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The use of Resort-Service Design Methodology in the Management of Sanitarium-Resort Organizations

¹ Irina Yu. Potashova
² Larisa V. Charhifalakjan

¹ Sochi State University, Russian Federation
354000, Krasnodar region, Sovetskaya Str., 26 a
PhD (Economic), Assistant Professor
E-mail: potashova@mail.ru
² State Engineering University of Armenia (Polytechnic), Armenia
0009, Yerevan, Teryan Str., 105
PhD (Economic), Assistant Professor
E-mail: info@seua.am

Abstract

In this paper, the authors take account of the characteristics of services and properties of the business process in discussing the use of process-based management at enterprises within the sanitarium-resort sphere, the basis whereof is formed by services' specific characteristics. The long-term benefits of and the need for applying the process-based approach in the management of service organizations in general and sanitarium-resort organizations in particular have urged the authors to work out a methodology for process-based management in respect to the sphere of sanitarium-resort services, its major concepts and elements including: a methodology for resort-service design (RSD), a functional model for process-based management of sanitarium-resort organizations (SRO), and major stages in implementing process-based management in the activity of SROs.

Keywords: sanitarium-resort organization, resort-service design, process-based management, service, model.

Introduction

There are a number of approaches we can apply to the management of organizations within the sphere of services: from the standpoint of the scientific school of management, based on the administrative approach, behavioral approach, quantitative approach, functional approach, systemic approach, and situational approach. Each of these methods has its merits, drawbacks, and limitations in application.

There is another management dimension that has formed relatively recently – the process-based approach. What is of interest about this approach is that here management is viewed as a mechanism for orienting the enterprise's activity towards business processes and orienting the enterprise's management system towards both managing each business process individually and all business processes combined within the enterprise [6].

Some scholars, as well as some executives of organizations, view the process-based approach or process-based management (PBM) as an ideal management instrument, since this approach helps to not only keep the costs down by eliminating the need for work that does not generate surplus value and, consequently, boost the business's revenue position but make strategically right decisions by focusing on client needs and ignoring hierarchical conflicts [1].

Based on the primary characteristic of a service which distinguishes it from the sphere of material production – namely that a service is a cyclical integrated **process** of production and consumption of economic goods on a single spatial/temporal continuum – it is the process-based approach that, in our view, is a promising and justified option to apply to the management of organizations within the sphere of services.

Materials and methods

The practical realization of the concept of process-based management specifically in the sphere of sanitarium-resort services requires developing and implementing specific methodologies and describing business processes within the organization in a documented fashion. For these purposes, there is a wide use of **modeling business processes**, which helps to not just tally up and capture businesses and functions but determine the interaction between the elements of the organizational-functional structure.

It should be noted that, when it comes to the practical realization of the process-based approach, specialists within the area of service tend to speak of designing a service and providing it. Thus, in developing a methodology for process-based management in respect to the sphere of sanitarium-resort services, we choose to go by the idea that process-based management of sanitarium-resort organizations (SRO) must consist of two principal interrelated parts: resort-service design and its realization.

In this case, the authors' **methodology** for process-based management of SROs includes:

- the major concepts and elements of process-based management of SROs;
- a methodology for resort-service design;
- a functional model for process-based management of SROs;
- the major stages in implementing process-based management in the management of the activity of SROs.

The methodology developed by the authors can be used by any SRO, and its practical application could help the organization's senior management:

in the area of enhancing the overall management of the SRO:

- to develop a set of activities aimed at enhancing the activity of the managerial apparatus, its structure and staffing model, labor conditions and management and work out activities aimed at rationalizing specific types of work that are performed both within the managerial apparatus and by the SRO's staff;

- to put together information support for management;
- to radically enhance the operation of many subsystems of management: marketing, personnel management, etc.

in the area of enhancing the client relationship:

- to determine client needs for services and start providing SRO services inclusive of client needs;

- to integrate the newly-identified needs of the consumer into the service development process and correlate them with the design characteristics of services, then correlate them with the components of these characteristics and then with the parameters of the process and the instructions for the performers;

in the area of enhancing the management of the quality of services:

- to work out an illustrative organizational model that will help realize the opportunity to comprehensively present the entire process of providing the service and present all relevant information both to the organization's managerial apparatus and its staff with a view to improving the quality of service;

- to identify issues existing within the process of providing services, i.e. any bottlenecks and operation duplication issues both inside and between the departments;

- to assess both the internal and external quality of service provided by the organization through the SRO's staff and clients evaluating the expected and actual quality of service;

in the area of enhancing the staff relationship:

- to establish a really working mechanism of discipline in the interests of senior management;
- to achieve, through meeting the needs of staff, improvement in the quality of customer service by striving to ensure that employees stay with the organization for as long as possible, boosting the value of its workforce, and keeping down the costs of hiring and training new employees.

Below is the authors' diagram for process-based management of SROs (Fig. 1):

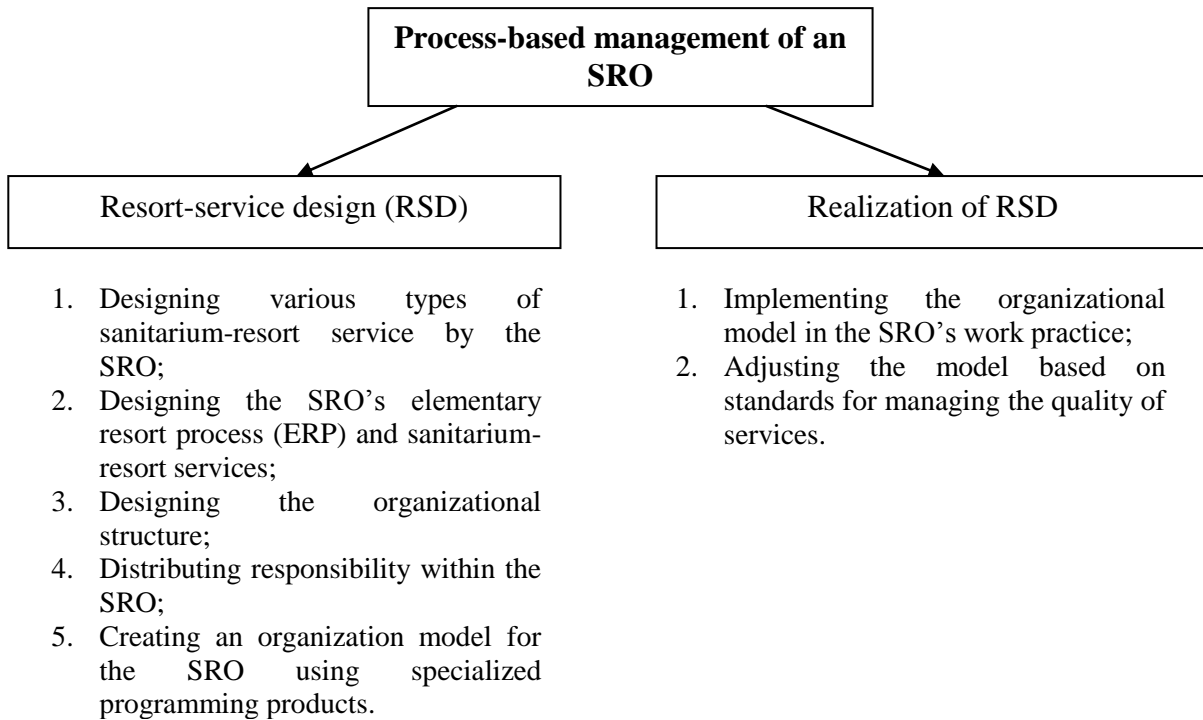


Figure 1. The components of process-based management of a sanitarium-resort organization

In considering the first component of process-based management of an SRO, **resort-service design** (RSD), it is worth noting that the term “design” has been construed in different ways when used in respect to service.

In general terms, **organization design** is construed as “development and implementation of managerial labor rationalization designs. There are comprehensive design and local organized design. Comprehensive design implies working out a set of activities aimed at enhancing the activity of the managerial apparatus, its structure and staffing model, labor conditions and management. Local design includes working out a set of activities aimed at rationalizing specific types of work performed within the managerial apparatus” [10].

By another definition, organization design is the process of working out design solutions and activities aimed at organizing and enhancing the operation of the project management system” [7].

Since in this study the term is used in respect to just organizations within the sphere of services, hereinafter, in relation to service activity, we shall be using the term “service design”.

Specialists within the area of service are still yet to come up with a uniform approach to defining the content of the above concept and methodology for its realization. For that reason, in general terms we construe **service design** as describing in specific form the processes of providing services complemented with a specification, guidelines, and deliverables.

The closest to our understanding of service design is the methodology of **service blueprinting** [11], developed by Lynn Shostack specifically for service marketing. Central to her version is the graphical analysis method, which makes it possible to provide a top-to-bottom idea of the entire process of service provision. It includes three components [12]:

- determination of all consecutive stages in providing a service, the time they are actualized, and the choice of administrative staff;
- graphical imaging of all the identified stages using special denotations;
- for each stage one needs to identify the acceptable limits for deviations under which no tangible loss in quality will occur.

In this case, the process of providing a service is presented visually in the form of flowcharts.

Another service design method is called **integrated or concurrent design** [9], which originates from the Japanese production sector. It implies bringing together all necessary functional specialists in one design group. That said, no special methodology for working out and processing design solutions has been provided with this method.

Another method for designing processes, including service ones, is the **SIPOC diagram**. It is an enlarged map of the process that is divided into several elements: S (supplier), I (input), P (process), O (output), and C (customer). The diagram contains a set of indicators and operations on each element and parameters critical to the quality of service. It is primarily used as part of the Six Sigma methodology [3], most of the time when all the workflows need to be presented in a "single" view.

While all the above process design methods are of a universal nature, the methodology of **service-oriented design** is utilized only for the purposes of planning and realizing IT strategies and creating the enterprise's information architecture [2], which makes it pointless to examine it within the scope of this paper (despite the similarity in the title).

Another service design method used in an area akin to the subject of our study is **precreation design** [8], which is construed as variative modeling of recreation programs and systems that service them inclusive of recreation needs [5]. This methodology can, too, be used in sanitarium-resort practice, but it does not allow us to resolve the objectives set in this study, since it does not contain a process description methodology and reflects just the consumer's activity rather than the service supply by the sanitarium-resort organization.

In working out a methodology for process design in respect to the sphere of sanitarium-resort services, we have tried to utilize the more successful solutions found by previous researchers.

Resort-service design (RSD) is process-structural variative modeling of resort service programs based on the needs of the client and the potential of the sanitarium-resort organization.

The authors' **methodology** for RSD includes:

- principles for constructing;
- a typology and hierarchy of main elements;
- a structural model for processes within the sanitarium-resort organization;
- a design algorithm.

In designing its services, the sanitarium-resort organization needs to resolve the following objectives:

- determining the recreation specialization of structural elements;
- describing a specific service;
- putting together a set of services based on resources available (a resort program);
- generating a financial tally of the program costs.

The authors use business process engineering as the conceptual basis of RSD.

Based on the above, the modeling is grounded in the following **principles**:

- the process hierarchy principle;
- the process specialization (typology) principle;
- the periodicity (cyclicity) principle;
- the contact principle.

The hierarchy principle implies identifying process subordination levels from elementary to more complex, which are grouped together as an aggregate of processes of the previous level. That said, processes of a higher level will now have a whole new qualitative content.

The specialization principle implies that resort service processes are qualitatively different from each other, which governs their specialization. This principle is realized through the identification of primary (basic, target), auxiliary (securing), and managerial processes.

The periodicity principle is associated with that the nature of sanitarium-resort services governs their uneven distribution in the form of certain, more or less complete, cycles.

The contact principle implies identifying contact (related to servicing vacationers per se) and contactless, i.e. auxiliary, (for internal consumers) processes.

These principles allow us to view RSD as a structural-modular diagram (map) that contains various combinations of processes in servicing vacationers at the SRO.

Major concepts associated with RSD.

One of the major RSD concepts is, above all, **sanitarium-resort servicing** – goods with certain characteristics and a regulated quality level that are provided to the consumer.

Its most basic (elementary) element is the **elementary resort process** (ERP), which is construed as an internally integral homogeneous element of sanitarium-resort servicing, an element not divisible into technological components.

Separate ERPs form a **sanitarium-resort service**, which can be viewed as a grouping of elementary processes in their interaction and succession that is perceived by the consumer as a homogeneous, single act. Such services include massage, balneotherapy, ultrasound diagnostics, sauna, etc. Note that a service can be formed both from several same-type ERPs (in the form of a course of procedures) and various ERPs that mutually complement each other.

Grouping resort services in accordance with their specification makes it possible to identify the **kind of sanitarium-resort service/services** (e.g., recreation services, sanitarium-resort medical services, food catering services).

The kind of sanitarium-resort service/services determines the **type of sanitarium-resort servicing** and, consequently, the type of resort organization – an interrelated and interdependent combination of various kinds of resort service activity that emerges on the basis of the leading kind of service (e.g., resort organization of recreation – a vacation center, a vacation hotel; resort organization of treatment – a sanitarium, etc.).

In considering the components of process-based management of a sanitarium-resort organization, let us take a more detailed look at the major stages in RSD (Fig. 2).

The first stage involves working out a roster of types of sanitarium-resort service/services, which is concluded by constructing a hierarchy tree.

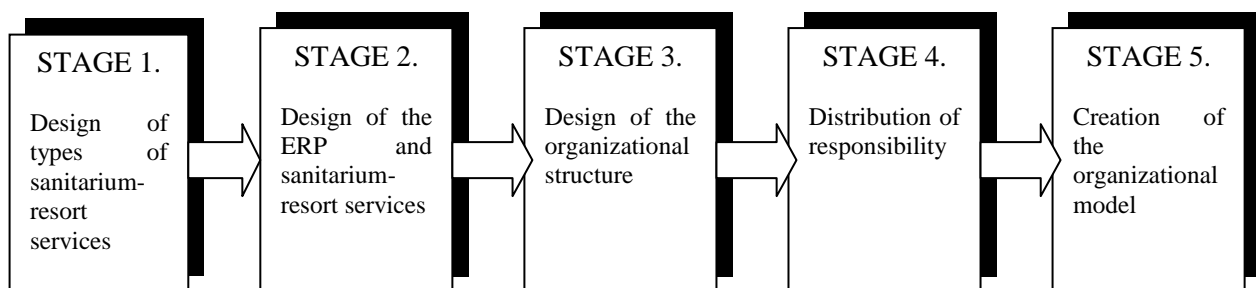


Figure 2. The major stages in RSD

The second stage in RSD consists of three successive steps: constructing the tree of elementary resort processes, classifying sanitarium-resort services, and providing a thorough description of sanitarium-resort services.

Subsequent to designing the types of sanitarium-resort service, the ERP, and sanitarium-resort services, the SRO needs to carry out the third RSD stage – design the organization structure which realizes all that. The fact that the organizational structure is designed only in the third stage is crucial, for there is a rule whereby, in designing the ERP and sanitarium-resort services, one needs to forget about the existing structure [4]. The organizational structure is the tertiary element in constructing the SRO model and is just a means of realizing the types of sanitarium-resort service/services and sanitarium-resort services of the company. The organizational structure, compared with the types of sanitarium-resort service/services and sanitarium-resort services, is described quickly, since it is determined by the personnel scheduling chart – the company's units and positions are identified easily.

The fourth stage in RSD involves describing the distribution of responsibility of the company's structural units for sanitarium-resort services realized in the company. In this stage, one needs to specify who does what and who is responsible for what.

The fourth stage involves describing the match between the results of the second and third stages in designing the SRO's activity – the match between the company's sanitarium-resort services and its organizational structure.

The final, fifth, stage involves the creation of the organizational SRO model, which requires using special techniques and tools.

The second component of the methodology of process-based management of SROs is **realizing the ERP**. The distinctive characteristic of this stage is implementing the developed organizational model inclusive of adjustments made during the course of its effectuation and with orientation towards the quality of services provided. The latter is the more relevant, since in the present-day stage of the development of the sanitarium-resort sphere its major distinctive feature is orientation towards the end result, which is manifested, above all, in the functional quality of services provided, whose essence lies in the interaction between the client and the SRO's staff.

One of the main reasons behind the low quality of resort service is the weak regulation of service processes at health improvement institutions, the lack of interfunctional coordination between units responsible for providing a single service and, all the more so, an entire set of services to the vacationer.

Conclusion

The authors have developed a methodology for process-based management of sanitarium-resort organizations, which consists of two interrelated parts: resort-service design (RSD) and realizing RSD.

1. The authors' methodology of process-based management includes:
 - the major concepts and elements of process-based management of SROs;
 - a methodology for resort-service design;
 - a functional model for process-based management of SROs;
 - the major stages in implementing process-based management in the management of the activity of SROs.
2. The developed methodology can be utilized by any SRO, and its practical application could help the organization's senior management to enhance the management process in the following focus areas:
 - the area of enhancing the overall management of the SRO;
 - the area of enhancing the client relationship;
 - the area of enhancing the management of the quality of services;
 - the area of enhancing the staff relationship.
3. Resort-service design (RSD) is process-structural variative modeling of resort service programs based on the needs of the client and the potential of the sanitarium-resort organization.
4. As the conceptual basis of RSD the authors have used business process engineering and its major principles, which has allowed them to view RSD as a structural-modular diagram (map) containing various combinations of processes in servicing vacationers at the SRO.
5. The methodology of process-based management of SROs, especially its second part (realizing RSD), is, in our view, of the greater practical significance. Implementing the process-based approach in the management of SROs means renouncing existing traditions, entrenched rules and approaches. The authors believe that the scheme could help reproduce the SRO's business process "from scratch", overcome the past stereotype of economic thinking, and put an end to the negative impact of economic dogmata. Reforming the business process starting right from its roots, the implementation of the process-based management scheme could help achieve a shift to a whole new level of management and transform not only the SRO's intrafirm business environment but the organization's image as well.

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