

Impact of the relational motive to co-create value on service quality

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Problem and Methodology

IT service providers have been struggling with recurrent problems for decades, with profound impacts on service quality and profitability. Although several improvements were made in project management methodologies over the last years, problems such as client dissatisfaction, cost and time overruns persist.

On the basis of an extensive literature review, this study hypothesizes that the motivation to co-create has a significant impact on service quality and may hold the key to improvements in reported dissatisfaction, cost and time overruns. (IDC, 2018). The importance of the relational motive to co-create is well established in literature being considered important to service success (Aarikka-Stenroos and Jaakkola, 2012; Bardhan *et al.*, 2010; Komulainen, 2014; Neghina *et al.*, 2015). In this paper we develop a theory explaining how the relational motive to co-create value (RMCCV) affects service quality and vice versa, through internal feedback processes in an information technologies business to business (IT B2B) context. We argue that a company's ability to motivate its clients is critical to service success in a B2B context where the participation of the client in the service provisioning is intense.

The present study builds on previous explanations for service quality further integrating the relational motive to co-create as a source of important dynamics affecting service capacity, goals and expectations.

Previous studies provide a powerful but partial explanation for the development of service quality over time in the IT B2B service setting, with its intense client participation over extended periods. The relational motive can be defined as "*enhancing the social and emotional connection*" (Neghina *et al.*, 2017, p. 160) and reveals itself through non-linear variables which affect this emotional connection between the elements of the team.

A system dynamics simulation model is developed that captures the structure driving service management and clarifies the role of RMCCV. RMCCV is embedded in five feedback loops. First, the relational motive is responsible for increasing dialogue capability, which increases service quality and further enhances the relational motive. Second, the stronger the emotional connections get, the less willing the client will be to change team members, decreasing training and consequently service quality. Third, by decreasing the willingness to change team members, staff will be at the client's facilities for extended periods, producing an alienation towards the service provider company, resulting in non-compliant procedures that will decrease service quality. Fourth, the increase of the relational motive will be responsible for decreasing schedule

pressure, decreasing service capacity and consequently service quality. Fifth, closer social connections between the team members will make it easier to accept quality cuts, which will decrease overall service quality.

The integration of these feedback loops results in the model depicted in Figure 1:

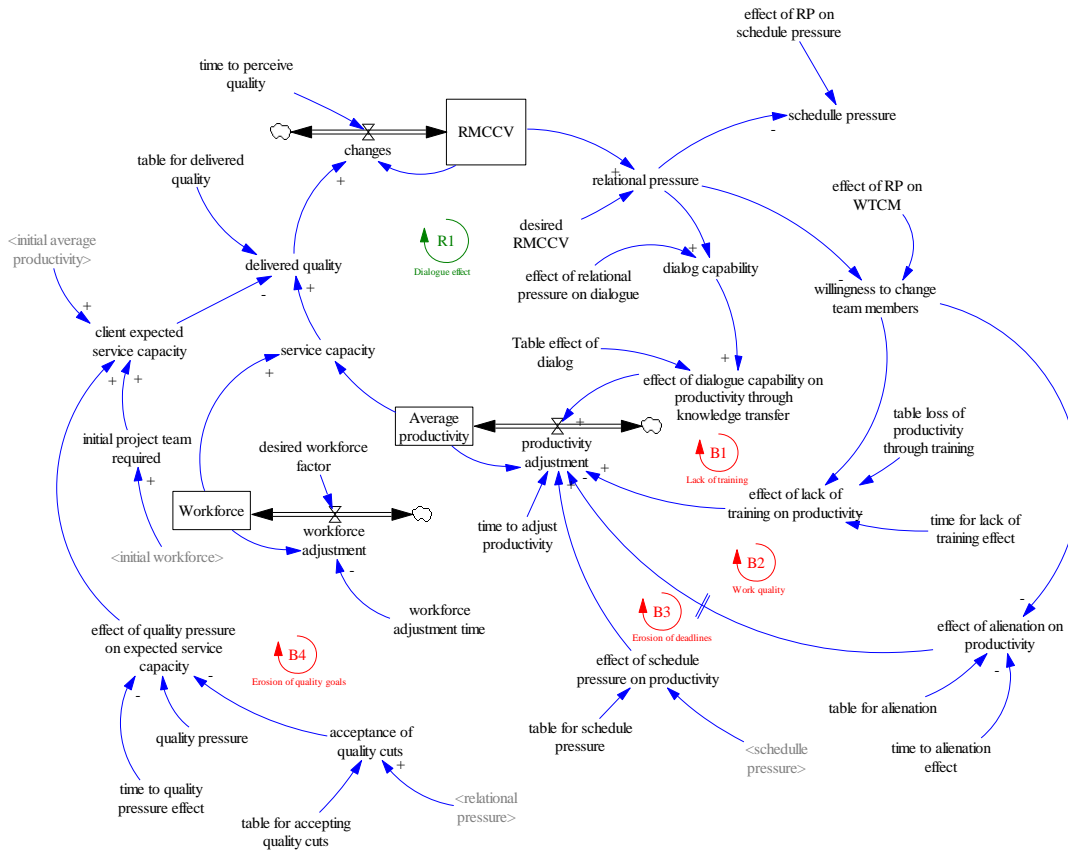


Figure 1 – Aggregate feedback structure

Results

The results show that the RMCCV is important to the development of service quality over time. If unmanaged, the RMCCV creates a significant pressure to underachieve and underinvest over the long term through four negative effects on service capacity and expectations that are only observed at later stages of the service delivery. This offers a new perspective on understanding the role of the RMCCV on service quality in enduring IT service providing relationships.

The results show that the RMCCV interacts with decision rules for service capacity management, expectations and goals that impact on service quality, which in turn impacts the client's RMCCV. Results also show that the decision rules can interact with the RMCCV generating an unintended process of erosion of service quality, that reinforces itself over time. The results suggest that setting an aggressive goal for the desired relational motive is a more effective response in preventing the erosion process than a less aggressive one.

This study adds to our understanding of the relation between RMCCV and service quality in three respects. It is the first using a system dynamics model to explain the development over time of the RMCCV. Second, the formal explains the changes in the behaviour of service quality, caused by the motives to co-create value. Third, this is the first system dynamics model placing the client's motivations, resources and capabilities within the model boundaries. The

model developed in this study will allow the development and testing of new strategies and policies by researchers interested in managing the motives to co-create value. This study is the first step of a research path which will integrate other motives and will be applied to a generic project management simulation model.

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