

SERVICE QUALITY MANAGEMENT THROUGH CUSTOMER ORIENTATION

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ABSTRACT: Quality management represents everything an organization should ensure/accomplish in order to have products which will satisfy the clients' requests concerning quality and the requests of the existent regulations. According to the ISO 9000:2000 standard, quality management coordinates activities in order to direct and control an organization regarding quality. Quality coordination and control generally includes settling a policy concerning quality and quality objectives, planning, control, assurance and improvement. The main task of service quality management is ensuring that services are provided at the quality standards requested or expected by the clients, customer orientation.

Being “customer orientated” means being capable to:

- *build efficient relationships with the customers;*
- *offer clients reliable and high quality services;*
- *help customers find the suited way to satisfy their wishes;*
- *follow the clients' feedback in order to improve the services' quality.*

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Customer orientation (customer awareness) is a vast term, used to cover all the components which contribute to maintaining an efficient relation with clients. The success of all organizations is based on the capacity to manage the clients' expectations, facilitating loyalty and investments (financial and otherwise). “Customer orientation” doesn't mean being only aware of your clients, it also refers to the actions that need to be taken in order to ensure they will continue to be your clients.

Customers service is also an essential component of customer orientation and is currently acknowledged as one of the most efficient ways to add value to products and services. In most cases, clients have many available options, so the decisive factor for them to come back or not is the received service.

In many industries and sectors this also means is more likely for the customers to buy again from the same company or to come back to it in order to benefit from certain services, which will generate more profit.

In this case the necessity of an international standardization for ensuring service quality is imposed. In the 1990's, the use of ISO 9000 standards for quality management systems for organizations/enterprises in developing countries was initialized. The use of these standards creates for organizations in any part of the world the premises to show they align to world-wide adopted criteria regarding the basics of quality management in organizations. It is estimated that more than two hundred thousand organizations world-wide were ISO 9000 certified, including in developing countries and in Romania.

The new edition of the ISO 9000:2000 standards creates a shift towards an active attitude to the organization orientated on processes (not on functions, like the 1994 edition). The new ISO 9000:2000 imposes new types of behavior, approaches and thinking, whether is free or forced, but consented. In conclusion, this is an adequate mentality, which implies its implementation in the organization's culture and, at the same time, adjusting the management principles to the real processes of the organization.

The 2000 edition of the ISO 9001 explicitly defines the purpose, stating that the demands of the quality management system are firstly directed towards satisfying the customer and surpassing his expectations by implementing the system, improving it and preventing unconformities. This edition also mentions that the standard is applied for organizations, starting with the identification of the customer's demands, through all the other processes of the quality management system, all the way to getting client satisfaction.

The eight *quality management principles* which form the base for setting a policy regarding quality are¹:

Principle 1: Customer focus

Organizations depend on their customers and therefore should understand current and future customer needs, should meet customer requirements and strive to exceed customer expectations.

Key benefits:

- Increased revenue and market share obtained through flexible and fast responses to market opportunities;
- Increased effectiveness in the use of the organization's resources to enhance customer satisfaction;
- Improved customer loyalty leading to repeat business;

Applying the principle of customer focus typically leads to:

- Researching and understanding customer needs and expectations;
- Ensuring that the objectives of the organization are linked to customer needs and expectations;
- Communicating customer needs and expectations throughout the organization;
- Measuring customer satisfaction and acting on the results;
- Systematically managing customer relationships;
- Ensuring a balanced approach between satisfying customers and other interested parties (such as owners, employees, suppliers, financiers, local communities and society as a whole);

Principle 2: Leadership

Leaders establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives.

Key benefits:

- People will understand and be motivated towards the organization's goals and objectives;
- Activities are evaluated, aligned and implemented in a unified way;
- Miscommunication between levels of an organization will be minimized;

Applying the principle of leadership typically leads to:

- Considering the needs of all interested parties including customers, owners, employees, suppliers, financiers, local communities and society as a whole;
- Establishing a clear vision of the organization's future;
- Setting challenging goals and targets;

¹ International Organization for Standardization, ISI Catalogue 9000-14000

- Creating and sustaining shared values, fairness and ethical role models at all levels of the organization;
- Establishing trust and eliminating fear;
- Providing people with the required resources, training and freedom to act with responsibility and accountability;
- Inspiring, encouraging and recognizing people's contributions;

Principle 3: Involvement of people

People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit.

Key benefits:

- Motivated, committed and involved people within the organization;
- Innovation and creativity in furthering the organization's objectives;
- People being accountable for their own performance;
- People eager to participate in and contribute to continual improvement;

Applying the principle of involvement of people typically leads to:

- People understanding the importance of their contribution and role in the organization;
- People identifying constraints to their performance;
- People accepting ownership of problems and their responsibility for solving them;
- People evaluating their performance against their personal goals and objectives;
- People actively seeking opportunities to enhance their competence, knowledge and experience;
- People freely sharing knowledge and experience;
- People openly discussing problems and issues;

Principle 4: Process approach

A desired result is achieved more efficiently when activities and related resources are managed as a process.

Key benefits:

- Lower costs and shorter cycle times through effective use of resources;
- Improved, consistent and predictable results;
- Focused and prioritized improvement opportunities;

Applying the principle of process approach typically leads to:

- Systematically defining the activities necessary to obtain a desired result;
- Establishing clear responsibility and accountability for managing key activities;
- Analysing and measuring of the capability of key activities;
- Identifying the interfaces of key activities within and between the functions of the organization;
- Focusing on the factors such as resources, methods, and materials that will improve key activities of the organization;
- Evaluating risks, consequences and impacts of activities on customers, suppliers and other interested parties;

Principle 5: System approach to management

Identifying, understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving its objectives.

Key benefits:

- Integration and alignment of the processes that will best achieve the desired results;
- Ability to focus effort on the key processes;
- Providing confidence to interested parties as to the consistency, effectiveness and efficiency of the organization;

Applying the principle of system approach to management typically leads to:

- Structuring a system to achieve the organization's objectives in the most effective and efficient way;
- Understanding the interdependencies between the processes of the system;
- Structured approaches that harmonize and integrate processes;
- Providing a better understanding of the roles and responsibilities necessary for achieving common objectives and thereby reducing cross-functional barriers;
- Understanding organizational capabilities and establishing resource constraints prior to action;
- Targeting and defining how specific activities within a system should operate;
- Continually improving the system through measurement and evaluation;

Principle 6: Continual improvement

Continual improvement of the organization's overall performance should be a permanent objective of the organization.

Key benefits:

- Performance advantage through improved organizational capabilities;
- Alignment of improvement activities at all levels to an organization's strategic intent;
- Flexibility to react quickly to opportunities;

Applying the principle of continual improvement typically leads to:

- Employing a consistent organization-wide approach to continual improvement of the organization's performance;
- Providing people with training in the methods and tools of continual improvement;
- Making continual improvement of products, processes and systems an objective for every individual in the organization;
- Establishing goals to guide, and measures to track, continual improvement;
- Recognizing and acknowledging improvements;

Principle 7: Factual approach to decision making

Effective decisions are based on the analysis of data and information

Key benefits:

- Informed decisions;
- An increased ability to demonstrate the effectiveness of past decisions through reference to factual records;
- Increased ability to review, challenge and change opinions and decisions;

Applying the principle of factual approach to decision making typically leads to:

- Ensuring that data and information are sufficiently accurate and reliable;
- Making data accessible to those who need it;
- Analysing data and information using valid methods;
- Making decisions and taking action based on factual analysis, balanced with experience and intuition.

Principle 8: Mutually beneficial supplier relationships

An organization and its suppliers are interdependent and a mutually beneficial relationship enhances the ability of both to create value

Key benefits:

- Increased ability to create value for both parties;
- Flexibility and speed of joint responses to changing market or customer needs and expectations;
- Optimization of costs and resources.

Applying the principles of mutually beneficial supplier relationships typically leads to:

- Establishing relationships that balance short-term gains with long-term considerations;
- Pooling of expertise and resources with partners;

- Identifying and selecting key suppliers;
- Clear and open communication;
- Sharing information and future plans;
- Establishing joint development and improvement activities;
- Inspiring, encouraging and recognizing improvements and achievements by suppliers.

Customer orientation derives for the definition of “quality” written in the new edition of the ISO 9000 standards family. The term is used in the context of the client obtaining sustained satisfaction by reaching the level of the necessities and requirements within an organizational framework engaged in the continuous improvement of the efficiency and effectiveness. On this line, quality is primordial for success in any type of activity.

The ISO 9000:2000 standards make a conceptual presentation of the specified requirements for management systems through a process model showed as a curl (figure).

The model acknowledges the important role the customers play when the necessities and requirements enter the process, then the products and/or services are manufactured and the clients’ satisfaction is evaluated when exiting the process. The exit elements are used to improve the clients’ entries and thus completing the curl’s process closing.

The revised standards are developed starting from a more generic structure of the basic processes, which is still in accordance with the PDCA (Plan-Do-Check-Act) cycle used in ISO 14000 standards for the environment management systems.

The four titles for the main causes of the revised standards are:

- management responsibility (policy, objectives, quality management system planning, analysis done by the management);
- resource management (human resources, information, facilities);
- product management (customer relations, projection, supply, production);
- measurement, analysis, improvement (audit, processes’ control, continuous improvement).

In the 2000 version of the ISO 9001, in the 7th section, the 7.2 subsection refers to “The processes of the customer relation”.

- 7.2.1 “Determination of the client requirements” mentions the necessity for the organization to establish an identification process for the client’s requirements, specified and/or unspecified, but necessary for reaching the settled goal and, at the same time, the determination of the obligations related to the product and/or service (including the regulated and judicial requirements).
- 7.2.2 “Review of the client requirements” imposes the analysis of the identified client requirements before sending a supply agreement for the product and/or service to him (for example: offer proposals, accepting a contract).
- 7.2.3 “Review of the capacity to reach the levels of the defined requirements” imposes the analysis of each commitment to supply a product and/or a service, including contracts or orders amendments.
- 7.2.4 “Customer communication” means implementing effective connections with the client. To that effect the organization should define the communication requirements concerning: the information about the product and/or service, laying down the offer request or order, including the amendments, customer complains and other reports concerning unconformities, the call-back process and the clients’ reactions about the conformity of the product and/or service.

In conclusion, these new initiatives in the management field concentrate on all the involved factors – the customer being in the front spot – and on continuous improvement of the organization’s internal efficiency and effectiveness. Understanding and satisfying the customer, together with the continuous improvement of the internal processes, offer the key of success for reaching the financial result: increasing the income and cutting down internal costs.

In the end, the satisfaction of all the parties involved – manufacturer and beneficiary – must be reached and the organization will have a good chance at long-term success.

A quality management system that is introduced for the first indemnification of conformity, should lead to a continuous improvement and in the end to a system which will allow the existence of a product and/or service in progress, foreseeing the future directions. This will lead to changing the small and constant results (conformity) through progressive and continuous results (development) to significant and lasting results (foreseeing and excellence in activities and business).

References

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