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Understanding Service Failures: Suggesting a Competency Perspective

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Abstract

This paper reports research on a qualitative case study of service failures carried out on the prestigious Norwegian Coastal Voyage (NCV), or Hurtigruten which is its brand name. A total of 51 service failure incidents were identified, collected and analysed, and the paper shows the role of the actors' *competencies* in service failure processes onboard the Hurtigruten. The examination of a set of components that constitute competencies, those of knowledge, attitudes, skills and behaviours, were used in order to explain the occurrence of service failures in an explorer cruise line context.

Keywords

Service failures; Qualitative research; Case study; Competencies; The Norwegian Coastal Voyage (NCV); Hurtigruten

Introduction

This paper reports on research on service failures from a single case study carried out on the famous and prestigious Norwegian Coastal Voyage (NCV), known under the brand name Hurtigruten. The study encompasses 51 service failure incidents that were identified, collected and analyzed by means of a *competency perspective* in order to understand the occurrence of a set of service failure incidents onboard the Hurtigruten. The analytical attempt is to couple the service failure incidents with the competencies of the actors in service processes, the *service leadership,* the *service employees* and the *customers,* and by means of a competency perspective examine why service failures occurred onboard the Hurtigruten.

The context of the study is interesting due to historical, cultural, geographical and tourism factors. However, it's the tourism dimension in particular that has brought this research into realization, as the Hurtigruten has become the most well-known tourist attraction product in Norway on a global basis. The choice for selecting an operator in the explorer cruise line industry for examining service failures seems interesting since this industry is *"in an early stage of development"*, and that "the cruise line industry is one of the most profitable of the travel and tourism sectors" [1]. The lack of substantial research on service failures in the cruise line industry, particularly in relation to the Hurtigruten, provides the rationale for the research carried out and reported on in this paper.

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A service failure is defined as *"a breakdown in the delivery of service; service that does not meet customer expectations"* [2], and service failures seem to be an inevitable part of services [3], thereby implying that the effective management of service failures is important for service quality improvements and development [4]. From the tourists' point of view, the evidence of service quality occurs particularly in the "*moments of truth*" [5] when the tourists interact with service managers and employees [3,6]. Because the cruise line industry features a high degree of personal interactions between high-contact service employees and customers [7], there are many opportunities for service failures to occur during phases of service delivery and consumption [3].

Researching service failures is an important field in service management, and according to Grönroos [8], *"it is important for a company to manage service quality well, but it is essential for it to manage service failures even better"*. Nevertheless, even though the issue of service failures has been examined for some time, academic research on service failures is "relatively recent and still in progress [9]. However, since 2004, several service failure studies have been conducted, which shows that this stream of research is progressing, though still under-researched. One primary reason for researching service failures is the increased role of the service sector as an important economic force, particularly in Western societies, as more than two-thirds of the entire *"work force is employed in services"* [10]. This statement is supported by Kandampully [11], who emphasizes that "the majority of the world's work force is now employed in service-related activities", a situation which encompasses what Kim and Mauborgne [12] have expressed as the *"arrival of a knowledge economy"*. The key features of the knowledge economy are turbulence, uncertainty and ambiguity [13].

The research reported on in this paper aims to advance the knowledge base on service failures by employing a competency perspective in order to explain why a set of service failures happened in a cruise line context, thus implying that the goal is to obtain insight and understanding on the research phenomenon because the case study is particularly interesting.

The research addresses one question: Why did the service failures occur?

In order to answer the research question posed, 51 service failure incidents were collected and organized in relation to the *actors* who were involved in the delivery and consumption of the services on the Hurtigruten, namely the *service leadership,* the *service employees* and the *customers/tourists.* The research question then is answered by employing a *competency perspective* in order to explain why service failure incidents happened.

In order to answer the research questions posed, this paper is organized into six parts. Following this introduction, the second part constitutes a focused literature review of the empirical research carried out on service failures, with a special emphasis on the categorical schemes of service failures. In part 3, a set of methodology details will be outlined and discussed, while part 4 comprises the research findings. A discussion of the research findings follows in

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part 5 and part 6 ends the paper by discussing the implications of the research findings and drawing a set of conclusions, as well as outlining the limitations of the study and suggesting further research. This paper then encompasses theoretical-, methodological- and practical features.

The Literature

Research on service failures as a distinct field within services marketing and management [14] was initiated by the classical work of Nyquist et al. [15] on communication difficulties in service encounters. Since the time of that study, research on service failures has focused on several conceptual-, theoretical- and practical issues in a diverse set of service industries, although more research on service failures is still needed [9].

According to Lewis and Entwistle [16], trustful relationships between service providers and customers are decisive in most service operations, as service failures arise when customers' experience dissatisfaction with the service provider's service delivery [17,18]. Obviously, the customer is the person who knows best when a breakdown in the service delivery takes place [7], insofar as this is a situation in which the service provider does not deliver the expected level of service quality as perceived by the customer [3]. Even so, the service employees are also considered to be important sources of information on service failure incidents [19,20], and the decisive role of service employees in information processing supported is by Kandampully [11], who argues that the *"front-line customer-contact employees represent one of the most valuable means of getting information about customers"*. Hence, the use of a service employee perspective is a well-accepted approach in collecting incidents of service failures, which is the case in this paper.

According to Lewis and Clacher [21], service failures are inevitable, particularly in high-contact service processes, and managing service failures well is an important task for service managers and service personnel [3], as mistakes will inevitably happen and things will go wrong during stages of service delivery and consumption. Obviously, when the service provider does not meet customers' expectations of service offerings, this may result in negative consequences [22]. A review of the empirical research literature on the negative consequences of service failures illuminates an entire set of different consequences. For example, in a study by the Bitner et al. [23] study, a decrease in employee morale and performance was emphasized, whereas other studies point at consequences such as dissatisfaction with the service provider [24], a decline in customer confidence [25], negative word-of-mouth behaviour [26,27] and customer defection [28]. Therefore, the occurrence of service failures may produce a set of negative consequences for service providers, implying the need for effective complaint management [29]. Nevertheless, in order to manage service failure processes well, failures need to be classified or grouped in a coherent way.

Classifying or grouping service failures

A review of the empirical research on the service failure categorisation process reveals the use of different research perspectives. The Nyquist et al. [15] study investigated communication difficulties from the perspective of the service firm employee, which contrasts a study by Bitner et al. [23] study that was carried out from the perspective of the customer; while a study by Edvardsson [30] investigating service failures in an airline employed both perspectives.

In reviewing the empirical research on the service failure classification process, two opposing directions emerge:

1. Bitner, et al. [23] main classification system; and
2. Edvardsson [30] main classification system.

The classical study by Bitner et al. [23] suggested three main categories of critical service incidents:

1) Employee responses to service delivery system failures:

Service delivery system failures pertain to service failures in the core offering of a firm. One example from a cruise line operation can be a delay when a ship returns to the cruise port.

2) Employee responses to customer needs and requests:

The second category of service failures pertains to employees' responses to customer needs and requests. In a cruise line operation, with a 24/7 service guarantee', a request for a service that is not responded to, is an example within this category.

3) Unprompted and unsolicited employee actions:

This category pertains to events and employee behaviours, whether good or bad, which are totally unexpected by the customer. In a cruise line operation, service employees may quite unexpectedly become rude and abusive, which is an example of deviant behaviour that needs to be dealt with by service management.

Several studies have employed the Bitner et al. [23] classification system, for example the Hoffman et al. [31], and Hoffman and Chung [32]. However, another study by Bitner et al. [33] added a fourth main group: problematic customer behaviour.

In a study of service failures in an airline, Edvardsson [30] suggested three main categories: air transport, ground transport and other incidents. Edvardsson's advice was not to use a previous set of categories for classifying critical service incidents in unique service contexts, such as the sequential phases of an airline travel [34]. The rational for this argument are the key characteristics of an airline operation: the sequences of check-in, the flight and the check out procedure. Similarly, the Bejou et al. [35] study attempted to identify, describe and analyse service breakdowns in airlines in Sweden and US by employing the same classification scheme as Edvardsson [30]. Thus, when examining service failure incidents in one organisation or in a few organisations within the same industry, the Edvardsson's [30] main classification scheme seems most promising due to the uniqueness of the research setting(s). While the Bitner et al. [23] classification system seems more appropriate and useful when the research is carried out on a range of different organisations across various service industries.

The service context in which a cruise line operator works is quite similar to that of an airline. Tourists travel to the cruise line port as do air travellers to the airport, they check-in, they participate on the cruise and when returning to the port, they check-out and return back home. Obviously, service failures may take place during the entire travel process, although it is on the cruise itself, on the *ships* and/or the *excursions* that the risk of service failures is most likely to take place. For this reason, the suggestion in this paper is that these two areas of a cruise product, on the *ship(s)* and on *excursions,* are where service failures may occur, and these main categories of service failure are consistent with the perceptual view of Edvardsson [30].

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Developing sub categories of service failures

The inductive process of developing sub-categories varies across all studies. The Bitner et al. [23] study developed 12 sub-categories while the Chung and Hoffman [36] study suggested 11 sub- categories. By contrast, the Edvardsson [30] study suggested five sub-categories in the main category of air transport: delays, cancelled flights, delayed or damaged luggage, overbooking and other sources. The point here seems to be that the sub-categories have to be developed according to the information collected in each empirical setting. In this study, the analytical approach is to employ a competency perspective in order to explore why service occurred during stages of service delivery and consumption, and in doing this, a frame of reference is needed.

A frame of reference: the human element in the service failure process

According to service management theory [3], service failures may be of different types (typologies), various severities and magnitudes, and they usually involve a human element even though services may differ from a highly technical service to highly customised services. The actors' involved in service processes on the Hurtigruten are the *service leadership/management*, the *service employees* (front-/back-stage) and the *customers/tourists*. The claim in this paper is that the service failures that take place in a high-contact service such as the Hurtigruten, can be grouped or organised in relation to the *actors'* involved in the service delivery and consumption. The claim is that the actors' lack of *competencies* in performing their roles may explain the occurrence of service failures (Figure 1). Figure 1 serving as a frame of reference in the process of classifying or grouping a set of service failure incidents that took place on the Hurtigruten, and Grönroos [3] "service marketing triangle" model is inspired its construction.

Figure 1 depicts that the *competencies* of the actors affect the occurrence of service failures. Similarly, the *competencies* of the actors interact and if the competencies of e.g. the tourists are high, then the competencies of service leadership ought to be high as well in order to meet the challenges, demands and requirements of the customers. The fact that demanding tourists receive services from service employees, who are often high-contact service employees, the competencies of the service personnel also need to be high. Likewise, there should be a link between service leadership and the service employees. If the competencies of the service leadership are high, a "spill-over" to the service employees' competencies may take place.

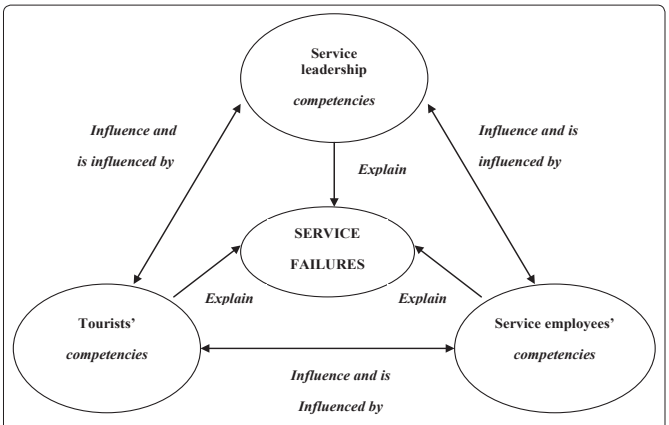

Figure 1: A frame of reference: The human element in service failure processes.

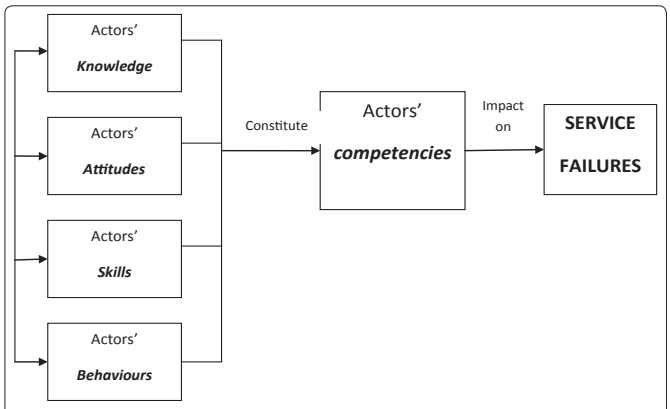

Figure 2: Analytical model: A competency perspective.

The concept of *competencies* needs operationalisation in order to provide explanatory power as to the occurrence of a set of service failure incidents on the Hurtigruten. Inspired by and building on Yukl [37], the concept of *competencies* is perceived as the actors' possessions of *knowledge, skills, attitudes* and *behaviours*. *Knowledge* concerns the cognitive capacity of the actors, i.e. that service leadership possesses the basic knowledge of the management tools required in order to manage service processes well. *Skills* concerns the cleverness of the actors, i.e. that service leadership is able to use the management tools and is efficient in running the business. *Attitudes* concern the value system of the business, i.e. the core business thinking and logic of service leadership. *Behaviours* concern how the actors' actually act/behave during the process of service delivery and consumption, e.g. what service leadership actually does in the course of daily service management operations. Figure 2 depicts the coupling between the components of the actors' *competencies* and the service failures.

The Figure 2 depicts that the actors' *competencies* impact on the occurrence of service failures. It is implicit that if the *competencies* of the actors are high, this will exert a positive impact, while if the *competencies* of the actors' are low, this will negatively impact on the occurrence of service failures. Figure 2 also shows how the concept of *competencies* is sub-divided into the components of *knowledge, attitudes, skills* and behaviours. Furthermore, figure 2 depicts that there is a coupling between the components. Illustratively, if the *knowledge* of service leadership is high, this will impact positively on their attitudes. In a similar manner, positive service attitudes may enhance service leadership operational service *skills,* which will positively impact on the actual work *behaviour*. Figure 2 subsequently serves as a device for organizing the service failure incidents in the findings section of this paper.

Methodology

In order to identify, collect and analyze 51 service failure incidents, the Critical Incident Technique (CIT) methodology was employed [38]. As a qualitative research methodology, the CIT is particularly useful when the aim is to advance the knowledge of a phenomenon about which relatively little is known. The CIT is essentially a *classification technique* that analyse critical service incidents, which are events that can be described in detail and deviate, either positively or negatively, from what the customers expect or consider normal in service encounters [36]. In the process of classification, the CIT employs a *content analysis* of "stories" or anecdotes" as data [39], and

when using the CIT methodology, the data are collected by means of in-depth interviews.

In the study, a case study methodology was chosen [40,41], and according to Gummesson [10], the case study strategy has obtained an enhanced recognition among management researchers. This methodology is particularly useful when examining a phenomenon about which relatively little is known [10,40,42]. Therefore, the case study methodology was considered suitable for examining a set of service failure incidents on the Hurtigruten.

The nature of the research carried out required information to be collected from both primary- and secondary sources [43], with the examination of secondary data such as annual reports providing a thorough insight into the Hurtigruten as a composite tourist attraction product. In a report entitled *"Strategic choices after 2001"* [44], a strategy of becoming a world-leader in explorer cruises was discussed. However, secondary data often has a "data-fit" problem [45], and primary research information usually offers more specific and extensive data from informants who can provide information to the question(s) under scrutiny [46].

Three data collection methods may be used in order to collect data on service failures, those of total quality management (TQM), mystery shoppers and critical incidents [47]. By the collection of service failure incidents, the advantages of qualitative studies are utilized as the informants can give detailed descriptive accounts in their own words of the service incidents that caused them to be satisfied or dissatisfied with the service provider's service delivery [3,48].

The research reported in this paper is carried out from the perspective of the service employee', which is a perspective that in previous empirical research has proved to be a reliable alternative to the customer's perspective. The service employee perspective values the decisive role of the service employees for effective service delivery and their important information processing role [11,49]. A set of service employee categories works on the Hurtigruten, as both back- and front-stage personnel are important for the delivery of effective service. However, the *tour conductors* belong to the service personnel group that have most personal, face-to-face interactions with the tourists on a regular basis, so consequently know the tourists best. For many tourists, the tour conductors on the Hurtigruten are simply the *service*. In this way, the tour conductors are able to both observe incidents of service failures and to be told "stories" or "anecdotes" from tourists about what caused them to be dissatisfied with the service offering. As a result, a decision was made to include the tour conductors as informants in the study due to their extensive interactions and closeness to the tourists, in addition to their extensive involvement in information processing and communication processes on the Hurtigruten.

The shipping personnel department released a list of 13 tour conductors divided into two separate groups: regulars and substitutes, and a decision were taken to include only the regulars in the convenience sample due to their extensive expertise and experiences in service operations. The regulars consisted of eight persons, but one person did not want to participate in the study for personal reasons, because the person opposed the new strategic direction of management to turn the "old" Hurtigruten into a "standardized" cruise ship, which is far from the basic characteristics of the traditional, old Hurtigruten ships (Appendix 2 for an illustration).

In qualitative research the personal interview is the most widely used method of research [50,51], as the personal, face-to-face in-depth interview was judged to be an appropriate research tool due to its linkage to the CIT methodology, the limited number of informants and that the topic and questions under scrutiny required a closeness to the respondents in order to collect "rich" and "deep" information [30].

An interview guide served as an information gathering tool. For the purpose of this paper, two questions were posed, and the interviews with the tour conductors were conducted in 2001 using the long in-depth interviews by McCracken [52], with each lasting for approximately two hours and were administered by the author. Data on 51 service failure incidents were identified, collected and analysed, with the tour conductors providing seven to eight descriptive accounts of service failures each (Appendix 3 for an overview of the service failure incidents).

The interview process was carried out in three phases. First, the tour conductors were contacted in writing in order to explain the purpose of the research and to encourage them to participate in the study. Next, they were contacted by telephone in order to obtain their formal approval to participate in the research and to make arrangements for when to carry out the interviews. During the telephone conversation, the tour conductors were asked to try to recall the incidents of service failures, to write down the details, and to bring their notes with them to the formal interview meeting. Third, the interviews with the tour conductors were carried out when the Hurtigruten was at sea between Harstad and Svolvær (informative map in Appendix 1). The reason for this was that during this part of the voyage, the tour conductors had the time available to fully concentrate on the interview since this part of the journey starts quite early in the morning and most of the tourists were occupied with the breakfast, while others participated in an excursion between Harstad and Sortland (map in Appendix 1 for geographical orientation). The interviews were tape recorded and transcripts made, with each tour conductors providing seven to eight descriptive accounts of service failures. In total, information on 51 service failure incidents was collected.

One research question was posed in the introduction part of this paper. Answering the research question requires a careful reading of the service failure incidents as reported by the tour conductors followed by a *content analysis* of the incidents in order to organize the incidents in relation to the *actors* involved in service processes onboard the Hurtigruten. In order to answer research question, a pre worked-out classification scheme will be employed in order to explain the occurrence of the service failure incidents according to the *competencies* of the actors, including those of knowledge, attitudes, skills and behaviours (Figure 2).

The issue of quality in research always needs to be taken into consideration [10]. The research reported in this paper falls under the category of *management research*, which concerns the *"performance of a business"* [10], and has receive growing recognition among researchers conducting management research case studies. Nevertheless, there are various opinions on how to secure quality in qualitative case studies [53]. As one example, Veal [54], discusses the two axioms of research quality, validity and reliability. Validity is perceived as *"the extent to which information collected by the researcher truly reflects the phenomenon being studied"* [54]. Similarly,

Easterby-Smith et al. [51] perceive validity as getting *"full access to the knowledge and meanings of informants"*. The research phenomenon in the case study is the service failure incidents that took place on the Hurtigruten. Obviously, the validity of the research findings is closely linked to the recall and report of the service failure incidents from the tourists to the tour conductors, who are the informants in the study and by following a strict research procedure [41], validity, may be obtained.

The other axiom of "sound" research is that of reliability by Veal [54] perceived as *"the extent to which research findings would be the same if the research was to be repeated at a later date with a different sample of subjects"*, while Yin [41] claims that the goal of reliability is *"to minimize the errors and biases in a study"*, with one important step being to employ a strict research procedure. However, in a single case study as reported in this paper, the intention *"is not to make generalizations, but to investigate a "one off situation"* [55]. Hence, the case study may contribute to the knowledge field of service failures, but is restricted to a specific context. This view is in accordance with Merriam [40], who argues that reliability concerns "*whether the results are consistent with the data collected*". This implies that in order to obtain reliability in a "qualitative" way, the coupling between the data collected and the findings need particular attention.

Any empirical study that involves people needs ethical considerations [53]. For example, Nerdrum [56] discusses three issues which a researcher needs to consider that are especially relevant for collecting information from people by means of in-depth interviews as in this research: first, the right to self determination and autonomy, secondly, respect for privacy, and thirdly, to avoid personal damage. In the research reported on in this paper, the first issue is particularly relevant. The tour conductors were not under any pressure to participate in the research; they joined voluntarily. In the course of the in-depth interviews, the respondents told the "stories"/"anecdotes" of service failure incidents in their own words without any interruptions from the researcher. Each participant was also informed that he/she could decide to leave the interview for any reason and that the information which was provided would be treated anonymously. To the best of our knowledge, the research has not harmed the respondents in any way.

The findings

The research encompasses the identification, collection and analysis of 51 service failure incidents. The service failure "stories" or "anecdotes", which can be seen in Appendix 3, were collected from the tour conductors in a timely manner. To illustrate, the first in-depth interview (the first out of seven) encompasses the first seven incidents, the second interview provided the next eight incidents, etc. By use of the key words, an inspection of the service failure list in Appendix 3 illustrates informative details of the incidents. As explained earlier in this paper, the services processes on the Hurtigruten are quite complex since they are of a high-contact nature [7], though, in principal, they belong to two different service areas, either on the *Hurtigruten* (while at sea or at harbour), or on *excursions*, of which the tourists are offered 11 on a round trip that lasts for 11 days and nights. The 51 service failure incidents may then be organized into two main categories or groups, as 22 service failure incidents took place on *excursions,* and 29 on ships while at sea or at harbour (Appendix 3). An inspection of Appendix 3 shows which of the actors, the *service leadership, service employees* or the *customers* who caused or were "responsible" for the service failure incidents.

The organization of the service failure incidents

In order to organize or group the service failure incidents beyond the main categories of the *Hurtigruten* (while at sea or at harbours), and *excursions*, a procedural process started with a repeated reading and categorization of the 51 service failures incidents in relation to the actors involved in the service processes, those of *service leadership, service employees* and *tourists*. Table 1 depicts the allocation of the service failure incidents (Appendix 3 for informative details).

Table 1 depicts that out of a total of 51 service failure incidents, 20 of them (39%) were caused by *service leadership,* 14 (27%) by the *service employees,* and 17 (34%) by the *customers/tourists* themselves. The allocations made will be described according to the two core service failure areas, first on *excursions* and second on the *Hurtigruten*, while at sea or at harbour.

On excursions: A total of 22 service failure incidents took place on *excursions* (see Appendix 3 for details). The incidents are grouped in relation to the *actors'* involved in service processes:*Service leadership:* seven incidents (Nos. 1-2-14-32-36-41-47; see Appendix 3 for informative details).

- *Service employees:* 12 incidents (Nos. 9-11-16-17-21-23-25-31-38-39-44-48; see Appendix 3).
- *Customers/tourists:* three incidents (Nos. 10-22-49; see Appendix 3 for informative details).

For the purpose of illustration, three service failure "stories" or "anecdotes" are presented that show how the allocations are made in relation to the *actors* involved in the service processes. The idea is to carefully assess who caused or who was considered "responsible" for the service failure incidents that occurred on the excursions.

Service failure "story" no. 1: The "responsibility" of the service leadership: Service failure story no. 1 deals with the lack of weather forecast information. A tourist couple from Israel had booked a round-trip in the summer-peak season, and according to the tour conductor, the couple had great expectations for the voyage, and were especially looking forward to enjoying the views of the Norwegian fjords, the Lofoten islands and the "end of the world", the North Cape cliff. As they were leaving Bergen (see map in Appendix 1), they enthusiastically signed in on the excursion program to the cliff. Unfortunately, the weather on that particular voyage became rainy and windy, and on the day of the excursion, the North Cape cliff was completely covered in fog and the participants were not able to see anything, except for the dim fog. As with the other tourists, they become disappointed by the fact that they were unable to watch and enjoy a unique and seldom tourism sight. According to the tour conductor, the couple did not raise any formal complaint, but on several occasions claimed that they would not have participated in the trip if they had received advanced weather forecast information. According to the interviewee, it is not enough for many tourists to "only" put their foot on the North Cape plateau in order to meet their

Table 1: A grouping of the service failure incidents.

Service failures on	Service Leadership	Service Employees	Tourists	SUM
Excursions	7	12	3	**22**
Hurtigruten	13	2	14	**29**
SUM	**20**	**14**	**17**	**51**

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expectations. *Service leadership* is responsible for providing correct weather forecast information onboard the Hurtigruten; therefore *service leadership* is assessed as being "responsible" for not the providing correct forecast information, which caused the couple to be dissatisfied.

Service failure "story" no. 11: The "responsibility" of the service employees: The city of Tromsø (map in Appendix 1 for geographical information) is the largest city in northern Norway, and has about 70 cruise arrivals annually (Cruise Statistics-Norway). When the Hurtigruten tourists arrive at Tromsø, they are offered a bus excursion that encompasses a tour of the most famous attractions in the city. The many buses, which leave the bus station close to the harbour approximately at the same time, are logistically demanding to handle. From the very beginning of this incident, the guide demonstrated uncertainty by constantly reading from a manuscript, in addition to the fact that the language ability and professional skills were far from the quality standards required of a professional guided role. According to the interviewee, the excursion gradually turned into a "farce" due to the lack of knowledge and communication skills, which is a serious competency failure. In particular, the tourists from Germany became very dissatisfied with the guide's role performance, and there is no doubt it is *service leadership* who is responsible for the hiring, selection and training of the local guides. However, the judgment here is that there is a highly *personal* responsibility involved in this case, as the guide has a *personal* responsibility to possess the knowledge and skills to perform the guide role at an acceptable standard. Consequently, the "responsibility" of the service incident lies with the *service employee*.

Service failure "story" no. 10: The "responsibility" of the customers/tourists: As argued by Grönroos [8], "the customer or customers can also cause service failures", as was the case in service failure story no. 10. The incident took place on a Tromsø excursion, and according to the tour conductor, a German couple in their 70s did not show up for the bus departure. When the couple came down the ladder, the buses had already left the bus station. According to the tour conductor, the couple thought that they would be registered as "not present", and that they would be called on the ship's loudspeaker system. The service provider's behaviour did not meet the couple's expectations, but the judgment here is that a personal responsibility was involved, as this incident was caused by the *tourists*' own behaviour.

Overall, a total of 22 service failure incidents were identified on *excursions*: 12 (55%) of them were caused by the *service employees,* seven (32%) were caused by *service leadership* and while three (12%) were caused by the *tourists* themselves. On the *Hurtigruten,* while at sea and/or harbour, a total of 29 service failure incidents took place, and these incidents will be reviewed next.

On the Hurtigruten while at sea or at a harbour(s): A total of 29 service failure incidents happened on the *Hurtigruten*, while at sea or at harbour. The allocations made in relation to the actors are:

- *Service leadership:* 13 incidents (Nos. 4-5-6-7-8-15-18-29-30-42-43-45-46; see Appendix 3 for informative details).
- *Service employees:* two incidents (Nos. 20,-24; see Appendix 3 for informative details).
- *Customers/tourists:* 14 incidents (Nos. 3-12-13-19-26-27-28-33-34-35-37-40-50-51; see Appendix 3 for information).

For the purpose of illustration, three service failure "*stories*" or "*anecdotes*" are described, which show how the allocations were made in relation to the *actors* involved in service processes.

Service failure "story" no. 6: The "responsibility" of the service leadership: Service failure episode no. 6 took place on one of the "new" ships (see Appendix 2). Even during the summer season, the weather can be quite bad along the Norwegian coast. When this happens, the *service employees* face service challenges, as they have to engage more with the tourists because the core of travel, the sea voyage in an exotic environment, is not fully appreciated by some tourists, and watching television is one alternative. In this incident, a group of tourists from Germany became frustrated and bored as the bad weather continued for days, and they wanted to watch TV. However, no television channels from Germany were available onboard, only the CNN. According to the tour conductor, the group could not understand why the only international TV channel onboard was CNN, since most of the international tourists onboard were Germans. Still, according to the tour conductor, the customers' request was not possible to meet because the provision of TV channels was subject to central management planning and decision making. Hence, the judgment here is that the incident was caused by *service leadership* not including TV channels from Germany in the TV provision set.

Service failure "story" no. 20: The responsibility of the service employees: Service failure story no. 20 was about a small group of German tourists who asked for more information about the dinner served in the ship's restaurant in the evening. According to the tour conductor, the waiter in charge was very busy and did not have the time to provide individualized or personalized service as requested. As a result, the group contacted her out of frustration and anger, claiming that the waiter did not treat them respectfully, and did not demonstrate customer care and attention. According to the tour conductor, there was nothing else to do other than apologize for the waiter's behaviour. Therefore, the judgment is that the responsibility for the incidents lies with the *service employee's* due to a lack of customer care.

Service failure "story" no. 13: The "responsibility" of the customers/tourists: Service failure story no. 13 is about a request from a small Italian group who participated on a round trip in the summer peak season. According to the tour conductor, the group contacted the service personnel on the ship's restaurant and asked for a change in the "fixed" menu. The group requested Mediterranean food since they did not like the "Nordic" kitchen. According to the tour conductor, they were not able to meet the tourists' request, as the menu is planned long before the voyage takes place. The judgment here is that the situation was caused by the *customers/tourists* themselves, since they did not make a request for special cuisine when ordering the voyage.

Overall, while at sea or at harbour, a total of 29 service failure incidents were identified on the Hurtigruten; 13 (45%) of them were caused by the *service leadership,* two (7%) were caused by *service employees,* and 14 (48%) were caused by the *tourists* themselves.

Research Findings to the research question posed

Table 1 provided an overview of the *actors* who caused or were "responsible" for the 51 service failure incidents on the two core service areas, those of the *Hurtigruten* (while at sea or at harbour), or on *excursions*. Building on Table 1 and 2 depicts how the *competencies*

of the actors may be further sub-divided into *knowledge, attitudes, skills* and *behaviours.* (H) is an abbreviation for *Hurtigruten,* while (E) is an abbreviation for *excursions* (inspect Appendix 3 for informative details).

Table 2 reads as follows: *Service leadership* caused 20 service failure incidents that took place on the Hurtigruten (H) while at sea or at harbour, and they occurred as a consequence of a lack of *knowledge* in fulfilling a set of management roles. *Service employees* caused 14 service failure incidents, two incidents happened on the Hurtigruten (H), while 12 incidents happened on excursions (E). Of the 12 incidents on excursions (E), 5 incidents occurred as a consequence of a shortage in *skills* in executing service roles, while 4 incidents occurred as a consequence of inadequate *behaviour* in fulfilling the service role. The *tourists* caused 17 service failures; 14 of them took place on the Hurtigruten (H), while three happened on excursions (E). Four incidents were caused by the tourists' lack of *knowledge,* six by their *attitudes,* and seven by their actual *behaviour,* thereby providing an explanation as to why service failures occurred.

A further inspection of table 2 shows that *knowledge* is the competency factor which impacts most on the occurrence of service failures, in 25 out of 51 incidents (approximately 50%), with 24 of the cases taking place on the *Hurtigruten* (while at sea or at harbour, with 20 of them concerning *service leadership*. The second most influential factor for the occurrence of service failures is *behaviours,* which happened in 13 out of 51 incidents (approximately 25%), with six of the cases taking place on the *Hurtigruten*, and seven on *excursions.* The *service employees' behaviours* (six incidents) and the *tourists' behaviour* (seven incidents) help explaining why 13 service failures happened. The third most influential factor for the occurrence of service failures is that of *attitudes,* which happened in eight out of 51 incidents (approximately 16%), with six of the cases taking place on the *Hurtigruten*, and the remaining two on *excursions.* Both the tourists' *attitudes* (six incidents) and the service employees' *attitudes* provide an explanation as to why the service failures took place. Finally, the least influential competency factor on the occurrence of service failures is *skills,* in five out of 51 cases (approximately 10%), with these incidents taking place in the service area of *excursions*, which can be traced back to the service employees.

Thus, the research reveals several significant findings, the most important being:

- All actors (*service leadership* - 20 incidents, *service employees* -14 incidents, and *tourists* – 17 incidents) caused service failures on the *Hurtigruten* and on *excursions;*
- *Service leadership* – 20 incidents, due to lack of service knowledge - impacted most on the occurrence of service failures;
- The *service employees* – 14 incidents - caused a set of service failures, while five incidents were due to their lack of *skills* and six because of inappropriate *behaviour* – which for the most part took place on *excursions* – 11 incidents.
- The *tourists* themselves – 17 incidents - , particularly their *attitudes* – six incidents and their *behaviours* – seven incidents, help explain a set of service failures that occurred, with most of them taking place on the *Hurtigruten* – 14 incidents.

Table 2: The employment of a competency perspective.

Actors	Knowledge	Attitudes	Skills	Behaviour	Sum
Service leadership	**20** (H)	-	-	-	**20**
Service employees	**1** (E)	**2** (E)	**5** (E)	**6** 2 (H) 4 (E)	**14** 2 (H) 12 (E)
Tourists	**4** (H)	**6** (H)	-	**7** 4 (H) 3 (E)	**17** 14 (H) 3 (E)
Sum	**25** 24 (H) 1 (E)	**8** 6 (H) 2 (E)	**5** 5 (E)	**13** 6 (H) 7 (E)	**51** **29 (H)** **22 (E)**

Discussion

Table 1 provides interesting information. First, a close look at the *tourists'* figures reveals that only three out of 17 happened on *excursions,* while 14 took place on the *Hurtigruten,* either while at sea or at harbour. This huge difference can be explained by the simplicity of the excursion product compared to the complex delivery of the service onboard ships at sea. On excursions, for the most time, the tourists are quite passive listeners to the guides and they are not in positions to create failures on their own, while on the Hurtigruten, tourists are actively involved in the delivery of services and can cause service failures.

When inspecting the *service employees'* figures in Table 1, the majority of them took place on *excursions,* a total of 12 out of 14. The explanation for this is the intensive exposure of the guides on excursions, as they to a large extent are performing "theatrical" roles most of the time. When the guides do not fill the roles to a professional standard by, for example, a lack of communication skills, the tourists become dissatisfied with the service performance. On the Hurtigruten, however, there is not the same kind of intensity in the service roles, as some of the service employees also work in back-stage positions.

An inspection of the *service leadership's* figures in Table 1 reveals that the majority of the service failure incidents took place on the Hurtigruten while at sea or at harbour(s), a total of 13 out of 20 incidents. The explanation for this seems to be the complexity of the service processes on the Hurtigruten in comparison to the simplicity of service delivery on excursions. Illustratively, a bus excursion is a quite simple product to produce and deliver compared to what is on offer onboard a Hurtigruten ship over the course of an 11 days and nights sea voyage (inspect the sailing schedule in Appendix 1).

Table 2 contains a set of interesting findings as well. First, 40% of the service failure incidents, 20 out of 51, happened on the Hurtigruten while at sea or at harbour and were caused by *service leadership*, which is explained by the *knowledge* component, with the essence being that service management seems to lack the required knowledge on the planning, design and implementation of satisfying service processes components. Second, 24% of the service failure incidents, 12 out of 51, took place on excursions and were caused by the *service employees*, which was explained by the lack of *skills* (five incidents) and inadequate *behaviour* (four incidents) components. Of the 14 incidents caused by the *service employees* only to took place on the Hurtigruten while at sea or at harbour. The explanation for these findings primarily seems to be inappropriate procedures on the recruitment, selection and training of the local guides. Third, 33 % of the service failure incidents, 17 out of 51, were the "responsibility" of the *customers/tourists,* of which 14 incidents happened on the

Hurtigruten while at sea or at harbour, with 10 of these incidents explained by the *knowledge* (four incidents) and *attitudes* (six incidents) components. The explanation for these findings primarily seems to be that some tourists have quite unrealistic expectations of the Hurtigruten product, which is not a 24/7 service, and that some tourists simply behave rudely and unpleasant. Finally, of the 51 service failure incidents, 25 incidents are explained by the *knowledge component,* 8 of them by the *attitudes* component, five by the *skills component*, and finally 13 by the *behaviours* component.

Lessons learned from the study - Methodological and theoretical implications

The study on service failures on the Hurtigruten has methodological- as well as theoretical implications. First, in relation to methodology, the study proves the value and robustness of the CIT methodology when examining a phenomenon about which relatively little is known [10]. Second, as evidenced in service theory, the service employee perspective has proved to be both valuable and useful in collecting information on service failures [30]. Third, the study confirms the important role of high-contact service employees as valuable sources of information when collecting "stories" or "anecdotes" of service failures [11]. Fourth, although there may be challenges when using a retrospective method, the use of in-depth interviews has proven to be an effective data collection tool [51]. Theoretically, in complex service processes such as those on the Hurtigruten, the research supports the view that a classification scheme of service failures benefits from being contextualized, i.e. that the classification scheme is worked out according to the service areas that exist [30,57], which in this case was the Hurtigruten (while at sea or at harbour and excursions. Then, the study demonstrates the value and usefulness of employing a competency perspective when trying to explore, examine and analyze a set of service failure incidents. In particular, the research proves that the competencies of the actors, service leadership, service employees and customers, may exert an impact on the occurrence of service failures. The research shows that service leadership's lack of knowledge on the planning of service processes is a core reason for the occurrence of service failures. Similarly, the research also shows that the service employees' skills and attitudes may also affect the occurrence of service failures. Finally, the tourists' lack of knowledge, their attitudes and actual behaviour may impact on the occurrence of service failures. Thus, in accordance with service theory, the research reveals that the *actors* involved in the delivery of services play a decisive role in service failure processes [3].

Implications for Practice

The research has several implications for practice. First, as a set of service failures take place on the Hurtigruten, there is a need to enhance the quality of the Hurtigruten product, both in relation to the core product and to the supplementary services on the *ships* and on *excursions*. Second, in order to increase the quality of the product, the competencies of the actors is a critical factor. In particular, the service competencies of service leadership needs enhancement by increasing their *knowledge* of service operations. Third, since the competencies of the service employees are critical for an effective service delivery, two competencies in particular seem vital, those of the service employees *skills* and *behaviours.* In this respect, the hiring, selection and training of the tour guides (on excursions) seem especially important, as the research shows that several guides lacked the required communication skills, while some exhibited inappropriate service behaviour. Fourth, there seems to be a need to focus more on better communication practices in the shipping line. The authority system onboard the ships may be an obstacle to effective communication between the organizational layers. To illustrate, often service failures take place at the front, but the transfer of the information to leadership layers may be difficult as there is not an information system that brings the information up the organizational ladder. Thus, management is advised to upgrade the communication function in the shipping line. For example, despite the fact that some customers are *jay customers* [7], the research shows that there is a need to inform and educate the customers, specifically in relation to giving information that the Hurtigruten is not a "conventional" cruise product providing 24/7 services, but instead constitutes a part of the infrastructure system of Norway by providing stable and safe transport for the people living along the Norwegian coast. Nevertheless, as a reflection of the Hurtigruten's aim to become a world-leader in explorer cruises, the vital implication for practice is that more emphasis needs to be put on the service competencies of the *actors* involved in the service processes.

Conclusions

This study has employed a qualitative research approach in order to examine the occurrence of a set of service failure incidents on the Hurtigruten shipping line. The primacy of the research has to explain the occurrence of the service failures caused by the actors' shortages in core service *competencies*, including those of *knowledge*, *attitudes*, *skills* and *behaviours*. However, this study does not suggest any theory on services failures applicable in industries across the service sector since the study carried out is a single case study [55]. Nonetheless, the study represents innovativeness and newness as the study employs a novel perspective in order to help understand and explain the occurrence of service failures on the Hurtigruten. In this way, the study contributes to knowledge development on service failures in a specific empirical context: that of an explorer cruise line context.

The research, however, may suffer from limitations and challenges, particular in relation to three issues that need to be addressed. First, the use of a service employee perspective in the data collection phase. Second, the value and use of a retrospective data collection tool, specifically that of an in-depth interview, and third, the time of data collection. When using the service employee perspective, information on service failure incidents is filtered, as the tour conductors serve as intermediates for the service failures experienced by the tourists. Still, due to the closeness and interaction between the tourists and the tour conductors, the tour conductors operate in favourable positions to be told stories or anecdotes from dissatisfied and complaining tourists, and according to Kandampully [11], the *"front-line customer-contact employees represent one of the most valuable means for getting information about customers",* with the tour conductors belonging to this employee category. According to service theory, the service employee perspective is a well-accepted approach in collecting stories or anecdotes of service failures [30]. Second, the use of a retrospective method of in-depth interviews may be questioned. Obviously, there are challenges in relation to retrospective methods. Nevertheless, by for example following a strict procedure/protocol [41], quality in research may be obtained. Third, the time of the data collection may raise the question of whether the collected data has relevance to-day. The time of data collection is relevant and important for at least two reasons. First, at the time of the study, a strategic choice was made to become a market-leader in explorer cruises, and new ships

had entered the fleet (see Appendix 2). These types of ships represent the Hurtigruten as they operate today. Second, the core product and supplementary services of the Hurtigruten at the time of the data collection is quite equal to what it is today. In fact, the 11 day and night round trip on the Hurtigruten at the time of the study, is similar to a round trip today. Therefore, the judgment is that the relevance of the data is high by today's standards.

Even so, more research on service failures is needed on the Hurtigruten. One option is to carry out a follow-up study and employ the service employee perspective, as has been done in this research. By doing this, new and up-to-date information is collected, thereby making comparisons possible. Another option is to employ a customer perspective in a new study, which will provide first-hand information on services breakdowns as perceived by unsatisfied customers. In doing this, the "filtering" challenge will be avoided. The change of perspective may also favour a quantitative approach to research which, by use of a representative sampling, will make it possible to draw analytical generalizations [58]. Lastly, a third option is to widen the research focus by including more cruise line operators within a study. In this way, the research findings may be beneficial for the cruise line industry as a whole.

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