



St. Mary's ትድሰት ማርያም
University ዩኒቨርሲቲ
Committed to Excellence

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**DETERMINANT FACTORS OF EMPLOYEES' PERFORMANCE TO
IMPROVE SERVICE QUALITY: THE CASE OF LION**

INTERNATIONAL BANK S.C

By:

Hiwot Hailu Amelmal

JAN, 2018

ADDIS ABABA, ETHIOPIA

**DETERMINANT FACTORS OF EMPLOYEES' PERFORMANCE TO IMPROVE
SERVICE QUALITY**

(THE CASE OF LION INTERNATIONAL BANK S.C IN ADDIS ABABA)

By

Hiwot Hailu Amelmal

SGS/0325/2008A

A Thesis submitted to St. Mary's University, School of Graduate Studies
in partial fulfillment of the Degree of Masters of Business
Administration (MBA)

JAN, 2018

ADDIS ABABA, ETHIOPIA

ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**DETERMINANT FACTORS OF EMPLOYEES' PERFORMANCE TO
IMPROVE SERVICE QUALITY
(THE CASE OF LION INTERNATIONAL BANK S.C IN ADDIS ABABA)**

By

Hiwot Hailu Amelmal

APPROVED BY BOARD OF EXAMINERS

Dean, School of Business

Signature

Advisor

Signature

Internal Examiner

Signature

External Examiner

Signature

Statement of Declaration

I, Hiwot Hailu Amelmal, hereby declare that this Master thesis titled “Determinant Factors of Employees’ Performance to Improve Service Quality (The Case of Lion International Bank S.C In Addis Ababa)” is an original work. I have carried out the present study independently with the guidance and support of the research advisor, Temesgen Belayneh (PhD). Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any diploma, degree or any other higher education Program in this or any other institution.

Declared by

Hiwot Hailu

Signature

Date

Acknowledgements

First and foremost I would like to address my thankfulness to the almighty God and his mother Saint Mary for everything I have and will have. Next I would also like to thank to my friends for their friendly support, and encouragement to finish my study. I am also thankful to my advisor Temesgen Belayneh (PhD), for his help in guiding this research in a good path. Finally I also wish to thank my classmates who share me their idea and provided me moral and valuable information related to this research project.

Table of Contents

Acknowledgements.....	IV
List of Tables	VII
List of Figures	VIII
Abstract.....	IX
Acronyms/Abbreviations	X
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	4
1.3 Research Questions	7
1.4 Objectives of the Study	7
1.4.1 General Objective	7
1.4.2 Specific Objectives	8
1.5 Hypotheses.....	8
1.6 Significance of the Study	9
1.7 Scope of the Study	10
1.8 Limitation of the Study	10
1.9 Organization of the Paper	10
CHAPTER TWO: REVIEW OF RELATED LITERATURE.....	11
2.1 Economic growth and state of banking sector in Ethiopia.....	11
2.2 Factors to consider in growth situation	12
2.3 Important service dimensions in commercial banking.....	13
2.4 Consumer expectations	13
2.5 The service encounter	14
2.6 Customers' evaluation of service quality.....	15
2.7 The role of service employees in service encounter	17
2.8 Market orientation, Service orientation and Customer orientation	18
2.9 Significance of employee customer orientation.....	19
2.10 Antecedents of employee customer orientation	19
2.11 Impact of employee customer orientation.....	20
2.12 Service climate.....	20
2.13 Other factors affecting service employee behavior and service quality.....	21

2.14	Internal marketing	22
2.15	Conceptual model	23
2.16	Customer Perception	24
CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY		26
3.1	Research Design.....	26
3.2	Population, Sample Size and Sampling Technique.....	27
3.2.1	Population of the Study.....	27
3.2.2	Sample Size.....	27
3.2.3	Sampling Technique	28
3.3	The variables.....	29
3.4	Method of Data Collection.....	29
3.5	Procedure of Data Collection	30
3.6	Pilot Testing.....	30
3.6.1	Reliability.....	30
3.6.2	Validity	31
3.7	Method of Data Analysis	32
3.8	Ethical Considerations	33
CHAPTER FOUR: DATA ANALYSIS AND INTERPRITATION		34
4.1	Response Rate of Respondents	34
4.2	General Characteristics of Respondents	34
4.3	Analysis of Collected Data	35
4.3.1	Correlation Analysis	38
4.3.2	Regression Analysis.....	40
4.4	Summary of findings.....	43
CHAPTER FIVE: FINDINGS, CONCLUSIONS AND SUGGESTIONS		45
5.1	Summary of Major Findings	45
5.2	Conclusions.....	46
5.3	Recommendations.....	49
REFERENCES		I
QUESTIONNAIRE		IV

List of Tables

Table 1 Sample Size Determination.....	28
Table 2 Reliability test.....	31
Table 3 Varimax rotated components matrix.....	32
Table 4 Position and gender cross tabulation.....	35
Table 5 Work experience and gender cross tabulation	35
Table 6 work load	36
Table 7 Perception of skill	36
Table 8 Perception of service orientation	37
Table 9 Perception of standardized behavior	37
Table 10 Perception of service role flexibility.....	38
Table 11 Service quality	38
Table 12 Pearson correlation matrix	39
Table 13 Regression Model Summary.....	41
Table 14 Coefficients Table.....	41
Table 15 Excluded Variables	42
Table 16 Hypothesis test and decision.....	44

List of Figures

Figure 1 Gap model	15
Figure 2 Determinants of service quality	16
Figure 3 Gap Model.....	17
Figure 4 Internal Marketing	22
Figure 5 Research model	23
Figure 6 Decision model.....	43

Abstract

Due to the intense competition in the banking industry in Ethiopia, it is very essential to increase service quality and retain the existing customers by improving the performance of employees. This research conducted with the main objective of evaluating Determinant Factors of Employees' Performance to Improve Service Quality the case of Lion international bank. Academic literature and research documents have been used to establish the conceptual framework. As a result, workload, competence, service orientation, standard service behavior, and service role flexibility are identified as the main factors that potentially influence Employees' Performance to Improve Service Quality. To check the validity of the hypothesis and model specification the researcher used SPSS software. Correlation analysis was also employed in order to examine the strength of the correlation between the dependent variable (employee's performance) and the independent variables (workload, competence, service orientation, standard service behavior, and service role flexibility) and it is found that they are all correlated significantly. The research used simple random sampling technique. The results of the study have indicated that Lion international bank employees feel their individual service performance can be affected by service quality determinant factors. However, they do not associate the influence of those factors with the ultimate delivery of quality service and customer satisfaction. Accordingly, based on those findings, it has been concluded that the lion international bank employees' perception of service quality is not satisfactory. It is hence recommended that lion bank need to revisit their recruitment, employee development and employee motivation strategies and align them with the marketing strategy in order to promote system wide service orientation.

Key words: Service quality, customer contact employees, Lion international bank sc

Acronyms/Abbreviations

LIB- Lion International Bank S.C.

SPSS - Statistical Package for Social Science

EPSQ- Employee Performance to improve service quality

CHAPTER ONE

INTRODUCTION

In this introductory chapter, background of the study, statement of the problem, research questions, objectives of the study (general objectives and specific objectives), hypothesis and significance of the study are discussed.

1.1 Background of the Study

As the economy and productivity of a country grow so does increase the importance of its service provision capabilities in every sector. Services, whether in a service giving organization or any other form of organization play a significant role in the modern day business or public transactions. Be it a service selling company, a physical good selling company, a government institution or a non-governmental institution, they all need services as a link between user and provider. In a business context, the successful interaction of customers and organizations is defined by the firms' and its employees' level of service orientation. It is not enough to have the best product offerings. How the product is presented to customers with all its features and benefits determines its acceptability by the customers, and their ultimate satisfaction (Lovelock, Wirtz and Chatterjee, 2006).

Very few products are purely services or purely physical goods; they are segregated depending on the tangibility of the core offering. A car for example, is a physical product to the individual owner, whereas a tour company using cars provides and sells touring services. Accordingly, the businesses are categorized as belonging to the manufacturing sector or service sector, even though these sectors are interdependent and interrelated (Kotler, 2002). Though services are important for both manufacturing and service organizations, they are fundamental for the service sector as they constitute the essence of the business. For those types of companies, failure of service means failure of the product resulting in total dissatisfaction of the customer.

Furthermore, service sector is becoming increasingly dominant in the economy due to the evolved customer sophistication and emergence of new service needs. The size of the service sector is increasing in almost all economies around the world. “National economy develops the relative share of employment among agriculture, industry and services changes dramatically. Even in emerging economies, service output is growing rapidly and often represents at least half of the GDP” (Lovelock, Wirtz, Chatterjee, 2006). Therefore, understanding the dimensions and maintaining consistent service quality, particularly in the service sector, has become the focus of businesses.

Ethiopia is not yet a developed country but in recent years it has recorded a steady economic growth. It is also worth noting that the main drivers of this growth are the service sector and the agricultural sector while manufacturing has recorded a modest increase. Service sector covered the highest part. It is mainly composed of hotels, retailers, wholesalers, transport companies and financial institutions. The financial institutions are among the drivers of the sector’s continuous growth since 1994 following the coming into effect of the Licensing and Supervising Banking Business proclamation no 88/1994. The number of banks operating in Ethiopia has reached 18 by end of February 2016 of which 16 are privately owned (National Bank report, 2015).

Banking transactions in Ethiopia are predominantly based on person to person interaction of employees. Therefore, maintaining consistent service quality will be challenging and it should be a strategic concern for the financial institutions. Accordingly, the topic has become the focus of numerous researches.

Individual researchers as well as institutions have recognized the importance and significance of the service sector in Ethiopia. As a result, one can find many studies conducted in the area of service quality and its impact on customer satisfaction. A good number of these researches are case studies of financial institutions, particularly banks and insurance companies. Depending on the objectives of the respective researches, some have attempted to measure service quality from the customers perspective, others from the organization’s point of view. A few have also focused on employees’ contribution towards the delivery of service quality. Irrespective of their focus and chosen perspective, the results of these researches emphasize and show similarity in identifying front line employees as major contributors for delivery of service quality. For instance the Commercial Bank of Ethiopia implemented Business Process Reengineering during

2008/2009 fiscal year focusing on employee empowerment which resulted in improved efficiency and customer satisfaction (Kebede and Eshetu, 2012).

Mesay (2012), reinforces the importance of employees in delivering quality service in his study of Hawassa banks. The areas where these banks need to work on in order to improve customer perception of service quality are responsiveness and empathy.

Counter staff need to be continuously trained with proper skill of providing caring and prompt service. Abdulmalik and Gurswamy (2007) evaluated banks in Mekelle from a developing country perspective and found that the common reason for customers to leave commercial banks is due to staff attitude and the poor service associated with it. From a general service sector point of view, Polturi, Mangnale, Dist and Pradesh (2011) found that Ethiopian service employees show irregular behavior toward male and female customers, they tend to be mechanical and straight to the point and in some cases lacked product knowledge and problem solving capability leading to inferior level of customer satisfaction.

The difficulty for service employees to deliver consistent quality emanates from the very characteristics of services. Services are intangible and consequently no physical good ownership results from the transaction. They are variable because each time a service is delivered the consistency depends on the service provider's as well as the customer's attitude and behavior. Services require the customer to be present at production site and they are consumed the same time they are produced, furthermore once produced they cannot be replicated. These features make it very difficult for organizations and employees to maintain consistent service quality to the expected level of customers. Service quality is highly dependent on human attitude and behavior. This can be further explained by the ten service quality dimensions which service experts use to establish service quality: Access, communication, competence, courtesy, credibility, reliability, responsiveness, security, tangibles and understating the customer (Parasurama, Zeithaml and Berry, 1985). All of these dimensions are directly or indirectly influenced primarily by the employees delivering the service as well as by other supporting back office employees. Particularly, due to the low level of automation in Ethiopia, there is high degree of person-to-person interaction between employees and customers (Polturi and Magnale, 2011). Hence, the employees' level of awareness and appreciation of service quality will have a direct impact on the actual delivery and customer satisfaction.

When we come to Lion International Bank S.C. (LIB), its privately owned Share Company established on October 2, 2006 G.C in accordance with Proclamation 84/94 and the commercial code of Ethiopia and officially inaugurated for public services on January 6, 2007 G.C.

With over 6400 shareholders, Lion International Bank S.C. has a unique position in the commercial banking industry and is distinguished for its broad based participation of the public from all walks of life. Besides, Lion International Bank S.C. paid up capital is over Birr 642.5 million which is relatively above average capital base. Article 310(1) of the commercial code of Ethiopia entitles the promoters' committee to 20% of the net profit of the bank for a period not exceeding three years. However, they have relinquished this right by their own free will to enhance the capacity of the Bank. The Bank is led by eleven member of Board of Directors elected by the General Assembly to decide on policy matters and oversee the overall performance of the Bank. The President of the Bank, is appointed by the Board of Directors, is responsible for the day to day activities and is accountable for the financial and operational performance of the Bank. (LIB Annual Report for the year 2015/2016).

Lion International Bank S.C. has created an employment opportunity for over 1284 people, as of June 30, 2016 and expands its branch network throughout the country based on availability of potential customer, market and financial soundness. LIB open 170 full-fledged and satellite branches both in Addis Ababa & Regional Towns, and provides all banking services including deposits, local transfer, various types of credit facilities, international banking and mobile and agent banking. (<http://www.anbesabank.com>)

1.2 Statement of the Problem

In a growing economy healthy business organizations, under normal circumstances, pursue a growth strategy as is the case of the banks in the financial sector of Ethiopia. Both government and private banks are increasing their number of branches in the capital city of Addis Ababa as well as other cities of the country to keep pace with the escalating demand.

In this context, it should be noted that, one of the fundamental requirements of any strategy are planning, organizing as well as managing of internal resources and capabilities. A growth strategy, in particular, necessitates the commitment and engagement of financial and non-

financial resources at an increasing and reliable flow. For service organizations, human resources are of special significance, as they are direct constituents of the product offerings. With the proper level of skills, capacity for communication and motivation they can become the source of strategic competitive advantage for their company. This is unfortunately, easier said than done as services cannot be produced in advance and put in inventory. Accordingly, matching demand with the required number and skill of staff, in order to ensure service quality, is a challenging endeavor (Wilson and Gilligan, 2005).

In commercial banking, like most other retail businesses, customer service is a major component of the service package, as customers come into direct contact with employees and engage in active interaction to finalize business dealing.

Customer service is defined as the ability of knowledgeable, capable, and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return business” (Lucas, 2005).

Therefore, as much as the successful delivery of service quality depends on the planning and execution of management, it is equally if not more dependent on the front line employee adequately delivering the actual service. This in turn implies that the company and the employees need to be on the same page when it comes to the promise made to the customer and associated expectations. *“The company through its integrated marketing communication creates an image in the minds of customers and this should be matched by the willingness and ability of contact employees” (Brady and Cronin, 2001).*

Commercial banks in Addis Ababa through media advertisement and promotion emphasize on reliability, responsiveness, credibility and empathy as their selling propositions. Such communications result in customers’ expectation which generally include: personal recognition, courtesy, timely service, professionalism, enthusiastic service, empathy and patience. Only when these expectations are met can the customer be satisfied with the given service. It is therefore vitally important for the service provider to make sure that the contact employees understand these dimensions of service quality and are willing and able to extend them to the customer.

We have hence established, on the one hand, that LIB is growing at a relatively high speed which will naturally put pressure on their human resource. On the other hand, due to the nature of the business, the success relies on the capabilities and willingness of the employees to deliver service quality.

Nonetheless, researches indicate that, commercial banks are not necessarily meeting customers' expectations in every dimension of service quality. Enchalew (2013), in his evaluation of Wogagen Bank's service quality from corporate customers' perspective found that reliability, assurance and tangibility are below expectations. Yewbdar (2013) found that NIB International bank has a low ranking in empathy dimension. The bank also needs to make some improvements in assurance dimension. With respects to the service quality level of Commercial Bank of Ethiopia, the biggest bank in the country, Yonas (2013) argues that responsiveness and empathy have the lowest ranking implying that customers are not satisfied with the willingness and readiness of employees to provide service as well as the bank's failure in the provision of individualized attention to customers and understanding their needs.

These findings of recent researchers, among others, are indications that customers of commercial banks in Addis Ababa as well other cities of Ethiopia are not fully satisfied with their service encounter with front line employees. Even if they find the physical facilities and type of services to be satisfactory, results of studies reveal that there exists a gap in the human aspect of the service delivery process. Although the severity of the problem varies from one bank to the other, based on the low scores in assurance, responsiveness and empathy it can be generally argued that customers do not find contact employees friendly, ready to help, knowledgeable and understanding.

Since the branches have suggestion book there is a lot recommendations and comments of customers that are doted down. Customers mention that the front line employees are not willing to serve us properly; they take much time to give the service. In order to solve customer questions that have written on the suggestion book this research needs to understand and investigate the cause.

Under the circumstances, given the stated fact of rapid growth putting pressure on human resources and taking into consideration that customer service is part of the core product of banking, a deeper understanding of the cause of these shortcomings needs to be investigated.

Hence, this study was attempted to evaluate whether LIB is coping with the requirements of skilled service staff to sustain their growth without compromising on quality service delivery. The employees themselves were the subject of the research to answer following research questions.

1.3 Research Questions

- How do front line employees perceive they have enough skills and competence to handle customers?
- How do front line employees feel their work processes are affected with high work load?
- How do front line employees feel they have enough empowerment to adapt to changing service situations?
- How do front line employees consider customer expectations and needs while providing service?
- How do front line employees feel they have enough level of service orientations?
- How do front line employees understand the impact of their actions and performance on service quality?

1.4 Objectives of the Study

1.4.1 General Objective

The General objective of this study is to evaluate Determinant Factors of Employees' Performance to Improve Service Quality the case of Lion International Bank using from the perspective of workload, skill, standardized service behavior, service role flexibility and service orientation.

1.4.2 Specific Objectives

The study has the following specific objectives that are used as measurement yardstick of employees' perception of service quality.

- To evaluate front line employees' perceived level of skills and competence.
- To assess and determine the level of workload as perceived by front line employees.
- To assess and determine the level of empowerment expressed in terms of service role flexibility as perceived by front line employees.
- To evaluate front line employees' perspective of appropriateness of scripted service process
- To assess and determine front line employees' level of service orientation.
- To measure the front line employees' perspective of service quality and its importance for customer satisfaction.

1.5 Hypotheses

In order to arrive at acceptable conclusions the following hypotheses are developed and were tested using inferential statistics.

H1: There is significant relationship between employee competence or skills and employee performance to improve service quality

H2: There is significant relationship between Heavy employee workload and employee performance to improve service quality

H3: There is significant relationship between Service role flexibility and employee performance to improve service quality

H4: There is significant relationship between service orientation and employee performance to improve service quality

H5: There is significant relationship between Standardized behavior and employee performance to improve service quality

1.6 Significance of the Study

For Lion International Bank, the output of this research will give a deeper analysis and understanding of their Employees' Performance to Improve Service Quality. One of the cornerstones of a successful service delivery, in retail business, is high quality customer service to the expected or exceeding level of customers. To that effect, it is relatively easy to design and implement a service process and associated facilities. However, ensuring that customer contact employees consistently perform at a high quality level is challenging. Observations and customer feedback can only reveal the existence or non-existence of service failure. The evaluation of employee's performance of service quality and customer satisfaction helps to dig deeper into identifying the possible causes of either service success or failure at service encounter stage. Therefore, banks that particularly have low scores in intangible service quality dimensions can benefit from the results of this study in terms of gaining more focus in their activities of planning, recruitment, training and motivation of front line staff. Human Resources departments can use these results as basis for integrating their respective strategies.

For future researches, the output of this study can serve as a basis for exploring even further possible causes of poor rating of service quality dimensions of LIB in Addis Ababa. The current status of factors that determine Lion International Bank employees' performance of service quality can trigger investigation of the possible causes and proposal of solutions.

Larger issues related to the labor market, service education, service design and other can be explored. On the other hand, having covered the employee perspective of the issue, it will give other researchers the opportunity to pursue service delivery gaps from other perspectives. For the subject employees themselves, this is a chance of expressing their perspective of their day to day activities. They will have contributed and indirectly participated in the continuous endeavor of improving customer service in commercial banking.

Employee related discussions will inevitably have topics connected with Human Resources management such as recruitment, performance appraisal and man power development.

This research will only in the position of giving recommendations, to the management of LIB or researchers to pursue the investigation from those angles.

1.7 Scope of the Study

Although the study would have been more comprehensive if all employees of the branch bank would have been addressed, the scope of the study is limited to front line employees of the bank because most of the actual contact of the customer is with front line employees of the bank.

Again Addis Ababa is chosen as the geographical delimitation of the study due to time, geographical location and budget constraint to address all employees of the bank.

1.8 Limitation of the Study

As with any research study, there is limitation or weakness that should be addressed in further researches. The basic limitation is related with employed methodology; sampling method is used for collecting the data so all drawbacks of sampling techniques are reflected and the research only focused on Addis Ababa branches only so it is advisable to cover all branches in its sample.

1.9 Organization of the Paper

The study has five chapters. The first chapter introduces background of the study, the research objectives, research questions and hypotheses. Besides, it encompasses significance of the study, the scope of the study and limitation of the study. The second chapter deals with both theoretical and empirical review of the related literatures. The third chapter shows methodology of the study. The fourth chapter concern with analysis of data which was collected. The last chapter which is chapter five presents the conclusions and the recommendations drawn from findings of the data.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

The topic and problem under review in this research are influenced by the rapid growth of the Ethiopian economy which in turn has triggered the growth of commercial banking in the country. The associated challenges in terms of maintaining service quality delivery by employees constitute the core of the research questions and arguments. Accordingly, the research analyses and syntheses is based on marketing concepts and theories related to customer expectation, service quality, service encounter, internal- marketing as determinants of service employees' performance to improve service quality. Facts, researches and academic literature on these topics and theories are discussed in this section. Finally, an adapted conceptual model that is the backbone of the analysis is presented.

2.1 Economic growth and state of banking sector in Ethiopia

The Ethiopian economy continued to grow 11 percent in 2015/16. Real GDP registered a relatively robust growth to Sub-Saharan Africa in the same period. The growth was ascribed mainly to higher growth in service sector, agriculture and industry. Moreover, the economy expanded rapidly mirroring the performance of the economy. The Sub-Saharan Africa and world economy growths are anticipated to be in a high growth than it has been. (NBE Annual Report 2015/2016).

The major financial institutions operating in Ethiopia are banks, insurance companies and micro-finance institutions. The number of banks operating in the country during the fiscal year reached 18, of which 16 were private, and the remaining 2 state-owned in 2015/16.

2.2 Factors to consider in growth situation

The challenges for growth, especially for a new business, are how to achieve rapid growth and how to finance it. The decision as to whether or not to enter this stage and pursue rapid growth may be influenced by the business leader wanting to make more money, desiring to lead a large business or perhaps for the status. Alternatively it could be driven by the demands of the customers who may want to put more trade with the business and who might take their trade elsewhere if the business cannot respond. The decision to expand involves the acceptance of some risk and the need to face up to a number of issues:

- The availability of resources and good staff
- The delegation of responsibility to a wider team of managers
- The development of more specialist management skills
- The reduced day to day direct influence of the leader
- The possibility of taking on too much work as the business grows (Elkin, 2007)

Many organizations are able to develop suitable growth strategies but fail to execute them properly. A number of significant internal challenges must be overcome for successful execution to materialize including:

- Lack of shared customer-related goals. Different functional areas such as marketing, sales and human resources are driven by their own rather than unified objectives. Separate ownership of key strategic elements is a related issue.
- Setting high enough satisfaction targets. In many cases, the focus leads to bland, transactional like experiences that may not create engaged customers.
- Insufficient concentration on the emotional aspects of customer experience. Research has shown the influence of elements to be crucial.
- Unclear definition of customer experience. Companies need a clear statement outlining the various physical and emotional elements that might be incorporated. This approach can enable customer experience to be better planned, administered and evaluated. (Roberts, 2010)

- Poor response to customer feedback. Even though most organizations conduct satisfaction surveys, a much smaller percentage act on what customers tell them.
- Lack of employee engagement. Companies overlook this vital aspect and fail to realize that staff will only excel when delivering the company strategy if they feel satisfied and valued themselves (Roberts, 2010)

The ultimate goal of a firm whether it is following a growth strategy or not is to achieve optimal use of resources in order to satisfy customers and gain their loyalty to ensure profitability. In a service context, customer satisfaction is dependent on delivery of service quality up to the expected level of customers.

2.3 Important service dimensions in commercial banking

Yavas, Bilgin and Shemwell, (1997), in their study of service quality in the banking sector in an emerging economy have identified tangibles, responsiveness and empathy as the most important quality dimensions to ensure consistent customer satisfaction. With respect to tangibles, as customers spend relatively long period of time in the premises of the banks, they expect the physical evidence as well as the appearance of employees to be comforting and attractive. In connection with responsiveness and empathy, customers expect swift and reliable service for bank employees so that they can go about their other businesses of the day. As the bank is handling their finances on their behalf, customers expect high level of empathy and understating from employees delivering the service. Hence, the bank employees are the center of quality service delivery and customer satisfaction.

According to Molina, Martin and Esteban (2007), customer satisfaction in financial businesses depends on service policy satisfaction, on accessibility and on the frontline employee satisfaction. At the core of customer satisfaction in commercial banking, are overall design of the service, staff training and complaint management (Levesque and McDaugal, 1996)

2.4 Consumer expectations

Consumer expectations are pretrial beliefs a consumer has about the performance of a service that are used as a standard or reference against which service performance is judged. consumer

expectations consists of five levels, ideal service, desired level, adequate service level, predicted service level, and zone of tolerance. Consumer expectations are important during all three stages of the purchase process: the pre-purchase, the service encounter and the post-purchase phase. During the pre-purchase phase, consumer expectation will influence which firm is patronized. During the service encounter, customers will compare the service they are receiving to that they expected. In the post-purchase phase, future patronage decisions will be based on how closely the service experience met the expectations of the customers (Clow and Kurtz, 2003).

2.5 The service encounter

The service encounter is the actual interaction point between the customer and the service provider. the service provider may be in the form of a machine if the customer is using a bank's atm. it may be in the form of a telephone if the customer is requesting an electronic transfer of funds, or it may be a person if the person is receiving dental treatment. For most services, the interaction is between a customer and a human service provider. Both are present during the service performance and must interact with each other (Clow and Kurtz, 2003).

The quality of service encounter, regardless of the nature of the interaction is dependent upon those factors. These factors are the role theory, script theory, service environment, service personnel, and support service.

- Role theory: Customers expectation or understanding of the role of the service provider may not be accurate or the service provider may not perform the role as outlined by the service organization.
- Script theory: Learned sequence of behaviors that is expected from service personnel and customers.
- Service personnel: In service encounters where service personnel and customers meet face to face, the most critical element of the experience becomes the conduct of the service personnel (Clow and Kurtz, 2003).

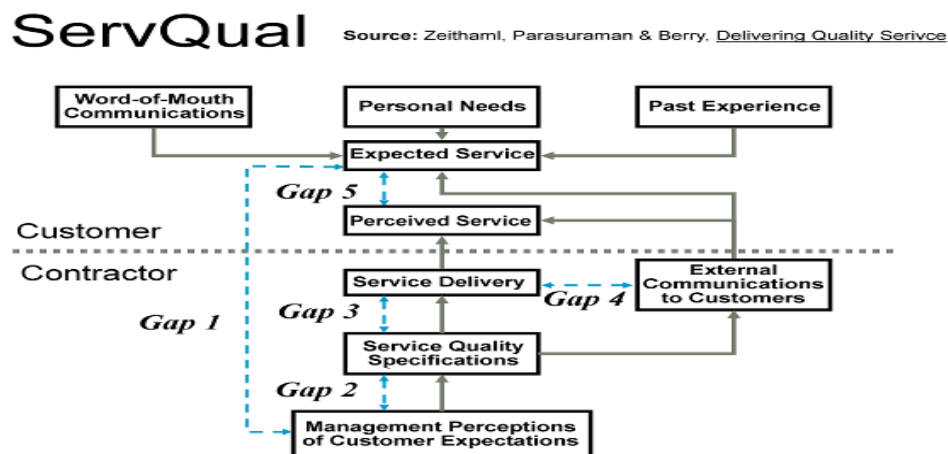
2.6 Customers' evaluation of service quality

According to Parasurama, Zeithaml and Berry (1985) based on existing knowledge on service quality the underlying themes of service quality evaluation are:

- Service quality is more difficult for the consumer to evaluate than goods quality
- Service quality perceptions result from a comparison of consumer expectations with actual service performance
- Quality evaluations are not made solely on the outcome of a service; they also involve evaluations of the process of service delivery.

Based on these themes they conducted an exploratory research and developed the famous service gap model, which identifies five gaps that need to be closed in order to ensure fulfillment of customer expectations.

Figure 1 Gap model

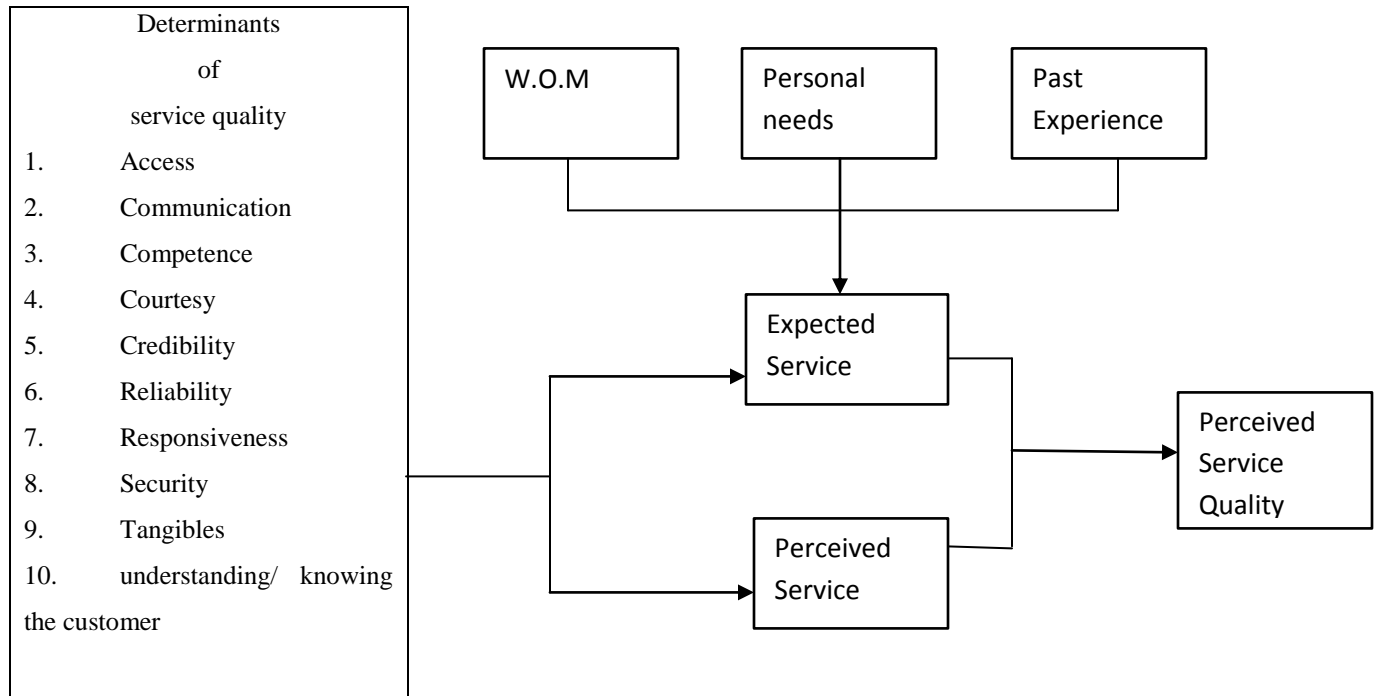


Source: Parasurama, Zeithaml and Berry (1985)

Basically this model shows that four gaps out of five are influenced and affected by the internal organizations and its marketing activities. These gaps also have an impact on the most important fifth gap which is the ultimate determinant of customer satisfaction. Perceived quality needs to

be matched with expected service quality and the following chart depicts the determinants of both.

Figure 2 Determinants of service quality



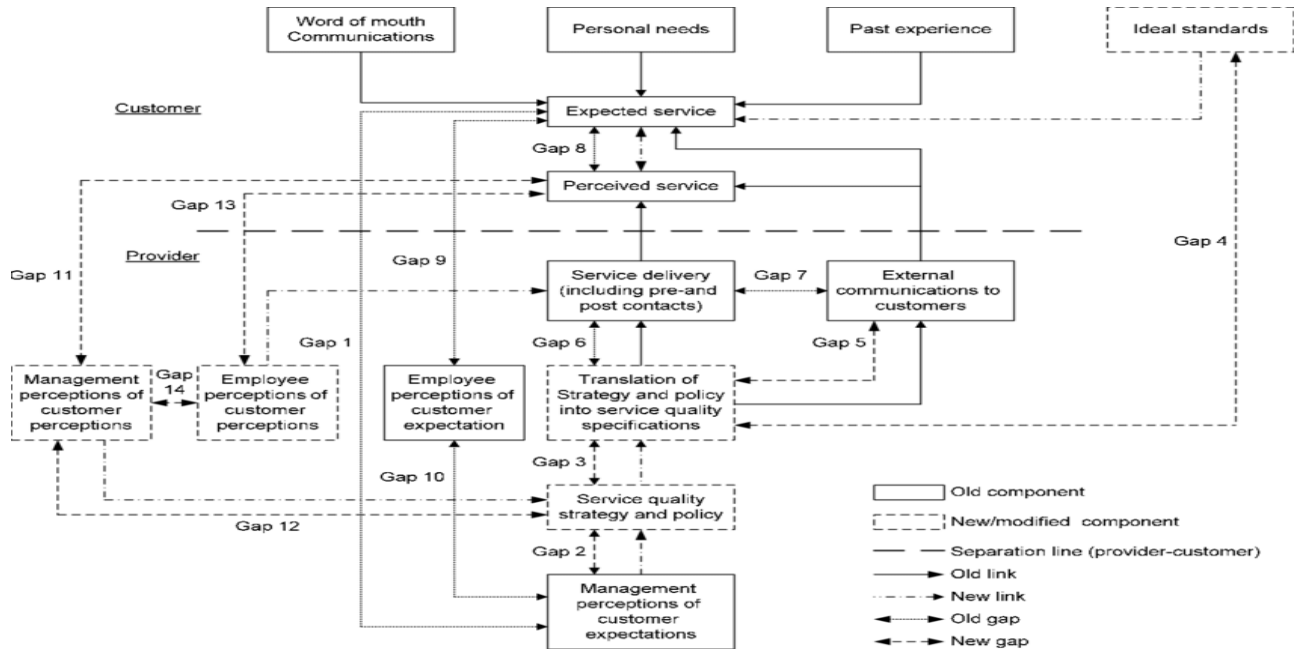
Source: Parasurama, Zeithaml and Berry (1985)

To stress more on the internal influence on the determinants of perceived service and clearly show the role of employees in the development by consumer minds of perceived service quality, Shahin and Samea (2010); further elaborated and modified the model as below:

Employee perceptions of customer perceptions" a component added into the traditional models. Similar to gap 11, gap 13 consists of a discrepancy between the customer perceived service and employee perceptions of customers perceptions. This gap directly affects the service offered, and when it is nil, it implies that employee has a correct imagination of the customers' perceptions. In the traditional model of service quality gaps, gap 6 is defined as the difference between customer expected service and employee perception of customer expectations, but it is important that employees understand customer perceptions of service offered. It can result in paying more attention by them in service process in order to achieving customer satisfaction. Therefore, gap

13 is defined as "the difference between the customer perceptions and employee perceptions of customers' perception (Shahin and Samea, 2010).

Figure 3 Gap Model



Source: Shahin and Samea (2010)

2.7 The role of service employees in service encounter

Interactions with employees play a significant role in shaping the overall customer experience. Managers and researchers can take a deeper look at the service encounter to better understand how different types of employee behavior are likely to influence customers' perceptions and emotions (Slatten, 2009). Boundary spanning employees are important assets to service organizations, frequently being seen as the organization by those they serve. These service providers are the buffers between customers and management (Chung and Schneider, 2002). The service encounter is a critical moment of truth that leaves customers with an indelible impression about the firm. It has been argued that customer perceptions of service quality are based almost entirely on employees' behaviors. Employees maybe they are knowledgeable and efficient, but if you are dealing with a customer in person that is not enough. Body language and facial expressions should display qualities such as patience, helpfulness, politeness, passion for the job

and cheerfulness. Anticipation of and an understanding of customers' needs are also essential qualities in an effective front-line employee. In short, a customer needs to feel comfortable – at ease (Alison E. Lloyd and Sherriff, 2009).

2.8 Market orientation, Service orientation and Customer orientation

Service employees need to have the right skills, attitude, behavior and orientation in order to satisfy customers. In that effort, the company management should ensure that the right training, tools and environment are provided. Jaworski and Kohli (1993), state that organizational performance of a company is dependent on its level of market orientation. A market oriented organization ensures that its employees are sensitive and responsive to developments of the market. In addition, interdepartmental connectedness needs to improve and conflicts reduced.

Market orientation encourages managers to decentralize power and give more empowerment to employees. As per Camarero (2007), market orientation leads to relationship orientation and service quality orientation which in turn will result market and economic performance. Organizational service orientation describes staff attitudes and behaviors, which directly affect the quality of service delivery process in a service organization and determine the state of all interactions between an organization and its customers. An organizational service orientation is defined by Lytle et al. (1998, p. 459) as an organization-wide embracement of a basic set of relatively enduring organizational policies, practices and procedures intended to support and reward service-giving behaviors that create and deliver “service excellence”. The service orientation stays in the strong relationship with intangible aspects of an organization. It exists when the organizational climate for service crafts, nurtures, and rewards service practices and behaviors known to meet customer needs (Lynn et al.,2000:282).

To ensure customer satisfaction, managers should create customer orientation, including clarifying to employees the value of providing customers with high quality service and developing a system of emphasizing the importance of customer feedback. Secondly managers should provide enough support to their employees. Lastly, managers should develop ways of work facilitation for their employees. Good service climate results in employee commitment which in turn produces customer satisfaction (He, Li and Lai, 2010). Service climate contributes to the commitment of employees to the organization, and to the employees' service quality

capability, potentially improving the service that the customer experiences. Improved quality of service contributes to the overall consumer benefit package and should prove beneficial to firms in the long run (Little and Dean, 2006). Therefore customer satisfaction depends on service climate, employee commitment and level of employee customer orientation, which are interrelated and interdependent. “Customer service orientation” or “customer orientation” concept is in many ways similar to the organizational service orientation but it is focused on staff behaviors and more psychological interpretation. Customer service orientation is specified by interpersonal skills, extroversion, and general disposition of operators having positive influence on the operators’ performance (Alge et al., 2002).

2.9 Significance of employee customer orientation

Hennin-Thurau (2004) defines customer orientation as the extent to which the employee’s behavior in personal interactions with customers meets those customer needs. At an individual level, customer orientation is defined as the willingness of service providers to adjust their service delivery according to a customer’s situation (e.g. needs, problems, special circumstances) (Daniel and Darby, 1997; Saxe and Weitz, 1982). The term customer oriented behavior refers to specific behaviors displayed by personnel during service encounters – such behavior that leads to satisfied customers (Farrell et al., 2001; Winsted, 2000a, b). From the customers’ perspective, service providers’ prosocial behavior can be viewed as customer-oriented service in service industry. Thus, pro social behavior can be a critical issue for service marketers and practicing administrators, because pro social behavior representing contact employees’ attitudes and behavior toward customers has a significant effect on customers’ evaluations of service quality and subsequent satisfaction (Ki Lee, Nam, Park and Lee, 2006)

2.10 Antecedents of employee customer orientation

For employees to develop customer oriented behavior, they should possess the right technical and social skills, they need to be motivated and they should have positive perception of their decision making authority. In this regards, great attention should be paid to measures that deal with recruitment of new employees for boundary spanning positions and the training of new and existing service employees (Henning-Thurau, 2004). Ki Lee, Nam, Park and Lee (2006) state that job satisfaction and organizational commitment are required for customer oriented behavior.

These two are directly or indirectly influenced by employee empowerment, service training and service reward. A more recent perspective of customer orientation antecedents is organizational identification and employee-customer identification. How the employee identified himself or herself in relation to the values and beliefs of the organization and the customers determines his or her level of customer orientation (Anaza and Rutherford, 2012). Incongruence between personality and job climate affects worker productivity and morale. Employees should have a “service minded” personality and should be well equipped and supported by a service-oriented organization to be able to behave in a customer-oriented manner (Lanjanada and Patterson, 2008). According to Donovan (2004), an employee develops customer oriented behavior if he or she has the need to pamper the customer, the need to read the customer’s needs, the need for personal relationship and the need to deliver the service required.

2.11 Impact of employee customer orientation

Customer orientation has a strong impact on customer satisfaction. Service providers that perform above average in terms of customer oriented behavior will have a good chance to outperform competitors (Henning-Thurau, 2004). Every individual employee is responsible for high quality service, which in turn influences customers’ loyalty behaviors. Retail managers cannot rely upon subgroups of employees performing well and attempting to provide an overall level of service. Rather, managers need to highlight the importance of service and customer orientation to all retail employees, and the role of the individual employee in service provision is clear. Although individual assessments of service might differ across countries, the role of individual retail employees in providing high quality service and driving customer loyalty is more stable. So, retail managers need to ensure that individual employees are both customer and service oriented in order they are able to deliver the best possible service during individual service encounters (Jayawardhena and Farrell, 2010). Employee customer orientation will result in job satisfaction and organizational commitment which will bear internal service quality which will result in ultimate customer satisfaction (Gazzoli, Hancer and Kim, 2013).

2.12 Service climate

Service climate may be defined as employees’ perceptions of organizational policies, practices and procedures, which promote a climate that expects and rewards customer service. A climate

for service depends on the fundamental support provided by organization through resources, training, managerial practices, and assistance required to perform effectively (Schneider et al., 1998). In this light, service climate may be considered as an individual, rather than an organizational attribute, measured in terms of perceptions that are psychologically meaningful to the individual, rather than in terms of concrete organizational features. Therefore, service climate rests on perceptions of individual employees, which influence individuals' behavior (Bagozzi, 1992). The employee perception of work climate not only influences organizational variables such as work effort and job satisfaction, but also affects service evaluation by customers.

Therefore, it will be necessary to explicitly design and establish various organizational policies such as employee empowerment, detailed services codes, service performance reward/award, and employee education/training, in order to develop a system that will facilitate service-oriented environment and supportive management (Yoon, Beatty and Suh, 2001).

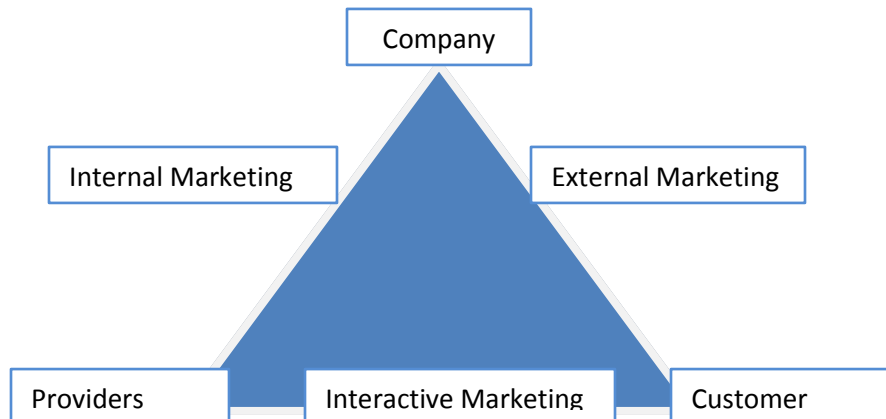
2.13 Other factors affecting service employee behavior and service quality

Role clarity is crucial not only for improving service quality but also for enhancing job satisfaction and organizational commitment of the customer contact employees. The more employees are clear as to what is expected of them in their jobs, the more satisfied they become with their jobs. The more satisfied they are, the better they align with the goals of the organization. The more they feel committed to their organization, the higher would be the quality of service (Slatten, Svensson and Svaeri, 2010). Participation in decision-making by the customer contact employees on issues concerning their jobs and the continuous and constructive feedback from the superiors and co-workers contribute to role clarity. Team support further assists in role clarity by disseminate useful information concerning various job issues that are not explicitly known or instructed (Mukherjee and Malhotra, 2006). Employees feeling of joy or frustration resulting from their perception of managerial practices as well as service quality affect how they behave during service encounter (Slatten, 2009). On the other hand internal service quality and the effort of the organization to communicate with employee through internal marketing also play a role in service employees' behavior (Bellou and Andonikidis, 2008). In general satisfied employees will strive to deliver good service in order to create customer satisfaction (Jeon and Choi, 2012).

2.14 Internal marketing

Internal marketing as a term evolves from the notion that employees constitute an internal market within the organization. This market needs to be informed, educated, trained, rewarded and motivated to meet external customers' needs and expectations (Doukakis and Kitchen, 2004).

Figure 4 Internal Marketing



Source: Zeithaml and Bitner (1996)

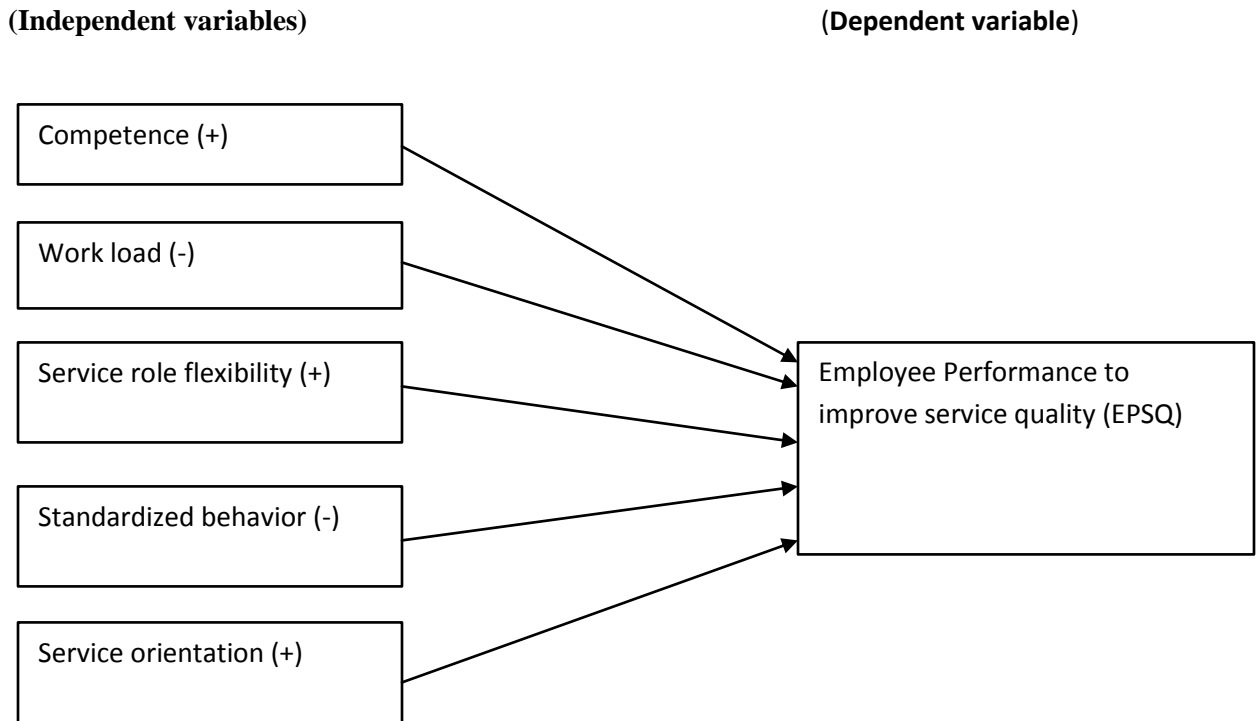
The overall service organization's internal and external marketing strategies can be visualized in terms of a service brand identity that is easily identified and remembered by consumers. All aspects of service delivery are connected to the quality of Human resource management and Internal Marketing policies, which invariably have the potential to infect the consumer-employee interaction. Therefore, service organizations need to safeguard and manage negative transference of all internal organizational attributes, such as, employee dissatisfaction from spilling over affecting service quality image and service brand perception (Vella, Goutnas and Walker, 2007).

2.15 Conceptual model

The preceding literature establishes the fact that employee service oriented behavior is mainly affected by their skill and competence, the service climate they operate in, the level of their customer orientation and the management style of the company. The employees' self-evaluation in these parameters will indicate their perception of service quality. Vella, Goutnas and Walker (2007) developed the following model and used it to empirically test employee performance to improve service quality. To conduct their study the researchers had chosen to focus on supermarket customer contact employees as in the case of Australia supermarket as widely dispersed in the country and customer service is used as a source of competitive advantage. This situation is similar to the case of commercial banks in Ethiopia and this model is adapted in the context of this research and was used to evaluate Addis Ababa's Lion International bank employee's performance to improve service quality.

Figure 5 Research model

Internal service factors



Source: Vella, Goutnas and Walker (2007)

In order for employees to deliver service quality and meet customers expectation, they are required to be equipped with competence, they need to cope with the task or workload at hand, when appropriate they should feel empowered to make necessary adjustment in service delivery process and they should be willing and able to assist customers. Hence, their perception of these variables will have a direct reflection and impact on their performance of service quality. In general employee skill and competence, service role flexibility and employee service orientation have positive influence on employee performance of service quality. While work load and standardized behavior have a negative influence on employee performance of service quality.

2.16 Customer Perception

Perception is the basis for personal interpretation of the world. According to Zekiri (2011) perception is an opinion about something viewed and assessed and it varies from customers to customers, as every customer has different beliefs towards certain services and products and it plays an important role in determining customer satisfaction. Customer satisfaction is determined by the customers' perceptions and expectations of the quality of the products and services. Perception is a way of forming impressions about oneself, other people and daily experience. It also serves as a screen or filter through which information passes before it has an effect on people. Even though it is subjective the quality or accuracy of a person's perceptions has a major impact on his or her responses to a given situation. According to Mitchel (1978: as cited in Mussie 2010) perceptions are those processes that shape and produce what one actually experiences. Since perceptions are influenced by many external and internal factors such as cultural, social, psychological and economic, the ways in which the customer perceives services are highly subjective. What a customer perceives can differ from objective reality.

According to disconfirmation theory, the extent of satisfaction or dissatisfaction that a consumer has with a particular service encounter is determined by the difference between the customer expectations of performance and the actual perceived performance of the service (Oliver, 1996: cited in Samuel 2006).

Any difference between them is referred to as disconfirmation. If the service experienced is better than expected, then positive disconfirmation or high levels of satisfaction will result. If, however, the service performance falls short of what was expected, then negative disconfirmation or dissatisfaction will result as discussed under the model.

Therefore, it is imperative to understand how consumers perceive the quality of the product offering, including the service element, and how these perceptions impact upon the consumer's ultimate purchase decision. Having understood the consumers' perception of quality the organization should be able to identify whether or not a gap exists between the customers' expectation and the manager in the development of appropriate managerial quality systems, which should maximize consumer satisfaction. The needs of survival and prosperity in the increasingly competitive marketplace are the main driving forces in the provision of superior quality services. According to Kotler and Keller (2006) successful companies add benefits to their offering that not only satisfy customers but surprise and delight them. Delighting customers is a matter of exceeding expectations.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

INTRODUCTION

This chapter briefly explains the research methodology and some important points in conducting the research. The main areas covered in the chapter are: research design, population & sampling, data collection, pilot testing, data analysis and ethical considerations.

3.1 Research Design

According to DrBrian(2015) the main aim of descriptive research is to provide an accurate and valid representation of (encapsulate) the factors or variables that pertain / are relevant to the research question. While the main aim of explanatory research is to identify any causal links between the factors or variables that pertain to the research problem. As Bhattacharjee (2012) explained descriptive research is directed at making careful observations and detailed documentation of a phenomenon of interest and it answers what, where, and when of a phenomenon. Explanatory research seeks explanations of observed phenomena, problems, or behaviors.

Therefore, the research is both explanatory and descriptive in nature. The research is explanatory because the researcher tries to explain the relationship between employee's performance and service quality. It is descriptive because descriptive data will be collected through detailed questionnaire.

3.2 Population, Sample Size and Sampling Technique

3.2.1 Population of the Study

The study with a total population of 710 permanent employees in Addis Ababa (HR Division report, Dec. 2016) had seven strata i.e. senior executives, Directors, Division Managers, Branch Managers/Section Heads, Senior Officers/CSM, Officers and Junior Staffs'. Employees who are out of Addis Ababa Branches, Directors and non - clericals were not included in this research due to the short available time, geographical restrictions, access to data, expected rate of return from the study and the degree of literacy etc.

3.2.2 Sample Size

The geographical delimitation of the study is Addis Ababa and the subjects of interest are front line and back office employees of lion international bank in Addis Ababa because most of actual contact of the customer is with front line employees of the bank. There are currently 46 branches that locate in Addis Ababa. However in order to gain balanced and realistic point of view; employees which have been operating in Addis Ababa for more than six month are considered to construct the sample frame. Based on that, front line and back office employees operating in the bank make up the population of the study.

From the 46 branches located in Addis Ababa, 30 branches were selected randomly and the questionnaires were distributed according to the branches employee numbers. And most of front officers are participated in the questioner in order to gain realistic data.

The research includes Non-Managerial staffs. Non-Managerial includes: senior officers/CSO, Officers and Junior Staffs'. In short, the following detailed sampling frame used to designate the subtotal of the population and the number of participants to be sampled proportionally from the total 246 samples of the study.

Table 1 Sample Size Determination

Population	Population Size	Sample Size
Senior Executive	3	0
Directors	8	0
Division Managers	17	0
Branch Managers/Section Heads	60	11
Senior Officers/CSM	117	59
Officers (front and back office)	319	176
Other	186	0
Total	710	246

3.2.3 Sampling Technique

The sample size for this study was (246) determined based on the sample size determination formula for descriptive research. Here, in the study, the information was used in the formula included assuming with 99% confidence level, estimated variance (2.58) and acceptable margin of error 0.01 and sampling size calculated by formula: Kothari (2004). “Descriptive research typically uses larger samples as stated by Melchor A.Calmorin and Laurentina (p.230).

$$Ss = \frac{N z^2 ((Se)^2 * (1-P))}{N Se^2 + ((z)^2 * p (1-p))}$$

$$N Se^2 + ((z)^2 * p (1-p))$$

Where; N = Total number of population

Z = standard value (2.58) for 99% reliability

Se = Sampling Error- 0.01

P = Largest possible proportion – 0.50

Where; N=1284 Z=2.58 Se=0.01 P= 0.50

$$\frac{1284 * 2.58^2 + ((0.01)^2 * (1-0.5))}{1284 * 0.01^2 + ((2.58)^2 * 0.5(1-0.5))} = 246$$

$$1284 * 0.01^2 + ((2.58)^2 * 0.5(1-0.5))$$

Therefore by utilizing the above formula, the calculated sample size is 246. Thus the samples were distributed to 246 respondents proportionally under the sample frame. Questionnaires were distributed personally to the respondents. Of the 246 questionnaires distributed, 210 were collected and the rest of the questionnaires were not fully filled and some of it is not returned totally. And data was collected from the sample frame which is branches located in Addis Ababa. And in order to select from the given branches the researcher used simple random sampling technique.

3.3 The variables

Independent variables: Based on theoretical and existing researches, five variables are believed to have strong and significance influence on the shaping of employees' performance of service quality. As discussed in the literature review section, these variables are mainly derived from employees attitude and behavior, the service climate, the management style and organization approach towards internal marketing. Customer contact staffs' understanding and attitude towards these variables helped to arrive at a reasonable conclusion about their understanding and attitude towards service quality. The independent variables for this study are:

- Service employee's skill and competence
- Service employee's workload
- Service role flexibility
- Standardized service behavior
- Service employees' level of service orientation

Dependent variable: based on above explanation, the dependent variable of the study is service employees' performance.

3.4 Method of Data Collection

Qualitative data: In order to build up the background of the study and derive a problem worth investigating, the arguments are based on secondary data as well as academic and research literature. The same technique is used to develop the conceptual framework of the study.

Quantitative data: The main objective of the study is to empirically evaluate Lion International

bank customer contact employees' performance of service quality. For that purpose, a self-administered structured survey questionnaire is conducted. The questionnaire consists of two parts. Part one is used to collect personal data and is designed with ordinal and nominal responses. Part two will be main section and is designed with five scale Likert scale sixteen interval level response questions.

3.5 Procedure of Data Collection

As the study used primary data based on structured questionnaires. Based on the research objective, questionnaires were developed. First all the questions in the questionnaire were Simple and appropriate language is used so as the employees can understand them easily. After that pilot test was conducted on the questionnaires in order to make sure the questions were understandable and if there were any errors. The questionnaires were adopted from Huseyin et al., (2005).

3.6 Pilot Testing

It is important that all surveys are tested before the actual survey is conducted. This is done to ensure that the questionnaire is clear to respondents. Thus, it should be piloted on the sample to be used. Then they are interviewed on what they thought about the questionnaire, how it could be improved and if anything is missing. The pilot survey tests the following: wording of the questions, Sequence and layout of the questionnaire, and Analysis procedures. Additionally, pilot survey uses to help estimate both response rates and completion times Saunders et al. (2000).

In this research a pilot test conducted by distributing 10 questioners to ensure the above stated points.

3.6.1 Reliability

Overall and construct based scale reliability test was conducted using coefficient Alpha and the results have all fallen above 0.7. The coefficient value can range from 0 to 1, and, in most cases,

a value of less than 0.6 would typically indicate marginal to low (or unsatisfactory) internal consistency (Hair, Bush and Ortinau, 2002).

Table 2 Reliability test

Variables	Cronbach's Alpha	No. of Items
Skill	.762	3
Work Load	.888	4
Service Standard	.777	3
Service orientation	.796	2
Service Flexibility	.780	2
Service Quality	.796	2
All variables	0.801	16

Source: SPSS data analysis, 2017

We can see from table 3.2 that all of the variables 'Cronbach's Alpha' is greater than 0.7. The Cronbach's alpha is used in this study to assess the internal consistency of the research instrument; the developed α (Alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale. As the result approaches to 1 the more is the internal consistency of the items, which means all the items measure the same variable. Hence the above table shows that the reliability is satisfactory.

3.6.2 Validity

When we come to the concept of validity, Even though error cannot be avoided 100%, we should try to minimize and keep it at minimum. One way to do that is determining properties of the measure that give us confidence that it is doing its job properly. The first property is validity, which is whether an instrument actually measures what it sets out to measure.

Validity is concerned with whether the findings are really about what they appear to be about (saunders et al., 2000). The structured questioner is adapted from Huseyin et al., (2005)

In order to ensure the existence or non-existence of latent variables factor rotation was conducted using Varimax rotation and all variables correspond to the hypothesized six constructs. The results are summarized in following table.

Table 3 Varimax rotated components matrix

	Workload	Skill	Customer Orientation	Service Flexibility	Service Standard	Service Quality
Number of tasks affects level of customer satisfaction	.863					
Number of tasks affects the quality of service I provide	.884					
Number of tasks affects the average time I spend with each customer	.821					
Number of tasks affects the level of service I provide	.835					
I know everything about the service of my bank		.793				
My skills are up to date with latest changes		.792				
I have been properly trained to provide the best service		.823				
I enjoy being with customers			.791			
I am concerned about what customers think of me			.826			
I have the customers best interests in mind			.769			
The service delivery process is effective for service quality					.881	
The service script is effective for service quality					.861	
Service performance is better when flexible to change work situation				.893		
Customers more satisfied when service is more flexible to their needs				.889		
Customers acknowledge and give feedback of my contribution to their overall satisfaction						.872
Customers value and appreciate my contribution to the service they receive						.873

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations

Source: SPSS data analysis, 2017

3.7 Method of Data Analysis

After the primary and secondary data gathering procedures completed, the collected data will be checked throughout the different phases (editing, coding, data entry and data analysis). Quantitative data analysis techniques were employed. The Statistical Package for Social Sciences

(SPSS) statistical package were used to analyze the data gathered using the questionnaire quantitatively. The data collected from secondary sources helps to develop the conceptual framework of the study. This model was used to make quantitative analysis with two major steps: Bivariate correlation and Stepwise Regression analyses.

Bivariate correlation: Using this technique, the relationship between the dependent variables and the independent variables is evaluated.

Stepwise Regression: The correlation analysis only gives information on the positive or negative relationships that exist between the dependent and independent variables. Hence the predictors of employee perception of service quality are determined using Stepwise Linear Regression.

3.8 Ethical Considerations

The research is designed not to adversely affect the moral and the status of the respondents as well as the reputation of the organization. When conducting the study, the researcher will consider the ethical value of the research. In addition to this the researcher didn't violet the privacy of the employees and also keep the data obtain from the organization and respondents as secret.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRITATION

INTRODUCTION

This chapter presents, analyze, and interpret the data collected from Lion International Bank S.C employees regarding the performance of service quality dimensions. The chapter begins with response rate figures and proceeds to demographic data presentation, hypothesis testing and at last discussion of results.

4.1 Response Rate of Respondents

In accordance with the sample size, 246 questionnaires were distributed to employees of lion international bank. The response rate was 99%, and out of those, 210 were completely and accurately filled out making the actual response rate 85% the remaining questioners are not fully filled and also some of it is not returned at all. Taking in to account that employees of the bank under study have participated, the achieved response rate is acceptable. The following sections will hence discuss the results of the analysis conducted on the collected data.

4.2 General Characteristics of Respondents

The sample under study consisted of 65% male and 35% female Lion international bank customer contact employees. The majority of them, 72% are customer service employees with continuous contact with customers, 8% are supervisors, 7% managers and the remaining 13% have other positions in the banks with in frequent contact with customers. With regards, to work experience, 44% have less than two service years, 26% between 2 and 5 years and 30% more than five years. The objective of the study is to determine the employee's performance to improve service quality of Lion int. bank service employees. The fact that more than 2/3 of the

respondents are customer service employees with continuous service encounter, adds to the reliability of the data. The details of these are reflected in the below tables.

Table 4 Position and gender cross tabulation

			Gender		Total
			Male	Female	
Position	Customer service	Count	93	57	150
		% within position	62.00%	38.00%	100.00%
	Supervisor	Count	11	6	17
		% within position	64.70%	35.30%	100.00%
	Manager	Count	12	3	15
		% within position	80.00%	20.00%	100.00%
Other	Count	20	8	28	
	% within position	71.40%	28.60%	100.00%	
Total		Count	136	74	210
		% within position	64.80%	35.20%	100.00%

Source: survey result 2017

Table 5 Work experience and gender cross tabulation

			Gender		Total
			Male	Female	
Work experience	Less than two years	Count	64	29	93
		% within work experience	68.80%	31.20%	100.00%
	Less than five years	Count	39	16	55
		% within work experience	70.90%	29.10%	100.00%
	More than five years	Count	33	29	62
		% within work experience	53.20%	46.80%	100.00%
Total		Count	136	74	210
		% within work experience	64.48%	35.20%	100.00%

Source: Survey data, 2017

4.3 Analysis of Collected Data

The second part of the questionnaire incorporated questions that help determine the performance of Lion international bank service employees' to improve service quality. On a five point Likert

scale, they were asked to choose the number that best represented their point of view. Accordingly, the following results were collected.

Table 6 shows that Mean score of Perception of the influence of workload on level of service performance Majority of respondents feel that workload affects the level of their service performance. The following table shows that on a Likert scale of 1 to 5 the mean value of responses is 4.

Table 6 work load

	mean	Std. Deviation
number of tasks affects level of customer satisfaction	4.08	0.973
number of tasks affect the quality of service I provide	4	0.986
number of tasks affects the average time I spend with each customer	4	1.01
number of tasks affect the level of service I provide	3.93	1.009
Total mean work load	4	0.853

Source: Survey data, 2017

Here on table 7 Mean score of perception of the influence of skill on service performance the mean value of total responses on a Likert scale of 1 to 5 is 3.85 showing that the majority of lion bank service employees feel that their skill has influence on the level of their service performance.

Table 7 Perception of skill

	mean	Std. Deviation
I know everything about the service of my bank	3.85	0.847
My skills are up to date with latest changes	3.85	0.938
I have been properly trained to provide the best service	3.86	0.922
Total: Mean Skill	3.85	0.743

Source: Survey data, 2017

We can understand from the table below Mean score of level of customer orientation (i.e. table 8) the mean value of 3.91 for the five point Likert scale questions indicates that the majority of lion bank service employees perceive that they are customer oriented.

Table 8 Perception of service orientation

	Mean	Std. Deviation
I enjoy being with customers	3.93	0.822
I am concerned about what customers think of me	3.81	0.831
I have the customers best interests in mind	4.02	0.776
Total: Mean Customer Orientation	3.91	0.687

Source: Survey data, 2017

We can see from table 9 Mean score of perception of standardized service behavior the highest mean value of 4.31 for the five point Likert scale questions in relation of perception of positive influence of standardized service process on service quality suggests that lion international bank service employees see it as a major contributing factor.

Table 9 Perception of standardized behavior

	Mean	Std. Deviation
The service delivery process is effective for service quality	4.34	0.71
The service script is effective for service quality	4.28	0.715
Total: Mean Service Standard	4.31	0.652

Source: Survey data, 2017

On the other hand table 10 shows Mean score of service role flexibility. Based on the mean value of 4.31 for the responses of the five points Likert scale questions in relation to service role flexibility, lion international bank service employee perceive it improves service performance and helps meet customer needs.

Table 10 Perception of service role flexibility

	Mean	Std. Deviation
Service performance is better when flexible to change work situation	4.24	0.776
Customers more satisfied when service is more flexible to their needs	4.38	0.83
Total: Mean Service Flexibility	4.31	0.725

Source: Survey data, 2017

Table 11 shows Mean score of service quality Lion international bank employees were asked how they perceive their contribution to customer satisfaction and service quality delivery is 3.95 mean value indicates they get positive feedback from customers.

Table 11 Service quality

	Mean	Std. Deviation
Customers acknowledge and give feedback of my contribution to their overall satisfaction	3.85	0.794
Customers value and appreciate my contribution to the service they receive	4.05	0.82
Total: Mean Service Quality	3.95	0.737

Source: Survey data, 2017

4.3.1 Correlation Analysis

The preceding mean scores only give indication to the predisposition customer contact employees hold towards the individual determinant factors. In order to further test the degree of relationship within the independent variables as well as their relationship between the dependent variable Pearson bivariate correlation was used. The Pearson correlation coefficient measures the degree of linear association between two variables. It varies between -1.00 and +1.00 with 0 representing absolutely no association between two variables, and -1 or +1 representing a perfect link between two variables. The higher the coefficient of correlation the stronger the level of association (Hair, Bush and Ortinau, 2002). The following matrix summarizes the results (table 12).

Table 12 Pearson correlation matrix

		Workload	Skill	Customer Orientation	Service Standard	Service Flexibility	EP Service Quality
Workload	Pearson Correlation	1					
	Sig.(2-tailed)						
	N	210					
Skill	Pearson Correlation	.185**	1				
	Sig. (2-tailed)	0.007					
	N	210					
Customer Orientation	Pearson Correlation	0.127	.215**	1			
	Sig.(2-tailed)	0.066	0.002				
	N	210	210	210			
Service Standard	Pearson Correlation	.136*	0.1	.141*	1		
	Sig.(2-tailed)	0.049	0.147	0.041			
	N	210	210	210	210		
Service Flexibility	Pearson Correlation	.141*	.212**	.338**	.243**	1	
	Sig.(2-tailed)	0.042	0.002	0	0		
	N	209	209	209	209	209	
EP Service Quality	Pearson Correlation	0.118	.173*	.200**	.387**	.205**	1
	Sig.(2-tailed)	0.088	0.012	0.004	0	0.003	
	N	210	210	210	210	209	210

**Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS data analysis, 2017

The correlations between the independent variables customer orientation, service process standardization, service role flexibility and the dependent variable employee performance of service quality are significant with respective p-values < 0.01 . As a result they are selected as primary variables for the subsequent evaluation of best predictors of the dependent variable. The four independent variables with significant correlation have positive association between the dependent variable. However, when compared to one another, the most significant and stronger association is between service process standardization and performance of service quality with a Pearson correlation coefficient of 0.387. It is therefore, most likely that this variable is the most influential factor for Lion international bank employees' performance of service quality.

However, in order to arrive at a conclusive result a further linear multivariate regression analysis needs to be conducted.

The correlation matrix above indicates the existence of some association among some independent variables. Skill is positively associated with workload, service role flexibility and customer orientation. Service role flexibility is positively associated with customer orientation.

The strongest correlation among independent variables has a Pearson correlation coefficient of 0.338 and hence there is no danger of multicollinearity.

4.3.2 Regression Analysis

Following the results of Pearson correlation, the four independent variables with acceptable significance value were further analyzed using stepwise regression in order to identify the best predictor of employees' performance of service quality. The following tables (13) summarize the results.

Table 13 Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.387a	0.15	0.146	0.683
2	.415b	0.172	0.164	0.676

a. Predictors: (Constant), MServiceStandard

b. Predictors: (Constant), MServiceStandard, MCustomerOrientation

Source: SPSS data analysis 2017

Correlation coefficients say nothing about which variable causes the other to change. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it (Andy field, 2009). The correlation coefficient squared (known as the coefficients of determination, R²) is a measure of the amount of variability in one variable that is explained by the other.

Table 14 Coefficients Table

Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients.	T	Sig
		B	Std. Error	Beta		
1	(Constant)	2.062	.316		6.519	.000
	MServiceStandard	.439	.073	.387	6.046	.000
2	(Constant)	1.539	.385		3.995	.000
	MServiceStandard	.415	.073	.366	5.723	.000
	MCustomerOrientation	.160	.069	.149	2.324	.021

a. Dependent Variable: MServiceQual

Source: SPSS data analysis, 2017

Table 15 Excluded Variables

Model		Beta In	T	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	MSkill	.136 ^b	2.138	.034	.147	.991
	MCustomerOrientation	.149 ^b	2.324	.021	.160	.980
	MServiceFlex	.117 ^b	1.788	.075	.124	.941
2	MSkill	.111 ^c	1.711	.089	.119	.949
	MServiceFlex	.077 ^c	1.120	.264	.078	.847

a. Dependent Variable: MServiceQual

b. Predictors in the Model: (Constant), MServiceStandard

b. Predictors in the Model: (Constant), MServiceStandard, MCustomerOrientation

Source: SPSS data analysis, 2017

The results of the stepwise regression indicate that the significant predictors of lion int. bank Employees' performance of service quality are customer orientation and service process standardization.

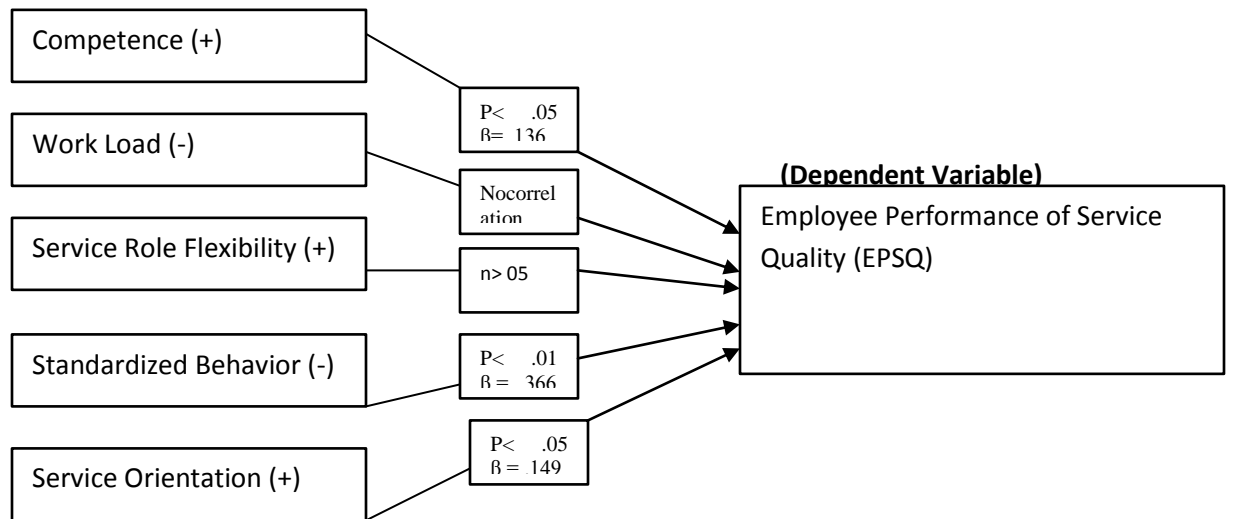
The stronger predictor is service process standardization, with a β coefficient of 0.366. The remaining independent variables are excluded because of p-value > 0.05. It is also worth noting that although the coefficient of customer orientation is low, the inclusion of this variable has improved the r square value from 15% to 17.2%. As discussed in the scope of the study, employee perception of service quality cannot be fully explained with the marketing dimensions that have been established in this study. Some parts of it will be influenced by the employees' personal and social disposition, other parts by the human resource strategy and procedure of the organization. In addition as service delivery involves interaction with customers, the customers' actions also influence employees' perception. Therefore, the 17.2% value of r-square for the two significant variables is acceptable.

4.4 Summary of findings

The five research hypotheses have been tested using correlation and regression analysis and the results have been discussed in the preceding section. Accordingly the following acceptance and rejection decisions have been made.

Figure 6 Decision model

(Independent Variables)



Adapted from: Vella, Goutnas and Walker (2007)

Table 16 Hypothesis test and decision

Hypotheses	Decision
Hypothesis 1 H1: Employee competence or skills will be positively related to employee performance of service quality	Rejected
Hypothesis 2 H2: Heavy employee workload will be negatively related to employee performance of service quality	Rejected
Hypothesis 3 H3: Service role flexibility will be positively related to employee performance of service quality	Rejected
Hypothesis 4 H4: Service orientation will be positively related to employee performance of service quality	Accepted
Hypothesis 5 H5: Standardized behavior will be negatively related to employee performance of service quality	Rejected

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND SUGGESTIONS

INTRODUCTION

This chapter presents conclusion, recommendation and implication based on findings and analysis, for marketing practitioner and researchers.

5.1 Summary of Major Findings

Workload: The descriptive analysis shows that workload the second highest mean value compared to others (i.e. 4.00). The correlation analysis also reveals perceived workload show the positive relation (i.e. 0.118) with the dependent variable employees performance. Workload, if not properly managed, will result in long waiting time for customers which in turn will put increased pressure on service employees. Thus LIB should strive to reduce the negative impact of long waiting times by either reducing the actual waiting time or reducing the customer's perceived waiting time and also increase employee of the bank in order to separate several duties.

Skill: The independent variable of skill has the forth position in determining employees performance when we compare its mean value to other listed variables. Its mean value is determined to be 3.85. Correlation analysis shows that Commitment is correlated with Employees performance by 0.173. The skill gap can reduce by training. The very purpose of training and developing service employees is to achieve business goals and objectives. It is good that employees feel they know their job very well and have enough skills for it. LIB should seriously be concerned with the training and development strategy of the company to increase the level of skills of its employees.

Service role flexibility: The independent variable service role flexibility has the highest position in determining employee's performance when we compare its mean value to other listed

variables. Its mean value is determined to be 4.31. Correlation analysis proves that the independent variable is correlated with dependent variable by 0.205. While the structure of the task would ensure reliability of service, training the representatives to think “out of the box” would promote empathy of customer service

Service process standardization: The mean value of the independent variable also highest which is 4.31. The correlation value proves that the variable is the highest correlated with employee’s performance (dependent variable) by 0.387. The banks need to devise mechanisms of engaging customer contact employees in the design and modification of service delivery processes so that they gain more confidence and feel empowered. Appropriately empowered employees are motivated and feel they can contribute positively to the successful delivery of service quality. They will exert maximum effort to meet customer needs even in difficult environment and situation.

Customer orientation: the mean value for service orientation is 3.91 the Correlation analysis proves that the independent variable of customer orientation is correlated with the dependent variable by 0.200. Thus LIB should give individual attention to its customers and give customer oriented services.

5.2 Conclusions

Employees’ Performance to Improve Service Quality is not an easy thing to evaluate as it is not only dependent on the employee’s perspective. The management and structure of the organization as well as the attitude and behavior of customers play a role in the development of this performance. The following conclusions are derived from the most immediate service marketing factors that have influence on the daily routine service encounter. Theoretical background of these factors, employee service skill, workload, customer orientation, service process standardization and service role flexibility have been extensively explained in chapter two of this study. Those concepts and theories are used as the standards for evaluating the results of the survey and the following deductions are accordingly made.

The research findings do not support the hypotheses that employees' Performance to Improve Service quality is positively influenced by employee competence and skill. Even if employees feel that they have enough skills and competence to carry out their duties and responsibilities, they do not associate it as an important factor to deliver service quality and ultimately satisfy customers. This can be seen as a problem as employees have not acquired the knowledge of converting their know how into customer centric actions. The very purpose of training and developing service employees is to achieve business goals and objectives. It is good that employees feel they know their job very well and have enough skills for it. However, if they do not feel they should convert that into service quality the training and development efforts have not fully achieved the intended goal.

Zeithaml and Bitner (2004), explain that in order to provide quality service, employees need ongoing training in the necessary technical skills and knowledge and in process or interactive skills.

The hypothesis “heavy employee workload will be negatively associated with employee performance to improve service quality” is also rejected. Employees do feel that heavy workload affects their service performance. However, they do not associate it with service quality and customer satisfaction.

Workload, if not properly managed, will result in long waiting time for customers which in turn will put increased pressure on service employees. Companies strive to reduce the negative impact of long waiting times by either reducing the actual waiting time or reducing the customer's perceived waiting time (Clow and Kurtz, 2003). Particularly in the effort of reducing the perceived waiting time service employees can play a role by being conscious about the time and engaging the customer into conversations or activities that can divert their attention away from it. Unfortunately, in the case of Addis Ababa lion international bank employees, that association is missing.

Based on the analysis of the survey, service role flexibility is not associated with employee performance to improve service quality and the hypothesis has been rejected. The lion bank service employees' do agree that flexibility can improve service performance. They feel that when specifically requested by the customer and accordingly entertained it can result in customer

satisfaction. However, they do not accept it as a general procedure for service interaction with customers. The fact that they do not associate this variable with service quality, which indicates that, they are not willing to initiate the flexibility themselves unless it is specifically requested by the customer. Service role flexibility is dependent on management style and it is not of course mandatory for organizations to adopt job autonomy. However in most cases, job satisfaction and employee morale increases (Clow and Kurtz, 2003). The level of autonomy also shows to what extent employees are empowered to make on the spot decisions to meet customer needs. The result of the study indicates that job autonomy has no influence on lion bank employees' performance to improve service quality.

The fourth hypothesis, service orientation is positively associated with employees' performance to improve service quality is accepted. Even though the β coefficient is low, this variable contributes to the increase of the r-square value of the model's ability to explain the variance. Service orientation is of fundamental importance to quality service delivery as it drives the attitude and behavior of the service employee. It indicates to what extent the service employees appreciate serving customers. Such attitude and behavior is not easy to accomplish and has to emanate from the overall marketing orientation of the organization. Based on the results of the study this variable on its own is not a strong predictor of employee performance to improve service quality. It is hence an indication that lion international bank employees are in general customer oriented but they do not fully associate it to the benefits it has toward service quality and customer satisfaction.

The strongest association of the dependent variable is between standardized behaviors of service employees. However as the beta coefficient is positive, the fifth hypothesis "standardized behavior will be negatively related to employee performance to improve service quality" is rejected. The lion international bank service employees feel that the scripted and standardized service process helps them deliver service quality and results in customer satisfaction. Out of the five variables this study has analyzed, lion int. bank service employees have identified standardized service behavior as the only predictor of their performance to improve service quality. The advantage of this understanding of service encounter is the fact that standardization helps achieve consistent reliability and responsiveness. However assurance and empathy which require skill and high level of customer orientation will suffer. In this context, it will be difficult

to consistently guarantee delivery of service quality and customer satisfaction. Too much standardization and focus on productivity can put pressure on service employees. Zeithaml, Bitner and Gremler (2013) state an example of Verizon employees in Florida who were frustrated by the firm's requirement that a service call to a customer not go beyond a certain amount of time, regardless of whether the issue was resolved or not.

In general, this research has presented results that indicate lion international bank employees understand the importance of the individual factors: balanced workload, level of skill, service orientation, service role flexibility and standardized behavior on service performance.

However, with the exception of standardized behavior, they do not fully appreciate their direct association to their effort of delivering service quality. In addition, the interdependence of these factors is not clearly understood and identified by the service employees. The fact that employees' performance to improve service quality is strongly influenced by standardization is an indication that they feel the organization is more, if not only, responsible to the successful service delivery than the employees. Hence, amidst the rapidly growing financial service sector of Addis Ababa, we can conclude that the employees' performance to improve service quality is not satisfactory.

5.3 Recommendations

“Customer contact employees are the service, the organization in the customer's eyes, the brand and the marketers” (Zeithaml, Bitner and Gremler, 2013). They should therefore possess a holistic perception of service quality in order to consistently deliver it and satisfy customers. This section will discuss possible course of actions lion international bank can take in order to improve employees understanding on the influence of the five factors under study. The ultimate goal should be to achieve customer oriented service delivery and close Gap 3 (translation of perceptions into service quality dimensions between service delivery) of SERVQUAL model (Parasurama, Zeithaml and Berry, 1985).

The solutions to the identified problems cannot be achieved through marketing approaches only. As indicated in the introduction of this paper, Human Resources Department needs to be involved in developing strategies, programs and procedures that can improve the performance of lion bank service employees.

In relation to workload the banks need to be mindful of indication that contact employees do not feel it can affect service quality. As workload increases, the stress and pressure of handling customers as fast as possible increase. In such situations, if the employees don't understand the consequences of their service performance, they might end up ignoring the feelings of the customer. Hence, the banks need to provide needed support and systems that can increase the workload influence awareness of the contact employees. According to An-Tien Hsieh, Chang-Hua Yen and Ko-Chien Chin (2004) one way of achieving that is by increasing the role of the customer in the service delivery process. That way continuous and active interaction with customers will help the employees closely monitor the mood and reaction of customers.

Developing people with technical and interactive skills is fundamental for delivery of service quality. However, in our case the employees don't feel it helps achieve service quality. The ultimate objective of their development needs to be clearly communicated to the employees by the banks so that they can have positive association of their skills with service quality and customer satisfaction.

Managers need to pay significantly more attention to employee communication within the strategic HR initiative of marketing strategies and objectives so that employees understand their role and importance in the implementation of the strategies and the achievement of marketing and organizational objectives (Doukakis, 2002).

This can further be boosted by proper implantation and management of internal marketing. If manager treat employees like customers and strive for their satisfaction, the employees in turn will replicate the effort to use their know-how to satisfy external customers.

It has been widely discussed in chapter two of this paper that service orientation is the key to service differentiation. In general, the lion bank service employees show good signs of market orientation and to a very small degree associate it with delivery of service quality. There is therefore good ground for the banks to build on this predisposition and push employees' service orientation to be at the heart of the service delivery process. The banks' overall marketing strategy should be aligned with the development and motivation of the Human Resource strategy so that service orientation continues to grow in the attitude and behavior of customer contact employees.

Organizations cannot achieve an integrated customer orientation simply by marshaling policies which extol the virtues of service to customers. Rather, they must develop an effective organizational support. Strategic customer-orientation management presents a new opportunity for organizations and should be regarded as a positive and competitive marketing tool. A way forward is for managers to pay serious attention to the internal dynamics of the organization; systems and structure which are supportive of, and well attuned to, an overall culture of customer orientation (Sonny Nwankwo, 1995).

The results associated with service role flexibility and standardized behavior show to what extent service employees are confident and feel empowered to take control of their service delivery process. The banks need to devise mechanisms of engaging customer contact employees in the design and modification of service delivery processes so that they gain more confidence and feel empowered. Appropriately empowered employees are motivated and feel they can contribute positively to the successful delivery of service quality. They will exert maximum effort to meet customer needs even in difficult environment and situation. It is of course worth noting that managers need to find the balance between standardized behavior and flexibility.

Although service employees are encouraged to adhere to expected norms of delivering service, it is also essential for them to be adaptive and receptive to customers' needs. While the structure of the task would ensure reliability of service, training the representatives to think "out of the box" would promote empathy of customer service (Mukherjee and Malhotra, 2006).

Overall lion bank service employees have a positive predisposition of the requisites to deliver service quality. However, their outlook of the determinant factors is not clearly defined and they have not made the appropriate association with service quality.

Hence, lion international bank need to adjust their recruitment strategy, development programs and service delivery process in such a way they can increase the awareness, of service employees, about the importance and interdependence of the factors that influence their contribution to delivery of quality service. That way they will be able to improve the low ratings they particularly receive from customer on responsiveness and empathy.

REFERENCES

A Parasuraman, Valarie A. Zeithalm and Leonard L. Berry (1994), Reassessment of perceptions as comparison standard in measuring service quality: Implications for further research, *Journal of Marketing* Vol. 58 pp. 111-124

Avinandan Mukherjee and Neeru Malhotra (2006), Does role clarity explain employee-perceived service quality?, *International Journal of Service Industry Management*

Christopher Lovelock, Jochen Wirtz and Jayantha Chatterjee (2006), *Services Marketing* 7th Edition, Prentice Hall ISBN

David L. Kurtz and Kenneth E. Clow (2003), *Services Marketing : Operation, Management and Strategy*, CENGAGE Learning Custom Publishing

Enchalew Seifu (2013), Service quality and corporate customer satisfaction (The case of Wegagen Bank S.C) , Addis Ababa University School of Commerce.

Ethiopia Country Profile: extracted from www.worldbank.org

Herbert Jack Rotfled (2001), Misplaced marketing: A service economy where its employees say “customer service is not my job!” , *Journal of consumer marketing*, Vol. 18 pp. 99-101

Hill Michael K. Brady and J. Joseph Cronin (2001), Some new thoughts on conceptualizing perceived service quality: A hierarchical approach, *Journal of Marketing*

Jaworski, Bernard J; Kohli, Ajay K (1993), Market Orientation: Antecedents and Consequences, *Journal of Marketing*

Kebede Semahegn Wolde semaet and Eshetu Messay Shiibre (2012), Impact of Business Process Reengineering (BPR) on customer satisfaction, employee empowerment and service quality: Case study on Commercial Bank of Ethiopia, Kalstad Business School

Maya Mouawad and Brian H. Kleiner (1996), New developments in customer service training, *Managing Service Quality* Vol. 2 No.6

Mesay Sata Shanka (2012), Bank Service Quality, Customer Satisfaction and Loyalty in Ethiopian Banking Sector, Journal of Business Administration and Management Sciences Research Vol. 1(1), pp. 001-009

National Bank of Ethiopia (2015/2016), Annual Report, NBE

National Bank of Ethiopia (November 2016), Quarterly Report, NBE

Nwamaka A. Anaza, and Brian Rutherford (2011), How organizational and employee-customer identification, and customer orientation affect job engagement, Journal of Service Management Vol. 23 No. 5, 2012 pp. 616-639

PanisaLanjananda and Paul G. Patterson (2008), Determinants of customer-oriented behavior in a health care context, Journal of Service Management Vol. 20 No. 1

Paul J. Vella, John Gountas and Rhett Walker (2009), Employee perspectives of service quality in the supermarket sector, Journal of Services Marketing 23/6 (2009) 407–421

Paul M. Elkin (2007), Mastering Business Planning and Strategy 2nd Edition ,Thorogood Publishing

Philip Kotler (2002), Marketing Management Millenium Edition, Pearson Custom Publishing

Rajasekhara Mouly Potluri , 2V.S. Mangnale, Krishna Dist and Andhra Pradesh (2011), Critical Factors of Customer Satisfaction in Ethiopian Service Sector, Asian Journal of Business Management

Richard M.S. Wilson and Colin Gilligan (2005), Strategic Marketing Management 3 rd Edition, Elsevier Butterworth-Heinemann

Robert W. Lucas (2005), Customer Service 3 rd Edition, McGraw

Saunders et al (2009), Research Methods for Business Students, 5th Ed. (Prentice Hall)

Zigmundet al (2009), Business Research Methods, 8th Ed. (South-Western College Pub.)

Syed Abdul Malik and Dr. D. Guruswamy (2007), Customer Preferences for Retail Banking Services in Ethiopia: with special reference to retail banks in Mekelle City, Mekelle University Faculty of Business and Economics

Thorsten Hennig-Thurau (2004), Customer orientation of service employees Its impact on customer satisfaction, commitment, and retention, International Journal of Service Industry Management Vol. 15 No. 5, 2004

Thorsten Hennig-Thurau and Claudia Thurau (2002), Customer Orientation of Service Employees – Toward a Conceptual Framework of a Key Relationship Marketing Construct , Journal of Relationship Marketing, Vol. 1, No. 3

Valerie A. Zeithaml, Mary Jo Bitner (2004), Services Marketing 3rd Edition, McGraw-Hill Higher Education

Valerie A. Zeithaml, Mary Jo Bitner and Dwayne Gremler (2013), Services Marketing 6 th Edition, McGraw-Hill Higher Education

Yewbdar Desalegn (2013) , An assessment of service quality and customer satisfaction: The case of NIB international ,Addis Ababa University School of Commerce.

Yong-Ki Lee, Jung-Heon Nam, Dae-Hwan Park and Kyung Ah Lee (2006), What factors influence customer-oriented prosocial behavior of customer-contact employees?, Journal of Services Marketing 20/4 251–264

Internet sources

Lion International Bank (2017) available at <http://www.anbesabank.com/index.php/en/>

QUESTIONNAIRE

Dear respondent,

Thank you very much for dedicating a few minutes of your time to complete this anonymous questionnaire, which is used for collecting data to conduct a survey on “Employees’ Perception of service quality in Lion International bank” as partial fulfillment of the requirement for the award of Master of Arts degree in Business Management from St. Mary’s University Collage.

The questionnaire consists of two parts: Part One with personal details questions and Part Two with task, work environment and customer interaction related questions. The researcher hereby guarantees your replies will only be used for the purpose of this study.

Please reply to the attached questions thinking of your daily interaction with customers in the context of the actual work environment, work load, management style and your level of skill and knowledge.

If you need any clarification please feel free to contact me at 0913747037.

Part One

1. Gender: Male Female

2. Work Position :

Customer service officer Supervisor Manager Other

3. Years of service in the bank LIB?

Less than 2 year

Less than 5 years

More than 5 years

Part Two

- Please mark (×) on the number that best represents your reply

- Please use the following rating while giving your answers to below questions

1) Strongly Disagree 2) Disagree 3) Not Sure 4) Agree 5) Strongly Agree

	1	2	3	4	5
1. The number of tasks I perform affects the level of customer satisfaction					
2. The number of tasks I perform affects the quality of service I provide overall					
3. The number of tasks I perform affects the average time I spend with each customer					
4. The number of tasks I perform affects the level of service I provide					
5. I know virtually everything about the service that my bank offers					
6. My skills are up-to-date with the latest changes in my industry					
7. I have been properly trained to provide customers with the best possible service					
8. I enjoy being around customers					
9. I am concerned about what customers think of me					
10. I have the customers' best interests in mind					
11. The service delivery process (i.e: maintain eye contact, smile ...) I follow when interacting with customers is effective in maintaining service quality					
12. The service script (i.e: How are you, have a nice day ...) I follow when interacting with customers is effective in					

maintaining service quality					
13. Service performance is usually better when I have the flexibility to change work situation					
14. Customers are more satisfied when the service is more flexible to their needs					
15. Customers usually acknowledge and provide feedback of my contribution to their overall satisfaction					
16. Customers value and appreciate my contribution to the service they receive					