.

In their original works, (Sheth, Newman & Gross 1991a, 1991b) proposed that all five dimensions of CPV independently affected an individual's decision about service consumption. That claim was supported by several scholars, such as LeBlanc and Nguyen (1999), Gallarza and Gil Saura (2006), Roig et al. (2006) and Williams and Soutar (2009), just to name a few. However, there are arguments to the contrary—that some interrelationships exist between aspects of CPV. In fact, Pihlström and Brush (2008) provided empirical evidence of the existence of these interconnections between dimensions. In this study, both the qualitative and the quantitative data supported this claim, showing interconnections between aspects of CPV. In fact, service quality had a significant influence

on CPV as a second-order construct comprising the three facets of knowledge benefits, social value and emotional value. The quantitative phase of this study also conceptualised and operationalised the variable of CPV as a reflective construct of the three aspects of CPV. In other words, it allowed for the existence of correlations between these aspects of CPV, namely, knowledge benefits, social aspects and emotional aspects.

The quantitative phase of the study supported the outcomes from the earlier qualitative phase (see sections 3.7 and 3.8) about the hierarchical formulation of CPV. It is convergent on the claim about a value hierarchy, made by several scholars, such as Woodruff and Gardial (1996) and Overby, Gardial and Woodruff (2004). The qualitative data indicated that there were interconnections between service quality and the three dimensions of CPV (epistemic, social and emotional), starting with service quality. In other words, service quality was found to be at the lower level of abstraction in this value hierarchy, and service quality was linked to CPV at the higher level of abstraction. Within the exploratory phase in the hard laddering online survey, the qualitative data showed that there were three different levels of abstraction in the CPV dimensions, as well as interrelationships between them, leading from service quality to this values level, via three other aspects of value. This infers that both phases of the study detected the existence of interrelationships, as suggested by Pihlström and Brush (2008) and Wang et al. (2004). Some previous research provided evidence that service quality had a positive effect on value perceptions (Sweeney & Soutar 2001; Zeithaml 1988). The findings from both the qualitative and quantitative phases of this study support this claim, as service quality was found to have positive and significant linkages with CPV, comprising knowledge, and social and emotional aspects, as service quality is a determinant in the cognition process creating knowledge, and social and emotional perceptions.

6.4.2 Different dimensions of service quality in the context of employment services

In support of the outcomes of the exploratory phase of this study, the quantitative data identified that service quality had a critical role in the way jobseekers value employment services provided by JSA contractors. As a performance measure, service quality was revealed in five aspects: competence of personnel, empathy, responsiveness, reliability and the physical facilities available at the service providers. Additionally, the service quality aspect of value perceptions significantly affected jobseekers' perceptions of social features, emotional features and knowledge benefits, as already discussed.

6.4.2.1 Staff competence

The findings from the self-administered questionnaire confirmed that the competence of personnel was a key component of service quality. The exploratory phase of the study provided similar evidence to support a number of previous studies on service quality (Caruana, Money & Berthon 2000; Cronin, Brady & Hult 2000; Cronin & Taylor 1992; Gallarza & Gil Saura 2006; Parasuraman, Zeithaml & Berry 1985, 1988; Sweeney & Soutar 2001). In the case of employment services, caseworkers who were knowledgeable, proficient and skilful were considered to be valuable advisers and helpful supporters for jobseekers preparing to enter the labour market. The competence of personnel leads to good service provision.

6.4.2.2 Empathy

The data collected in both the qualitative and quantitative phases in this study recognised the element of empathy in service quality in terms of the performance of JSA providers. The empathy aspect highlighted individualised, caring treatment of customers (Parasuraman, Zeithaml & Berry 1985, 1988; Paul et al. 2009), personalised attention for customers (Johnston 1995), and good communication (Jun & Cai 2001). The results of this study are consistent with findings made by Bloemer and other scholars (1999) in the healthcare setting. In employment services, along with staff proficiency, empathy played a vital role in jobseekers' perceptions of service performance.

6.4.2.3 Responsiveness

Responsiveness was defined as staff willingness to help customers and to provide prompt service (Zeithaml & Bitner 2000). The quantitative analysis suggested that responsiveness made a positive contribution to jobseekers' perceptions of JSA providers' service performance. The qualitative phase of the study also showed the importance of the responsiveness element of service quality (see section 4.4.1). The outcomes of both phases of this study confirmed findings about the responsiveness component of service quality made by many scholars, such as Bloemer et al. (1999), Parasuraman et al. (1985, 1988), Cronin et al. (2000) and McDougall and Levesque (2000).

6.4.2.4 Reliability

The findings of the qualitative exploratory phase and the quantitative phase came to the same conclusion: a reliability element existed in JSA providers' service performance. As many scholars in most research settings argued, the reliability component of service quality was the

most important determinant that led to customer loyalty (Johnston 1995; Jun & Cai 2001). Following the suggestion of Parasuraman et al. (1988, p. 23), this study conceptualised reliability of service quality as the 'ability to perform the promised service dependably and accurately'. The results of the quantitative study also presented empirical evidence that an increase in a customer's perception of service reliability will result in higher levels of perceptions about the performance of service delivery (Lin, Sher & Shih 2005; Patterson & Spreng 1997).

6.4.2.5 Physical facilities

Lastly, the availability of equipment for customer-jobseekers to use at their JSA provider's office created positive perceptions of that provider's performance or service quality (Jun & Cai 2001). The quantitative data, as well as the qualitative data, revealed that the availability of facilities had a positive significant impact on jobseekers' perceptions of service quality in JSA employment services. The results supported the claim by several academics in service quality research (Chen & Hu 2010; Sánchez et al. 2006) that the availability of facilities was a component of service quality.

To sum up, the quantitative findings of this study identified five characteristics to measure service quality performance, namely, staff competence, empathy, responsiveness, reliability and physical availability.

6.4.3 Different dimensions of customer perceived value in the context of employment services

6.4.3.1 Knowledge benefits

The qualitative phase of the study found that knowledge benefits were at the higher level of abstraction in the value hierarchy in comparison with the value aspect of service quality (see section 3.8). This epistemic dimension of CPV was measured in the customer-jobseekers' perceptions of knowledge benefits from the employment services provided by JSA contractors, as suggested by Sheth et al. (1991a) , Whittaker et al. (2007) and LeBlanc and Nguyen (1999).

Some scholars proposed the epistemic dimension be excluded from modelling and measuring value perceptions, arguing that it was a temporary and transient derivation through other aspects (Sánchez et al. 2006). Many other scholars (Gummerus & Pihlström 2011; Ledden, Kalafatis & Mathioudakis 2011; Williams & Soutar 2009) empirically investigated and found

the epistemic aspect of value perceptions to be present in various research settings. The quantitative findings of this study provided support for the latter claim made in previous studies on CPV. The authors of the original model (Sheth, Newman & Gross 1991b) stated that epistemic value is created when a product/service inspires curiosity, provides novelty and/or satisfies a desire for knowledge. In employment services, seeking new information, obtaining new skills and knowledge, and providing novelty might be important motives for jobseekers.

6.4.3.2 Social dimension of value

Social value was described as the 'perceived utility acquired from an alternative's association with one or more specific social groups' (Sheth, Newman & Gross 1991b, p. 161). That perception is often inspired by social value, like interactions between people from the same class or group. Relationships between jobseekers and their consultants may create social value (Williams & Soutar 2009). The findings of this study were similar to the findings of social value in much of the extant literature on customer value in a variety of service domains (Boksberger & Melsen 2011; Roig et al. 2006; Sánchez et al. 2006; Whittaker, Ledden & Kalafatis 2007). This study confirmed the importance of the social aspect, which was one of the three dimensions that were most present in the customer value literature (Boksberger & Melsen 2011).

In previous research, most scholars treated social value as independent and at the same level of abstraction as other dimensions of CPV, such as functional value and emotional value. However, in this study, the quantitative findings once more suggested a higher level of abstraction of this social dimension compared with the value dimension of service quality. The results of the two phases of this study explain the different contributions of different dimensions of customer value on choice, which was found in some extant research, such as Sheth, Newman and Gross (1991b), Roig et al. (2006) and Petrick (2002).

6.4.3.3 Emotional dimension of value

Emotional value is considered a social-psychological facet aroused by feelings or affective conditions (LeBlanc & Nguyen 1999; Sheth, Newman & Gross 1991b; Williams & Soutar 2009). The results of the quantitative phase of the study found significant presence of the emotional facet, as well as its important connection with customer satisfaction—also found in most existing research streams on CPV (Gallarza & Gil Saura 2006; Lin, Sher & Shih 2005; Sweeney & Soutar 2001). In this study, the emotional aspect reflected the consequences

variable, which in turn had a significant effect on customer satisfaction in all examined models.

Furthermore, the findings of both the quantitative and qualitative phases of this study (see sections 3.8 and 5.3.4) affirmed that emotional value was ranked at a higher level of abstraction than the value aspect of service quality. In this ranking structure, the emotional facet was also found to be connected to other lower-ranked facets, namely, service quality. The findings marginally support the findings by Ledden et al. (2011) in terms of service quality leading to connections with other dimensions of CPV.

6.5 Value alignment

The researcher investigated value alignment variables between jobseekers and JSA contracted providers, and between jobseekers and government agents, and then these alignment perceptions and other aspects of CPV within the relationships, using two outcome variables, namely, customer satisfaction and customer behavioural intentions.

Ng and Smith (2012) argued that the value co-creation concept had been become a cornerstone of the S-D perspective and one of most examined phenomena under this emerging logic. However, since the seminal work by Vargo and Lusch (2004), and their other progressive studies (Lusch & Vargo 2006a; Vargo & Lusch 2008b), the concept of value co-creation has been explored only at a high level of abstraction (Etgar 2008). In other words, the question of how value co-creation is conceptualised and what role it has in serving business purposes remains unanswered (Saarijärvi, Kannan & Kuusela 2013). Likewise, Grönroos (2009) and Frow and Payne (2011) suggested that researchers conceptualise the phenomenon of value co-creation and understand how, by whom and for whom value is created. This research is an attempt to address those issues in the context of JSA employment services.

The emerging S-D logic has increasingly challenged the traditional perspective by arguing that value arises through the usage process of the firm's offering rather than the embedded value in offerings that the firm provide (Grönroos 2008b; Grönroos & Ravald 2009; Lusch & Vargo 2006a; Normann & Ramirez 1998b; Vargo & Lusch 2008b). This argument was proposed by the two original authors of works on S-D logic. The argument is that firms merely provide value propositions or offerings but not value (Vargo, S & Lusch 2004). In this light, Ballantyne and Varey (2006, pp. 344-45) put that 'value propositions are reciprocal

promises of value, operating to and from suppliers and customer seeking an equitable exchange' and so customer's value-in-use begins with the enactment of value propositions. Woodruff and Flint (2006) suggested a bi-directionality for mutual satisfaction to illustrate this concept. Similarly, Ng, Nudurupati and Tasker (2010), and Tuli, Kohli and Bharadwaj (2007) proposed that the co-creation leading to mutual satisfaction must establish compatibility of motivations and alignment of interests towards providing results. In other words, actors need to construct a value proposition mutually, and both parties need to present their viewpoints on value, and be explicit about the benefit expectations through their joint capacities (Aarikka-Stenroos & Jaakkola 2012; Ballantyne & Varey 2006).

In this research, at first, the literature review and the outcomes of the qualitative phase exposed the value co-creation construct as a dissimilarity or deviation of value perceptions by customer-jobseekers compared with perceptions by other agents. The subsequent phase quantified value alignments between customer-jobseekers and staff of JSA contracted providers, as well as between the customer-jobseekers and the public servants in the relevant government agents.

The effect of value alignment (both value alignment with JSA providers and with public servants in the relevant government agencies) on CPV was significant in two models assessing moderators (models 1.7A and 1.8A). Only in these models were the moderating effects of service quality and value alignment on CPV revealed. The quantitative results demonstrated only marginally negative linkages between value alignments and the outcomes of satisfaction in most assessed models. This showed that the fewer the differences in value perceptions between jobseekers and JSA contracted providers/relevant public servants, the higher the perceptions of satisfaction. The effect of value alignment on customer behavioural intentions was transferred by customer satisfaction and CPV.

Both phases of this research examined value alignment as a measure of value co-creation in the research setting. The measure is conceptualised and operationalised in the connections between the two actors in the systems, that is, between the staff of JSA providers and jobseekers, or the staff of relevant government agencies and jobseekers. This emphasises the dyadic relationships in the job service environment, following claims in many works about the customer's co-creator role (Vargo & Lusch 2006a, 2004, 2008b; Payne, Storbacka & Frow 2008; McColl-Kennedy et al. 2012; Baron & Harris 2008).

In this research in the setting of employment services, it is notable that the outcomes of the quantitative study do not provide strong evidence to support the abovementioned claim. The findings are convergent with findings of previous studies in terms of the signs of the connections (Brown & Swartz 1989; Chatterjee & Wernerfelt 1991; Lubatkin 1987; Ramaswamy 1997; Swaminathan, Murshed & Hulland 2008), but they are still insignificant in size. The results suggested a need for further investigation of the proposed relationships between value alignments and the outcomes variables, as well as for consideration of a larger sample size in order to make it possible to gain statistically significant results.

6.6 Value perceptions, customer satisfaction and behavioural intentions

It is noteworthy that the findings show relationships between service quality, as the lowest level of abstraction in value perceptions, and other dimensions of the CPV variable at a higher level of abstraction. The results reflect findings by Ledden and co-authors (2011) and Gummerus and Pihlström (2011). An explanation for that is the utilisation of a means-end approach in conceptualising and analysing CVP, which implies that there are connections between attributes, consequences and values (Brunso, Scholderer & Grunert 2004; Paul et al. 2009; Reynolds, T & Gutman 1988).

As the findings from the quantitative phase of the study suggest, value perceptions have different influences on customer satisfaction. Firstly, service quality is found to have an insignificant association with customer satisfaction, which is contradictory to some scholars' findings in previous research—for instance, Gallarza and Gil Saura (2006), Sweeney and Soutar (2001) and Moliner (2009)—but similar to results in a work by Whittaker et al. (2007). This could be explained in that the effects were totally mediated through the investigated value perceptions, as we found for the positively significant relationship between CPV and customer satisfaction.

Secondly, the quantitative phase of the study found that CPV as a second-order construct was identified as a significant determinant of customer satisfaction. It should be remembered that the CPV construct was a second-order measure consisting of knowledge benefits, social value and emotional value. So the results provide empirical support to the findings of the impact of CPV on customer satisfaction, for instance, the impact of the epistemic dimension value found by other scholars (Ledden, Kalafatis & Mathioudakis 2011; Williams & Soutar 2009). The findings of the quantitative data supported the claim that emotional value play a significant positive role in determining customer satisfaction, presented in numerous

examinations in value perceptions (LeBlanc & Nguyen 1999; Petrick 2002; Wang et al. 2004). Additionally, the outcomes are consistent with conclusions about the significant effect of social value on customer satisfaction drawn by Gallarza and Gil Saura (2006) and Wang et al. (2004) but contrary to the conclusion by Williams and Soutar (2009).

Thirdly, the survey data showed the positive association between customer satisfaction and customer behavioural intentions. The findings are convergent with the conclusion made in previous studies that there is a positive relationship between these two constructs—for instance, Sanchez et al. (2006), Moliner (2009) and Whittaker et al. (2007). However, the quantitative data led to an ambiguous conclusion regarding the relationship between CPV and behavioural intentions in different modelling. In most cases, this linkage is close to significant, and in some models it was significant in terms of both statistical value and sign. The findings support the claim that CPV has a direct effect on customer behavioural intention. For example, Cronin et al. (2000) established that value perceptions have a direct influence on recommendations and repurchasing intentions.

To sum up, the findings of the quantitative phase support the findings of the qualitative phase in this study, concerning the multidimensional nature of the CPV construct. Furthermore, both CPV and service quality was constructed as a second-order formation in the model. In this study, CPV consists of three aspects, namely, knowledge benefits, social benefits and emotional benefits. Service quality includes five dimensions, namely, assurance, empathy, responsiveness, reliability and physical availability.

CPV was also quantified as a significant factor in determining customer satisfaction, while service quality had no direct effect on customer satisfaction. The influence of the latter was explained through the mediating role of the former variable, since the significance of the direct effect of service quality on CPV was found in all examined models. All the modelling also confirmed the direct influence of customer satisfaction on behavioural intentions.

The quantitative data analyses documented that there was no evidence in the direct relationship between service quality and customer behavioural intentions. However, the direct influence of CPV on customer intentions was inconclusive in the quantitative phase. An adequate explanation is that customer satisfaction mediates the effects of value perceptions on behavioural intentions.

Moreover, analysis of the quantitative data acknowledged that value alignment with contracted providers or government agencies would have a significant impact on the CPV

construct. The data also revealed some moderating effects of value alignment in the relationship between service quality and CPV. But there was no significant evidence that these value alignments had mediating or moderating effects on either customer satisfaction or customer behavioural intentions (see Table 6-1 for more detail).

6.7 Contribution of the research

The contributions of this research reflect the main objectives of the study. This research contributes to broadening and deepening our theoretical understanding of marketing and management within the context of publicly provided services. Furthermore, the findings of this research have critical implications for business practitioners, managers and policymakers.

6.7.1 Theoretical contributions

This study employed an extensive body of literature on CPV and the research streams on S-D logic. In terms of the theoretical basis, the researc applied the integrated framework of theories widely employed in these research streams, namely, the theory of consumption values and the theory of structuration. The application of the above theories into this research resulted in the extension of these theories to the public service, thus widening the scope of the theories beyond the private sector.

In particular, this study provided deep insight into what extent customers value the services provided to them, especially in the public service setting. This contribution is in response to a call by Sánchez-Fernández and Iniesta-Bonillo's (2007) to address the need for theoretical development of the conceptualisation of the phenomenon of CPV. The findings of qualitative study suggested that the application of well-known Sheth et al.'s model (1991a, 1991b) should be carefully applied. The dimensions of CPV may vary from research to research depending on the objectives and scope of a particular study such as this study which did not include the conditional values in its scope.

The study also makes noteworthy contributions to the body of S-D logic knowledge through examining the issue of value alignment in modelling with variables representing customer satisfaction and customer behavioural intentions. Thus, the above modelling contributed to enrichment of our knowledge about the nexus between government organisations and the public (citizens as well as other businesses) within a particular social system. The knowledge thus gained will help the government to find ways to communicate and co-create value with

its people making, which in turn, will help government services to become more citizen-focused and more effective in meeting the needs of citizens.

Furthermore, the research identified the multiple aspects of CPV in the employment service setting. These research outcomes advance the discussion and agreement on the various facets of CPV (Boksberger & Melsen 2011; Gallarza, Gil Saura & Holbrook 2011; Sánchez-Fernández & Iniesta-Bonillo 2007; Whittaker, Ledden & Kalafatis 2007). In addition, this study made important contributions to understanding the interrelationships among the value dimensions, and provided empirical evidence to support the proposed argument made by Gummerus and Pihlström (2011) and Whittaker et al. (2007), who recommended that adequate care must be taken while using any theoretical model. This research further clarifies the theoretical boundaries of CPV, and has provided empirical evidence as to the interrelationships between CPV aspects in the Sheth et al.'s model that were identified in the qualitative phase and confirmed in the quantitative phase that followed.

Furthermore, the study examined other relationships between value perceptions and the outcome variables of customer satisfaction and behavioural intentions. The results contribute to enrichment of the discussion pertaining to the direct and indirect effects of CPV on customer satisfaction (Lin, Sher & Shih 2005; Wang et al. 2004; Williams & Soutar 2009) as well as on the predicted behaviour (Roig et al. 2006; Ruiz et al. 2008; Sánchez-Fernández & Iniesta-Bonillo 2007). In most models examined in this research, better service quality directly influences the customer's perceived value (CPV), and then through this CPV affects the level of customer's satisfactions. These findings suggested that research on customer satisfaction and behavioural intentions should include not only service quality but also the CPV phenomenon.

Additionally, the research framework allowed the researcher to examine simultaneously the phenomenon of value perceptions as well as the value alignment variables in predicting customer satisfaction and behavioural intentions. The application of value alignment in the modelling answered the call by Vargo and Lusch (2004, 2008a) to elaborate on the S-D mindset. An examination of the alignment value also addressed the gaps in empirical research under this S-D perspective (Åkesson 2011; McColl-Kennedy et al. 2012; Ng & Smith 2012). This implied that there was a shift from G-D to S-D logic. In particular, the shift is continuous and can be observed in employment services context in this study.

In terms of methodological contributions, this study used a mixed method research design by integrating both qualitative and quantitative methods. Additionally, the researcher employed both the traditional technique of in-depth interviewing and a hard laddering technique to collect the qualitative datasets. More precisely, the researcher utilised an online method to collect data within the hard laddering survey for the qualitative phase and for a self-administered questionnaire for the quantitative phase. The approach of collecting information online supported the growing role of the internet in recent lifestyle developments in Australia (Australian Bureau of Statistics 2014), and is considered an appropriate method of data collection in research practice (Deutskens, de Ruyter & Wetzels 2006; Evans & Mathur 2005; Iacobucci & Churchill c2010; Matz 1999; Wu & Newfield 2007). Additionally, collecting value-related data using the BWS method has contributed to the existing body of knowledge in methodological terms. This research has noteworthy outcomes for academia to compare and contrast with results of using the common Likert scales.

Furthermore, the study contributed to the development of measures. The study took into account and inspected the multifaceted nature and hierarchical structure of CPV, the complexity of service quality, and the value alignment construct, particularly in measuring value co-creation. As a result, the outcomes of this research advocated a framework for conceptualising and measuring CPV in public services context such as employment services.

Finally, the novelty or the very unique contribution of this research is that unlike previous studies emphasing the private sector, this research focused on public sector organisations. As mentioned earlier in literature review section (see chapter 2), the employment services are a kind of public welfare focused on the objective of not for profit. As a result, exploring the citizen centric services in employment area will broaden and deepen our understanding of how public organisations can make contributions to value creation for the citizen.

6.7.2 Implications for practice

From a practical viewpoint, this findings of this research have several implications for firms and service providers in particular. It is reasonable to say that professionals in charge of contracting-out businesses for public service delivery would benefit from recognising the linkages portrayed by this study because the study is concerned with employment services for jobseekers.

The research outcomes provide business managers with a wide-ranging understanding of the determinants predicting and/or fostering customer satisfaction and behavioural intentions. These elements contain the indicators of service quality and CPV—comprising knowledge, and social and emotional aspects—and value alignment between customers and related parties (staff of service providers and relevant government agencies in public service settings). The elicited relationships can help managers reveal the underlying rationale and develop management strategies with a focus on service quality improvements in order to develop and maintain customer satisfaction in long-term relationships (Wang et al. 2004). As such, the results of this study imply that the performance of service quality is a substantial factor in determining benefits to customers in terms of knowledge enrichment, and their perceptions of value. Although the study found a positive connection between service quality and customer satisfaction, as well as between service quality and customer intentions, the connections are only marginal. The effect of service quality on service outcomes was totally mediated through value perceptions.

In particular, as discussed in the qualitative findings supported by the outcomes of the quantitative phase, the importance of frontline employees in service provision should be documented. The competence of employees and the turnover of staff directly affect how customers perceive service quality. As Zeithaml (1988) and many other scholars argued, the first point customers noted in their assessment of value services was the people who they were dealing with. This suggests that organisations should pay attention to human resource strategies. The findings of this study recommended that organisations use this mechanism to minimise their staff turnover and, at the same time, improve staff professionalism and knowledge in order to enhance customers' perceptions of service quality performance.

Business performance also depends on improving the CPV to gain competitive advantage (Steenkamp & Geyskens 2006; Woodruff 1997). Vega-Vazquez et al. (2013) argued that customer satisfaction had a direct effect on business performance in terms of customer retention and firm profitability. The findings of this study confirmed customer value as a key determinant for consumer decision-making and behaviour analyses (Havlena & Holbrook 1986; Sheth, Newman & Gross 1991a; Sweeney & Soutar 2001; Zeithaml 1988). Additionally, the findings of both the qualitative and quantitative phases of this study confirmed that the range of different features of value perceptions, involving knowledge benefits, and social and emotional aspects, significantly influenced satisfaction levels and behaviours.

Managing customer behaviours is also particularly important for services providers' success and survival, and to create competitive advantages. The findings suggest that providers should continue to enhance customers' satisfaction with the service they are receiving, because it has a strong, positive impact on customer behaviour and loyalty. As the findings of this study show, this enhanced customer satisfaction and loyalty or commitment is improved through customers' perceptions of service quality and other aspects of value perceptions, in terms of knowledge benefits, and social and emotional dimensions. The results suggest that higher levels of performance in service quality lead to higher perceptions of value by the customer; in turn, this higher perception of value is directly linked to higher levels of customer satisfaction. Although the results of this study show that value perceptions had only a marginally direct effect on behaviours, higher perceptions of value would indirectly predict customer behavioural intentions, via levels of customer satisfaction.

The findings from the quantitative study show that alignment in value perceptions between customers and relevant parties in the service system had some predictable impacts on the customer satisfaction levels and behavioural intentions. Explicitly, reducing the level of congruence or misunderstanding between customers and policymakers can directly improve the value perceived by the customer; tensions decline or are eliminated in the case of better alignment (Abela & Murphy 2008). As such, the impacts of alignment on customer satisfaction and behavioural intentions are mediated through the influence of value perceptions on these indicators.

S-D logic advocates that customers themselves are operant resources, and value creation is related to resource integration (Arnould, Price & Malshe 2006; Vargo & Lusch 2004, 2008b). Chaston and Scott (2012), Lusch et al. (2007) and Lee et al. (2012) pointed out that providers have the chance to obtain competitive capacity through resource integration and innovative ways of creating value. That requirement implies that the value co-creation process results from collaboration between firms and customers, as well as with other value-network actors.

6.7.3 Implications for customers in service provision

The unit of analysis of this study is the individual jobseeker who participated in either the hard laddering survey or the self-completion survey. Hence, the implication from the point of view of customers warrants addressing. The level of satisfaction, which leads to behavioural intentions, is mostly determined by perceptions of value in service provision. Those perceptions of value have been rooted in perceptions of service quality. This suggests that

long-term relationships and improved conversations between customers and frontline staff in firms would greatly contribute to determining service outcomes. Furthermore, better exchanges of information and understanding between the customers and public servants in relevant government agencies improved CPV, and that indicated higher levels of satisfaction and service outcomes.

6.7.4 Implications for policymakers

The JSA system was designed for contracting out employment services to JSA providers. The outcomes of changes and innovations in PES again advocated for the implementation of market-based innovations in the public sector. In accordance with Mainardes et al.'s argument (2011), value co-creation can introduce new ways of dealing with problems with different stakeholders', resulting in service delivery that is high in quality, helpful and cost-effective. These positive outcomes can be achieved through new forms of interaction with various relevant parties (Mainardes, Alves & Raposo 2011) and through the adoption of innovations (Alves 2013). Regarding innovation, the public sector is considerably challenged by a high aversion to change, a lack of resources, a lack of management guidance, conflicts over policy directions and time-consuming legislative changes and limitations (Australian Government Management Advisory Committee 2010). The new approach of value co-creation paves the way for greater involvement of citizens in integrating their capacities and knowledge to form new capacities (Prahalad & Ramaswamy 2004b) and to create room for governments to restructure and implement new ways of service provision in order to improve effectiveness, quality and efficiency (Alves 2013).

The findings of this research confirm that misunderstandings, or lower levels of congruence, between jobseekers and staff in relevant agents in employment services may negatively influence perceptions of service provision and processes of value co-creation. This supports the claims that problems can exist where different levels of information are provided to stakeholders of service provider organisations (Chathoth et al. 2013; Edvardsson et al. 2011). Thus, it opens the way public agencies need to build and improve their processes for fostering citizen value-creation, and endow citizens with adequate information, knowledge and capacity to access and utilise services.

Public agencies should also create opportunities for co-creation processes. The findings of both qualitative and quantitative phases of this study supported the claim by Aarikka-Stenroos and Jaakkola (2012), Lusch (2007) and Vargo and Lusch (2004) about the

collaborative process of value co-creation under S-D logic. Lusch (2007) extended Vargo and Lusch's (2004) argument by stating that value co-creation is a prevailing practice not only in businesses but also in providing public services and among government organisations. The work offers suggestions on how to manage and improve those collaborative interactions. Analysing resource availability, identifying needs, planning solutions, and ensuring active participation from all parties would lead to further collaboration. For instance, a mutual understanding or dialogue on objectives can facilitate a good fit between citizens' needs and the government's expectations in public service provision (Aarikka-Stenroos & Jaakkola 2012).

It should be noted that service quality and CPV have played vital roles in determining customer satisfaction and predicting customer behavioural intentions—that includes citizens' assessments of public services in general, and jobseekers' assessments of employment services in this particular study. That claim was supported by many other scholars, such as Cronin and Taylor (1992), Sweeney and Soutar (2001), Whittaker et al. (2007) and Moliner (2009), just to name a few. These findings suggested that the government should focus on ensuring high standards of service quality in providing public services. The perceptions of service quality can be obtained and improved in a number of ways, ranging from addressing the professionalism of contact personnel, the communication skills of personnel and the way the staff take care of people to encouraging a readiness to engage with citizens, and responsiveness to the needs of citizens. In the case of contracting out employment services, all these aspects of enhancing service quality would be included in the arrangements between the government and the contracted service providers.

6.8 Limitations of the study

As for any other empirical study, this research has several limitations that should be addressed.

First, there are some issues related to the methodological limits. Both surveys used for this research—the hard laddering survey and the self-administered questionnaire—were conducted online and could not show specific contextual information (Botschen, Thelen & Pieters 1999). Grunert and Grunert (1995) and Grunert et al. (2001) were concerned about this problem arising in terms of content analyses not developing meaningful categories (attributes, consequences and values). Not using personal interviewing techniques might not create richness of data. As well, there was concern about the lack of control over the

information provision, such as who really completes those questionnaires (Gruber, Szmigin & Voss 2006). Bryman (2011) pointed out the importance of creating rapport or understanding in building relationships with people who are willing to share information. When using online surveys such rapport is hard to establish, due to the absence of any non-verbal communication between the researcher and the respondents (Chen & Hinton 1999; Madge & O'Connor 2005). At the same time, respondents require motivation to participate in online surveys, as they have to invest time and/or money to complete the questionnaire.

Another limitation of the online method used in this study is that it may have excluded some jobseekers who may have been eligible participants for the study, due to them not having access to the internet for social or economic reasons. However, as mentioned earlier, the numbers of people who have smartphones and who are internet users continue to increase around the country. Furthermore, most jobseekers are able to use computers and the internet at their JSA provider's office. Thus, the risk of bias in the information collected from the online survey has been minimised as much as possible.

In relation to the means-end approach and the laddering techniques, some researchers indicated that all collected information relied on the ability and willingness of respondents to show their personality, to demonstrate their understanding (Henneberg et al. 2009) and to express their thinking in words (Banister et al. 2011). Principally, not many respondents were capable of climbing up to the highest level of abstraction, nor were they patient enough to do so (Botschen & Hemetsberger 1998; Gruber, Szmigin & Voss 2006). A certain 'cut-off' level should be applied to enhance the representation of a HVM, which can lead to the loss of information (Gengler, Klenosky & Mulvey 1995). Grunert and Grunert (1995) did not provide guidance, either theoretical or statistical, on which cut-off level researchers should use.

Second, a vital assumption underlying this research should be mentioned. The assumption is that all jobseekers want to enter the labour market. It implies that customer-jobseekers participating in the JSA program and are willing to find a job to support themselves instead of receiving government payments. That one very important element should be recognised in public service settings, like the employment services setting of this study.

The research was designed with a focus on dyadic service exchange (for example, firm–customer, government authority–customer), as proposed and discussed in previous studies by McColl-Kennedy et al. (2012), Grönroos (2008a; 2011), Prahalad (2004), Payne, Storbacka

and Frow (2008) and Gebauer, Johnson and Enquist (2010), just to name a few. However, the two authors who first wrote about S-D logic, Vargo and Lusch (2014, p. 240), recently elaborated the mindset to introduce the 'networked nature of value creation'. In the same vein, Chandler and Vargo (2011) emphasised the network connections between actors and their levels and interplays within service systems. A service system can be defined as 'value co-creation configurations of people, technology, value propositions connecting internal and external service systems, and shared information' (Maglio & Spohrer 2008, p. 18). This implies that a design based on a dyadic exchange can limit our understanding of value co-creation in many-to-many actor networks.

Another limitation of this study comes from the fact that information was collected only in one country. Caution is therefore advised when making generalisations about the findings of the study.

Lastly, the study is designed with cross-sectional data collection. The surveys' responses on subjective measures of service quality, social or emotional value aspects, customer satisfaction, and behavioural intentions reflect the participants' state of mind at a single point in time. To avoid any factors affecting any individual's perception levels at the time the survey was conducted, repeating the survey in the future would give a more reliable interpretation of the perceived related variables. Thus, a longitudinal study would be worth conducting in order to provide greater, more holistic, insights into the examined associations.

6.9 Avenues for future research

From the outcomes from both the quantitative and the qualitative phases of this research, and the abovementioned limitations of this study, several future research directions can be identified.

First, the research findings should be tested and validated in future studies across a range of industrial and cultural contexts (Boksberger & Melsen 2011; Graf & Maas 2008), particularly in the under-examined public domains (Ladhari & Morales 2008). In addition, the results of both qualitative and quantitative studies, including the dimensions of CPV, and the relationships between CPV, customer satisfaction and other behavioural consequences variables, should be investigated and compared in different commercial industries, in other public services, and in private and public service domains (Moliner 2009).

Second, there is room for future study on measurement in this area. Work should be carried out to understand and outline the measures of CPV (Lin, Sher & Shih 2005; Whittaker, Ledden & Kalafatis 2007). In particular, the comparison between the formative and the reflective construction of the dimensions of value should be examined (Roig et al. 2006; Ruiz et al. 2008).

Third, the two authors who first wrote about S-D logic acknowledged that S-D logic is still at a 'pre-theoretic' stage. There is a need to elaborate on it and to develop its framework and FPs (Lusch & Vargo 2006a; Vargo & Lusch 2008a), particularly its premise of the customer's role as co-creator (Brodie 2009; McColl-Kennedy et al. 2012). Future research should focus on how to conceptualise the concept of value co-creation, regarding each actor in the network (Cova & Salle 2008; Mele 2009) or different stakeholders, as suggested by Frow and Payne (2011). These conclusions should also be empirically examined in wide-ranging settings in both private (Helkkula, Kelleher & Pihlström 2012) and public sectors (Åkesson 2011; McColl-Kennedy et al. 2012), in comparing the two service domains as well as business-to-business (B2B) and business-to-consumer (B2C) contexts (Galvagno & Dalli 2014).

Furthermore, as was discussed in section 6.8, Limitations of the study, another direction for further research would be to examine the network connections between actors in value alignment. This would respond to a call by Vargo and Lusch (2014) for extensive understanding and conceptualisation of resource integration among all actors. As the authors suggested, the nature of value creation is the networked linkages, so the whole service ecosystem should be examined rather than only at the individual level or the dyadic relationship level. This future research agenda was also introduced by many other scholars, such as Cova and Salle (2008), Wieland et al. (2012) and Vargo, Maglio and Akaka (2008). In particular, Choi and Wu (2009b, 2009a) and Li and Choi (2009) recommended the investigation of triadic connections in networks, that is, the connections between the firm and the customer, the firm and the authority, and the authority and the customer can be observed in practice. Future research should pay attention to extending the research design to investigate triadic linkages, rather than only the dyadic linkages explored in this study.

6.10 Conclusion

To sum up, the chapter provided a discussion of the findings and the implications of this research. The discussion included a summary of the findings against each research question, a

deliberation of the implications for academics, practitioners, and policy makers, the limitations of this research as well as some important directions for future research.

The research provided a comprehensive framework that examined the various facets of CPV, value alignments with other stakeholders in the public service setting, and their relationships with the level of customer satisfaction and in predicting behaviour. More specifically, the findings of both the qualitative and quantitative studies suggested that value perceptions have a multidimensional nature, and they are determined in the forms of service quality, knowledge benefits, social benefits and emotional benefits. Furthermore, the two-phase research also revealed and confirmed the hierarchical conceptualisation of SQ and CPV, which was especially formed in the second order reflective construct of these constructs (SQ and CPV) in modelling in the quantitative study. The study examined the suggested hypotheses regarding interactions between these dimensions of value perceptions that was discovered in the qualitative phase and quantified in the quantitative phase of this research.

In addition, the impacts of service quality, CVP and value alignments on customer satisfaction and intended behaviour were empirically investigated. The findings of the quantitative study confirmed the positive associations between SQ and CPV, CPV and customer satisfaction, and between customer satisfaction and customer behavioural intentions in most examined models. However, the results of the quantitative study gave no evidence in support of direct positive linkages between SQ and customer satisfaction, or SQ and customer behavioural intentions. A judgement on the direct positive impact of CPV on customer behavioural intentions is still inconclusive.

This research made a significant contribution to the body of knowledge of S-D logic in that it provided understanding of the concept of value co-creation. Co-created value was conceptualised and measured by the notion of value alignment in the quantitative phase of this research. The research examined the mediating and moderating roles of value alignment constructs in order to understand and improve the service outcomes.

While acknowledging the limitations of the present research in terms of methodological limits, limited access to the participants of the research, and the disadvantages of the means-end approach and the laddering techniques, the reseach still makes considerable contributions to the body of knowledge in this field. It contributes to theoretical developments in service marketing and management, as well as to consumer behaviour literature in the public sector setting. Apart from some implications for policymakers, the research findings provide some

useful practical implications for business providers and managers, especially those operating in service industries by providing deep insights into the key determinants of customer satisfaction and customer behavioural intentions.

Finally, the research provided some directions for the future research. The avenues range from emperical works to investigate and compare the findings of this study with other findings from various settings, to more theoretical directions relating to the measurement of CPV, the conceptualisation of value co-creation, and an extensive framework of S-D logic among different actors in the networks.

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Appendices

Appendix 1: Overview of construct frameworks of customer perceived value

Author(s) and Year	Approach to customer perceived value and its operationalisation	Construct(s) and Item(s)	Study setting(s)
Zeithaml (1988)	Unidimensional approach/Means-end theory	Perceived quality n/a Perceived price n/a Perceived value n/a	Beverages
Sheth, Newman & Gross (1991a)	Multidimensional approach/ Consumption value theory	Model of 5 dimensions: Functional value 6 items Conditional value 4 items Social value 2 items Emotional value 7 items Epistemic value 3 items	Cigarette smoking (users/nonusers)
Patterson and Spreng (1997)	Unidimensional approach	Model of attribute performance with 14 items: Outcomes 2 items Method 3 items Service 4 items Relationship 2 items Global 1 item Problem identification 2 items	Professional management consulting services

Author(s) and Year	Approach to customer perceived value and its operationalisation	Construct(s) and Item(s)	Study setting(s)
Cronin et al. (1997)	Unidimensional approach	Overall service value: 1 item Service quality: 10 items Overall service quality: 5 items Sacrifice: 9 items	Health care, fast food, entertainment
Woodruff & Gardial (1996)	Multidimensional approach/Hierarchical view	A universal hierarchy include attributes (describing the product/service), consequences (describing the user/product interactions) and the end-states (describing the goals of the person/organisation)	Car owners, business-to-business, transportation usage, contract management
Caruana, Money & Berthon (2000)	Unidimensional approach	Value is moderator in the model of predictor (service quality) and satisfaction. One dimension measurement of perceived value	Audit services
Sweeney & Soutar (2001)	Multidimensional approach/ Consumption value theory	PERVAL (19 items): Quality (Functional value/performance) 6 items Emotional value 5 items Functional value (price/value for money) 4 items Social value 4 items	Retailing shops/durable goods (Furniture, car stereo)
Petrick (2002)	Multidimensional approach/ Consumption value theory	SERV-PERVAL (25 items) Quality: 4 items	Cruising, tourism setting

Author(s) and Year	Approach to customer perceived value and its operationalisation	Construct(s) and Item(s)	Study setting(s)
		Emotional response: 5 items Monetary price: 6 items Behavioural price: 5 items Reputation: 5 items	
Overby, Gardial & Woodruff (2004)	Multidimensional approach/Hierarchical view with means-end theory	The hierarchy involves 3 levels: Least abstracted level with concrete and abstract of attributes Middle level with personal, functional and social consequences Highest level of desired end-states of values	Beverage consumption in France and America
Rintamäki et al. (2006)	Multidimensional approach/Sheth et al.'s model	Utilitarian value: 6 items Social value: 6 items Hedonic value: 6 items	Shopping
Sanchez et al.(2006)	Multidimensional approach/Sheth et al.'s model	GLOVAL (24 items) Functional value (establishment) 4 items Functional value (personnel) 4 items Functional value product (quality): 4 items Functional value price: 3 items Emotional value: 5 items Social value: 4 items	Tourism packages

Author(s) and Year	Approach to customer perceived value and its operationalisation	Construct(s) and Item(s)	Study setting(s)
Gallarza & Gil Saura (2006)	Multidimensional approach/Holbrook's typology	Model of CPV measured by: Efficiency 5 items Service quality 9 items Social value 5 items Play 4 items Aesthetics 4 items Perceived monetary cost 4 items Time and effort spent 7 items	Students' travel behaviour, tourism setting
Whittaker, Ledden & Kalafatis (2007)	Multidimensional approach/ Sheth et al.'s model	Model of 6 dimensions: Functional value 8 items Epistemic value 3 items Image 5 items Emotional value 3 items Price/quality 3 items Social value 2 items 3 antecedents of value: Methodology 4 items Problem identification 2 items Service quality 4 items	Professional consultancy services to businesses

Author(s) and Year	Approach to customer perceived value and its operationalisation	Construct(s) and Item(s)	Study setting(s)
Smith & Colgate (2007)	Multidimensional approach	Typology model with 4 types of value: Functional/instrumental value Experiential/hedonic value Symbolic/expressive value Cost/sacrifice value 5 sources of value: Information Products Interactions Environment Ownership	Conceptual framework
Ruiz et al. (2008)	Multidimensional approach/Sheth et al.'s model	Service value index model Service quality 4 Service equity 4 Confidence benefits 5 Sacrifice index 3	Various types of services (including high-contact, moderate and standardized services)
Sánchez-Fernández & Iniesta-Bonillo (2009)	Multidimensional approach/Holbrook's typology but study on economic component only	Economic dimensions of customer value: Efficiency 3 items Quality 4 items	Vegetarian restaurants

Appendix 2: Review of contemporary literature on value co-creation

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
Normann & Ramirez (1998b)	Strategic management	Actors come together to co-produce value Co-production: delivering value to the customer		Relationship marketing theory Diffusion of innovation	Conceptual/ Theoretical framework
Prahalad & Ramaswamy (2004a)	Strategic management	The co-creation experience with the networks—not the offering-becomes the basis of unique value creation. The total co-creation experience is more personal and unique for each individual	4 building blocks (DART): dialogue, access, risk assessment, transparency	Considers both firm and consumer perspective but is more organisationally focused Organisational theory	Conceptual/ Theoretical framework
Holbrook (1999, 2005)	Service marketing	Value is an outcome of actions and interactions (i.e. experiences) and is collectively produced but subjectively experienced	Customer value (value in experience) involves relationships and is relativistic (comparative, situational, personal) Typology of customer value based on three criteria: extrinsic/intrinsic value, reactive/passive value, and internal/external orientation	Holbrook's typology of customer value	Conceptual/ Theoretical framework
Vargo & Lusch	Service-dominant logic, service	Customers are active participants in relational	8 FPs of SDL, in which	Philosophical foundations	Conceptual paper/ analytical research

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
(2004)	marketing	exchanges and coproduction. Value emerges from the interaction between the firm and its customers	FP6: the customer is always co-producer FP7: the firm can only make value propositions	Economic foundations Management foundations	
Lusch & Vargo (2006a)	Service dominant logic, service marketing	Value can only be co-created with and determined by the user in the consumption process and through use or what is referred to as value-in-use	Modified and revised 10 FPs of SDL. Co-creation of value and co-production	Philosophical foundations Economic foundations Management foundations	Conceptual paper/analytical research
Vargo & Lusch (2008a)	Service dominant logic, service marketing/ Marketing theory	The customer is always a co-creator of value that implies value creation is interactional. Value is always uniquely and phenomenologically determined by the beneficiary	10 modified and revised FPs of SDL: FP6: the customer is always a co-creator of value FP7: the enterprise cannot deliver value, but only offer value propositions	Philosophical foundations Economic foundations Management foundations	Conceptual paper/ analytical research
Vargo, Maglio & Akaka (2008)	Service dominant logic/service system/service science	Value is fundamentally derived and determined in use—the integration and application of resources in a specific context rather than in	Value is defined in terms of an improvement in system well-being and measured value in terms of a system's adaptiveness or ability to fit	Marketing environment theory	Conceptual paper/ analytical research theoretical framework

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
		exchange—embedded in firm output and captured by price	in its environment		
Lusch, Vargo & O'Brien (2007)	Service dominant logic/service science	Collaboration includes coproduction and co-creation of value	Innovative ways of co-creating value to compete: interactivity and doing things with the customers Customer is a primary integrator of resources in the creation of value through service experiences	Actor network theory Resource-based theory	Conceptual paper/ analytical research theoretical framework
Edvardsson, Tronvoll & Gruber (2011)	Service dominant logic, service system/service science	Vargo and Lusch's definition of value co-creation	Value is value-in-social-context and value is a social construction. Value co-creation is shaped by social forces	Social construction theories Structuration theory	Conceptual paper/ analytical research theoretical framework
Baron & Harris (2008)	Service dominant logic, consumer experience/service science	The use and integration of consumer operant resources Characteristics of successful outcomes of consumer resource integration (the manner of consuming and co-consuming and the interaction with key elements of the	A case study of finite experiential episode	Consumer culture theory Actor network theory Resource-based theory	Case study Empirical study setting: a consumer campaign to save a local, independent cinema

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
		external environment)			
Akaka & Chandler (2011)	Service dominant logic, service marketing	Value co-creation centres on the interactions among multiple actors and value networks are driven by the co -production of service; exchange of service offerings and co-creation of value	A social role is conceptualised as a particular set of practices that connects one actor to one or more actors. Social roles act as resources for change in value networks. There is a model of social roles and social positions as resources in their efforts to co-create value with different actors.	Actor network theory Theory of social constructions	Conceptual paper/ analytical research theoretical framework
Payne, Storbacka & Frow (2008)	Service science/marketing	The value co-creation process involves the supplier creating superior value propositions, with customers determining value when a good or service is consumed	Model of process of co-creation includes 3 main components: - customer value-creating process; - supplier value-creating process; and - encounter process	Relationship marketing theory Process perspective	Conceptual paper/ analytical research theoretical framework
Etgar (2008)	Strategic marketing	Follow the differentiation made by Lusch and Vargo	A 5-stage dynamic model of consumer engagement in	The consumer decision making	Conceptual paper/ analytical research

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
		(2006) between co-creation of value, which takes place in the usage/consumption stage and co-production, which may take place within the production process which precedes the usage stage	co-production: -antecedent conditions; -motivation; -cost-benefit analysis; -activations; and -evaluation	process Theory of utility	Theoretical framework
Ng & Smith (2012)	Service dominant logic, service science/organisation	Vargo and Lusch's definition of value co-creation	Integrative framework of value as value-in-context, created through offering, affordance, context, agency and individual resources	Psychological theory of consumer behaviour Theory of social constructions	Conceptual paper/ analytical research Theoretical framework
Michel, Brown & Gallan (2008)	Service dominant logic, service science, discontinuous innovation	2 dimensions of discontinuous innovations: change in the role of the customer and change in the firm's value creation	Case-based exploration	Discontinuous innovations Relationship marketing theory Alignment theory Theory of social constructions	Conceptual paper/ analytical research theoretical framework

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
Yi & Gong (2012)	Customer behaviour, citizenship behaviour, service dominant logic	2 dimensions of customer value co-creation behaviour: customer participation behaviour and customer citizenship behaviour	-Customer participation behaviour includes information seeking, information sharing, responsible behaviour, personal interaction -Customer citizenship behaviour includes feedback, advocacy, helping and tolerance	Social identity theory Psychological theory of consumer behaviour	Quantitative approach: survey Empirical study
Grönroos (2012)	Marketing theory/service science	Value co-creation is defined as joint activities by parties involved in direct interactions, aiming at contributing to the value that emerges for one or both parties. These activities are only part of total value formation/creation, contribute to total experienced value (value in-use)	A synthesis model developed from Servuction Model (Eiglier and Langeard 1975, 1976) and interactive marketing model (Grönroos 1978). Value is co-created jointly by the service provider and the customer during the interactive part of the service process	Relationship marketing theory	Conceptual paper/ analytical research Theoretical framework
Grönroos (2011)	Marketing theory	Accept 'value creation as a process through which the customer becomes better off		Theory of utility	Conceptual paper/ analytical research

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
		(or worse off) in some respect' (Grönroos, C 2008a, p. 303) or 'which increases the customer's well-being' (Vargo, S, Maglio & Akaka 2008)		Relationship marketing theory	Theoretical framework
Grönroos & Voima (2013)	Marketing theory	Value co-creation happens only in the joint sphere, value is co-created with the provider and customer, in direct interaction, otherwise the customer is value creator. Value co-creation is part of total value in use	A synthesis model developed from Servuction Model (Eiglier and Langeard 1975, 1976) and interactive marketing model (Grönroos 1978).	Relationship marketing theory	Conceptual paper/ analytical research Theoretical framework
Echeverri & Skålén (2011)	Relationship marketing	Introduce the co-destruction of value besides co-creation of value	Interactive value formation process includes both creative and destructive process, hence value is both co-created and co-destructed at the provider-customer interface. Identify 5 interaction value practices: informing, greeting, delivering, charging and helping	Interactive value formation view Relationship marketing theory Practice theory	Qualitative methods Empirical study : bus and tram transportation

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
Pongsakornrungsilp & Schroeder (2011)	Marketing /service science	There is variety of ways by which consumers are able to play active roles in the value creation process. Examine how consumers and consuming groups influence the value co-creation process.	A case study of the Liverpool FC fan site—the TIA online community—shows a double role of consumers as providers and beneficiaries of their own provisions	Social practice theory	Case study on the Liverpool FC fan site—the TIA online community (co-consuming groups)
Van Doorn et al. (2010)	Marketing/customer relationship management		Introduce a model of Customer Engagement Behavior with 5 dimensions: valence, form/modality, scope, nature of impact and customer goals. 3 groups of antecedents: customer-based, firm-based, context-based 3 groups of consequences: customer, firm and others	Psychological theory of consumer behaviour Relationship marketing theory	Conceptual paper/ analytical research Theoretical framework
Dong, Evans & Zou (2008)	Marketing/service recovery	Investigate customer participation in service recovery and its effect on customers' future co-creation behaviours	Scenario-based role-playing experiments to collect data: 3 levels of customer participation in service	Product life cycle theory Cognitive dissonance	Quantitative study: experimental methods

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
			recovery (firm recovery, joint recovery and customer recovery) 2 services (online course registration and internet setup)	theory	Empirical study
Peñaloza & Mish (2011)	Marketing theory/customer cultural theory	Value as meaning-laden, contextual, experiential, phenomenological and operative for multiple actors at the level of the social system Distinctions and convergences of meaning and value at the 3 levels specified	Extended case study Cross-fertilising insights from consumer culture theory on the production of meaning with SDL on the co-creation of value	Means-end theory Consumer culture theory	Qualitative study Empirical study on 9 firms committed to concerned of environmental, social, and economic sustainability
McColl-Kennedy et al. (2012)	Service marketing, service science/healthcare management	-Define customer value co-creation as 'benefit realised from integration of resources through activities and interaction of collaborators in the customers' service network'	Model of customer value co-creation: 5 practices styles (CVCPS): team manager, insular controller, partnering,	Theory of practices Relationship marketing theory	Qualitative study (in-depth interviews) In healthcare sector (ongoing cancer treatment)

Author(s) and Year	Study Streams	Definition of Value Co-Creation	Model/Conceptualisation	Perspectives/ Foundational Theories	Methodology & Study setting(s)
		-Multiparty all-encompassing process with different sources (the focal firm, public, private) and customer's activities	pragmatic adapting, passive compliance How customers actually engage in value co-creation practices in terms of -the customer's perceived value -a range of customer activities; and -interactions: the relationship between the practices styles and quality of life.		

Appendix 3: In-depth interview protocol

Themes	Detailed Discussion
General	Nature of respondent's organisation/agency in JSA Details of respondent's business in JSA Details of respondent's tasks
Additional	For understanding the business, only for the managers at the sites of the JSA providers: Business's background. Background of the types of services and the unemployed people—their customers from all four streams in the JSA framework
Quality of employment services	Different attributes of service quality: -assurance -empathy -responsiveness -reliability -facilities Determining the factors affecting the quality perceived by the jobseekers The organisation's awareness, resources (human resources, technological resource, and business resources), commitment, and governance to ensure the employment service quality
Jobseeker perceived value	Dimensions of perceived value: -social aspects -emotional aspects -knowledge benefits -contextual characteristics -determining the factors affecting the value perceived by the jobseekers -experience with customer (stories about value creating in employment services)
Relationships	Associations of service quality, value perceptions, satisfactions level, providers' start ranking, assessment and shared funding

The interview guides

A. General questions

1. What is your role in the organization/the JSA framework?
2. What is the role of your organization in the JSA program
3. How do you work related to the JSA framework in your organization?

B. Interview issues to understand about business (only for the managers at the sites of the JSA providers)

4. The information of business background
5. Background of the types of services and number of their customers - the unemployed people belonging to all four streams in the JSA program

C. Interview issues to understand about the customer-jobseeker value in employment services

Conceptualization issues:

6. What will you portray what is the quality of employment service in the JSA program/ offered by the JSA providers?
7. What are the main characteristics or attributes of this quality? How can they be measured? (e.g. physical facilities, equipment, appearance of personnel in the sites; ability and willingness to help or assist customers and provide prompt service; knowledge of employees and their ability to inspire confidence; caring and individual attention to the customers or anything else)
8. What is your perception of value regarding the employment services for the jobseekers in the JSA program?
9. What are the main characteristics or attributes of this value? How can they be measured? (e.g. time, effort, energy; monetary value or sacrifice; flexibility and accuracy; reliability and consistency of the service offering; relevant service; customer information; knowledge of the labor market; communication; problem solving skills of employees/personnel, ect.)
10. What are the key factors affecting the perception of value by the jobseekers in this circumstance (e.g. the internal factors from the customer party)?
11. How ready are your organization's resources to ensure the employment service quality or to support the customer get more value? (with respect to human resources, technological resource, and business resources)

Customer-jobseekers' value creation issues:

12. What is your understanding of the jobseekers' role of being value co-creator?
13. In what way can your customer-jobseekers integrate or co-create value for themselves, to maximize the value of employment services?
14. Under which circumstance do the customer-jobseekers actively engage and create the positive value?
15. How should you/your organization do to manage this customer engagement for the sake of the customer-jobseekers?

Other issues:

16. What are external factors that affecting customer value?
17. How can the JSA program/your organization examine the customer-jobseekers' satisfaction/dissatisfaction with the service quality they get?
18. How does the firm/organization evaluate the customer satisfaction with the offered services?
19. What is the linkage between the customer satisfaction, business performance and the grant received from the JSA program?

D. <u>Interview issues to understand about the customer engagement in value co-creating with the business performance</u>

Service quality and customer value Strategies in the employment service firms/businesses

20. What are some strategies based on service quality that help your organization to better meet the customer-jobseekers' demand/needs?
21. What are some strategies based on customer-value that help your organization to better meet the customer-jobseekers' demand/needs?
22. What is some obstacles or disadvantages from the customer engagement in the value co-created and perceived by these jobseekers?
23. What do you propose to manage this customers' engagement?

Customer-perceived value, value co-creation and the business

The organization's experience with the jobseekers' engagement in the value creation process

Appendix 4: Hard online laddering survey

INTRODUCTION

Dear Respondent,

Many thanks for your participation in our research project on co-creating value in relationships with employment services providers.

Your contribution is important to us. All of your responses will be treated anonymously in analyzing. The information will only use as a part for my thesis study and will not be shared with any others. This survey will take about 20 minutes to fill in.

In this survey, we are interested in finding out how you would like services to be offered by the employment services providers. For this purpose, please think about the behaviours or characteristics of good services that are important to you. What should your provider do with you as jobseekers in offering services, what kind of qualities or characteristics would you expect from them? Please do not describe past behaviours or characteristics of providers, but focus rather on how you would like them to act or behave.

SURVEY

The goal of this research is studying the needs and expectations of the currently jobseekers registered with Job Services Australia (JSA) providers. Could you please confirm your state?

Yes - I am registered with a JSA provider

No - I am not registered

JSA provider name:

Location (State):

Income support: Different types of Income support can be filled in (Newstart, Youth Allowance (other), Parenting payment single, Parenting payment partnered, Disability support pension, Non-Allowee, Others)

How long have you been in the program:

Stream program: (Stream1; Stream 2; Stream 3; Stream 4)

ATTRIBUTES:

Please think about the three most important attributes, behaviours or characteristics of good employment services. Please be as specific as possible.

[Three free text boxes; answer text will be used in next questions]

Characteristic/Attribute 1

Characteristic/Attribute 2

Characteristic/Attribute 3

Many thanks. We would now like to explore **why you have chosen** these aspects. Therefore, we will ask you **step by step about the reasons** why they are important to you in having employment services.

CONSEQUENCES

Question: You have (also) stated that one of the most important attributes or characteristic of good service of the provider should be **"[Insert one of three characteristics above]"**

Could you please explain to us what you mean by this and why exactly this is important to you as jobseeker?

Next: And why is what you indicated in the previous textbox important to you as a jobseeker?

VALUE

And why is what you indicated in the previous textbox of relevance to you as a jobseeker?

Then start for Characteristic 2 and similar for the third one.

MANY THANKS FOR YOUR PARTICIPATION.

Appendix 5: Overview of all attributes

Name of Attributes	Number	Characteristics
Helpful staff	50	Active in looking for potential jobs. Ability to guide and inform the JSK about jobs, looking for a job and education or retraining if necessary (valuable and informative advice). Assist JSK in best possible ways to gain employment. Provide training skills to look for a job. Provide advice and assistance for retraining and to get a job in a new area.
Individualised attention	28	Active listening to JSK, paying attention to detail. Know the JSK's background and issues, show effort to understand the JSK's individual's circumstance such as their age, their illness, their barriers.
Informative, knowledgeable staff	14	Have good information of JSK, of labour market. Regular updating information of job vacancies.
Compassion/sympathetic nature	12	Considerate of JSK's situation.
Accurate, dependability	10	Give the facts what the assistance the JSK can get from the provider. Self-criticism and willing to get feedback.
Effective communication	10	Communicate to express in a clear manner expectations from both sides. Give correct, reliable, consistent information.
Friendliness	8	Staff should be smiling and treat JSK with respect, not look down on JSK. Don't be angry or disinterested.

Name of Attributes	Number	Characteristics
Courtesy	7	Nice people, calm and mature, respectful of JSK. Genuinely care about the JSK.
Punctuality	6	Approachable for the JSK to talk. Available all times for the JSK. Not long time waiting.
Willingness to help	6	Being dedicated to doing all they can to assist the JSK find jobs.
Patience	6	Have control and work under pressure. Not angry, disinterested or distressed.
Attitude	6	Don't make the JSK feel like they are there just a job for the providers or a number. Work with a person not only for meeting the criteria for government funding.
Supportive	6	Support JSK in doing what they want to do.
Facilities available	5	Free access to facilities to help the JSK in process of looking for a job.
Objectivity	4	Accept JSK as they are, not make judgement based on gender. Employees should give the impression of being unbiased and characterised by a matter-of-fact-orientation.
Trustworthy	2	Customers have confidence in the contact EA.
Connections/good relationships	2	JS have personal connection with the consultant.
Continuity of services	2	Have the same or not change a lot of consultants over time.

Name of Attributes	Number	Characteristics
Flexibility	1	Flexible in the ways to communicate, to change meeting time.
Confidentiality	1	Keep the customer's private information confidential.
Ethical behaviour	1	The rules at work that should be followed.
Staff integrity	1	Avoid manipulation and fraud to have benefits from JSK.
Cultural awareness	1	Understand multicultural differences in society.
Empowering dignity	1	People holding public service jobs should not look down on JSK.
Encouragement	1	Encourage JSK and motivate them to get back to work ASAP.
Location	1	Near the home, no need to travel very far.

Appendix 6: Overview of consequences

Name of Consequences	Number	Characteristics
Understanding individual circumstances	41	Know the JSK's background and issues, show effort to understand the JSK's individuals' circumstance such as their age, their illness, their barriers.
Comfort	29	JSK's concern about looking for a job looking is eased and they enjoy peace of mind and are worry free.
Providing best assistance	26	JSK benefits because they can access.
Opportunities with potential employers	23	JSK benefits because they have more chances to get interviews for jobs.
Confidence	16	JSK benefits because they have more confidence and feelings of trust in the employment provider.
Gaining/improving job-hunting skills	13	JSK gains new skills, e.g. writing resume, searching for jobs, undertaking activities to get experience.
Providing correct, reliable information	12	JSK benefits because they obtain reliable information for jobsearching.
Able to communicate	12	JSK feels that it is easy to contact and talk with the EA about their issues and wants.
Matching suitable job with JSK circumstance	12	JSK benefits because they can work according to their skills, their time requirements etc. Use sound judgement for matching job vacancies to the JSK's capabilities.

Name of Consequences	Number	Characteristics
Welcome	12	JSK benefits because they feel welcome, appreciated, or cared for in the employment services office.
Convenience	11	JSK saves time and efforts.
Knowing assistances available	11	JSKs are interested in what assistance the EA can give them.
Tailored assistances to JSK	10	Tailoring of service outcome according to JSK's needs, offered to all customers.
Encouragement	10	JSK feels being encouraged while communicating with the EA. JSK want to be in good hands and to feel happy.
Keeping track records of JSK	8	The EA gives impression of updating and tracking JS progress seriously.
Setting right expectations	6	JS understand what they have to do (their responsibilities) under JSA program, what they can get in employment services.

Appendix 7: Implication matrix

Consequence/Value	Improving job-hunting skills		Opportunities with potential employers		Knowing assistance available		Providing correct, reliable information		Providing best assistances		Tailored assistances to JSK		Keeping track records of JSK		Understanding individual circumstances		Able to communicate		Matching job suitable individual circumstance		Setting right expectations	
Attributes	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**
Staff competence	8	4	12	6	8	0	7	0	18	0	2	0	3	0	7	3	5	0	3	4	4	1
Helpful staff	8	4	9	4	6				13		2				3	1			2	1		
Informative/knowledgeable staff			3	1	1		6		1						1	1			1	3		
Effective Communication					1		1		1				3		1		1				4	1
Patience				1					1													
Friendless									1							1						
Courtesy																	1					

Consequence/Value	Improving job-hunting skills		Opportunities with potential employers		Knowing assistance available		Providing correct, reliable information		Providing best assistances		Tailored assistances to JSK		Keeping track records of JSK		Understanding individual circumstances		Able to communicate		Matching job suitable individual circumstance		Setting right expectations	
Attributes	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**
Connections/good relationships									1								1					
Confidentiality																						
Ethical behaviour															2		2					
Empathy	0	0	1	1	0	0	0	0	5	2	6	1	3	0	30	0	1	0	0	3	1	0
Individualised attention				1					3	2	2	1	3		17		1			3		
Compassion/sympathy nature									1		4				8							
Objectivity															2						1	
Supportive			1						1						3							

Consequence/Value	Improving job-hunting skills		Opportunities with potential employers		Knowing assistance available		Providing correct, reliable information		Providing best assistances		Tailored assistances to JSK		Keeping track records of JSK		Understanding individual circumstances		Able to communicate		Matching job suitable individual circumstance		Setting right expectations	
Attributes	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**
Responsiveness	0	0	0	2	1	0	0	0	2	0	2	0	1	0	2	0	2	0	0	0	0	0
Willingness to help				1	1				2		2		1				2					
Attitude															1							
Flexibility				1																		
Location															1							
Reliability	0	0	0	0	1	1	5	0	1	0	0	0	0	0	1	0	4	0	1	1	0	0
Punctuality									1								2			1		
Accurate, dependability					1	1	5								1		1		1			

Consequence/Value	Improving job-hunting skills		Opportunities with potential employers		Knowing assistance available		Providing correct, reliable information		Providing best assistances		Tailored assistances to JSK		Keeping track records of JSK		Understanding individual circumstances		Able to communicate		Matching job suitable individual circumstance		Setting right expectations	
Attributes	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**
Continuity																						
Trustworthy																	1					
Facilities available	1		2																			

Consequences\Values	Improving job-hunting skills		Opportunities with potential employers		Knowing assistances available		Providing correct, reliable information		Providing best assistances		Tailored assistances to JSK		Keeping track records of JSK		Understanding individual		Able to communicate		Matching job suitable idv circumstance		Setting right expectations	
Consequences	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**
Improving job-hunting skills			2																			
Opportunities with potential employers																			1			
Knowing assistances available	2																		1			
Providing correct, reliable information															1				1			
Providing best assistance	2														1							
Tailored assistances to JSK			1																2			
Keeping track records of JSK			1																			

Consequences\Values	Improving job-hunting skills		Opportunities with potential employers		Knowing assistances available		Providing correct, reliable information		Providing best assistances		Tailored assistances to JSK		Keeping track records of JSK		Understanding individual		Able to communicate		Matching job suitable idv circumstance		Setting right expectations	
Consequences	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**
Understanding individual circumstances			3						2		2								2		1	
Able to communicate					1														1			
Matching job suitable individual circumstance			1																			
Setting right expectations																						
Encouragement																						
Comfort			1																			
Confidence																						

Consequences\Values	Improving job-hunting skills		Opportunities with potential employers		Knowing assistances available		Providing correct, reliable information		Providing best assistances		Tailored assistances to JSK		Keeping track records of JSK		Understanding individual		Able to communicate		Matching job suitable idv circumstance		Setting right expectations	
Consequences	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**	**D**	**ID**
Welcome															1							
Convenience			1																			

Consequences \Values	Encouragement		Comfort		Confidence		Welcome		Convenience		Achieve-ment			Security			Power			Self-direction			Univer-salism			Benevo-lence			Hedonism		
Conse-quence	D	I D	D	I D	D	I D	D	I D	D	I D	success	self-respect	ambitious	sense of belonging	F security	safety	recognition	wealth	Fame	Autonomous	Creative	curious	Inner peace	Equality	Broad minded	Honesty	Loyalty	Responsible	Pleasure	Enjoyment	freedom
Improv job-hunting skills											1			2								1	1								
Opport-unities with potenti-al employ-ers			1								3	1	2	2	1		1			1	1										

Consequences \Values	Encouragement		Comfort		Confidence		Welcome		Convenience		Achieve-ment			Security			Power			Self-direction			Univer-salism			Benevo-lence			Hedonism		
Conse-quence	D	I D	D	I D	D	I D	D	I D	D	I D	success	self-respect	ambitious	sense of belonging	F security	safety	recognition	wealth	Fame	Autonomous	Creative	curious	Inner peace	Equality	Broad minded	Honesty	Loyalty	Responsible	Pleasure	Enjoyment	freedom
Know -assista-nces availab-le					3						1															1		1			
Provide correct, reliable inform-ation					2				1			1		1												2			1		1

Consequences \Values	Encouragement		Comfort		Confidence		Welcome		Convenience		Achieve-ment			Security			Power			Self-direction			Univer-salism			Benevo-lence			Hedonism		
Conse-quence	D	I D	D	I D	D	I D	D	I D	D	I D	success	self-respect	ambitious	sense of belonging	F security	safety	recognition	wealth	Fame	Autonomous	Creative	curious	Inner peace	Equality	Broad minded	Honesty	Loyalty	Responsible	Pleasure	Enjoyment	freedom
Provide best assista-nces	4		2		3		1				7	2		3			4										1	1		1	
Tailored assistan-ces to JSK			1								2																				
Keeping track records	1				2				1		1															1					

Consequences \Values	Encouragement		Comfort		Confidence		Welcome		Convenience		Achieve-ment			Security			Power			Self-direction			Univer-salism			Benevo-lence			Hedonism		
Conse-quence	D	I D	D	I D	D	I D	D	I D	D	I D	success	self-respect	ambitious	sense of belonging	F security	safety	recognition	wealth	Fame	Autonomous	Creative	curious	Inner peace	Equality	Broad minded	Honesty	Loyalty	Responsible	Pleasure	Enjoyment	freedom
Unders-tand ind. circum-stances	3		8		2				2			1		8			2			1						1					1
Able to commu-nicate						1	1		1		1						2							1			1	1			
Match job suitable ind.											2			2	1																1

Consequences \Values	Encouragement		Comfort		Confidence		Welcome		Convenience		Achieve-ment			Security			Power			Self-direction			Univer-salism			Benevo-lence			Hedonism		
Conse-quence	D	I D	D	I D	D	I D	D	I D	D	I D	success	self-respect	ambitious	sense of belonging	F security	safety	recognition	wealth	Fame	Autonomous	Creative	curious	Inner peace	Equality	Broad minded	Honesty	Loyalty	Responsible	Pleasure	Enjoyment	freedom
circum-stance																															
Setting right expect-ations					3				1																						
Encour-agement											2			3			1			1			1					1		1	
Comfort	1						1		2		1	1		1		2	3	1		1			2	2		1			1		

Consequences \Values	Encouragement		Comfort		Confidence		Welcome		Convenience		Achieve-ment			Security			Power			Self-direction			Univer-salism			Benevo-lence			Hedonism		
Conse-quence	D	ID	D	ID	D	ID	D	ID	D	ID	success	self-respect	ambitious	sense of belonging	F security	safety	recognition	wealth	Fame	Autonomous	Creative	curious	Inner peace	Equality	Broad minded	Honesty	Loyalty	Responsible	Pleasure	Enjoyment	freedom
Confid-ence			1										1	2		1			1				2				1				
Welco-me			1		1									2		1	2							1	1						
Conven-ience			1								1				1			1			1	1				1			1		1

Note: D = Direct correlation; ID = Indirect correlation

Appendix 8: Balanced incomplete block design card for personal values

2	4	6
1	4	5
3	4	7
1	2	3
2	5	7
1	6	7
3	5	6

Note:

1. Achievement
2. Security
3. Power
4. Benevolence
5. Universalism
6. Self-direction
7. Hedonism

Appendix 9: Survey questionnaire

WELCOME MESSAGE

Dear participant,

I would like to invite you to complete a survey of jobseekers' perceptions of the employment services offered by Job Services Australia providers. This survey is part of my research toward a PhD degree at the University of Canberra. The research aims to have better understanding value co-creation in government employment services. Through this research, I hope to inform the improvement of employment programs provided to unemployed persons. You have been contacted because you recently indicated that you were unemployed as part of your "Empowered Network" registration.

This survey is not a test there are no right or wrong answers. I simply want to know your personal views as a jobseeker about the employment services you have got. Your identity and views will be kept strictly confidential, and only collectively analysed together with the information provided by all other participants.

The survey will take approximately 15-20minutes to complete. To participate in this survey, please click on the "NEXT" button and answer each question. By proceeding, you are acknowledging that you are informed about what is expected, and that you are a willing participant in this study.

If you would like to know more about any aspect of this study, please do not hesitate to contact me or my PhD supervisor, Professor Byron Keating, at (02) 6201 5441 or by email at byron.keating@canberra.edu.au.

Thank you very much for your time.

Thuy Pham

Doctoral Candidate

Faculty of Business, Government and Law, University of Canberra

Email: thuy.pham@canberra.edu.au

SECTION 1: SCREEN QUESTION:

Are you registered with Job Services Australia?

Yes / No

If No, Thanks for participating and that ends the survey.

If Yes,

Name of JSA provider:

Location: (state)

Income support type (select from drop box): Newstart, Youth Allowance (other), Parenting payment single, Parenting payment partnered, Disability support pension, Non-Allowee, Others

Stage within program (select from drop box): Stream1; Stream 2; Stream 3; Stream 4; Others

SURVEY

Only answer this question if the following conditions are met:

Answer was 'Yes - I am registered with a Job Services Australia provider.' at question '1 [P1]' (The goal of this research is to understand the needs and expectations of jobseekers currently registered with a Job Services Australia provider. Can you please confirm that you meet this requirement?)

SECTION 2: CUSTOMER PERCEPTIONS

In this section of the survey we are interested in learning about the different types of value that you obtain from your dealings with the JSA provider that you identified in the previous question.

In this question, we are interested in understanding the quality of services provided (functional value) that you receive from your JSA Provider. Please indicate your level of agreement with the following statements.

		Very strongly Disagree Very strongly Agree
1	The caseworkers are approachable and easy to contact	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
2	The caseworkers listen to me carefully, speak in a clear manner/language that I can understand	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
3	The caseworkers make the effort to understand my needs	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
4	The contact personnel are courteous, polite and respectful	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
5	The caseworkers are trustworthy, believable and honest	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
6	The caseworkers know well about JSA program, job vacancies	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
7	The caseworkers are helpful in looking for a job	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
8	The caseworkers are helpful in preparing (resume, job interviews…)	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
9	The caseworkers are willing and able to help jobseekers in a timely manner	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
10	The caseworkers' advices are valuable, dependable	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
11	They provide service reliably, consistently	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
12	The waiting time for the caseworker is acceptable	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
13	The office is convenient for customers (easy to find and to access: central and/or with good transport links)	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
14	The facilities are available to use (internet access, computer usage)	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7

In this question, we are interested in understanding the knowledge benefits you gain from interacting with your JSA Provider. Please indicate your level of agreement with the following statements.

		Very strongly Disagree Very strongly Agree
1	I would gain new skills for job finding	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
2	I would get training in various innovative ways	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7

3	I would have more opportunities introduced to employers	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
4	The guidance from caseworkers would enhance me to get job quickly	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7

In this question, we are interested in understanding the emotional benefits that you gain from interacting with your JSA Provider. Please indicate your level of agreement with the following statements.

		Very strongly Disagree Very strongly Agree
1	I feel comfortable with the caseworkers	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
2	The caseworkers keep good track records of the jobseeker	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
3	The caseworkers always try to understand my situation and my issues	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
4	I feel appreciated and being cared for in the services	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
5	They give individualised assistance to each jobseeker	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
6	I feel convenience in saving time and less effort	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
7	I have more confidence in working with the caseworkers	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
8	The encouragement of the caseworkers has been important in helping me to look for a job	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
9	I feel less stressed and less pressure working with these caseworkers	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
10	I feel this JSA provider gives the best assistance for jobseekers	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
11	I feel easy to contact and talk with the caseworkers about my needs and wants	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
12	I feel interested in knowing help available for jobseekers	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
13	The personnel gave me a positive feeling	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
14	I feel I can trust this provider	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
15	The caseworkers use sound judgment for matching jobs with my circumstance	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7

In this question, we are interested in finding out about the social benefits that you gain from interacting with your JSA provider. Please indicate your level of agreement with the following statements.

		Very strongly Disagree Very strongly Agree
1	The employment services by this provider are taken by many others I know/I'm pleased when my friends/relatives come here too	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
2	Taking this provider's services improved the way I am perceived by other employers (at job interviews)	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
3	Would help me to feel easier accepted by many employers	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
4	I know what to expect in having the employment services (my responsibilities under JSA program as well as the expected assistance)	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7

SECTION 3: PERCEPTIONS OF DIFFERENT TYPES OF VALUES

In this part of this survey we are interested in understanding your personal values. Please consider each group of three values and indicate which matters MOST and LEAST to you? Please attempt all questions - even though they may seem similar, they are all different, and it is important that we obtain your preferences for all of the combinations presented below.

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Security: sense of belonging, safety, family security	O
O	Benevolence: honesty, loyalty, responsible	O
O	Self-direction: autonomous, curious, creative	O

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Achievement: success, self-respect, ambition	O
O	Benevolence: honesty, loyalty, responsible	O
O	Universalism: broad minded, equality, inner peace	O

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Power: wealth, recognition, fame	O
O	Benevolence: honesty, loyalty, responsible	O
O	Hedonism: pleasure, enjoyment, freedom	O

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Achievement: success, self-respect, ambition	O
O	Security: sense of belonging, safety, family security	O
O	Power: wealth, recognition, fame	O

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Security: sense of belonging, safety, family security	O
O	Universalism: broad minded, equality, inner peace	O
O	Hedonism: pleasure, enjoyment, freedom	O

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Achievement: success, self-respect, ambition	O
O	Self-direction: autonomous, curious, creative	O
O	Hedonism: pleasure, enjoyment, freedom	O

Please select the value that you believe is MOST and LEAST important.

Most important	Specific value	Least important
O	Power: wealth, recognition, fame	O
O	Universalism: broad minded, equality, inner peace	O
O	Self-direction: autonomous, curious, creative	O

SECTION 4- CUSTOMER SATISFACTION AND BEHAVIOURAL INTENTION

In this question, we are interested in understanding your level of satisfaction with your JSA Provider. Please indicate your level of agreement with the following statements.

		Very strongly Disagree Very strongly Agree
1	I think I did the right thing in deciding to use this JSA provider to help me in job looking	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
2	The services I got is exactly what is needed for employment services	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
3	Overall, I am very satisfied with the relati onships with this JSA provider	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
4	Overall, I am satisfied with this provider	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7

In this question, we are interested in understanding your behavioural intentions regarding your JSA Provider. Please indicate your level of agreement with the following statements.

		Very strongly Disagree Very strongly Agree
1	I would say positive things about this JSA provider to other people	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
2	I would recommend this JSA provider to someone who seeks my advice	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
3	As long as the present service continues, I doubt that I would switch the provider	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7
4	I will choose this provider next time if I need to look for a job	1 --- 2 --- 3 --- 4 --- 5 --- 6 --- 7

SECTION 5: DEMOGRAPHIC INFORMATION

Gender: Female / Male

Age groups: Select from groups (under 18, 18-24, 25-34, 35-44, 45-54, 55-64, 65-74, 75 and older)

Education Level: What is the highest level of education that you have completed?

Did not attend school

Primary School

School certificate (yr 10 equiv.)

Higher school certificate (yr 12 equiv.)

Trade/vocational diploma

Undergraduate degree

Postgraduate degree

Other (please specify)

Are you Aboriginal or Torres Strait Islander decent? Yes/No

THANK YOU FOR YOUR PARTICIPATION.

Appendix 10: Reliability assessment for the construct (first-order constructs)

Construct/Items		Outer loadings	Indicator Reliability (loading^2)	Cronbach's Alpha	Composite Reliability (CR)	AVE
Behavioural intentions	BI1	0.963	0.927	0.968	0.977	0.914
	BI2	0.969	0.940			
	BI3	0.944	0.891			
	BI4	0.947	0.896			
Emotional benefits	EB1	0.844	0.713	0.983	0.984	0.807
	EB10	0.907	0.823			
	EB11	0.915	0.836			
	EB12	0.866	0.750			
	EB13	0.914	0.835			
	EB14	0.917	0.842			
	EB15	0.915	0.838			
	EB2	0.860	0.739			
	EB3	0.910	0.828			
	EB4	0.923	0.851			
	EB5	0.896	0.803			
	EB6	0.888	0.788			
	EB7	0.908	0.824			
	EB8	0.897	0.804			
	EB9	0.909	0.825			
Knowledge benefits	KB1	0.895	0.800	0.939	0.956	0.845
	KB2	0.931	0.866			
	KB3	0.937	0.878			
	KB4	0.914	0.836			

Construct/Items		Outer loadings	Indicator Reliability (loading^2)	Cronbach's Alpha	Composite Reliability (CR)	AVE
Customer satisfaction	SAT1	0.935	0.875	0.968	0.977	0.912
	SAT2	0.961	0.923			
	SAT3	0.964	0.928			
	SAT4	0.961	0.924			
Social benefits	SB1	0.895	0.801	0.925	0.947	0.818
	SB2	0.922	0.851			
	SB3	0.938	0.879			
	SB4	0.860	0.740			
Empathy	SQ1	0.919	0.845	0.930	0.956	0.878
	SQ2	0.960	0.921			
	SQ3	0.932	0.868			
Staff competence	SQ4	0.933	0.870	0.918	0.948	0.859
	SQ5	0.951	0.905			
	SQ6	0.896	0.802			
Responsiveness	SQ7	0.944	0.891	0.941	0.962	0.895
	SQ8	0.946	0.895			
	SQ9	0.948	0.899			
Reliability	SQ10	0.923	0.851	0.897	0.936	0.830
	SQ11	0.927	0.860			
	SQ12	0.882	0.778			
Physical facilities	SQ13	0.956	0.914	0.904	0.954	0.913
	SQ14	0.955	0.911			

Note: SQ = service quality; KB = knowledge benefits; SB = social benefits; EB = emotional benefits; SAT = customer satisfaction; BI = behavioural intentions;

Appendix 11: The items construct correlations

	BI	EB	KB	SAT	SB	Empa	Assu	Resp	Rely	Tag
BI1	0.963	0.829	0.726	0.922	0.743	0.713	0.695	0.769	0.756	0.531
BI2	0.969	0.835	0.756	0.919	0.765	0.689	0.673	0.757	0.738	0.505
BI3	0.944	0.795	0.701	0.872	0.702	0.679	0.649	0.720	0.707	0.478
BI4	0.947	0.801	0.728	0.870	0.753	0.682	0.661	0.756	0.726	0.481
EB1	0.691	0.844	0.669	0.732	0.674	0.766	0.734	0.648	0.718	0.664
EB10	0.757	0.907	0.750	0.786	0.799	0.727	0.727	0.775	0.762	0.607
EB11	0.757	0.915	0.734	0.805	0.762	0.764	0.733	0.733	0.754	0.629
EB12	0.716	0.866	0.729	0.754	0.724	0.736	0.748	0.718	0.756	0.673
EB13	0.801	0.914	0.766	0.834	0.758	0.771	0.750	0.767	0.780	0.644
EB14	0.832	0.917	0.739	0.855	0.772	0.764	0.775	0.752	0.795	0.623
EB15	0.816	0.915	0.742	0.839	0.772	0.739	0.730	0.772	0.776	0.573
EB2	0.708	0.860	0.721	0.735	0.723	0.764	0.769	0.699	0.768	0.677
EB3	0.769	0.910	0.712	0.809	0.754	0.767	0.748	0.739	0.785	0.629
EB4	0.798	0.923	0.758	0.831	0.799	0.756	0.752	0.787	0.770	0.578
EB5	0.761	0.896	0.754	0.800	0.785	0.743	0.731	0.764	0.762	0.578
EB6	0.748	0.888	0.763	0.781	0.794	0.662	0.666	0.742	0.725	0.519
EB7	0.781	0.908	0.765	0.818	0.798	0.684	0.685	0.772	0.742	0.527
EB8	0.773	0.897	0.756	0.811	0.802	0.689	0.683	0.780	0.740	0.549
EB9	0.777	0.909	0.757	0.802	0.810	0.718	0.693	0.762	0.744	0.564
KB1	0.671	0.720	0.895	0.707	0.682	0.586	0.606	0.644	0.630	0.497
KB2	0.708	0.737	0.931	0.723	0.724	0.589	0.598	0.661	0.651	0.491
KB3	0.693	0.789	0.937	0.721	0.764	0.654	0.647	0.730	0.690	0.500
KB4	0.727	0.785	0.914	0.747	0.785	0.605	0.607	0.699	0.652	0.437

	BI	EB	KB	SAT	SB	Empa	Assu	Resp	Rely	Tag
SAT1	0.851	0.828	0.701	0.935	0.739	0.700	0.693	0.722	0.717	0.575
SAT2	0.897	0.860	0.778	0.961	0.772	0.685	0.666	0.765	0.724	0.526
SAT3	0.921	0.860	0.748	0.964	0.755	0.751	0.734	0.785	0.771	0.561
SAT4	0.911	0.856	0.783	0.961	0.752	0.683	0.682	0.786	0.748	0.518
SB1	0.670	0.740	0.689	0.680	0.895	0.648	0.629	0.638	0.666	0.532
SB2	0.700	0.757	0.736	0.702	0.922	0.600	0.605	0.651	0.649	0.478
SB3	0.718	0.817	0.779	0.745	0.938	0.654	0.640	0.703	0.694	0.519
SB4	0.714	0.779	0.703	0.728	0.860	0.700	0.706	0.663	0.698	0.611
SQ1	0.599	0.723	0.572	0.631	0.621	0.919	0.871	0.698	0.792	0.767
SQ2	0.681	0.770	0.629	0.694	0.688	0.960	0.895	0.802	0.872	0.779
SQ3	0.748	0.808	0.659	0.746	0.710	0.932	0.884	0.849	0.879	0.694
SQ4	0.609	0.723	0.579	0.646	0.636	0.889	0.933	0.721	0.809	0.760
SQ5	0.675	0.797	0.642	0.699	0.696	0.907	0.951	0.787	0.874	0.755
SQ6	0.664	0.732	0.637	0.674	0.650	0.825	0.896	0.807	0.850	0.672
SQ7	0.741	0.784	0.736	0.755	0.700	0.769	0.757	0.944	0.824	0.571
SQ8	0.728	0.761	0.678	0.733	0.665	0.754	0.760	0.946	0.835	0.611
SQ9	0.760	0.816	0.701	0.783	0.719	0.849	0.840	0.948	0.897	0.739
SQ10	0.748	0.792	0.690	0.734	0.726	0.839	0.843	0.870	0.923	0.646
SQ11	0.747	0.812	0.699	0.766	0.716	0.835	0.833	0.874	0.927	0.760
SQ12	0.593	0.700	0.556	0.612	0.600	0.801	0.814	0.714	0.882	0.757
SQ13	0.513	0.652	0.513	0.555	0.575	0.763	0.749	0.661	0.765	0.956
SQ14	0.484	0.627	0.486	0.534	0.554	0.758	0.756	0.638	0.746	0.955

Note: SQ = service quality; KB = knowledge benefits; SB = social benefits;

EB = emotional benefits; SAT = customer satisfaction; BI = behavioural intentions,

Empa = empathy; Assu = staff competence; Resp = responsiveness; Reply = reliability; Tag = physical facilities

The highlighted values are the loadings on the proposed constructs

Appendix 12: Results of PLS analysis for mediating effects of VA-CP

Relationships/ Pathways	**A**			**B**			**E**		
	1.1	1.2	1.3	1.1	1.2	1.3	1.1	1.2	1.3
SQ → CPV		.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)
SQ → SAT	.073	.072	.072		.072	.072	.072	.072	.072
SQ → BI	.037	.037	.037	.037	.037	.037		.037	.037
CPV → SAT	.832(****)	.833(****)	.833(****)	.894(****)	.832(****)	.832(****)	.833(****)	.833(****)	.832(****)
CPV → BI	.084 (*)	.083	.083	.083	.083	.083	.112 (***)	.083	.082 (*)
SAT → BI	.834(****)	.834(****)	.834(****)	.834(****)	.834(****)	.834(****)	.838(****)	.835(****)	.835(****)
SQ → VA-CP	-.031		-.031	-.031		-.031	-.031		-.031
VA-CP → CPV	-.037	-.011	-.011	-.011		-.011	-.011		-.011
VA-CP → SAT				-.008	-.008	-.008	-.008		-.008
VA-CP → BI							.016	.016	.016

Relationships/ Pathways	**C**			**D**			**F**		
	1.1	1.2	1.3	1.1	1.2	1.3	1.1	1.2	1.3
SQ → CPV	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)
SQ → SAT	.073	.072	.072	.072	.072	.072	.782(****)	.072	.072
SQ → BI	.070	.037	.037	.097	.037	.037	.036	.037	.037
CPV → SAT	.832(****)	.833(****)	.833(****)	.833(****)	.833(****)	.833(****)		.832(****)	.832(****)
CPV → BI		.083	.083	.778(****)	.083	.083	.084 (*)	.083	.083
SAT → BI	.883(****)	.835(****)	.835(****)		.835(****)	.835(****)	.834(****)	.834(****)	.834(****)
VA-CP → SAT							-.017	-.008	-.008
CPV → VA-CP	-.037		-.037				-.037		-.037
VA-CP → BI	.016	.016	.016	.009	.016	.016			
SAT → VA-CP				-.042		-.041			

Note: SQ = service quality; CPV = customer perceived value; SAT = customer satisfaction; BI = behavioural intentions;

VA-CP = value alignment with JSA contracted providers;

(*) for p value = 0.2; (**) for p value = 0.1; (***) for p value = 0.05; and (****) for p value = 0.01

Appendix 13: Results of PLS analysis for mediating effects of VA-PS

Relationships/ Pathways	**A**			**B**			**E**		
	1.4	1.5	1.6	1.4	1.5	1.6	1.4	1.5	1.6
SQ → CPV		.852(****)	.852(****)	.852(****)	.853(****)	.852(****)	.852(****)	.853(****)	.852(****)
SQ → SAT	.073	.072	.072		.072	.072	.071	.072	.072
SQ → BI	.037	.037	.037	.037	.037	.037		.037	.037
CPV → SAT	.832(****)	.833(****)	.833(****)	.894(****)	.832(****)	.832(****)	.833(****)	.833(****)	.832(****)
CPV → BI	.084 (*)	.083	.083	.083	.083	.083	.112 (***)	.084	.084 (*)
SAT → BI	.834(****)	.834(****)	.834(****)	.834(****)	.834(****)	.834(****)	.838(****)	.835(****)	.835(****)
SQ → VA-PS	-.057		-.057	-.057		-.057	-.058		-.057
VA-PS → CPV	-.069	-.020	-.020	-.020		-.020	-.020		-.020
VA-PS → SAT				-.005	-.005	-.005	-.005		-.005
VA-PS → BI							.018	.018	.018

Relationships/ Pathways	**C**			**D**			**F**		
	1.4	1.5	1.6	1.4	1.5	1.6	1.4	1.5	1.6
SQ → CPV	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)	.853(****)
SQ → SAT	.073	.072	.072	.072	.072	.072	.782(****)	.072	.072
SQ → BI	.070 (**)	.037	.037	.097	.037	.037	.036	.037	.037
CPV → SAT	.832(****)	.833(****)	.833(****)	.833(****)	.833(****)	.833(****)		.832(****)	.832(****)
CPV → BI		.083	.084	.779(****)	.084	.084 (*)	.084 (*)	.083	.083
SAT → BI	.884(****)	.835(****)	.835(****)		.835(****)	.835(****)	.834(****)	.834(****)	.834(****)
VA-PS → SAT							-.022	-.005	-.005
CPV → VA-PS	-.069		-.069				-.069		-.069
VA-PS → BI	.017	.018	.018	.014	.018	.018			
SAT → VA-PS				-.067		-.067			

Note: SQ = service quality; CPV = customer perceived value; SAT = customer satisfaction; BI = behavioural intentions;

VA-PS = value alignment with public servants in the relevant offices;

(*) for p value = 0.2; (**) for p value = 0.1; (***) for p value = 0.05; and (****) for p value = 0.01

Appendix 14: Results of PLS analysis for moderating effects of VA-CP in model 1.7

Relationships/Pathways	A	B	C	D	E	F
SQ → CPV	.348 (*)	.853 (****)	.853 (****)	.853 (****)	.853 (****)	.853 (****)
SQ → SAT	.072	.098	.072	.072	.072	.074
SQ → BI	.037	.037	.036	.038	.035	.037
CPV → SAT	.833 (****)	.837 (****)	.833 (****)	.833 (****)	.832 (****)	.861 (****)
CPV → BI	.083	.083	.067	.083	.083	.083 (*)
SAT → BI	.834 (****)	.834 (****)	.835 (****)	.880 (****)	.835 (****)	.834 (****)
SQ → VA-CP	-.031	-.031			-.031	
VA-CP → CPV	-.465 (***)	-.011			-.011	
SQ*VA_CP → CPV	.684 (***)					
VA_CP → SAT		.019			-.008	.019
SQ*VA-CP → SAT		-.041				
CPV → VA-CP			-.037			-.037
CPV* VA-CP → SAT						-.040
VA-CP → BI			.001	.051	.014	

Relationships/Pathways	A	B	C	D	E	F
CPV*VA-CP → BI			.022			
SAT → VA-CP				-.041		
SAT*VA-CP → BI				-.058		
SQ*VA-CP → BI					.003	

Note: SQ = service quality; CPV = customer perceived value; SAT = customer satisfaction; BI = behavioural intentions;

VA-CP = value alignment with JSA contracted providers;

(*) for p value = 0.2; (**) for p value = 0.1; (***) for p value = 0.05; and (****) for p value = 0.01

Appendix 15: Results of PLS analysis for moderating effects of VA-PS in model 1.8

Relationships/Pathways	A	B	C	D	E	F
SQ → CPV	.376 (*)	.852 (****)	.853 (****)	.853 (****)	.852 (****)	.853 (****)
SQ → SAT	.072	.078	.072	.072	.072	.074
SQ → BI	.037	.037	.036	.038	.002	.037
CPV → SAT	.833 (****)	.833 (****)	.833 (****)	.833 (****)	.832 (****)	.835 (****)
CPV → BI	.083	.083	.061	.083	.079	.083
SAT → BI	.834 (****)	.834 (****)	.835 (****)	.889 (****)	.835 (****)	.834 (****)
SQ → VA-PS	-.057	-.057			-.057	
VA-PS → CPV	-.419 (**)	-.020			-.020	
SQ* VA-PS → CPV	.616 (**)					
VA-PS → SAT		.000			-.005	-.003
SQ* VA-PS → SAT		-.008				
CPV → VA-PS			-.069			-.069
CPV* VA-PS → SAT						-.004
VA-PS → BI			-.002	.056	-.015	

Relationships/Pathways	A	B	C	D	E	F
CPV* VA-PS → BI			.031			
SAT → VA-PS				-.067 (*)		
SAT* VA-PS → BI				-.065		
SQ* VA-PS → BI					.051	

Note: SQ = service quality; CPV = customer perceived value; SAT = customer satisfaction; BI = behavioural intentions;

VA-PS = value alignment with public servants in the relevant offices;

(*) for p value = 0.2; (**) for p value = 0.1; (***) for p value = 0.05; and (****) for p value = 0.01