



INTERNATIONAL EXPERIENCES IN THE ACTIVITIES OF SELF-REGULATORY ORGANIZATIONS IN IMPROVING THE QUALITY OF HOUSEHOLD SERVICES AND THE USE OF THESE EXPERIENCES

B. A. Yerejepova

Associate Professor, PhD, Department of “Management and
Fundamentals of Economics”, Karakalpak State University
erezepovabibisara159@gmail.com

Abstract

The article examines the institutional role of self-regulatory organizations (SRO) in service quality management and their effectiveness in various countries. SROs improve quality through standards, monitoring, and enforcement in service sectors such as advertising, financial intermediation, legal aid, professional services, and construction. Conclusions are provided based on materials from OECD, FINRA (USA), ASA (Great Britain), JSDA (Japan), Canadian legal societies and Korean advertising, as well as documents on SROs in Uzbekistan and local studies.

Keywords: Household services, efficiency, service quality, self-regulating organization, model, standardization, monitoring.

Introduction

As in other fields, the efficiency of the household service sector is directly linked to the organizational and managerial performance of the business entities operating in it, which necessitates the improvement of the organizational management system. Household service activities are considered a complex and multidimensional process. This process is ensured through effective management of enterprise personnel and resources, adherence to service



standards, and alignment of the provided household services with consumer demands.

In our Republic, there is a specific state body responsible for managing and developing the household service system. In the 1990s, the sector was regulated by the association called “O‘zmaishiyxizmatuyushma.” This association coordinated the activities of household service enterprises, improved service quality, and enhanced the professional skills of system employees.

Currently, since the household service sector is developing in a fragmented manner, calculating the exact volume and quality of services provided is difficult. Consequently, some issues still exist concerning service quality, consumer rights protection, and improving competitiveness. Among such problems are the lack of clear service standards, weak quality control systems, and insufficient protection of consumer rights. At present, in most service sectors, unified standards either do not exist or are rarely applied, and the quality of services and the level of customer satisfaction are not regularly monitored. Although state control mechanisms over household services do exist, due to the fragmented nature of the sector, their effectiveness may be limited.

To address these problems, introducing a system of self-regulatory organizations (SROs) based on international experience is considered crucial for improving household service quality and strengthening consumer rights protection in Uzbekistan. International practice shows that in many countries, such organizations operate in cooperation with government agencies and are responsible for setting service standards, monitoring compliance, and protecting consumer interests.

Degree of study of the problem

The theoretical and methodological foundations of the development of the service sector have been extensively researched by foreign scholars such as A. Parasuraman, V. Zeithaml, L. Berry, and by researchers from CIS countries including N.A. Baturina, L.A. Pashkevich, D.R. Gibadullina, D.G. Demyanov, and others. Among national scholars, this issue has been addressed in the scientific works of M.Q. Pardaev, A.M. Saidov, Sh.I. Artikova, B.A. Yerejepova, and others. These studies highlight the development of the household service



sector and its organizational and economic aspects; however, they do not comprehensively examine the subject of self-regulatory organizations. Therefore, in Uzbekistan, conducting in-depth research on the role of SROs in improving the quality of household services remains highly relevant.

Research Methods

Based on the analysis of international experiences in the development of the household service sector and the effective activity of self-regulatory organizations in improving service quality, the study employs a comparative analysis method.

International practice shows that self-regulatory organizations contribute significantly to improving the quality of household services. In the European Union, several SRO systems operate effectively in the household service sector, playing an important role in developing services that meet European standards. One such organization is the European Cleaning and Facility Services Industry (EFCSI), established in 1988, which unites national professional organizations in this sector and protects their interests.

In the United States, many SROs also operate in the household service sector, including the Better Business Bureau (BBB), the National Air Duct Cleaners Association (NADCA), and the Cleaning Industry Research Institute (CIRI). These organizations help consumers select reliable service providers, evaluate companies, conduct scientific research in household services, and promote advanced technologies. They serve to strengthen trust between consumers and service providers.

Self-regulation mechanisms are particularly well-developed in Japan, where the household service industry is regulated with considerable attention. For example, the Japan Cleaning Service Association (JCSA) works on improving quality and establishing standards for professional cleaning services, while the Home Service Industry Association of Japan functions as an SRO in the field of home and technical services.

Self-regulation mechanisms have already proven their effectiveness in many countries; however, in Uzbekistan, such organizations are not yet widespread in the household service sector. In Uzbekistan, taking into account international



experience from Europe, the United States, and Japan, it is possible to introduce effective mechanisms for standardization, monitoring, and consumer protection. The experience of different countries shows that self-regulatory organizations (SROs) can be used effectively to improve service quality and strengthen customer trust. For example, based on the EFCI model, a national SRO can be established to define quality standards in areas such as cleaning and technical maintenance.

Following the example of the Better Business Bureau (BBB) in the United States, it is possible to create a national platform for consumer protection, develop a system for evaluating and rating household service providers.

Based on Japan's experience, a qualification improvement and assessment system may be developed for local service companies, ensuring continuous quality monitoring of their services.

Introducing an SRO system based on international experience is considered an urgent task for improving household service quality and strengthening consumer rights protection in Uzbekistan.

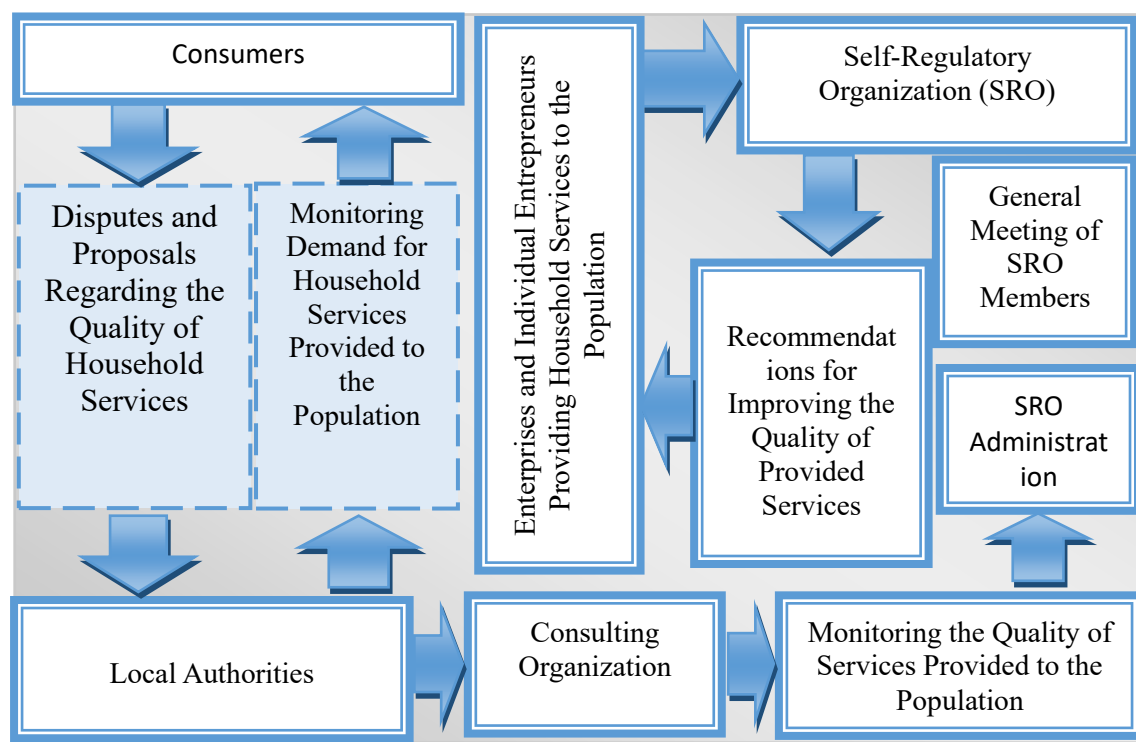
An SRO is a non-profit association that unites participants of a specific field (or profession), develops mandatory rules and standards for its members, monitors compliance, reviews complaints, and often ensures accountability through compensation funds. For instance, in Kazakhstan, SROs operate based on "voluntary or mandatory membership" and implement "rules and standards" for their members.

Problems related to service quality in household services may be addressed by forming entrepreneurial associations as organizational structures for self-regulation in each specific segment of household services. The organizational structure of self-regulation in the household service sector can be expressed in the form of a schematic model.

In our opinion, in the process of monitoring the quality of household services provided to the population, it is essential to ensure coordination between self-regulatory organizations and local administrative authorities.

Such a scheme will allow for improving interactions between local government bodies that provide household services on one hand and entrepreneurs on the other. In this situation, the possibility emerges to regularly monitor

entrepreneurial activity and strengthen control over the quality of services they provide.



**Figure 1. Organizational structure of self-regulation in the process of monitoring the quality of household services provided to the population
RSO – Self-Regulatory Organization.**

An important step in developing the institution of state regulation is the discussion of the draft Law “On Self-Regulation of Entrepreneurial and Professional Activities” [5]. This document is planned to regulate “the interaction of entrepreneurial and professional activity entities with the community in terms of self-regulation, to organize the activities of self-regulatory bodies, determine their legal status, and establish state regulation mechanisms” [5].

A self-regulatory organization is a non-profit association in the form of an association (union), public organization, or other organizational-legal structure



defined by the legislation of the Republic of Uzbekistan, based on voluntary membership (participation) of business entities.

A self-regulatory organization may be established on the basis of either voluntary or mandatory membership [5].

The following requirements apply to self-regulatory organizations:

- unless otherwise specified by law, a self-regulatory organization must unite at least 25 business entities or at least 100 participants engaged in a specific type of professional activity;
- the existence of mandatory standards and rules of entrepreneurial or professional activity for all members of the self-regulatory organization;
- self-regulatory organizations must ensure additional property liability of each member before consumers of the products (works, services) they provide and other persons [5].

Within this draft, it is planned to develop a unified national model for improving the institution of self-regulation in Uzbekistan, with the following key principles required:

- ensuring industry unity in the household service sector by integrating enterprises and organizations on the basis of self-regulation;
- consolidated responsibility of members of self-regulatory organizations for the results of their economic activities and reputational risks;
- creation of internal regulatory documents by self-regulatory organizations to implement additional self-regulatory measures;
- increasing the responsibility of self-regulatory organization members for compliance with self-regulation legislation;
- ensuring transparency and openness in the implementation of mutual relations between self-regulatory organizations.

Currently, existing state programs and regulatory documents do not contain sufficiently substantiated criteria to determine excessive state involvement in regulating the activities of business structures. “This, in turn, leads to a decrease in the effectiveness of performing regulatory functions by the state, primarily between state bodies and national associations of public organizations within the self-regulation system at the macro level, resulting in duplication of state regulatory functions. At the same time, it is necessary to prevent the emergence



of new regulators and, consequently, the imposition of additional unjustified financial burdens on business entities” [3].

Self-regulation is carried out based on the conditions under which entrepreneurial or professional activity participants unite within a self-regulatory organization. A self-regulatory organization in the household services sector develops and approves standards and rules that define the mandatory requirements for conducting entrepreneurial or professional activities for all its members.

The standards and rules of a self-regulatory organization include:

- applying disciplinary measures against members of the organization for violating the requirements of its standards and rules;
- ensuring compliance with business ethics, preventing or reducing conflicts of interest among members of the organization, their employees, and members of the permanent collegial governing body;
- establishing requirements to prevent actions that restrict the provision of household services to the population, or that result in unfair competition or cause moral damage to other organizations or individual entrepreneurs;
- eliminating actions that cause damage to consumers of household services or other persons, or actions that undermine the business reputation of a member of the organization or the organization itself [2].

Membership in a self-regulatory organization for household service enterprises should imply the implementation of a unified quality policy in the services provided, which requires the adoption of a program document.

In developing the key elements of the mandatory quality policy for members of the self-regulatory organization in this area, it is necessary to take into account and align with national state standards. Based on the general quality policy adopted by most members of the organization, each member develops and approves its own individual policy.

Responsibility for implementing the quality policy is assigned to the head of the household service enterprise, who defines the main tasks in detail for individual services, departments, workers, and managers.



In our opinion, the main goal of the service quality policy should be to ensure the delivery of household services that meet customer expectations and meet established quality and environmental standards [4].

According to A. Parasuraman, V. Zeithaml, and L. Berry, who conducted research in the field of service quality, “service quality depends on the gap between customer expectations and perceptions” [1]. Parasuraman and colleagues developed the SERVQUAL model as a theoretical basis. They emphasize that customer perception of service quality depends on two key factors:

- Expected service – the level of quality the customer anticipates before receiving the service;
- Perceived service – the real experience of the customer after receiving the service.

If the perceived service matches or exceeds expectations, the customer considers the service to be of high quality. If actual experience falls short, dissatisfaction arises. This gap is the main criterion in service quality assessment and is later evaluated using the SERVQUAL model across five dimensions (reliability, responsiveness, assurance, empathy, tangibles).

If self-regulatory organizations are introduced in the household service sector of Uzbekistan based on international experience, the following results can be achieved:

- Professional standards and qualification requirements will raise the level of service, for example, establishing minimum service standards and certification of specialists in appliance repair, hairdressing, dry cleaning, and equipment installation. In OECD practice, such standards provide clear information to consumers and reduce low-quality services;
- Complaint review and evaluation systems will reduce customer dissatisfaction and protect consumer rights;
- Companies that are members of an SRO will be incentivized to improve their service quality, enhancing market competition;
- Qualification improvement courses and training will be introduced for workers, creating a system of professional development;



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- Due to the independent functioning of SROs, the regulatory burden on state bodies will be reduced.

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