

# Tools for Evaluating the Quality of Public Services in the Sphere of Small and Medium-Sized Business Support and Promotion

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**Abstract**— The paper considers issues related to the evaluation of the quality of public services in the sphere of small and medium-sized business support and promotion. The authors identify the problems, objectives and main tools of evaluating the quality of the services provided by public organizations to small and medium-sized businesses in Moscow. In 2016-2017 at the State Government-Financed Institution “Small Business of Moscow”, the authors tested the following indices and methods of evaluating the quality of public services in the sphere of small and medium-sized business support and promotion: the Customer Satisfaction Index (CSI) and Net Promoter Score (NPS); the “Mystery Diner” method in order to evaluate the work of the employees at the local subdivision, and the “SERVQUAL” method in order to provide a full assessment of the quality and efficiency of performance at the local subdivisions of the organization. Evaluating the quality of public services for entrepreneurs is a priority area for improving the quality and assuring the efficiency of public services provided to business entities.

**Keywords**— *small and medium-sized entrepreneurship, evaluating the quality of public services, Customer Satisfaction Index (CSI), Net Promoter Score (NPS), “Mystery Diner”, “SERVQUAL”.*

## 1. INTRODUCTION

The analysis and solution of problems related to the evaluation of the quality of public services in the sphere of small and medium-sized business support and promotion are the most significant fields of scientific research, as the small and medium-sized business sector has become a priority strategic area of economic advancement, a criterion of stability and an indicator of economic development, as well as one of the key elements in the accomplishment of the objectives of modernization development, innovative transformations of urban environment and improvement of the quality of citizens' life [7, 9, 10, 12, 15, 17, 19].

The existing models of evaluating the quality of public services in the promotion of small and medium-sized businesses are poorly oriented toward taking into account entrepreneurs' opinions and expectations. The lack of a uniform system in integrated monitoring and control of the

quality of public services provided in the sphere of small and medium-sized business promotion does not allow creating effective, ongoing communication channels in order to receive feedback from entrepreneurs and to fully analyze and take into consideration their real needs, to quickly and swiftly react to changes in the small and medium-sized business environment, and to adapt actions to improve the situation. [8,11,13,14,16,20,21]

Despite the fact that the problems of improving the quality of public services associated with small and medium-sized businesses are placed greater focus on, it is worthwhile noting that there is no systematic approach to the study of the phenomenon yet.

This study aims at identifying the main tools for evaluating the quality of public services in the sphere of small and medium-sized business support and promotion.

In 2016-2017 at the State Government-Financed Institution –Small Business of Moscow”, for the first time the authors tested and used for the monitoring system, the following indices and methods of evaluating the quality of public services in the sphere of small and medium-sized business support and promotion:

- The Customer Satisfaction Index (CSI) of the quality of the consultations provided. The key Customer Satisfaction Indices are as follows: the reliability of the organization, the cost of services, the range of services, the quality of services, the work of the personnel, the availability of technical documentation, the line of credit, support service [1, 2, 3];
- The Net Promoter Score (NPS) to identify the consumer's commitment (loyalty) to the practices of the government-owned institution [5].

The authors developed and tested in 2016-2017 at the State Government-Financed Institution –Small Business of Moscow” the following methods of evaluating the quality of services associated with small and medium-sized business support:

- The –Mystery Diner” method to evaluate the quality and efficiency of the employees at the local subdivisions of the organization. This method is aimed at assessing the

consumer experience, which a citizen gains in the process of providing the public service [18].

- The “SERVQUAL” method for a full assessment of the quality and efficiency of performance at the local subdivisions of the organization. This method is aimed at measuring the difference between the customers’ expectations and their assessment of the service performed. The amount of this difference shows what specific improvements are to be made, which will allow overcoming difficulties in converting abstract reasoning about the quality of the services into actual managerial decisions concerning the improvement of the quality of consumer services. The basic model SERVQUAL identifies the satisfaction of the receiver of the services provided by the organization. Five main parameters, which make up the “ideal service”, are taken into account:

- Tangibles: the external appearance of the premises, the appearance of the staff, the interior and indoor cleanness, etc.
- Reliability: good service, fast and precise forwarding of calls, etc.
- Responsiveness: operational efficiency of dealing with requests, friendliness, etc.
- Assurance: visual indicators of professionalism (looks, uniform), creating a safe environment, etc.
- Empathy: willingness to make concessions to the service receiver, to change a course of action in order to make the service receiver satisfied [4].

In order to identify the level of satisfaction of entrepreneurs by the quality of consultations (Customer Satisfaction Index — CSI), the staff of the Quality Control Department together with the authors conducted a survey among 5422 entrepreneurs who received consultancy support in the local subdivisions of the State Government-Financed Institution “Small Business of Moscow”. The survey took place in 2016-2017; 2965 entrepreneurs were surveyed in 2016, and 2457 entrepreneurs were surveyed in 2017. The survey was based on the “Form of evaluation of entrepreneurs’ satisfaction by the quality of the consultations provided”, which had been developed by the authors of this paper. In this form, the entrepreneurs were asked to evaluate the consultations provided by the staff of the local subdivisions of the State Government-Financed Institution “Small Business of Moscow” using a 10-point scale.

By contrast to the previous year, the quality of the consultations performed by the State Government-Financed Institution “Small Business of Moscow” showed a mainly positive dynamics of rise in 2017. A significant gain was demonstrated by the subdivisions of South-Western and Central Administrative Districts of Moscow. This can be explained by the fact that the directors of these subdivisions had efficiently taken remedial action, ensured the necessary staff turnover and raised the implementation practices of the staff, moreover they personally took part in rendering consultation services to small and medium-sized business entities.

In the framework of testing the NPS methodology, there was a survey conducted among entrepreneurs who had

received advice from the State Government-Financed Institution “Small Business of Moscow”: 2116 entrepreneurs were surveyed in 2016, and 2456 entrepreneurs were surveyed in 2017. The average value of the NPS index amounted to 77,2% in 2016 and 93,9% in 2017, which is 16,7% higher and shows that there was a considerable increase in the quality of consultations. The comparative analysis of the quarterly indices (QI) in 2016-2017 demonstrates a positive dynamics in the index of entrepreneurs’ loyalty to the State Government-Financed Institution “Small Business of Moscow”.

158 onsite visits to the local subdivisions were organized in 2016 according to the “Mystery Diner” method on a paid basis. The lowest figures were observed on the following criteria: active listening, greeting/making contact, handling pauses. It was recommended to organize training of consultants in the areas of activity that showed the lowest results.

If we compare the local counselling subdivisions on the basis of the results of the evaluation of the quality of the staff’s work in accordance with the “Mystery Diner” method, then we will see that during the whole reporting period the highest figure – 90% – was observed in the subdivisions in South-Eastern and North-Western Administrative Districts of Moscow. The lowest indices of satisfaction by the quality of services – 74% and 76 % – were witnessed in Troitsk and Zelenograd Administrative Districts, respectively. The overall dynamics of meeting the requirements to the quality of consultancy support exceeds a threshold of 80%.

In 2017, only 63 evaluation events were arranged. Due to lack of financing, university students and new hires to the State Government-Financed Institution of Moscow “Small Business of Moscow” were joined on the evaluation in accordance with the given method. The quality of checks decreased significantly due to lack of performers’ practical experience; the evaluation results were incorrect and for the most part were not taken into account. A significant amount of time was spent on the reverification of the results obtained, as well as on listening to the audio records. In the end, it was decided to temporarily eliminate this practice until the financing was restored.

The approbation of the “Mystery Diner” method allowed obtaining some particular results. Firstly, it helped identify the level of the employees’ knowledge and professional competence. Besides, the personnel formed an opinion of frequent “Mystery Diner” checks, and this allowed additional stimulation of consultants’ high quality performance and let know beforehand of falsification of reporting documents. The quarterly deep check of rendering consultancy support in accordance with the “Mystery Diner” method helped identify in greater detail the weak points in the work of the subdivisions and helped the directors develop actions to improve customer service.

Since 2016, the “Forms of a full assessment of local subdivisions” and “Forms of evaluating the quality of group activities” have been used to evaluate the performance of local subdivisions. These forms were developed by the authors of this study on the basis of the “SERVQUAL” method.

The Quality Control Department organized 284 target visits to local subdivisions in 2016 and 178 target visits to local subdivisions in 2017 in order to fully assess the quality of the local subdivisions performance in three areas of control: the material and technical state of the premises and individual working places at the local subdivision; availability of informational and promotional materials; conformance of the local subdivisions activity with the standards, regulations, timetables and work plans of the State Government-Financed Institution of Moscow –Small Business of Moscow”.

According to the full assessment results, the most essential gain in the performance of the local subdivisions in all the areas of control was observed in the subdivisions located in South-Western, Troitsk and Western Administrative Districts.

The analysis of the full assessment results of the performance at the local districts of the State Government-Financed Institution of Moscow –Small Business of Moscow” revealed that the lowest figures during the period under review were shown on the criterion –availability of informational and promotional materials”.

Implementing a complex approach to organizing the system of internal control and monitoring the quality of consultancy support of small and medium-sized business entities allowed arriving at the following results:

- applying the unified methodology and tools for evaluating the quality and growth of the quality of rendering public services in consultancy and methodology support of small and medium-sized businesses;
- reducing the number of negative reviews from participants, taking prompt remedial and preventive actions in the sphere of the quality of public services;
- increasing the workplace discipline, the responsibility of the director of a subdivision/department for conformity to the internal code of labor conduct by the staff of the organization/department.

#### CONCLUSION

Considering the results of the approbation of the approaches to creating the system of internal control and monitoring the quality of consultancy support, a common system is suggested that would control and monitor the performance of the executive authorities and the institutions within their jurisdiction in Moscow, which render support for small and medium-sized businesses, and circulate the figures obtained from the testing of the indices and methods of evaluating the quality of small and medium-sized business support in the framework of the activity of the State Government-Financed Institution –Small Business of Moscow”: the Customer Satisfaction Index (CSI), the Net Promoter Score (NPS), and the –SERVQUAL” and –Mystery Diner” methods.

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