

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter aims to discuss the literature related to this study. It begins by explaining the concept of service quality and the model of service quality. Then, it reviews the factors that influence service quality and proposes several hypotheses. Following this, it introduces the research framework of this study. Finally, it ends with a summary.

#### 2.2 The Concept of Service Quality

Service quality has become a significant differentiator, and the most powerful competitive weapon many leading service organizations retain. There are many definitions for service quality. Service quality is a divergence between the client's anticipation of the service supplier and their assessment of the services (Saleh et al., 2021). Another definition has been proposed by Naini and colleagues (2022), who argue that service quality is defined as satisfying customer needs and desires and the accuracy in its delivery in balancing customer expectations. Wang (2007) declared that service quality was a customer's subjective perception of services after receiving such services. Oliver (1997) argues that service quality can be described as the result of customer comparisons between their expectations about the service they will get and their perceptions about the service company. That means if the perceptions of the customer are higher than the expectations,

the service will be considered excellent. If the expectations equal the perceptions, the service is considered good. However, if the expectations are not met, the service will be considered unsatisfactory (Kabir & Carlsson, 2010).

Based on the previous definition, service quality refers to customers' subjective perception after they actually receive that service. The perception can be excellent, good, or bad, depending on the customer's assessment of the services.

## **2.3 Service Quality Dimensions**

Researchers have a consensus about the dimension of service quality. There are five dimensions of service quality (Parasuraman et al., 1988; Ramseook-Munhurrun et al., 2010; Naini et al., 2022). First, tangible. Second, reliability. Third, responsiveness. Fourth, assurance. Fifth, empathy and value sharing, as detailed below.

### **2.3.1 Tangible**

Tangible refers to the physical appearance of service providers, such as equipment, facilities, and written materials, which customers use to evaluate the quality of service provided by organizations. These tangibles augment the organization's image and signal quality to customers. Organizations are obliged to combine this dimension with other dimensions to create a service strategy, as this dimension cannot be assessed without the assistance of the other dimensions (Brenyah, 2016).

### **2.3.2 Reliability**

The reliability dimension measures the employee's ability and willingness to undertake the expected service consistently and precisely. Organizations whose employees render service quality consistently and precisely through problem resolution and favorable pricing tend to be the preferred organizations which are normally chosen by customers. In other words, it is very important for organizations to be aware of the expectations of their target customers concerning reliability since this dimension is normally regarded as the most important determinant of service quality (Brenyah, 2016).

### **2.3.3 Responsiveness**

Responsiveness refers to the ability to inform the customers concerning the period needed to wait for their complaints and feedback to be attended to either promptly or at a later time. The responsive dimension emphasizes the significance of flexibility and ability within the organization in the field of customer service delivery for customer needs. In this regard, organizations that intend to excel in this dimension are required to view service delivery from the perspective of their customers rather than their organization. It, therefore, becomes a prerequisite for setting standards according to the customer's requirement because the customer's view of promptness might be different from the organization's perspective (Brenyah, 2016).

### **2.3.4 Assurance**

Assurance is typically experienced from the employees' knowledge, courtesy, and ability to inspire trust, as well as confidence in customers. This dimension is of very

meaningful value to customers, especially if the service rendered entails a very high degree of risk. In this regard, service employees who render these services have the sole responsibility to instill trust and loyalty in the customers by enriching the quality of interactions. It is advisable for organizations to recruit employees with a positive attitude toward the quality of service to improve the quality of interactions, as the degree of friendliness, credibility, trustworthiness, and competence is likely to reflect in customer perception of service quality (Brenyah, 2016).

### **2.3.5 Empathy**

Empathy indicates the caring and special attention accorded to customers by employees. This dimension also uses the interpersonal relationship between customers and employees to establish a long-term relationship of loyalty, including trust, with suppliers. It enables management to remove departmental barriers internally in their organization to make the entire organization function as an incorporated system instead of subsystems (Brenyah, 2016).

## **2.4 Service Quality Models**

In general, there are two service quality models used by previous studies. These models are SERVIQUAL Models and The Nordic Model. The following sections provide detailed explanations of the models.

#### **2.4.1 SERVQUAL model**

SERVQUAL is one of the most popular models based on the perception gap between the received service quality and the expected service quality. Many previous studies have adopted it to explain consumer perception of service quality. The SERVQUAL model perceives service quality in five dimensions: tangibility, reliability, responsiveness, assurance, and empathy (Parasuraman et al., 1988).

Tangibility involves the appearance of physical facilities, including the equipment, personnel, and communication materials. Reliability involves the ability to perform the promised service dependably and accurately. Responsiveness involves the willingness to help customers. Assurance involves employees' knowledge and courtesy and the ability to convey trust and confidence. This assurance includes competence, courtesy, credibility, and security. Empathy involves the provision of caring and individualized attention to customers. This empathy includes access, communication, and understanding of the customer (Agyapong, 2011).

#### **2.4.2 The Nordic model**

The Nordic model of service quality was popularized by Grönroos (1990). As shown in Figure 2.1, the model stated that total perceived service quality is the outcome of an evaluation process where the customer compares context-specific expectations of quality with the experienced quality. The expectations of quality are context-specific to the organization under consideration. The expected service is influenced by the marketing activities of the service provider and external influences such as word-of-mouth, corporate image, and customer needs.

The service outcome and delivery process are identified as part of service quality. In the Nordic model, this outcome is expressed in the technical quality of the service, which can be assessed by the employees, such as the technical dimensions of a product. However, as services are produced through interaction between individuals and management, technical quality alone cannot account for the quality as perceived by individuals. The customers are not only interested in the outcome of a service process. They are also interested in how the service is provided. In other words, they are interested in the functional quality of the service (Prevos, 2012).

The following quality dimension identified by Grönroos (1990) is the image of the organization (service provider), which moderates both technical and functional quality to arrive at a perceived level of service. The organization's public image appears on both sides of the total perceived quality equation as it is also considered to moderate expected quality. Grönroos (1990) indicated that technical and functional quality are interrelated but argued that functional quality was more important to the quality of the service, as perceived by customers, than the other factors and that the performance of staff in direct contact with customers can compensate for lower technical quality.

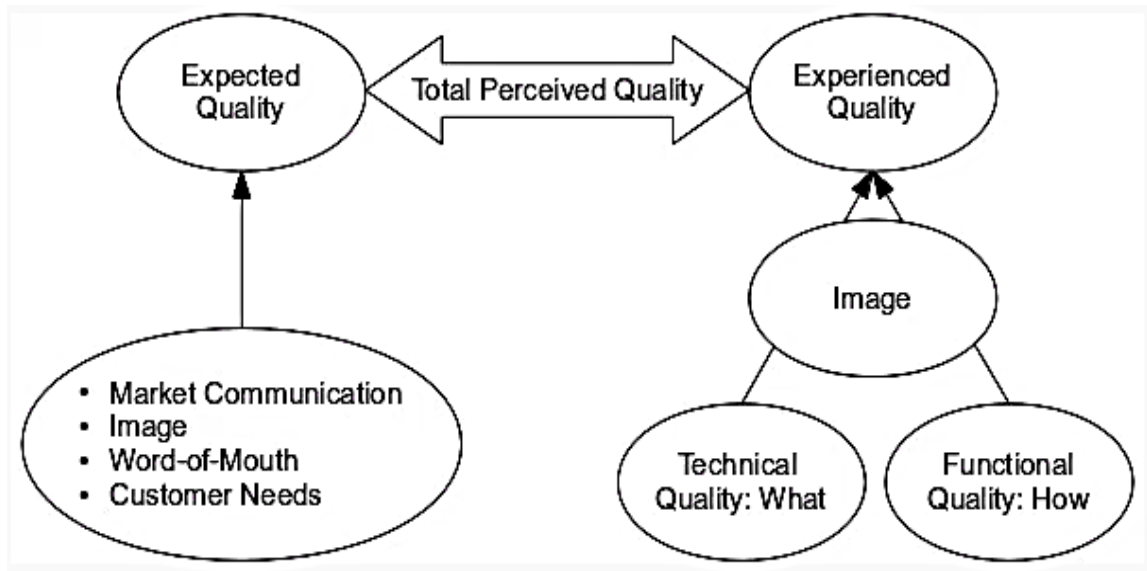


Figure 2.1 Model of Service Quality (Grönroos, 1990)

In conclusion, both SERVQUAL and the Nordic model agreed that service quality is a perception of customers toward the service based on their expectations before receiving the service and the service reality. The difference between these two models is the way the model operationalizes service quality. SERVQUAL operationalizes service quality based on five indicators, namely tangibility, reliability, responsiveness, assurance, and empathy. On the other hand, the Nordic model operationalizes service quality with two indicators: technical quality and functional quality.

## **2.5 Factors that influence Service Quality**

In the literature, there are various factors that influence service quality. However, this study only focuses on a few factors, specifically, organizational quality culture, support from top management, Islamic work ethics, motivation, and job satisfaction. The reason is, although previous studies have verified the influence of these factors on service quality in different contexts, such as South Africa (OluwoleAdekanmbi, 2014; Kimando & Njogu, 2012), Western (Durdyeva et al., 2014; Anaza et al., 2012) and East Asia (Kitcharoen, 2013; Sultan & Tarafder, 200), the factors in these studies were tested separately in non-Sultanate of Oman contexts. The following sections (2.5.1 to 2.5.5) will further explain these factors.

### **2.5.1 Organizational Learning Culture**

Organizational culture is universal, factually determined and socially constructed. It involves beliefs and behaviors that exist at a variety of levels and manifest themselves in a variety of ways that affect the work environment (Hofstede et al., 1990). Culture is not something that an organization has. It is the essence of what the organization is (Hawkins, 2000). It has been defined as the bundle of signs, symbols, beliefs, traditions, myths, and ways of thinking, speaking, and doing, which characterize the life and behavior of a given group of people (Aikens, 2011).

Organizational culture is perceived by members of the organization and perception creates a pattern of beliefs, values, and expectations. Organizational culture also explains a few things. First, culture is a perception and not something that can be physically touched or seen. However, the employees understand it based on their experience in the

organization. Second, organizational culture is descriptive. It is based on how the members receive and interpret the culture, regardless of whether they like it or not. Lastly, although the people in the organization have different backgrounds and work at different levels of the organization, they tend to interpret and express the organization's culture in the same way. This is the aspect of acceptance shared (Robbins et al., 2009).

According to Edison and colleagues (2016), the measurement of organizational culture can be demonstrated through multiple dimensions. First, self-awareness, which means that members of the organization with awareness work to get satisfaction from their work, develop themselves, obey the rules, as well as offer quality products and high service. Second, aggressiveness is when members of the organization set goals that are challenging but realistic. They set a strategic plan and work to achieve that goal and pursue it with enthusiasm. Third, the personality is that members are respectful, friendly, open, and sensitive to the satisfaction of the group and are very attentive to the aspects of public satisfaction, either internal or external customers. Fourth, the performance that members of the organization have the value of creativity, meets the quantity, quality, and efficiency. Fifth, team organization is where members of the organization cooperate well, communicate effectively, and coordinate actively, with the active involvement of the members, who in turn receive high satisfaction results as well as a shared commitment.

The finding from previous studies provide evidence that a good organizational culture has proven to improve individual job satisfaction (Vick Jackson, 2011; Sumantri, 2011; Sabri et al., 2011; Melina Taurisa & Intan, 2012; Chipunza & Malo, 2017; Biswas, 2015). A possible reason is that the organizational culture creates the value of an institution not only by the manners and behaviors of every person in the organization but also by the

collective attitudes and behaviors of the organization in general (Aksoy et al., 2014). Understanding the culture of an organization is important to remove the challenges faced by the organization in the process of making organizational changes. Following this argument, Ezirim et al. (2012) claimed that managers must shape and build a culture that is more favorable to both employees and the organization to achieve the needed organizational goals.

One type of organizational culture is organizational learning culture. Organizational learning culture refers to an organization's skills of creating, acquiring, and transferring knowledge and modifying its behavior to reflect new knowledge and insights (Garvin, 1993). Marsick and Watkins (1997) identified seven action imperatives for a learning organization. The seven actions are to establish continuous learning opportunities, promote inquiry and dialogue, encourage collaboration and team learning, enact systems to capture and share learning, empower people to have a collective vision, connect the organization to the environment, and use leaders who model and support learning at all levels (individual, team, and organization). Other researchers pointed out that organizational learning involves an environment in which organizational learning is structured so that collaboration, teamwork, knowledge, and creativity processes have a collective meaning and value. (Joo & Lim, 2009; Confessore & Kops, 1998).

Joo and Park (2010) showed in their study that organizational learning culture enhances the level of career or job satisfaction (Egan et al., 2004), participative decision-making (Daniels & Bailey, 1999), empowerment (Johnson & McIntye, 1998) and the leadership behaviors that inspire teamwork (Gaertner, 2000). The concept of organizational learning has also been broadly used in organizations that strive for survival in a competitive

world (Zare et al., 2010). In other words, an organization with an organizational learning culture helps in increasing competitive advantage and is reactive to change as it encourages learning in an organization. In addition, the implementation of organizational learning can help overcome chaotic and changing conditions (Hannah & Lester, 2009). Moreover, organizational learning culture is linked to positive organizational outcomes such as improved performance (Power & Waddell, 2004; Watkins & Marsick, 1999) and enhancing firms' innovative capabilities (Kieser & Koch, 2008). A recent study by Hussain and colleagues (2016) among 40 academics from a Public Institution of Higher Education (PIHE) also reveals the link between organizational learning culture and organizational performance. This is because organizations that learn can stay up to date with developments and improvements in the business environment to operate successfully and also to encourage innovation competence.

Regarding the importance of organizational learning culture to service quality, a study by Xie (2005) among 370 employees in the State Sports General Administration of China showed that organizational learning culture played a significant role in predicting service quality. Similarly, a recent study by Abdar and Beheshtifar (2016) among 200 administrative staff of Kerman University of Medical Sciences in Iran also revealed that the increase in organizational learning culture increased service quality.

### **2.5.2 Top Management Support**

Top management typically consists of the highest-ranking executives responsible for the entire organization with titles such as chairman or chairwoman, chief executive officer, managing director, president, executive directors, and executive vice presidents.

Top management translates the policy into goals, objectives, and strategies. They make decisions that affect everyone in the organization. They are also held entirely responsible for the success or failure of the organization.

According to Cioca (2016), top management support can be shown through different forms. First, support can be tendered by the direct influence of top managers on multifunctional senior management teams, steering committees, joint leadership, direct communication channels, and process advocators. Second, indirect influence can also be shown through supplying resources, participation in brainstorming, organizing joint visits to customers, advertising the innovation internally, putting in place knowledge management systems and offering learning opportunities. Finally, top management can indirectly influence new product development projects by actions at the organizational level, such as defining the mission, goals, and strategy of their organization and choosing some structural solutions over others.

Top management support is a leading factor in overcoming obstacles and enhancing an organization's technological ability to successfully adopt or implement new services or products. A study by Mulyani and Kasyim (2017) has proved the influence of top management support on the effectiveness of management accounting information system in the 60 state owned companies in Indonesia. Similarly, Mok and Jun (2013) also found that top management support has positive influence on the performance of Enterprise Resource Planning (ERP) in the post-implementation stage.

In addition, the top management has always been to back employees, aid them with problem solving, create harmonious interactions and cooperation among various job functions, encourage bottom-up idea generation and incentives and guide unit managers to

champion innovation by sending out clear and consistent signals that lay a clear foundation (Rodríguez et al., 2008).

Moreover, Bello and colleagues (2018), in their study among 400 internal audit staff at the senior level from 40 federally owned universities in Nigeria, pointed out that top management support significantly and positively influences organization performance. Moize (2015) reveals that 81 per cent of program managers in United States government agencies found that top management support had a high impact on project success. The Standish Group's Chaos Report for 2014 also presents that top management support is one of the main factors that contribute to the success of project performance. On the other hand, Shobe (2018) argues that unsupportive management among team members leads to poor performance and low productivity. The KPMG New Zealand Project Management Survey 2010 showed that lack of top management support is one of the most common reasons why projects fall short.

Top management support has also been recognized as a factor that affects the quality of services in the organization. Ahmed and Mohamad (2016) conducted a study among 300 members of the Project Management Institute (PMI) community members in Pakistan and found a significant and positive relationship between top management support and service quality success. Another study by Khouja and colleagues (2018) also revealed in his Systematic Literature Review on IT Governance in Tunisian universities that support from top management can improve quality service in the educational sector. Finally, Meiryani (2014) showed that top management support has a positive impact on the quality of accounting information.

### 2.5.3 Islamic work ethic

Work ethic is believed to reflect an individual's attitudes towards various aspects of work, including the preference for activity and involvement, attitudes toward monetary and non-monetary rewards, and the desire for upward career mobility (Cherrington, 1980; Yousef, 2001).

Islamic work ethics inaugurates Islam's expectations with respect to one's behavior at work, which includes effort, dedication, cooperation, responsibility, social relations, and creativity (Sa-U et al., 2008). Fundamentally, when one has a close relationship with God, one's attitudes and behaviors would tend to be consistent with the rules and stipulations of the religion (Rahman et al., 2006).

Islamic work ethics deserve serious inquiry because it is the ideal that Muslims seek to perceive (Nasr, 1984; Yousef, 2001). It is more likely that those who believe in Islam and practice it tend to be more committed to their organizations and probably more satisfied with their jobs (Yousef, 2001). In addition, Ali and Al-Owaihan (2008) indicated that Islamic work ethics have economic as well as moral and social dimensions. These, along with basic elements of Islamic work ethics, seem to grant the faithful with a sense of worthiness and strengthen organizational commitment and continuity. It is because those who apply the Islamic work ethic will view work not as an end in itself but as a means to foster personal growth and social relations (Ali & AlOwaihan, 2008).

Islamic work ethics can also facilitate job satisfaction among employees in an organization. As Ahmad (1976) and Yousef (2001) suggested, the Islamic work ethic stands for life fulfilment and regards business motives as one of the priorities of life. As a result, employees who follow Islamic ethics tend to be more satisfied with their jobs and more

committed to their organization. An empirical study by Yousef (2001) among 425 Muslim employees in several organizations in the United Arab Emirates (UAE) also indicated that Islamic work ethic directly affected the job satisfaction of Muslim employees in this context. Similarly, a study by Rokhman (2010) among 49 employees from 10 institutions of Islamic microfinance in Demak regency, Central Java, Indonesia, showed that Islamic work ethic has positive effects on job satisfaction. Another study by Saban and colleagues (2020) among employees at 20 four-star hotels in South Sulawesi, Indonesia, showed that Islamic work ethic had a positive and significant impact on job satisfaction.

In addition, the implementation of Islamic work ethic can improve organizational performance. A study by Yesil and Dogan (2012) on organizations operating in Kahramanmaraş, Turkey revealed positive influence of Islamic work ethic on innovation capability and organizational performance. The implementation of Islamic work ethic is also able to influence the employee's performance. A study by Saban and colleagues (2020) among employees at 20 four-star hotels in South Sulawesi, Indonesia showed that Islamic work ethic had positive and significant impact on employee performance.

Moreover, the implementation of Islamic work ethic also can facilitate service quality. A study by Rokhman (2010) among 49 employees from 10 institutions of Islamic microfinance in Demak regency, Central Java, Indonesia showed that Islamic work ethic has positive effects on service quality.

#### **2.5.4 Motivation**

Motivation consists of all drivers, forces, and influences, conscious or unconscious, that cause the employee to want to achieve certain aims. The equity theory defines

motivation in terms of perceived equity between the efforts a person puts into a job and what he received in return compared to other persons in a similar position. The equity theory holds that: - perceived inequity creates tension within a person. This tension motivates a person to restore equity. The strength of the resulting behavior will vary directly with the magnitude of the perceived inequity (Adams, 1971).

A person's motivation could be greatly influenced by his or her unconscious mind. Skinner's theory implies that motivation emerges from the interplay of stimulus and response. For example, poverty causes the search for work, and once the individual obtains employment, he or she will work hard to maximize income. Handy (1991) developed another theory of motivation. He suggested that for individual decisions, there is a conscious assessment of three factors, which he terms motivational calculus. The factors are the individual's needs, the desired results, and the E factor. He suggested that motivation in the organization can be increased when intended results are made clear and when there is feedback on performance. Also, he suggested that individuals are more committed to specific goals, which has helped them set themselves.

People are motivated to satisfy five categories of needs. First, physiological needs, which include the need for food, water, shelter, clothing, and air. Second, safety needs including the need for security and protection. Third, social needs include the need for friendship, affection, acceptance, and love. Fourth, esteem needs recognition and status. Fifth, self-actualization needs refer to the feeling of self-fulfillment and realization of one's potential (Maslow, 1967; Adams, 1971).

Motivation is very significant to the organization. It has been argued that managers need to motivate employees to perform well in the organization. The human relations

theory also indicates that motivation causes performance (Filley et al., 1976). Similarly, Amabile (1993) states that work performance is reliant upon the individual's level of motivation.

The specific performance that can be influenced by motivation is service quality. A study by Kimando and Njogu (2012) among 140 employees of Banking Industry in Kenya showed that motivation affects the service quality. Similarly, a study by Durdyeva and colleagues (2014) concluded that motivation is one of factors with great impact on productivity and perceived service quality.

### **2.5.5 Job Satisfaction**

Job satisfaction is defined as an individual's total feelings about the job (Spector, 1997). Locke (1976) defines job satisfaction as the positive emotional state resulting from employees' own assessment of their position or what they earn from such a position. Khatab (2001) refers to job satisfaction as a set of psychological feelings felt by the individual towards action. Wang (2012) asserts that job satisfaction is the reaction of a worker's consent, feelings, personal attitude, physical and intellectual, with regard to the environment of work, and general attitude, which carries using about his or her duties in the job. Brown (2008) indicated that job satisfaction, from an employee's standpoint, is a desirable outcome in itself.

There are various factors that are able to influence employees' job satisfaction in the organization. The factors include the work factors such as opportunity, leadership, work standards, fair rewards and adequate authority (Ostroff, 1992), the organizational norms, goals and values (Locke, 1976), working conditions, control, promotions related to the job,

social relations in work, recognition of talents, group relations (Blum & Naylor, 1968), training, communication and care, network resources, and the atmosphere in the organization (Pan, 2005; Chinomona et al., 2017). In addition, job satisfaction and dissatisfaction do not only depend on the nature of the job but also depend on the expectation of what the job supplies to an employee (Mahmoud, 2008). Moreover, the employees' personal characteristics (Blum & Naylor, 1968), such as their stress (Ostroff, 1992), also may contribute to their level of job satisfaction in the organization.

Job satisfaction is essential because this type of work attitude can influence employee and organizational performance. Awadallah (2012) has found that when employees have positive feelings toward their jobs, they show positive job performance. Similarly, Shobe (2018) indicated that job satisfaction correlates heavily with job performance. Robbins supports the belief that satisfied employees are more productive than dissatisfied employees. (Robbins, 2008). In regard to organizational performance, Alsubhah (2013) in his study argues that if an organization wants to achieve a high production level over a long period of time, the organization should ensure their employees are satisfied with their jobs. Singh and colleagues (2017) also found that higher employee job satisfaction increases hotels' profit.

Other than performance, job satisfaction is also essential to service quality. Ukil (2016) pointed out that employees with a high level of job satisfaction provide better service quality. In the context of higher education in Greece (Trivellas & Santouridis, 2014) also provide evidence to support the link between employee job satisfaction and the improvement of service quality. In fact, the study by Singh and colleagues (2017) also has confirmed the relationship between employee job satisfaction and service quality.

According to Celik (2011), job satisfaction is the most important target for the process of making total quality in the working environment. Employees with high job satisfaction also show high commitment to their job (Wang, 2012).

## **2.6 Underpinning Theory**

Four underpinning theories were used to establish the research framework of this study (see Figure 2.2). Based on Figure 2.2, the link between the independent variable (organizational quality culture, support from top management, Islamic work ethic) and mediator (motivation, job satisfaction) is underpinned by the social exchange theory and job demand-resource model (JD-R). The link between mediator (motivation, job satisfaction) and service quality is underpinned by ability, motivation, opportunity (AMO) theory and work performance theory. A detailed discussion of the theories has been provided in the following section.

### **2.6.1 The Social Exchange Theory**

The Social Exchange Theory, which is the most appropriate theory, views the feelings of employees toward the organization, such as loyalty, commitment, and discretionary efforts, as forms of social reciprocation by the employees toward a good organization (Saks, 2006). Social exchanges tend to entail unspecified obligations. They are voluntary actions between two or more parties. When a person volunteers to do a favour for another, he expects to receive some return in the future. The form of this return is often unclear, and it is not known when it will occur. The return is up to the discretion of the one who makes it (Blau, 1964; Wayne et al., 1997; Gould-Williams & Davies, 2005).

Obligations take a long time to be fulfilled and are generated through a series of interactions between the parties who are in a reciprocal, interdependent state. According to Saks (2006), the fundamental principle of social exchange is that the relationship between the parties develops over time into a trusting and loyal mutual commitment as long as these parties abide by certain rules of exchange. Moreover, Kahn (1990) argued that when employees receive economic and socioemotional exchange resources from their organization, they feel obliged to reciprocate with greater levels of engagement with the organization and to repay the organization with good performance for the resources they have received. Eisenberger and Huntington (1986) argued that when employees perceive that their organization values their efforts, recognizes their contributions, commitment and investment, and cares about their wellbeing, they will feel obligated to reciprocate with a positive attitude and behaviour, and with superior efforts to help their organization achieve its objectives (Eisenberger et al., 2001)

### **2.6.2 Job demand-resource model (JD-R)**

The Job Demands-Resources (JD-R) model, built from the well-known Job Demands Control model (Karasek, 1979) and Effort Reward Imbalance (ERI) model (Siegrist, 1996), describes the process by which health and wellbeing are related to the combination of one's resources and job demands (Schaufeli & Taris, 2014). The JD-R model proposes two broad job characteristics that independently influence employee wellbeing. First, job demands are defined as job aspects that require sustained effort and that are associated with physiological and psychological costs. Second, job resources are

defined as factors functional in achieving work goals, reducing job demands, or stimulating personal growth and development (Bakker & Demerouti, 2014).

Job demands are those aspects of the job that involve substantial physical, cognitive, or emotional effort. Specific examples of job demand include time pressure, work overload, work-home interference, job insecurity, and conflict with coworkers (Bakker et al., 2007). Job demands are related negatively to individual performance. Job demands are not aggravators but may become stressors when a sustained elevated effort is required to meet work-related demands and when health recovery is inhibited (Demerouti & Bakker, 2011). The general idea is that job demands drive negative wellbeing outcomes such as burnout or stress (Bakker & Demerouti, 2007).

Job resources are defined as ‘initiators of a motivational process’ (Demerouti & Bakker, 2011, p. 1) that can function as motivators. Based on the definition, it can be said that job-related factors at the organization level, interpersonal or social relations level, task level, and the organization of work level (e.g., role clarity) can refer to job resources. For example, as organizational and social support, growth and career advancement opportunities, autonomy, role clarity, or performance feedback (Bakker et al., 2005; Barkhuizen et al., 2014; Boyd et al., 2011; Rothmann & Jordaan, 2006). Critical job resources included social support, pay, and benefits (Bakker et al., 2003; Dwyer & Fox, 2006). Job resources may play an extrinsic and an intrinsic motivational role because they foster learning and personal growth and are instrumental in achieving tasks (Deci & Ryan, 1985). Also, according to the JD-R model, job resources are assumed to have motivational potential, which leads to high performance through low cynicism and high engagement (Bakker & Demerouti, 2007). In other words, job resources increase engagement through

energy, involvement, and efficacy and enhance individual performance (Demerouti et al., 2001). Job resources also may mitigate the negative effect of job demands on the strain and influence motivation when job demands are high.

In conclusion, the JD-R model is a very influential framework for establishing job performance antecedents (Demerouti & Bakker, 2011). The JD-R model provides a flexible theoretical tool for conceptualizing key aspects of the work environment, explaining and predicting a wide range of work-related outcomes, including stress, burnout, work engagement, organizational commitment, job satisfaction, or productivity (Bakker, 2011). Specifically, the JD-R model explains and predicts employee wellbeing and job performance in all work environments.

### **2.6.3 Ability, Motivation, Opportunity (AMO) Theory**

The AMO theory, which is related to the behavioural perspective, was put forward in the late 1990s by Boxall and Purcell (2003). According to this theory, performance depends on the individual's ability, motivation, and opportunity (Armstrong & Brown, 2019). It states that employees will perform well in a job when they have the necessary knowledge and skills (ability), are adequately and intensively encouraged (motivation), and are provided with the required support and avenues for expression (opportunity). When these three elements are improved, the job performance will increase (Sobaih et al., 2019).

In addition, the AMO theory provides guidance on HRM practices that must be integrated into a high-performance work system (HPWS) (Armstrong & Brown, 2019). An HPWS is a systems approach that consists of different HRM practices to ensure that all three components of the AMO model (ability, motivation, and opportunity) are

strengthened and will ultimately lead to increased staff or workforce performance (Delery & Roumpi, 2017), for instance, developing human resource capabilities and skills through continuous training, enhancing motivation through incentive systems that match the wishes and aspirations of employees, and empowering employees by delegating appropriate powers to them and enabling them to participate in making strategic decisions.

#### **2.6.4 Work performance theory**

Work performance theory describes three dimensions influencing employee performance: capacity, willingness, and opportunity (Blumberg & Pringle, 1982).

The capacity dimension describes physiological and cognitive abilities. Capacity affects individual capabilities, knowledge, skills, level of education, health, age, intelligence, skills, and expertise. The capacity dimension is a driving factor for someone doing work in accordance with his ability. Imagine an employee who does not work according to his capacity. In that case, he or she will tend to have low productivity, so to increase employee productivity, the company must spend money on increasing employee capacity through training workshops and seminars. The dimension of will refers to psychological and emotional characteristics that affect the degree to which an individual performs tasks, and willingness is the effect of behaviour on motivation, job satisfaction, personality, norms, characteristics, and values.

Willingness is one dimension strongly influenced by motivation, so the higher the motivation of an employee, the more goals to be achieved by the company will be easily achieved. Dimensions of opportunity in doing a job are strongly influenced by environmental factors surrounding it, so individuals cannot control this dimension.

The dimension of opportunity greatly influences employee performance, and this is because employees are closely related to technical work. Variables related to the dimensions of opportunity are work design, systems, and procedures, relationships with colleagues, information systems, and organizational policies (Kawedar et al., 2015).

## **2.7 Hypothesis Development**

In addition to underpinning theory, this study supports the link between independent variable (organizational quality culture, support from top management, Islamic work ethics), mediator (motivation, job satisfaction) and service quality as stated in the research framework (Figure 2.2) with empirical findings from previous studies as discuss in the following section.

### **2.7.1 Organizational learning culture and motivation**

A study by Egan and colleagues (2004) among 500 information technology employees of large companies in the United States indicated that organizational learning culture had a significant influence on motivation. Joo and Lim (2009), in their study among 500 employees from four Fortune Global companies that are headquartered in Korea, also showed that a highly proactive employee who perceives a high organizational learning culture will reveal a higher level of motivation. In addition, Guo, and others (2014) examined the influence of organizational learning culture on individual motivation in the context of Chinese. It showed that organizational learning culture influences the motivation of individuals. Moreover, a recent study done by Banerjee and colleagues (2017) among 122 academicians working at various business schools in India showed that organizational

learning culture had an obvious effect on employees' motivation. Similarly, a study by Pangaribuan and colleagues (2020) pointed out that organizational learning culture had a significant impact on motivating employees to transfer learning outcomes gained in training to the workplace. Based on the previous findings, the following hypothesis is proposed.

Hypothesis 1: There is a positive and significant relationship between organizational learning culture and motivation.

### **2.7.2 Organizational learning culture and job satisfaction**

Joo and Park (2010), in their study among employees of four Fortune Global 500 companies in Korea, revealed that job satisfaction is predicted by organizational learning culture. In other words, they found that organizational learning culture had an impact on job satisfaction. A study by Emami and colleagues (2012) among 132 employees of Information Technology companies also indicated that there was a significant correlation between organizational learning culture and job satisfaction. Similarly, Egan and colleagues (2004) showed that organizational learning culture is associated with job satisfaction in their study among 500 information technology employees working in large companies in the United States. In fact, a study by Ghahramani and colleagues (2015) among 116 employees of Kurdistan University showed that all components of organizational learning were significantly associated with job satisfaction. A recent study by Lin and Huang (2021) among 434 employees from a restructured telecommunications company in Taiwan indicated that an organizational learning culture gave employees a

higher level of satisfaction in their jobs and workplaces. Thus, the following hypothesis is proposed.

Hypothesis 2: There is a positive and significant relationship between organizational learning culture and job satisfaction.

### **2.7.3 Top Management Support and Motivation**

Ali and Dominic (2017), in their study among 157 employees from the oil and gas sector in Malaysia, indicated a strong positive relationship between management support and individual motivation in the workplace. A study by Chauhan and colleagues (2018) among 315 academicians who work in different institutes and universities in the NCR region and Delhi also showed that top management support influences the motivation of academicians in higher education. Similarly, a study by Schmid and Adams (2008) among 115 certified project managers from North America, Asia, Europe, Australia, and Africa showed that missing top management support was the factor that most commonly provoked a decrease in motivation in an organization. In addition, a recent study by Ullah and colleagues (2017) among four hundred of a large public-sector healthcare organization in Pakistan showed an association between top management support and motivation. Finally, a study by Basford and colleagues (2012) concluded that senior management support has a great impact on follower motivation. Based on the previous findings, the following hypothesis is proposed.

Hypothesis 3: There is a positive and significant relationship between top management support and motivation.

#### **2.7.4 Top management support and job satisfaction**

The effect of top management support on employees' level of job satisfaction has been empirically verified by previous studies (e.g., Mio et al., 2011; Wayne et al., 1997; Tekleab & Chiaburu, 2011; Colakoglu et al., 2010; Stamper & Johlke, 2003; Rhoades & Eisenberger, 2002; Tansky & Cohen, 2001; Randal et al., 1999; Shore & Shore, 1995). A study by Chinomona and colleagues (2017) on employees in both managerial and non-managerial positions from 200 registered companies in the Gauteng province, South Africa, concluded that if top management support is more effective, the job satisfaction of employees will be greater. A similar conclusion was made by Attiq and colleagues (2017) in their study among 251 respondents from Non-Government Organizations, banking, and telecom sector from twin cities (i.e., Islamabad and Rawalpindi) that found a direct relationship between top management support and job satisfaction. In addition, another recent study conducted by Qureshi and colleagues (2018) among 570 nurses from fifty public hospitals in Pakistan indicated that top management support has a significant impact on the job satisfaction of nurses. Finally, a study by Ruzic and colleagues (2018) among sales forces in Croatia and Italy showed that manager support positively impacts salespeople's job satisfaction. Based on the previous findings, the following hypothesis is proposed.

Hypothesis 4: There is a positive and significant relationship between top management support and job satisfaction.

### **2.7.5 Islamic work ethics and motivation**

Hayati and Caniago (2012), in their study among 149 employees of Islamic banking at Bandar Lampung in Indonesia, revealed that the Islamic work ethic has a great effect on motivation. A study conducted by Heyrani and Hamehkhani (2017) among 182 employees of the Kermanshah gas company also indicated that there is a positive and significant relationship between Islamic working ethic and motivation. In addition, Ahmed (2011), in their study of 150 employees from eighteen branches of seven banks in Pakistan, showed a significant impact of Islamic work ethics on job satisfaction. The study indicated that Islamic work ethics are source to build greater morale in employees resulting greater job satisfaction. Thus, the following hypothesis is proposed.

Hypothesis 5: There is a positive and significant relationship between Islamic work ethics and motivation.

### **2.7.6 Islamic work ethics and job satisfaction**

Yousef (2001), in his study of 425 Muslim employees in several organizations in the United Arab Emirates, showed that the Islamic work ethic directly affected job satisfaction. A study by Rokhman (2010) of forty-nine employees from ten institutions of Islamic microfinance in Demak regency, Central Java, Indonesia, also indicated that Islamic work ethic has a positive effect on job satisfaction. In addition, a study by Haroon

and colleagues (2012) involving eighty nurses working in ten private hospitals with different age group, experience, and educational level shows evidence of a direct, positive, and significant relationship between Islamic work ethics and job satisfaction. Similarly, a study by Salehi and Babajani (2017) on seventy-five employees of Mazandaran University showed that Islamic work ethics had a significant relationship with job satisfaction. In other words, employees' perceptions of Islamic ethics governing the work of the organization had a significant positive correlation with job satisfaction. Moreover, a study by Amilin and colleagues (2018) that involved 202 accountants in the Islamic finance industry in Indonesia indicated that Islamic work ethics positively influence job satisfaction. The other recent study by Heyrani and Hamekhani (2017) of 182 employees of Kermanshah gas company also indicates that there is a positive and significant relationship between Islamic working ethic and job satisfaction. Finally, Nasution and Rafiki (2020), in their study on 220 Muslim employees from four Islamic commercial banks in Indonesia, revealed a positive and significant relationship between Islamic work ethics and job satisfaction. Based on the previous findings, the following hypothesis is proposed.

Hypothesis 6: There is a positive and significant relationship between Islamic work ethics and job satisfaction.

### **2.7.7 Motivation and service quality**

A study by Durdyeva and colleagues (2014) on 12 Home Improvement Sector (HIS) in Türkiye showed that motivation is one of the factors with a great impact on service quality. Kimando and Njogu (2012), in their study in the context of the banking industry in

Kenya, aimed to find out the factors that affect service quality. The study indicated that organizations should continuously endeavour to have and maintain a motivated workforce. In other words, motivated employees are important to deliver service quality. Similarly, Barkhuizen and colleagues (2015), in their study involving Southern African public higher education institutions, showed that motivation was significantly and positively related to service quality. Thus, the following hypothesis is proposed.

Hypothesis 7: There is a positive and significant relationship between motivation and service quality.

#### **2.7.8 Job satisfaction and service quality**

A study by Anaza, Rutherford and Widdows (2012) among 283 employees at Midwestern Extension system pointed out that job satisfaction positively affects service quality. Other studies were conducted in various contexts, such as a hotel in Kuala Lumpur (Singh et al., 2017), a public tertiary care teaching hospital in Rawalpindi, India (Tasneem et al., 2018), a telecommunications company in Taiwan (Lin & Huang, 2021), and service organization in Saudi Arabia (Sohail & Jang, 2017) also indicated that higher employee job satisfaction increases service quality. In fact, a recent review by Joshy and Peterkumar (2019) showed that job satisfaction has a positive and significant impact on service quality. The study recommends increasing job satisfaction among employees to ensure better service quality. However, there is a study that found an insignificant relationship between job satisfaction and service quality (Ariani, 2015). Based on the previous findings, the following hypothesis is proposed.

Hypothesis 8: There is a positive and significant relationship between job satisfaction and service quality.

### **2.7.9 Motivation as a mediator**

The discussion in previous sections show a potential relationship between organizational learning culture (Section 2.6.1), top management support (Section 2.6.3) and Islamic work ethic (Section 2.6.5) with motivation. The discussion in the previous Section 2.6.7 indicates the potential relationship between motivation and service quality. Based on these proposed hypotheses, motivation has the potential to be regarded as a mediator in the relationship between organizational learning culture, top management support and Islamic work ethic on service quality. The potential role of motivation as a mediator is possible because it has been recognized previously as a mediator in the relationship between job autonomy and work engagement (Malinowska et al., 2018). Another recent study by Çetin and Aşkun (2019) also recognized motivation as a mediator between occupational self-efficacy and work performance. Thus, the following hypotheses are proposed.

Hypothesis 9: Motivation will mediate the relationship between organizational learning culture and service quality.

Hypothesis 10: Motivation will mediate the relationship between top management support and service quality.

Hypothesis 11: Motivation will mediate the relationship between Islamic work ethic and service quality.

### **2.7.10 Job satisfaction as a mediator**

The discussion in previous sections shows a potential relationship between organizational learning culture (Section 2.6.2), top management support (Section 2.6.4) and Islamic work ethic (Section 2.6.6) with job satisfaction. The discussion in previous Section 2.6.8 indicates the potential relationship between job satisfaction and service quality. Based on these proposed hypotheses, job satisfaction has the potential to be regarded as a mediator in the relationship between organizational learning culture, top management support and Islamic work ethic on service quality. The potential role of job satisfaction as a mediator is possible because it has been recognized previously as a mediator in the relationship between commitment and job performance (Dinc et al., 2018). Another recent study by Aldrin and Yunanto (2019) also recognized job satisfaction as a mediator in the relationship between transformational leadership and organizational citizenship behavior. Thus, the following hypotheses are proposed.

Hypothesis 12: Job satisfaction will mediate the relationship between organizational learning culture and service quality.

Hypothesis 13: Job satisfaction will mediate the relationship between top management support and service quality.

Hypothesis 14: Job satisfaction will mediate the relationship between Islamic work ethic and service quality.

## 2.8 The Research Framework

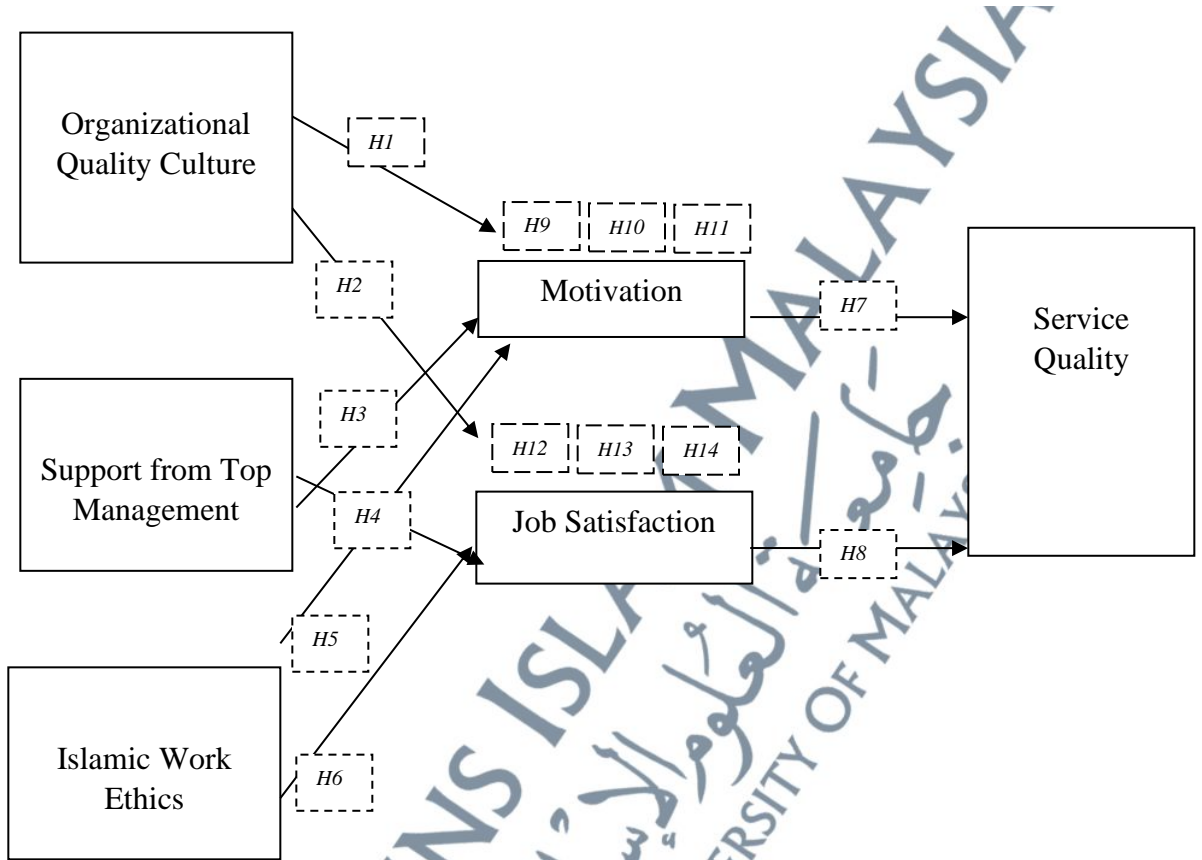


Figure 2.2: The Research Framework

Figure 2.2 shows the research framework for this study. There are three independent variables (organizational learning culture, top management support, Islamic work ethic) in the framework. The dependent variable is service quality. In comparison, motivation and job satisfaction have two roles in the framework. First, as an independent variable to service quality. Second, as a mediator in the relationship between organizational learning culture, top management support and Islamic work ethic on service quality. The research framework has been developed based on fourteen hypotheses proposed in the previous Section 2.7. The hypotheses are as details below.

Hypothesis 1: There is a positive and significant relationship between organizational learning culture and motivation.

Hypothesis 2: There is a positive and significant relationship between organizational learning culture and job satisfaction.

Hypothesis 3: There is a positive and significant relationship between top management support and motivation.

Hypothesis 4: There is a positive and significant relationship between top management support and job satisfaction.

Hypothesis 5: There is a positive and significant relationship between Islamic work ethics and motivation.

Hypothesis 6: There is a positive and significant relationship between Islamic work ethics and job satisfaction.

Hypothesis 7: There is a positive and significant relationship between motivation and service quality.

Hypothesis 8: There is a positive and significant relationship between job satisfaction and service quality.

Hypothesis 9: Motivation will mediate the relationship between organizational learning culture and service quality.

Hypothesis 10: Motivation will mediate the relationship between top management support and service quality.

Hypothesis 11: Motivation will mediate the relationship between Islamic work ethic and service quality.

Hypothesis 12: Job satisfaction will mediate the relationship between organizational learning culture and service quality.

Hypothesis 13: Job satisfaction will mediate the relationship between top management support and service quality.

Hypothesis 14: Job satisfaction will mediate the relationship between Islamic work ethic and service quality.

Hypothesis 1 until hypothesis 6 has been underpinned by two theories known as the social exchange theory and the job demand-resource model (JD-R). The social exchange theory entails that when employees perceive that their organization values and cares about their wellbeing (such as in this study by applying quality culture, Islamic work ethic and providing support), they will feel obligated to reciprocate with a positive attitude and behaviour. The job demand-resource (JD-R) model provides a flexible theoretical tool for conceptualizing key aspects of the work environment, explaining and predicting a wide

range of work-related outcomes, including stress, burnout, work engagement, organizational commitment, job satisfaction, or productivity (Bakker, 2011).

Hypotheses 7 and 8 have been influenced by two theories known as ability, motivation, opportunity (AMO), and work performance theory. According to AMO theory, performance depends on the individual's ability, motivation, and opportunity (Armstrong & Brown, 2019). It states that employees will perform well in a job when they have the necessary knowledge and skills (ability), are adequately and intensively encouraged (motivation), and are provided with the required support and avenues for expression (opportunity). When these three elements are improved, the job performance will increase (Sobaih et al., 2019). In addition, the work performance theory describes three factors influencing employee performance, namely as employee characteristic, employee motivation and work environment.

Finally, hypotheses 9 to 14 are underpinned by previous empirical findings. The potential role of motivation as a mediator is possible because it has been recognized previously as a mediator (Malinowska et al., 2018), similar to another recent study by Çetin and Aşkun (2019). Similarly, the potential role of job satisfaction as a mediator is also possible because it has been recognized previously as a mediator (Dinc et al., 2018; Aldrin & Yunanto, 2019).

## 2.9 The Chapter Summary

This chapter has explained the concept of service quality and the model of service quality. The chapter also reviewed the factors that influence service quality and proposed several hypotheses. The chapter ended with the introduction to the research framework of this study. The next section, Chapter 3, will explain the methodological aspect of this study.

