



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

FRONT OFFICE: ROLE POSITIONS AND RISKS OF MAINTAINING STANDARDS OF SERVICE QUALITY

SVETLANA BARONENE, PH.D.

Department of Management
State University Higher School of Economics, Russia

JEL Classifications: L80, M12

Key words: Standards, competencies, services, risks of service quality, role repertoire of contact staff.

Abstract: Studies show that one of the key reasons for this development lays in the fact, that the effects of the value added and customer satisfaction appears in the process of communicating with the so-called contact personnel. This article observes the role repertoire used by contact personnel during a service, formulates the requirements for standardization procedures and define the risks that arise at various stages of the process from development to implementation.

ISSN: 1804-0527 (online) 1804-0519 (print)

PP. 80-81

The idea of standardizing services is related, first and foremost, with the risks of services being a special type of commodity: intangible, inseparable from the object, variable, and transient in time. While standards of technical quality with their uniform technological indicators have traditionally constituted an integral part of any manufacturing process, the standards of service quality were first addressed quite recently. Studies show that one of the key reasons for this development lays in the fact, that the effects of the value added and customer satisfaction appear in the process of communicating with the so-called contact personnel (CP)¹ - those who accompany the client while he or she makes decisions regarding choice of product or service. It was that process quality, demonstrated by staff competence, communications skills, manners, immediacy (in response to various inquiries) and physical evidence, that made a key impact on the totality of the client's impression and his or her expectations as to the end result of consumption. Another reason for this change of focus was the need to create the scale of service, keeping it in a certain format of quality positioning, hence, decreasing reputational risks. The understanding of that service quality becomes a key factor in competition and creating added value for companies, is now reaching beyond the sphere of B2C to the sector of B2B.

Lets go through the role repertoire used by CP during a service. The consulting practice in standardization of service quality defines the following role positions of CP employees:

- Consultant: serves an expert on consumer properties of the assortment of product or service, possesses additional information, which is important for the client and allows reducing his or her transaction costs;
- Analyst: able to determine the needs and turn them into motives, translating latent consumption motives into an appropriate format of service;
- Marketing expert: serves as a key link in gathering information on a number of parameters - from wish lists to

efficiency proposals regarding business process improvement;

- Expert: has special knowledge and skills in rendering the service itself;
- Producer: serves as a process supervisor from the initial inquiry to provision of the service; channels the interaction between different divisions of a company within the service chain;
- Mediator: serves as an intermediary between the parties in situations where interests of the client and the offer of the company do not correlate, someone who provides solutions in non-typical situations.

Further, we can configure the main competencies that allow for successful performance in each function:

- Consultant: able to reveal client benefits instead of discussing technical characteristics; able to relate the competitive advantages of the company's services or product assortment, has excellent communication skills (presentation skills);
- Analyst: able to determine priorities of client choices through active listening;
- Marketing expert: knows the methods of studying client satisfaction (survey techniques, observation techniques, etc.), including communication skills;
- Expert: receives feedback from the client in the course of interaction, has functional skills;
- Producer: has decision-making skills within his or her sphere of competence, able to manage communication in conflict situations between various departments of the company;
- Mediator: uses communicative mediation techniques to coordinate the interests of the parties (executor and customer), develops unconventional solutions.

It is obvious from the above that all competencies depend on specific communication skills; and knowledge, skills and responsibilities of the manager. The latter point is essential: whenever the employee is not able to manage various types of service situations, there appears a "gap of quality" that moves

¹ These employees are called "front-line employees" in English, which highlights the aspect of the meaning of "making first contact, facing the front." The Russian meaning of "frontline" is mostly tied to the meaning of "warfare." Both these meanings establish the functional predisposition of this zone in business process management quite well.

client back to the lower stages of the client's life cycle.¹ However, not all companies, which introduce the standards, involve this component into the contact staff activities, usually limiting all the issues to communication skills alone. This is especially evident in companies with a hierarchical corporate culture where all administrative decisions are adopted by managers. One of the basic qualities in the sphere of service is therefore broken: the quality of management is seen by the client only within the "visible part" of the service, i.e. in the work of the front office, not in the "invisible part" fitting to the classical sphere of management.

Based on this functional repertoire of the CP we can discuss all the stages of service quality design standards, including management technologies and risks.

Analytical stage: diagnostics of the entire service system in the company (client service, work of client service staff, weak and strong points in the company's work). Sources of information include: client comments, hotline message, Internet, organized monitoring at the place where services are provided, etc. Studies must include measurements to determine the complexity of operations, and various types of service situations (for instance, "lines" and "client activity gaps", double-channel services: telephone conversations and direct interaction in the office, etc.). As a result, the standard criteria are defined and the task is detailed: which types of processes must be standardized. Special attention must be paid to possible independent actions of the CP in the process of client service operations. The key risk at this stage is a lack of understanding of the necessity and readiness to change the system of functional responsibility of the divisions and the scheme of internal communications (institutions, rules, and requirements), after the decision to introduce service standards.

Design stage: creation of a motivated team (with obligatory inclusion of CP experts), distribution of design assignments, and assignment coordination (presentation and discussion of each stage). This stage assumes creating templates of oral, visual (appearance and environment infrastructure), and institutional (rules and norms and company in-house interaction) presentation for each type of standard. The tactical assignment at this stage is to consider each element in the system of methods used in the company, and to determine which of these elements may harm the service process and which may help to improve it. Often companies prohibit telling the clients about similar services rendered by competitors. However, when staff members fail to respond to this need the customers fall into the trap of increased transactional expenses and lose time searching for the new information. The company's reputation is also at risk since the company appears not to be aware of similar offers on the market. After this stage the typical processes are formally described and standardized and CP receives job descriptions and learn about their scope of responsibilities. The main risk at this stage is not having a client segmentation (client typology) for planning approaches to each group of clients in the course of rendering the service. Corporate

standards should vary and be rooted in various work strategies for different clients, according to their respective target groups.

Approbation stage: local introduction of standards and monitoring of the results and effects of service rendering. To provide effectiveness at the approbation stage it is necessary to think through the zones of introducing service standards: they should be relevant at the most to the type of standards. After this stage the standard procedure is fine-tuned and detailed for complex situations and the standard gets form of "product package" (description, presentation, infrastructural elements - receiving company style elements). A key risk at this stage is not receiving the feedback from the employees implementing standards in their work. The personnel participating in the experiment should not only have the essence of their assignment explained to them but also be given checklists to register any offers and suggestions regarding the new methodology.

Introduction stage: scaling the standard procedures. At this stage CS must be taught the standard procedures through interactive learning strategies. Further there appears the client service process is monitored in accordance with corporate risks. Assessing and analysis of the results allow to define shortcomings and advantages of each technique, to graduate standard violations in terms of their influence on the final result of client service, and to conduct targeted training considering the revealed competence deficits.

The output of this stage is introducing a quality control mechanism. Other additional effects include participating in staff motivation programs (including qualification level rating for each employee and separate units), and organizing benchmark studies of main competitors' ratings (most importantly for the B2C market).

A key risk at this point is lack of developed criteria of effectiveness. Without these criteria no process of assessing the service is possible.

Creating, introducing, controlling and maintaining service standards are an important event that is related with sizable expenses for company. Such expenditures are only feasible for companies that introduce a truly client-oriented set of values, and who value their staff members seeing them as co-organizers of this process and whose initiatives may considerably improve the organization of business processes in the company.

¹ The notion of the client's life cycle can be interpreted in several ways but usually includes the main points of the client's loyalty growth: potential - prospective - first-time - returning - regular - preacher (advocate).