FACTORS OF QUALITY IN THE MANAGEMENT OF THE COMPETITIVENESS OF BUSINESS PROCESSES OF SERVICE ENTERPRISES

Competition is the key to the company’s success in the market environment. Therefore, among many tasks of enterprise management, an important place should be reserved to the analysis of the factors that determine its competitiveness. Methodologically this corresponds to the concept of Total Quality Management, which is the basis of quality management in various spheres of economic activity. Therefore, the purpose of the article is to justify the feasibility of using the TQM concept in management of the business processes of a service enterprise. Based on the semantic analysis of the definitions of “service” and “business process”, the influence of quality factors on the perception of the value of services by customers of service enterprises is determined. Taking into account the specifics of the service sector, authors suggest that an important aspect in assessing the value of a service for the client should be the differentiation between: a) the content (purpose of the service to meet certain needs and b) the quality of actions of the service provider. It is emphasized that the consumer value of services largely depends on the way the performer acts in the process of serving the client, and this is what determines the quality of service, which is perceived and evaluated by the client subjectively and cannot be characterized by quantitative parameters. At the same time, in many cases, it can be brought to certain standards described by a set of criteria that correspond to different levels of quality. This simplifies the management of business processes in the service sector by separating their standardized and individualized parts and makes it possible to develop programs for improving the organization of processes and personnel skills. In the context of the tasks of designing competitive BPs in the service sector and implementing the strategic goals of the service enterprise, the principles of TQM were specified and the «quality loop» for the hotel business was designed.

Key words: service, structure of business processes of the service sector, consumer value, TQM principles, «quality loop», business process competitiveness, business network.
Formulation of the problem. The competitiveness of the enterprise is a sign of the effectiveness of its management and the main attribute of success in a competitive environment. And the more competitors there are in the areas of strategic management of the enterprise, the more attention should be paid by its management to determine those factors that influence and shape its competitiveness – starting from the components of the main business processes that determine the functional properties of products (services) and ending with output (positioning) of their products on the market.

In the conditions of the expansion of information support for working with the market and the growth of opportunities for consumers to obtain the information necessary for them to make a justified choice for purchasing a product that can best satisfy their needs (that is, have the most acceptable consumer value for a particular buyer), the increasing importance in the creation of consumer value by enterprises goes to quality issues. Quality becomes a characteristic not only of the product (or service), but also an important component of the company's image, forming in the minds of potential buyers the image of a manufacturer that can be trusted. And such an image adds new arguments in favour of the purchase – especially when there is a significant number of product analogues on the market. This encourages product manufacturers to improve business processes – especially those parameters that are most important for target groups of consumers. And if for industrial manufacturers quality is ensured by technological characteristics, then in the service sector, the parameters of service are added to this. Therefore, the management of the competitiveness of enterprises in the service sector should also cover the issue of the quality of service processes – identifying those factors that are most important for the formation and preservation of consumer loyalty in those market segments where a specific enterprise positions its services.

Analysis of the recent researches and publications. Many modern scientists deal with issues of ensuring the competitiveness of enterprises in the service sector. The basis of most studies emphasizes the need to identify factors that make it possible to understand customer needs and ensure customer-oriented business as the dominant principle of business process organization [1–6]. Focus on customer as the main scientific and methodological approach to managing the functioning and development of enterprises in the service sector is currently generally accepted. Many scientists are guided by it when developing management tools to solve the problems of sustainable and dynamic development of business entities in the service sector. For example, O. Arefieva and T. Lutska demonstrate this approach (directly or indirectly) in their works [1]. L. Tranchenko with co-authors [2], I. Ryzhik, A. Hlebova, O. Ya. and A. Synyagivska [3], O. Chentsova [5], V. Maiboroda [6] and others. And more and more researchers pay attention to the fact that enterprises can increase the value of a product (service) for customers through innovation [6–9]. From the point of view of creation of a mechanism for managing innovative development, this is presented in the work of V. Maiboroda; the author emphasizes that “the main goal of any enterprise is to create value in the form of high-quality products and services for its customers for a certain reward” [6]. It is noteworthy that the author associates value not only with innovations,
but also with quality indicators, which is no less important for the service sector than for the production of material products.

The valuable nature of innovations is a long-recognized condition for their demand by the market, which is now emphasized by many researchers (for example, [7–10]). In particular, in one of the works devoted to the issues of innovative development of enterprises, we also emphasized that innovations “must provide such changes in the business system that improve the conditions for the creation of consumer values” [7, p. 21]. And each business system is a set of business processes (main and auxiliary), each of which contributes its share to the creation of consumer values.

At the same time, such a view on the management of enterprises in the service sector (which corresponds to their functional purpose and indicates efficiency factors) only partially provides an answer to what management toolkit is appropriate to use in order to maintain the competitiveness of the established business processes at a level sufficient to preserve the viability of the business. The author’s position is — to solve this problem it is advisable to use the principled approaches and methodology of the concept of Total Quality Management [11], the foundations of which were laid back in the 1950s. by J. Juran and received practical recognition in many countries with developed economies [12], became the basis of international quality standards in the field of industrial production. In our opinion, it can also be used to manage the competitiveness of business processes of enterprises in the service sector, especially in crisis conditions, when the general consumer demand is compressed, the structure of consumer needs changes, old markets are transformed and new ones appear.

The purpose of the article is to justify the feasibility of using the Total Quality Management methodology to manage the competitiveness of service enterprises in the context of the structure and conditions of the implementation of their business processes.

Research results. The sphere of services covers a wide range of enterprises that work to meet various individualized needs of people — hospitality and tourism (accommodation and food for guests), sanatorium-resort wellness, transport services, educational and recreational content, fulfillment of individual orders of a specific nature, etc. This functional purpose of the service sector became the basis of the development of serviceology — the science of the principles, forms and methods of satisfying human needs, the subject of which is service activity (maintenance), as a way of identifying and forming a complex of physiological, social and spiritual needs and the process of their satisfaction [8; 13; 14]. Within the framework of serviceology, the factors of the efficiency of service enterprises were studied and the main principles of service management were formed, which emphasized the need for “understanding the needs of service customers, which are formed during the receipt of a service or together with physical goods or other types of material values that contribute to its usefulness that is, understanding the quality perceived in customer relationships and its changes over a certain period of time” [8]. From the statement made by T. Gruenross, it follows that the issues of service quality and usefulness are not only interrelated, but should also be considered in the context of their complementarity. And this should be taken into account when designing business processes in the service sector.

According to D. Harrington’s classic definition, a business process is “…a logical set of activities that consume resources and create value for the consumer” [14]. It clearly indicates the main purpose of the business process — creating value for the consumer. This is emphasized by other authors who interpret the business process as “a set of logically interconnected tasks... to create consumer value for those interested in it” [4]. Concretizing the specifics of business processes in the field of services, O. Kuzmenko and O. Tsyplitska characterize them as “a set of interrelated tasks that result in the provision of a certain service to the client that brings profit. A process must include clearly defined inputs and one output. Input resources consist of all factors that contribute (directly or indirectly) to the added value of a service or product and can be divided into management processes, operational processes and supporting business processes” [15]. And although this definition only briefly indicates the specificity of the service sector, it is nevertheless noted that each of the components of the business process should not only make a certain contribution to the creation of added value, but also increase the value of the final result for the consumer of the service.

That is, there should be no random (non-rational) actions in the chain of sequential dependencies of the set of actions that make up the business process. And its comparative excellence (in other words, competitiveness) can be ensured both by the uniqueness of one
component and by strengthening the influence of one component by another. In the service sector, this is especially evident in the hospitality industry, whose participants usually form a partner network that provides “a sufficient variety of technological and management processes necessary for the creation of products (services) taking into account the variety of consumer preferences in the selected market segment” [16, p. 21].

That is, the value propositions of participants in the hospitality industry are multi-component and the design of business processes is characterized by a high level of variability considering the personalized requests of various target groups of consumers and the possibility of the contribution of potential performers to their satisfaction. It is obvious that such a contribution increases due to the achievement of the desired level of customer satisfaction, which is perceived by him in the categories “satisfied – unsatisfied” (or “high quality – low quality”). Therefore, it is important to analyze the conditions under which complementarity of all elements of the service process can be achieved. In our opinion, this requires, first of all, an analysis of the essential content of the term “service”, regardless of its application in terms of types of activities or methods of provision.

In the scientific literature, the term “service” is interpreted both as a type of activity that has a specific character, and as the activity itself (that is, the process of providing a service, the service process), and as the result of the corresponding activity. From many interpretations, it can be concluded that it is the process approach that makes it possible to “establish connections between operations and evaluate their effectiveness .... to create products that satisfy the customer” [17]. And such a post-operational sequence of studying the perfection of the components of business processes is a fundamental principle of statistical quality management, so we consider M. Hanna’s statement that it can be applied in the service sector for the so-called “service design” to be fair [18, p. 69].

G. Sharkova, researching the content of existing interpretations of the term “service” in the context of creating legal bases for regulating possible disputes regarding the quality of provision, notes that in addition to the most important feature – “beneficial result for the recipient” (which cannot be clearly prescribed from the legal points of view), it is necessary to highlight other features of services: 1) their intangible nature; 2) a close connection with the person of the executor and the way he performs certain actions; 3) they are not identified with the actions of the performer themselves, but exist as a separate phenomenon – a certain intangible good [19].

In our opinion, the distinction between of a) the method of action of the service provider and b) content (purpose of the service to meet certain needs) is an important aspect in assessing the usefulness (value) of the service for the client. And since the degree of satisfaction of the client's needs is always subjectively assessed by him, based on his own feelings, in order to perceive the usefulness of the service, the conditions of its provision should be taken into account. Moreover, different performers can provide a service of a certain content with different quality of service. This explains, for example, the presence of different categories of hotels or restaurants (which is a sign of a certain level of service quality in them), as well as the amount of tips received from customers by those who directly contacted them in the process of providing the service.

So, based on the content that is included in the terms “service” and “business-process”, it can be argued that the main thing for them to determine directions and ways to ensure business competitiveness is to understand the requests and requirements of target groups of consumers, which determine their perception of a certain level of the quality of the service as meeting their expectations (which means it is valuable for them). At the same time, it is advisable to differentiate approaches to the formation of the consumer value of services when designing the structure of the relevant business processes. On those that contain a significant individualized part of quality perception and on the one that can be depersonalized. The latter makes it possible to increase the level of standardization of performed works in the BP structure and this gives the business entity significant competitive advantages.

Therefore, the quality of services can be evaluated by customers according to the criteria of consumer value, which covers not only the transformational essence of the service of the corresponding purpose, but also the conditions of its provision (quality of service). This should be taken into account when designing the BP of a specific enterprise in the service sector. In our opinion, this approach corresponds to the quality management technology known as Total Quality Management, the comprehensiveness
of which is based on the observance of a number of principles that make it possible to effectively manage the processes of creating new consumer values and maintain the appropriate level of quality of existing BPs. This is customer orientation; a process approach to managing the creation of consumer value; a systematic approach in managing all economic activities; encouraging personnel to participate in BP improvement. The interpretation of these principles in the context of the tasks of designing competitive BPs in the service sector and implementing the strategic goals of the service enterprise in general is given in Table 1.

As can be seen from the content of the principles, functionally the first of them is implemented through the marketing subsystem of management, the second – technical-technological, the third – organizational-structural, the fourth – in work with personnel.

Table 1

<table>
<thead>
<tr>
<th>Principle</th>
<th>Interpretation of the principle</th>
<th>Tasks related to the design and improvement of BP</th>
<th>Goals achieved by the enterprise as a whole</th>
</tr>
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<tbody>
<tr>
<td>Customer orientation</td>
<td>The success of the enterprise depends on the consumer, therefore it is necessary to know the current and future needs of the client, to identify and implement the best ways to satisfy them</td>
<td>It is the basis for filling BP with innovative elements that increase the consumer value of services</td>
<td>Growth of consumer loyalty, segmentation and expansion of market boundaries</td>
</tr>
<tr>
<td>A process approach to managing flows of consumer value creation</td>
<td>The effectiveness of the final result depends on the perfection of the technological and organizational-spatial structure of business processes</td>
<td>It is the basis for planning of the process innovations to reduce resource costs and time for service operations</td>
<td>Adherence to strict standards of activity increases the efficiency of the technological component of BP and maximizes the image component of the enterprise's activity</td>
</tr>
<tr>
<td>A systematic approach to activity management</td>
<td>An enterprise is a complex organizational, technical and socio-economic system of interconnected processes, which must ensure the achievement of business goals determined for the strategic period</td>
<td>Focusing attention on the key elements of BP from the point of view of maximizing consumer value and bringing them to perfection</td>
<td>Creation of a system of interrelated processes that would make it possible to achieve complementarity of resource and functional provision of all types of activities laid down in the business model of the enterprise</td>
</tr>
<tr>
<td>Participation and involvement of personnel</td>
<td>Personnel is the key resource of a modern enterprise, therefore it is necessary to effectively use the knowledge and abilities of employees, involving them in management and encouraging their initiative</td>
<td>The innovative activity of the staff and the effectiveness of the design and implementation of new services that have consumer value are increasing</td>
<td>The potential of organizational knowledge to identify new opportunities for the enterprise in creating consumer values is growing, which becomes its main competitive advantage and ensures the formation and strengthening of its competitive positions</td>
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Source: adapted to the tasks of this study based on [11]
The specified principles correspond to the content of the so-called “quality loop”, which determines the sequence and functional orientation of activities in the subsystems of quality management and the establishment of standards for all stages of creating consumer value [21]. For industrial enterprises, it begins with market research and ends with the design of product disposal processes that have completed their life cycle. For the service sector, as mentioned above, it is advisable to distinguish two components in the structure of the quality loop:

1) processes that can be standardized according to certain criteria (they relate to the content of the service; for example, in a hotel – this is temporary accommodation, in a restaurant – cooking according to the customer’s choice; both must meet the quality standards that are described in the information descriptions business and which serve as a guide for customers to choose);

2) service processes that contain elements of personalization (methods, conditions of staff work with clients to meet their need for service).

Such structuring allows management to focus attention on those elements of the business model that need improvement in their qualitative characteristics. That is, in the first case, to develop programs for improving the organization of processes, and in the second case, to improve the methods and conditions of service provision – both standardized elements of consumer value and those that depend on the behavioral characteristics of personnel. Undoubtedly, taking into account the service conditions when designing a power supply will increase the costs of creating those conditions that meet the demands of target groups of consumers. Therefore, the greatest flexibility of BP should be ensured in those elements of their structure that relate to the service process. In particular, it is necessary to develop the communication skills of the staff - to improve the emotional perception of the quality of service by customers.

Therefore, to ensure business competitiveness, it is important to clearly understand what kind of operations can become key at each of the stages of creating consumer value within the chosen business model. The “quality loop” developed by us for the hotel business is presented in Fig. 1.

It is obvious that business owners are interested in positive economic results of their activities, and therefore the management of each enterprise should take into account the priority of goals in terms of planning periods. Their implementation also depends on the situation in the external environment – the less predictable it is, the more difficult it is to achieve clarity in the construction of operational activity algorithms to achieve strategic goals. Especially when there is a war in the country and expectations of business activity in many spheres of economic activity are not optimistic. And the service sector develops when the well-being of the population increases – in the conditions of war, the structure of consumer demand changes a lot. Prospective goals can be determined by those service enterprises that are able to correctly assess market trends and form business processes taking them into account. And although the goals of traditional activities differ from the goals of development, in both cases, quality issues are decisive when evaluating the value of a service in its complex perception by customers. Therefore, the flexibility of BP in the service sector is a fundamentally important component of their competitiveness, and for market success it is necessary not only to standardize the routine elements of BP, but also to determine the spread of parameters to expand the comfort zone of customer service.

However, you cannot focus only on this. Competition is a dynamic phenomenon that changes and develops consumer requests, which means it creates conditions for market participants to discover new ways to satisfy them. Keeping the company’s place in the market requires a systematic and comprehensive analysis of the structure of business processes – to identify those elements that provide a greater share of consumer value and form sustainable competitive advantages. This is especially emphasized in the publications of researchers who are supporters of the concept of value-oriented management [22]. All processes should be subjected to careful analysis – not only the main ones, but also auxiliary ones. This is management of personnel development, management of financial and material flows (logistics), quality control, business information support, etc. These processes do not directly participate in the creation of value for consumers (therefore, for example, issues of personnel development are often neglected, but improving the professional competences of employees can increase the value characteristics of both the content of the service and the service process). At the same time, the perfection of auxiliary processes provides the necessary conditions for
the rhythmic and high-quality execution of the entire set of operational elements of the main processes in which the creation of consumer values in the service sector takes place. The specificity of the creation of consumer values in the service sector determines the importance of rational design of the structure of business processes not only in terms of their content, but also in terms of performers. After all, for example, in the hotel or restaurant business, and even more so in tourism, the business process is built on the basis of network interaction...
of partners, which is usually quite dynamic and includes many participants competing for a place in the network by the quality of their services and their complementarity. This makes it possible to diversify the content of the main business processes, to make them more perfect and of high-quality. The spatial illustration of such organizational and structural interaction of the participants of the network of tourist services with the allocation of marketing functionality is well shown in [16, p. 105–106].

Thanks to this or a similar organizational structure, it is possible to optimize the resource needs of each network participant, to achieve complementarity in the use of the entire set of resources – and this creates conditions for the synergy effect (see Table 1 – the third principle of TQM), which is manifested in the improvement of indicators of economic dynamics. At the same time, it is important to build network business processes according to the “criteria of maximum benefit from the combination of unique capabilities of the participants of the value creation chain” [4]. Such optimization is achieved by the use of modern information technologies, which make it possible to operate with a large amount of data and form the informational basis for making most strategic decisions. Actually, effective management of business processes of enterprises is impossible without proper information support, which “functionally unites the structural elements of the internal environment of the enterprise to coordinate actions to create innovations and implement innovative changes in existing business processes” [23]. Even more so if business processes are designed within the framework of a dynamic network partnership.

It is appropriate to emphasize that network interaction plays a significant role in designing the structure of business processes of enterprises in the hospitality industry – diversifying the conditions of customer (guest) service and thereby creating conditions for expanding their circle. At the same time, the architecture of the network is dynamic – depending on the ability of participants to create value for customers, their composition may change. That is, it is about the competition of individual market subjects for participation in network business processes. And the positive resolution of the issue in favor of one of them depends to a large extent on the extent to which the qualitative characteristics of his contribution will meet the given parameters of creating consumer value in the designed business process. Thanks to this, the external competitiveness of the business processes of the service enterprise (or partner network) is supported – as their comparative advantage over similar market offers in meeting the needs of customers.

To ensure the competitiveness of the enterprise’s business processes, it is important to involve everyone in the search for ways to improve them – and especially those who have the necessary competencies and abilities. In the definition of the essence of the TQM concept, this is especially emphasized: “an approach to the management of the organization, aimed at quality, based on the participation of all its members and aimed at achieving long-term success through customer satisfaction and benefits for all members of the organization and society” [11]. Work with personnel is an important component of the TQM system – and this is logical, because the efficiency of business in the service sector increasingly depends on the creativity of employees, their skills and willingness to use the latest knowledge (in sociology, psychology, communications, etc.) to diversify the content of the service and its methods implementation. The active participation of personnel in solving the tasks of improving the company’s activities – both at their workplace and in a much wider context that expands the market opportunities of the current business model – is one of the basic principles of the TQM concept, the observance of which must be embedded in the organizational culture of a service enterprise and manifest in the methods and ways of managing staff motivation, which are used in the practical activities of managers.

**Conclusions.** Competitiveness is the main feature of the company’s success in the market environment. Therefore, in the set of tasks of enterprise management, an important place should be given to the issue of analyzing the factors that determine its competitiveness – for all components of business processes that form the consumer value of the final product. Taking into account the specifics of the service sector, the author’s position is expressed that an important aspect in assessing the usefulness (value) of a service for the client should be the distinction between: a) the method of action of the service provider and b) the content (purpose of the service to meet certain needs). The consumer value of services largely depends on the way the performer acts in the process of serving the client, and this is what determines the quality of service, which is perceived and evaluated by the client subjectively and cannot be characterized by quantitative parameters. At
the same time, in many cases, it can be brought to certain standards described by a set of criteria that correspond to different levels of quality. This simplifies the management of business processes in the service sector by separating their standardized and individualized parts and makes it possible to develop programs for improving the organization of processes and working with personnel skills. Considering the fact that the design of new services begins with market research and ends with its introduction to the market, it is important to clearly understand what kind of operations can become key at each of the stages of creating consumer value within the chosen business model. Therefore, the article argues that to analyze the components of the competitiveness of business processes of an enterprise operating in the service sector, it is advisable to use the "quality loop", which forms the structural basis of the TQM methodology. In the context of the tasks of managing the competitiveness of business processes in the service sector and implementing the strategic goals of the service enterprise, TQM principles were specified and a "quality loop" was designed for the hotel business. The importance of involvement in the process of improving the quality of work and services of all enterprise personnel is emphasized as one of the principle conclusions of the TQM concept. The development of recommendations for increasing the motivation of service enterprise employees to find ways to increase the competitiveness of business processes should become the subject of the next stage of research.

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