

# **MANAGEMENT OF BASIC PROCESSES OF SERVICES IN THE CONTEXT OF THE INTERNATIONAL TECHNICAL REGULATION**

**Valentina Zakharchuk \***

## **1. Introduction**

An efficient technical regulation system is an important part of an attractive business environment in the field of services. Such a system does not restrict competition in the market, including foreign competition, while providing the appropriate level of protection of health and safety, national security, environmental protection and so on. Technical regulation is an important topic in the negotiations between Ukraine and the EU on the establishment of an integrated and comprehensive free trade area (DCFTA), which is also on the agenda of Ukraine's association with the EU.

Services account for half to 2/3 of the gross domestic product in industrialized countries and for 50% in developing countries. Currently, the share of services in the world's gross national product is on average 65%, and commercial and financial services have been market leaders for a long time. They are followed by public transport and communications services, which are generally known as utilities (gas, electricity, water, etc.) and other services (education, entertainment, product delivery, etc.). The proportions are maintained in those fields, although in some cases the total share of services is greater than the one indicated in the gross national product. The US maintains the highest share of services in the structure of its gross national product (72,5%), followed by the Netherlands, Denmark, Sweden, United Kingdom, France, Italy, Japan, Germany and Spain.

An important role in forming a civilized approach towards development of the services market in Ukraine is played by the understanding of the priority areas for the development of the services quality management systems, the certification of such systems, the awareness of the role and importance of international standards and of the problems associated with the harmonization of the national standards of quality management system.

## **2. Importance of the research subject**

The work on the certification of the services quality management systems requires the resolution of the problems created by the lack of regulations on services, uncertainty in classifications and terminologies, blurred concepts and definitions used in the provision of services. At this stage of community development, services are a financially tangible object of production and consumption, and the distinction between the definition of services and that of products is somewhat unclear [1]. Therefore, recognizing the current difficulties and the need to describe the object of the compliance certification it would be appropriate to use international ISO 9000 standards, which include requirements common to the quality management systems in industry and in the field of services of all kinds.

ISO 9000 standards lay down conditions for the management of the services delivery processes and require, in view of the specific nature of services, that a clear description be provided of the characteristics to be assessed by the consumers, and of their assessment criteria. They outline the concepts, principles and processes applicable to all kinds of services [2, 3, 4, 5].

---

\* © Valentina Zakharchuk; Department of goods and service examination; Odessa National Economic University; Odessa; [zakharchukv@yahoo.com](mailto:zakharchukv@yahoo.com)

One of the key requirements of ISO standards is that a process approach be applied to quality management system implementation. The processes associated with the provision of services require a description of features which are not always noticeable to the consumer but which are important for assessing the service quality.

The various characteristics must lend themselves to the assessment of their correspondence to the standards adopted by the service provider. The characteristics of a service or its provision may be quantitative (measurable) or qualitative (comparative) depending on the method of assessment and on the assessor (either the service provider itself or the consumer). It should be noted that many qualitative characteristics that received the subjective assessment of the consumers may be subsequently be given a quantitative assessment by the service provider.

The characteristics that may be indicated in the regulatory documents include:

- capacity, capabilities, quantity of personnel and materials;
- waiting time, delivery time, length of the service delivery cycle;
- hygiene, safety, reliability and security;
- responsiveness, availability and politeness of the personnel, comfort and aesthetic environment, competence, reliability, accuracy, completeness, correspondence to modern standards, reliability and efficiency of contacts [5].

In most cases, management of services characteristics and their provision can only be achieved by managing the service delivery process. Therefore, an important role in achieving and maintaining the required quality level of services is played by the stages of the development of the main processes, the measurement and management of the process parameters. This article is dedicated to the aforementioned issues.

### **3. Discussion**

Service delivery can vary from highly mechanized (direct dialing and calling on the phone) to a fully personalized (providing legal, medical and consulting services). The more completely the process can be described (indicating mechanical means or methods in detail), the greater are the opportunities for applying the structured and well-organized principles of quality management. [6].

As part of the quality management system there must be developed the methodologies that establish requirements to all service delivery processes, including the following three fundamental processes: marketing, design and the service provision proper.

Let us consider the key aspects of the key processes development.

The processes associated with providing quality marketing should include:

1. Identifying the needs and expectations regarding the proposed service (e.g., consumer preferences, service level and expected reliability, consumer demand trends).
2. Taking into account the activities of competitors and of the level of services provided by them.
3. Analysis of legislation (such as health, safety and environmental protection) and relevant national and international standards and codes.
4. Analysis of customer requirements, data on services and information on contracts (matching briefs, analyzed data are communicated to personnel engaged in the design and provision of services);
5. The application of quality management.

The results of market survey, the analysis and agreed commitments of the provider after the decision to provide services should be included in the brief description of the service. In a brief

description of the services specified needs and appropriate opportunities of the organization that provides services as a set of guidelines and instructions on which the service is provided.

The responsibilities of management should include all the necessary software, resources, tools and equipment in accordance with accepted schedules execution of each process required to start the service.

It is necessary to identify the persons responsible for the introduction of requirements for services and provision of clear provisions on security, possible liability and means to minimize the risk to personnel consumers and the environment.

Any advertising of service has to display its specifications or standards of the organization and has to be based on how quality of the rendered service will be apprehended by the consumer. The marketing function should take into account the risk of liability for poor quality and financial consequences of exaggerated or unwarranted advertising services.

The processes of planning of service include its development on the base of brief description of both technical requirements on service and technical requirements on its providing and on a management by quality, with the presentation of features of the organization (i.e. policy as to objectives and costs).

Specifications for the service set content of services are provided, while technical specifications to provide services set means and methods of providing and specifications for quality control assessment methods set characteristics and its service provision and management.

All three types of development: technical specifications for service specifications to provide services and specifications for quality management – are interrelated and during the entire design process are consistent.

Management must allocate responsibilities and provide design services review to all involved in the design, with their duties to provide quality services. The prevention of deficiencies in services at this stage is cheaper than the elimination of them during the service.

Requirements of the design should include:

- planning, preparation, approval, tracking and control of technical conditions for the service and technical conditions for the provision of services and technical conditions for quality control;
- establishing a list of products and services to be purchased for the delivery of services;
- analysis of project at every stage of the design process;
- verification that the provision of services in the form in which it is implemented in practice corresponds to brief description of the technical requirements for services;
- implementation if necessary of changes in technical specifications for the service, the technical conditions for the provision of services and technical specifications for the quality control results feedback or for other reasons.

Quality management should be seen as an integral part of services related to the implementation processes – marketing, design and service delivery. Developed specifications for quality management should include effective management of each such process to ensure that services always answer their specifications and satisfy customers.

Designing quality management includes:

- identify key activities within each process that significantly affect the performance of these services;
- analysis of the key activities for the purpose of selecting those characteristics, measurement and control which ensure the quality of services;

- determination methods of evaluation of selected characteristics;
- determination of how these characteristics influence or control them within the prescribed limits.

Applying the principles of quality management to service delivery can be illustrated by the following example catering services.

For catering services for key activity one can take cooking and how it depends on the timeliness of customer service.

Characteristic of such activities to be measured can be the time spent on preparing meals components. As a method of evaluating this feature, you can use a sample length of time spent on preparation and serving up. And through rational allocation of personnel and feedstock one can ensure that the performance characteristics of services such as timeliness of service, was within the prescribed limits.

After each stage of services design the officially documented analysis of its results should be conducted in accordance to brief description of the service.

At the end of each stage of the design an analysis of the work should be done in order to ensure compliance with:

- Items of specifications for service related to meeting the needs of consumers;
- Items of specifications to provide services relating to the requirements of the service;
- Items of specifications on quality management related processes to the performance of services.

Each such project analysis should be conducted with the participation of all departments, functions of which affect the quality of services, depending on the particular stage. Analyzing the project possible bottlenecks and inconsistencies shall be identified and foreseen and measures be taken to ensure:

- compliance with certain technical conditions for the service and technical specifications for the requirements of service users;
- the adequacy of the technical specifications for the quality management if they have accurate data about the quality of services provided.

Service delivery to customers includes:

- compliance with specified technical conditions for the provision of services;
- monitoring compliance with technical specifications for the service;
- adjustment process in detecting abnormalities.

Quality management is an integral part of the service. It includes:

- measurement and verification of key activities within the delivery of services in order to avoid undesirable trends and customer dissatisfaction;
- self verification of the involved service personnel as an integral part of the measurement of process parameters;
- final assessment of services by the provider to determine the prospects regarding its quality.

Often, estimating the service provided, the consumer comes only from their own subjective opinion. Consumers rarely on their own initiative report to the organization that provides services for its assessment of the services provided, in the case of their discontent with services consumers are likely to stop using them or buy them without notifying the organization that provides services,

that is not allowing it to perform appropriate corrective action. Impressions of customer satisfaction drawn from the absence of claims can lead to erroneous conclusions.

Assessing the degree of customer satisfaction, one should focus on how the brief description of service, specifications for it and for the delivery and service provision meets the needs of the consumer.

The evaluation of the service, which gives the consumer should be compared with the submission and assessment of the provider to determine whether these same two quality criteria and on the need to take measures to improve quality, to determine the degree of compliance with the specifications on service and customer satisfaction has status register work performed at every level of the service.

It is important to implement techniques of control and measurement systems support service parameters. Means of control are: Relevant qualifications of staff, methods of measurement parameters and any analytical model of software used for measuring and testing.

We offer basic process control methodology services on the following criteria:

1. The cost of the process – the ratio of resources spent to the amount planned, that is:

$$V_p = (\text{Actual} / \text{Planned Resources}) \times 100\%.$$

2. The length of the process – the ratio of the length of internal processes to the amount planned, that is,

$$T_p = (\text{Actual time} / \text{Planned duration}) \times 100\%.$$

3. Evaluation of the output parameters – comparison of output parameters with accepted standard, which can be best achievements of the organization or achievements of competitors. Each output parameter shall be assessed according to the developed system of criteria.

4. Evaluation of input parameters – comparison of input parameters with accepted standard, which can be the best achievements of the organization or achievements of competitors. Each input parameter shall be assessed according to the developed system of criteria.

5. Process efficiency – the ratio as a percentage of the actual output and the actual input (eg, educational services is one of the criteria – is the number of graduates to the number of students who were admitted to the institution), ie:

$$E_p = (\text{actual output} / \text{input Actual}) \times 100\%.$$

6. Performance of the process – the ratio as a percentage of the actual output and the duration of the process, ie:

$$P_p = (\text{actual yield} / \text{duration of the process}) \times 100\%.$$

7. The impact of the process – the ratio of percentage of actual and planned output, ie:

$$P_n = (\text{actual output} / \text{planned output}) \times 100\%.$$

8. Satisfaction domestic consumption process (employees within the organization) – is determined by a survey.

Analysis of the data by this method will determine the degree of fulfillment of the requirements for services and identify potential for improving the quality of services, and the effectiveness and efficiency of its provision.

Most aspects of data collection and use statistical methods can be used regardless of whether it is meant to achieve a deeper understanding of consumer needs – to manage the process, learning opportunities, forecast or quality measurement to facilitate decision-making.

#### **4. Conclusions. The perspectives for further research**

Summarizing the above, we note that a variety of existing quality characteristics require a clear indication system for providing quality services according to the needs of today's consumers, so along with the general ISO standards, for presentation of results of methodological work it is necessary to develop specifications or standards of the provision of services, which may include the following:

- recommendations on feedback from consumers (including possible assistance in forming services);
- the purpose and structure of processes;
- measures necessary to achieve customer satisfaction;
- legal and contractual guarantees;
- methods of monitoring and control processes that are recommended for use in accordance with the ISO standards;
- data to be registered and forms in which data must be registered.

#### **References**

1. Мережко Н. В. Управління якістю: підручник для вищих навчальних закладів / Н. В. Мережко, В. В. Осієвська, Н. С. Ясинська. - К. : КНТЕУ, 2010. - 216 с.
2. Системи управління якістю. Вимоги: ДСТУ ISO 9001:2009. - [Чинний від 2009-04-01]. - К. : Держспоживстандарт України, 2009.
3. Системи управління якістю. Настанови щодо поліпшення діяльності: ДСТУ ISO 9004:2009. - [Чинний від 2009-10-30]. - К. : Держспоживстандарт України, 2009.
4. Системи управління якістю. Основні положення та словник термінів (ISO 9000:2005, IDT): ДСТУ ISO 9000:2007. - [Чинний від 2007-01-01]. - К. : Держспоживстандарт України, 2008.
5. Управління якістю та елементи системи якості. Частина 2. Настанови щодо послуг: ДСТУ ISO 9004-2-96. - [Чинний від 1997-01-01] - К.: Держспоживстандарт України, 1997.
6. Шаповал М.І. Менеджмент якості: Підручник. – К.: Т-во «Знання», КОО, 2009. – 475с.

#### **Summary**

Key aspects when developing process approach for the quality system of services in the international ISO standards of a series 9000 are analysed and the important role of the consumer in formation of requirements to rendering of services is proved. The author offered a technique of control of parameters of service which allows to reveal reserves of improvement of quality of service, and also efficiency and productivity of its granting. Recommendations concerning provisions which may contain specifications or the standard of the organization for a specification of activity of the organization are made.

**Key words:** service provider, quality management system implementation, process approach, quality management, standards of the provision of services.

**UD classification:**