

**EFFECTS OF CUSTOMER SERVICE QUALITY ON ORGANIZATIONAL
PERFORMANCE IN THE PUBLIC SECTOR: A CASE OF EXPORT PROCESSING
ZONES AUTHORITY, KENYA**

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ABSTRACT

Service quality today has become not only the rhetoric of every business enterprise, but also occupies eminent position in every discourse. This paper analyzes the effects of customer service quality on the performance of the EPZA – Kenya. Utilizing descriptive survey research design and a modified SERVQUAL questionnaire to collect primary data from a sample of 57 Export Processing Zone enterprises, the study finds that service tangibility, reliability, responsiveness, empathy and assurance are positively correlated with EPZA’s performance. Thus, factors other than customer service quality affect the performance of the EPZA. Policy makers should integrate and streamline the regulatory framework for investors to avoid counterproductive effects of the various agencies on investor environments.

Keywords: *Service quality, Assurance, Empathy, Reliability, Responsiveness, Tangibles*

Introduction

Service quality today has become not only the rhetoric of every business enterprise, but also occupies eminent position in every discourse. No business organization can survive without building its customer satisfaction and meeting the needs of its customers (Ojo, 2010). Service quality helps in cementing the relationship between customers and the organization and it is a two-way flow of value that ultimately enhances organizational performance. According to Lucas, (2005), quality customer service is 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. In today's global competitive environment, delivering quality service is considered as an essential strategy for success and survival (Parasuraman *et al.*, 1985; Zeithaml *et al.*, 1990). Public sector organizations have come under increasing pressure to deliver quality services (Randall and Senior, 1994) and improve efficiencies (Robinson, 2003). Customer needs and expectations are changing when it comes to governmental services and their quality requirements. However, service quality practices in public sector organizations is slow and is further exacerbated by difficulties in measuring outcomes, greater scrutiny from the public and press, a lack of freedom to act in an arbitrary fashion and a requirement for decisions to be based in law (Teicher *et al.*, 2002).

In the recent past there has been a great concern on service quality in both public and private sector in Kenya. The Kenya government acknowledges that over the years there has been poor performance in the public sector, especially in the management of public resources which has hindered the realization of sustainable economic growth (Government of Kenya (GoK), 2005). Public sector organizations that are charged with the responsibility of attracting investors are consequently put into lots of pressures due to increase in global competition for investment destinations. The Export Processing Zones Authority (EPZA), is mandated to promote export oriented investments for manufacturing of goods in the Export Processing Zones thus contribute to employment creation, transfer of technology, foreign currency earnings, export diversification, backward linkage with the domestic economy and attraction of productive investment capital. Therefore, to realize its objectives, it is imperative that the EPZ Authority attracts and retains investors in the EPZ programme through provision of quality customer (investor) service to meet the investors' needs and expectations, given the global competition for investors. The Export Processing Zones Program Annual Performance Report, (2012) indicates that there have been fluctuations in the number of projects approved by the Authority between 2006 and 2012, and that in most of the indicators growth in performance was marginal, falling below 10% against public expectations. One of the possible explanations for the unsatisfactory performance of the EPZ programme and the poor retention of investors may be attributed to the quality of service given to the existing and potential investors, largely in relation to how the EPZA is meeting the needs of its clients: the investors. Parasuraman *et al.* (1988) projected a service quality model that identified perceived service quality into five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. By applying this model, this study sought to investigate the contribution of customer service quality on the performance of public organizations, focusing on the EPZA – Kenya. Therefore, the study analyzed the effects of quality service dimensions reliability, responsiveness, assurance, empathy and tangibility on the performance of the EPZA - Kenya.

Literature Review

The Concept of Service Quality in the Public Sector

Definitions of service quality hold that this is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1984; Parasuraman *et al.*, 1985; 1988; Caruana, 2002). Service quality is defined as the degree of discrepancy between customers' normative expectation for service and

their perceptions of service performance (Parasuraman *et al.*, 1985). Parasuraman *et al.*, (1988) further developed the definition of service quality as “*the overall evaluation of a specific service firm that results from comparing that firm’s performance with the customer’s general expectations of how firms in that industry should perform.*” In today’s global competitive environment, delivering quality service is considered as an essential strategy for success and survival (Parasuraman *et al.*, 1985; Zeithaml *et al.*, 1990). To underscore the importance of service quality, many public organizations and private companies worldwide have come up with deliberate measures to ensure that service delivery meets expectations of customers through formulation of service charters, aimed at improving access to an organization’s services and to promote service quality.

The SERVQUAL Model of Service Quality

According to Parasuraman *et al.*, (1988) SERVQUAL model (also known as the Gaps model), service quality is defined as the difference between customer’s expectation and their perception of the service delivered. The SERVQUAL model proposes that customers evaluate the quality of a service on five distinct dimensions: reliability, responsiveness, assurance, empathy, and tangibles. The SERVQUAL assesses customer perceptions and expectations regarding the quality of a service. Perceived service quality results from comparisons by consumers of expectations with their perceptions of service delivered by the service providers (Zeithaml *et al.*, 1990). The factor underpinning the delivering of good perceived service quality is actually meeting the expectations of the customers. Thus, excellent service quality is exceeding the customers’ expectations. Zeithaml and Bitner (2000) suggested that customer expectations are beliefs about a service that serve as standards against which service performance is judged.

Reliability and Organizational Performance

Reliability refers to the ability to perform the promised services both dependably and accurately. Reliable service performed is a customer expectation and means that the service is accomplished on time, in the same manner, and without errors every time (Parasuraman *et al.*, 1988). In essence, it represents the customer getting what they feel they have paid for. Nguyen & Leblanc (2001) consider reliability as reputation that can be the most reliable indicator of service quality which could be related to customers past experiences (Ndubisi, 2006). Jamal and Naser (2002) advised that the reliability of the service delivered is interrelated with the satisfaction of customers with their experience of the service delivery process. Thus, a number of empirical studies have reported varied results on the relationship between reliability of customer service and customer behaviour. Siddiqi (2011) found that there was a positive relationship between reliability and customer satisfaction in the retail banking sector in Bangladesh, agreeing with an earlier studies by Liang *et al.*, (2010); Nguyen & Leblanc (2001) and Bellini *et al.* (2005) who established that reliability had a positive relationship with customer loyalty. However, Liang *et al.*, (2010) found reliability to be not significant to customer satisfaction.

Responsiveness and Organizational Performance

It refers to service provider's willingness to help customers and provide prompt service (Parasurama *et al.*, 1988). It can be measured by the amount of time needed to deal with customers' reported problems and the response duration once the customer filed a service request. Polatoglu and Ekin (2001) identified the important elements in delivering services as instant feedback, quick transactions and easy access. Empirically, Mengi (2009) found that responsiveness was an important factor for customer satisfaction. Siddiqi (2011) reported that responsiveness and customer satisfaction were positively correlated, agreeing with Liang *et al.*, (2010) who reported that responsiveness had positive relationship with customer satisfaction. This was also in line with Glaveli *et al.* (2006) who highlighted that the speed of service delivery enhanced perception of service quality while Joseph *et al.* (2005) indicated that "no waiting time" raised customers' satisfaction level. In contrast, Liang *et al.*, (2010) indicated that the relationship between responsiveness and customer loyalty was insignificant.

Assurance and Organizational Performance

The assurance dimension includes the following features: competence to perform the service, politeness and respect for the customer, effective communication with the customer, and the general attitude that the server has the customer's best interests at heart (Parasuraman *et al.*, 1988). A customer will not be satisfied if he/she does not feel assured about the competence of the service provider. An organization can instill feelings of confidence in its customers by handling the customers in a professional and competent way. Kumar *et al.* (2010) and Lai (2004) pointed out that assurance is one of the important factors for customer satisfaction. Siddiqi (2011) reported that assurance had a positive correlation with customer satisfaction in the Bangladeshi banking sector. Mengi (2009) indicated that assurance is important to the consumers' utilization of an organization's service. Liang *et al.*, (2010) reported that there was a significant relationship between assurance and customer loyalty, consistent with other prior studies including Lymperopoulos *et al.* (2006) and Ndubisi (2006). Assurance was also found to be a significant prediction of customer satisfaction (Liang *et al.*, 2010), in line with Ndubisi (2006) arguing that communication was clearly a strong indicator of overall satisfaction and important source of customer satisfaction.

Empathy and Organizational Performance

Empathy is related to employees' expression of concern and individual attention towards each of their customers (Parasuraman *et al.*, 1991). Empathy is an important factor of customer satisfaction (Kumar *et al.*, 2010; Lai, 2004). If customers perceive that the service provider provides special individual attention, their satisfaction level will increase. The core concept of empathy is to understand the needs of customers and provide individual attention (Siddiqi, 2011). Employee and customer interactions are reflected through the empathy dimensions. In relation to this, Siddiqi (2011) reported that empathy has a large positive correlation with customer satisfaction. Ladhari (2009) also found that empathy is the strongest predictor of customer satisfaction. However, Ahmed *et al.*, (2010) found that there is a negative relationship between empathy and customer satisfaction. Liang *et al.*, (2010) reported that empathy had

significant positive relationship with customer loyalty. This evidence is supported by the findings by Butcher (2001), Ndubisi (2006) and Ehigie (2006). According to Ndubisi (2006), customer satisfaction can be achieved by offering personalized, flexible and adjustable services to suit the needs of customers.

Tangibility and Organizational Performance

Tangibility is the appearance of physical facilities, equipment, personnel, and communication materials. The condition of the physical surroundings is tangible evidence of the care and attentions to detail that are exhibited by the service provider. This assessment dimension also can extend to the conduct of other customers in the service (Parasuraman, Zeithaml and Berry, 1988). Normally customers look at tangible signs of the service quality that the organization can provide. Issues related to the physical facilities such as access to the facilities, safety and convenience are on tangible basis (Bellini *et al.*, 2005). `Kumar *et al.*, (2010) and Lai (2004) found that tangibles are important factors related to customer satisfaction. Siddiqi (2011) found that there was a medium positive relationship between tangibles and customer satisfaction. Lai (2004) also pointed out that tangibility is positively related to customer satisfaction. On the contrary, Jamal and Naser (2003) reported that there is no important relationship between customer satisfaction and tangible aspects of service environment. Liang *et al.* (2010) argue that due to the emergence of IT, tangibility has lost its importance as a measurement for customer loyalty.

Conceptual Model and Hypotheses Development

Figure 1 shows the Conceptual Framework of the study.

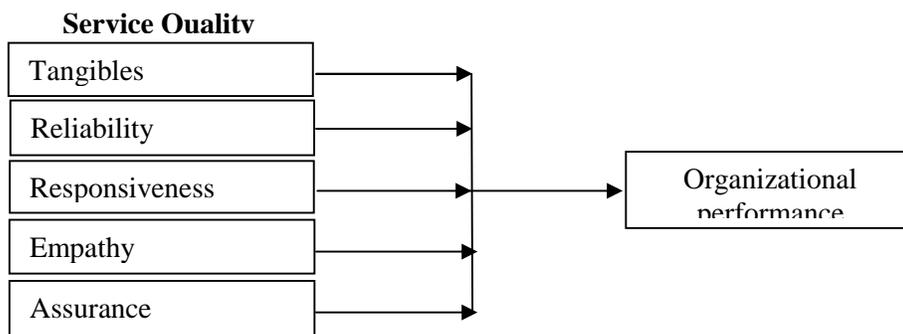


Figure 1: Conceptual Framework of the Study

The conceptual framework shows that the SERVQUAL dimensions are conceptualized to affect the performance of public institution. Based on the literature reviewed, the following hypotheses were made to express the expected relationship between service quality dimensions and organizational performance:

H₁: Reliability has positive relationship with organizational performance.

H₂: Responsiveness has positive relationship with organizational performance

H₃: Assurance has positive relationship with organizational performance.

H₄: Empathy has positive relationship with organizational performance.

H₅: Tangibles have positive relationship with organizational performance

Methodology

Research Design

The study utilized the descriptive research design. This is a kind of design used in studies that have individual people as the units of analysis. It involves some individual persons who must serve as respondents or informants. Descriptive research design can be used when collecting information about peoples' attitudes, opinions according to feelings or any of the variety of education or social issues (Orodho and Kombo, 2002). Descriptive research is useful in describing the characteristics of a population by helping the researcher to ask many questions that provides considerable flexibility in the analysis.

Population and Sampling

The target populations for the study comprised all the EPZ firms in Kenya that are served by the EPZA. The EPZ Program Annual Performance Report (2012) provided a total listing of 82 enterprises within all the gazetted EPZ areas. However, the accessible population for the study comprised 64 out of the 82 enterprises that are located within Nairobi and the Coastal EPZ regions. Due to the small number of the EPZ enterprises in the selected regions, the study adopted the census sampling technique to enumerate all the 64 EPZ firms within named regions. According to Orodho, (2003) small populations can form samples and be studied as distinct cases. From the 64 firms, only the general managers responded to the research instrument.

Instrumentation

The study utilized mainly primary data in the analysis of effect of the independent variables on the dependent variables. The EPZA clients' questionnaire was used for this purpose. The items in the questionnaire were adopted and modified from the SERVQUAL instrument which is used to measure the quality of customer service. The questionnaire comprised of three parts: Part A contained questions about enterprise profiles, mainly age and number of employees. Part B carried items that assessed the perceptions of the respondents of the five dimensions of service quality, while Part C contained questions that sought to evaluate the performance of the EPZA in terms of customer satisfaction, investor retention and general performance with respect to meeting organizational objectives. The items related to the SERVQUAL dimensions in the questionnaire were measured on a five-point scale ranging from "1 = Strongly Disagree" to "5 = Strongly Agree" and the EPZA client respondents were asked to rate their perceptions of the various items for the public service. On the other hand, given that the main mandate of the EPZA is to attract and retain investors in the EPZ programme, the performance of the organization was evaluated on a 7-point scale, "1=Very Unsatisfactory" to "7=Very Satisfactory" and "1=Not at all likely" to "7=Extremely likely", in terms of the EPZ enterprises satisfaction with the EPZA

services to the extent that they would encourage other investors to invest in Kenya through word of mouth, while maintaining their operations in Kenya within the EPZ programme.

Content validity of the questionnaire was achieved through integrating only those attributes proposed by the SERVQUAL scale. Although Parasuraman *et al.* (1988) reported that their SERVQUAL scale had a reliability rating of 0.92, indicating a high degree of internal consistency, and that the five dimensions could be ranked in order of importance: reliability, assurance, tangibles, responsiveness, and empathy, empirical evidence indicated that their SERVQUAL scale has a reliability rating of between $\alpha = 0.80$ and $\alpha = 0.93$. In essence, these scores are fall with the threshold of the 0.8α as recommended by Luque (2000). With values higher than this, no significant improvement in the quality of results would have been expected, thus making the SERVQUAL largely reliable for this study. However, due the modification of the SERVQUAL items and inclusion of the organizational performance measurements, the final questionnaire produced a reliability coefficient of $\alpha = 0.84$, thus upholding desirable reliability threshold.

Data Analysis Techniques

Data analysis was done with the aid of the Statistical Package for Social Scientists (SPSS). Data analysis techniques were mainly descriptive statistics and correlation analysis. Descriptive statistics were used to summarize the data and the distribution of the response variations on perceived service quality. The findings of this kind of analysis were presented in means and standard deviations. The respondents' total scores for in the 5 dimensions of service quality were cumulated by adding the respondents' ratings of the sub-dimensions to obtain the indices for the each of the 5 dimensions, while the scores from the respondents' evaluation of EPZA's performance in the performance indicators were consolidated to obtain the performance index. The relationships between the service quality dimensions and the performance of EPZA were explored using correlation analyses using the Pearson's Product Moment Correlation.

Results and Discussion

Response Rate

Fifty seven (57) out of the 64 questionnaires that were administered were successfully filled and returned back. This represented an 89% response rate, thus meeting the acceptable target as suggested by Babbie (1990); Dillman (2000), who root for 50% as the minimal return rate; Fowler (1984) who suggests 60%; and De Vaus (1986), who argues for 80%.

Characteristics of EPZ Enterprises

The highest percentage of the sampled EPZ enterprises (39%) had been in operation for between 1 and 5 years, 32% had been in operation for 6-10 years, 25% for 11-15 years, and 3% for over 15 years while less than 2% had been in operation for less than a year. Cumulatively, a majority of the enterprises (60%) had been in operation for over 5 years and were therefore in a position to provide objective evaluation of the EPZA service quality and performance.

The distribution of the EPZ enterprises by the number of employees was that (39%) had employed over 1000 employees, 28% had between 101 and 500 employees, 12% had 501 – 1000 employees and about 11% in each case had either 50-100 employees or less than 50 employees between them. The enterprise with the minimum number of employees had 5 while the maximum had 4500 employees. The mean number of employees was 1126. These figures reflect the economic importance of the EPZ investments programme with respect employment creation, thus the necessity of EPZA to provide quality service to attract more investors while retaining the existing ones.

Descriptive Analysis of Perceived Service Quality

The means and standard deviations of the respondents' ratings of EPZAs service quality in the 5 dimensions as well as were as shown in Table 1.

Table 1: Descriptive Analysis of EPZA Enterprises Perceptions of EPZAs Service Quality

Service Quality Dimension	Min	Max	Mean	Std. Dev.
1. Reliability				
i. When a customer has a problem, EPZA employees show sincere interest in solving it	3	5	4.28	.648
ii. When EPZA promises to do something by a certain time, they do	3	5	3.68	.540
iii. EPZA performs the service right the first time	3	5	3.67	.512
iv. EPZA provides services at the time they promise to do so.	2	4	3.58	.565
v. EPZA employees provide error free records.	2	4	3.21	.526
2. Responsiveness				
vi. EPZA employees are always willing to help customers.	3	5	4.14	.693
vii. EPZA employees are never too busy to respond to customers' requests	3	5	4.04	.654
viii. EPZA employees give prompt service to customers	3	5	3.86	.639
ix. EPZA employees tell customers exactly when services will be performed	2	4	3.51	.571
3. Service Assurance				
x. EPZA employees have the knowledge to answer customers' questions	4	5	4.75	.434
xi. EPZA employees are consistently polite and courteous with customers	3	5	4.65	.517
xii. Customers feel safe in their transaction with the EPZA employees	3	5	4.26	.669
xiii. The behaviour of EPZA employees instills confidence in customers	3	5	4.25	.635

Service Quality Dimension		Min	Max	Mean	Std. Dev.
4. Empathy					
xiv.	EPZA employees have the customers' best interest at heart.	3	5	4.35	.551
xv.	EPZA employees understand the specific needs of their customers	3	5	4.33	.715
xvi.	EPZA employees give customers personal service.	2	5	4.19	.611
xvii.	Employees of EPZA give customers individual attention	3	5	3.91	.635
xviii.	EPZAs operating hours are convenient to all their customers	2	5	3.54	.709
5. Tangibility					
xix.	EPZA Employees are well dressed and appear neat.	3	5	4.54	.569
xx.	EPZA physical facilities are visually appealing	3	5	4.19	.693
xxi.	EPZA provides pamphlets with clear and complete information	3	5	4.12	.600
xxii.	EPZA has technologically up-to-date equipments	3	5	4.11	.618
xxiii.	EPZA documents are visually clear	3	5	4.02	.582

The findings in Table 1 revealed that the mean scores for service reliability ranged from 4.28 (highest) to 3.21 (lowest). The highest mean related to “When a customer has a problem, EPZA employees show sincere interest in solving it” while the lowest mean was related “EPZA employees provide error free records”. Compared to the other SERVQUAL dimensions, generally, reliability had the lowest means, with some respondents giving a minimum rating of 2 (interpreted as “disagree”) in at least two sub-dimensions of “EPZA provides services at the time they promise to do so” and “EPZA employees provide error free records”. These were also the only sub-dimensions with a lower maximum rating of 4, below the study’s maximum of 5. These findings imply that generally, compared to the other dimensions, EPZA’s services had foundationally basic reliability that needed improvement especially in the last two sub-dimensions. With regard to responsiveness, the findings indicate that the highest mean of 4.14 was obtained in “EPZA employees are always willing to help customers” while the lowest (3.51) was realized in “EPZA employees tell customers exactly when services will be performed” which, incidentally had the only minimum rating of 2 and also the lowest maximum rating of 4 (agree). However, the mean of 3.51 supported by a standard deviation of 0.57 indicates that the respondents’ ratings were not significantly different, and that they were scattered around average scores of the respective sub-dimensions.

In terms of assurance, the means ranged from 4.75 for the sub-dimension: “EPZA employees have the knowledge to answer customers' questions” to 4.25 for “The behaviour of EPZA employees instills confidence in customers”. In this dimension, the respondents’ ratings were the highest and close to the study’s maximum possible rating of 5 in each sub-dimension. The lowest mean was higher than the highest mean in responsiveness and close to the highest means in reliability and empathy, indicating that this was the strongest dimension of service quality in

EPZAs service delivery. This depicted a human resources team that is knowledgeable and motivated with the zeal to provide customers with the required services with high standards of assurance. The findings also indicate that the mean ratings in the dimension of empathy ranged from 4.35 (highest) to 3.54 (lowest). The highest mean rating was associated with “EPZA employees have the customers' best interest at heart” while the lowest mean rating was related to “EPZAs operating hours are convenient to all their customers”. The low values of standard deviations indicate that the respondents' individual ratings were scattered around the means of the respective dimensions, implying that generally, there were positive customer perceptions of EPZA's provision of empathetic service with respect to the assessed sub-dimensions.

Finally, with respect to the tangibility dimension of customer service quality, the highest score was related to the dressing neatness of the EPZA employees with a mean of 4.54, while the lowest mean of 4.02 was related to the visual clarity of the EPZA documents. The minimum scores were uniform at a score of 3 relative to a maximum of 5 in all the aspects, implying that on a continuum of strongly disagree to strongly agree, and based on the average scores, majority of the respondents gave positive ratings that could generally be categorized as “agree”. The low values of standard deviations indicate that the respondents' ratings did not differ significantly from one respondent to another in relation to the means. Thus, the tangibles of customer service quality were largely satisfactory. This may be attributed to heavy investments of the EPZA in technological infrastructure to ensure timely service delivery as embodied in the Authority's Service Charter, augmented by high standards of professional etiquette among the employees.

Correlation Analysis and Hypotheses Testing

The Pearson's Product Moment Correlation was conducted to determine the relationships between the service quality dimensions and the performance of EPZA. Table 2 shows the correlation matrix of the variables.

Table 2: Correlations between the Variables

		Performance	Reliability	Responsiveness	Assurance	Empathy
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	57				
Reliability	Pearson Correlation	.798**	1			
	Sig. (2-tailed)	.000				
	N	57	57			
Responsiveness	Pearson Correlation	.792**	.883**	1		
	Sig. (2-tailed)	.000	.000			
	N	57	57	57		
Assurance	Pearson Correlation	.778**	.807**	.838**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	57	57	57	57	
Empathy	Pearson Correlation	.626**	.717**	.797**	.721**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	57	57	57	57	57
Tangibility	Pearson Correlation	.680**	.661**	.689**	.736**	.673**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	57	57	57	57	57

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

The findings revealed that there was a significant positive relationship between reliability and organizational performance ($r=0.8$, $n=57$). The relationship was very strong and significant at the 0.01 level of significance, indicating that the EPZA customers who rated service reliability highly equally had very strong ratings for the Authority's performance. These findings concurred with Sadiqi (2011) whose study found a positive relationship between reliability and customer satisfaction in the retail banking sector and Liang *et al.*, (2010) who established that reliability had a positive relationship with customer loyalty. Based on the findings of this study, the first research hypothesis (H_1), which stated that Reliability has positive relationship with organizational performance, was accepted.

The PPMC analysis indicated that there was a significant positive relationship between responsiveness of customer service and the performance of the Authority ($r=0.79$, $n=57$). The relationship was strong and significant at the 0.01 level of significance. Higher performance of the Authority was associated with customers' positive perceptions of service responsiveness, indicating that EPZ enterprises' managers who perceived EPZA's service quality as being responsive to their needs had positive evaluation of the Authority's performance. The findings were consistent with Jun & Cai (2001); Diaz & Ruiz (2002); Joseph *et al.* (2005) and Glaveli *et al.* (2006) who had earlier reported that responsiveness is likely to have an important and positive effect on customer satisfaction and most recently, Siddiqi (2011) who reported that responsiveness and customer satisfaction were positively correlated. In contrast, Liang *et al.*, (2010) indicated that the relationship between responsiveness and customer loyalty was insignificant. However, based on the foregoing findings, the second research hypothesis (H_2) which stated that responsiveness has positive relationship with organizational performance was accepted.

The PPMC analysis also that there was a strong and significant, positive relationship between assurance and performance ($r=0.78$). The correlation was significant at the 0.01 level of significance, indicating that higher performance levels of the EPZ Authority were associated with the efforts of knowledgeable and courteous employees to win the trust of customers and inspire confidence in the customers. This confirms that customers who are confident and trust the employees of an organization will support an organization by continued utilization of an organization's services and are likely to refer their friends to the organization for the good services enjoyed. The findings agreed with prior studies including Liang *et al.*, (2010), Lymperopoulos *et al.* (2006) and Ndubisi (2006) who found that there was a significant relationship between assurance and customer loyalty. Whereas Mengi (2009) reported that assurance is important to the consumers' utilization of an organization's service, Akan (1995) found out that competence and courtesy combined with assurance where most important attributes influencing the perception of quality. Therefore, based on the foregoing findings of this study, the third research hypothesis (H_3) which stated that assurance has positive relationship with organizational performance was accepted.

The study revealed that there was a significant positive relationship between empathy and performance ($r=0.63$). The correlation was significant at the 0.01 level of significance and of moderate strength, indicating that higher performance levels of the authority were attributable to provision of highly empathetic customer service. The findings concurred with the findings of Siddiqi (2011) who reported that empathy has a large positive correlation with customer satisfaction. Ladhari (2009) also found that empathy is the strongest predictor of customer satisfaction. Liang *et al.* (2010) reported that empathy has significant positive relationship with

customer loyalty. On the contrary, Ahmed *et al.* (2010) found that there is a negative relationship between empathy and customer satisfaction. Thus, based on the findings of this study, the fourth research hypothesis (H₄) which stated that empathy has positive relationship with organizational performance was accepted.

Finally, the PPMC analysis results indicated that there was a strong, significant positive relationship between tangibility and the performance of the EPZA ($r=0.68$). The correlation was significant at the 0.01 level of significance, implying that better performance of the organization was associated higher tangibility of customer service. Clients who had high rankings in the various aspects of service tangibility also had positive perceptions about EPZA's performance, thus the positive correlation. The findings confirmed the findings of Siddiqi (2011) who reported that empathy has a large positive correlation with customer satisfaction. Ladhari (2009) also found that empathy is the strongest predictor of customer satisfaction. Liang *et al.* (2010) reported that empathy has significant positive relationship with customer loyalty. On the contrary, Ahmed *et al.* (2010) found that there is a negative relationship between empathy and customer satisfaction. Therefore, based on the findings of this study, the research hypothesis (H₅) which stated that tangibles have positive relationship with organizational performance was accepted.

Conclusions

Service quality is a strong determinant of organizational performance. The study's findings suffice that reliability, responsiveness, assurance, tangibility and empathy dimensions of service quality are strong correlates of performance of public sector organizations, specifically EPZA.

Recommendations

The EPZA in liaison with other state agencies should endeavour to examine the contribution of other factors affecting investor retention within the EPZ programme and work together to provide a favourable environment for the investors. Institutionalizing and scaling up customer care trainings to the employees to keep up and enhance the quality of customer service will go a long way in contributing to public organizations' such as the EPZA in achieving their organizational goals. Public sector policy makers should integrate and streamline the regulatory framework for investors to make it possible for all the state agencies charged with the responsibility of attracting investors to work collaboratively to ensure that the efforts of state agencies are not counter-productive to the efforts of each other in as far as public service is concerned.

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