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FACULTY OF COMMERCE
DEPARTMENT OF MARKETING

THE IMPACT OF EMPLOYEE SATISFACTION ON SERVICES QUALITY AT
CHICKEN INN SPEKE AVENUE IN HARARE

BY

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A DISSERTATION IS SUBMITTED IN PARTIAL FULFILMENT OF THE
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APPROVAL FORM

The undersigned certify that they read and recommend to the Bindura University of Science Education for acceptance; a dissertation entitled; the impact of employee satisfaction on service quality submitted by Emily Chikondowa in Partial fulfillment of the requirements of the Bachelor of business studies (Hons) Degree in Marketing.

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DEDICATIONS

With all my love and care, this dissertation is dedicated to my parents, my brothers and sisters and the University community at large.
ABSTRACT

The study was focusing on the impact of employee satisfaction on service quality at Chicken Inn Speke Ave. The main objective of the research was to find the relationship between employee satisfaction and technical quality, functional quality and company image. A comprehensive review of both theoretical and empirical literature review related to this study was carried out. Causal research design was used to find out how employee satisfaction affects the service quality of Chicken Inn and the study used questionnaires for collecting primary data. Probability and simple random sampling techniques was used in selecting the respondents. A sample size of 123 composed of 15 employees and 108 customers of Chicken Inn was used for the study. The data collected was analyzed through the use SPSS by regressing and correlating the variables in order to determine the strength of the relationship. The response rate, demographic data and regression results was presented in form of tables. The research findings from the hypothesis tests explore that there is a strong positive relationship between employee satisfaction and technical quality (the outcome of the process) followed by positive relationship between employee satisfaction and company image then lastly a moderate relationship between employee satisfaction and functional quality. The study recommends Chicken Inn to adopt internal marketing as a way of satisfying employees internally as they are the ambassadors of the company. The company should also apply performances appraisals and several training on monthly bases so that the employees will be equipped with the required skills to cope up with changes in technology in the global environment. The company is also recommended to involve the employees in decisions making processes.
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CHAPTER I

INTRODUCTION

1.0 Introduction

This chapter provides the background of the research relevant to the study. It also indicates the statement of the problem, objectives of the research study, research hypothesis, significance of the study, delimitations and limitations of the study and the definition of key terms.

1.1 Background of the study

Services quality has attracted many researchers for many years (Cronin and Taylor, 1992; Gronroos, 1984). Service quality is a determinant of whether an organization sinks or swims in the aggressive competition that characterizes the business world (Gronroos, 2007). Providing excellent service quality is widely recognized as a critical business requirement and many organizations are concerned with how they deliver their services (Kottler, 1983).

Chicken Inn has been the market leader in the fast food industry for the past 25 years. It has established branches in Zimbabwe, Kenya, Zambia and Ghana offering a wide range of fast foods such as fried chicken, hand-cut chips and fried chicken burgers which helps it to effectively position itself in the mentioned African countries. The first Chicken Inn outlet was opened in Speke Avenue in Harare. The food outlet has been operating effectively and efficiently since 1987 when it has first introduced in Harare Zimbabwe.

However the invading of other giants such as Chicken Slice, KFC, Food Express, Bhello and Nandos into the industry has led the company to face stiff competition. The statistics from an article by the Herald newspaper (02/01/2014) shows that its market share decreased by 5 percent from 2013 to 2014 as well as the profits which declined by 10 percent.
The shrinking of Chicken Inn profits and market share has led to financial instability. This has resulted in company employing inadequate staff due to insufficient fund to employ many workers. The company employees are now exposed to 10 working hours instead of 8 normal working hours agreed by the labor law. The employee fails to be consistent in the service delivery which resulted in low performances compromising the service quality in terms of waiting time and cleanliness of Chicken Inn. The company is failing to compensate for the overtime which is against the labor law. The floors, sinks and the serving tables are mostly seen with remaining containers, empty cans and splashes of foods from previous served customers. The order processing of Chicken Inn takes time leading to long waiting period as well as customers’ dissatisfaction.

Competitors in the fast food industry are adopting innovative practices and focusing into venturing new products lines with different strategies to trap customers. They are mainly concerned with improving service delivery through satisfying the employees by providing good working conditions and hence improving service quality. It is against this background that leads the researcher to explore the impact of employee satisfaction on service quality on Chicken Inn Speke Avenue in Harare.

1.2 Statement of the problem

The way in which Chicken Inn Speke Avenue operating in responding to competition have some implication on the way the service quality of the company are delivered. The exposure of employees to unfavorable conditions associated with the changes in service quality of Chicken Inn has led the researcher to explore and examine how the level of employee satisfaction contributes to the service quality.

1.3 Research objectives

- To establish the relationship between employee satisfaction and technical quality.
- To determine the effects of employee satisfaction on functional quality.
- To determine the impact of employees satisfaction on company image.
1.4 Research hypothesis

In seeking to achieve the objectives of the current study, the following research hypothesis would be used:

H1: There is a relationship between employee satisfaction and technical quality.

H2: There is a relationship between employee satisfaction and functional quality.

H3: There is a relationship between employee’s satisfaction and company image.

1.5 Assumptions

The research was based on the assumption that the sample population considered in the study was a full representation of the whole population. There was free of bias from the data provided by respondents and accuracy to the best of their knowledge. The research was guided by research objectives and responsible authorities at the organization were cooperative.

1.6 Significance of the study

The research was hoped to benefit the following, the University, Student and Chicken Inn.

1.6.1 To the University

The research will benefit the university as the findings will be used by other students as literature review on employee satisfaction and service quality. Furthermore the university will use the student findings and investigate whether it is worth to build employee satisfaction in order to achieve high service quality. The research will be used as reference material for university’s forthcoming students.

1.6.2 To the student
The research was done in partial fulfillment of requirement of the Bachelors of Business studies Honors’ degree in Marketing. The research helps add value to the researcher’s knowledge and ability to conduct a research thereby giving an opportunity to merge academic theories with practical procedures of carrying out a research study. The result and experience of carrying the study will be of future use in marketing activities.

1.6.3 To the Chicken Inn

The research explores the necessary insights on how best Chicken Inn would be able to increase service quality. The information and ideas gathered from the research would help the company to identify weak areas and take corrective measures to solve them. The research would also contribute to the existing knowledge used by the company and help improve its marketing mix. It would also provide the platform upon which management can adopt strategic plans and the company’s opportunity to maximize its profit in the long run.

1.7 Limitations

The major limitation of the study was that it was carried out at Chicken Inn Speke Avenue in Harare only. It was also limited by organizational constraints since some information requested was regarded as highly confidential and private, hence little or no response for security reasons. The conclusion and generalizations from the research work take the cognizance of the fact that, not all respondents might have provided true answers about themselves on opinion being asked for fear of being victimized, despite the assurance of confidentiality. The respondents given may not be a true reflection of the whole population since the study is only confined to Chicken Inn Speke Avenue in Harare.

1.8 Delimitations
The study was mainly restricted to Chicken Inn Speke Avenue in Harare only. The study covered all areas related to service quality and employees satisfaction only.

1.9 Definitions of terms

Functional quality refers to how the service is delivered (Gronroos, 1984).

Technical quality refers to the outcome of the service delivery (Gronroos, 1984).

Services quality is a comparison of expectations with performance (Gronroos, 2001)

Competence is the possession of the required skills to perform the services (Kottler, 1983).

Employee satisfaction refers to how content employees are with their job (Kottler, 1983)

1.10 Summary

The chapter highlighted the background of the study leading to the statement of the problem from which research hypothesis were derived. The significance of the study followed which spelt out keys factors which prompted the writer to carry out the study. The research objective was stated, assumptions, limitations, delimitations and definition of key terms. The study set to investigate the impact of employee satisfaction on service quality on Chicken Inn Speke Avenue in Harare
CHAPTER II

LITERATURE REVIEW

2.0 Introduction

This chapter looks at theoretical and empirical literature on the impact of employee satisfaction on service quality at Chicken Inn reviewing numerous concepts and arguments found by other researchers and authors in relation to this topic.

2.1 Theoretical framework

The food industry is the fastest growing sector in the world. In order for the organization to increase the capacity for achieving service quality in this sector requires the theoretical understanding of the relationship between employee satisfaction and service quality. Kludge, Stan and Litch (2006) postulated that in order for the business to be successful they must generally have knowledge of how best can they facilitate service quality. The theoretical framework refers to the collection of interrelated concepts and theories supporting the topic (Kottler, 1998). The researcher looked at the theories that are related to the impact of employee satisfaction on service quality dimensions.

2.2 The relationship between employee satisfaction and technical quality

The relationship between employees satisfaction and technical quality was emphasized by Lewis (1986) who asserts that employees are the ambassadors for the organizations quality as well as the service, hence when customers buy from the organization they consider the attitude, skill and appearance of the staff, so the composition of the technical skills of the frontline employees in
food industry are of greater important to the service they deliver. Atkinson and Knutson (1988) add on that cleanliness, comfort, friendliness of employees and courtesy of employees when delivering service determines customer satisfaction. The relationship between employee satisfactions is supported by social-technical theory. Bowen and Shoemaker (1998) postulate that, socio-technical theory refers to the interrelatedness of employees and the technical aspects of an organization. The socio-technical theory explains the relationship between employee and the technology which employee use in carrying out the duty within the organization. In service industry the delivery of the service need to be performed carefully so that the customers will be satisfied by the outcome (Oyeninyi, 2008).

The employees must be familiar with their surrounding environment such as using the tills, computers and the kitchen equipment during service delivery. This is supported by Gronroos (2000) who also contributes that technical quality dimension have five relevant factors that are employee technical ability, employee knowledge, technical solutions and computerization when using machines. Therefore there is need for organization to create working environment which encourages employees to give quality response to customers’ needs by well possessed them with the skills required.

Kotler (1998) suggested that customers make decisions on the services basing on the perceptions of the employees who provide the service. Thus services organizations must realize that their strength and success depends on the quality of people (employees) working in that organization as they interact with customers. If the employees are friendly enough with the physical environment this boost the employee confidence to customers when delivering the service but if they lack confidence they tarnish the service results. Taking for example if the employee of Chicken Inn fails to operate on the till this can lead to customer being delayed and dissatisfaction arises and the organization will lose customers.

Thus services industries is highly dependent upon the operating personnel, since they are the once who plays a pivotal role in closing the performance gaps by meeting customer expectation (Gronroos, 1990). Generally service employees are the first part to represent the whole organization and they are very vital for shaping customers perceptions of the services quality (Parasuraman, 1985 and Hartline and Ferrel, 1996).
Bowen and Schneider, (1985); Hartline and Ferrell (1996) argued that service quality is influenced by employee satisfaction. Employees must have support from the management for example by being well trained an employee can feel comfortable at the workplace which also contribute to the level of employee satisfaction (Chase and Bowen, 1991). The environment and the individual must continue to meet each other’s requirements for the interaction to be efficient and effective.

2.3 The relationship between employee satisfaction and company image.

Services employees play a vital role in defining organizational success and it is important to understand their role within the organization. Services employees refer to the frontline employee who is directly responsible for the service delivery (Gronroos, 1993). Company image refers to the perceptions of customers towards the organizational activities which can influence the customers to buy the product or service from an organization (Keller, 1993). Employees are ultimately the organization in the customers’ eyes and they present the image of the company and the service quality at the same time. The relationship between employee satisfaction and company image is supported by social exchange theory and service profit chain.

2.3.1 Social exchange theory

The relationship between employee satisfaction and company image is also supported by the theory of equity in social exchange (Blau, 1964). The theory entail that when the company is engaged in building a relationship with the employees by fulfilling their needs, offering them favorable working conditions and organizational support, the employees will be satisfied and in return they will be committed to their work as well as the organization.

The satisfied employees will also be willing to contribute and eager to take extra care of their customer of the organization and become more service oriented. In addition the satisfied employees tend to be more dedicated to work and put extra effort to offer service of high quality and enhance perceived service quality leading to customer satisfaction. Kotler (1983) postulates that, frustrated workforces are terrorist to the organization and this has led to the concept of
internal marketing which reveal that, by satisfying the needs of the employee the organization will be in a better position to deliver quality desired satisfaction to customers.

The theory also explain that the employees who appreciate their working conditions will be loyal to their organization and they are prone to delivering services of higher quality to customers, so if the organization create positive image to the employees they get favor in many aspect (Lehtnen and Lehtnen, 1982 ; Gronroos, 2001). The customer will also be loyal to the organization due to the high level of the service quality they received and feel satisfied with the services. Dolen, Lemmink, Ruyter, and Jong (2002) assert that if the customers like the performance of the employee and express appreciation this will lead to higher level of employee satisfaction. Satisfied customers tend to be more loyal to the service providers and make repeat purchases as well as recommending the service provider to other customers leading to recognition of the organization image. This implies that the success or failure of the company depends on employee level of satisfaction.

Heskett and Schlesinger (1991) also introduce cycle failure which explains how dissatisfied employees can lead to poor organizational performance in the services environments that is when the organization invests little in employees by paying of low wages, the level of dissatisfaction among employees will increase and customer satisfaction will fall and the organizational performance in terms of perceived service quality will deteriorate.

2.3.2 Service Profit Chain Theory

The services profit chain theory also explains the relationship between employee satisfaction and company image. Brown and Lam (2008) explores that satisfied employee provide better service as compared to less satisfied employee, leading to better perceived service quality hence customers will be satisfied. Heskett, James, Sasser, Earl, Schlesinger and Leonard (1997) asserts that operations to the profits of a service takes the following chain of logical deductions that is (1) profit and growth are stimulated primarily by customer loyalty; (2) loyalty is a direct result of customer satisfaction; (3) customer satisfaction is largely influenced by the value of the services provided; (4) value is created by satisfied, loyal and productive employees and (5)
employee satisfaction results primarily from high-quality support services and policies that enable employee to deliver good results to customers.

In addition, Parrisuraman and Berry (1985) suggested that a service company can be only as good as its employees. Therefore if the employees do not meet the customer expectations then neither does the service because customer evaluates the employees first before they buy the products the company offer. It is good for the company to invest in employees’ quality which ultimately means that the company products quality and perceived services quality will be valued by customer due to employee satisfaction.

Heskett et al (1997) also adds on that the relationship between employee satisfaction and company image is shown by the level of contentment that is exposed by the customers and employees after the service delivery process. Thus business success depends on the level employees satisfaction (Schlesinger and Heskett, 1991). The theory entails that providing employees with a superior internal working environment will lead to satisfied employees who are both loyal to the organizational and able to provide the customer with an excellent service experience leading to customers being satisfied (Heskett et al, 1999).

2.4 The relationship between employee satisfaction and functional quality

Gronroos (1984) service quality model proposed that functional quality refers to how services organization provides their service to consumers. Cronin and Taylor (1992) postulate that functional quality refers to the interaction process between an employee and a customer during service delivery that is the responsiveness and reliability of the service. Levitt (1981) asserts that many benefits derived by customers from the service occur not as a result of what is offered but as a result of the way it is offered. This relationship is greatly influenced by the way in which the company personnel deliver the perceived service quality to the customers and how customers appreciate the service delivery process. The relationship is supported by service climate framework and Herzberg two factor theories.

2.4.1 Services climate framework
Services climate framework also support the relationship between employee satisfaction and functional quality (Schneider, 1990; Heskett et al. 1992). The theory explains the perceptions of employee towards the organizational support and facilitation of service performance which determines the quality of the service they deliver to the customers. This means that if the employee has positive perception towards the service delivery set up provided by the company, he or she will be satisfied and able to deliver good service quality. The theory also emphasizes on how employee view managerial policies and the organizational services climate affect attitudes and behavior of employees and its consequences to customer responses when service delivered (Yoon and Seo, 2004). This implies that if the service employee is unhappy in their job, this will distort the functional quality that will be transferred and customer satisfaction will be difficult to be achieved (Kottler and Armstrong, 2004).

Kamakura, Wagner, Mittal, Vika, Fernando, Mazzon (2002) explores that many service operations which have personal interaction between employee and the customers during service delivery, the action of employee on the interaction strongly influence the customer's perception of service. Therefore the management of the service organization should train their employees to carry out their tasks competently and smoothly. The management is responsible to motivate them to go an extra mile during service delivery.

2.4.2 Herzberg’s Two Factor Theory

The relationship between employee satisfaction and functional quality is also supported by Herzberg’s two factor theory. Herzberg (1984) proposed two broad categories which are hygiene factors and motivation factors. The theory explores that there are certain factors in the work place that cause satisfaction while other factors cause dissatisfaction. The factors that led to employee satisfaction are achievement, intrinsic interest in the work, responsibility and advancement. This implies that at the work place employees are motivated by those factors and the present of these factors at work will result in an employee being able to deliver high service quality.
The dissatisfies are company policy and administration, supervision, salary, interpersonal relations, working conditions and job security lead to dissatisfaction of employee if they are not properly formulated. This means that the organization should be aware of these factors and avoid them as they cause dissatisfaction to employee, hence hygiene factors are needed to ensure that an employee are satisfied. Motivation factors are needed to motivate an employee to deliver high service quality to the customer.

2.5 Empirical Literature Review

This section documents past studies that were done in relation to this study and showing their research findings. The researcher is going to look on the empirical evidences of the relationship between employee’s satisfaction and technical quality, functional quality and company image.

2.5.1 Employees satisfaction and functional quality

Brown and Mitchel (1993) examined the relationship between employee satisfaction and functional quality in service operations through a survey of 206 service shops in Hong Kong and the results show that there is positive relationship between employee satisfaction and functional quality. However this research is different from that of Brown and Mitchel (1993) in that this research focused on one company Chicken Inn and this is an advantage in that the researcher will be doing an in-depth analysis thereby gathering adequate information.

In another research contacted by Frei (1997) on American Banks the major concern of this study was to examine the relationship between functional quality and employee satisfaction. The findings from this study suggest that consistent of functional quality is very important to employee satisfaction when business is operating. The study asserts that banks with good and consistent processes enjoy higher financial performance.

The relationship between employee satisfaction and functional quality has proved to be positive in the research done by Roth and Jackson (1995). The main objective of the study was to investigate the strategic determinants of service quality and the results show that functional quality has a significant impact on employee satisfaction. The study further explore that
functional quality is determined by the employee skills which is applied when serving a customer.

In another research contacted by Choudry (2007) the main objective of this study was to explore the dimensions of service quality in the context Indian retail banking industry. The service quality parameters have been used in the context of four largest banks to identify the underlying dimensions using factor analysis. The study proves that functional quality is determined by employee’s satisfaction that in turn leads to customer satisfaction and reveals that there is positive relationship between these two. The results also exerts that if banks managed functional quality and satisfy employee there will be high chances for the banks to gain the competitive advantages over its competitors.

Tsikritksis and Heineke (2004) conducted a research on the relationship between employee satisfaction and functional quality in driving service quality in the US Airline industry. The study use a sample of 300 respondents and SERVIQUAL instrument was used to measure functional quality using responsiveness, reliability, assurance, tangibility and empathy (RATER) of employee. The results show that there is relationship between employee satisfaction and functional quality. The research differs from this study in the sense that the current research will not make use of the research instrument that was used by the previous researcher.

The relationship was also supported by Woodside, Frey and Darley (1989) on linking functional quality, employee satisfaction and behavioral intentions, the results show that employee satisfaction and functional quality has a strong relationship. The researcher adds that an increasing number of companies are now focusing on functional quality in order to ensure effective performance on service quality dimensions. This implies that the mood of the employee on the process of the service delivery is very crucial.

Leblebici (2012) studied on the relationship between employee satisfaction and functional quality in a foreign private bank in Turkey and discovers that there is positive relationship between employee satisfaction and functional quality (the process dimension). The results prove that there is positive relationship between employee satisfaction and work environment in which the employee operates on. He went on stating that the quality of the machines, equipment and wellness in the workplace may simply determine the level of employee satisfaction, motivation, subsequent performance and productivity.
In another research carried by Peltier and Dahl (2009) on the relationship between employee satisfaction and hospital experiences, the main objective of the study was to determine the extent to which employee satisfaction relates to the quality of the patience experience. The research shows that there is direct and positive relationship between satisfaction of employee and the quality of the patience experiences. In a study conducted by Maddern, (2009) also looked into the relationship between functional quality and employee satisfaction in the banking sector. The results show that there is moderate relationship.

2.5.3 Employees satisfaction and technical quality

Past researches on the relationship between employee satisfaction and technical quality has proved to be positive. Boardman and Linda (2010) discovered a strong positive relationship between employee satisfaction and the technical quality dimension on the empirical studies of the impact of service provider satisfaction on technical quality. The study use sample of 500 respondents and the regression results of service provider satisfaction on technical quality indicate that there was positive relationship.

The relationship between employee satisfaction and technical quality was supported by the research conducted by Joseph (1999). The research investigates the role of technology in Australian banking and its impact on the delivery of perceived service quality. A sample of 440 electronic bank customers was taken and 300 returned questionnaires were analyzed. The results indicated the use of technology in the banking sector result in no direct contact between the employees and the customers so the results concluded that customer prefer direct contact with the service provider of the bank rather than the use of technology which proves that technical quality is strongly influenced by the presents of employee who facilitate the interaction.

In another research conducted by Dagger and Sweeney (2006) have come up with the conclusion that employee satisfaction has direct effects on technical quality in the health care service. The study finds that technical quality exerted larger impact on service quality and suggests that the service outcome is most important to consumers.
Schlesinger (1982) found that satisfied employees provide better service as compared to dissatisfied employees. There is a positive relationship between technical quality and employee satisfaction. Since service products require a great deal of human interference, it is vital for organizations to maintain and meet employee expectations, while it has been demonstrated that employees who experience job satisfaction will be more productive in their respective jobs.

Another research carried out by Powell (1995) in a research of total quality management as a competitive advantage in service quality. The results show that there is a strong relationship between employee satisfaction and technical quality. Keyser and Lariviere (2013) the researcher main aim was to investigate the impact of technical quality and functional quality on consumer happiness in a multichannel environment. The study uses a sample of 809 customers and the results indicate that technical quality has positive impacts on consumer happiness as compared to functional quality.

Newman (2001) and Johnston (1995) also conducted a research on impact of employee satisfaction on technical service quality in driving customer satisfaction levels. The result of this research shows that there is a relationship between employee satisfaction and technical quality since customer is mainly concerned on the outcome of service delivery rather than the process itself.

The research conducted by Keane (1996), Lee and Way, (2010) on the relationship between technical quality and employee satisfaction on customer satisfaction shows that technical quality is the only important variable in relationship to customer perception of overall quality. Technical quality has been found positively related to employee satisfaction which implies that maintaining quality employees seem an ideal way to preserve a dense reputation and create a loyal customer base.

2.5.4 Employees satisfaction on Company image

The relationship between employee satisfaction and company image has proved to have positive relationship on the research conducted by Afshan, Nashem, Sheikh and Malik (2008) on the impact of employee satisfaction on the success of organization’ image. The researcher investigates the factors of employee satisfaction that affect the organizational image and
performance. The research use two self-administered questionnaire to get response from customers and their experiences at a hotel and another was designed to get responses from employees from their job satisfaction using 150 questionnaires. The research expose that there is a positive relationship between employee satisfaction and company image. The author postulates that employee satisfaction is considered to be important in defining the organizational success especially in services industry. Employee satisfaction is the key to the success of the company image.

Another research conducted by Muhammad and Ifan (2009) show that there is positive relationship between employee satisfaction and company image. The objective of the study were focusing on the concept of the organizational structure, policies and the management commitment exerted to employee plays a positive role for satisfying employees and customers. The study concludes that quality service and the overall picture of the organization strongly depends on employee satisfaction.

Mathieu and Zajac (1990) concluded that employee satisfaction has little direct influence on business image. Although much research has been successfully conducted several researches and found that company image correlate with employee satisfaction. In another research conducted by Brown and Peterson (1993) identified a weak relationship between employee satisfaction and company image and concurs with the research carried out by Keeled (1998) in India who concluded that remuneration increases overall employee morale rather than company image on its own.

The relationship between employee satisfaction and company image receive empirical evidence which proved that there is a positive relationship between employee satisfaction and company image on the research conducted by Arizi, 2008; Clow and Kurtz, (2003) and Spector, (1997). The researchers reveal that employees who become satisfied with their jobs and their company image together with the working environment become attached to their organizations and have less likely to leave there and they greatly contribute to the quality service for their organization.

2.6 Research gap
However this study differ from other previous researches in the sense that most previous studies has greatly dwell on the service quality dimensions which are reliability, responsiveness, assurance , empathy and tangibility (RATER). The measurement instrument which was popularly used was the SERVIQUAL instrument by most researchers. The previous studies were mainly done in Western countries where as this study link employee satisfaction and expanded service quality dimensions which are technical quality, functional quality and company image on Chicken Inn Speke Avenue in Harare Zimbabwe.

2.7 Summary

This chapter elaborated on the relationship between employees’ satisfaction on technical quality, functional quality and company image using case study of Chicken Inn supported by the wisdom from different authors. The research also looked at some of the theories that have been put forward by various authors in trying to explain the impact of employee satisfaction on service quality. Both the theoretical and empirical literature discussed in this chapter is important as it help in the formulation of models. The next chapter will be looking on the research methods that can be used to conduct research.
CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

The chapter discusses and evaluates the methods and steps that were used for data collection and how actually they were carried out by the researcher. Firstly, the chapter looks on data collection methods used by the researcher, target population, questionnaire and how they were administered. The chapter further described the sample size and the approach used for data analysis. It will conclude by highlighting the limitations of the methods that were used to collect data.

3.1 Research design

According to Green and Tull (1998) research design is the specification of methods and procedures for acquiring the information needed. The researcher use causal research design in this research. Casual research design seeks to determine how the independent variable influences the dependent variable after an event has occurred (Wegner, 2006). This research design helps to examine and explain the cause and the effect of employee satisfaction on the service outcomes of Chicken Inn Speke Avenue in Harare.

3.2 Target Population

According to Best and Khan (2003) target population refers to any group of individuals that have one or more characteristics in common that are of interest to the researcher. The target population for this study is the all employees and customers of the Chicken Inn Speke Avenue in Harare.
According to Fraenkel and Wallen (1996) the target population is the actual population to which the researcher would like to make generalization and it is upon this group that the researcher would generalize the results of the study.

3.3 Sample size and sampling techniques

Ferber (1974) defines a sample as a part of population taken into consideration under statistical inquiry. The researcher used probability sampling techniques and simple random methods to collect the required data. Probability sampling is a sampling technique in which the elements are gathered in processes that give all the elements of the sample equal chances of being selected (Wegner, 2006). The researcher use probability sampling techniques to find the respondents from Chicken Inn so that the employees and customers had equal chances of being selected.

Saunders, Lewis and Thornhill (2005) postulate that the sample size is determined by confidence level, preferred error rate, type of analysis and the size of the population from which the sample is drawn. The researcher in this research used the table shown below to determine the sample size.

**Table 3.1: Sample sizes for different sizes of population at a 95% level of certainty**

<table>
<thead>
<tr>
<th>POPULATION</th>
<th>5%</th>
<th>3%</th>
<th>2%</th>
<th>1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>44</td>
<td>48</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>100</td>
<td>79</td>
<td>91</td>
<td>96</td>
<td>99</td>
</tr>
<tr>
<td>150</td>
<td>108</td>
<td>132</td>
<td>141</td>
<td>148</td>
</tr>
<tr>
<td>200</td>
<td>132</td>
<td>168</td>
<td>185</td>
<td>196</td>
</tr>
<tr>
<td>250</td>
<td>151</td>
<td>203</td>
<td>226</td>
<td>244</td>
</tr>
<tr>
<td>300</td>
<td>168</td>
<td>234</td>
<td>267</td>
<td>291</td>
</tr>
<tr>
<td>400</td>
<td>196</td>
<td>291</td>
<td>434</td>
<td>384</td>
</tr>
<tr>
<td>500</td>
<td>217</td>
<td>340</td>
<td>414</td>
<td>475</td>
</tr>
<tr>
<td>750</td>
<td>254</td>
<td>440</td>
<td>571</td>
<td>696</td>
</tr>
<tr>
<td>1000</td>
<td>278</td>
<td>516</td>
<td>706</td>
<td>906</td>
</tr>
<tr>
<td>2000</td>
<td>322</td>
<td>696</td>
<td>1091</td>
<td>1655</td>
</tr>
</tbody>
</table>
The sample size for the research was adapted from Saunders et al (2005). The population size from the Chicken Inn customer database was 150 weekly transactions who translate to the sample of 108 dyads of interactions between employees and customers (15 employees and 108 customers) of Chicken Inn testing at 95% level of confidence level.

3.4 Research instruments

Questionnaires were used as data collection instruments for collecting primary data. Kottler (1988) defines primary data as the data that the researcher collects in the field specifically for the project at hand. Kottler and Armstrong (2004) postulates that a questionnaire is an instrument used for collecting data through the use of designed questions that are asked to the respondents. The researcher uses questionnaire because it was a cheap way of surveying a large cross-section of population quickly which helps the researcher to save time. The use of questionnaires in this research has allowed respondents to have enough time to think about their responses. The research questionnaire used in this research was an adapted version of Gronroos, (2004) for measuring services quality and Job descriptive Index was adapted from Lock, Smith, Kendall, Hullin and Miller, (1964) for employee satisfaction.

3.4.1 The employee satisfaction measurement scale

To capture the degree to which service employee are satisfied with their job, the researcher used seven-point likert scale which stretches from 1= strongly disagree to 7=strongly agree (Smith et al, 1964). Job descriptive index show the extent of satisfaction a worker has from his or her job.
(Smith et al, 1964). The scale was made up of four questions for measuring employee satisfaction which are the nature of the job, relationship with fellow workers, the nature of supervision and satisfaction from the job (see appendix 3).

However this measurement scale was popularly used by many other researchers in psychological organizational behavior researches (Balzer, Kihm, Smith, Irwin, Bachiochi, Robie, Sinar, and Parra, 1997; Offstron, 1992; Buckely, Caharreher and Cote, 1989; DeMeuse, 1985 and Zedeck, 1997). Balzer et al, (1997) tested the reliability of the measurement scale and found cronbanch alpha= 0.71, job satisfaction AVE=0.861, employee behavior AVE=0.764 and the square correlation = 0.633. According to Fornell and Larcker (1981) the minimum acceptable reliability level of an instrument is 0.60. The measurement instrument was found reliable since the cronbanch alpha was above 0.6. There was also discriminant validity evidenced by the AVE values which are greater than the squared correlation value as well as the existence of convergent validity supported by the AVE values which were above the minimum threshold. Chau, (1997) postulates that discriminant validity exist if the AVE for two construct exceed their squared correlation whereas convergent validity occurs when the AVE is greater than 0.5.

In another research carried out by Offstron, (1992) on investigating the relationship between job satisfaction and organizational performance. He also adopt the JDI and the reliability was also tested and found cronbanch alpha of 0.703, organizational performance AVE=0.65 and job satisfaction were 0.59 and R square was 0.442. Hence there was evidence of discriminant and convergent validity as well.

Buckley, Caharrer and Cote, (1989): DeMeuse and Zeddeck, (1997) they also adopted this measurement scale and test for reliability and validity. The cronbanch alpha was 0.83 and the standard loadings constitute the AVE values which range from 0.610 to 0.835for all the variables. The variance deviation R square was 0.544. The instrument proves the existence of both discriminant validity and convergent validity. Therefore according to the consistent of the validity and reliability of these measurement scales from previous research, the researcher decided to use them in this study.

**3.4.2 Functional quality measurement scales**
The functional measurement scales was operationalized by Gronros (1984) on the examination of service quality model research. There was three items which are providing services as promised, prompt services to customers, convenient business hours using a seven point likert scale (see appendix 4). The reliability and validity was also tested using Confinatory Factor Analysis. Construct reliability was 0.78, AVE = 0.54 and Coefficient alpha was 0.77. Therefore the instrument was reliable and there was discriminant and convergent validity.

Kang and James (2004) also adopt this measurement scale where he also tested the reliability and validity for this measurement scale. He also use exploratory factor analysis where cronbanch alpha was 0.798 and AVE = 0.56 for functional quality and AVE for service quality were 0.68. The squared correlation = 0.45. There was discriminant and convergent validity. In another research conducted by Cronin and Taylor, (1992) the reliability and validity was also tested and found it very reliable and valid. The CFA results show cronbanch coefficient of 0.733 whereas correlation matrix value range from 0.33 to 0.762 and the AVE values for the constructs were ranging from 0.501 to 0.662, which implies that there was discriminant and convergent validity.

3.4.3 The company image measurement scales

The company image measurement scale involves four items which were the reliable of a company, good reputation of the company, honest and familiarity to customers (Gronroos, 1984). The seven point likert scale was also used. The reliability of this measurement scale was also tested and construct reliability was 0.87, the AVE = 0.62 and cronbanch alpha was 0.86. The squared correlation for all constructs was ranging from 0.19 to 0.521. There was enough evidence for discriminant and convergent validity as evidenced by AVE value which greater than the squared correlation. Hence the instrument was reliable and valid.

Kang and James (2004) also test the reliability and validity of the company image measurement scale and found that the cronbanch alpha was 0.87, AVE = 0.62 and the squared correlation value indicating values ranging from 0.552 to 0.612 which also prove that there is discriminant and convergent validity. The measurement was also reliable. Cronin and Taylor (1992) also use this measurement scale using CFA the results show that the measurement scale was reliable and valid by havi cronbanch coefficient alpha of 0.891 and AVE for all constructs range from 0.771 to...
0.979 and the correlation matrix ranging from 0.631 to 0.681 values which were lower than the AVE.

3.4.4 The technical quality measurement scales

The technical measurement scale uses three items which were professionalism and competencies of the staff and efficiencies of services delivery (Gronroos, 1984). Seven point likert scales was also used. The results from the validity and reliability show construct reliability of 0.78, AVE=0.60 and cronbach alpha=0.70 and the squared correlation = 0.22 to 0.495 supporting discriminant validity and convergent validity. The measurement scale was valid and reliable. Kang and James (2004) also test the reliability and validity and the results show that there is discriminant and convergent validity since the AVE for all the constructs were stretching from 0.707 to 0.874, cronbach alpha was 0.813 and the squarred correlation were below the AVE by far which ranges from 0.275 to 0.472 showing that the instrument measure what it is intended to measure. The researcher base on the results of the reliability and validity proved by these researchers and motivated to use it in this study.

3.5 Data collection procedures

The researcher personally distributed the questionnaires by hand at randomly to the customers who were visiting and buying Chicken Inn. The researcher kindly asked the respondents to complete self-administered questionnaire. The employees were being given the questionnaires and told to answer on their convenience time. The researcher approaches the customers after they were given the services just before leaving the Chicken Inn complex to collect the questionnaire. Then the employees who were selected in the sample were visited a day after for collecting the questionnaires to make sure that all questionnaires were returned.

3.6 Data analysis and presentation

The researcher use Statistical Package for Social Sciences (SPSS) software to analyze the data obtained from the questionnaire. The SPSS software enables the researcher to use regression
statistical to estimate the relationships between the variables. It also helps to determine the relationship between two or more independent variables by employing multiple regression analysis which is applicable where there are two or more independent variables that are technical quality, functional quality and company image whereas the dependent variables are employees’ satisfaction (Wegner, 2006). The data was presented inform of tables for easy understanding.

3.7 Summary

This chapter examines the methods, techniques and designs that were used for data collection. The chapter describes the target population, sample size, research methods and sampling techniques that will be used to collect data. It further describes how measurement instrument were administered to the target population. The next chapter will describe and evaluates data presentation and analysis.
CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter present and interpret the research findings from various customers and employees of Chicken Inn. The analysis of data from questionnaires form the fundamentals of this chapter and the researcher give insight into the data collected. The chapter also presents the data obtained using tables for easy understanding and interpretation. The data was presented in chronological order of the objectives.

4.1 Response rate

The questionnaires were distributed to both customers and employees of Chicken Inn Speke Ave. The total number of 108 questionnaires was given to customers visiting the food court and 15 questionnaires were directed to 15 front line employees of Chicken Inn in order to get their responses. The table below shows the response rate for the employees and customers.

Table 4.1 Questionnaires response rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Questionnaires distributed</th>
<th>Questionnaires Returned</th>
<th>Response Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>108</td>
<td>108</td>
<td>100%</td>
</tr>
<tr>
<td>Employees</td>
<td>15</td>
<td>15</td>
<td>100%</td>
</tr>
<tr>
<td>Totals</td>
<td>123</td>
<td>123</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source : Primary data
The results show that the response rate was 100% for both employees and customers. The results recorded the highest response rate and were facilitated by the fact that all customers answered the questionnaires whilst waiting for their orders during processed. This act as an entertainment to them since it was occupying their minds during the waiting time while order was processed. The employee answers the questionnaires on their convenient time and the researchers revisit the employees for collection and encourage those who were not yet answering the question to cooperate. The response rate were considered high enough to carry out meaningful data analysis for the study and from response rate the researcher shows the categories of demographic respondents and response rate.

4.2 Demographic Profile of Respondents and Response Rate

The table 4.2 below shows the results of demographic responses of the employees and customers of Chicken Inn Speke Ave.

Table 4.2 Demographic profiles of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>EMPLOYEES RESPONDENTS</th>
<th>CUSTOMERS RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>Female</td>
<td>9</td>
<td>60</td>
</tr>
<tr>
<td>Totals</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30yr</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>31-40yrs</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>41-50yrs</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>50 above</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Totals</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Level of Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>O level</td>
<td>6</td>
<td>40</td>
</tr>
<tr>
<td>A level</td>
<td>3</td>
<td>20</td>
</tr>
</tbody>
</table>

The results of the demographic profile from the table above shows that 60% of Chicken Inn employees are female and male are 40%. The table also shows the age of employees in which 40% consist of employees aged 20-30, 31-40 years have 27 %, 41-50 years occupy 20% whilst the employees who are 50 years and above has 13%. In addition the table also depicts the level of education of employees which are as follows; 40% consist of those who attained Ordinary level, 20% did Advanced level, 33% have Diploma and lastly 7% attained Master Degree. More so, the table further displays the level of service of employees in their current position where 53% are those who have less than one (1) year of services, followed by 13% who are among 1-5 years and finally 44% are those who have 5 years and above.

In the above table there are results for customers who visit Chicken Inn where 56% were female and 44% were male. According to the result from the above table, it shows that customers with the age group between 31-50 years has a 33% of the total population visiting Chicken Inn followed by 30% of the customers aged between 51-60 years, then 28% of the customers are aged between18-30 years and lastly those aged 61 and above constitutes 9%. The table also indicates that 63% of total population was single and 37% were married. It also shows the array of times in which customers visited Chicken Inn in need of services. The results above show that the customers visited Chicken Inn 3 times per week constitute 5%, then those who visited 5

| Source: primary data |

<table>
<thead>
<tr>
<th>Diploma</th>
<th>Masters</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>33</td>
<td>7</td>
<td>100</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>108</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Length of services current position</th>
<th>&lt;1yr</th>
<th>1-5yrs</th>
<th>50+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>44</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How many times do you need services</th>
<th>3times/week</th>
<th>5times/week</th>
<th>Once / month</th>
<th>3times/month</th>
<th>5times/month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>17</td>
<td>31</td>
<td>33</td>
<td>22</td>
</tr>
<tr>
<td>Totals</td>
<td>108</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results above show that the customers visited Chicken Inn 3 times per week constitute 5%, then those who visited 5
times per week has 16%, once per month has a percentage of 29% and 3 times per month contribute a percentage of 30% followed by those who visited 5 times per month with a percentage of 20%.

4.2 Reliability Test

The reliability of measurement scales was tested using SPSS software for the cronbach alpha coefficient. The results from the SPSS for employees satisfaction shows cronbach alpha coefficient of 0.721. The cronbanch alpha coefficients for functional quality was 0.714, technical quality was 0.711 and company image was 0.722 from the SPSS (see appendix 5). Cooper and Schindler, (2003) explores that the reliability constructs which is accepted should be above 0.7. Therefore, basing on the above results from the SPSS of the entire measurement scales cronbanch coefficient was above 0.7 which show that they are reliable for the study.

4.2.1 Validity test

Validity tested was specifically construct validity which consists of combination of convergent and discriminant validity. Exploratory factor analysis was used to summarizes and reduce the data from. The convergent and discriminant validity of the scales was assessed using the method outlined by Fornell and Larcker (1981) and Chau (1997) (see appendix 5). The table below shows the Average Variances Extracted for four variables; employees satisfaction, technical quality, functional quality and company image.
Table 4.3 Average Variances Extracted

<table>
<thead>
<tr>
<th>Construct</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees satisfaction</td>
<td>0.820</td>
</tr>
<tr>
<td>Technical quality</td>
<td>0.767</td>
</tr>
<tr>
<td>Functional quality</td>
<td>0.855</td>
</tr>
<tr>
<td>Company image</td>
<td>0.664</td>
</tr>
</tbody>
</table>

Source: Primary data

The AVE for employee satisfaction is 0.820, technical quality is 0.767, functional quality is 0.555 and company image is 0.664. Fornell and Larcker (1981) and Chau (1997) postulates that discriminant validity exist if the AVE for two constructs are greater than their squared correlation and convergent validity occurs when the AVE for all the variables is greater than 0.5. In order to compare the AVE of the variables with their squared correlations the table below shows the squared correlations for all the constructs.

Table 4.4 Squared Correlations values

<table>
<thead>
<tr>
<th></th>
<th>Employees satisfaction</th>
<th>Functional quality</th>
<th>Technical quality</th>
<th>Company image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee satisfaction</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functional quality</td>
<td>.767</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical quality</td>
<td>.527</td>
<td>.760</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Company image</td>
<td>.621</td>
<td>.660</td>
<td>.574</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Primary data

From the table 4.4 above the squared correlation value for employee satisfaction and functional quality is .767 whereas the AVE for employee satisfaction is 0.820 and functional quality is
0.855. This shows that the AVE for these two constructs is greater than their squared correlation value proving that there is discriminant validity as well as convergent validity since the AVE are greater than 0.5.

The AVE for employee satisfaction and technical quality depicted on the table 4.3 are 0.820 and 0.762 respectively whilst the squared correlation value for the two constructs shown on the table 4.4 is 0.527. There is evidence of discriminant validity since the AVE values are greater than the squared correlation value. Since the AVE exceeds 0.5 there is convergent validity.

The findings from the tables above also show that the AVE for employee satisfaction is 0.820 and company image is 0.621. The squared correlation value for the two constructs is 0.664 which are less than the AVE values for the two variables which proves that there is there discriminant validity and convergent validity since the AVE falls above the minimum accepted boundary. Therefore all the constructs shows that there is convergent and discriminant validity which proves they have measure what they were intended to measure.

4.4 Hypothesis Testing

The research analyses the relationship between employee’s satisfaction and functional quality, technical quality and company image of the research hypothesis. The research hypothesis was analyzed using the bivariate and regression analysis. The discussion and conclusion obtained are presented below.

4.4.1 The relationship between employee satisfaction and functional quality

The first hypothesis states that there is a relationship between employee satisfaction and functional quality. The results of the hypothesis from the regression analysis are shown by the table below.
Table 4.5: Regression coefficient of Employee satisfaction on functional quality

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.625</td>
<td>.315</td>
<td>6.356</td>
</tr>
<tr>
<td></td>
<td>Functional quality</td>
<td>.588</td>
<td>.015</td>
<td>.664</td>
</tr>
</tbody>
</table>

a. Dependent Variable: employee satisfaction

The results from regressing employee satisfaction and functional quality are shown on the table above. The results show that there is a moderate and significantly positive relationship as evidenced by a standardised regression coefficient of .664, p = .000 and the t value is above 2 which show a significant relationship. This means that a change in the level of employee satisfaction causes change in functional quality. Since the results prove that there is a relationship, therefore the above hypothesis is accepted.

Table 4.6 The model summary of employee satisfaction and functional quality

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.664*</td>
<td>.440</td>
<td>.154</td>
<td>.892</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), employee satisfaction

The model summary shows that the R square is .440 which implies that 44% of the changes in functional quality are caused by the employee satisfaction where as 56% is explained by other factors.

4.4.2 The relationship between employee satisfaction and technical quality
The second hypothesis postulates that there is relationship between employee satisfaction and technical quality. The table below show the regression coefficient of the hypothesis.

**Table 4.7: Regression coefficient of Employee satisfaction and technical quality**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.455</td>
</tr>
<tr>
<td></td>
<td>technical quality</td>
<td>.182</td>
</tr>
</tbody>
</table>

a. Dependent Variable: employees satisfaction

As depicted on the table above there is strong positive relationship between employees satisfaction and technical quality and shown by standardized coefficient is .911, (p=.003, t = 7.29). The results indicates that the technical quality is strongly influenced by the employees satisfaction. Therefore, there is enough evidence to support the hypothesis that there is relationship between employee satisfaction and technical quality.

**Table 4.8: The model summary for employee satisfaction and technical quality**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.911</td>
<td>.829</td>
<td>.738</td>
<td>1.546</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), employees satisfaction

The summary model also shows the results of the regression for employee satisfaction and technical quality. The table above depicts that R square is 82.9% which implies that 82.9% of the variation in technical quality caused by employees’ satisfaction. This shows that there is a strong positive relationship between employee satisfaction and technical quality. Therefore 17.1% of the
change in technical quality is explained by other factor besides employee’s satisfaction and in conclusion employee satisfaction greatly affects technical quality.

4.4.3 The relationship between employee satisfaction and company image

The third hypothesis also states that there is a relationship between employee satisfaction and company image. The regression coefficient results are shown by the table below.

Table 4.9: Regression coefficient of Employee satisfaction and Company image

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.455</td>
</tr>
<tr>
<td></td>
<td>Company image</td>
<td>.682</td>
</tr>
</tbody>
</table>

a. Dependent Variable: employees satisfaction

The regression coefficients results from regressing employee satisfaction and company image indicated above shows a strong positive relationship as proved by a standardised regression S coefficient of .869, p=.000. Therefore the hypothesis that there is relationship between employee satisfaction and company image is supported.

Table 4.10: The model summary for employees’ satisfaction and company image

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.869*</td>
<td>.755</td>
<td>.756</td>
<td>1.105</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), employee satisfaction
The results from the model summary above show that R squared is .756 which means that 75.5% of the deviations in company image are caused by the employee satisfaction. This also implies that a change in the level of employee satisfaction will cause changes on the company image.

4.5 Discussion

The purpose of the current study was to investigate the causal relationship between employee satisfaction and service quality. The study mainly emphasising on the impact of employees satisfaction on the services quality dimensions, that is the relationship between employee satisfaction and technical quality, the relationship between employees satisfaction and functional quality and the relationship between employees satisfaction and company image.

The results of the standardised regression coefficient of the relationship between employee satisfaction technical quality from the table 4.7 shows that Beta=.911, p= .003, t = 7.29 where table 4. 8 show R square = 82.9% which indicate that there is strong positive relationship between these two. The results was also notified in the previous researches conducted by Dagger and Sweoney, (2006) on his research in health service , Powell, (1995) on the research of total quality management where they all found positive relation. The results concur maybe because of the fact that they researches were all carried in service industry.

In another research conducted by Jonston (1995) and Newman, (2001) they also found a positive relationship between the two. This implies that during the service delivery the technical quality which is the quality of what customers actually receives during the interaction is important to customers when evaluating the service because the change in employee reactions will alter the entire outcome. Therefore technical skills, knowledge of the employees and the techniques related to the equipment and facilities which is used during service delivery process in Chicken Inn is essential in the minds of customer. The technical skills which employees displays during service delivery contribute to the service quality outcome and leads to customer satisfaction.

The findings also provide strong support for the assertion that employee satisfaction is important determinant of services quality (Chase and Bowen, 1991). Therefore for employees to carry out
their duties effectively they need to be supported with up to date technology and equipment since organisations are operating in an ever changing environment. The results also agree with the finding of Kean, (1996) and Way 2010 on their research using 809 customers.

Joseph (1999) also proves that there is relationship between employee satisfaction and the technology employee use in service delivery which implies that employee needs to be equipped enough so as to cope up with the prevailing changes in standards of service delivery. This is important to organisation to equip the employees since customer are sensitive to the actions of the employees during services delivery supported by the emotional and contagion theory (Howard and Gengler, 2001). The authors explore that exposing customers to happy employees will result in customers having positive experiences towards the services offered as well as the company as a whole.

The implications of the research findings to Chicken Inn managers is that they should focus on the employee satisfaction because employees have high influence on the overall services quality. In other words the managers must practise their roles on training the employees through workshops and gives employee awareness of the service quality process and motivate them in order to improve the service quality as this forms a fundamental part of customer satisfaction.

The finding from the research hypothesis testing of employee satisfaction and functional quality show from the table 4.5 the standardised coefficient was .664, p=.000 shows that there is moderate relationship between employee satisfaction and functional quality. The results slightly differ from the findings of the research done by Brown and Mitchel (1993) who find that there is strong relationship between the two, the results was different due to the sample that was used in the studies. Brown and Mitchel (1993) conducted his research in Hong Kong using a sample of 206 service shops whilst this research was confined to one Chicken Inn outlet in Harare using a sample of 123 with 108 customers and 15 employees.

The findings of Bowen and Mitchell (1993) agree with the results found by other reseachers which are Frei (1997) on his research using American Banks, Roth and Jackson (1995) and Choudry (2005) on their research as which prove that there is positive relationship between employee satisfaction and functional quality. The different of results of this study maybe was caused by the measurement scales which were used the researches.
Parasuraman et al., (1985) who assert that if employees are not happy they do not process the functional quality dimension properly leading to the decreasing of the services quality standards of the company hence leading to customer dissatisfaction. Therefore management of Chicken Inn must note that, it is vital for the organizations to advance the levels of employees satisfaction as it lead to increased functional quality that the customer receive from a satisfied employee. Basing on the results from this research implies that a slight change in employee satisfaction could also cause a slight change on the functional quality. This means that changes in one variable (employee satisfaction) is accompanied by change in functional quality.

The findings also explores that there is a positive relationship between employee satisfaction and company image as shown by the standardised coefficient of .869, p = .000 depicted on the 4.9 and the R square which is 75.5% shown on the table 4.10. The results were consistent with the findings of Afshan et al, (2008) who also find positive relationship. The researchers discover that employee satisfaction is considered to be important in defining the organizational success especially in services industry. Employee satisfaction is the key to the success of shaping good organizational image.

More so, Ariz et al (2008) support that there is a positive relationship between employee satisfaction and company image and clearly investigates that satisfied employees become attached to their organization and the work environment. The employees also maximize their efforts for the organization to success and make favors of their company image. Therefore this implies that the company image is characterized by the level of employee satisfaction, so for the company to have a good image in the eyes of the customers there should be enough room for employees to make decisions, exposed to favorable leadership style such as participative leadership and good working condition which enable to boost employee satisfaction.

Furthermore, in another research conducted by Muhummand and Ifan (2009) give evidence that management commitment on the employee satisfaction plays a positive role for satisfying employee and come up with the idea that organizational image depends on employee satisfaction. However in the research conducted by Brown and Peter (1993), Mathieu and Zajac (1990) found that there is little relationship between employee satisfaction and company image whereas Keeled (1998) finds out that employee satisfaction is influenced by remuneration and not by the company image itself. The deviation of the results found it might be caused by the
types of the organization in which the studies were carried out. This implies that organization must also take note of the remuneration when motivating employees since other employee are motivated by money despite the working conditions that are provided by the company.

4.6 Summary

This chapter has discussed the results of the hypothesis and outline the major of findings of the study and interpreted them. The next chapter answers the research objectives and questions aligning with the findings.
CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This is the last chapter of the research on the topic of impact of employee satisfaction on technical, functional and company image on Chicken Inn Speke Avenue in Harare. The chapter gives recommendations and conclusions to the research. The recommendations will be based on the information gathered and findings made during the research.

5.1 Summary

This research was directed to investigate the impact of employee satisfaction on service quality. It sought to find out the impact of employees satisfaction on technical quality, functional quality and company image of Chicken Inn Speke Ave. The background of the study, statement of the problem, objectives of the study, research hypothesis, limitations, delimitations and definitions of the study has been looked upon.

The research also looked at the theoretical review finding theories which support the current study. There are several theories which have been used includes service profit chain, socio-technical theory, services climate theory and Herzberg two factor theories. The empirical evidence was also reviewed to find evidences from previous studies and there are a number of studies which were done in relation to this topic.

The causal research design was used in this study to unveil what does employee satisfaction cause on service quality. Primary data was collected through the use of questionnaires. The
The questionnaire used was an adopted version of Gronroos (2004) measurement scales for measuring services quality and Job Descriptive Index for measuring employees satisfaction by Smith et al (1969). The questionnaires were rated using 7 point likert scales which starts at strongly disagree to strongly agree.

The questionnaires were distributed to 15 employees and 108 customers. The collection of data in the field was analyzed using Statistical Package for Social Science by regressing the variables and correlation. The data was presented through the use of tables to facilitate easy understanding. The research findings pointed out that employee satisfaction is an important assert of the business operations and they must be handled carefully so that the company can be successful. The research findings were then used to come up with the following conclusions and recommendations.

5.2 Conclusion

In conclusion employee satisfaction is the major determinant of services quality outcomes (technical quality, functional quality and company image) in the fast food industry. Basing on the findings obtained after conducting a detailed analysis the researcher concluded that employee satisfaction has a greater influence on technical quality of the services quality dimension. The research confirms that the increase in employee satisfaction can also lead to the increases in technical quality that is the total outcome of the services, followed by strong relationship between employee satisfaction and company image and lastly the moderate relationship between functional quality and employee satisfaction. Hence the company must put strategies which improve employees’ satisfaction in order to produce desired service quality in which Chicken Inn stands for.

5.3 Recommendations

Based on the above conclusion it is recommended that the top management of Chicken Inn should educate their employees on how to deliver their service and this help to improve the standards of the service quality as employees will have enough knowledge. The company must
also engage on performance appraisals on certain bases which can help to assess employees to see whether they meet the required standards of the organization or not, so that if there is deviation on the standards they will implement them. This strategy can also be facilitated by introducing performance based paying rate system which helps the organization to have high standards.

The company is also recommended to give incentive and competitive remuneration to employees because a competitive remuneration increases employee satisfaction and in turn increase their service standards. Hesket et al (1994), Brudney and Condrey (1993) believe that a good incentive system encourages employees to be productive and creative as well as being loyalty and stimulates innovation.

The company is also recommended to provide employee with normal working hours. This will motivate employees so that they will be goal oriented and strive for achieving the objectives of the company they are attached. They would also prevent the company image.

The company is recommended to practice adequate orientation of employees and continuous training of the staff periodically. Training is vital since it helps the employees to know what is expected from them. This will address the gap in knowledge of procedures, products and equips the employee to be able to perform to higher standards. Training contributes the understandings of every person with in an organization because frontline employees they do not work in isolation from other departments and every member of the organization should have the knowledge of the whole aspects within the organization.

The company should also include employees in decision making which improve communications and helps in dissemination of useful information upwards and downwards between top management and employee which will help everyone to understand what is really on the grounds.

This study recommends further research on some practicalities areas such as training of employees and its implication to services outcomes, the use of technology in enhancing service delivery and the roles of employees in service delivery need to be clearly elaborated in order for the organisations that is operating in Food industry to succeed.
REFFERENCES


APPENDICIES

Appendix 1

The Branch Manager
Chicken Inn Speke Ave
Harare

10 August 2013

To Manager

RE : REQUEST FOR PERMISSION TO DO RESEARCH

I am a fourth year student at the Bindura University, studying for a Bachelor of Commerce Degree in Marketing. I am carrying out a research on, “The impact of employees’ satisfaction on services quality” on Chicken Inn Speke Harare in partial fulfillment of the requirements of my degree programme.

Your assistance will be greatly appreciated, if I could have your opinion regarding my research. All information will be treated with the strictest confidentiality as the study is purely for academic purposes.

Yours Faithfully

Emily Chikondowa.
Appendix 2

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING

I am a student at Bindura University of Science Education and carrying out research on the impact of employee satisfaction on services quality at Chicken Inn as part of completion of Bachelor of Business Studies (honours) degree in Marketing.

I am kindly begging you to answer the questions contained in this questionnaire by ticking in the box provided below and return the questionnaire to the researcher after completing. Please feel free to express your view since this is going to be used for academic purpose only.

Thank you for your co-operation.
Appendix 3

QUESTIONNAIRE

Please rate Chicken Inn by ticking in the box

Employees personal details

Give your responses by means of a ticking in the box provided where applicable

1. Gender   female □ Male □

2. Age   20-30 years □ 31-40 years □
          41-50 years □ 51 and above □

3. Level of education

□ Ordinary level   □ Diploma /Degree
□ Advanced level   □ Masters/Degree

4. Length of services in your current position

Less than 1 year □ 1-5 years □ 10 years and above □

Rating scale:  Very disagree-1, Disagree-2, Disagree somewhat-3, Undecided-4, Agree somewhat-5, Agree-6, strongly agree-7

<table>
<thead>
<tr>
<th>Questions</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with the job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with my nature of job at this company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the supervision of my supervisor at this company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with my relationship with fellow workers at this company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 4

This is for customers to measure services quality

Customer profile

1. Gender  
- Male □  
- Female □

2. Age  
- 18-30 □  
- 31-50 □  
- 51-60 □  
- 61> □

3. Marital status  
- Single □  
- Married □

4. How many times do you need services?

- once a day □   
- 3 Times a week □  
- 5 times a week □

- Once a month □   
- 3 Times a month □  
- 5 times a month □

Rating scale:  Very disagree-1, Dissagree-2, Disagree somewhat-3, Undecided-4, Agree somewhat-5, Agree-6, strongly agree-7

<table>
<thead>
<tr>
<th>Functional quality</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company provides services as promised</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company provides prompt service to the customer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company has convenient business hour</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technical quality</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalism and competence of staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiencies in services delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company image</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>It is a reliable company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It has a good reputation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

59
It honest

It is familiar to customers

*Thank you*
### Appendix 5

#### Table 4.3 Results of the Exploratory Analysis

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Standardised factor loadings</th>
<th>Cronbach Alpha</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the nature of the job</td>
<td>0.66</td>
<td>0.721</td>
<td>0.820</td>
</tr>
<tr>
<td>I am satisfied with relationship my fellow workers</td>
<td>0.704</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the supervision of my supervisor</td>
<td>0.845</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied by my job</td>
<td>0.857</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TECHNICAL QUALITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionalism and competencies of staff</td>
<td>0.887</td>
<td>0.711</td>
<td>0.767</td>
</tr>
<tr>
<td>Friendliness of the staff to customers</td>
<td>0.916</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiencies in services delivery</td>
<td>0.843</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMPANY IMAGE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is a reliable company</td>
<td>0.782</td>
<td>0.722</td>
<td>0.664</td>
</tr>
<tr>
<td>It has a good reputation</td>
<td>0.911</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is honest</td>
<td>0.856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is familiar to customers</td>
<td>0.521</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 6

Calculation of convergent validity using the Average Variance Extracted (AVE)

\[
AVE = \frac{\sum(\text{standardised loadings}^2)}{\sum(\text{standardised loadings}^2) + \sum E_j}
\]

\(E_j = 1 - \text{standardised loadings}^2\)

**Extracted Variance for Employee satisfaction**

\[
ES = \sum (0.66)^2 + (0.704)^2 + (0.854)^2 + (0.857)^2
\]

\[
\sum (0.66)^2 + (0.704)^2 + (0.854)^2 + (0.857)^2 + \sum (1-0.66^2) + (1-0.704^2) + (1-0.854^2) + (1-0.857^2)
\]

\[
= 3.114085
\]

\[
3.794104
\]

\[
= 0.820
\]

**Extracted Variance for Technical quality**

\[
TQ = \sum (0.887)^2 + (0.916)^2 + (0.843)^2
\]

\[
\sum (0.887)^2 + (0.916)^2 + (0.843)^2 + \sum (1-0.887^2) + (1-0.916^2) + (1-0.843^2)
\]

\[
= 2.336474
\]

\[
3.044824
\]

\[
= 0.767
\]

**Extracted Variance of Functional quality**

\[
FQ = \sum (0.849)^2 + (0.806)^2 + (0.748)^2
\]

\[
\sum (0.849)^2 + (0.806)^2 + (0.748)^2 + \sum (1-0.849^2) + (1-0.806^2) + (1-0.748^2)
\]

\[
= 1.929941
\]

\[
2.25724
\]

\[
= 0.855
\]

**Extracted Variance of Company Image**

\[
CI = \sum (0.782)^2 + (0.911)^2 + (0.856)^2
\]
\[ \sum(0.782)^2 + (0.911)^2 + (0.856)^2 + \sum(1-0.782)^2 + (1-0.911)^2 + (1-0.911)^2 + (1-0.856)^2 \]

\[ = 2.174181 \]

\[ \frac{3.374819}{\text{3.374819}} \]

\[ = 0.644 \]