
SERVICE MANAGEMENT – MODERN APPROACH BETWEEN PAST AND FUTURE

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Abstract

The article presents some basic concepts related to service management, highlighting central characteristics described in three temporary dimensions: past, present and future. The research includes an incursion into classical theories, analyzing present trends and the ability to see them both as opportunities and as barriers for the future of what we define as service management. One of the key elements identified as feasible and improvable in a short time plane is the e-learning service. The research provides a global frame for different areas of modernization in service management, considering the fact that modernization should be associated both with complete change and innovation and with existing elements' improvement.

Keywords: Services, Economic development, Social development, State intervention, E-learning.

1. PRESENT STATE – THE CLASSICAL DEFINITION

The service market consists of two correlative sides: supply and demand. The market is the meeting place for different operators and it provides consistency for their actions, giving them the necessary information to define their projects (Ioncica, 2005).

There are no differences in conceptual terms between goods market and services market. Among the characteristics of the services market we mention that measurement of indicators expressing size and market dynamics is more difficult than for the market of goods. Another characteristic consist in the fact that in assessing a firm's market position, researchers use both quantitative elements as well as qualitative elements. Regarding homogeneity, the services are not homogeneous. They are heterogeneous and market transparency is limited due to the immaterial nature of services.

Marketing researchers were the ones who have first identified some managerial implications of the service characteristics, trying to manage different aspects of service organizations. However, nowadays, in the context of service specificities within the knowledge-based society, there is a need of rethinking the managerial concepts and practices in the services' sector (Zamfir et al., 2011). As Zamfir et al. (2011: 2332) state, "from a managerial perspective marketing is only a component of the organization's whole activity, in other words management means much more than marketing, and thus a

holistic managerial approach of service organizations may be more suitable within the knowledge-based society”.

2. THE ROLE OF SERVICE MANAGEMENT IN SOCIAL AND ECONOMIC DEVELOPMENT

The role of services in social and economic development refers mainly to their contribution to economic growth, but also, more widely, to their contribution to quality of life. The first question we should ask ourselves is how we can define the quality of life. I consider that it is the perfect balance between feelings, money, health and time. This term can be defined differently for every person, regarding the degree of importance that they offer to each element that is part of their life.

Latest economic theories reconsider the role of the services for economic development, reviewing concepts of economic growth. One of the most important fields is conducted by the information services.

In this meaning, the main way to avoid mistakes in decision making is to get more information and information is a commodity with acquisition cost. Also conquering world markets is almost impossible without the strong networking of economic information regarding markets' characteristics and specific targets. Given the fact that technical progress led to more complex production systems, we can mention the increase of the need for services that make any industrial or consuming good usable. Consequently, increased wealth should be measured considering the system performance. Further, because the systems' performance is connected to the products' and processes' quality, it becomes clear that the quality of the services means the same as the productivity meant for the industrial economy.

Social services play a vital role in European society, contributing to the increase of the degree of individual capacity to participate in society, offering guarantees of fundamental human rights (The Commission of European Communities, 2008). In the vision of the European Commission, social services field is considered a topic of general interest.

If we take into account the present time and all the facts mentioned above we can not make a clear statement regarding the field in which services have a greater impact: if we speak about economy or social evolution. We can affirm that they are interconnected and a clear separation will not be possible as well as a clear separation between goods and services can not be stated. The main trend is to integrate both ways for obtaining competitive advantage and to reach out to extend beyond imposed boundaries.

3. TRENDS IN SERVICES' DEVELOPMENT IN THE EUROPEAN UNION

At the basis of the European Single Market is the free movement of goods, services, capital, and persons. If this principle has demonstrated its functionality for the internal market for goods after the implementation of the Single Market in 1988, there are still some clarifications required on which are the most effective implementation methods for the internal market of services.

The principles underlying the functioning of the internal market of services were set by the European Union Treaty, which guarantees freedom of firms from selected EU countries to settle in other EU member states (European Union, Article 43, 2006) and to provide services in another member state than they have established (European Union, Article 49, 2006). These are the two fundamental freedoms for the EU internal market. Service providers face barriers when they want to export their services in other EU member states or when they want to establish a subsidiary or to initiate a service activity in one of the countries from EU member states. In a holistic approach, we can affirm that these barriers are imposed by national regulations and that they are aiming to the service providing companies. The effect of restrictive national regulations is felt more intensely by service providers compared to suppliers of goods, due to the special characteristics of services regarding the importance of relationships.

Each state has a strong services sector, varied and defined by a high degree of quality. Regarding the fact that services can not be subject to custom duties, we can not define a custom union in this field. Moving of services over the borders is often associated with the freedom of moving capital, people and goods, and all information about this fields must come in a perfect symmetry for the service market to work actively inside and outside the boundaries of a country. After analyzing these facts, we can conclude that the regulatory barriers are effective in services management and in protecting domestic suppliers (Bobirca et al., 2006).

4. INTERVENTION OF STATE ON THE SERVICE MARKIET – A PREREQUISITE FOR THE FUTURE?

There is and there cannot be a total free market in which mechanisms act totally independently of the state. State intervention is needed to balance the market. The state is an actor for the economic area, an actor often controversial, with a diversity of point of views regarding its place and role in relation with specific market mechanisms (Zaharia, 2005).

Different views on the role of state in the economy have emerged and have played throughout the entire historical development. Economic theories, emerging and developed so far have concerned the extent to which the state must intervene in the development of market mechanisms. All recognize the need for government intervention to achieve market balance.

We face also many arguments supporting the reduction of state intervention in market mechanisms.

The first argument would be that liberalization increases the quality of competition, reducing prices and increasing economic activity in the field, resulting in much better effects than natural monopoly conditions (Zaharia, 2005). Trends of liberalization, the reduction of state intervention in services, refer to the transfer to the private sector of several important parts of the public sector (Ioncica, 2005).

In many areas recently considered a state monopoly, liberalization has had positive effects on the functioning of market mechanisms and thus upon the beneficiaries of the service. An example in this respect is the telecommunication market. Until '90 years of the twentieth century, Romtelecom had the monopole in Romania. Even if with the penetration of mobile services upon the market the natural monopoly of Romtelecom has decreased, its bureaucratic monopoly was maintained on fixed telephony until January 1, 2003 (Zaharia, 2005).

We can define both arguments and counter arguments for the intervention of state in services market, depending of the field on which the analysis is developed. I think that the future trend consist in equilibrated public-private partnerships.

The local authorities play an important role in providing funding for the investments in services. Even if companies have to invest themselves into a project, a substantial support may be provided by grants (Von Malmborg, 2007). In our days, following the economic crisis, the government in many countries has huge budget deficits, and this is the reason why public private partnerships sound very attractive. However, if the new investors have no financial model to fit into the public financial framework of specific area, there will be no benefit delivered to the public. As a solution to develop long term evolution plans from public-private partnerships, I agree with the need for special financing banking schemes that would offer long-term and low-interest loans for the users of the systems.

However, even with the right degree of state intervention in services market, we continue to ask ourselves, which are the areas in which we should make investment, and development plans for the nearest future. It is easy to speak about evolution in terms of services but it is difficult to clearly define and to anchor this evolution on a short period.

5. E-LEARNING SERVICES – ONE STEP CLOSER TO THE FUTURE

Information and communication systems, whether they are connected to internet, intranet, or neither one, serve as a method for developing ongoing learning processes. Usually, the term is used mainly referring to the learning activities taking place outside the classroom, despite the fact that methodologies and curricula have increasingly taken into account this aspect (Reding, 2005).

At the conceptual level (Streng et al., 2008), we can distinguish three types of roles for an e-learning process: the author is the one who creates the materials disseminated through the platform, the guardian is interacting directly with students, trying to reduce differences in their knowledge, stimulating and encouraging learning, and the student, who is the beneficiary of the process of e-learning.

The European Commission believes that E-learning technologies are designed to use multimedia and Internet technologies to improve the quality of educational services by facilitating access to resources and services and by encouraging the exchange of experience and collaboration (Reding, 2005). This phenomenon increasingly nuances the social component of the educational process by facilitating collaboration among students on the one hand and between students and teachers on the other side (Lehmann and Chamberlin, 2009).

Moreover, computer-assisted instruction is seen as an effective way to encourage learning ability and creativity. For example, the use of technology in the classical education seems to have very good academic results and can be a contributing factor to regional development within the European Union, eliminating educational disparities between different people involved in the action. One success factor in regional development could be to encourage trilateral partnership between universities, public authorities and business environment (Zamfir and Plumb, 2011). From this collaboration would result well-trained young people in line with market requirements.

Benefits to implement and use e-learning services are numerous and concern three main categories: technological, economic and psychological benefits (Streng et al., 2008). The most obvious advantages are the use of online technology instead of CDs or DVDs. Thus, the content is platform independent and the only requirement is the existence of a web browser platform. As web technologies continue to evolve, courses can evolve in the same line. Because the content is always up to date, any errors in drafting materials can be quickly rectified and new materials added at the same pace. Disadvantages include lack of availability in offline mode or high response time for weaker equipment - which can deprive the student of education at the same time (Tavangarian et al., 2004).

From the economic point of view, the advantages are mainly for big companies that do not have to cover the costs of installing and maintaining software on each station. In this case, each student may choose in a flexible way the necessary educational resources through Intranet. Any disadvantages would come from higher prices in high-speed Internet services.

Psychological, learning through online chat and instant messaging can have a positive impact on learning experience and results. By explaining the concepts to peers, the student himself endorses the concepts better. The transition from isolated learning to group training can lead to social motivation among students. It allows users to choose learning content and the best time for research.

Moreover, there are cases in which e-learning is not just a solution to lower costs, but rather a method for increasing the efficiency of learning. This is the case of Japanese universities, where courses are conducted with hundreds of students. In this case, it is very difficult for a teacher to understand the learning needs and difficulties of each student.

Internet and its users have grown greatly in recent years (Streng et al., 2008). Internet browsers address employment, education and game playing in a new way. They have access to information quickly, from many sources simultaneously, working at a high speed and expecting instant response and feedback. This phenomenon creates the need to develop your own media environment and not just to consume what others developed in the field. It is possible that these behavioural changes will lead to a new approach in delivering educational materials.

“Often, during the online courses, students feel isolated and do not feel a strong connection. We need to communicate more, to convey the organization values and to encourage people to give feedback. This is the key to success in keeping students’ interest for a longer period and to attract new ones through the power of direct persuasion (a satisfied student will transmit his impressions to others). Often, the skills to create a warm atmosphere in the online environment are not learned by tutors and the biggest obstacles are faced by those accustomed to face-to-face approach”, mentions Gabriel Brezoiu, a student in the third year at the Faculty of Management, Academy of Economic Studies from Bucharest.

Eventually, e-learning services can and should be seen in terms of a business. In this context, retention of students and encourage them to talk about their experience it becomes not only one aspect of communication, but in financial terms, this translates into increased turnover, into profit by recording a large number of trainees and by sharing important data regarding the success in business.

6. CONCLUSIONS

Service management has many similarities with production management. The main difference consists in the importance of human resources, which in services can not be ignored with any costs. This characteristic makes the services market a place where changes and evolution can occur almost instantly, but also we can face threats in terms of different opinion and in terms of lack of homogeneity in people's way of thinking or of acting.

It is said that the biggest and most important changes are made upon the frame of a crisis. We estimate that currently, companies, both from production field and from services field, face two crises: an economic-financial one and another in the terms of values.

The organizational management around the financial and economic crisis considers reducing costs to maintain profitability business. The most important action is to focus our attention to the right segment where we can perform these activities of reducing costs, and not to bow to human resources, without any previous analysis.

On the other hand, the values and the mentality of today's generation are no longer focused on education. The media promotes the idea that we are better viewed if we are rock stars or if we are present at every social meeting.

Therefore, I consider that a holistic view upon the evolution should take into account both issues to meet the needs of its customers and to maintain profitability to the market economy, along with a balanced involvement both of state and of private companies.

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