

Characteriologic Context of Service Assessment

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Abstract

Powerfully marked concept by the new economic paradigm, the service quality imply and economic parameters and psycho-social dimensions, leading to a multidisciplinary, sectorial and sequentially approach, in an effort to create an object-oriented reference framework to ensure recognition by the consumer and social accreditation.

Service diversity and specificity require the evaluation and the analysis of the quality based on typological coordinates of definition operationalization. The conceptualization of quality is characterized by dynamism, systemic approach, integrating and procedural feature in an evaluative-comparative approach.

The fundamental importance of quality in the competitiveness and prosperity of an enterprise resulted into the completeness of its approach as overall quality across the entire lifecycle and on the level of every organizational structure, its acknowledgement on top management level attaining at the consumers' as well as own employees' satisfaction.

As a dichotomy approach, the evaluation of quality is performed in the context of its perception relativization by the consumer's standards of quality and by services standards of the provider, requiring the implementation of some value-regulatory systems specific to the types of services on sectorial and private level.

The simplex of values, granting identity of appreciation tends, in time, by its cognitive balance to preserve a common definition basis of quality and to and to complementarize through the motivational balance, the interests of the consumer and the provider, noting that the economic operator's margin is determined by the perceived performance.

Keywords: *quality, need, satisfaction, utility, value, simplexity of values*

JEL Classification: D01, A13

Introduction

The evolution of request shifting from mass consumption of standard products to a more personalized request, more demanding in terms of diversity, quality and optionalization, supported by technological and organizational movements, and by the globalization of economic processes and economic, technical and financial phenomena causes the amplification of using competitive advantages and induce new problems induce to the strategic decision takers in achieving the best price-quality-cost ratio. Adapting to the new economic and technological opportunities and constraints imposed new objectives and strategies on the enterprises regarding the customer's satisfaction to maintain and increase market share (flexibility) while minimizing costs (efficiency) (Petcu, 2003). The prosperity of an enterprise is assured by the superior quality of its products and services compared to its competitors, the consumer's perception causing its future attitude towards a particular company's services. Nothing is more important for an enterprise than the confidence in its products and services. In the context of these constraints, its ability to continuously improve its quality becomes an objective and a means to ensure competitiveness and performance.

Complexity of the reference system

Assessing quality in the field of services involves a high degree of difficulty caused by the complexity, diversity and specificity of services, as well as by the quality defining and measuring issue, in general and applied to the sector particularities.

The heterogeneity of services, the complexity of relationships involved and the diversity of implementation and concretizing modes, raises a number of issues in their proper definition. The service supply, usually involves material supports, mere human activity and results with varying degrees of intangibility/tangibility, immateriality/materiality and the consumer's involvement in the performance (Ioncica, 1999). On this approach we focus on:

- the existence of a material support, specifying that it can be used only as a support of the work itself (the kitchen equipment of a restaurant), without necessarily coming into contact with the consumer, or it may be included in the service (the use of a hotel room facilities);
- the concretization of the services is done in a utility, effect, result according to their nature;
- the purpose of the service lies in meeting the needs and satisfaction is perceived subjectively by each individual.

The semantic definition of quality applied to an area of interest, logically, implies the interpretation of a formalized system any offers the analyst the possibility of adapting the content to a specific area of services through its own concepts. For this purpose, the definition of quality shall be:

- materialized in operational and objectives terms;
- accompanied by procedures to monitor (which involves observing the activity in accordance with certain standards, implicit or explicit criteria, formalized procedures) and assess it (which involves measurement according to the same benchmarks and determining deviations);
- accompanied by processes of accreditation, for the purposes of a uniform perception.

The service quality assessment involves a high level of difficulty caused by a number of features.

Characteristics of the service quality concept

As a *dynamic concept*, quality has gradually imposed itself as a main objective, the main lever of retaining the customers and employees, of supporting the business competitiveness, thus increasing profits. The dynamism of quality lies in the joint action of technologies progress, in the increase of consumers' society's demands in general, the enhancing of competition worldwide as main determinants.

The quality generating definitions of quality as "all the characteristics and essential sides by virtue of which a thing is what it is, different from other things " or "summary of the main properties (quality characteristics) that expresses the degree of utility in meeting needs" (Vladescu, 2000), which, in general, refer only to the usefulness hypostasis, were included in a broader context designed to better characterize this concept's meaning and scope of the incidence.

The economic theories on value (defined as the ratio between the service and the satisfaction of the service function and cost), just in time (which involves overcoming the epistemology of the "time", given the assurance of what is required, in the required amount, at the lowest cost, on right time and place), marginality (involving the enforcement of the marginal utility law principles in studying the consumer's behavior), life-cycle (which includes all stages from the design up to extinction) and the development of the management systems, have provided new tools for the approach of quality.

Given the theoretical and practical accumulations, there have been developed the total quality (TQ) concepts - regarded as an approach, strategy, politics, and philosophy - and the total quality management (TQM) [6], the current economic discourse in this area includes psychosocial and social dimensions modifying the paradigm of the economic process.

Total quality is **approached as a system** with interdependent components, including organizational structures, processes, assemblies of procedures aiming at the highest increase of the consumers' level of satisfaction (as feedback) as well as the motivation of their own personnel.

Quality management is defined by standard ISO 8402 Standard as "all the activities of the general management function which determines the quality policy,

objectives, and responsibilities and implements them by means of planning, control, quality assurance, and improvement within the quality system". ISO 9000/2000 Standard defines TQM as "a management system oriented towards quality, extended to all the activities in the organizational structures of a technical and economic system based on a culture and a philosophy of organization in the spirit of quality, on the participation of all employees aiming at ensuring long-term success through the full satisfaction of the customers and by achieving benefits for all the parties involved".

Quality is a continuous **process** that starts with the services definition and design and includes in this "quality chain" all the upstream links (suppliers) and downstream (distributors, e.g. service sales agents) that compete to the service achievement.

The total quality management is a quality ensuring **integrating concept**, another philosophy that provides the company's total dedication to the customer, considering it as the real boss of the company. The logics of this approach lies in the fact that nothing is perfect, everything can be improved as a result of the contribution of the entire organizational structure in a chain of quality, technically supported by prevention, identification, resolution and control tools and procedures.

In the field of services, quality involves a comparison between the conditions met by the services, their specific, and concrete features and consumers' expectations, which imply the reporting of some objective statuses to a subjective way of appreciation. The **dichotomy of this approach**, particularly pronounced in the scope of services, led to the development of complementary methods of evaluation, on one hand, **quality standards of the client's** and on the other hand, the **supplier's service standards**. Part of the supplier's service standards are provided in the regulations (classification of tourism, financial audit, assessment standards, etc.) in common procedures (health transport and telecommunications services etc.) and in service supplier specific handbooks, the process of imposing of minimum conditioning to ensure proper quality by generalization. Regarding the client's quality standards, it can be said that they customize to the individual level, each person having his/her own expectations and evaluations. Unlike goods that can be physically collected, analyzed and assessed, services are mostly envisaged. Given the fact that the "individual chooses the package of goods - within budget constraints - that maximizes its utility" and that "consumption adjustment is achieved in the point where the marginal utilities of goods/services on a spent unit equalize" (Stiglitz and Walsh, 2005), the purchasing of a service that is placed below expectations is a loss in itself and also the failure of other opportunity, which will severely compromise the provider and will affect its long-term image. Buying the image of some services includes risks both for the consumer who does not know exactly what he/she buys and may face sub-performance and for the supplier who can be put into an over-expectation situation, both being suffering out of that. The depreciation of a service supplier's image and reputation is more difficult to rebuild; if a customer can lose all or part of the utility of an

unsatisfactory service, the provider will lose at least part of its customers, usually on long term, with repercussions on its whole activity which may result in its removal from the market.

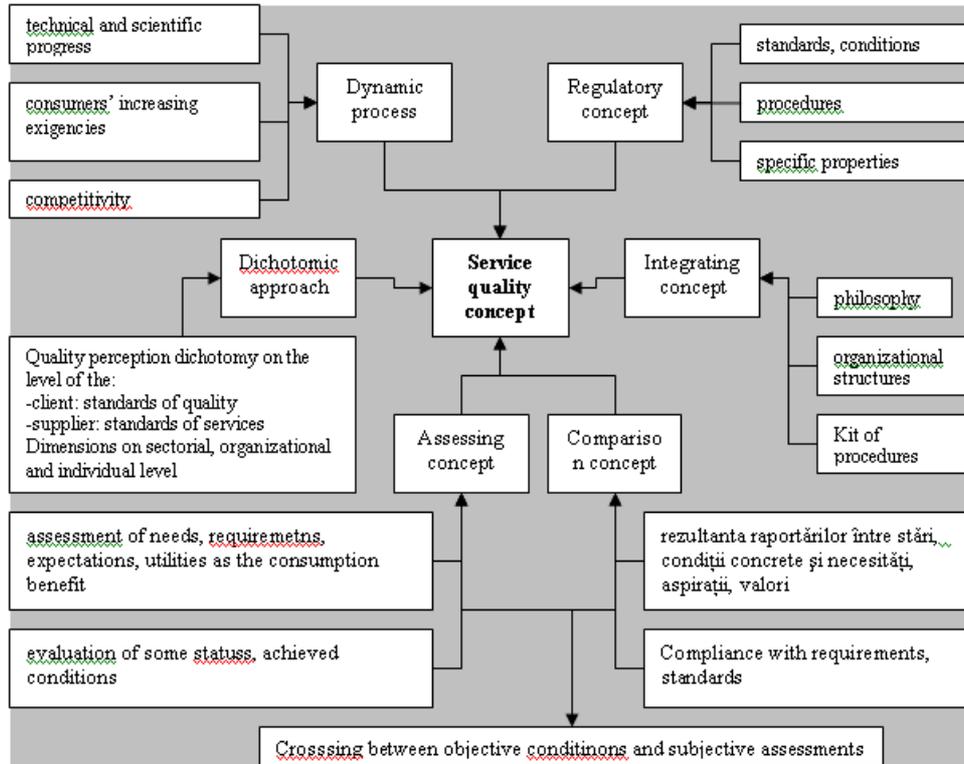


Image 1 Characteristics of the quality concept

In order to harmonize the consumer's and the provider's perception over quality, there were introduced value and regulatory systems appropriate for the services, particularly for public services which involve a more enhanced pluralist determinism (governed by the need of protection) an extended desirability, thus enabling a higher performance uniformity. Quality by its element of ensuring the safety of consumers, implies a major **normative dimension** for certain specific properties or certain restrictions. The implications the use of the services may have on the population and the need to ensure the values simplexity have led to the preparation of some quality standards, from the authorities and other supervisory bodies' level. According to the scope of application of these standards, they may be universal (generally regarding the safety of the population, environment protection and also the definition of some concepts); regional (e.g. enforceable into the EU), national, sectorial (issued by the due authorities as mandatory rules and procedures) and private (on enterprise, organizations, holdings level, etc.).

Successful enterprises develop their own quality standards deemed to impose its own brand as a guarantee of compliance with certain conditions in order to ensure the compliance with the clients' expectations and loyalty. The concept complexity, the specificity, and the diversity of the tertiary sector require a particular approach of quality assessment. Quality assessment in the context of its perception relativity, involves the inclusion in the reasoning of a set of conditions as a commonly accepted prism by the involved parties. The criteria for assessing the quality dimensions on the sectorial level (health, tourism, etc.) are detailed on the supply plant level and individualized on client's level. Thus, for example, in the health domain, the dimensions of quality are: accessibility (the easiness of reaching the services), specific care (up to grade the proper care is ensured, depending on equipment and personnel's training), continuity of care (the degree the care is coordinated by specialists), the effectiveness of care (the level to which services are provided in a fair manner, without errors), effectiveness of care (the service potential to meet the need for which it is required), efficiency of care (ratio between the obtained effect and the resources consumed), orientation towards the patient (the patients' and families' degree of involvement in the decisions regarding own health), environmental safety (the level of avoiding hazard and dangers), the care schedule (timely coverage of the needs of care) (Vladescu, 2000). These dimensions of quality characterizing the system as a whole and that can be mostly quantified and assessed are completed with specific standards by a supplying unit according to the profile, facilities, staff employment, and its motivation. On particular level, in the assessment of quality of service by individuals, although marked by subjectivity, there are objective benchmarks which, subject to certain conditions clarified from the initialization of the approach, confer acceptability to the stakeholders. The quality of life in the medical context circumscribes on individual level: psychological functioning (good emotional status), social functioning, physical functioning (energy level, ability to perform daily activities), the symptoms caused by disease and treatment, thus enabling an assessment from the perspective of some referential values of the supplied medical service.

Quality is an **evaluative and comparative concept** whose assessment is based on the assessment of the expectations, needs, utilities, conditions and status and properties it should be defined on and their comparative analysis, quality being considered itself as a utility (benefit or satisfaction of consumption). In tourism, for example, the quality of accommodation and catering services is evaluated by standards of classification which requires certain facilities and utilities according to which there is granted a certain number of stars. This facilitates the consumer's dealing with a specific standard expected in relation to the price paid and it also enables a comparison between different locations that are classified in a similar way and choosing those that provide a greater degree of satisfaction.

The difference in this case is made by the compliance with the ten dimensions of the services' quality and the additional offer. At the same time the needs and interests of the tourism consumers are in continuous changing, their

dynamism involving an increased capacity of the tourism operators to adapt to these mutations, within the limits of some low flexibility facilities. At present, there were considered four were important experiences sought in tourism: exploration experience of some natural or anthropogenic objectives; biotic experiences using local resources and environmental factors; social experiences, including collective participation in various actions; optimized experiences as a compatible accumulation of other experiences that will ensure a higher degree of satisfaction than the expectations. For the clients' expectations grouped in this way there were also considered three levels of complexity: lower, medium and higher indicating that there are individual events and expectations with significant deviations from what is designed and provided for certain communities.

In order to make some comparisons, a quality system must use an appropriate system of indicators to characterize the conditions, properties, states, on one hand and indicators of the assessing criteria of the needs and expectations aspirations, on the other.

Even if services are characterized by immateriality, intangibility, non-stockability it must be pointed out that their rendering implies: material media for development, the service generating activity itself and, sometimes, material results whose quality can be assessed as any good's. In this context, the quality evaluation is performed using a set of indicators:

- indicators for states assessing (objective), customized on sectorial level:
 - indicators of volume (capacity, facilities, potential customers) and use;
 - indicators of a structure.
- indicators of needs, aspirations (subjective), which usually, are obtained based on surveys, interviews, observations or retrieved from the existing statistical data that can be processed by groups and classifications in order to produce some quality assessment criteria(e.g. morbidity, which will characterize quite accurately the health services needs);
- indicators of value, determined as the ratios between state and necessity indicators as frequencies, variations, relative sizes, indexes, rates, scores, etc.:
 - indicators of the perceived quality;
 - indicators of satisfaction assessment(synthetic index of the subjective effect)that largely depend both on the quality of the objectives conditions and the type and level of aspirations;
 - indicators of opinion.
- indicators of critical symptoms (sentinel event indicators or occurrence screens) that signalize the occurrence of unwanted events and quantify them.

Service quality assessment

The quality of a service is an interface of the beneficiary's expectations with the provider's performance and may be treated as an intersection or as a compromise between expectance and concreteness. Incorporating the significant aspects that characterize the quality of a type of service (in accordance with the theory of meaning) may be unsatisfactory in this area, where the individual's own perception is determinant. Considered as the most important indicator, quality, by its unquantifiable components, dependent on subjective perceptions and appraisals belongs to the new economic paradigm that includes psycho-social dimensions. For a company, quality assessment involves concreteness by measurable components.

Limiting the reasoning to any service, by the definition of value as appreciation to it, one may notice that from the point of view of the:

➤ buyer, quality is a summary of the main properties (quality characteristics) that expresses the degree of usefulness in satisfying a need. In these circumstances, the value of the service for the buyer (VSc) is given by utility (U), related to the cost of production (CC) according to the relationship:

$$VSc = U/CC$$

➤ provider, quality expresses the characteristics, the essential attributes that define the service and the function it satisfies (F) which gives them the ability for usage. In these circumstances, the value of the service for the provider (VSp), within the limits of time and costs (CP) imposed by the market, is given by the formula:

$$VSp = F/CP$$

Utility, defined as the capacity to satisfy a need, expresses the benefit of consumption, the compliance with requirements. "For the substantiation of decisions, people seek to assess the marginal utility" (Stiglitz and Walsh, 2005), tending to increase their satisfaction. The reference value for the buyer consists in its maximum expectation, and the value of the service itself is given by the degree of satisfaction of a need within the limits of their own budgetary constraints.

Defined as the requirement imposed by the functioning of a system, including an individual, the **need** to be satisfied by a service must:

- be acknowledged in a specific shape, enabling satisfaction activities, involving analysis and communication;
- to be socially recognized, which involves mechanisms of influence and persuasion;
- can be made objective, identifying the strategies for action for the achievement thereto;
- allow feedback on the degree of satisfaction and permanent improvement.

Function makes the service useful and makes it meet a specific need; beside its basic function, a service can include the other secondary and complementary functions as well, that may induce a superior quality perception.

Value is synthetically defined as appreciation towards an object, in our case to a service. Although the value of the service for the buyer has an obvious social connotation (because not every option/desire or individual appreciation shall be recommended by consistency, only those that go in line with the options, desires and group appreciations and involve desirable actions) (Zamfir and Vlasceanu, 1993) and the value of the service for the provider has a mostly economic connotation, the two must ensure the identity of appreciation.

A concept with a high degree of abstraction, quality is based on the **simplexy of values** as a unifying factor, as core values of conferring identity to the modes of assessment, involving:

- a cognitive balance, that shall ensure the congruence, compliance and symmetry of perception at the level of the two parties involved: consumers and providers, where constancy (the stability of some attributes) and experience (generating anticipation/expectations) tend to be preserved during time and represent, in each case, a common definition basis of quality;
- a motivational balance as a state of dynamic equilibrium of the specific reasons in the interaction between the client and the provider, that shall determine their needs and motivations, of the client's to meet specific requirements, of the provider's to obtain profit, in a co-evolutional process (Zamfir and Vlasceanu, 1993).

Given the presented conceptual conditions, it may be considered:

$$VSc = VSp$$

from where: $U/CC = F/CP$

It is clear that the difference between the client's cost and the provider's cost is the margin (M) of the latter, its size being a consequence of the function and utility overlap:

$$CC = CP + M$$

from where:

$$U = F(1 + M/CP) \text{ and } M = CP(U/F - 1)$$

The conclusion of this reasoning is that the usefulness of the service perceived by the consumer must exceed the value of the function and validate its margin. This reasoning becomes even more obvious if there are taken measures to increase quality which leads to costs increases (CQ):

$$CP = CPo + CQ$$

CPo being the provider's costs before the quality increase costs.

In this case the **perceived utility** must cover an additional value or the margin should be reduced:

$$U = F[1 + M/(CP + CQ)]$$

On a company's level, the costs of quality include:

- ✓ costs of preventing non-quality throughout the life cycle for all factors of production (the quality of equipment, of the materials and matters, of the personnel and their continuous improvement), with the involvement in the chain quality of the partners upstream and downstream;
- ✓ the costs of monitoring and evaluation which refer to the verification of all components on the entire chain, the audit of the system's quality;
- ✓ the costs of the lack of quality costs consisting of the internal costs (corrections, service duplication, loss, damage, etc.) and external costs related to repairs, complaints etc. In general, the lack of quality in services ends up with losing the clients.

As in any field, the volume of activity and experience (learning curve) are the factors that enable costs reduction which makes the service supplier focus on the social needs. Meanwhile, approaching new needs and enhanced personalization is a major reserve of increasing of the service market growth, the arbitrage between quality and costs becoming more enhanced in meeting such needs.

The importance of quality to maintain the enterprise on the market requires the introduction of the quality management and appropriate costs that must be recovered through the margin. More the function tends to better cover utility at lower prices, more the supplying company will express its competition superiority and shall ensure its perenity on the market. Under budget constraints, the consumer's attitude is marked by the awareness of not meeting the maximum expectance. If the provider is constrained by time and the possibly recoverable costs, being forced to accept a lower degree of satisfaction of the function, then the degree of utility perceived by the consumer can bear significant reductions. The consumers' dissatisfaction will have an impact on the request towards the supplier's services, jeopardizing its position on the market. According to the decreasing marginal utility law, insofar new units are added to a service, the utility increase is diminishes, which may determine a reduction of the degree of satisfaction and imposes a permanent quality increase on the provider. One should specify that the unrecognized over-quality and by the cost of the service may induce losses with significant repercussions on the activity.

The difference between the degree of utility or the benefit obtained by the buyer and the degree of function satisfaction offered by the provider is difficult to quantify due to the subjectivity of the reasoning, perception being the process by which objects and phenomena are reflected in their totality of features in human consciousness enabling knowledge and understanding. There are ten generally accepted dimensions considered relevant for the quality assessing: safety and confidence, cordiality, competence, accessibility, communication, credibility, knowledge and understanding (empathy), politeness and tangible attributes (quality of service materialization).

The **performance perceived** by the consumer depends on knowledge on general and on the **quality of experience** regarded as a measure in the consumer's

relation with certain providers' offer which ensure a point of view to assess the occurred changes, thus increasing their own experience.

Conclusion

Integrating process, the application of the concept of quality in services requires the achievement of some strategic objectives focused on customers' retention by satisfying their needs above expectations, including the minimum cost and the shortest time of response. Marked by a complex and dichotonic characterologic context, quality is one of the main competences and responsibilities of management within a systemic, systematic and creative approach. Being expressed by its degree of utility in meeting the consumers' needs ensured by the functions of the provided services, the quality recognized by the market supports the operator's margin, resulting in performance and perenity.

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