Exploring the significance of service quality in achieving customer satisfaction

Khathutshelo Mushavhanamadi and Casendra Sehlare

Department of Quality and Operations Management
Faculty of Engineering and the Built Environment
University of Johannesburg, PO BOX, 524,
Auckland Park, 2006,
South Africa
kmushavhanamadi@uj.ac.za

Abstract

Service quality in today’s business industry is one of the most important aspects to meet customer needs and exceed their expectations. For the organization to offer good service quality, it starts with motivating and empowering employees. If employees are not motivated, this will lead to bad customer service but if employees are recognized at their workplace this will lead to customer satisfaction and loyalty. Organizations that offer good service quality to their current customers, make profits, acquire new customers, and also achieve competitive advantage. The purpose of this research was to analyze the service quality of Engen Petrol Station by focusing on the frontline employees and also getting feedback from their customers on how well do the employees of the branch meet their needs. The objective was to identify problems and give recommendations. Problems were identified in the management whereby they don’t give enough motivation and also empower their employees. The other problem was also employees’ not meeting customer needs.

Keywords
Service quality, customer satisfaction, South African engen petrol.

1. Introduction

Each and every organization need to make progress towards greatness with a specific end goal, to do as such organizations need to guarantee that they provide suitable quality services to meet customer desires. The key aim of organizations is to grow their operating profits while diminishing costs. One of the components that can help to expand sales is customer satisfaction, which consequently will result to customer loyalty. The look into service quality started in the 1980s (Parasuraman et al., 1985), to highlight its solid effect on business execution, cost reduction, customer satisfaction, and customer dedication (Gurau, 2003; Newman, 2001; Silvestro and Cross, 2000; Sureshchander et al., 2002). Service quality is to a greater extent a correlation of the customer expectations and the service performance. Although the principles of enhancing product quality are also relevant to service, it is essential to know the focus parts of improvement as regards to increasing customer satisfaction in service quality management. This should be possible by measuring the gap between customers’ expectations and how they see the services offered to them. The bigger the gap size, the more changes to be made. Service quality management is the process of being in charge of services provided to customers based on their expectations. It is basically analyzing how good a service has been delivered, in order to enhance its quality in the near future, distinguish problems and solve them to increase customer satisfaction. Service quality management includes the monitoring and maintenance of the different services that are offered to customers by an organization. Customers are the heart of organizations, because without them organizations do not exist. Obliging the necessities of the customer is critical to customer retention. To give an outstanding customer service, a culture of serving customers must spread throughout the company. At the point when all workers comprehend that satisfying customers is associated with the success of the business, they will step up with regards to build a superior customer experience. A business with high service quality will meet or surpass customer desires while remaining financially focused. The enhanced service quality yields 2 financial gain and long term competitiveness. The enhancements to service quality might be accomplished by enhancing operational procedures, distinguishing problems rapidly and comprehensively, setting up legitimate and reliable service performance measures and measuring customer satisfaction and other execution results. In light of this, this research is an attempt to investigate the
level of service quality at the Engen Petrol Station and to discover how it affects customer satisfaction. An organization with attractive motivational packages often attract and retain employees that has the potential to help the organization to achieve its corporate objectives. The objectives of this study are: To explain how to measure customer satisfaction. To explain the link between employee satisfaction and service quality. To describe the link between employee motivation and customer satisfaction. To describe methods used to motivate employees. To explain Maslow’s hierarchy of needs. To explain the link between service quality and customer satisfaction. To explain the service quality dimensions.

II. Literature review

II.1 Introduction
Linstead et al (2011), mention that the quality of services given to the customers by service providers has a high effect on customer satisfaction and building customer loyalty relationship with the firm. There is an immediate connection between high level of service quality and more customer satisfaction which eventually drives an organization towards accomplishments of its corporate authoritative objectives. Daft & Marcic (2011) states that in-service industry frontline workers have a strong influence in building an organization’s image which help the company to recognize and keep loyal customers. The conveyance of high quality is important and progressing procedure in customer service.

II.2. Customer satisfaction
Customer satisfaction in simple terms means that an organization is able to achieve customer’s needs, and exceed their expectations. According to Lamb, et al (2000), customer satisfaction is when a product or service has met or surpassed the expectations of customers. The organization’s ability to keep customers happy is important in order to entice new customers and it is less expensive. Customer satisfaction can be observed by using a market research. Organizations that are committed in achieving and improving customer satisfaction must introduce systems that can be used to continuously measure their organizational performance. The issue of targets being met should be taken into consideration by the management of the organization. According to Boone and Kurtz (2008), there are three steps that include the process of measuring customer satisfaction: understanding the needs of customers, acquiring feedback of customers, and establishing a programme that will be adhered to by employees to ensure customer satisfaction. Understanding needs of customers: When organizations measure customer satisfaction, they should remember that gaps or differences between the expectation and the perception of product and service quality of the company may take place. These gaps 5 can create a positive or negative impression.

A product or service may be more desirable than expected or less desirable than expected. To stop negative gaps, organizations should communicate with customers. Organizations must consider elements that have an impact on purchasing behavior that customer-based missions, goals, and performance standards can be developed. Knowledge of what are the needs, wants, and expectations of current and potential customers is an important consideration of an organization that concentrate on customer satisfaction. This information is also a first step that is essential to come up with systems that can measure customer satisfaction. Companies should observe the characteristics that are really necessary to customers. They should always be vigilant to new factors that might have an influence on customer satisfaction. Acquiring feedback of customers: The second step in customer satisfaction measurement is to collect feedback from customers about the current organizational performance, how do they see the service offered to them by employees. This action takes records and show how well an organization meets customer needs. This information can be collected using reactive or proactive methods. To observe feedback from customers, most companies depend on reactive method that involves toll-free customer service telephone line, or customer complaints tracking systems. Most of the companies are observing Usenet and other online discussion groups to track customer comments and attitudes about the services they have received. Establishing a programme to ensure customer satisfaction: Affinity programmes must be arranged by the management of the organization. An affinity programme is a marketing tool that is supported by the company that try to get the participation of individuals who share similar interests and tasks. With the affinity programmes, companies develop more value for members of the organization (internal and external) and encourage relationships that are stronger.

To offer high service quality to customers starts with the employees, as they are the ones who come into contact with customers and represent the image of the company. Customers build a relationship with an organization through employees. Employees who are not satisfied and are unhappy with their work will not deliver an excellent customer service and will also give the company a bad image (Selesinger & Zomitsky, 1991; Brief & Motowidlo, 1986; Brown & Lam, 2008). The satisfaction of employees directly link with the quality of service the company offers, and customer satisfaction. According to (Sharma & Mani, 2013) employee satisfaction is a state in which employees are happy and enjoy their job. Employee satisfaction is an internal satisfaction in the service industry. Satisfied employees are employees who are ready and willing to listen and bear the concerns for others (Paul, 2013). Employees who are satisfied are employees who can be empowered to be responsible and accountable for their own actions. This is to say that, satisfied employees will have the required
resources and be responsible to comprehend and take care of customer requirements. Kusku (2003) states that in order to accomplish the quality and accountability of the company, employee happiness is critical and has to be continuously evaluated. Employees will be more productive if they are happy and satisfied with their work, and this will help to enhance the organization’s quality.

The link between employee motivation and customer satisfaction Budhwar (2008) mention that there is a solid positive connection between customer satisfaction and yielding financial gain of the firm. Customer loyalty is additionally compelling element for financial performance of an organization. The foundation of customer loyalty is reached out on the base of worker’s motivational level and customer satisfaction. The job with employee’s motivation and personal engagement is the prime variable for the calculation of worker’s motivation particularly in the service sector. The worker’s moral, work ethics, organizational loyalty and the conveyance of quality service to customers with admiration are all determined by employee motivation. The significant result of propelled and submitted workers is that they continuously enhance their standard of work which result in the improvement of service quality. Employee satisfaction has a great significance for the financial increase of the company. Employees are motivated by both extrinsic (compensation) and intrinsic (recognition) rewards that firms provide to them after doing a good job. Extrinsic rewards are physical and are only offered by an employer, and on the other hand intrinsic rewards are nonphysical and they connect emotionally with the employees. Compensation is a monetary reward which is offered by the employer to the employee, include salary pay, bonus, profit sharing, etc. The aim of a good compensation framework is to entice, maintain and not demotivate workers. The other aim is to decrease unexplainable variety in employee pay and motivate the internal participants rather than competition (Evans & Lindsay, 2016). Recognition is basically about employers giving praise to employees for putting their effort and commitment at their work. (Baskar & Prakash Rajkumar, 2015) states that recognition concentrate mainly on making employees feel important and acknowledged in the organization. For instance, simple words like “thank you” means a lot to employees, they see this in a way of being appreciated by their leaders for doing a great work. The research has shown that employees who are recognized by the management have higher morale, are ready to tackle and overcome challenges and are enthusiastic to introduce new ideas. Maslow invented the hierarchy of needs model in 1940-50’s in the United States of America (USA), and the theory of hierarchy of needs continues to be effective and reliable today for having a clear understanding of human motivation, management, and personal growth. The Maslow’s ideas all around the hierarchy of needs considering the responsibility of employers to offer a work environment that supports and give the employees the opportunity to realize their own potential (self-actualization) still today are more relevant.

II.3 The link between service quality and customer satisfaction
Since customer satisfaction is regarded to be found in customer’s involvement in a specific service experience offered by employees. (Cronin & Taylor, 1992) states that it is in line that is known to be true that service quality affects customer satisfaction, because service quality originates from the result of the service that employees provide in the company. Customer satisfaction is highly regarded in the service activities because the more customers are satisfied the more the organization’s image is going to have a positive reputation whereby customers will tell other people about the service that they have received based on their good experiences. This will also help the organization to retain customer and acquire new customers. The service quality model has been found to be the most excellent model to assess and determine service quality in service segments particularly with customer viewpoint. The five dimensions of service quality model has been found to be the most important measure utilized by numerous researchers in the assessment of service quality (Wilson et al., 2008; Bennett & Barkensjo, 2005; Negi, 2009; Wang & Hing-Po, 2002). This create an idea that each of the five dimensions of service quality model have an immediate connection with service quality.

II.4. Service quality dimensions
   a. Reliability
Reliability is the ability to achieve the promised service accurately to meet customer needs. It is when an organization keep its promises by delivering its services on time. Customers want to do business with organizations that they can trust and have confidence about them. Companies that do not offer services as promised, they fail customers directly and will lose profits.

   b. Responsiveness
This is the ability to listen and help current and potential customers, and also offer services without any delay. This dimension highlights the attention and willingness deal with customer’s needs, questions, problems and complaints.

c. Assurance

It is about encouraging trust and confidence. Assurance is explained as employees’ knowledge of politeness and the organization and its staff members to encourage trust and confidence. Employees need to clearly understand the importance of developing trust and confidence from the customers to obtain customer loyalty, competitive advantage and acquire new customers.

d. Empathy

It refers to employees giving care and attention to individual customers, to make them feel appreciated and special. If the customers are feeling that they are receiving individual quality attention from employees, there are high chances that they will return to the organization and continue doing business with them.

e. Tangible

Is how the physical surroundings looks like, for example, the service facilities, equipment, personnel and how communication flows. This means that tangible dimension is all about making first impressions. An organization that want to make their first impression look positive and attractive to customers, this will help them retain current customers and acquire new customers.

III. Methods

The research strategy used in this research was qualitative and quantitative methods. According to Hiatt (1986) states that qualitative research techniques concentrate on finding out and understanding clearly the knowledge, viewpoints and ideas of participants. Qualitative research basically investigates importance, objective, or on the other hand reality. This research method was chosen because it enables researchers to build up a more profound comprehension of a topic than can be acquired through quantitative research alone. It begins with qualitative research to see how customers talk about service’s advantage, what words do they use to speak about the service. The quantitative method highlights the statistical data collected in the questionnaires and surveys. This method of research helps individuals to understand the statistical side of the research. Primary data collection techniques such as questionnaires were used, they were handed out to employees and customers of petrol station to obtain the required information. Self-administered questionnaires were designed and sent to employees and customers. Self-administered questionnaire is defined as a survey that is developed particularly to be done by a respondent without the intercession of the researcher gathering the data. This type of questionnaire is selected because it can be distributed to several people in the organization at a minimum cost. The questionnaires include close-ended questions. The questionnaire for employees concentrated on issues that relate to whether they feel motivated at their workplace or not, and customers questionnaire relate to how satisfied they were with the services that they received from the employees. Secondary data collection was the literature that relates to the subject of this research that has been written by other individuals. Internet publications, text books and other literature print on the subject were utilized.

IV. Results

This section shows the data that was collected from the primary data (questionnaires), tables and graphical presentations were used for clear and easy understanding. 236 questionnaires were handed out to customers of the branch and 213 were given to employees.

IV.1. Customer service delivery
Looking at the above figure only 1 customer is satisfied out of the 4 customers who were given questionnaires. Employees should always show kindness accommodate the customers. Management has to do something to encourage their employees.

IV.2 Employee’s willingness to listen and respond to customer needs

Looking at the above figure none of the customers is very satisfied or satisfied with employees listening and responding to their needs. Management should empower their employees to listen and handle customer needs and concerns.
IV.3 Fast and efficient service

Looking at the above figure none of the customers are satisfied with how fast the service is. One of the reasons may be employees being playful and not focusing on their work and the other reason can be only few employees working and there is a queue of cars waiting to be attended.

IV.4 Customer recognition

Customers are not satisfied of not being recognized as a valued customer. Sometimes it happens that employees give customers attitude or not even greeting them when they arrive at the petrol station.
IV.5 Management show commitment to service quality

According to the employees of this branch they believe that their management does not take service quality seriously, by looking at the results 10% is neutral, 77% is dissatisfied, and 13% is satisfied. Service quality starts with the management then they educate their employees how to apply it in order to meet customer needs. The management will have to change to retain the customers and increase their profits.

V. Conclusion

Employee motivation is one of the important factors that determine employee’s performance and productivity. It is important to take note that, employees may have understandable objectives, the appropriate skills and the work environment that is supportive, but their work may not be performed correctly without enough motivation. The motivation issues help the management to have a clear understanding of what cause people to start action, what affect their choice of action. It should be known that motivation lead to behaviours that show high levels of performance in an organization. Customer satisfaction is important to the growth and development of day-to-day business of an organization. Customer service is all about creativity. Creativity allow employees to manage and control problems they come across immediately. It can be concluded that customers from Engen are not satisfied with their services, hence they are not loyal to the branch. Based on the findings in this research, it is concluded that employees are not motivated, and this have an impact on customer satisfaction. If an employee is motivated, he/she will do the best to impress customers. To this end, in this study is was suggested that the management of the must have a clear understanding of service quality and come up with service quality strategies that they can use to improve their service quality, and also introduce these strategies to the employees of the branch. Total quality management (TQM) is one of the quality techniques that can be helpful. Employee motivation is one of the factors that increase customer satisfaction. The management must come up way to motivate the employees, and always evaluate employee motivation. The management should take note that, customers must be the priority of the organization because they depend on them. Without out customers there is no business, so it is really important for the management of this branch to meet customer needs. It is essential for the management to implement customer relationship management (CRM), whereby employees will build good relationships customers. Customer relationship management gives direction on how an organization can best meet the needs of customers. The effective customer relationship management give the organization an opportunity to show their customers that they know them and recognize them, understand them and appreciate their business.
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Biography
Khathu Mushavhanamadi is currently a lecturer in the department of Operations Management and conducting a PhD degree in Engineering Management in the Faculty of Engineering and the built environment of the University of Johannesburg. She holds both bachelor of technology degree and masters of technology degree in Operations Management from University of Johannesburg, South Africa. Hers research interests involve green supply chain management, operations management issues, impact of mining operations on environment, manufacturing processes.

Casendra Sehlare is a graduate student in the department of Quality and Operations Management in the Faculty of Engineering and the built environment of the University of Johannesburg. She holds both bachelor of technology degree and national diploma in Operations Management from University of Johannesburg, South Africa. Hers research interests involve product and service quality issues.