

Abstract

The objective of this study is to help the managers understand clearly about the nature of their businesses and encourage the employees to work in their jobs at the most matching challenges.

For the research framework, there are 2 independent variables that are customer contact/customization and labor intensity. These 2 independent variables will vary on the different in service industries. They are service factories (low customer contact/customization and low labor intensity), service shops (low customer contact/customization and high labor intensity), mass services (high customer contact/customization and low labor intensity) and professional services (high customer contact/customization and high labor intensity). These 2 independent variables have some effects on 22 dependent variables that are management challenges. They are marketing, making service “warm”, scheduling service delivery, reacting to customer intervention in process, managing advancement of people delivery service, attention to physical surroundings, control of far-flung geographical locations, managing demand to avoid peak and to promote off-peaks, managing fairly rigid hierarchy with need for standard operation procedures, managing flat hierarchy with loose subordinate–superior relationships, training, hiring, technological advances, capital decision, maintaining quality, fighting cost increases, startup new units, managing growth, scheduling workforces, scheduling service delivery, employee welfare and work methods development and control.

The researcher uses survey method. Two hundred and eighty questionnaires were distributed to managers in four different types of service industries (service factories, service shops, mass services and professional services). Each service industries will be distributed 70 questionnaires equally. The data analysis that the researcher uses is multiple regression.

The results indicate that there is a relationship between management challenges across various types of service industries and change in degree of customer contact/customization and labor intensity.

For service industries with low customer contact/customization that are service factories and mass services. Marketing, managing flat hierarchy with loose subordinate-superior relationships, technological advances, training, schedule workforces and managing fairly rigid hierarchy with need for standard operating procedures are the management that challenges for these service industries.

For service industries with high customer contact/customization that are service shops and professional services. Scheduling service delivery, reacting to customer intervention in process, managing advancement of people delivering service, attention to physical surroundings, control of far-flung geographical locations, startup new units, managing growth, gaining employee loyalty, hiring, employee welfare, managing demand to avoid and to promote off-peaks, fighting cost increase, maintaining quality and work methods development and control are the management that challenges for these service industries.

For service businesses with high labor intensity that are mass services and professional services. There is 3 important management involved. The first one is making service warm, attention to physical surrounding and managing advancement of people delivering service.

For businesses that have low labor intensity that are service factories and service shops. The management that challenges to them are managing flat hierarchy with loose subordinate-superior relationships, capital decision, technological advance and fighting cost increase.

For service factories, the researcher recommends they to develop good marketing and pay more attention to technologies because most of their jobs done by machine. For service shops, the researcher recommends they to gain more information from the customers and use it in the process the same as professional services. For mass services, the researcher recommends they to keep standard operating procedures because it can help the customers recognize the business.