
THE GUARANTEE SERVICES PATHOLOGY IN LARGE ORGANIZATIONS – PARS KHAZAR CASE STUDY

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Abstract. Nowadays, with the increasing competition in the production and sale of diverse products on the market and the increasing organizations efforts to produce value for customers and consumers, the selection of competitive advantages in business is very important. One of the most common competitive advantages is the provision of services along with the sale of the product to customers. The replacement of faulty products from customers, which is called “warranty”, is one of the most common services in selling products. Warranty service is costly for manufacturers and is not usually considered to be effective in organizations, and in the long run, it costs a lot to the organization. Consequently, like any other process, it is necessary to evaluate and compare its results with the primary goals and analyze the causes of the deviation, and finally identify shortcomings and take action. In the present paper, analyze were carried out using information from 2,400 products from the Pars Khazar Manufacturing Company. During the current analysis, the process of replacing defective products and comparing the results with the goals has been examined, which results can be extended to other large organizations. The result of the current research is to identify the key factors affecting the effectiveness and efficiency of the process of warranty, such as marketing, distribution, logistics, product design, staff training, standardization of processes, information systems, organizational corrective actions, and agility.

Keywords: Pathology - guarantee service - Great Organizations – Case study

Introduction. Along with the development of marketing and the growing attention of organizations to the customer needs and demands, we are faced with a variety of new ways of attracting and retaining customers. For various reasons, the same marketing principle in different organizations is often seen in different ways and various problems. Organizations vary in size, focus, goals, strategies, policies, programs, controls, training, and so on. And each of them uses different forms of systems and methods. Sometimes the organization does not only achieve its goals by using systems, that also puts a lot of costs on the organization. The guarantee service is one of the services behind the sale of products, which is often emphasized in advertisements. And its proper implementation can create a good competitive advantage for the organization. Of course, the lack of standardization of the guarantee service process may also generate significant losses. The subject of the current paper is to examine the internal organization results of the implementation of the guarantee process in large organizations and to analyze the causes of possible process deviations. In this article, Pars Khazar Industrial Co. is selected as a case study. And doing this study on the one hand can improve the internal processes of the Pars Khazar and, on the other hand, its results will be extended to other similar organizations.

The Pathology Case Study of guarantee services of the products in Pars Khazar Industrial Co.

Pars Khazar Industrial Co., as the first manufacturer of small household appliances, started its activities in March 1969 with the cooperation of Japan's Toshiba Co., at Pars Toshiba brand. After the Islamic Revolution in Iran, in November 1982, Pars Toshiba Company name was changed to Pars Khazar Industrial Company. Currently, Pars Khazar Industrial Co., as the largest manufacturer of small electrical household appliances in Iran, operates as a joint stock company.
Following the ever-increasing emphasis on customer role in the business, Pars Khazar also tries to assume customers as business partners and support customers through constant communication with them and provide extensive post-sales services. In this way, balanced interests of its stakeholders will be ensured in a specific pattern of organizational excellence and achieve sustainable growth. As a result of adopting this approach by the Pars Khazar and its decision to reduce distance with consumers, professional marketing departments in the Pars Khazar have been formed. In this approach, the CRM department, the sales and after sales service database, as well as the customer voicemail unit, have been created, which provides customers with the information they need and receive comments and suggestions. And the Pars Khazar Industrial Company in the last decade, with the help of these systems, has had many successes, such as the acquisition of statues, certificates and letters of thanks.

The guarantee service is one of the unique services of Pars Khazar Company, which is currently working with the development of a post-sales service network to more than 450 authorized centers in big cities of Iran. And for 10 years, it provides all the company's products, which includes 25 months of after-sales service and 2 months replacement services for rejected defective products.

In the first step, in order to analyze the environmental conditions and the situation of competitors in the provision of guarantee services, it is necessary to consider the results of a research conducted this year in the Pars Khazar Marketing Department. According to the results of this research, the Pars Khazar rivals in Iran, do not offer faulty return product to customers.

The guarantee service for many years has been a unique competitive advantage in the Pars Khazar. In these years, when there is a tight competition over the cost of producing and supplying a variety of services to customers, due to the emphasis of the Pars Khazar senior managers on protecting customers, heavy costs have been imposed on the company during the guarantee process. In some years, the guarantee costs account for about one percent of the company's total sales. The emphasis of the organization on the provision of guarantee services on the one hand represents the commitment of top management to customer satisfaction, but on the other hand, lack of clear targeting in the results has led the company's operational staff to be neglected by the importance of the effectiveness and efficiency of this process.

On the one hand, due to the amount of guarantee costs and, on the other hand, identifying it as one of the best items for improvement of the organization and, as a consequence, its role in reducing the organization's costs, has led the senior manager of the Pars Khazar, by reorganizing and reforming the information flow process, and reducing the organizational distributions of related departments help to implement and evaluate guarantee activities. At the first step, direct sending of products to the quality control department was carried out to investigate the technical causes of the product's return. Of course, the lack of formalization of processes, as well as the lack of multi-tier teams from the outset, has created many problems. As a result, together with the formulation of new guidelines for standardization and the creation of the unique definition of the Guaranteed product specifications, and extend that to all relevant departments, especially the body of the organization that directly contacts customers, and the formation of joint committees between engineering department, Quality and production, the company took action to remove barriers. Due to the existence of a history of receipt of the item in the organization, which was already in place before the procedure was elaborated, it was returned to the company as a result of a mass of products outside of the known procedures. These information was used in the case study of the subject of the current article as initial input information. First, to gather data, the rejected products were reviewed in the Quality Control Department with the form of Figure 1.

<table>
<thead>
<tr>
<th>No</th>
<th>product Name or code</th>
<th>Product serial number</th>
<th>The cause of the claim</th>
<th>Observed defects</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Scratched and Broken</td>
</tr>
</tbody>
</table>

Figure 1

Due to the large number of data obtained, and the need to increase the speed of the transfer of information between the relevant departments and therefore the need for quick corrective actions to eliminate the conflicts, the use of the information system, which, along with the rapid data flow, sustain the records of the goods, Customers and employees was required. The initial observations of the products were categorized in four sections: 1. Scratched and Broken 2. Used products 3. Quality defects 4. The products without problem. At the end of the six-month period, the observations showed that out of 4800 only 2390 products were able to identify, test and analyzed technical data, and the rest of the sets were inseparable. Although half of the entire product was not covered by the product guarantee, but it was passed by all the control gates of the organization.
The main reasons why the products were found to be contrary to the guarantee definitions included these factors (Fig. 2): Due to the lack of standard procedures, at the beginning of the work, there was no uniform definition of the guaranteed product. Also, some products, although not compliant with the guarantee, were returned to the company with a senior manager license as a special privilege for some of the major customers, but rejected by guarantee code. Meanwhile, in some retail sales to retailers from the capillary sales channel, the organization was faced with customers unable to pay on time, whose products were also mistakenly referred to as “guaranteed goods” to the organization.

For the analysis of the guarantee process, we first used a review of products that were rejected in any way by the guaranteed products code. According to the statistical analysis (Fig. 3), Scratched and Broken products included 75% of all rejected products.
Due to the large number of scratched and broken products, the transportation process was investigated as the first factor. The results of the audits, from the origin of the production center to the points of sale and warehousing in different stages, led to the identification (Figure 4) of two main factors: 1. Quality of logistics 2. Quality of product packaging.

In the warehouse audits, it was observed that the standards for the layout of ready-to-sell products as well as FIFO were not implemented. Some products Packaging quality do not have the ability to withstand the current logistics process of the organization, and urgent improvement plans are required in packaging and logistics factors. By reviewing 2390 testable rejected products, it was found that Quality defects included 13% of the total number of products returned, which resulted in 64 corrective actions to improve the design and product quality. Of course, the speed to change and improve the design and quality of products in the Pars Khazar, like other large organizations, has been very slow as a function of the organization's agility index. Actually, 13% of the products replaced for Quality defects, are precisely the products that were guaranteed to satisfy end consumers. Therefore, this number can be considered as a criterion for measuring actions that leads to direct satisfaction of final consumers. However, in definition of guarantee, all customers are referred to, and only the final consumer satisfaction is not considered. By examining the productions date (Fig. 5), it has been determined that the distribution of the productions date has actually included products even four years ago, while according to the definition of the Pars Khazar guarantee, it should only be two months before.
In analyzing the reasons for returning old products in the guarantee process (Figure 6), it was found that failure to comply with the requirements for completing the guarantee form would sometimes result in the incorrect use of old products that have been used for several years as a guaranteed product in the first 2 months. 5% of all rejected products were in this group. Due to the fact that a large number of returned products was old and was guaranteed because of the delayed sale to the market, as a result, during the review of the company's ready-to-sell inventory, two other factors: 1. Failure to realize sales forecast at past years, 2. FIFO's non-compliance with inventories, has been identified.

Pars Khazar Industrial Company established the Pars Khazar Distribution Department in 2012, Whose goal was to sell and distribute products between home appliance retailers throughout the country. The organization's distribution approach was based on two distinct channels: 1. the Pars Khazar Distribution department 2. other segments. As a result, the current article analyzes the number of products based on these two different channels.

In the preliminary study, the role of these two channels seemed to be equal, but in fact, due to the difference sales of two channels in the unique period, the difference in their performance in the guarantee service was significant, so by calculating the percentages of the total sales, it was found that, Pars Khazar distribution Channel in terms of percentage of total sales was 1.75 times higher than other segments. In the analysis and comparison these two channels, the number of broken products in the Pars Khazar distribution department was 81% of the total number of the rejected product of this channel, while in similar proportions in other segments it was 70%. Therefore, the breakdown of products in the logistics process of the Pars Khazar distribution department has been more than the other segments. By analyzing other causes of returned products from the Pars Khazar distribution Channel (Figure 7), we are faced with non-implementation of the guarantee requirements. In this case, instead of getting money from the products returned based on year of production

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>2013 and Before</td>
<td>36%</td>
</tr>
<tr>
<td>2014</td>
<td>23%</td>
</tr>
<tr>
<td>2015</td>
<td>31%</td>
</tr>
<tr>
<td>2016</td>
<td>10%</td>
</tr>
</tbody>
</table>

Figure 5

Figure 6

Observations
- returning old products in the guarantee process

Identifications
- Failure to comply with the requirements when completing guarantee forms
- Failure to implement FIFO principles
- Failure to realize sales forecast

Corrective actions
- Vendors Valuation
- Vendors training
- warehouses Staff training
- market research

Figure 7
debtor’s dealers, their products returned. Often, by mistake, instead of being sent to the ready-to-sale warehouse, it was wrongly sent to the factory as a defective rejected product, while it has no quality problems. According to the statistics of totally without problem products, 7% of the total products returned were this group. Of course, lack of formalization of processes in spite of decentralization can be one of the reasons for this process error. In addition, the independence of the distributing department and the lack of an integrated information system between the distribution channels and Pars Khazar Company show that, despite the fact that the organization has been forced to decontaminate due to its wide extent, the necessary formalities for implementation have not been taken into consideration. As a result, the same reaction was not performed with the same items in the process inputs, and dispersion was observed in the execution of the procedures. Differences in the provision of guarantee services in different distribution channels also affected the distribution costs of the products, thus, by examining the distribution costs at the Pars Khazar distributing department, it was found that the costs of this department are higher in the same conditions as other segments.

<table>
<thead>
<tr>
<th>Observations</th>
<th>Identifications</th>
<th>Corrective actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The high number of products returned from the Pars Khazar distribution channel</td>
<td>Lack of standardization</td>
<td>Developing and implementing the same procedures and instructions in the channels</td>
</tr>
<tr>
<td></td>
<td>Slow Circulation of Information</td>
<td>multi-task teams</td>
</tr>
<tr>
<td></td>
<td>Returned products from debtors</td>
<td>Integrated information systems</td>
</tr>
<tr>
<td></td>
<td>Mistakes of distributor staff</td>
<td>Periodic evaluation of customers</td>
</tr>
</tbody>
</table>

![Figure 7](image)

Given that scientific references do not provide a clear definition of the efficiency and effectiveness of the guarantee process, if implicitly, consider the effectiveness of the guarantee in satisfying customers and its efficiency in achieving organizational goals in the most optimal use of resources. Therefore, in order to assess the effectiveness and efficiency of the guarantee process, it is necessary to identify and track the returned products, and it should also be considered whether customer satisfaction has been raised.

As a result, in the performance of the warranty service, from the beginning of the process, the products should be identified by serial number and origin of the product. Then the additional data such as the origin of the return (consumer, retailer or wholesaler), the delivery of the receiver in the organization (employees), the reviewer and the confirmator should be attached to the unique serial number of the product and recorded in the different gateways of the process. Subsequently, the documents are sent to the finance department and the related work is done. This information package will provide the basis for periodic reports of performance indicators and process effectiveness. And at the end it is determined whether customer satisfaction has been gained. Of course, clear goals for the process must already be developed. The performance of leading competitors can be one of the realistic sources in defining the objectives of the guarantee process.

**Conclusion and Conclusions.** The implementation of the guarantee process in large organizations with a wide range of information involves the full support of the senior manager and the commitment of employees to the continuation of the activities. These items aim to improve the efficiency and effectiveness of the process and achieve
the goals of the organization. This will be achieved by realizing decentralization alongside the formalization of processes and with the help of comprehensive management information systems. Of course, the creation of multi-tasking teams, the coherence of internal departments, clear strategy announcements, the targeting of sales promotions, the realization of sales forecasts, the evaluation of vendors and the training of employees can be considered as other prerequisites for an effective and effective process of guarantee. (Figure 8).

Finally, it is suggested that the impact of each of the above variables on the costs incurred by the organization from the guarantee service process be investigated.

Figure 8

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ANALYSIS ON EFFECT OF RELIGIOUS EXPERIENCE ON MENTAL HEALTH OF TEACHERS IN BABOLSAR CITY

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Abstract. Subject: The mental health is a status of perfect rehabilitation by which individual are able to perceive their own capabilities and adapted to stressors of normal life and shared with production in their community. The religious experience is also a type of immediate awareness of divinity position. Objective: The methodology of this study is of librarian and field type and research statistical population is composed of teachers in schools of Babolsar city and they were chosen and analyzed as 256 participants based on Morgan’s table of sample size. Then, research hypotheses were tested by data collection using a questionnaire with reliability coefficient (88.4%). Findings: The results of regression test indicated that variable of religious experience (religiosity) has significantly affected physical function, lack of anxiety, lack of depression, and social practice in teachers of Babolsar city. Conclusion: Paying attention to spiritual dimension empowers the human and contributes to him/ her in toleration of life difficulties and prevent human from anxiety, worry, and thus their consequences e.g. suicide etc. the real spirituality is life knowledge in fact and it trains human how to preserve his/ her spiritual and mental health and guarantee natural growth of soul by enjoying active and useful social life. Surely, these trainings will be led to personal and family health and eventually health of community.

Keywords: Religious experience (religiosity), Mental health, Teachers.