Assessing and improving services’ quality based on quality management models

CATALINA SORIANA SITNIKOV
Faculty of Economics and Business Administration
University of Craiova
13 Al. I. Cuza, Craiova, 200585, Dolj
ROMANIA
inasitnikov@feaa.ucv.ro

Abstract: Services should be directed towards meeting the actual and potential requirements of customers with maximum efficiency, especially under increased competition. It is therefore necessary to focus on the knowledge and anticipation of market requirements, to adjust the services’ supply to meet the current and future needs of customers. Considering these aspects, the research conducted through the paper has combined two of the quality management models – GAPS model and SERVQUAL - designing and developing a new model for improving services quality.

Key-Words: service, quality, quality management, improvement, GAPS Model, SERVQUAL, new model

1 Introduction

During the last decade, due to numerous changes in businesses, there were brought in new techniques of organizing and managing companies. These changes are mainly due to the increased globalization and competition. Thus, the interest and focus on change, sustainability and improvement increased. Therefore, new models of performance have been introduced and developed by researchers to suit different market needs, both in the private and public sectors. Thus, in the services industry, were introduced and developed the so-called multi-dimensional performance models.

Traditional performance systems, referring only to financial measures dependence, are singular concentrated systems. These systems are often criticized for failing to provide sufficient information on the progress of the organization, thus misleading organization in making wrong decisions (Dinesh & Palmer, 2007). Other critics believe that financial measures provide only short-term financial guidance (Kaplan & Norton, 2007). To overcome the "singular" focus were developed and implemented "multi" concentrated systems. These systems take into account both financial and non-financial objectives, integrating them into a single, multi-dimensional performance model.

It is considered essential for an organization to use non-financial measures such as performance from customers perspective, internal processes as well as innovation and improvement activities (Kaplan & Norton, 2007). However, problems arise when an organization decide which elements are taken into account for achieving the objectives.

As empirically demonstrated, in a multi-dimensional performance model can be used several different techniques according to the type of value. An assessment instrument, which has long been used by hospitality industry organizations in conjunction with product and services efficiency, is quality. However, in the ‘80s, many hospitality industry organizations have been forced to depart from the idea of efficiency and put more emphasis on customer needs (Paraskevas, 2006). A well-known philosophy that provides a quality overview is Total Quality Management - TQM. It refers to a wide range of management and control processes and was designed to focus the whole organization on customer satisfaction, providing them with products or services which, for employees provide the best jobs (Talha, 2006).

2 Problem Formulation

Both at national and international levels, services importance is increasing. Today, economic conditions require that all organizations review and tightly control costs and expenses. To gain a competitive and effective advantage, organizations must find profitable ways to differentiate from the others.

Delivering high quality services is vital, especially during periods when competition is fierce. The increasing concentration turned quality into a business target and services quality a key
success factor that can bring significant strategic benefits (Erstad, 2006). Through numerous empirical and conceptual studies carried out in services quality area, has been generally accepted that the quality system has positive implications on the performance and competitive position of an organization. However, it is considered that although the literature on services quality is more varied, there are still present many methodological and theoretical issues, while researchers agree on the conceptualization of services quality and on its early stage in many areas of services industry.

Services quality is a significant part of businesses, therefore, it is important to properly and correctly investigate, assess and improve it.

2.1. Definitions of quality
There are many definitions of quality from different authors. Juran defines quality as fulfilling or exceeding customer expectations (Juran, 2006). On the other hand, Deming states that the only one that counts is the definition of quality in terms of customer. However, after reviewing various papers on quality, it was found that the first researches were focused on defining and measuring the quality of tangible assets and products (Juran, 2006), while the most challenging area, of services, has been ignored. Crosby defines quality as "compliance with requests"; there were identified internal failures (those seen before the product has left the producer) and external failures (those seen after the product was delivered and installed) and measured quality by counting failures. Parasuraman, Zeithaml and Berry (2007) stated that it would be inappropriate to use, for defining quality, only the "product" when studying the services sector, therefore developing the phrase "quality of services."

Quality is an issue of increasing importance in recent years. International companies such as Four Seasons Group and Forte Hotel Group recognize quality as a business objective. Moreover, the studies speak for the quality of services as a key factor that can bring significant strategic benefits. (Erstad, 2006)

For this study, one definition was chosen and used to suit the purpose. Given the research issues and studied area, the quality definition developed by Parasuraman et al. was used.

2.2. Characteristics of quality services
It is well-known that services quality is based on several dimensions. Grönroos (2007) identified two dimensions of services quality: technical and functional. Technical quality refers to how the service meets customer expectations (the result received by the customer based on the interaction with the service provider, the technical outcome of the process). Sometimes, this dimension is called "outcome quality" or "physical quality." Functional quality refers to how it is perceived the service manufacturing and delivering (how the client receives the technical result, the service performance). In addition, this dimension is sometimes called "process quality" or "interactive quality." Functional quality depends, largely, on the interaction between client and service provider.

Lehtinen investigates service quality in terms of physical quality, of those linked to the manufacturer and the interactive one. Physical quality refers to concrete aspects of the service. Quality linked to manufacturer refers to how current and potential customers and other stakeholders see and describe the service provider. Interactive quality refers to the two flows that occur between provider and client, or his representative, including animated and automated interactions (Lehtinen & Lehtinen, 2006).

Grönroos also presented the importance of corporate image and quality experience of service. Often, clients have contact with the same services provider, which implies that at each meeting would recall their previous experience and the general perception of a certain type of service. Therefore, the concept of image was introduced as another important attribute. The image has a major impact on customer perceptions about communication and business operations and, therefore, it is preferable to have a well-known positive image. If, for example, the image of a hotel is negative, the impact of any failure will be magnified several times in client’s mind. On the other hand, a positive image will probably lead to neglecting minor failures and overlooking them. However, if minor failures occur several times, the image will be damaged. Grönroos (2007) argues that the image is a filter in terms of customer perception of quality. Parasuraman et al (2007) identified ten dimensions that influence services quality, based on which he suggested that quality assessments are not solely created using the service outcome. Furthermore, he involved the assessments of service delivery process. The first dimension associated to the posterior assessment of service provision, is focused on the type of service called "result of quality". The second dimension, quality of process, occurs if the evaluation takes place while the service is carried out. He also presented a definition of services quality, as “the degree of discrepancy between customer expectations and their perceptions about services performance".
Brandy and Cronin (2007) developed a model with three factors, describing the services quality, environmental conditions, design facilities and social factors. They underline that services environment includes elements of the service delivery process and it seems best to include them as components of functional dimension.

These are some important dimensions of the services quality; nevertheless, there is no general agreement on the quality content or character from services’ perspective.

An organization can gain competitive advantage using technology to improve services quality by collecting information on requirements and needs to be met. Conceptual models of services quality enable managers to identify quality problems. The prevention of identified problems enables improving profitability, efficiency and performance.

3 Problem Solution

Services quality is a function of differences between expectations and performance. Unlike goods quality, which can easily and objectively be measured in terms of number of defects and durability, services quality is elusive and difficult to measure.

3.1.1. The Gaps model

Based on their research, Parasuraman et al. underlined the idea that quality derives from a comparison of clients desires and expectations with their perceptions of actual service performance.

From this research were extracted 10 dimensions on customer perceptions of service quality (goods, reliability, accessibility, accountability, communication, credibility, security, competence, courtesy, understanding / knowing the customer).

Based on the findings, there was developed a model based on the analysis of service quality gaps. Thus, five differences/ weaknesses ("gaps") are highlighted in the provision of a service, which may cause a poor perception of the service:

**GAP 1:** *Understanding gap* is the difference between customer expectations and level of these expectations, as perceived by the company’s management; for example, unknowing customers' needs.

**GAP 2:** *Standards gap* is the difference between the quality perceived by company’s management standards and service quality specifications; eg. poor quality standards.

**GAP 3:** *Delivery gap* is the difference between service quality specifications and its effective distribution; for example, insufficiently trained staff.

**GAP 4:** *Communication gap* is the difference between services delivery and communication between consumers and businesses; for example if the supply meets demand.

**GAP 5:** *Overall gap* is the difference between perceived service (received) and expected service (desired). This occurs when the client inadequately perceives a different performance and service quality. Gap 5 is the result of the before mentioned four gaps. The model promotes the idea that gap 5 should be reduced by eliminating or reducing the other four. These actions will be included in a program to improve quality and will create preconditions for measuring and evaluating the quality (improved) of the service.

The model underlines that the perceived quality of services is the degree of mismatch between consumer perceptions and expectations. According to Brown and Bond (2006), "The Gap model is one of the most valuable and best contributions to services literature." The first four gaps are identified as functions related to how service is delivered, while the gap 5 deals with customers and as such is considered to be the true measure of service quality. The latter gap 5 is influenced by SERVQUAL.

3.1.2. SERVQUAL

SERVQUAL is a multi-criteria model developed to assess customer perceptions of service quality in retail area. Originally developed from Gaps model, SERVQUAL took form and was developed during the 80s. Rating scale contains 22 items that were grouped into two statements, one to measure expectations regarding general factors of a company, while the other measures the perception of a private company, whose services quality is being under evaluation. In addition, these items were grouped into five distinct dimensions (Zeithaml et al, 2007):

**Materials:** includes physical facilities, equipment and appearance of personnel;

**Reliability:** ability to perform the promised service, reliable and accurate;

**Responsiveness:** reflects a desire to help customers and provide prompt service;

**Safety:** refers to knowledge and courtesy of employees and their ability to inspire confidence;

**Empathy:** individualization and personalized attention that the organization offers to its customers.

Safety and empathy, which contain elements representing the seven original dimensions (communication, credibility, security, competence, courtesy, understanding / knowing customers, and
accessibility) changed along the years. This led to the extended model of service quality.

SERVQUAL purpose is to serve as a "diagnostic methodology" to discover the wide range of an organization quality strengths and weaknesses. SERVQUAL acts as a systematic and interactive multi-stage process, used to discover if the identified dimensions and elements correspond to specific companies and industries. SERVQUAL is designed to be used in any kind of service and provides a basic framework for the development of expectations and perceptions, which include a declaration for each of the five dimensions.

Many companies and industries have successfully adapted SERVQUAL to their organization, although various problems have been identified for this method. SERVQUAL difficulties can be grouped into five main categories:
1) The problem of gaps and their use,
2) Reliability problems related to gaps,
3) Less predictive and convergent validity,
4) Ambiguity in the development of expectations,
5) Unstable dimension of SERVQUAL model.

It is important to emphasize that SERVQUAL is one of the tools used in the analysis of service quality and that there are different approaches that could be stronger in gaps elimination. SERVQUAL has been criticized on both theoretical and operational criteria, although Asubonteng et al (2006) conclude, "until a better model, and as simple, SERVQUAL will prevail as a measure of service quality."

The paper studied the Gap 5, namely the overall gap.

All services provided by various organizations must be directed towards meeting the requirements of actual and potential customers with maximum efficiency, especially under increased competition. It is therefore necessary to focus on knowing and anticipating market requirements, to adjust the supply of services to meet the needs of present and future customers.

Considering the issues, the research conducted combined the above-mentioned models and designed a new model to improve service quality, which was directed to imposing a maximum level of quality.

The objective of this model is to improve and maintain a specific level of quality. It allows service organizations to obtain a competitive advantage, to gain competitive differentiation and reputation among customers.

The development of the new model was initiated with the identification of customers’ dissatisfactions. To determine them, there were studied 20 hotels, where surveys based on questionnaire were conducted. The results led to the development of the new model.

The new model objective is to reduce the disadvantages based on the advantages and is shown in Figure 1.

Fig. 1 New model based on the 2 models’ combination

This new model can be easily applied and its components fully comply with the main activities of any hotel. Correspondence of components and activities is illustrated in Table 1.
Table 1. Correspondence between hotels’ activities and new model’s components

<table>
<thead>
<tr>
<th>Main activities</th>
<th>Additional activities</th>
<th>Model’s components</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOOKING</td>
<td>• booking in hotels from other cities; • procurement of train tickets, plane, shows.</td>
<td>→ management focus on market; → management involvement by identifying tasks and accountability; → turning perceptions in service quality characteristics; → provision and delivery of quality services.</td>
</tr>
<tr>
<td>FRONT OFFICE</td>
<td>• fax; • sales of postcards, magazines; • tourist publicity material sales; • courier; • sales of hygiene items; • information on the provision of services, cultural and touristical; • loading, unloading and transport of luggage; • guarded parking; • wake-up at required time; • keeping valuables in the safe; • messaging; • delivering and sending customer correspondence; • first aid in emergencies; • taxi call.</td>
<td>→ Management involvement; → turning perceptions in service quality characteristics; → provision and delivery of quality services.</td>
</tr>
<tr>
<td>ROOMSERVICE</td>
<td>• phone calls; • room dining, minibar.</td>
<td>→ identify requirements; → management of perceptions; → turning perceptions in service quality characteristics; → provision and delivery of quality services.</td>
</tr>
<tr>
<td>RESTAURANT</td>
<td>• organize banquets, receptions, meetings, formal dinners, weddings.</td>
<td>→ Management orientation to market; → Clients identification; → Requests identification; → Perceptions identification; → Management of perceptions.</td>
</tr>
<tr>
<td>HOUSEKEEPING</td>
<td>• Rooms cleaning; • Preservation of forgotten objects.</td>
<td>→ turning perceptions in service quality characteristics; → provision and delivery of quality services.</td>
</tr>
<tr>
<td>FLOOR SERVICE</td>
<td>• repair and maintenance of</td>
<td>→ turning perceptions in service quality characteristics; → provision and delivery of quality services.</td>
</tr>
<tr>
<td>MAINTENANCE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Although a perfect correspondence between activities and components was reached, main courses of action resulting from the model application to ensure continuous improvement of service quality should consider:

- √ increase of customers and their confidence in the organization;
- √ operators' confidence in the services they provide and in business partners;
- √ empowerment and mobilization of personnel;
- √ awareness, increase market share;
- √ increase in turnover, profit;
- √ protecting and enhancing the environment;
- √ increase market share;
- √ relocation of prices after reporting on quality;
- √ pursuit of a high quality tourism products and infrastructure;
- √ review the professional training through technical training taking into account all the new technologies and equipment and management training using computer;
- √ launch promotional programs to improve the image of organizations.

4 Conclusion

Improving the quality of hospitality industry can be costly and difficult to prove, service quality improvement can cost less, can generate a more responsible attitude from staff and may be more visible to customers.

Research on service quality evaluation has focused on how they meet or exceed customer expectations, quality of service is presented as a measure of how the services meet customer expectations. From this perspective, gaps illustrated through Gaps model may be reduced or even eliminated.

The Gap model is considered the best method for assessing the quality of services for it offers complex and detailed information about the inconsistencies that can arise within and outside the organization. However, Gaps model is difficult to apply in the large service organizations because it is based on substantial research, which can be difficult to develop.

SERVQUAL provides, based on the five key factors (goods, reliability, responsiveness,
reliability, empathy), a detailed description of customer needs, perceptions and expectations, and information provided are used to adapt services to the customers’ requirements. However, problems may arise linked to its application in several areas of services industry because the dimensions listed do not have a universal character.

Therefore, the work and research have been directed towards determining and designing a tool to combine the advantages of two models and, based on them, to reduce disadvantages, resulting in a new model, easier to apply by any organization in services industry and by any type of service.

References: