

# MODELING TOTAL QUALITY SERVICE (TQS) AND FINANCIAL PERFORMANCE THROUGH SERVICE PROFIT CHAIN

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**ABSTRACT:** *Satisfied employees lead to satisfied customers which in turn lead an organisation towards profits as employee satisfaction has a strong influence on employee turnover intention, employee loyalty and customer satisfaction. The present paper investigates the role of total quality service on financial performance through service profit chain. The paper also plans to design a model depicting the direct structural relationship between total quality service, internal service quality, employee satisfaction, employee commitment, employee loyalty, external service quality, customer satisfaction and financial performance. The findings of the study suggest that an effective implementation of TQS system can positively influence an organisations' financial performance through service profit chain.*

**KEY WORDS:** Total Service Quality, Internal Service Quality, Customer Satisfaction, Financial Performance.

## INTRODUCTION

Quality is a term that carries an important meaning both to the producer and customer. In the global market today, many organizations have realized that their survival in the business world depends greatly on producing high quality product and services. Everyone has had experiences of poor quality when dealing with business organisations. Successful companies understand the powerful impact that

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customer-defined quality can have on business (Anderson, 1994). For this reason many competitive firms continually increase their quality standards. Total quality service (TQS) and its components have a direct impact on customers' assessment of a company and the willingness to choose the service provider. Cavana et al. (2007) reported that total quality service becomes a crucial competitive bludgeon in service sector for the survival and growth as they compete in the marketplace. Therefore, the only thing through which service oriented firms can gain customers is the service quality in totality (Stafford, 1996).

Studies in the past have focused on measuring partial relationships between internal service quality (employee satisfaction) and external service quality (customer satisfaction). However, more comprehensive relationships are reflected with the service profit chain and a conceptual model for including the linkages of management practices with service companies (Heskett et. al., 2008).

## **OBJECTIVES OF THE STUDY**

Automobile sector is becoming more and more competitive every day. In order to be successful in the field, focus is on providing quality services to its customers by satisfying its employees. In this context, the objectives of the present study are:

- To investigate the role of total quality service on financial performance through service profit chain.
- To propose a model depicting the relationship between total quality service, internal service quality, employee satisfaction, employee commitment, employee loyalty, external service quality, customer satisfaction and financial performance.

## **LITERATURE REVIEW**

Satisfied employees lead to satisfied customers who in turn lead an organisation towards profits because a satisfied employee has a strong influence on employee turnover intention, employee loyalty and customer satisfaction (Xu and Goedegebuure, 2005). Many authors have suggested that a positive relationship exists between customer loyalty and financial performance (Reichheld, 2000; Sheth and Parvatiyar, 1995). Further, loyal customers lead to an increase in the value of business, enabling it to sustain lower costs than those attached with attracting new customers.

## *Internal Service Quality*

The notion of internal-service quality was first proposed by Sasser and Arbeit (1976), who regarded employees as internal customers (Wang, 2010). Internal service quality refers to the attitude that people have towards their jobs, colleagues and companies (Heskette et. al., 2008). Internal service quality is considered to be more important than the external service quality (Kotler, 2000) because employees are also considered to be the consumers and therefore the organisation has to take care of its employees and build organisation value for every member to follow (Kotler, 2004). Different authors have suggested different dimensions of internal service quality. According to Hallowell et. al., (1996) there are eight components of internal service quality, i.e. tools, teamwork, management, training, reward/recognition, goal alignment, policies/procedures, and communication. According to the “service-profit chain” model (Heskett et. al., 1994) internal service quality components consist of work place design, job design, employee’s selection and development, employee rewards and recognition and tool for serving customers.

Research has found that internal service quality significantly influences employee satisfaction (Wang, 2010; Dauda et. al., 2013). It has also been found that high-quality internal HRM services to employees contribute to the success of the service organisation (Hofman and Meijerink, 2015) as satisfied employees perform well. Implementations of TQS provide employees with enhanced tools and techniques to bring total quality in their work by quality improvement activities (Tang and Zairi, 2010, p. 415). Quality starts with the understanding of customers’ needs and ends when those needs are satisfied (Oakland, 2005). Therefore; managers should motivate and reward employees who work hard to satisfy these needs. Implementation of TQS helps employees to understand the purpose of their tasks (Calabrese, 2012), helps them to develop good internal communication (Henderson and McAdam, 2003) and also empowers them (Ugboro and Obeng, 2000).

Based on the review of the above literature the following hypothesis emerges:

**H<sub>01</sub>: There is a significant relationship between TQS and internal service quality**

## *Perceived Service Quality*

Perceived service quality is regarded as the feeling that customers have regarding the superiority and inferiority of the service provider (Tsoukatos and Rand, 2006). Many authors are of the view that the strategy that is considered

essential and indispensable for success and survival in today's competitive and cut-throat environment is delivering service quality (Parasuraman et. al., 1985). Total quality service affects the internal service quality through its components like Management commitment, Benchmarking, Human Resource Management, Technical Systems, Information and Analysis, Service Marketing, Social Responsibility, Service Culture, Servicescape and Continuous Improvement (Behra and Gundersen, 2001). According to Guimaraes (1997) implementation of TQS strategy in an organisation has a significant impact on the attitudes of employees towards their jobs and their organisations. Employees exhibit higher level of satisfaction and involvement with their job, commitment to the organisation and intentions to stay with the company with the implementation of TQS (Issac et. al., 2004). Research has found that TQS encourages employees and departments to work in teams and also encourages employees to participate in decision making (Beecroft, 1999) as when an employee gets a certain degree of autonomy to take decisions, it brings positive impact on the intrinsically appealing aspects of work, such as creativity, ability utilization, and achievement.

Further, by providing a good servicescape to the employees (physical environment like machines, equipment, building, lightening, ventilation etc.) who are closest to the customers helps in contributing to the effectiveness of the service process which helps the employees to serve customers in an even better manner (Parsuraman et. al., 1985). Based on the above discussion, the following hypothesis emerges:

**H<sub>02</sub>: Internal service quality significantly influences employee satisfaction**

### *Employee Satisfaction*

Employees are precious assets of an organisation and are capable of generating sustainable competitive advantage for the organisation (Heskett et. al., 1994). It is a well-accepted fact that satisfied employees are productive employees (Saari and Judge, 2004) however studies have indicated that this relationship flows through employee commitment, employee loyalty and external service quality. Employee satisfaction results primarily from high-quality support services and policies. Organisations need to recognise the requirements of employees and treat them as internal customers (Reynoso and Moores, 1995) as they are the assets for the organisation that help to deliver innovative and quality goods and services (Parsuraman et. al., 1985). Therefore, by providing employees training and development, effective communication, recognising and rewarding their work, empowering them to take their own decision

and motivating them to work in a team to achieve the common goal helps to increase employee's satisfaction level (Sharma and Bajpai, 2010). Satisfied employees are more committed in terms of affection as well as obeying the organisational norms (Irving et. al., 1997). They rarely think of quitting the organisation thereby reflecting the employee commitment.

Employee satisfaction is an emotional response which is affected by personal and organisational factors, which cause an emotional reaction affecting commitment level of employee (Lumley et. al., 2011). Satisfied employees are happy and mentally relaxed (Ijaz et. al., 2012), which make them loyal towards their organisation as they hold a positive attitude toward their jobs (Wang and Feng, 2003). It can therefore be concluded from the above statement that employee satisfaction is the predictor of employee commitment and employee performance.

Therefore, the following hypotheses emerge:

**H<sub>03</sub>: Employee satisfaction has a significant relation with employee commitment**

**H<sub>04</sub>: Employee satisfaction significantly affects employee performance**

## **RESEARCH DESIGN AND METHODOLOGY**

The present study is evaluative in nature as it tries to establish the theoretical relationships between total quality service and financial performance through service profit chain. To measure the relationship among the constructs of the study, the following methodology has been adopted.

### ***Generation of Scale Items***

The survey questionnaire is composed of questions relating to eight scales viz; total quality service, internal service quality, employee satisfaction, employee commitment, employee loyalty, external service quality, customer satisfaction and financial performance.

The Total Quality Service questionnaire consisted of 91 statements on 7 point Likert scale, including ten dimensions viz;

For the measurement of Internal service quality 22 statements with three dimensions from Lings (2004) were taken up.

The questionnaire for measuring employee satisfaction, customer satisfaction,

employee commitment and employee loyalty has been adopted from Sureshchandar (2001) and Fuentes et al. (2007).

Employee performance has been measured by adopting five items from Fuentes et al. (2007) and Venkatraman and Ramanujam (1986).

The scale for measuring external service quality has been adopted from Narver and Slater's (1990) using a 7- point rating scale with 15 items.

The questionnaire for measuring financial performance has been adapted from Fuentes et al. (2007) and Venkatraman and Ramanujam (1986). It consists of five statements. Financial performance has also been measured objectively using such criteria as sales growth and profits in percentage.

### *Sample Size and Design*

The study confines to the showroom cum service stations of major players of automobile industry i.e. Maruti Udyog, Hyundai Motor Ltd., Tata Motors Ltd. In order to avoid the problem of common method variance data have been collected from multiple respondents i.e. executives, employees and customers. All (85) executives, including General Managers, Deputy General Managers, Managing Director, and Functional Managers of the showrooms, employees ( 380 ) and customers (289 ) in Jammu Province were contacted for primary data collection. Census method was used for collecting the data from executives and employees. The total number of customers was 10,800. To determine the final sample size, a pilot survey of seventy customers, selected conveniently, was conducted. The final sample size for customers comes to 289, which has been identified on the basis of pre testing results by the application of formula proposed by Sharma (2007).

$$n = \frac{no \cdot N}{no + (N-1)}$$

Where  $no = \frac{(Z_{\alpha/2})^2 \cdot S.D^2}{E^2}$

$$(Z_{\alpha/2}) = 1.96,$$

S.D - Standard Deviation,

E - Sample Error

The response rate from executives, employees and customers was seventy two percent, eighty nine and ninety three percent, respectively.

## DATA ANALYSIS

The detailed results of exploratory and confirmatory factor analysis are as under:

### *Scale Purification*

#### **Exploratory Factor Analysis**

The multivariate data reduction technique of factor analysis has been used for the present study. It involved examination of inter-relationship among variables and reduction of large number of variables into few manageable and meaningful sets. Factor analysis was carried out to simplify and reduce the data. Principal Component Analysis along with orthogonal rotation procedure of Varimax for summarising the original information with minimum factors and optimal coverage was used. The study uses factor analysis, primarily because of three general functions i.e. reducing the original set of variables to a small set, which accounts for most of the variance of the initial set; searching data for qualitative and quantitative distinctions and statistically testing of priori hypothesis about number of dimensions or factors underlying a set of data (Kaur et. al., 2009). All the five major methodological issues that a researcher should consider when conducting a factor analysis (Fabrigar, 1999) were taken care of while pursuing factor analysis, as these decisions have an important bearing on the results obtained. These are: a) What variables to include (Cattell and Gorsuch, 1963), b) appropriateness of factor analysis, c) selection of appropriate procedure, d) number of factors to be included, and e) selection of appropriate rotational method.

#### *Validity- Confirmatory Factor Analysis (CFA)*

Confirmatory Factor Analysis (CFA) uses a multivariate technique to test whether a pre-specified relationship exists between the manifest and latent variables. It is used to provide a confirmatory test of our measurement theory. It is a way of testing how well measured variables represent latent constructs (Demirbag et. al., 2006). The items that emerged after EFA under the individual factor were averaged for the application of CFA (Jones et al. 2001) and items with Standardised Regression Weights (SRW) less than 0.5 were deleted (Hair et. al., 2006).

#### *Convergent Validity*

The authors suggested that if all the factor loadings of indicators on their constructs are significant, convergent validity is attained. It can be established in three ways:

Factor Loadings, Average Variance Extracted (AVE) and by Bentler-Bonett Delta Coefficient. Bentler-Bonett coefficient was used to measure the convergent validity of the model as it considers each item in the scale as a different approach to measure the construct thereby assessing convergent validity. As the Bentler-Bonett Coefficient that measure both the normed and nonnormed fit measures that are independent of the sample size, therefore Bentler-Bonett fit index was used as a measure of goodness of fit for the analysis of covariance structure.

### *Reliability*

Reliability of the constructs has been checked through internal consistency by the application of Cronbach's alpha (Cronbach, 1951) as well as by extracting the composite reliability with the help of variance extracted. Alpha values equal to or greater than 0.70 indicate high construct reliability (Nunally, 1970; O'Leary-Kelly and Vokurka, 1998). The alpha values for total quality service ranged from 0.89 to 0.96 (Table 1), for internal service quality it was 0.954 (Table 2), for employee satisfaction it was 0.974 (Table 3), For employee commitment it was 0.879 (Table 4), for employee performance it was 0.952 (Table 5), for external service quality it 0.972 (Table 6), for customer satisfaction it was 0.954 (Table 7) and for financial performance, it was 0.897 (Table 8). Composite Reliability for all is above 0.70 (Table 10) during CFA.

### **Relationship between Total Quality Service (TQS) and Financial Performance through Role of Service Profit chain**

Structural Equation Modeling is a multivariate technique that seeks to explain the relationship among multiple variables. In the present study, the relationship among total quality service, internal service quality, employee satisfaction, employee commitment, employee performance, external service quality, customer satisfaction and financial performance have been assessed. First, a test of not-close fit was carried out for each model. The root-mean square error of approximation (RMSEA), a measure of model residuals, has been used in conducting this test. Since the upper bound of the RMSEA confidence interval for all of the models is quite below 0.10, the hypothesis of not-close fit could be rejected (MacCallum et. al., 1996). Thus, it could be inferred that none of the models had a poor fit. Furthermore, to minimize the effect of sample size in assessing model adequacy, CFI and SRMR were used to assess model fit in addition to the  $\chi^2$  significance test, because CFI and SRMR are relatively unaffected by sample size (Hu and Bentler, 1998). The goodness-of-fit indices for the structural model, ( $\chi^2= 33.651$ ,  $df =6$ ,  $\chi^2/df =5.608$ ,  $GFI = 0.954$ ,  $AGFI= 0.978$ ,  $NFI=$



0.965, CFI= 0.992, RMR= 0.034, RMSEA=0.062, Table 12) are well within the generally accepted limits, indicating a good fit. It supports the first hypothesis i.e., total quality service significantly influences internal service quality. The possible reason behind the significant impact of total quality service on internal service quality lies in the notion that total quality implementation in a service organisation brings all the people together to ensure and improve the services provided by improving the work environment, working culture and satisfaction level of employees. Thus it brings/improves internal service. The second path traced the relationship between internal service quality and employee satisfaction. The standardised regression weight for the hypothesized relationship between internal service quality and employee satisfaction ( $\beta = 0.65$ ,  $p < 0.001$ , Table 12) is significant which confirms the second hypothesis that internal service quality significantly affects the employee satisfaction. The employees in an organisation where internal service quality is good are generally highly motivated and thus they reflect their satisfaction.

In internal service environments in which customers are highly demanding of employees, coupled with employees who in turn hold high expectations and satisfaction from their jobs leads to high commitment toward their job (path 3) and better performance (path 4). Thus our third and fourth hypothesis stands to be accepted i.e. employee satisfaction leads to employee commitment and employee satisfaction significantly affects employee performance. Satisfied employees always considered as a valuable asset for the organization.

## CONCLUSION AND RECOMMENDATIONS

The novelty of this study lies in its inclusion of total quality service along with the components of service profit chain like internal service quality, employee satisfaction, employee commitment, employee performance, external service quality, and customer satisfaction while investigating the relationship between total quality service and financial performance in service sector. This paper investigated a link between total quality service and financial performance of the business through employees and customers variables that is core in a service profit chain. In this study, exploratory and confirmatory factor analyses have been used to produce empirically verified and validated underlying dimensions of various constructs. TQS provides a vision that keeps focus on quality and performance improvement. The result shows that total quality service directly affects internal service quality, internal service quality directly and positively affects employee satisfaction, employee satisfaction directly and positively affects employee commitment and employee performance as well as

indirectly affects employee performance through employee commitment. Employee performance and employee commitment, in turn, directly influences external service quality and external service quality in turn, positively affects customer satisfaction. Finally, customer satisfaction results in elevated profits i.e. financial performance. So showroom managers should devise such policies and HR practices that result in increased employee satisfaction that lead to increased customer satisfaction. The findings of the study suggest that an effective implementation of TQS system can positively influence organisational financial performance through service profit chain.

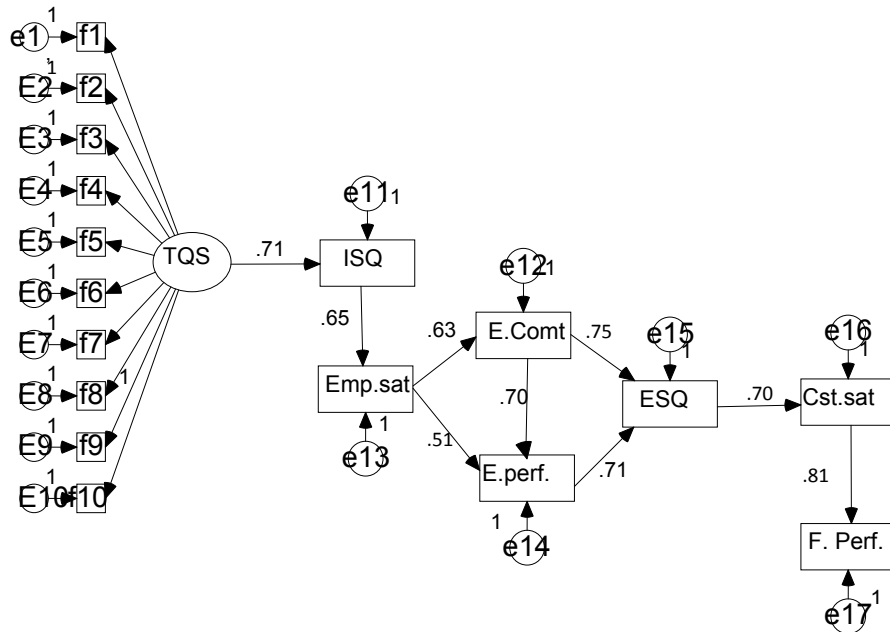


Figure 1: Test of Research Model

**Key:** F1- top management commitment, F2-Benchmarking, F3-Human Resource Management, F4-Technical system, F5.- Information analysis, F6- Service marketing, F7.- Social Responsibility, F8- Service culture, F9-servicescape, F10- Continues improvement, **TQS**-Total quality service **ISQ**- Internal service quality, **F. Perf.**- Financial Performance, **Cust. Sat.**- Customer Satisfaction, **E-Perf.**- Employee Performance, **Emp. Sat.**- Employee Satisfaction, **Emp. Comt.**- Employee Commitment.

**Table 1 : Summary of result from scale purification for Total Service Quality**

Total Service Quality	Factor Loading	Mean	S.D	Alpha	Eigen Value	KMO	VE
<b>MGT. COMMITMENT (F1)</b>		5.80					
Mutual trust and respect	0.813	5.58	1.910		1.233	0.806	78.82
Participative management	0.915	5.87	0.983				
Skillful supervisor	0.698	5.57	0.956				
Consensus approach	0.527	5.91	0.991				
Planning and decision making	0.862	5.45	0.876				
Guidance to subordinates	0.838	5.62	0.873				
<b>BENCHMARKING (F2)</b>		5.69					
Achieving Cust. satisfaction	0.749	5.66	0.982				
Training and development	0.768	5.75	0.863				
Customer satisfaction	0.783	5.66	0.823				
<b>HRM (F3)</b>		5.64			2.453	0.688	73.05
Inspection of vehicles	0.902	5.41	1.34				
Usage of quality circles	0.904	5.70	0.977				
Employees involvement	0.893	5.54	1.06				
Suggestions for innovations	0.920	5.58	0.653				
Effectiveness of quality circles	0.928	5.50	0.722				
<b>TECH. SYSTEM (F4)</b>		5.65			1.927	0.686	64.217
Redesigning of processes	0.806	5.70	0.550				
Time and Motion studies	0.866	5.66	0.637				
Documentation of ser. processes	0.726	5.70	0.690				

<b>INFO.ANALYSIS (F5)</b>		5.78					
Market analysis	0.892	5.83	0.761		2.340	0.727	68.234
Analysis of costs	0.818	5.79	0.721				
Market investigation	0.858	5.64	0.733				
<b>SERVICE MKT. (F6)</b>		5.67					
Extended warranty	0.868	5.79	0.658		1.908	0.657	64.836
Reminder letters to customers	0.823	5.75	0.675				
Information to customers	0.639	5.54	0.721				
<b>SOCIAL RESP. (F7)</b>		5.73					
Disciplined behavior	0.838	5.91	0.653		2.112	0.753	75.469
Customer satisfaction	0.826	5.66	0.637				
Equal treatment to all customers	0.908	5.70	0.690				
Establishment of service stations	0.875	5.83	0.816				
Value added services	0.893	5.58	0.717				
<b>SERVICE CUL. (F8)</b>		5.70					
Team work and human relations	0.808	5.70	0.750		3.843	0.809	64.055
Trust and openness	0.872	5.79	0.832				
Make the right in first time	0.792	5.83	0.868				
Feeling of oneness	0.640	5.79	0.779				
Service to customers	0.894	5.62	0.923				
Importance to quality mgt.	0.771	5.50	1.142				

<b>SERV. SCAPE (F9)</b>		5.81					
Neat and professional appearance	0.893	5.79	0.721				
Cleanliness practices	0.874	5.87	0.797				
Proper working environment	0.772	5.83	0.761				
Display boards	0.697	5.87	0.740		2.958	0.696	66.979
Showroom's layout	0.565	5.83	0.701				
Product advertisement boards	0.796	5.87	0.679				
Display of service delivery status	0.889	5.79	0.721				
Attractive materials and colors	0.875	5.66	0.761				
<b>C. IMPROVEMEN (Factor 10)</b>		5.72					
Strategic improvement	0.553	5.70	0.750				
Importance to quality	0.844	5.87	0.612				
Importance of work instructions	0.908	5.83	0.701				
Quality management systems	0.729	5.70	0.550				
Quality awareness programmes	0.768	5.66	0.637		3.060	0.762	68.253
Autonomy in quality department	0.835	5.75	0.675				
Automated inspection/ review/ checking	0.840	5.58	0.829				
Quality department data	0.792	5.70	0.750				
<b>Total mean of TQS</b>		<b>5.70</b>					

**Table 2: Purification for Internal Service Quality Scale**

Statements	FL	Mean	Comm.	S.D	Alpha	E.V	KMO	VE
All grievances are duly addressed	0.868	5.83	0.765	0.603	0.954	3.80	0.798	72.00
Training is provided to low performing employees.	0.867	5.75	0.822	0.794				
Employees are rewarded	0.842	5.75	0.897	0.692				
Seminars/workshops are organized	0.855	5.83	0.753	0.730				
Regular staff meetings	0.823	5.57	0.765	0.581				
Efforts were made to find out employees' real feelings.	0.742	5.00	0.875	0.692				
Manager regularly talks to employees about their work.	0.809	5.41	0.887	0.644				
Manager meets employees at regular interval	0.906	5.33	0.786	0.701				
Regular staff appraisal is done.	0.835	5.58	0.754	0.829				
Manager interacts directly with employees.	0.699	5.34	0.689	0.579				
Management does a lot of internal market research.	0.755	5.48	0.876	0.672				
<b>Total Mean and VE</b>		6.087						

**Table 3: Purification of Employee Satisfaction Scale**

Employee Satisfaction	Factor Loading	Mean	Comm.	S.D	Alpha	Eigen Value	KMO	VE
Grievance redressal meetings	0.916	5.71	0.865	0.739	0.974	11.678	0.876	71.00
Implementation of appraisal system	0.878	5.70	0.873	0.739				
Job satisfaction	0.867	5.83	0.920	0.692				
Monetary awards	0.892	6.04	0.768	0.615				
Freedom to do work	0.776	5.59	0.789	0.876				
Incentives for motivation	0.856	5.86	0.823	0.692				
<b>Total Mean</b>		<b>5.73</b>						

**Table 4 : Summary of result from scale purification for Employee Commitment**

Statements	FL	Comm.	Mean	S.D	Alpha	EV	KMO	VE
Committed to philosophy of quality mgt.	0.876	0.890	5.32	1.042	0.879	4.532	0.789	72.35
Employees commitment	0.871	0.902	5.45	1.091				
Accounting the competitors for planning and decision-making.	0.790	0.876	5.63	0.989				
Customer satisfaction.	0.821	0.897	5.87	0.976				
Employees as valuable asset.	0.776	0.789	5.79	0.956				
Proper guidance your subordinates.	0.699	0.821	5.99	1.450				
Committed to quality implementation.	0.854	0.934	6.01	1.230				
Total Mean and VE			5.723					

**Table 5 : Summary of result from scale purification for Employee Performance**

Statements	FL	Comm.	Mean	S.D	Alpha	EV	KMO	VE
The level of employee satisfaction is increased	0.876	0.932	5.67	0.923	0.952	3.401	0.786	69.88
The employee turnover has decreased.	0.764	0.921	5.79	0.956				
Employee efficiency has improved.	0.789	0.945	5.99	1.340				
The level of absenteeism is reduced.	0.890	0.890	6.00	1.230				
Employee participates in managerial affairs.	0.856	0.877	5.97	0.988				
Total mean and VE			<b>5.88</b>					

**Table 6 : Summary of result from scale purification for External Service Quality**

<b>Dimensions</b>	<b>FL</b>	<b>Comm.</b>	<b>Mean</b>	<b>S.D</b>	<b>Alpha</b>	<b>EV</b>	<b>KMO</b>	<b>VE</b>
Feed back for quality Improvement	0.635	0.504	5.460	1.25	0.972	2.789	0.780	79.67
Reminders on time for due installment	0.908	0.828	4.48	1.10				
Reminders for after-sale services	0.849	0.765	5.93	0.612				
Sales staff is responsive and courteous	0.775	0.611	5.996	0.844				
New strategies for customer satisfaction.	0.641	0.592	5.636	1.03				
Service delivery status is displayed in the showroom	0.771	0.597	6.090	0.619				
Modern services like E-cash and cheques are used	0.751	0.565	5.906	0.776				
Customers' complaints are properly addressed.	0.796	0.633	5.425	1.154				
Total mean and VE			<b>5.615</b>					



**Table 7: Purification for Customer Satisfaction Scale**

<b>Customer Satisfaction</b>	<b>FL</b>	<b>Mean</b>	<b>Comm.</b>	<b>S.D</b>	<b>Alpha</b>	<b>EV</b>	<b>KMO</b>	<b>VE</b>
Correct service delivery	0.868	5.83	0.765	0.603	0.954	6.80	0.754	68.00
Feedback forms	0.867	5.75	0.822	0.794				
Technical capability	0.842	5.75	0.897	0.692				
Make customer feel safe	0.855	5.83	0.753	0.730				
Convenient working hours	0.823	5.87	0.765	0.581				
Customer delight in mind	0.742	6.00	0.875	0.692				
Handle customer grievances	0.809	5.91	0.887	0.644				
Dissatisfaction analysis	0.906	5.83	0.786	0.701				
Courteous employees	0.835	5.58	0.754	0.829				
Customers satisfaction	0.699	5.54	0.689	0.579				
<b>Total Mean and VE</b>		5.789						

**Table 8: Purification of Financial Performance Scale**

Financial performance	FL	Mean	Comm.	S.D	Alpha	EV	KMO	VE
Competitive position	0.856	5.58	0.789	0.775	0.897	2.558	0.701	62.793
Increase in profits	0.973	5.45	0.865	0.931				
Sales volume	0.921	5.58	0.874	0.880				
Market share	0.838	5.70	0.897	0.750				
Firm's reputation	0.734	5.66	0.786	0.816				
Total Mean and VE								

**Table 9: Fit Indices of CFA**

Constructs	$\chi^2$	DF	$\chi^2/df$	RMR	GFI	AGFI	NFI	CFI	RMSEA
TQS	75	30	2.500	0.015	0.956	0.869	0.964	0.993	0.065
Internal Service Quality (ISQ)	20.540	6	3.423	0.011	0.983	0.967	0.961	1.000	0.000
Employee satisfaction	15.675	6	2.612	0.042	0.958	0.899	0.936	0.960	0.042
Employee Commitment	36.0	10	3.600	0.023	0.982	0.923	0.945	0.978	0.031
Employee Performance	61.24	17.88	3.425	0.017	0.922	0.976	0.934	0.982	0.023
External Service Quality	30.56	10	3.056	0.016	0.951	0.975	0.976	0.943	0.002
Customer Satisfaction	14.645	5	2.929	0.016	0.965	0.924	0.985	1.000	0.000
Financial performance	25.87	9	2.874	0.023	0.898	0.919	0.967	0.032	0.076

**Table 10: Reliability and Validity Analysis**

Constructs	Construct Reliability	Bentler-Bonett Coefficient Delta	Cronbach's Alpha
TQS	0.879	0.964	0.965
Internal Service Quality	0.899	0.961	0.954
Employee satisfaction	0.903	0.936	0.974
Employee Commitment	0.945	0.945	0.879
Employee Performance	0.890	0.934	0.952
External Service Quality	0.965	0.976	0.972
Customer Satisfaction	0.978	0.985	0.954
Financial performance	0.946	0.967	0.897

**Table 11: Inner Regression Weights between Latent variables in the Structural Model**

Relationship	Casual Path	SRW	CR
Direct relationship	TQS - Internal Service Quality (ISQ)	0.72	5.245***
Direct relationship	ISQEmployee Satisfaction	0.65	7.053***
Direct relationship	Employee satisfaction - Employee Commitment	0.63	8.617***
Direct relationship	Employee satisfaction - Employee Performance	0.51	4.102***
In direct relationship	ES - E. Commitment - E. Performance	0.70	3.805*
Direct relationship	E. Commitment External Service Quality (ESQ)	0.75	7.562***
Direct relationship	Employee Performance - ESQ	0.71	7.201***
Direct relationship	ESQ - Customer satisfaction	0.70	7.874***
Direct relationship	Customer Satisfaction - Financial Performance	0.81	3.865*
$\chi^2 = 33.651$ , $df = 6$ , $\chi^2/df = 5.608$ , $GFI = 0.954$ , $AGFI = 0.978$ , $NFI = 0.965$ , $CFI = 0.992$ , $RMR = 0.034$ , $RMSEA = 0.062$			

\*Significant at 5% level of significance

\*\*\*Significant at 0.1% level of significance

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