



**EMPLOYEE PERCEPTIONS ON SERVICE QUALITY AT A SELECTED  
OUTSOURCING COMPANY IN CAPE TOWN**

by

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## ABSTRACT

Over the last decade, business process outsourcing (BPO) has become increasingly important in the South African context. For economic and strategic reasons, organisations have embraced an outsourcing strategy as one of their core activities in order to be competitive in the business arena. On this matter, the standard of services delivered by BPOs is crucial to achieve customer satisfaction. However, the lack of effective quality management practices, which impact on service delivery negatively, ultimately paves the way for customer dissatisfaction with service quality in BPOs. This issue needs to be considered carefully by BPOs. Thus, this study has investigated employee perceptions in relation to the key measurements for service quality, namely reliability, responsiveness, assurance, empathy and tangibles through the SERVQUAL model to measure the quality of service delivery at a BPO in Cape Town, South Africa.

A quantitative research method was applied and data were collected through a semi-structured survey questionnaire from the group of employees (n=188) at the selected BPO in Cape Town. The statistical software program SPSS Version 25 and Microsoft Excel were used for data analysis. Descriptive statistical results were generated as well as the validity and reliability of the dataset determined.

The research findings revealed that the key factors to which particular attention needs to be given are reliability, responsiveness, assurance and empathy. It is revealed that it is imperative for the BPO to intensify continual training and skills development for their employees. Given the findings of these key factors as focus areas for good practice, this study has drawn special attention to the selected BPO and other BPOs in the South African context to advance their service quality to maintain their services up to standard and to remain competitive. The research could benefit BPOs in South Africa and Africa in general as more and more companies are outsourcing their services on the continent.

**Keywords:** Business process outsourcing, service quality, service delivery, SERVQUAL model, and customer satisfaction

## **ABBREVIATIONS**

BPO	Business Process Outsourcing
CPUT	Cape Peninsula University of Technology
EMEA	Europe, Middle East and Africa
HR	Human Resources
IT	Information Technology
KM	Knowledge Management
KMO	Kaiser-Meyer-Olkin
NASSCOM	National Association of Software & Service Companies
R&D	Research and Development
SPSS	Statistical Software for Social Sciences
TQM	Total Quality Management
WLB	Work-life balance

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## **DECICATION**

This thesis is dedicated  
to my family, for the love, motivation and support necessary to further my studies . Also,  
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# **CHAPTER ONE: INTRODUCTION TO THE STUDY**

## **1.1 INTRODUCTION**

Business process outsourcing (BPO) has become an important strategy for companies to reduce costs in various core areas (Casado-Lumbreras, Colomo-Palacios, Ogwueleka, & Misra, 2014). In order to reduce costs, companies choose to transfer part or entire functions to BPOs. BPO is the circumstance of assigning to another organisation some tasks or even the entire set of core activities which will be take charge of it on your behalf. It is a fact that an outsourcing company is hired to complete tasks on behalf of the company, called an 'outsourced company' (Mohr *et al.*, 2011).

All these activities are linked with outsourcing functions within organisations. For the past decades, South Africa has progressively gained a remarkable place in the global business process outsourcing industry. This has been made possible through increasing amounts of services transferred to the country by a big number of international firms such as Accenture, Aegis, Capita, IBM, Infosys, Srco, Tele-performance, Web Help, Wipro and WNS (Willcocks, Lacity & Craig, 2016). Over the past decades, one of the leading outsourcers has been providing services worldwide through service centres, with one of its principal branches located in Cape Town, South Africa. This company is specialised in communication sustainability expressed in more than 20 languages in various domains such as airlines and telecommunication industries. As the level of complaints regarding the service quality remains high within the company, this research study therefore, aims to investigate the employees' perceptions on service quality at a selected outsourcing company in Cape Town.

## **1.2 BACKGROUND OF THE RESEARCH PROBLEM**

In the last decades, quality has gone beyond the simple product inspection to a contemporary management system involving the entire workforce to continually satisfy customers' needs. With the market still controlled by developed countries despite efforts made by developing countries to adopt export promotion as a development strategy, their performance in the international trade remains poor (Mersha, 2000). To

remain competitive, companies are constantly relocating some of their services or parts of their services in other countries, mostly in developing countries, as offering more affordable labels. As developing countries provide affordable labor, many outsourcing providers in developing countries are constantly searching for ways to continue improving the quality of services delivered; hence, maintaining outsourcers' customer loyalty.

### **1.3 STATEMENT TO THE RESEARCH PROBLEM**

An important function in contact centres and predictive dialing facilities is optimising contact centre performance in light of policies and objectives while substantially minimising costs and maximising customer satisfaction (Chavez & Avaya Inc, 2015). Other researchers state that the level of service quality in BPO has more immediate and stronger impact on customer satisfaction, because the firm can better meet customers' needs (Eggert, Böhm & Cramer, 2017). Furthermore, Gerbl, McIvor and Humphreys (2016) used customer satisfaction as critical part of the documentary evidence for making the business process outsourcing decision. These indicate that, without higher quality of service delivery, BPOs will not be able to survive firmly. Routinely, the standard of the service provided by an organisation is evaluated through customer feedback. Despite several quality initiatives implemented within the selected company for better quality of service delivery, customers' complaints still remain high. Thus, the problem statement of this research is read as

“Due to the lack of effective quality management practices, which impact on service delivery negatively, ultimately paves the way for customer dissatisfaction with service quality in BPOs”

This issue needs to be considered carefully by BPOs. Thus, this study has investigated employee perceptions in relation to the key measurements for service quality.

### **1.4 THE RESEARCH STATEMENT**

Based on the above-mentioned problem statement, the main research statement is formulated as:

*What are employees' perceptions on service quality at a selected outsourcing company?*

In dealing with the primary research statement, the investigative statements are formulated as the following:

- What are the main measurements for outsourcing service quality?
- What are the key factors of service quality towards business success?
- What are the common approaches to measuring service quality?
- How should employees' perceptions of service quality be explored?

## **1.5 RESEARCH OBJECTIVES**

The primary research objective is to identify employees' perceptions of service quality at a selected outsourcing in Cape Town, South Africa, based on the SERVQUAL model. In supporting the primary research objective, this study endeavours to:

- Identify the main measurements for outsourcing service quality
- Determine the key factors of service quality towards business success
- Explore the common approaches to measuring service quality
- Explore employees' perceptions of service quality in relation to the SERVQUAL framework.

## **1.6 RESEARCH LIMITATIONS AND DE-LIMITATIONS**

Research constraints of this study consider limitations and de-limitations. These are discussed below.

### **1.6.1 Limitations**

The study is conducted with the employees at a selected outsourcing company in Cape Town. The target population includes all employees, both part-time and full-time. However, the contractors and temporary employees are not included in this study.

### **1.6.2 De-limitations**

The perspectives of selected staff members from the company are represented and not those of the whole organisation. The research is confined to a selected outsourcing company operating in Cape Town, South Africa.

## **1.7 ASSUMPTIONS**

This study considers the following assumptions:

- Employees understand and speak English fluently.
- The employees' positions (team leader and supervisor) within the company have no influence on their way of perceiving service quality.
- Employees have access to the same training for the job for which they are hired.
- All employees have access to the same information.
- The study considers all customers and all callers.

## **1.8 RESEARCH DESIGN AND METHODOLOGY**

The approach to this study is quantitative in nature and focuses on responses that are devoted to employees' opinions of service quality in their immediate workplace. The quantitative type of research is useful in measuring something precisely (Creswell, 2013). It can, therefore, measure consumer customers' or employees' knowledge, opinions and attitudes. Primary data were collected using a semi-structured questionnaire with close-ended which was developed around the core research objectives. The questionnaire contained 24 statements.

In order to measure characteristics of the respondents, a 5-point Likert scale style questionnaire was used. All the statements comprised a statement made up of five possible responses with the following options: Strongly disagree (assigned the number 1), disagree (number assigned the number 2), not sure (assigned the number 3), agree (assigned the number 4) and strongly agree (assigned the number 5). To ease the analysis, the data were coded to make possible the analysis of non-numerical category data between accounts of the company. The data analysis was made possible with

the use of descriptive statistics (frequency tables and bar graphs) as well as inferential statistical measures such as the Cronbach alpha. Validity and reliability tests were performed on the questionnaire. A census was carried out to collect data on both part-time and full-time employees of the different accounts at the time of the research in May 2018, comprising roughly 500 employees. The questionnaire was available only in English. Although employees were from a number of different countries and speaking different languages, the commonly used language in the company was English. To facilitate the research process, a covering letter, which included an informed consent form, was communicated to all employees who participated in this study.

## **1.9 SIGNIFICANCE OF THE RESEARCH**

This research focuses on measuring perceived service quality. Due to the complexity of service quality, this study focused on employees' perceptions of quality of service. This information included, among others, the training and motivation of employees attending to customers' needs and requirements promptly. Furthermore, it contributed to an effective management approach to the success of the outsourcing company in Cape Town. In addition, it has affirmed that service quality, as a major concern, should be highly recognised by all outsourcing companies to ensure the success of their businesses. The approach could be further used by most of the outsourcing companies in South Africa at large.

## **1.10 ETHICS**

Ethical issues such as informed consent, the right to privacy, honesty, confidentiality and anonymity were strictly applied in this study. Respondents were informed that their names and identities would not appear in the research documents. In addition, all the respondents were informed about their right to withdraw their participation at any point of time in the research process. Further, respondents were informed that their responses were confidential and the results of their participation would be reported in an honest manner. This ensured that those who accepted to take part in this research felt safe and free, as these assurances had a critical impact on the response rate.

## 1.11 STRUCTURE OF THE STUDY

**Chapter 1 – Scope of the research:** In this chapter, the background of the research taking place within the service delivery industry was provided. An explanation of the research process was given and aspects relating to the research included the research statements, research objectives, research design and methodology, assumptions and significance of the research.

**Chapter 2 – Background to the research environment: A holistic perspective:** In this chapter, quality management requirements for service delivery were analysed. In addition, the key measurements of service delivery were explored. Particular attention was given to improving performance to enhance efficiency by the implementation of adequate quality management principles.

**Chapter 3 – Literature review:** In this chapter, a literature review on the quality service was developed. The following topics were discussed:

- Service quality and its measurements
- Key factors of service quality
- Common approaches to measuring service quality
- Applying these key measurements to improve service quality

**Chapter 4 – Data collection, analysis and interpretation of results:** This chapter explained aspects pertaining to the data analysis. The process of data collection included the measurement of variables to be used and studied. A survey questionnaire, as the research instrument for quantitative data collection, was developed. Furthermore, data collection procedures were examined and the results interpreted.

**Chapter 5 – Problem mitigation:** This chapter, which concluded the research, revised and concluded aspects relating to the research process, which included investigative statements, research objectives, the research design and methodology, assumptions and the significance of the research and survey findings. Furthermore, relevant recommendations drawn from the key findings were made together with final analogies. Moreover, this chapter revisited the research problem in order to ensure

that its objectives were reached and it also evaluated how it could positively impact the organisation and its people.

**Chapter 6 – Conclusions and recommendations:** The chapter drew conclusions and made recommendations on what needed to be done to improve the employees' perceptions of service quality in BPOs. It also suggested topics for further research.

## **1.12 SUMMARY**

The chapter has presented the problem statement which has justified this study. It focuses on exploring the way in which service quality is perceived by employees at a service centre in Cape Town. The BPO should improve the standard of its service, as it has a critical impact on achieving and maintaining a competitive advantage over its competitors.

This chapter points out the necessity for providing high levels of standard service quality, particularly in the outsourcing industry. This chapter shows the problem statement and the research objectives to be discussed. Furthermore, it shows how the research objectives and statements are achieved. The delineation of the study is presented and the research design and methodology have also been described.

In the following chapter, the relevant literature on the topic associated with the quality of service and the most commonly used models will be explored. These include global perspectives of BPO, main measurements of service quality, common factors affecting BPO service delivery, and lastly, some common approaches to measuring service quality.

# CHAPTER TWO: LITERATURE REVIEW

## 2.1 INTRODUCTION

This chapter explores the perspectives of business process outsourcing (BPO) from a global perspective (America, European countries, Asian and Pacific countries, African countries, etc.) and later focuses on the South African context. Furthermore, the measurements of service quality are discussed. It is the intention of determine the key measurements for supporting the research instruments that are presented in Chapter Three. For this reason, service excellence can be perceived as a key factor affecting success for organisations even though this is still lacking the attention it deserves (Dharamdass & Fernando, 2018).

The focus of this study is to examine the perceptions of employees of an outsourcing company in Cape Town, South Africa regarding their own service quality at the selected BPO Company. There are a number of research studies conducted on the quality of service in terms of employees' perceptions of their own service delivery (Mukherjee & Malhotra, 2006). In doing so, aspects pertaining to the quality of service have been revised. This includes the measurement of service quality in outsourcing companies. In addition, the key factors of service quality toward business success have been studied extensively. Furthermore, common approaches to assessing the quality of service are introduced and the effective way of dealing with these key factors within the selected BPO are introduced for continuous improvement of their service delivery.

## 2.2 DEFINING SERVICE QUALITY

A service can be described as an immaterial activity which is unique and can only be used once (Hoffman & Bateson, 2011; Harmse, 2012). There are a number of definitions of "quality". For instance, Parasuraman *et al.* (1985), from the Japanese viewpoint, define "quality" as products with no defect. Therefore, quality is applicable when an activity or set of activities is performed correctly at the first try. For Berry *et al.* (1985:45) quality is conformance to specification. One of the powerful ways of measuring quality is through the voice of customers (Shariff, 2012). Perceived quality

is related to the result of or the feeling that results from the service received. Expected quality, on the other hand, is the desired level of percentage or how well the service provided has meet customer needs and specifications. The gap analysis, therefore, consists of evaluating how close the perceived and expected qualities are to one another (Parasuraman *et al.*, 1985).

Service quality is about meeting customers' expectations by providing services that match their needs and requirements (Lewis & Booms, 1983). According to Oliver (1981), in the context of service quality, the term *expectation* relates to the likelihood with which the service provider meets the customer's requests and requirements. Furthermore, Shahin (2006) describes service quality as an impalpable activity or set of activities resulting from an interaction between customers and a service provider. Moreover, Grönroos (2006) maintains that service quality results from the comparison of a customer's expectation with his or her perception. From an employee's perspective, service quality is an evaluation of how well he or she responds to customers' requests. It is a feeling that employees have regarding the service that they provide.

Service quality has played an important role worldwide in improving customer satisfaction, price insensitivity, organisational reputation, customers' enthusiasm in recommending the organisation, positive attitudes and customer relationships (Ladhari, 2009; Chenet *et al.*, 2010; Zeng *et al.*, 2011). Despite the increasingly important role played by global service firms, studies related to global service quality are limited. More quality research studies focus on product-based firms. As it is rapidly expanding widely, more attention needs to be given to service-based global business because it has its specificities (Java *et al.*, 2007).

According to Chicu *et al.* (2018), the quality of service of a call centre is governed by the ability of its employees to adapt, to assure, to show empathy and authority, and to communicate properly, including showing attention, perceptiveness and responsiveness.

## **2.3 PERSPECTIVES OF BUSINESS PROCESS OUTSOURCING (BPO)**

The business process outsourcing market was segmented as follows in 2013: The biggest part was for North America with 42%, followed by Europe, the Middle East and Africa (EMEA) with 34% altogether, Japan 10%, the rest of Asia Pacific 9% and Latin America 5% (Oshri *et al.*, 2015). This section discusses the global perspectives of business process outsourcing as well as this perspective in the South African context.

### **2.3.1 Global Perspectives of BPO**

#### *2.3.1.1 BPO in America*

Over the past decades there has been a remarkable intensification of transfer of services from the United States to other countries like India. This is done with the aim of cutting costs. For this reason, companies prefer to delegate services to other offshore companies offering similar services at lower costs. This includes financial transactions such as billing, payroll, claims processing or product and customer support. Lewin and Couto (2007) report that global sourcing of US firms has reached 10 percent in 2000, and increased to 50 percent in 2007. This represents a typical model for developing countries aspiring to business process outsourcing.

In addition to this, Kabiraj and Sinha (2017) convey that US firms have about 50%, 11%, and 9% of outsourcing offshore companies in India, South America, China and in other Asian countries respectively. While certain companies outsource certain parts of their services, others outsource an entire set of services like back-office operations, including inventory management, fulfillment and Web infrastructure. Other companies transfer services such as customer support like call centres or service centres (Graf & Mudambi, 2005). Furthermore, Graf and Mudambi (2005) indicate that, as a result of this transfer of services, there have been complaints due to job losses. This has led to an increasing number of complaints and protests from unions in the United States, supported by several state governments. As a result, companies have progressively reconsidered their desire to transfer their services to offshore companies.

In 2008, the US call centre workforce was about four million people, with only about 12 percent of the US market being served by offshore locations (Taylor, 2017). For the period from 2006 to 2010, more than two million jobs were moved from the United States of America and Europe to cheaper destinations for the financial industry alone.

The global migration of service jobs due to outsourcing is estimated to be as high as four million jobs (Ndemo, 2015).

### 2.3.1.2 *BPO from a European perspective*

Over recent years, there has been a noticeable adoption of the business process outsourcing principles in Europe, mainly in countries like the United Kingdom (UK), Germany, France, The Netherlands, Spain, Ireland, the Czech Republic and Poland (Oshri & Ravishankar, 2014). The UK, in particular, offers advanced sourcing capacities as a talent-based, value-adding country with high service standards. Also, there has been a remarkable increase in outsourcing of warehousing and logistics in Northern Europe, mostly in the Scandinavian countries (Hilletoft & Hilmola, 2010). According to Roberts *et al.* (2016), there are approximately four million people who are employed across 35 000 call centres in Europe. In the UK alone, there are more than 5 000 call centres, one million employees and a revenue of £2.3 billion. Due to the growth of this massive industry, it is argued that call centres are becoming the modern world equivalent of the factory, generating a valuable service as opposed to a product.

### 2.3.1.3 *BPO in Asian and Pacific countries*

In recent years, the Asia-Pacific countries in the international outsourcing market have accounted for the largest market share (36 percent, worth US\$240 billion), and it is predicted to increase more and more in the future; even faster as compared to in the United States and the United Kingdom future markets (Siew-Chen *et al.*, 2016). According to Siew-Chen *et al.* (2016), by 2020, the Asia-Pacific region solely will account for more than half of the global consumption growth. Further, Grundling *et al.* (2016) believe that, to achieve this, the region will need skilled people to execute strategical work performed in the outsource regions. Their ability to understand organisational needs as well as their ability to influence strategies that will position their companies for success in this key market of outsourcing.

Remarkable growth has been observed in business process outsourcing in Asia, especially in information technology (IT). In the domain of software development and

the BPO industry, India remains the first destination. According to Kabiraj and Sinha (2017), the National Association of Software & Service Companies (NASSCOM) has highlighted that almost 50 percent of the 500 wealthiest companies have shown their preference for India as a destination for software development. Furthermore, the same view is shared by Daisy and Reema (2013) who indicate that over half a century the Indian IT industry has increased remarkably.

Nowadays, the country provides services to international corporates like Tata, Infosys Limited, Wipro Limited and Mahindra Satyam, with the largest segment being infrastructure services estimated at US\$2.6 billion in 2008. Moreover, Sharma (2015) reports that the service industry in India has grown from about US\$565 million export revenue in 2000 to US\$100 billion in 2012 for the business process outsourcing industry, making the country the fastest growing and largest foreign exchange generator. As a result of the significant growth in software development, India has been playing a prominent role in the IT services of the world. Daisy and Reema (2013) indicates that higher value has been given to India in providing service in sectors such as research and development (R&D), medicine and manufacturing. With its fast growth, low-cost labour advances in technology and favourable conditions to implement economic reforms and industrial restructuring, China has become one of the most attractive destination for outsourcing services (Hung Lau & Zhang, 2006).

#### *2.3.1.4 BPO in Africa*

According to Gartner (2008), Bargent (2012) and Abbott (2013), over recent years, five African countries have also been playing a significant role in global outsourcing, namely South Africa, Morocco, Algeria, Tunisia and Egypt, with South Africa and Morocco playing the foremost role. However, South Africa still plays the dominant role in this industry in Africa while the North African countries are not doing as well to keep up because of business uncertainty resulting from political instability in the region. In East Africa, in general, and in Kenya, in particular, there has been a remarkable growth in the BPO industry. One of the key factors impacting the good practice of BPO is connectivity. In Kenya, the infrastructure development, especially in technology, which has enabled better connectivity, has enabled growth in the country's participation in

the globalisation of services. BPO companies can now access international work opportunities (Mann & Graham, 2016).

### **2.3.2 BPO in South Africa**

Although South Africa is still making its mark in the business process outsourcing industry, it has grown rapidly over the past few years. Willcocks *et al.* (2016) indicate that there are more than 40 firms providing services in a variety of domains in the country. These include banking, finance, mining, oil and petroleum, telecommunications, retail and electronics, human resources, information technology, supply chain management and procurement. The first major BPO investment in South Africa was recorded in 1998.

Over the past few years there has been a remarkable growth of BPO with more than 200 000 employees countrywide. It is recorded in the Western Cape alone that more than 40 000 employees contribute approximately R9 billion to the GDP of the province (Willcocks *et al.*, 2016). This rapid growth is due to competitive advantages that South Africa has on the other countries on the continent. South Africa's economy is more developed and many African corporate businesses have representation in the country. Moreover, it provides the necessary facilities, qualified labour and an environment favourable for business.

## **2.4 MEASUREMENTS OF SERVICE QUALITY**

There are a number of tools available to measure the quality of service in an organisation. One of the most common tools is the SERVQUAL model (Parasuraman *et al.*, 1988). This model helps to study the gap analysis between the expected quality and perceived quality. It consists of five quality dimensions, namely reliability, responsiveness, assurance, empathy and tangibles.

### **2.4.1 Reliability**

Reliability is related to the ability with which the promised service or set of services is delivered. Nyandoro (2012) states that reliability is a vital factor to be considered when

evaluating customer satisfaction. Ali and Raza (2017) believe that a reliable service has a positive impact on customer satisfaction. For Izogo (2016), organisations need to commit in providing reliable services in order to keep their customers. Furthermore, referring to Hawkins and Vel (2013), Izogo (2016) indicates that reliable services create room for customer loyalty. Moreover, customers' opinions on the ease of use, care, product portfolio and reliability can be evaluated on how they perceive the service and feel secure utilising it (Jiang *et al.*, 2016).

#### **2.4.2 Responsiveness**

Responsiveness is seen as the aptitude of an organisation to respond to changes in consumer needs and expectations. Responsiveness is one of the critical aspects when it relates to service delivery and customer relationships. It has also been considered as an important facet of interactivity as well as the degree to which an individual perceives that a response has been satisfactory in terms of its appropriateness and relevance in meeting the particular information need (Nambisan *et al.*, 2016). This dimension deals with the alertness and promptness responding to customer needs. This includes the waiting and the time taken to answer customer requests. The concept of flexibility deals with the ability to provide a service that meets certain set requirements. Flexibility is a service that reflects on customers' perspectives rather than on companies (Cheng & Lee, 2011). Moreover, according to Singh (2015) and Charan (2012), organisations need to embrace the culture of providing services with responsiveness. This enables them to ensure business success. Furthermore, this will allow organisations to rapidly identify changes and take the necessary action in order to remain competitive.

#### **2.4.3 Assurance**

Assurance is related to the ability of employees to earn the trust of and confidence from customers (El Saghier & Nathan, 2013). Companies have to find ways to instil trust and loyalty in their customers (Cheng & Lee, 2011). Quality assurance is the ability of the service or product to do what it is meant to do (Gupta, 1989). It the action of providing evidence that the service is performed correctly. It differs from quality

control which focuses on ensuring that the quality objectives and standards are observed (Cukier *et al.*, 2012).

#### **2.4.4 Empathy**

This dimension measures how employees show their concern toward customer needs and expectations. That includes treating customers as unique individuals. Customers often prefer that their service providers value them. According to Meesala and Paul (2018), the SERVQUAL model by Parasuraman *et al.* (1988) includes empathy and assurance dimensions which positively relate to customer satisfaction. This, in turn, has a significant effect on repurchase intention and word-of-mouth communication. Burch *et al.* (2016) describe empathy as the action of someone putting himself in someone else's shoes. It is the effect of being sensitive to someone else's emotions. It is stepping into another person's perspective (Fox, 2015).

#### **2.4.5 Tangibles**

A number of researchers have described tangibles as the state of facilitating goods, the physical condition of the buildings and the environment, the appearance of personnel and the condition of equipment (Stefano *et al.*, 2015). This view represents the physical aspects of the service, including the workplace appearance. Employees use this quality dimension to estimate the quality of the equipment at their disposal to perform the work as well as the colourfulness of the workplace. They also provide continuity and signal quality which can include connectivity to the necessary internal and external networks. This element of quality focuses on the physical appearance of facilities such as equipment or employees (Kincaid *et al.*, 2010).

### **2.5 KEY FACTORS AFFECTING BPO SERVICE QUALITY**

There are a number of factors affecting the quality of service provided in the BPO industry. These include flexibility at work (Arzbächer *et al.*, 2017; Shire *et al.*, 2017; Legros *et al.*, 2015; Grasso *et al.*, 2015), interaction with customers (Konig *et al.*, 2016; Watson *et al.*, 2018; Shire *et al.*, 2017), importance of culture (Hofstede, 2015; Kassim & Asiah, 2010; Anwar *et al.*, 2018), support structures (Strelitz, 2016; Kamboj *et al.*,

2015; Miller & Hendrickse, 2016), trust (Peppers & Rogers, 2019; Isik & Aliyev, 2015; Paliszkievicz, 2011; Söderström *et al.*, 2016; Nienaber *et al.*, 2015), customer loyalty (Wang & Wu, 2012; Izogo, 2016; Liu & Wang, 2017; Martin, 2017) and knowledge and skills (Deng, 2015; Mann *et al.*, 2011; Procter *et al.*, 2016; Jorna, 2017). In this section, factors affecting service quality are discussed.

### **2.5.1 Flexibility at Work**

Flexibility at work, particularly in the BPO industry, becomes considerably important as it affects the quality of service delivery. According to Al-Kassem (2017), various organisations are concentrating on their core competencies in order to provide flexibility and improved organisational performance as well as to ensure the efficient use of key resources. In a study conducted by Chmielecki (2016), the results suggest that flexibility in working styles to be one of the major positives that can be obtained due to cultural diversity.

Furthermore, flexibility towards customer demands has been strengthened in some aspects (e.g. service work that stand at the interface between corporations and consumers) but weakened in others (e.g. a particular public image-being associated in the public mind with low skilled and regimented work) (Shire *et al.*, 2017). Moreover, flexibility among employees is important to achieve company goals. Employees may exchange work schedules among themselves by swapping shifts, breaks or working days. Employees can also show flexibility when asked to handle multi-tasks compared to their daily work schedules to make sure that organisational goals are met and to maintain a sound collaborative work relationship in order to achieve better performances from time to time (Grasso *et al.*, 2015).

According to Legros *et al.* (2015), call centres differ from one another as the requirements and services are specific to the type of industry service outsourced, from the customers to be served to the skills needed to perform the work. Furthermore, employers may have a number of employees assigned to various shifts based on certain factors, including projected work volumes, employment contracts and productivity goals. For example, a call centre may schedule its agents to work certain shifts based on the planned goals and customer commitments. Thus, employee adherence to a work schedule is important for employers to meet their goals

(Ouimette, 2018). Flexible working conditions that suit employees' needs are attractive. Katiyar (2018) suggests that employees should be given flexible time schedules which include flexible commence and completion times, working from home and having a flexible working time account. This account will allow each employee to accumulate time by working overtime. The account can be used in many ways such as taking leave days, leaving work early when needed in a case of emergency without affecting the employee's earnings.

### **2.5.2 Interaction with the Customer**

According to Konig *et al.* (2016), an interaction from a customer such as an inbound voice call is routed to a contact centre agent for processing. This is common in the BPO industry which shows the interactions between customers and agents. Many customer service interactions are driven by predefined scenarios and static rules that are triggered by actions or events that take place during a customer service interaction (Watson *et al.*, 2018).

Management justifies its attempts to structure service interactions on basis principles like 'customer orientation' and 'efficiency'. Instead, management should attempt to shape interactions in the extension of principles of a humanised work organisation onto the 'work' of the customer (Shire *et al.*, 2017). This indicates that customer interactions with call centre agents become critical to the quality of service delivery.

### **2.5.3 Support Structure for BPO Service Delivery**

Despite the growth in remote working, the physical workplace is still a normative setting. Millions of people go to a defined place of work every day, and with their multiple life strands to coordinate, their workplace is directly relevant to their work-life balance (WLB). The physical workplace also converges with the interest of HR personnel as custodians of productivity and workers' welfare. The workplace includes spacious localities to allow employees to move in and out with ease, modern equipment and up-to-date technology to make efficient work processes possible (Strelitz, 2016). More attention needs to be put in place to provide an attractive work environment.

According to Kamboj *et al.* (2015), employees need to express emotion when assisting customers to show their concern for their requests. This aspect is very important in call centres; therefore, employees need to be aware and be trained to express emotion to show customers that they have their concerns at heart. This will ultimately have an optimistic outcome on the customer, resulting in the customer being happy about the service received. Furthermore, particular attention needs to be given to physical aspects which include the work environment, as it impacts the wellbeing of employees at work.

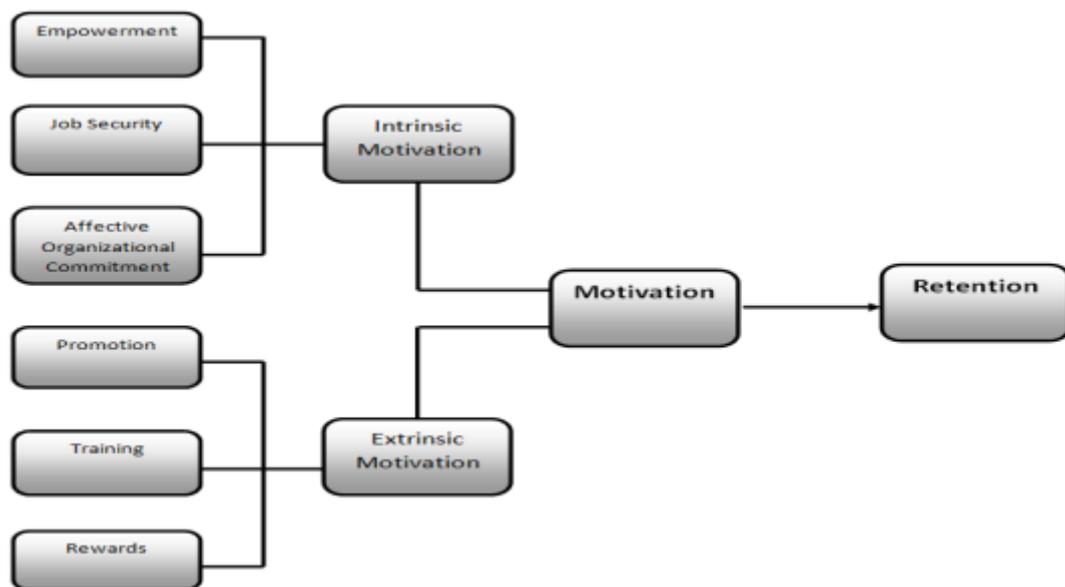
A neat workplace is attractive to employees, as it affects their performance and how they enjoy their time at work. The workplace environment is generally considered an important factor in ensuring that call centre agents are comfortable. Poor ergonomics can lead to poor wellbeing (Miller & Hendrickse, 2016). Katiyar (2018) argues that, in an attractive workplace, employees are passionate about their jobs, are committed to the organisation and put discretionary effort into their work. This is part of the relationship between an organisation and its employees. Furthermore, employees are enthusiastic about their work and go the extra mile to reach organisational goals and to ensure the wellbeing of the organisation so that it is attractive to potential customers. Moreover, it is concerned with workplace conditions which have a positive effect on employees and will lead to their ability to commit to the customer as well as to the company.

#### **2.5.4 Importance of Culture**

Hofstede (2015) recommends culture as one of the key dynamics of service quality towards business success. This includes the country of origin, the language, the religion, values and ethics. The same opinion is shared by Kassim and Asiah (2010) who describe the culture as one of the most prominent factors to help individuals in shaping their values and behaviour. Culture includes the power distance, femininity/masculinity, uncertainty avoidance and individualism/collectivism.

Furthermore, it is expected from management to develop a culture that will promote employee retention. According to Anwar *et al.* (2018), organisations skill employees

to achieve their goals and to remain competitive. To achieve these objectives, organisations should put in place mechanisms that allow the promotion of employee growth and development. This includes career growth as well as self-development such as obtaining academic qualifications, or attending workshops and training not offered by the company. Career growth allows the maintenance of the equilibrium between the achievement of the organisational quality goals and employees' needs to achieve those goals. It is, therefore, important for an organisation to implement policies that reward employees by empowering them through promotion to increase their commitment to the organisation, and to achieve its goals and objectives (Anwar *et al.*, 2018).



**Figure 2.1: Conceptual Framework**

(Source: Anwar *et al.*, 2018)

Figure 2.1 above presents the framework for any organisational culture to ensure employee growth. Anwar *et al.* (2018) and Duan *et al.* (2013) highlight the necessity for organisations to consider training and development as being important, as it reinforces the learning and erudition of their employees, thus amplifying their acceptance and strengthening their retention in the organisation. Additional training is useful in the development of new skills and exalting work performance by creating new capabilities in employees. This addition will assist companies in targeting their goals (Duan *et al.*, 2013; Anwar *et al.*, 2018).

Moreover, the HR department of any organisation needs to embrace the practice of employees' professional development by constructing good work relations and offering various occasions for stability between work and family responsibilities. This will encourage employees to be committed and to contribute positively to the organisation. Furthermore, Anwar *et al.* (2018), Farooq and Hanif (2013), Anis *et al.* (2011) and Hassa *et al.* (2013) emphasise that this approach decreases personnel turnover.

### **2.5.5 Importance of Trust**

According to Peppers and Rogers (2019), most businesses consider themselves to be trustworthy, and by yesterday's standards they are. They consider their prices to be accurate as well as their products to be of good quality and reliability, and that they generally provide their services promptly. However, this is only true according to the current quality standards, as by tomorrow's standards, it won't be nearly good enough, not even close (Peppers & Rogers, 2019).

According to Isik and Aliyev (2015), the topic of trust has taken an important place in literature across many disciplines such as psychology, sociology, philosophy, economy, management, marketing, history, political science, anthropology and industrial psychology. These disciplines share a positive view of the characteristic of the topic (Paliszkievicz, 2011).

There is an avalanche of definitions of the concept of trust. Söderström *et al.* (2016) highlight a number of areas in which trust plays an important role. These include communication, leadership, management, negotiation, game theory, performance appraisal and labour-management relations (Söderström *et al.*, 2016). Earlier, Nienaber *et al.* (2015) supported the notion of trust as the willingness of an individual or an organisation to be vulnerable to the actions of another individual or organisation, based on the expectation that the executor will perform an action or set of actions important to the individual or to the organisation, irrespective of the ability to monitor and control the other party.

### **2.5.6 Importance of Customer Loyalty**

Price is not the main reason for customer churn, as it occurs due to overall poor quality of customer service (Shaw & Hamilton, 2016). Customer loyalty can be defined as a buyer's overall attachment or deep commitment to a product, service, brand or organisation (Wang and Wu, 2012, citing Oliver, 1999). Furthermore, Wang and Wu (2012) refer to the concept of *loyalty* as a relationship commitment which is described as an enduring desire to be in a valued relationship. Izogo (2016), mentioning the work of Kaur and Soch (2012), argues that understanding the importance of customer loyalty is very important for business success.

One of the factors influencing customer loyalty in call centres is the service time that includes the waiting time for the call to be answered and the time taken for the service (Liu & Wang, 2017). In addition, it is of importance for employees of service centres to work in an ethical way, especially when transactions involve the use financial transactions or dealing with personal information. Kiran and Diljit (2017) emphasise that service quality and service value have a direct effect on customer satisfaction which then directly affect customer loyalty.

### **2.5.7 Knowledge and Skills**

One of the key factors affecting service quality is knowledge. According to Liu and Deng (2015), outsourcer failure to provide services that meet or exceed standards can be attributed to the inability to perceive BPO as a process of creating, transferring, integrating and using knowledge. Furthermore, Mann *et al.* (2011) and Liu and Deng (2015) highlight the importance for the outsourced company to clearly define its quality objectives to allow the BPO to provide services efficiently. Moreover, it is evident that call takers' skills and knowledge remain of paramount importance for timely and effective service provision (Procter *et al.*, 2016).

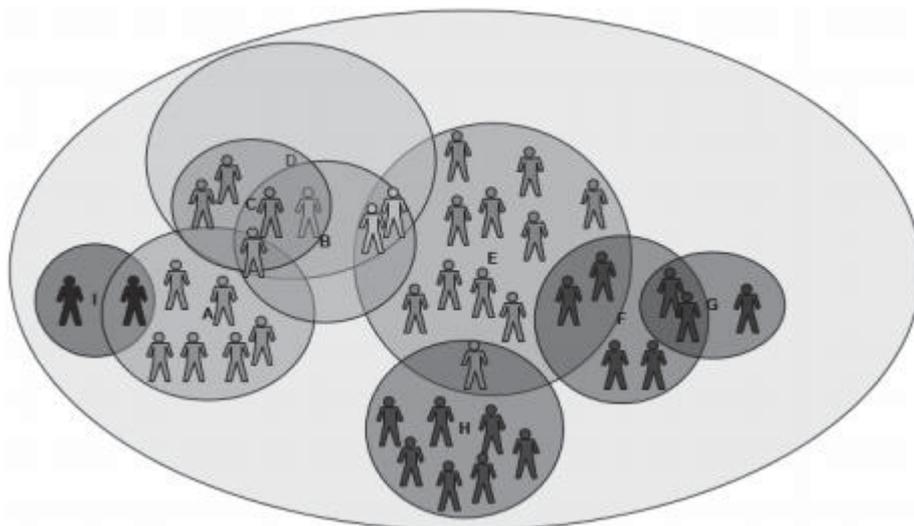
With the rapid changes in the BPO industry companies need to adapt and continually innovate. Innovation is tied to knowledge, as it elaborates that knowledge generates new knowledge. Innovation produces knowledge as the final outcome which is directly linked to people who realise new knowledge or extend existing knowledge. Without

people who carry knowledge there will be no innovation (Jorna, 2017). BPO needs to value knowledge management, as it plays an important role in business success.

According to Krysińska *et al.* (2018), it is important for BPOs to put in place procedures for knowledge management. These procedures include:

- keeping the resources balanced between processes in order to avoid having an idle resource in one of the teams and a backlog of unprocessed documents in another one;
- ensuring that employees are cross-trained, flexible and ready to switch between processes when it is needed;
- recognising people's potential and to assign them to the most matching activities;
- ensuring employees are able to keep performing in changing environment conditions; and
- ensuring that the knowledge transfer, as knowledge sharing and team support help new joiners associate and significantly increase the level of the whole team's performance (Krysińska *et al.*, 2018).

Figure 2.2 below illustrates the knowledge resource layer. Cross-trained employees are able to assist with multi-tasking.



**Figure 2.2: Knowledge resource layer**

(Source: Krysińska *et al.*, 2018)

Krysińska *et al.* (2018) illustrate the importance of employees' ability to move from one service to another (Figure 2.2 above). For instance, based on any possible reasons, if there are people absent, it can happen in the following scenarios:

- “If both absent people are part of team D, the team leader can shift their work to the backups from team C and/or B (scenario 1: 1 person from C and 1 from B, scenario 2: 2 people from C); the backup structure ensures the business continuity in such situations. It is not the case if the absent people are part of team I. In this case, there is no backup trained and no one can secure the process” (Krysińska *et al.*, 2018).
- “... in case of lower inflow of documents in one of the teams, idle team members, that are cross-trained in other processes, can support other teams by issuing their documents are process and the business continuity is kept” (Krysińska *et al.*, 2018).

## **2.6 COMMON APPROACHES TO MEASURING SERVICE QUALITY**

Quality of service is more difficult to define, measure and manage than manufacturing products due to the unique characteristics of services (Luo & Qu, 2016). There are a number of models and approaches that can be used to measure service quality. This section discusses the common approaches to measuring service quality. These include the SERVQUAL model, total quality management (TQM), the SERVPERF model and GAP analysis.

### **2.6.1 SERVQUAL Model**

Various studies discuss the SERVQUAL model (Parasuraman *et al.*, 1988; Reibstein, 2002; Zeithaml *et al.*, 2002; Luo *et al.*, 2006; Tsoukatos & Rand, 2006). These studies focus on cultural differences, the importance of trust between customers and service providers, and customer loyalty. Kassim and Asiah (2010), in a structured way, put the SERVQUAL scales together as the three key factors, namely culture, trust and customer loyalty.

According to Francesca and Harini (2013), the SERVQUAL model has been developed as an instrument for measuring service quality by Parasuraman *et al.*

(1985). In evaluating service received, customers make comparisons between what is expected and what is received from the service providers. This suggests grading the service as poor, excellent or satisfactory. According to Shekarchizadeh *et al.* (2011), the SERVQUAL model is widely used for the GAP analysis between customers' expectations and perceptions. This model contains five dimensions that include reliability, responsiveness, assurance, empathy and tangibles which have been discussed in Section 2.4.

### **2.6.2 Total Quality Management (TQM)**

Trehan and Kapoor (2011) define total quality management (TQM) as a set of chaperoning ideologies that represent the basis for continuous improvement of organisations. This creates a culture of continuous improvement by committed managements by making sure that customer needs, as understood throughout the organisation, including employees. According to Narula *et al.* (2018), TQM improves the cost proving good services as well as minimises errors and enables work to be performed easily. Furthermore, TQM is a management plan of actions that aim at enhancing customer satisfaction and organisational performance. This is made possible by providing high-quality products and services through the involvement of management together with the employees (Mohammad, 2014).

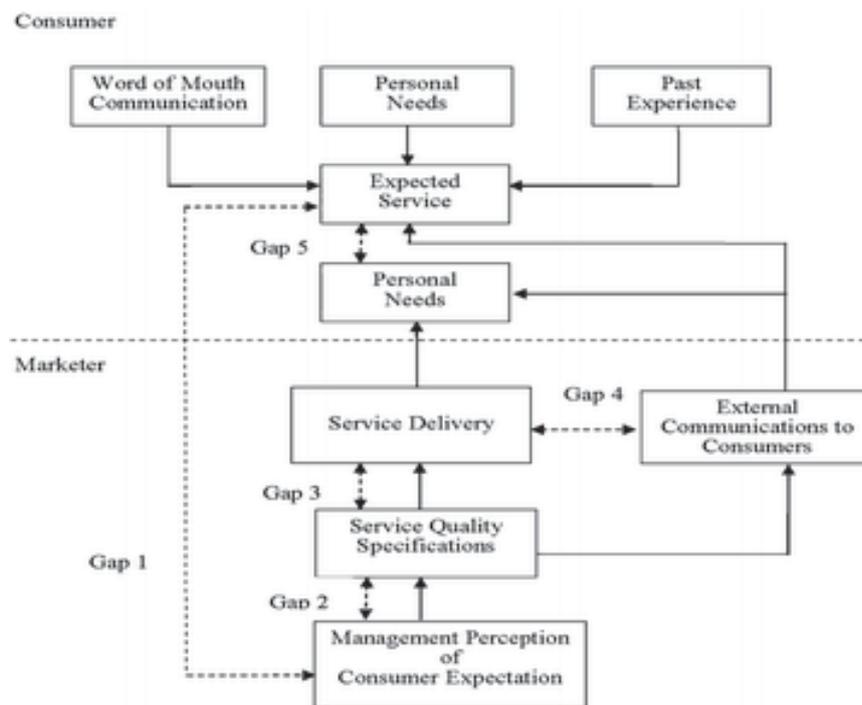
### **2.6.3 The SERVPERF Model**

According to Hoang *et al.* (2016), the SERVPERF model is one of the models applied by many researchers because of its academic and practical values and variables to measure service quality. This is derived from the analysis of service quality of the SERVQUAL model. The SERVPERF model focuses only on the perception components of the SERVQUAL model (Hoang *et al.*, 2016). These perception items exclude any elements related to expectations. With regard to performance evaluation, the SERVPERF model is more accurate than any other measure of service quality and it has the ability to provide more accurate service quality scores than the SERVQUAL model (Abdalla *et al.*, 2015). Obviously, this is also in line with the customer

perceptions and expectations that have been developed in the revised SERVQUAL model by Kassim and Asiah (2010).

### 2.6.4 Service quality GAP model

According to Lee *et al.* (2016), the SERVQUAL model, developed by Parasuraman *et al.* (1985), is the most widely used instrument to measure customer satisfaction in various industries and across different countries. The model is based on the customer's assessment of service quality which is a comparison of the expected and the obtained value as well as a consideration of gaps in the process of service provision (Parasuraman *et al.*, 1985). The customer expectation and management perceptions in the SERVQUAL model have been distinguished as a set of gaps shown in Figure 2.3 below.



**Figure 2.3: Revised conceptual model**

(Source: Lee *et al.*, 2016)

- Gap 1 is the difference between customer expectation and management perceptions of customer expectation.

- Gap 2 is the difference between management perceptions of customer expectations and service quality specifications.
- Gap 3 is the difference between service quality specifications and the service actually delivered.
- Gap 4 is the difference between service delivery and external communication.
- Gap 5 is the difference between customer expectation of the service and the perceptions of service performance (Parasuraman *et al.*, 1985).

## **2.7 SUMMARY**

This chapter explored the relevant literature that focused on the key measurements of service quality for BPOs. The key factors that affect BPO service delivery were identified. Furthermore, the common approaches to measuring service quality were explored extensively. These included the SERVQUAL model, TQM, the SERVPERF model and the service quality GAP model. These approaches were critical to establish the set of measurements for service quality that were used for the research design and the development of the research instrument for this study. These items will be presented in Chapter 3.

# CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

## 3.1 INTRODUCTION

This chapter focuses on the description of the process used for data collection from the selection of the population, the sampling, developing the questionnaire and the data collection process. Furthermore, it will discuss conditions considered before the analysis of data such as validity and reliability. This study concentrates on employees' perceptions of service quality at a selected service centre in Cape Town. Following the primary focus, the secondary objectives are to:

- identify the main measurements for outsourcing service quality;
- determine the key factors of service quality towards business success;
- find out the common approaches to measuring service quality; and
- explore employees' perceptions of service quality based on the SERVQUAL model.

## 3.2 RESEARCH DESIGN

The research is a plan and structure that illustrate how the research has been conducted from developing the questionnaire to data collection to the data analysis (Flick, 2011). This chapter includes the types of research, the target population from which a representative sample has been selected, the collection of data and the research instruments. These sections are discussed below.

### 3.2.1 Case study

A case study can be an empirical examination that looks into a modern issue in the real world. The Case study is one such direction which is prompted by the need to thrust deep into a specific unit, person, program or institution for a greater understanding which would not have been possible through other means (Njie & Asimiran, 2014). It employs a number of methods for collecting data which include both qualitative and quantitative research methods. Furthermore, Yin (2003) suggests that "how" and "why" statements are more likely to be used in case study research. Thus, the case study method has been chosen for this research.

### **3.2.2 Qualitative Approach**

This method is used to study behaviours and opinions about a certain situation. This method will be useful in understanding the impact of employees' opinions about the company and their suggestions about the service processes.

### **3.2.3 Quantitative Approach**

The quantitative analytical approach allows for the results to be given in numerical terms. This method has been applied to analyse data from the measurements of the key performance indicators. It provides a great opportunity for descriptive statistics such as the correlation between the variables to predict how they impact each other. Welman and Kruger (2001) point out the importance of a quantitative approach in obtaining data for a desired analysis. This research is quantitative in nature and involves data collection, a quantitative analysis (i.e., descriptive statistics using SPSS V25) and the interpretation of statistical results after feedback from employees on service quality.

## **3.3 DATA DESCRIPTION**

This section describes the elements of data collection for this study. It starts with the description of the population, sample size, sampling procedure, the pilot study and data collection process to the questionnaire design.

### **3.3.1 Population**

The population sample can be defined as the collection of any group of entities that shares some sets of characteristics such as students, colleagues and sales agents (Brown & Suter, 2014; Boone & Kurtz, 2015). Welman and Kruger (2001) and Saunders *et al.* (2003) describe a census as a method which aims to collect data from a population in order to count and describe the characteristics that they have in common. For this study, the population was composed of 500 which was the total number of employees of the service centre. Two hundred questionnaires were distributed to the employees. However, some employees were unavailable to complete the questionnaire for various reasons such as training and being on leave.

Taking into consideration these limitations, only 188 questionnaires were collected to form the population.

### **3.3.2 Sample size and sampling procedure**

After the population had been determined, a sample population was drawn. Singh and Kaur (2011) suggest that the larger the sample size, the more appropriate the outcome. Thus, for this study, a representative sample of 200 respondents was regarded as adequate. Respondents were randomly selected from the different departments comprising the company. This sampling did not consider employees' positions. Out of the 200 questionnaires administered, only 188 were considered to be valid and were used in the study.

### **3.3.3 Pilot study**

The questionnaire was pre-tested on a sample of 12 respondents from 12 BPOs to ensure that the statements were clear and understandable. This ensured that the mass data collection to be taking place later would be acceptable. The pre-test also ensured that not all the statements from the questionnaire would lead the participants to provide the same answer. More importantly, that the statements would help to answer the objective statements.

From the feedback, it was noted that few statements from the pilot questionnaire contained terminology which caused slight confusion among the pilot group participants. Thus, the researcher made the corrections by using simple words to replace the terminology which provided a clearer meaning for the participants. Based on these changes, the questionnaire was revised by simplifying the statements.

- We have the knowledge to assist customers.
- We always dress neatly and professionally at work.
- We have received the necessary training for the service we provide.
- We have the facilities to fulfil the needs of our customers.
- We are confident in our skills and abilities to render the service.
- We have the knowledge to assist customers.

### 3.3.4 Data collection

After the revision through conducting the pilot questionnaire, the final version of the questionnaire was distributed to the large group of participants. Due to the tight time schedule of employees at work the researcher gave them one week to complete it so that they might have sufficient time to complete the questionnaire, resulting in a good response rate. This also enabled the respondents to have enough time to think about the statements in order to provide reliable answers to the statements. The collected data were grouped into five categories according to service quality suggested by Bateson and Hoffman (2011). The five dimensions were reliability, responsiveness, assurance, empathy and tangibles.

### 3.3.5 Questionnaire design

Data collection by means of a questionnaire is one of the most widely used methods in business, in management and in other areas of the social sciences. However, it requires a lot of work to develop a good questionnaire that will provide answers to one's research statements with an acceptable response rate (Jenny, 2014).

In this study, the key factors affecting BPO service quality were well considered to develop the statements of the questionnaire. These included flexibility at work (Q7, Q8 and Q17), interaction with the customer (Q1, Q2, Q3, Q4, Q9, Q10, Q15 and Q16), support structure for BPO service quality (Q18, Q19, Q20, Q21 and Q23), importance of culture (demographic aspects), trust (Q10 and Q11), loyalty (Q5, Q6, Q12 and Q14), and knowledge (Q13, Q22 and Q24).

In order to explore the employees' perceptions in line with these factors, the questionnaire was designed using the Likert scale (Appendix A). The questionnaire was divided into two sections.

- **Section 1** is made up of demographical information that requires the participants to select the most suitable answer from a list provided by indicating the appropriate answer with a tick (✓) and/or by answering statements.
- **Section 2** was in form of a 5-point Likert scale. The participants were requested to rate statements 1 to 24 on the basis of "Strongly disagree", "Disagree",

“Undecided, “Agree” and “Strongly agree” where 1 meant “Strongly disagree” and 5 represented “Strongly agree”. As suggested by Asún *et al.* (2016), the 5-point Likert scale provided a better normal spread of observations for conducting the research.

### 3.4 METHODOLOGY

For the analysis of the research statements the study has adopted the five dimensions of service quality, namely reliability, responsiveness, assurance, empathy and tangibles as suggested by Parasuraman *et al.* (1988). These service quality dimensions are appropriate for this study.

All statements contained in the questionnaire were coded as Q1-Q24 as shown in Table 3.1 below. The statements were organised for further data analysis in Chapter 4.

Table 3.1: Data coding

No.	Statements	Coded
1	When we promised to do something by a certain time, we do so.	Q1
2	We show sincere interest in solving our customers' problems.	Q2
3	We perform services right the first time.	Q3
4	We provide services at the time we promised to do so.	Q4
5	We provide correct/accurate information to our customers.	Q5
6	We provide prompt services to our customers.	Q6
7	We are always willing to help our customers.	Q7
8	We are never too busy to respond to our customers' request.	Q8
9	We always make follow-ups on pending requests of customers.	Q9
10	The tone of our voice instils confidence in customers.	Q10
11	We can be trusted by our customers.	Q11
12	We are consistently courteous to our customers.	Q12
13	We have the knowledge to assist customers.	Q13
14	We give individual attention to our customers.	Q14
15	We have our customers' best interest at heart.	Q15
16	We understand the specific needs of our customers.	Q16
17	We are flexible to work even beyond our working hours.	Q17
18	We have modern-looking equipment.	Q18
19	The resources in the workplace are visually appealing.	Q19

No.	Statements	Coded
20	The work environment is comfortable and attractive.	Q20
21	We always dress neat professional at work.	Q21
22	We have received necessary trainings for the services.	Q22
23	We have the facilities to fulfil the need of customers.	Q23
24	We are confident with our skills and abilities for the services.	Q24

### 3.5 VALIDITY AND RELIABILITY

Evaluating the quality of any research is essential if findings are to be utilised in practice and incorporated into care delivery (Noble & Smith, 2015). Moreover, it is important to consider the validity and reliability of the data collection tools (instruments) when either conducting or critiquing research. To show rigorously that the issues of reliability and validity have been addressed in a study is an essential component in the critique of research as well as in influencing the decision about whether to implement the study findings (Heale & Twycross, 2015). Govender (2007) is of the opinion that the validity of the collected data must be tested to ensure it measures the desired characteristics. This was tested through the pilot survey presented in Section 3.4.4 above.

### 3.6 ETHICS STATEMENT

Ethical considerations were observed during the study. The developed questionnaire was approved by the organisation and by the CPUT Ethics Committee. Respondents were informed in advance of the purpose of the research, and were given the choice to participate or not. They were also advised about the anonymous nature of the research.

### 3.7 SUMMARY

In this chapter, the purpose and objectives of the research were revisited. An outline of the research design as well as the justification for why the descriptive and quantitative approaches were applied, given. The chapter presented the process of data collection which started with the identification of the population and the sample size to be considered. The questionnaire design process was discussed together with

all issues related to validity, reliability and ethics that the study needed to observe. Chapter 4 discusses the data analysis and the results obtained from the data collected.

# CHAPTER FOUR: DATA ANALYSIS AND RESULTS

## 4.1 INTRODUCTION

This chapter presents the findings obtained from a number of statistical tests on the primary data collected from the questionnaires to establish empirical results. The Statistical Package for Social Sciences (SPSS) has been used to analyse the five service quality factors according to the selected BPO. The findings have also been presented. Firstly, the frequencies of the demographic information, which includes the gender, the age, the work experience, the country of origin and the educational level of the participants, are shown. Secondly, the 24 statements that address the five dimensions are analysed. The statistical analysis of the factors analysed, follows the dimensions specified in the BPO. These are to enable an examination into the general employee perception of service quality within the outsourcing company and the importance of key service quality dimensions.

## 4.2 SCALES OF MEASUREMENT

For this study, the measurement tool was a semi-structured questionnaire. In order to achieve higher validity and reliability of the research instrument from the selected BPO, a pilot survey was conducted. A questionnaire of 17 statements was developed (Appendix A) for the pilot survey. The pilot survey focused on top management, account managers as well as quality and business analysts (n = 12). Through these results, it was found that there were seven areas lacking in the questionnaire and these were then added to the final questionnaire (Appendix A). The seven areas are:

- follow up on pending requests of customers;
- let the tone of our voice instil confidence in customers;
- demonstrate knowledge to assist customers;
- dress professionally at work;
- staff training to render the service;
- have the facilities to fulfil the needs of customers; and
- be confident in skills and abilities to render the service.

The final questionnaire was conducted on all participants (n = 188) regardless of their positions in the company.

### 4.3 DEMOGRAPHIC INFORMATION OF RESPONDENTS

According to Wickramasinghe and Kumara (2009), the demographic information of employees in the BPO has a significant impact on their competence. The demographic data of this research used pie charts and column graphs for illustration. This section will present the demographic information of the population; therefore, the gender, the age groups of the respondents, their working experience, their level of education and the country of origin will be visited.

#### 4.3.1 Gender

Figure 4.1 below shows the structure of participants in terms of gender distribution. The percentage of females participating in this survey is n=101 or 54% and n=87 or 46% for male participants. This indicates that there are more women than men working in the selected BPO.

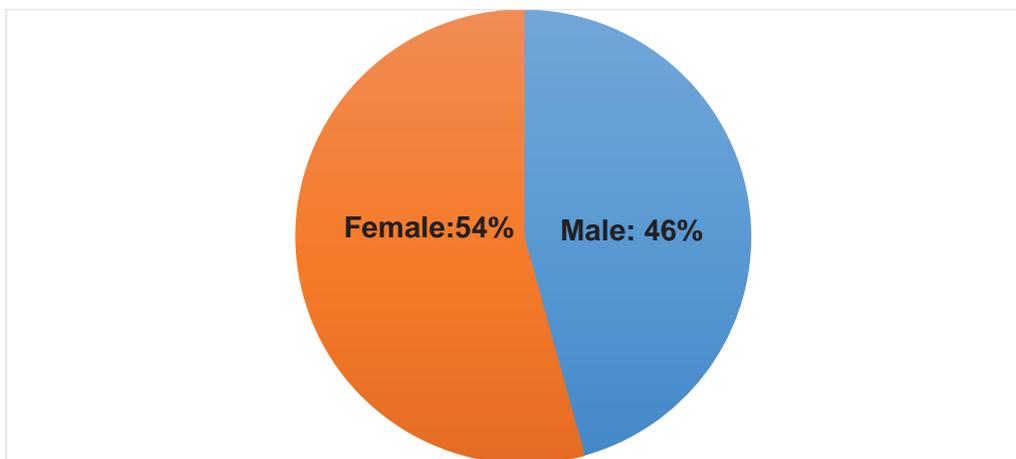
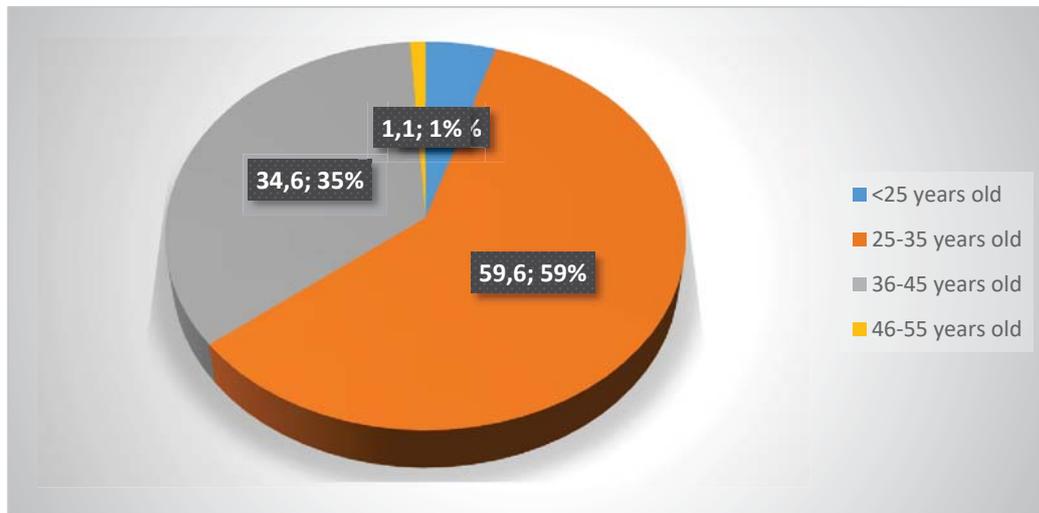


Figure 4.1: Gender

#### 4.3.2 Age groups of respondents

According to Figure 4.2, the age groups of the population were distributed as follows: The largest group, with n=112 (59.6%) of the respondents, were all aged between 25 and 35 years. This age category was followed by participants in the 36 to 45 year group, with a percentage of 34.6 (n=65). The third age group, with n=9 or 4.8%, was

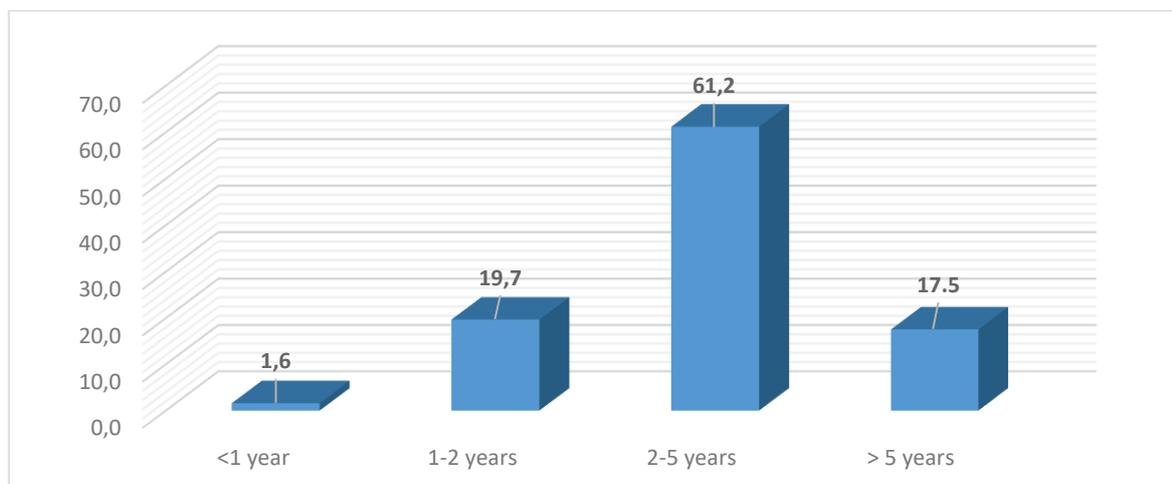
for respondents younger than 25 years, and the smallest group, with a percentage of 1.1 or n=2, was for participants aged between 46 and 55 years.



**Figure 4.2: Age groups**

### 4.3.3 Years of working experience

Figure 4.3 below shows that the majority of respondents (n=115) have between two and five years' experience, with a percentage of 61.2%. There were n=37 (19.7%) respondents who had one to two years of experience. The third highest number of participants, namely n=33 (17.5%) were those with more than five years of experience. Only n=3 or 1.6% of the respondents had less than one year of experience. According to this table, it seemed that most respondents at the BPO, 78.8% (n=148) had at least two years' working experience.



**Figure 4.3: Years of experience**

#### 4.3.4 Level of education

Figure 4.4 below presents the levels of education of the respondents. It appears that the majority of respondents, namely n=124 (66.0%) have a university degree. The second level of education of the respondents is a college certificate with n=59 (31.3%) and the last group is “Others” which is not specified with n=5. Therefore, the majority of employees at the BPO (n=124) hold a university degree.

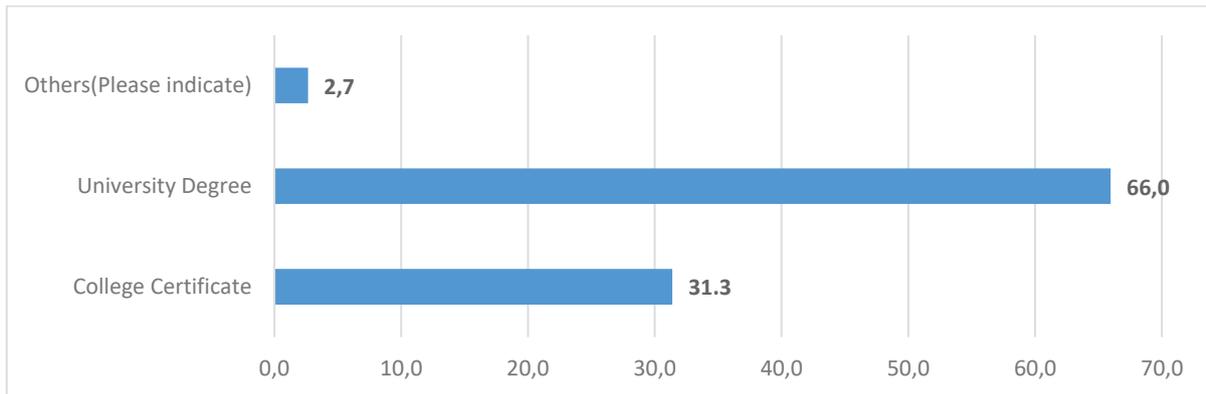


Figure 4.4: Levels of education

#### 4.3.5 Country of origin

According to Figure 4.5, most of the respondents (n=119) are originally from African countries with a total percentage of 63.8. This is followed by n=41 South Africans with a percentage of 21.8. Respondents from European countries and the USA formed 9.6% of the group (n=19) and n=9 or 4.8% were from countries other than Europe, the USA and Africa. From the data analysis, it was concluded that respondents from the BPO were mostly from African countries.

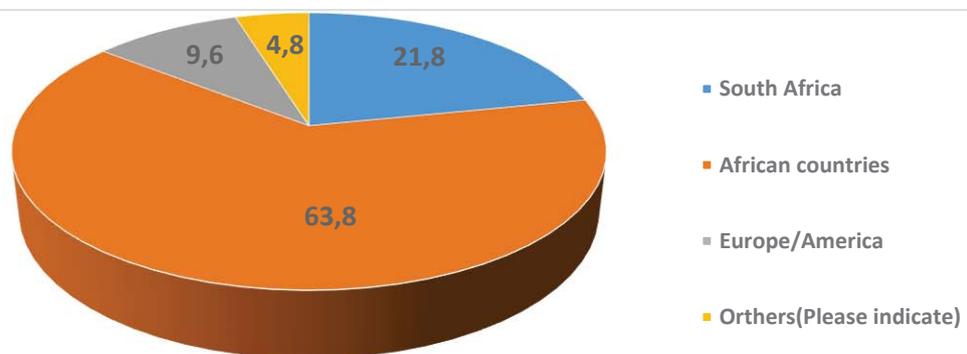


Figure 4.5: Countries of origin

#### 4.3.6 Results of the pilot study

According to Hazzi and Maldaon (2015), a pilot study can be used to reveal some logistic issues before embarking on the main study. The pilot study results can inform feasibility and identify modifications needed in the main study. According to Porta (2008), the term pilot study refers to a small-scale test of the methods and procedures to be used on a large scale. It is a process of the pre-testing the tool or mechanism of a particular research study (Baker, 1994). Teijlingen *et al.* (2001) highlight the importance of performing a pilot study, as it helps to evaluate the feasibility of the study by identifying the possibilities of failure or success of the study.

In this section, the researcher took the opportunity to test the research instrument and ensured the validity of the survey questionnaire. The key variables were verified through the pilot study. Based on the results of the pilot study, the researcher was able to make adjustments for greater efficiency of the measurement instrument. In essence, it also enabled the researcher to continue with the population participants for further data collection.

The pilot study was carried out in May 2018. A random sample size of 12 respondents from different departments within the organisation was selected to ensure that the statements were understood and that statements did not lead to the same answer. More importantly, that the statements would assist in answering the statements objectively.

Table 4.1 below shows that the response rate of statements 1 to 8, 10, 12 and 15 had a response rate of 100 per cent whereas the other statements had 90 percent, as there was one of the statements with no answer (no missing value recorded).

Table 4.1: Valid responses from pilot study

	<b>Valid</b>	<b>Missing</b>	<b>Percentage</b>
<b>Q1</b>	12	0	100.0
<b>Q2</b>	12	0	100.0
<b>Q3</b>	12	0	100.0
<b>Q4</b>	12	0	100.0
<b>Q5</b>	12	0	100.0
<b>Q6</b>	12	0	100.0
<b>Q7</b>	12	0	100.0
<b>Q8</b>	12	0	100.0
<b>Q9</b>	11	1	90.9
<b>Q10</b>	12	0	100.0
<b>Q11</b>	11	1	90.9
<b>Q12</b>	12	0	100.0
<b>Q13</b>	11	1	90.9
<b>Q14</b>	11	1	90.9
<b>Q15</b>	12	0	100.0
<b>Q16</b>	11	1	90.9
<b>Q17</b>	11	1	90.9

From the above feedback, it was noted that few terminologies such as “next gen service”, “Work Readiness Programme”, “SETA learner ship programmes”, “cognitive flexibility” that were used in the questionnaire could cause confusion among the participants. Thus, the questionnaire was revised by simplifying the terms.

The following statements were added:

- We always follow-up on pending requests of customers.
- The tone of our voice instils confidence in customers.
- We have the knowledge to assist customers.
- We always dress neatly and professionally at work.
- We received the necessary training to render the service.
- We have the facilities to fulfil the needs of our customers.
- We are confident in our skills and abilities to render the service.

## 4.4 RESULTS OF DESCRIPTIVE STATISTICS

Table 4.2 below presents the demographic characteristics of the respondents. These include gender, age group, and work experience, levels of education and country of origin. The statistical results show the frequency, percentage and cumulative percentage of each category.

Table 4.2: Demographic data

	Category	Frequency	Percent	Cumulative%
<b>Gender</b>	Male	86	45.7	45.7
	Female	102	54.3	100
<b>Age group</b>	<25 years old	9	4.8	4.8
	25-35 years old	112	59.6	64.4
	36-45 years old	65	34.6	98.9
	46-55 years old	2	1.1	100.0
<b>Work experience</b>	<1 year	3	1.6	1.6
	1-2 years	37	19.7	21.3
	2-5 years	115	61.2	82.4
	> 5 years	33	17.6	100
<b>Education</b>	College diploma/ certificate	59	31.4	31.4
	University degree	124	66	97.3
	Other (Please indicate)	5	2.7	100
<b>Country of origin</b>	South Africa	41	21.8	21.8
	African countries	120	63.8	85.6
	Europe/America	18	9.6	95.2
	Other (Please indicate)	9	4.8	100

Table 4.2 shows that n=86 (46%) of the respondents were males and n=102 (54%) were female. n=186 (99%) of them were aged between 25 and 46 years and only n=2 (1.1%) were aged 46 years and older. Looking at the years of experience, more than 82% or n=154 of the respondents had working experience between one year and five years in the company, and only n=34 (18%) have been working in the company for more than five years. With regard to the levels of education of the participants, more than 66% (n=124) of the respondents held a university degree and about 32% (n=60)

a college diploma or certificate. More than 86% (n=162) of the respondents were from South Africa and other African countries whereas 14% (n=26) were from Europe, America or other countries.

#### 4.5 EMPLOYEES' PERCEPTIONS OF SERVICE QUALITY

This section focuses on factors that have been used to analyse the employees' perceptions of service quality in the BPO. Table 4.3 presents all quality dimensions with their sub-dimensions.

Table 4.3: Quality dimensions

Code	Quality dimensions
	<b>Factor 1: Reliability</b>
Q1	When we promised to do something by a certain time, we do so.
Q2	We show sincere interest in solving our customers' problems.
Q3	We perform services right the first time.
Q4	We provide services at the time we promised to do so.
Q5	We provide correct/accurate information to our customers.
	<b>Factor 2: Responsiveness</b>
Q6	We provide prompt services to our customers.
Q7	We are always willing to help our customers.
Q8	We are never too busy to respond to our customers' request.
Q9	We always make follow-ups on pending requests of customers.
	<b>Factor 3: Assurance</b>
Q10	The tone of our voice instils confidence in customers.
Q11	We can be trusted by our customers.
Q12	We are consistently courteous to our customers.
Q13	We have the knowledge to assist customers.
Q22	We have received necessary trainings for the services.
Q24	We are confident with our skills and abilities for the services.
	<b>Factor4 : Empathy</b>
Q14	We give individual attention to our customers.
Q15	We have our customers' best interest at heart.
Q16	We understand the specific needs of our customers.
Q17	We are flexible to work even beyond our working hours.
	<b>Factor 5 :Tangible</b>
Q18	We have modern-looking equipment.
Q19	The resources in the workplace are visually appealing.
Q20	The work environment is comfortable and attractive.
Q21	We always dress neat professional at work.
Q23	We have the facilities to fulfil the need of customers.

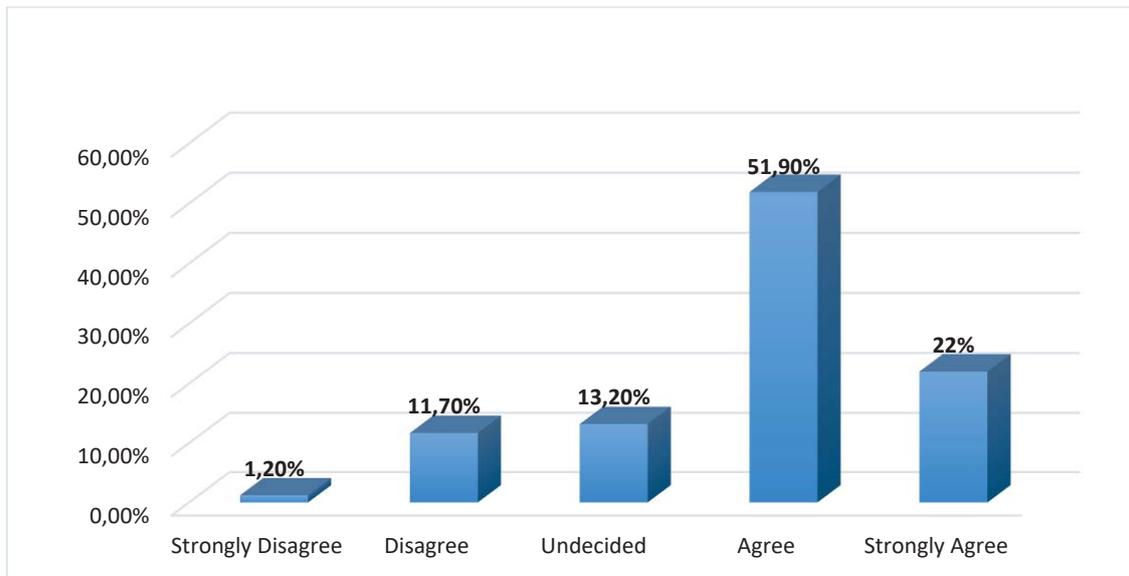
The employees' perceptions of assurance consist of five main dimensions which form the statements in the questionnaire (Appendix A). These statements include:

- The tone of our voice instils confidence in customers (Q10).
- We can be trusted by our customers (Q11).
- We are consistently courteous to our customers (Q12).
- We have the knowledge to assist our customers (Q13).
- We have received the necessary training to render the service (Q22).
- We are confident in our skills and abilities to render the service (Q24).

#### **4.5.1 Reliability**

Figure 4.3 presents how employees perceive the quality of service with regard to reliability (Q1-Q5) of the service provided. These statements are as follows:

- when BPO shows promptness in providing the service (Q1).
- the BPO demonstrates genuine dedication to addressing customers' demands (Q2).
- the BPO ensures that services are performed correctly the first time (Q3).
- the BPO provides services at the time they are promised (Q4).
- the BPO provides correct/accurate information to its customers (Q5).



**Figure 4.6: Reliability aspects**

The results from Figure 4.6 show the responses from Q1 to Q5. There were n=97 (51.9%) of respondents who agreed that the BPO agents were reliable and n=42 (22%) strongly agreed. This made up 73.9% (n=139) of the respondents who were in agreement with the reliability of services that the BPO had provided. This meant BPO services were done right the first time and at the promised time. A total of n=22 (11.7%) of the respondents disagreed and only n=2 or 1.2% strongly disagreed. In addition, there was a small group of respondents (n=25 or 13.2%) who were undecided.

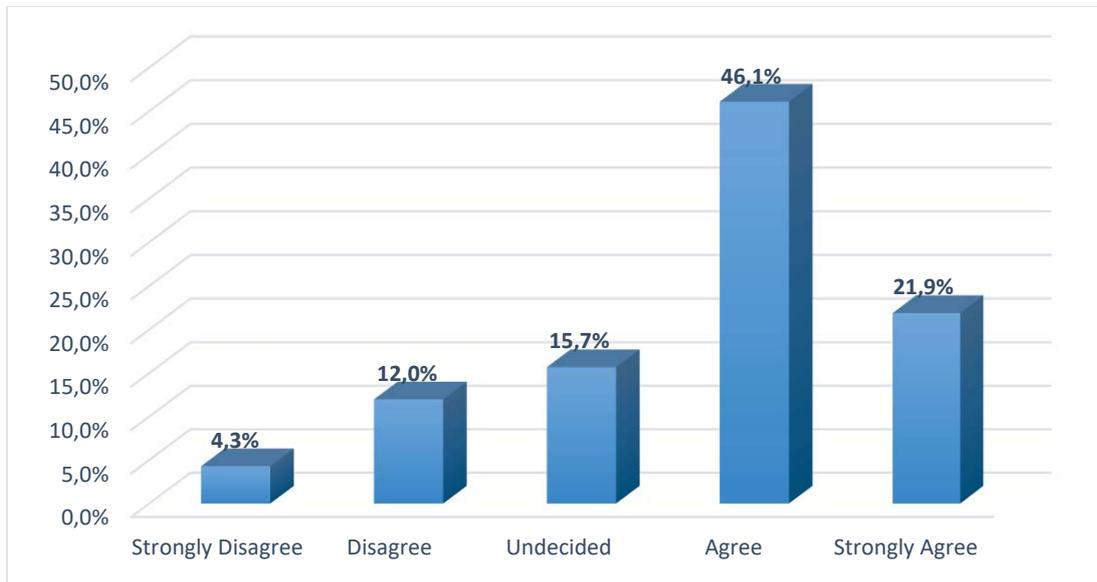
#### 4.5.2 Responsiveness

Rather than a process of standards control, organisations want a BPO to be responsive (Q6-Q9), flexible and customer service-oriented. This means that:

- The BPO provides a prompt service to its customers (Q6).
- The BPO is always willing to help its customers (Q7).
- The BPO is never too busy to respond to its customers' requests (Q8).
- The BPO always follows up on pending requests of customers (Q9).

Figure 4.7 below indicates that n=86 (46.1%) of the respondents agreed while n=41 (21.9%) strongly agreed with the above statements. This made up a total of n=127 (68%) of the respondents who were of the opinion that services were provided with

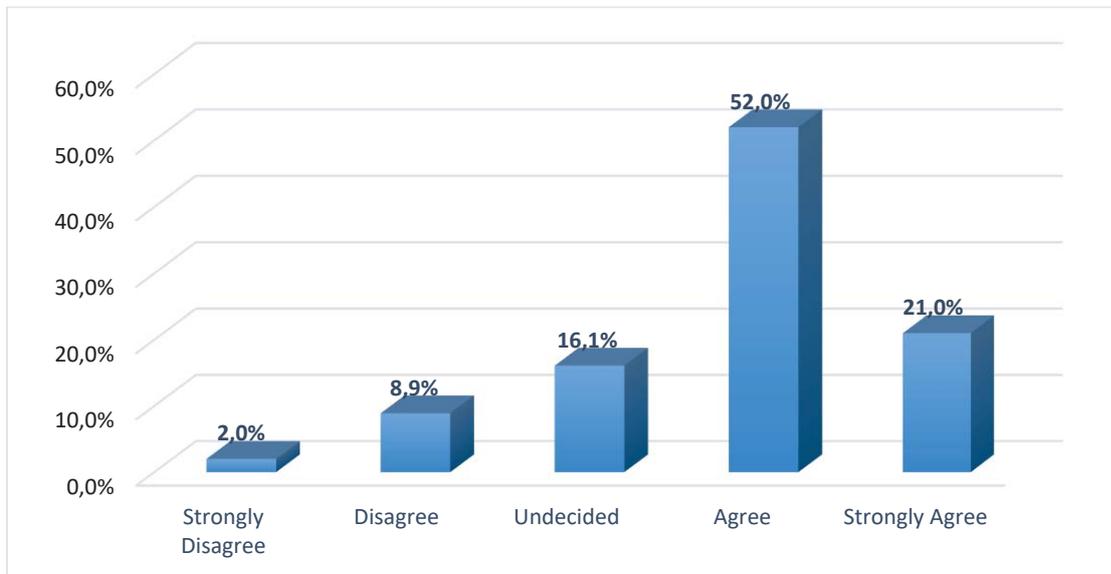
responsive behaviours. However, n=22 or 12% of the respondents disagreed and n=8 (4.3%) strongly disagreed. There were n=29 (15.7%) respondents who remained undecided.



**Figure 4.7: Responsiveness aspects**

### 4.3.3 Assurance

Figure 4.8 below presents a summary of respondents' views with regard to quality assurance in the organisation. A total of 73% (52.0% plus 21.0%) or n=137 of the respondents agreed and strongly agreed that services within the BPO were performed adequately. There were only 10.9% (8.9% plus 2.0%) or n=21 of respondents who disagreed and strongly disagreed with the assurance aspects. This indicated that the majority of employees in the organisation held positive perceptions of assurance when performing their activities. However, there were n=30 or 16.1% of the respondents who were undecided.

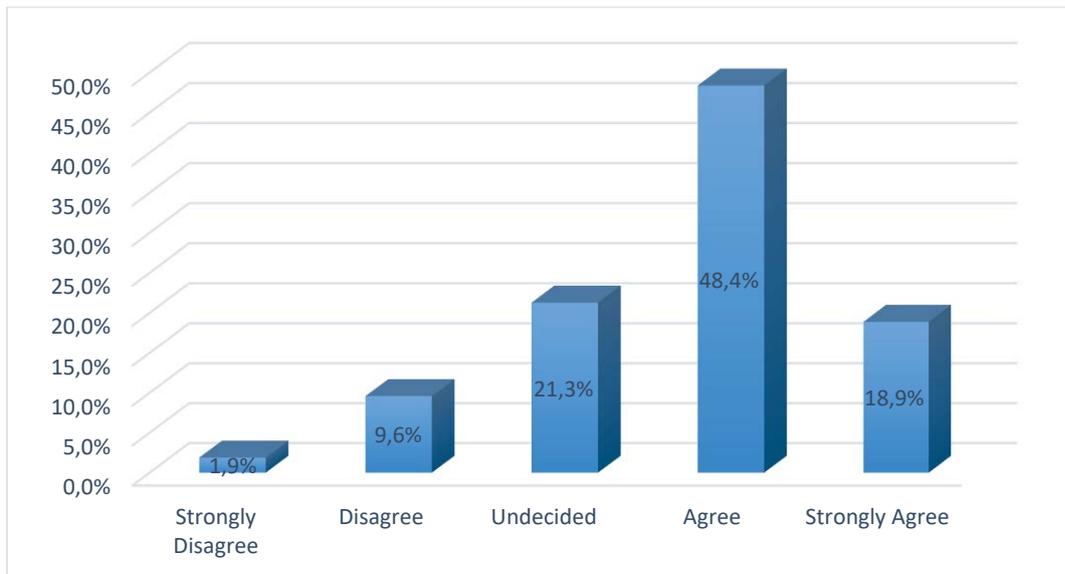


**Figure 4.8: Assurance aspects**

#### 4.5.4 Empathy

Figure 4.9 represents the respondents' observations on the effective implementation of empathy. The survey indicated that there was a total of 67.3% (48.4% plus 18.9%) or n=127 of respondents who felt that the principle of empathy had been implemented in the organisation. A total of 11.5% (9.6% plus 1.9%) or n=22 of respondents felt that the implementation of this quality dimension was not effectively applied in the BPO. Also, n=39 (21%) of respondents were undecided.

This shows that the BPO pays individual attention to its customers (Q14). The BPO has its customers' best interests at heart (Q15), understands the specific needs of its customers (Q16) and its employees are flexible to work even beyond their working hours (Q17).

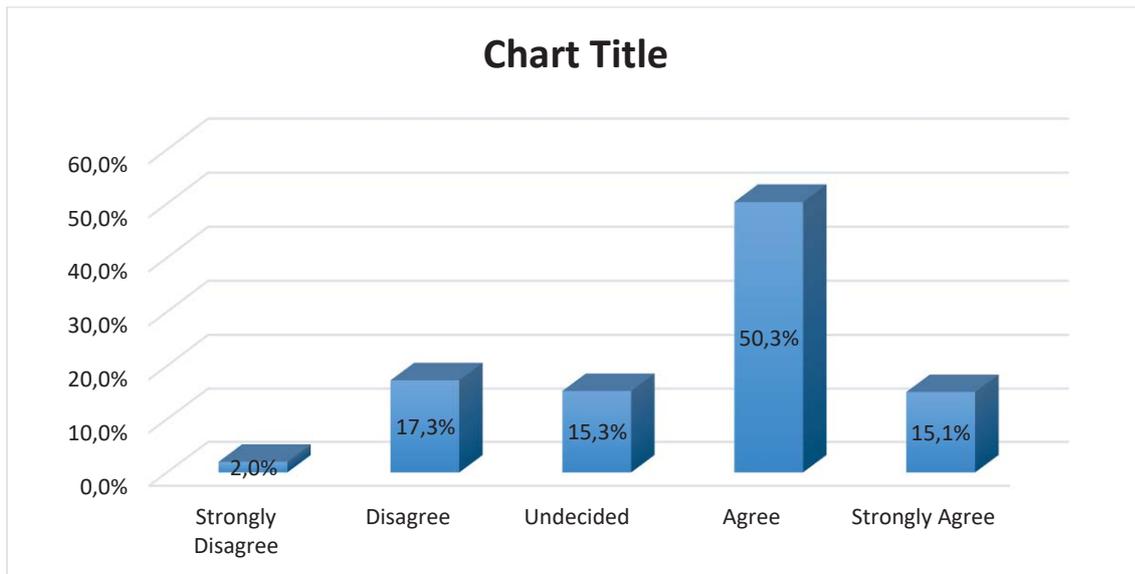


**Figure 4.9: Empathy aspects**

#### **4.5.5 Tangibles**

According to Figure 4.10, in total, 65.40% of the respondents (50.3% plus 15.1%) or n=124 indicated that the physical aspects of the BPO were appealing. The worksite was friendly and all employees dressed professionally. While only 19.3% (17.3% plus 2.0%) or n=36 of the respondents did not share this opinion. There were a significant number (n=28 or 15%) of the respondents who were undecided.

The majority of respondents held a positive opinion on the modern equipment of the BPO (Q18). They felt the resources in the work environment were available and appealing (Q19), and that the work environment was impressive (Q20). The employees always dressed neatly and professionally at work (Q21) and had the facilities to fulfil the needs of their customers (Q23).



**Figure 4.10: Tangible aspects**

## 4.6 SUMMARY OF STATISTICAL OUTPUTS

According to Ikerionwu, Edgar and Gray (2017), the appropriate statistical tools for data analysis for the service quality within BPOs should include a factor analysis, Cronbach's alpha ( $\alpha$ ), a correlation matrix, Kaiser-Meyer-Olkin (KMO) to measure sampling adequacy and Bartlett's sphericity test. The latter can be utilised to determine the meaningfulness of correlation coefficients between variables (Dunne & Gardner, 2014).

In this section, a summary of the statistical outputs is presented. Table 4.4 below presents a summary of the outputs of the factor loadings and descriptive statistics of all the sub-dimensions considered in this study.

Table 4.4: Cronbach's alpha of each sub-dimension

Code	Quality dimension	$\alpha$	M	SD
	<b>Reliability</b>			
Q1	When we promised to do something by a certain time, we do so.	0.946	3.93	0.735
Q2	We show sincere interest in solving our customers' problems.	0.683	3.01	0.774
Q3	We perform services right the first time.	0.874	3.93	0.995
Q4	We provide services at the time we promised to do so.	0.864	3.73	0.933
Q5	We provide correct/accurate information to our customers.	0.768	3.63	1.084
	<b>Responsiveness</b>			
Q6	We provide prompt services to our customers.	0.908	3.74	0.998
Q7	We are always willing to help our customers.	0.826	3.82	0.970
Q8	We are never too busy to respond to our customers' requests.	0.872	3.54	1.172
Q9	We always follow up on pending requests of customers.	0.845	3.69	1.120
	<b>Assurance</b>			
Q10	The tone of our voice instils confidence in our customers.	0.768	3.80	0.977
Q11	We can be trusted by our customers.	0.921	3.69	0.982
Q12	We are consistently courteous to our customers.	0.845	3.76	0.983
Q13	We have the knowledge to assist customers.	0.823	3.79	0.898
Q22	We have received the necessary training to render the service.	0.678	3.71	0.956
Q24	We are confident in our skills and abilities to render the service.	0.787	3.13	0.700
	<b>Empathy</b>			
Q14	We pay individual attention to our customers.	0.902	3.80	0.891
Q15	We have our customers' best interests at heart.	0.758	3.88	0.896
Q16	We understand the specific needs of our customers.	0.895	3.79	0.924
Q17	We are flexible to work even beyond our working hours.	0.872	3.44	0.988
	<b>Tangibles</b>			
Q18	We have modern equipment.	0.895	3.63	1.012
Q19	The resources in the workplace are visually appealing.	0.698	3.62	0.960
Q20	The work environment is comfortable and attractive.	0.879	3.55	0.993
Q21	We always dress neatly and professionally at work.	0.848	3.45	1.096
Q23	We have the facilities to fulfil the needs of customers.	0.768	3.72	0.937

\*  $\alpha$ : Cronbach's alpha;

\* M: Mean;

\* SD: Standard deviation

The outputs show that, overall, the Cronbach's alpha of each sub-section of each quality dimension is greater than 0.7. This indicates that the content is valid.

On the one hand, among all sub-sections, statement 17 (*We have convenient working hours*) had the highest mean score of 3.44. This indicated that the respondents considered the working hours to be convenient.

Statement 21 (*We always dress neatly and professionally at work*) had the second highest mean score value of 3.45. This meant that respondents believed that employees were dressed in a professional manner.

The third highest mean score value of 3.54 was obtained for Q8 (*We are never too busy to respond to our customers' requests*). It meant that employees were always available to respond to customers efficiently. Respondents believed that employees were always ready to assist customers.

On the other hand, the lowest mean score value of 3.13 was for Q24 (*We are confident in our skills and abilities to render the service*). This meant that employees were confident in their skills and abilities to provide the required services.

It was followed by Q1 (*When we promised to do something by a certain time, we do so*) with a score value of 3.01. This indicated that employees were sure that the services were provided at the promised time.

With regard to the standard deviation of the respondents' responses, the lowest value was also obtained for Q24 (*We are confident in our skills and abilities to render the service*) with a standard deviation of 0.7, indicating that the employees were confident in their abilities and skills to render the service. This contradicted the conclusion from the mean score analysis on this statement, although respondents tended to share this opinion.

#### **4.7 CRONBACH'S ALPHA**

Table 4.5 below presents the output of the Cronbach's alpha coefficient values for the five quality dimensions values with their corresponding interpretations. Tavakol and Dennick (2011) have suggested the rule of thumb to interpret these alpha values.

Table 4.5: Cronbach's alpha rule of thumb

<b>Cronbach's alpha</b>	<b>Internal consistency</b>
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

(Source: Tavakol and Dennick, 2011)

Table 4.6: Cronbach's alpha value of the dimensions

<b>Dimension</b>	<b>Cronbach's Alpha</b>
Reliability	0.868
Responsiveness	0.773
Assurance	0.821
Empathy	0.787
Tangibles	0.892

Table 4.6 above presents Cronbach's alpha values for the five quality dimensions. All values were above 0.7, ranking from 0.773 to 0.892. This indicated that the overall dataset of these dimensions was internally significantly consistent. This reflected the reliability of these dimensions which were reliable to the overall dataset. The values were Responsiveness (0.773), Empathy (0.787), Assurance (0.821), Reliability (0.868) and Tangibles (0.892). In addition, the value of Cronbach's alpha of the overall dataset was 0.875. It further confirmed an excellent situation of the internal consistency of all the categories within the dataset. As a result, the reliability test was significant. The data could, therefore, be used to answer the research statements.

## 4.8 CORRELATION MATRIX

To examine the correlation between the different variables, the Pearson correlation coefficient has been used. According to Lin *et al.* (2015), the Pearson correlation

coefficient is the most commonly used tool to measure correlations between variables. Evans (1996) suggest a structured way to decide whether there is a significant relation among variables. They state that a correlation measures how variables are related to each other; therefore, the strength of the correlation, using the guide that Evans (1996) indicates for the following values, can be described as follows:

- 0.00 - 0.19 = “very weak”
- 0.20 - 0.39 = “weak”
- 0.40 - 0.59 = “moderate”
- 0.60 - 0.79 = “strong”
- 0.80 - 1.0 = “very strong”

A correlation value would for example, be a “moderate positive correlation”. This measures the degree to which one variable relates to another variable (Evans, 1996).

#### **4.8.1 Correlation matrix**

Table 4.7 below presents the correlation matrix of the relations between the 24 sub-dimensions and the demographic aspects.

Based on the correlation significance indices, there was a moderated relation among statements Q1-Q7 and Q8-Q17, with a correlation matrix of between 0.4 and 0.59. Secondly, there was a weak relation among variables Q8, Q18-Q20, Q23-Q24 and Edu(education) with a matrix coefficient ranging from 0.20 to 0.39. Thirdly, there was a very weak relationship between the remaining sub-dimensions with correlation coefficients ranging from 0.00 to 0.19.

The table also shows a negative relationship among some sub-dimensions represented by negative coefficients. There was no coefficient value greater than 0.6 which indicated that there were no strong relations among the sub-dimensions.

Table 4.7: The correlation matrix

	Sex	Age	WE*	COR*	LOE*	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	
Q1	0.01	0.11	0.08	-0.04	0.09																								
Q2	0.10	0.00	-0.07	0.01	0.06	0.53																							
Q3	0.10	0.00	-0.05	0.04	0.15	0.47	0.47																						
Q4	0.07	0.09	0.06	0.07	0.11	0.36	0.42	0.45																					
Q5	0.04	-0.07	0.06	0.06	0.06	0.27	0.34	0.36	0.47																				
Q6	0.04	0.00	0.13	0.11	0.19	0.34	0.34	0.29	0.28	0.53																			
Q7	0.03	-0.08	0.09	0.07	0.18	0.34	0.33	0.38	0.19	0.38	0.50																		
Q8	0.10	-0.08	0.04	-0.02	0.06	0.26	0.29	0.27	0.32	0.40	0.21	0.36																	
Q9	0.09	0.07	0.01	-0.01	0.07	0.32	0.36	0.21	0.24	0.34	0.28	0.27	0.45																
Q10	0.12	-0.01	-0.04	-0.03	0.16	0.40	0.30	0.33	0.30	0.21	0.29	0.28	0.37	0.46															
Q11	0.04	-0.06	-0.09	-0.09	0.06	0.23	0.28	0.24	0.33	0.36	0.34	0.28	0.33	0.36	0.40														
Q12	-0.10	-0.05	-0.09	-0.03	0.07	0.33	0.41	0.28	0.24	0.35	0.35	0.36	0.33	0.29	0.33	0.52													
Q13	0.03	-0.12	-0.08	0.01	0.11	0.15	0.23	0.23	0.09	0.22	0.23	0.33	0.22	0.26	0.26	0.31	0.52												
Q14	-0.06	0.01	-0.07	-0.02	0.17	0.28	0.22	0.21	0.16	0.17	0.19	0.21	0.21	0.32	0.40	0.31	0.37	0.45											
Q15	-0.09	-0.01	-0.04	0.04	0.17	0.31	0.32	0.27	0.21	0.17	0.23	0.25	0.20	0.20	0.28	0.36	0.28	0.27	0.46										
Q16	-0.05	0.02	-0.08	0.16	0.20	0.24	0.26	0.20	0.21	0.16	0.19	0.24	0.28	0.19	0.30	0.26	0.32	0.22	0.32	0.47									
Q17	-0.04	0.00	-0.13	0.17	0.09	0.16	0.12	0.11	0.16	0.11	0.13	0.13	0.30	0.19	0.24	0.12	0.22	0.09	0.24	0.21	0.43								
Q18	0.04	0.18	-0.23	0.04	-0.03	0.03	0.07	0.08	0.08	0.06	0.07	0.08	0.17	0.17	0.04	0.08	0.10	0.03	0.14	0.04	0.17	0.32							
Q19	0.06	0.07	-0.16	-0.04	0.03	0.11	0.19	-0.02	0.08	0.08	0.07	0.01	0.23	0.14	0.13	0.18	0.23	-0.08	0.10	0.09	0.12	0.25	0.36						
Q20	-0.11	0.07	-0.22	-0.20	-0.12	0.09	0.20	0.04	0.12	0.14	0.03	0.03	0.24	0.10	0.09	0.19	0.19	0.06	0.23	0.09	0.17	0.21	0.23	0.28					
Q21	-0.01	0.08	-0.14	0.06	0.05	0.25	0.28	0.10	0.19	0.11	0.20	0.14	0.18	0.21	0.18	0.13	0.22	0.05	0.14	0.07	0.15	0.20	0.11	0.19	0.20				
Q22	-0.07	0.05	-0.09	-0.09	0.11	0.21	0.17	0.10	0.12	0.05	0.14	0.16	0.20	0.21	0.25	0.17	0.23	0.12	0.23	0.14	0.11	0.17	0.16	0.04	0.10	0.19			
Q23	0.01	0.10	0.11	-0.06	0.19	0.34	0.26	0.37	0.33	0.18	0.25	0.29	0.11	0.12	0.29	0.32	0.31	0.06	0.28	0.37	0.26	0.14	0.06	0.12	0.10	0.06	0.23		
Q24	-0.12	0.04	-0.01	0.03	0.11	0.31	0.35	0.26	0.15	0.16	0.25	0.38	0.23	0.23	0.20	0.32	0.42	0.29	0.31	0.32	0.37	0.22	0.08	0.16	0.17	0.18	0.20	0.29	

COR\*: Country of origin

LOE\*: Level of Education

WE\*: Work experience

#### 4.8.2 KMO and Bartlett Tests

According to Rasheed *et al.* (2014), the Kaiser-Meyer-Olkin (KMO) and Bartlett tests are suitable options to measure sampling adequacy. A sample is considered to be adequate if its KMO value is 0.7 or above, and inadequate if the value is less than 0.5. Table 4.8 below shows the results of the KMO and Bartlett tests performed on the five dimensions.

Table 4.8: Kaiser-Meyer-Olkin and Bartlett tests

Dimension	Adequacy	Chi-Squared	Significance	df
Reliability	0.879	2033.751	0.000	10
Responsiveness	0.844	1184.085	0.000	6
Assurance	0.839	1084.929	0.000	15
Empathy	0.815	875.951	0.000	6
Tangibles	0.819	771.226	0.000	10

The results of the Kaiser-Meyer-Olkin and Bartlett tests indicated a value of above 0.8 for all dimensions. It meant that the data were suitable for the tests (Rasheed *et al.*, 2014). There were also values for Chi-squared above 500 and a significance of less than 0.05 for all dimensions. These results confirmed the suitability of the tests and their significance. Furthermore, it confirmed that the sample was suitable for the tests.

#### 4.8.3 Variance Analysis with Eigen values

Table 4.9 below presents the outcomes of the Eigen value test for each of the 24 items grouped into the five quality dimensions. The table shows the initial totals of the Eigen values with the percentage of variances and the extraction sums of squares for factor loading totals with the corresponding percentages of variance.

Table 4.9: Variance explaining the Eigen values

Code	Factor	Total	% Var
	<b>Reliability</b>	6.824	83.150
Q1	When we promise to do something by a certain time, we do so.	0.73	8.91
Q2	We show sincere interest in solving our customers' problems.	0.825	7.495
Q3	We perform services right the first time.	0.549	3.978
Q4	We provide services at the time we promise to do so.	0.508	3.226
Q5	We provide correct/accurate information to our customers.	0.461	2.1513
Extraction sums of squared loadings: Total = 6.657, and % of variance = 84.231			
	<b>Responsiveness</b>	6.124	82.796
Q6	We provide prompt services to our customers.	0.544	7.268
Q7	We are always willing to help our customers.	0.921	8.024
Q8	We are never too busy to respond to our customers' requests.	0.607	6.169
Q9	We always follow up on pending requests of our customers.	0.440	3.011
Extraction sums of squared loadings: Total = 5.032, % of variance = 80.124			
	<b>Assurance</b>	5.052	78.839
Q10	The tone of our voice instils confidence in our customers.	0.616	8.144
Q11	We can be trusted by our customers.	0.948	8.798
Q12	We are consistently courteous to our customers.	0.819	4.653
Q13	We have the knowledge to assist customers.	0.695	2.581
Q22	We have received the necessary training to render the service.	0.576	3.602
Q24	We are confident in our skills and abilities to render the service.	0.392	1.527
Extraction sums of squared loadings: Total = 5.570, % of variance = 81.322			
	<b>Empathy</b>	4.073	81.071
Q14	We pay individual attention to our customers.	0.653	
Q15	We have our customers' best interests at heart.	0.866	11.660
Q16	We understand the specific needs of our customers.	0.620	4.510
Q17	We have convenient working hours.	0.430	2.759
Extraction sums of squared loadings: Total = 4.013, % of variance = 79.024			
	<b>Tangibles</b>	3.672	84.892
Q18	We have modern equipment.	0.834	6.128
Q19	The resources in the workplace are visually appealing.	0.965	7.300
Q20	The work environment is comfortable and attractive.	0.916	4.327
Q21	We always dress neatly and professionally at work.	0.753	1.058
Q23	We have the facilities to fulfil the needs of our customers.	0.621	2.423
Extraction sums of squared loadings: Total = 3.745, % of variance = 82.623			

According to Table 4.9 above, for the reliability characteristic (Dimension 1), the total extraction sums of squared loadings is 6.657 which explains 84.231% of the variance of the five items (Q1-Q5) of this dimension. For responsiveness (Dimension 2), the result indicates the total extraction sums of squared loadings of 5.032, explained by 80.124% of the variance of the 24 statements (Q6-Q9). The third listed quality dimension in this table is assurance, with the total extraction sums of squared loadings of 5.570 explained by 81.322% of the variance of items Q10-1Q13, Q22 and Q24. The fourth dimension is empathy with the total extraction sums of squared loadings of 4.013 explained by 79.024% of the variance of items Q14-Q17. The last quality dimension in this table is tangibles with the total extraction sums of squared loadings of 3.745 which is explained by 82.623 of items Q18-21 and Q23. Overall, the total extraction sums of squared loadings of the five dimensions are above 1.00, and all total sums squared of variances have values close to 100% which indicates that the factor loadings are significant.

#### **4.8.4 Statistical Results**

The Cronbach's alpha, based on the standardised items, was tested at 0.875 which means that the data used to test the service quality perception were reliable.

Figure 4.11 below shows the responses from 188 participants are in line with the research questionnaire (Appendix A). Based on the research results, employees' perceptions of service quality are discussed.

In this section, the outputs of each of the 24 statements will be presented and the results discussed.

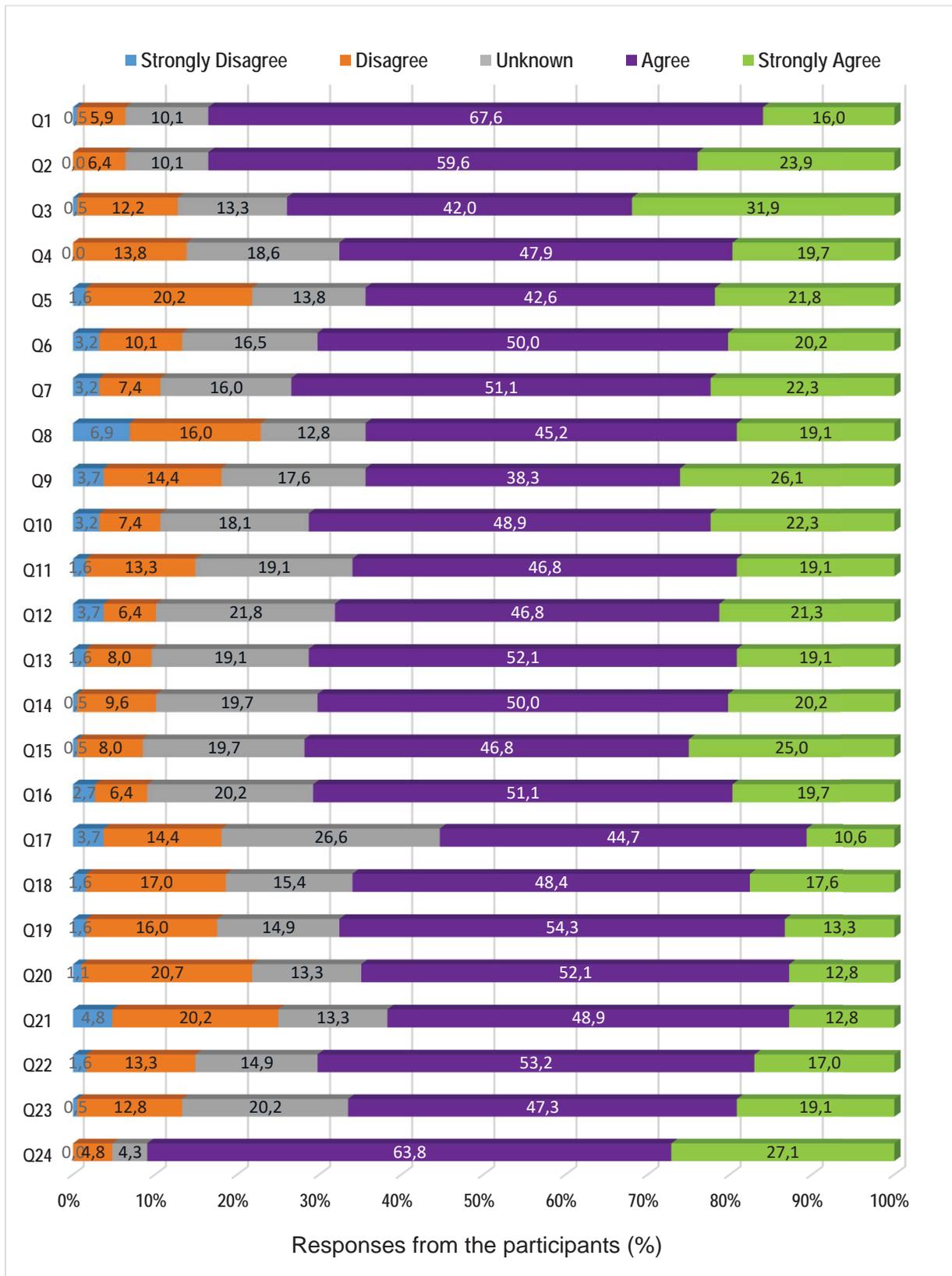


Figure 4.11: Statistical results from all the respondents (n=188)

Table 4.10: Output of statement 1

Answers to Q1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	11	5.9	5.9	6.4
	Undecided	19	10.0	10.0	16.4
	Agree	127	67.6	67.6	84.0
	Strongly Agree	30	16.0	16.0	100.0
	Total	188	100.0	100.0	

According to Table 4.10, the output of Q1 (*When we promise to do something by a certain time, we do so*) reveals that an overwhelming number of n=127 or 67.6% of respondents agreed, while n=30 or 16.0% strongly agreed which totals to n=157 or 83.6% (67.6% plus 16.0%). This output indicates that the majority of the respondents believe that service is provided at the promised time whereas n=31 or 16.4% strongly disagreed, disagreed or were undecided.

Table 4.11: Output of statement 2

Answers to Q2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	12	6.4	6.4	6.4
	Undecided	19	10.1	10.1	16.5
	Agree	112	59.6	59.6	76.1
	Strongly Agree	45	23.9	23.9	100.0
	Total	188	100.0	100.0	

To the statement “We show sincere interest in solving our customers’ problems” (Q2), the output (Table 4.11) revealed an overwhelming number of n=112 or 59.6% of respondents agreed, while n=45 or 23.9% strongly agreed which totals to n=157 or 83.5% (59.6% plus 23.9%). This output indicated that more than 80% of the respondents believed that employees did show interest in solving customers’ problems whereas n=31 or less than 20% disagreed or were undecided.

Table 4.12: Output of statement 3

Answers to Q3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	23	12.3	12.3	12.8
	Undecided	25	13.3	13.3	26.1
	Agree	79	42.0	42.0	68.1
	Strongly Agree	60	31.9	31.9	100.0
	Total	188	100.0	100.0	

According to Table 4.12, to the statement “We perform services right the first time” (Q3), n=139 or 73.9% (42% plus 31.9%) of the respondents strongly agreed or agreed, whereas n=49 or 26% (13.3% plus 12.2% plus 0.5%) either strongly disagreed, disagreed or were undecided. More than n=131 or 70% of the respondents accepted the statement as true that the service is performed right at the first time, whereas n=57 or less than 30% strongly disagreed, disagreed or were undecided.

Table 4.13: Output of statement 4

Answers to Q4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	26	13.8	13.8	13.8
	Undecided	35	18.6	18.6	32.4
	Agree	90	47.9	47.9	80.3
	Strongly Agree	37	19.7	19.7	100.0
	Total	188	100.0	100.0	

To the statement (Table 4.13) “We provide services at the time we promised to do so” (Q4), n=127 or 67.6% (47.9% plus 19.7%) of the respondents strongly agreed or agreed, whereas n=61 or 32.4% (13.8% plus 18.6%) either disagreed or were undecided. That revealed that about two-thirds of the respondents considered that services were provided at the promised time, whereas about one-third disagreed or were undecided.

Table 4.14: Output of statement 5

Answers to Q5					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	38	20.2	20.2	21.8
	Undecided	26	13.8	13.8	35.6
	Agree	80	42.6	42.6	78.2
	Strongly Agree	41	21.8	21.8	100.0
	Total	188	100.0	100.0	

In Table 4.14, to the statement “We provide correct/accurate information to our customers” (Q5), n=121 or 64.4% (42.6% plus 21.8%) of the respondents strongly agreed or agreed, whereas n=67 or 35.6% (1.6% plus 20.2% plus 13.8%) either strongly disagreed, disagreed or were undecided. That revealed that about two-thirds of the respondents considered that information provided to customers was correct and accurate, whereas about one-third strongly disagreed, disagreed or were undecided.

Table 4.15: Output of statement 6

Answers to Q6					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.2	3.2	3.2
	Disagree	19	10.1	10.1	13.3
	Undecided	31	16.5	16.5	29.8
	Agree	94	50.0	50.0	79.8
	Strongly Agree	38	20.2	20.2	100.0
	Total	188	100.0	100.0	

According to Table 4.15, to the statement “We provide prompt services to our customers” (Q6), n=132 or 70.2% (50% plus 20.2%) of the respondents agreed or strongly agreed, whereas n=15 or 13.3% (10.1% plus 3.2%) either disagreed or strongly disagreed. This finding revealed that more than two-thirds of the respondents agreed that services were provided promptly, while less than one-sixth did not share the same opinion. A total of n=31 or 16.5% were undecided.

Table 4.16: Output of statement 7

Answers to Q7					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.2	3.2	3.2
	Disagree	14	7.4	7.4	10.6
	Undecided	30	16.0	16.0	26.6
	Agree	96	51.1	51.1	77.7
	Strongly Agree	42	22.3	22.3	100.0
	Total	188	100.0	100.0	

According to Table 4.16, to the statement “We are always willing to help our customers” (Q7), n=42 or 22.3% of the respondents strongly agreed and n=96 or 51.1% agreed. That is a total of n=138 or 73.4% of the respondents who believed that employees were always willing to assist, while only n=6 or 3.2% strongly disagreed and n=14 or 7.4% of the respondents were also not in favour of the statement. That gives a total of n=20 10.6% of respondents disagreeing with the statement. Another n=30 or 16.0% of the respondents were undecided.

Table 4.17: Output of statement 8

Answers to Q8					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	6.9	6.9	6.9
	Disagree	30	16.0	16.0	22.9
	Undecided	24	12.8	12.8	35.6
	Agree	85	45.2	45.2	80.9
	Strongly Agree	36	19.1	19.1	100.0
	Total	188	100.0	100.0	

According to Table 4.17, to the statement “We are never too busy to respond to our customers’ requests” (Q8), n=36 or 19.1% of the respondents strongly agreed and n=85 or 45.2% agreed. That is a total of n=121 or 64.3% of the respondents who had faith in employees’ abilities to respond to customers’ requests. Only n=30 or 16.0% of the respondents strongly disagreed and another n=13 or 6.9% of the respondents were also not in favour of the statement. That gives a total of 22.9% of respondents disagreeing with the statement. Another n=24 or 12.8% were undecided.

Table 4.18: Output of statement 9

Answers to Q9					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.7	3.7	3.7
	Disagree	27	14.4	14.4	18.1
	Undecided	33	17.6	17.6	35.7
	Agree	72	38.3	38.3	74
	Strongly Agree	49	26	26	100.0
	Total	188	100.0	100.0	

According to Table 4.18, to the statement “We always make follow-ups on pending requests of customers” (Q9), n=49 or 26% of the respondents strongly agreed and n=72 or 38.3% agreed. That is a total of n=121 or 64.3% of the respondents who were confident that employees always followed up on pending requests. A total of n=7 or 3.7% of the respondents strongly disagreed with the statement, with n=27 or 14.4% who disagreed. That is a total of n=34 or 18.1% who did not share the opinion. Another n=33 or 17.6% respondents were doubtful about the statement.

Table 4.19: Output of statement 10

Answers to Q10					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.2	3.2	3.2
	Disagree	14	7.4	7.4	10.6
	Undecided	34	18.2	18.2	28.8
	Agree	92	48.9	48.9	77.7
	Strongly Agree	42	22.3	22.3	100.0
	Total	188	100.0	100.0	

According to Table 4.19, to the statement “The tone of our voice instils confidence in customers” (Q10), n=42 or 22.3% of the respondents strongly agreed and n=92 or 48.9% agreed, giving a total of n=134 or 71.2% of the respondents who had confidence in the tone of the voice of employees in conveying trust. There were only n=6 or 3.2% of the respondents who strongly disagreed with the statement and n=14 or 7.4% who disagreed, giving a total of n=20 or 10.6% of respondents who did not share the same opinion. 18.2% or n=34 were undecided about the statement.

Table 4.20: Output of statement 11

Answers to Q11					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	25	13.3	13.3	14.9
	Undecided	36	19.1	19.1	34.0
	Agree	88	46.8	46.8	80.8
	Strongly Agree	36	19.2	19.2	100.0
	Total	188	100.0	100.0	

According to Table 4.20, to the statement “We can be trusted by our customers” (Q11), n=36 or 19.1% of the respondents strongly agreed and n=88 or 46.8% agreed, making it n=124 or 65.9% in total. This meant that there was a large group of respondents who had faith in employees’ ability to create trust in customers. Yet, n=3 or 1.6% of the participants strongly disagreed with the statement and n=25 or 13.3% disagreed. That gives a total of n=28 or 14.9% who did not believe employees had the capacity to create trust among customers, with another n=36 or 19.2% of respondents who were undecided.

Table 4.21: Output of statement 12

Answers to Q12					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.7	3.7	3.7
	Disagree	12	6.4	6.4	10.1
	Undecided	41	21.8	21.8	31.9
	Agree	88	46.8	46.8	78.7
	Strongly Agree	40	21.3	21.3	100.0
	Total	188	100.0	100.0	

According to Table 4.21, to the statement “We are consistently courteous to our customers” (Q12), n=40 or 21.3% of the respondents strongly agreed and n=88 or 46.8% agreed, making it n=128 or 68.1% of the respondents who were certain those employees were courteous to customers. Even though n=7 or 3.7% of the respondents strongly disagreed with the statement, n=12 or 6.4% merely disagreed. That gives a total of n=19 or 10.1% of respondents who did not take for truth the statement. Another n=41 or 21.8% of respondents were undecided.

Table 4.22: Output of statement 13

Answers to Q13					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	15	8.0	8.0	9.6
	Undecided	36	19.1	19.1	28.7
	Agree	98	52.1	52.1	80.8
	Strongly Agree	36	19.2	19.2	100.0
	Total	188	100.0	100.0	

According to Table 4.22, to the statement “We have the knowledge to assist customers” (Q13), n=36 or 19.2% of the respondents strongly agreed, with n=98 or 52.1% who agreed. That is n=134 or 71.3% of the respondents who believed that employees have the necessary knowledge to assist customers. Moreover, n=3 or 1.6% of the respondents strongly disagreed with the statement, while n=15 or 8% disagreed. That gives a total of n=18 or 9.6% of respondents who did not take for truth the statement, with another n=36 or 19.1% respondents who were undecided.

Table 4.23: Output of statement 14

Answers to Q14					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	18	9.6	9.6	10.1
	Undecided	37	19.7	19.7	29.8
	Agree	94	50.0	50.0	79.8
	Strongly Agree	38	20.2	20.2	100.0
	Total	188	100.0	100.0	

According to Table 4.23, to the statement “We pay individual attention to our customers” (Q14), n=38 or 20.2% of the respondents strongly agreed and n=94 or 50% agreed, giving a total of n=132 or 70.2% of respondents who were certain that individual attention was paid to customers. Furthermore, n=1 or 0.5% of respondents strongly disagreed with the statement and n=18 or 9.6% disagreed, making it n=19 or 10.1% of respondents who did not believe that individual attention was being paid to customers. In addition, n=37 or 19.7% of respondents were undecided.

Table 4.24: Output of statement 15

Answers to Q15					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	15	8.0	8.0	8.5
	Undecided	37	19.7	19.7	28.2
	Agree	88	46.8	46.8	75.0
	Strongly Agree	47	25.0	25.0	100.0
	Total	188	100.0	100.0	

According to Table 4.24, to the statement “We have our customers’ best interests at heart” (Q15), n=47 or 25.0% of the respondents strongly agreed and n=88 or 46.8% agreed with the statement. That gives a total of n=135 or 71.8% of the respondents who had confidence in employees having customers’ best interests at heart. However, n=1 or 0.5% strongly disagreed with the statement and n=15 or 8% disagreed, making it a total of n=16 or 8.5% who doubted that individual attention was being paid to customers, with n=37 or 19.7% of respondents who were undecided.

Table 4.25: Output of statement 16

Answers to Q16					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.7	2.7	2.7
	Disagree	12	6.4	6.4	9.0
	Undecided	38	20.2	20.2	29.3
	Agree	96	51.0	51.0	80.3
	Strongly Agree	37	19.7	19.7	100.0
	Total	188	100.0	100.0	

According to Table 4.25, to the statement “We understand the specific needs of our customers” (Q16), n=37 or 19.7% of the respondents strongly agreed and n=96 or 51% agreed with the statement. That gives a total of n=133 or 70.7% of respondents who have confidence in employees ability to understand the specific needs of their customers, while n=5 or 2.7% of respondents strongly disagreed with the statement and n=12 or 6.4% disagreed. That gives a total of n=17 or 9.1% who did not believe that customers’ specific needs were understood. Another n=38 or 20.1% of respondents were undecided.

Table 4.26: Output of statement 17

<b>Answers to Q17</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.7	3.7	3.7
	Disagree	27	14.4	14.4	18.1
	Undecided	50	26.6	26.6	44.7
	Agree	84	44.7	44.7	89.4
	Strongly Agree	20	10.6	10.6	100.0
	Total	188	100.0	100.0	

According to Table 4.26, to the statement “We have convenient working hours” (Q17), n=20 or 10.6% of the respondents strongly agreed with another n=84 or 44.7% who agreed. That gives a total of n=104 or 55.3% of the respondents who stated that the company offered convenient working hours. In addition, n=7 or 3.7% of respondents strongly disagreed with the statement and n=27 or 14.4% disagreed. That gives a total of n=34 or 18.1% of respondents who did not share the same opinion. Furthermore, n=50 or 26.6% of respondents were undecided.

Table 4.27: Output of statement 18

<b>Answers to Q18</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	32	17.0	17.0	18.6
	Undecided	29	15.4	15.4	34.0
	Agree	91	48.4	48.4	82.4
	Strongly Agree	33	17.6	17.6	100.0
	Total	188	100.0	100.0	

According to Table 4.27, to the statement “We have modern equipment” (Q18) n=33 or 17.6% of the respondents strongly agreed and n=91 or 48.4% agreed with the statement. That gives a total of n=124 or 66% of respondents who believed that the company had modern equipment. A total of n=3 or 1.6% of respondents strongly disagreed with the statement and n=32 or 17% disagreed. That gives a total of n=35 or 18.6% of respondents who did not agree with the statement. Moreover, n=29 or 15.4% of respondents were undecided.

Table 4.28: Output of statement 19

<b>Answers to Q19</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	30	16.0	16.0	17.6
	Undecided	28	14.9	14.9	32.5
	Agree	102	54.4	54.4	86.9
	Strongly Agree	25	13.1	13.1	100.0
	Total	188	100.0	100.0	

According to Table 4.28, to the statement “The resources in the workplace are visually appealing” (Q19), there were n=25 or 13.4% of the respondents who strongly agreed with the statement and n=102 or 54.4% who agreed. That gives a total of n=127 or 67.5% of the respondents who believed that the resources in the workplace were visually appealing. However, n=3 or 1.6% of the respondents strongly disagreed and n=30 or 16% disagreed with the statement, giving a total of 17.6% of respondents who disagreed with the statement. Another n=28 or 14.9% of the respondents were undecided.

Table 4.29: Output of statement 20

<b>Answers to Q20</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Alid	Strongly Disagree	2	1.1	1.1	1.1
	Disagree	39	20.7	20.7	21.8
	Undecided	25	13.3	13.3	35.1
	Agree	98	52.1	52.1	87.2
	Strongly Agree	24	12.8	12.8	100.0
	Total	188	100.0	100.0	

According to Table 4.29, to the statement “The work environment is comfortable and attractive” (Q20), n=24 or 12.8% of the respondents strongly agreed and n=98 or 52.1% agreed with the statement. That gives a total of n=122 or 64.9% of the respondents who believed that the work environment at the BPO was comfortable and attractive. Furthermore, n=2 or 1.1% of respondents strongly disagreed with the statement and n=39 or 20.7% disagreed with it. That gives a total of n=41 or 21.8% of respondents who did not believe that the work environment was comfortable and attractive, while n=25 or 13.3% of respondents were undecided.

Table 4.30: Output of statement 21

Answers to Q21					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	4.8	4.8	4.8
	Disagree	38	20.2	20.2	25.0
	Undecided	25	13.3	13.3	38.3
	Agree	92	48.9	48.9	87.2
	Strongly Agree	24	12.8	12.8	100.0
	Total	188	100.0	100.0	

According to Table 4.30, to the statement “We always dress neatly and professionally at work” (Q21), n=24 or 12.8% of the respondents strongly agreed and n=92 or 48.9% agreed with the statement. That gives a total of n=116 or 61.7% of respondents who shared the view that at the BPO, employees always dressed neatly and professionally, while n=9 or 4.8% of respondents strongly disagreed with the statement and n=38 or 20.2% of respondents disagreed. That gives a total of n=47 or 25% of respondents who disagreed that employees always dressed neatly and professionally at work. In addition, n=25 or 13.3% of respondents were undecided.

Table 4.31: Output of statement 22

Answers to Q22					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	25	13.3	13.3	14.9
	Undecided	28	14.9	14.9	29.8
	Agree	100	53.2	53.2	83.0
	Strongly Agree	32	17.0	17.0	100.0
	Total	188	100.0	100.0	

According to Table 4.31, to the statement “We have received the necessary training to render the service” (Q22), n=32 or 17% of the respondents strongly agreed and n=100 or 53.2% agreed with the statement. That gives a total of n=132 or 70.2% of respondents who believed that employees received the necessary training to assist their customers adequately. However, n=3 or 1.6% of respondents strongly disagreed with the statement and 13.3% disagreed. That gives a total of n=28 or 14.9% of respondents who did not believe that employees were well trained to assist customers. Furthermore, n=25 or 13.3% of respondents were undecided.

Table 4.32: Output of statement 23

Answers to Q23					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	24	12.8	12.8	13.3
	Undecided	38	20.2	20.2	33.5
	Agree	89	47.3	47.3	80.8
	Strongly Agree	36	19.2	19.2	100.0
	Total	188	100.0	100.0	

According to Table 4.32, to the statement “We have the facilities to fulfil the needs of our customers” (Q23), n=36 or 19.2% of the respondents strongly agreed and n=89 or 47.3% agreed with the statement. That gives a total of n=135 or 66.4% of the respondents who believed that employees had the facilities to fulfil the needs of their customers. In contrast, n=1 or 0.5% of respondents strongly disagreed with the statement and another n=24 or 12.8% disagreed. That gives a total of n=25 or 13.3% of respondents who did not believe that the organisation provided the necessary facilities for employees to perform their work effectively. An additional n=38 or 20.2% of respondents were undecided.

Table 4.33: Output of statement 24

Answers to Q24					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	4.8	4.8	4.8
	Undecided	8	4.3	4.3	9.0
	Agree	120	63.8	63.8	72.9
	Strongly Agree	51	27.1	27.1	100.0
	Total	188	100.0	100.0	

According to Table 4.33, to the statement “We are confident in our skills and abilities to render the service” (Q24), the majority of respondents (n=120 or 63.8%) agreed with the statement, while another n=51 or 27.1% of respondents strongly agreed. That gives a total of n=171 or 90.9% of respondents who agreed with the statement, whereas n=9 or 4.8% of respondents disagreed with the statement. Only n=8 or 4.3% of respondents were undecided.

## **4.9 SUMMARY**

This chapter provided the items of data analysis and the details of the research results. The results were presented in three categories covering the demographic aspects, descriptive statistics and a discussion of the findings. In the following chapter, the key findings of the research will be discussed.

# **CHAPTER FIVE: DISCUSSION OF KEY FINDINGS**

## **5.1 INTRODUCTION**

In order to discuss the key findings, this chapter has revisited the main research objective indicated in Chapter One. The research objective of this study is to explore employees' perceptions of service quality a selected outsourcing company in Cape Town, South Africa, based on the SERVQUAL model.

For financial reasons, companies have decided to relocate some or all of their services. The business process outsourcing (BPO) method consists of transferring partly or all the services to a third party. One of the most important aspects required by the outsourcing company is to make sure that the BPO provides a service that meets their quality of objectives. The challenge faced by any BPO is, therefore, to ensure that services are provided in accordance with the requirements. To do that, BPOs need to implement quality principles and continually improve their procedures.

## **5.2 RESEARCH OBJECTIVES REVISITED**

According to Chapter One, the research objectives considered are the following:

- identify the main measurements for outsourcing service quality;
- determine the key factors of service quality towards business success;
- explore the common approaches to measuring service quality; and
- explore employees' perceptions of service quality in relation to the SERVQUAL model.

Based on the above-mentioned research objectives, the five service quality dimensions in this study were identified in Objective One, namely reliability, responsiveness, assurance, empathy and tangibles. Furthermore, Objective One allowed the researcher to test whether the quality dimensions were understood and whether services were provided in accordance with these dimensions. Although the majority of respondents shared the opinion that high-standard services were provided, there was still a need for improvement.

Objective Two led the researcher to identify the key factors that affected service quality, namely the culture, customer trust and customer loyalty. Participants' perceptions of these factors were tested through a survey questionnaire that had been developed specifically for the study.

Objective Three was designed to explore the common approaches to measuring service quality. Based on the relevant literature review, there were a number of approaches that could be used to measure service quality. These included the GAP model, the SERVPERF model, Total Quality Management (TQM) and the SERVQUAL model.

Objective Four explored employees' perceptions of service quality. Based on the SERVQUAL dimensions, the survey questionnaires designed to explore employees' perceptions of service quality at the selected BPO company in Cape Town.

### **5.3 THE MAIN MEASUREMENTS FOR OUTSOURCING SERVICE QUALITY**

Based on the relevant literature review, the five main measurements for outsourcing service quality were identified. These were reliability, responsiveness, assurance, empathy and tangibles. This section will discuss these measurements based on the descriptive statistical results derived from the key research findings.

#### **5.3.1 Reliability**

The research results indicated that the majority of the respondents (74.6%) agreed that the employees/agents were reliable (Q1, Q2, Q3, Q4 and Q5). There was only 12.2% of respondents who did not agree. The results also revealed that, when the employees promised to do something by a certain time, they did so (Q1). The employees showed a sincere interest in solving their customers' problems (Q2) and they performed the services right the first time (Q3). In addition, employees provided services at the time that they had promised (Q4) and they also provided correct/accurate information to their customers (Q5).

These aspects aligned with the arguments highlighted by Saxena and Sangeeta (2009) who postulated that an employee's maturity could be dignified by their ability to provide services in full, on time and to the required specifications. In addition, this view was also shared by Izogo (2016) who stated that firms needed to be dedicated in providing services which were highly reliable in order to keep their customers. Furthermore, customer-perceived value played a partial mediating role in the effect of ease of use, care, product portfolio and reliability on customer loyalty as well as a fully mediating role in the relationship between security and customer loyalty (Jiang et al., 2016).

### **5.3.2 Responsiveness**

The results indicated that the majority of the respondents agreed that employees of the BPO showed responsiveness when they were providing services (Q6, Q7, Q8 and Q9). For example, employees of the BPO provided prompt services to its customers (Q6) and they were always willing to help their customers (Q7). In addition, the employees were never too busy to respond to their customers' requests (Q8). They also always followed up on pending requests of customers (Q9).

This is consistent with the views of Lacity and Willcocks (2014) who believe that one of the factors influencing relationships with BPOs is the ability of its employees to provide services in a responsive manner. Furthermore, according to Singh (2015), organisations need to embrace the culture of responsiveness to ensure their business success and to keep their competitive advantage. This will enable organisations to quickly identify changes in the market and improve their processes accordingly (Webb & Pettigrew, 1999; Yu, 2001; Liao *et al.*, 2003; Charan, 2012).

### **5.3.3 Assurance**

Based on the results, respondents commonly share the opinion that the BPO provides services adequately (Q10, Q11, Q12, Q13, Q22 and Q24). Cukier *et al.* (2012) argue that organisations need to show evidence that their services are performed correctly.

Based on the results, it is clear that the tone of employees' voices instil confidence in customers (Q10) and that they can be trusted by their customers (Q11). The

employees are consistently courteous to their customers (Q12) because they have the necessary knowledge to assist their customers (Q13). The reason is that the employees have received the necessary training to render these services (Q22); therefore, they are confident in their skills and abilities to render the services (Q24).

This is consistent with the view held by El Saghier and Nathan (2013) who argue that employees need to be able to build trust and confidence in customers by providing services in accordance with standards. For Wilson *et al.* (2008), organisations need to seek to build trust and loyalty with their customers. Moreover, Gupta (1989) highlights the importance for companies to value quality assurance in order to provide services or products as promised. Sharing the same view is Cukier *et al.* (2012) who refer to Juran (1951) and define assurance from the service perspective as the activity of providing evidence that services are performed adequately.

#### **5.3.4 Empathy**

According to the results, a significant number of respondents with n=127 or 67.3% (48.4% plus 18.9%) felt that the principle of empathy was implemented in the organisation (Q14, Q15, Q16 and Q17). This finding was supported by Burch *et al.* (2016) who, citing the works of Lazarus (1991), Lazarus (1999) and Ickes (1997), suggested that employees needed to put themselves in their customers' shoes and act as if the services were delivered to them. This opinion was also shared by Fox (2015) who highlighted the importance of employees being sensitive to customers' emotions and who would respect the customers' perspectives. This indicated that the employees of the BPO had paid individual attention to their customers (Q14), had their customers' best interests at heart (Q15), understood the specific needs of their customers (Q16) and enjoyed convenient working hours (Q17).

#### **5.3.5 Tangibles**

Based on the outcomes, it was commonly agreed that physical aspects in the BPO had value (Q18, Q19, Q2, Q21 and Q23). This contorted the understanding of Du Plooy *et al.* (2007), who, referring to Santos (2002), describes tangibles as the physical aspects of a service that included the appearance of physical facilities, tools and

equipment, personnel (dress code) and communication material. According to Kincaid *et al.*, (2010), organisations needed to place more emphasis on physical aspects such as equipment and employees.

The study results indicate that the BPO has modern equipment (Q18), the resources in the workplace are visually appealing (Q19), the work environment is comfortable and attractive (Q20), the BPO's employees always dress neatly and professionally at work (Q21) and the BPO has the facilities to fulfil the needs of its customers.

#### **5.4 KEY FACTORS AFFECTING BPO SERVICE QUALITY**

Based on relevant literature, the key factors of service quality towards BPO business success include flexibility at work (Arzbächer *et al.*, 2017; Shire *et al.*, 2017; Legros *et al.*, 2015; Grasso *et al.*, 2015), interaction with customers (Konig *et al.*, 2016, Watson *et al.*, 2018; Shire *et al.*, 2017), importance of culture (Hofstede, 2015; Kassim & Asiah, 2010; Anwar *et al.*, 2018), support structures (Strelitz, 2016; Kamboj *et al.*, 2015; Miller & Hendrickse, 2016), trust (Peppers & Rogers 2019; Isik & Aliyev, 2015; Paliszkiwicz, 2011; Söderström *et al.*, 2016; Nienaber *et al.*, 2015), customer loyalty (Wang & Wu, 2012; Wang & Wu, 2012; Izogo, 2016; Liu & Wang , 2017; Martin, 2017), and knowledge and skills (Deng, 2015; Mann *et al.*, 2011; Procter *et al.*, 2016; Jorna, 2017).

#### **5.5 COMMON APPROACHES TO MEASURING SERVICE QUALITY**

Based on the literature review in Chapter Two, the common approaches to measuring service quality were identified as the SERVQUAL model, the SERVPERF model, Total Quality Management and the service quality GAP model. This study applied the SERVQUAL model to measure the employees' perceptions of service quality at the selected outsourcing company in Cape Town.

## **5.6 EMPLOYEES' PERCEPTIONS OF SERVICE QUALITY**

Based on the research results, the responses from employees were designed in line with the perceptions of service quality that were derived from relevant literature review. These include flexibility at work, interactions with the customers, support structure for BPO service delivery, the importance of culture, trust, loyalty, and knowledge. These perceptions are discussed as the following.

### **5.6.1 Flexibility at Work**

Flexibility at work is one of the key factors affecting the quality of service delivery (Arzbächer *et al.*, 2017; Shire *et al.*, 2017; Legros *et al.*, 2015). Based on the results, flexibility at work (Q7, Q8 and Q17) showed the positive perceptions held by the participants. The BPO employees were always willing to help their customers (Q7) with a percentage of 73.4%, they were never too busy to respond to their customers' requests (Q8) with a percentage of 64.3%, and they were flexible to work even beyond their working hours (Q17) with a percentage of 55.3%.

These findings indicate that employees are supple to adhere to the company's needs, which include longer working hours and being able to perform multiple tasks. This is supported by Legros *et al.* (2015) who argue that employees need to be flexible with an unbalanced workload and different service requirements. Furthermore, at the workplace, spending credits in different ways to obtain more flexibility within the work schedule such as exchanging time credits with colleagues by swapping breaks, shift times or asking colleagues to deal with more calls than usual for a given day is ideal to keep a good team level of activity (Grasso *et al.*, 2015).

### **5.6.2 Interaction with the Customer**

Interaction between BPO agents and customers is common (Watson *et al.*, 2018; Shire *et al.*, 2017). Based on the results, the majority of the participants responded positively to the statement of Q1, namely that "we do what we promised". It showed that the majority of participants (83.6%) agreed with the statement. The majority of

respondents also believed that employees showed sincere interest in finding solutions to their customers' queries (Q2) with 83.5%.

Base on the statement in Q2, respondents had confidence in employees' ability to perform services correctly and efficiently the first time around (Q3) with 73.40%. Also, participants were certain that services in the BPO were provided at the promised time (Q4) with 67%. Furthermore, respondents indicated the employees' promptness in providing services to customers (Q6, 70.2%), since employees always followed up on pending customer requests (Q9, 64.5%). It was determined that the tone of the employees' voices instilled confidence in their customers (Q10, 71.2%) and that they understood the requirements of their customers well (Q16, 70.8%).

Interaction with a customer such as an inbound voice call is routed to a contact centre target, for example, a contact centre agent, for processing (Konig *et al.*, 2016). A number of customer service interactions are driven by predefined scenarios and static rules that are triggered by actions or events that take place during a customer-service provider interaction (Watson *et al.*, 2018).

Moreover, management justifies its attempts to structure service interactions on the basis principles of 'customer orientation' and 'efficiency'. Instead, management should rather attempt to shape interactions in the extension of principles of humanised work organisation onto the 'work' of customers (Shire *et al.*, 2017). This indicates that customer interactions with call centre agents become critical to the quality of service delivery.

### **5.6.3 Support Structure for BPO Service Delivery**

The physical aspects of the workplace have an important impact on employees' ability to provide service adequately (Kamboj *et al.*, 2015; Hendricks, 2016; Strelitz, 2016). This is consistent with the result for the statements on the participants' opinions on the organisation's equipment. The employees believe that the equipment is modern (Q18, 66%) and that the facilities allocated to employees to perform their work are visually appealing (Q19, 67.6%). They also have the facilities to fulfil the needs of their customers (Q23, 66.4%). It means the workplace is well set up, comfortable and

appealing to employees (Q20, 64.9%). Therefore, they always dress neatly and professionally at work (Q21, 61.7%).

Despite the growth in remote working, the physical workplace is still a normative setting. Millions of people go to a defined place of work every day, and with their multiple life strands to coordinate, their workplace is directly relevant to their work-life balance (WLB). The physical workplace also converges with the interests of HR personnel as custodians of productivity and workers' welfare. This includes spacious locations to allow employees to move in and out with ease as well as modern equipment and up-to-date technology to make efficient work processes possible (Strelitz, 2016).

More attention needs to be placed on providing an attractive work environment. According to Kamboj *et al.* 2015, emotions are constantly involved in the service industry. Showing empathy when interacting with customers is critical, especially in call centres. Therefore, employees must be emotionally competent to deal with customers and show that they have customers' interests at heart.

Furthermore, the relationship between employees and occupational features, an actual workplace setting and comfort should be regarded as vital factors that should be considered by management. The work environment with proper ergonomics is seen as an important factor in ensuring that call centre agents are comfortable, since poor ergonomics can lead to poor well-being of employees (Miller & Hendrickse, 2016). An attractive workplace has a positive effect on employees' ability to achieve the organisational goals. In an attractive workplace, employees are generally fervent about their profession. They are dedicated to the company and contribute endless efforts to their assigned duties. It should be a priority for the relationship between an organisation and its employees. Employees are enthusiastic about their work and will take positive action to further the organisation's reputation and interests if asked to work extra hours or to multi-task. A workplace approach resulting in the right conditions for all members of the organisation to give their best each day, to be committed to their goals and values, to motivated to contribute to organisational success with an enhanced sense of their own wellbeing is the ideal (Katiyar, 2018).

#### **5.6.4 Importance of Culture**

Culture includes the way in which services are provided. Based on the results, the output of all 24 statements studied is positive with a percentage above 50%. Hofstede (2015) commends that culture is critical to service quality and to business success. In addition, culture consists of country of origin, language, religion, values and ethics. The same opinion is shared by Kassim and Asiah (2010) who present culture as an important factor helping individuals to shape their values and behaviour. Culture for them includes the power distance, femininity/masculinity, uncertainty avoidance and individualism/ collectivism.

Furthermore, it is expected from management to develop a culture that promotes employee retention. According to Anwar *et al.* (2018), referring to the views of Irshad and Afridi (2007) and Frazis and Joyce (2000), organisations need capable employees to achieve a competitive advantage. In order for organisations to achieve this, they need to promote employees to advance in their career development. Therefore, it is crucial for companies to realise the importance of employees' progression and skills development in order to achieve successful growth of their businesses.

In addition, training is beneficial to improve the work performance and to increase employees' skills, knowledge and abilities within the organisation. Moreover, the HR department needs to embrace the practice of encouraging employee involvement at work. This will empower employees to take ownership of their roles in the organisation and further enhance their commitment to the organisation. Furthermore, Anwar *et al.* (2018), citing Farooq and Hanif (2013), Anis *et al.* (2011) and Hassa *et al.* (2013), emphasise that this approach decreases personnel turnover.

#### **5.6.5 Trust**

Based on the literature, trust is one of the key elements to be valued by BPOs. Evidence of the importance of trust was tested in the Questionnaire by Q10: *The tone of our voice instils confidence in our customers* and Q11: *We can be trusted by our customers*.

Based on the results of the responses to Q10, n=134 71.2% of the respondents displayed confidence that the tone of the voice of employees would be conveying trust. The results of Q11 presented the same feeling with regard to trust. The majority of respondents (n=105 or 55.9%) argued in line with the views of Nienaber *et al.* (2015) and Rousseau *et al.* (1998) who described the concept of trust as the willingness of employees of an organisation to assist customers in accordance with the organisation's standards. In addition, this was also the view of performance appraisal and labour-management relations between employees and management (Söderström *et al.*, 2016).

### **5.6.6 Loyalty**

Based on the literature, BPOs need to seek for customer loyalty by providing services that meet or exceed their expectations. Customer loyalty can be defined as a buyer's overall attachment or deep commitment to a product, service, brand or organisation (Wang & Wu 2012). Furthermore, Wang and Wu (2012) concur with Morgan and Hunt (1999) who refer to customer loyalty as the desire of customers to commit to products or services which are considered to be up to standard.

Price is not the main reason for customer churn which occurs due to overall poor quality of customer service (Shaw & Hamilton, 2016). Furthermore, Wang and Wu (2012), citing Morgan and Hunt, (1999) refer to the concept of loyalty as a relationship commitment which they describe as an enduring desire to be in a valued relationship. Izogo (2016), mentioning the work of Kaur and Soch (2012), argues that understanding the importance of customer loyalty is crucial to business success. One of the factors influencing customer loyalty in call centres is the service time, namely the waiting time for the call to be answered and the time taken for the service to be rendered (Liu & Wang, 2017).

In addition, working in an ethical environment is vital for call centre customer service positions, especially where sales are concerned. According to Martin (2017), there is a correlation between a salesperson manager's sense of ethics and the salespersons themselves. This indicates that the mutual trust between managers and employees is considerably important to service quality, and it will ultimately impact on the business success.

### **5.6.7 Knowledge**

The importance of knowledge management (KM) was tested with (Q13): *We have the knowledge to assist our customers* and (Q24): *We are confident in our skills and abilities to render the service.*

The results show that most of the respondents (n=134 or 71.2%) hold a positive view of Q13. The same view is held for Q24 with more than 90% of respondents being in favour of the statement. This indicates that knowledge management has a significant impact on employees' abilities to provide the correct service. This is in agreement with the view of Liu and Deng (2015), referring to the work of Mann *et al.* (2011). Liu and Deng (2015) argue that outsourcers' failure to provide services that meet or exceed standards can be attributed to their inability to perceive BPO as a process of creating, transferring, integrating and using knowledge.

One of the key factors affecting service quality is knowledge. This confirms the views of Liu and Deng (2015), Blumenberg *et al.* (2009) and Beverakis *et al.* (2009) who believe that outsourcers need to perceive BPO as a process of providing services that are up to customers' expectations through the creativity, transfer, integration and use of knowledge. Furthermore, Mann *et al.* (2011) and Liu and Deng (2015) highlight the importance for the outsourced company to clearly define its quality objectives to allow the BPO to provide services efficiently.

## **5.7 SUMMARY**

This section discussed the results of the findings. The results were based on the main measurements for outsourcing service quality, the key factors affecting service quality, the common approaches to measuring service quality and the employees' perceptions of service quality. In this chapter, the literature supporting or conflicting with the research findings was highlighted to allow the researcher to gain insight into the findings where applicable. The general output of the findings was that service quality was perceived favourably in the selected BPO company.

# CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

## 6.1 INTRODUCTION

This chapter concludes the key findings from the research and makes valuable recommendations for further studies. In order to conclude the key findings, this chapter has revisited the research statements in line with the research findings. These include the main measurements for outsourcing service quality, the key factors of service quality towards business success, and the common approaches for measuring service quality and how to measure employees' perceptions towards service quality at the selected BPO Company. This chapter revisits the research statements and key findings in order to draw conclusions on those findings and make recommendations for further research.

## 6.2 SUMMARY OF THE CHAPTERS

*Chapter One* – An introduction and background of the research were presented from which the problem statement was formulated as “The lack of effective quality management practices at an outsource company, which impacts on service delivery negatively, ultimately leads to customer dissatisfaction”. From the problem statement, the primary research objective was generated as “What are the employee perceptions on service quality at a selected outsourcing company?” Furthermore, the research objectives were formulated.

*Chapter Two (Literature review)* – The relevant literature related to service quality was reviewed with specific reference to service quality in business process outsourcing. This included, firstly, the definition of service quality, the perspectives of BPO from American, European, Asian, Pacific, African and South African perspectives. Secondly, the measurements of service quality of reliability, responsiveness, assurance, empathy and tangibles were discussed. Thirdly, the key factors affecting the BPO service quality were elaborated on. These include flexibility at work, interaction with customers, support structures, importance of culture, trust and customer loyalty, as well as knowledge and skills. Fourthly, the common approaches

to measuring service quality were discussed, namely the SERQUAL model, Total Quality Management, the SERVPERF model and the service quality GAP model.

*Chapter Three (Research design and methodology)* – The design and methodology used in the research were presented. Firstly, the research design included the case study, the qualitative approach and the quantitative approach for analysis. Secondly, the data description was discussed which included all steps used for data collection from the population to the sample, the questionnaire design to the data collection. Thirdly, the methodology for data analysis was discussed. Fourthly, the validity and reliability of the data were discussed, and the ethic statements to be considered were discussed.

*Chapter Four (Data analysis and results)* – The scales of measurement were discussed. Furthermore, the demographic aspects of the respondents, which included their gender, age, years of experience, levels of education and their country of origin were generated. Moreover, a statistical analysis was performed and the results discussed. This included the reliability of the data collected by the use of the Cronbach's alpha test and the correlation matrix.

*Chapter Five (Discussion of key findings)* – The findings of the research were discussed. These included the main measurements for outsourcing service, namely reliability, responsiveness, assurance, empathy and tangibles. Further, findings of the employees' perceptions of service quality related to flexibility at work, interaction with customers, the support structure for BPO as well as the importance of culture, trust, loyalty and knowledge were debated.

*Chapter Six (Conclusions and recommendations)* – In this chapter, the research was concluded with a summary of the key findings and recommendations were made.

### **6.3 RESEARCH OBJECTIVES**

Based on the main objective of this research, which was to explore the employees' perceptions' of the service quality at a selected outsourcing company in Cape Town, the problem statement was formulated as "The lack of effective quality management practices at an outsource company, which impacts on service delivery negatively, ultimately leads to customer dissatisfaction".

To assist with the accomplishment of the primary objective, the following sub-objectives were developed:

- identifying the main measurements for outsourcing service quality;
- determining the key factors of service quality towards business success;
- exploring the common approaches for measuring service quality; and
- exploring employees' perceptions of service quality based on the SERVQUAL model.

## **6.4 FINDINGS OF SUB-SECTIONS**

In this research, the main measurements for service quality were identified as reliability, responsible, assurance, empathy and tangibles.

### **6.4.1 Reliability**

The output on reliability indicates that the moderated majority of respondents believe that the employees in the BPO company provide services in a manner that is reliable. However, a noticeable number of respondents do not share this opinion.

### **6.4.2 Responsiveness**

Based on the results of respondents on responsiveness, a significant part of the respondents believe that employees perform their work with responsiveness. However, there are some respondents who do not agree with this opinion or are undecided.

### **6.4.3 Assurance**

With regard to assurance, a significant number of respondents confirmed that the majority of employees in the BPO company perform their work adequately. A negligible number of respondents do not share this opinion.

### **6.4.4 Empathy**

The respondents believe that employees show empathy when they provide the services. About a quarter of the respondents do not share this opinion.

#### **6.4.5 Tangibles**

The output shows that more than three-quarters of the respondents accept as true that the environment is comfortable and that employees dress professionally. It has been found that approximately a quarter of the respondents either do not share the opinion or are not sure about the tangible aspects of the company.

### **6.5 KEY FACTORS OF SERVICE QUALITY TOWARDS BUSINESS SUCCESS**

The key factors of service quality towards business success include flexibility at work, interaction with customers; support structures for BPO service delivery, the importance of culture, trust and loyalty, as well as knowledge and skills.

#### **6.5.1 Flexibility at work**

It has been found that employees are flexible at work. This includes always being willing to help the customers with their requests, to never to be too busy to respond to customers' requests and being flexible to work even beyond working hours to achieve the organisation's goals. Also, employees are ready to go the extra mile to realise the company's needs by working extra hours when required. They are willing to multi-task to accomplish this objective.

#### **6.5.2 Interaction with customers**

It has been found that employees:

- provide services at the promised time;
- show sincere interest in solving customers' problems;
- perform services right the first time;
- provide services at the time they promise to do so;
- provide prompt services to customers;
- always follow up on pending requests of customers;
- use the tone of their voice to instil confidence in customers; and
- understand the specific needs of their customers.

### **6.5.3 Support Structure for BPO service delivery**

Employees believe that:

- the BPO has modern equipment;
- the necessary resources in the workplace that are visually appealing;
- the work environment is comfortable and attractive;
- they always dress neatly and professionally at work; and
- they have the facilities to fulfil the need of their customers.

### **6.5.4 Importance of culture**

With regard to culture, elements related to culture include:

- the country of origin;
- language;
- religion; and
- values and ethics.

The above elements are developed through:

- the promotion of employees' growth and career development;
- promotions which allow for balance between the organisation's and the employees' needs;
- training which plays a significant role in promoting the creation of new abilities and skills;
- improvement of employees' work efficiency by building their competencies that moves the company forward; and
- the ability for the HR department to embrace the practice of employee work responsibilities, capacity-building, teamwork atmosphere and a strong work relationship between management and employees which will intensify the employees' commitment and further enhance their work performance.

### **6.5.5 Importance of trust**

As one of the key elements to be valued by BPO, the research showed that employees regarded the following as important:

- the tone of their voices when communicating with customers in conveying trust.

### **6.5.6 Importance of loyalty**

It was found that to keep a competitive advantage, BPOs needed to seek customer loyalty by:

- providing services that met or exceeded their expectations;
- being able to keep customer loyalty to products or services which were considered to be up to standard;
- providing services within an acceptable timeframe;
- working in an ethical environment; and
- developing trust between managers and employees to establish commitment toward the company and the customers.

### **6.5.7 Knowledge and skills**

With regard to skills and development, it was found that employees:

- had the knowledge to assist customers; and
- were confident in their skills and abilities to render the service.

The results show that most of the respondents have a positive view of the knowledge that the employees have to assist customers. The same view is held that the employees are confident in their skills and abilities to render the service.

## **6.6 COMMON APPROACHES TO MEASURING SERVICE QUALITY**

There are a number of approaches to measuring service quality. Based on literature shown in Chapter Two, the most commonly used approaches to measuring service quality have been identified as the SERVQUAL model, the SERVPERF model, Total Quality Management, and the service quality GAP model.

This study applied the SERVQUAL model to measure the employees' perceptions of service quality at the selected outsourcing company in Cape Town.

## **6.7 EMPLOYEES' EXPECTATIONS AND PERCEPTIONS OF SERVICE QUALITY**

The employees' perceptions of service quality were explored through the five dimensions suggested by Parasuraman *et al.* (1985), namely reliability, responsiveness, assurance, empathy and tangibles.

### **6.7.1 Reliability**

The outcome of statements related to reliability show that the majority of respondents believe that employees of the BPO are reliable. However, the proportion of those who share this opinion is not significant which suggests improvement of the process is still to be implemented.

### **6.7.2 Responsiveness**

The majority of the respondents reveal that employees of the BPO provide services in a responsive manner. However, the high proportion of respondents who are not sure suggests that more insight is needed to increase awareness of this important dimension and its impact on overall service quality.

### **6.7.3 Assurance**

The statements related to the dimension of assurance in the employees' practice reveal that employees provide services in a manner that assures customers of service quality. This is made possible by the importance given to the way in which confidential and personal customer data are treated.

### **6.7.4 Empathy**

The results of the statements regarding empathy indicate that employees perceive empathy in the way services are rendered in the BPO. The reason is that this dimension has a huge impact on customer service experience.

### **6.7.5 Tangibles**

The majority of participants have concurred that this aspect is valued. Although tangibles have no direct impact on customer service experiences, it is an important

dimension related to the conditions in which employees work to provide outstanding service quality.

## **6.8 RECOMMENDATIONS**

The overall results of the research reveal that services are provided in consideration with all the five identified quality dimensions. However, special attention needs to be paid to awareness through training and skills development in reliability, responsiveness, assurance and empathy, as these factors have a direct impact on customers. Further studies on this topic could include a GAP analysis between the employees' perceptions of service quality and customers' perceptions of the service quality received.

## **6.9 SUMMARY**

The research originated from the view that the lack of effective quality management practices at a selected outsourcing company impacts negatively on service delivery and ultimately leads to customer dissatisfaction. This research investigated employees' perceptions of the quality of service provided by a selected outsourcing company in Cape Town, South Africa. The research highlighted the key factors affecting service quality. The objectives set for this study were met; thus, relevant recommendations were made.

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## APENDICES

### Appendix A: Questionnaire of service quality for contact centre



Mr Perez Danny Mabaka  
22 Hibiscus Court  
Bellville, Cape Town  
Tel: (+27) 76 042 3612  
Email: perezmab1@yahoo.fr

Date: 16 March 2018

Research Questionnaire: Employee Perceptions on Service Quality at a Selected Outsourcing Company in Cape Town

Dear Participant

I am Mr Perez Danny Mabaka, currently pursuing a research study under the supervision of Dr Bingwen Yan from Cape Peninsula University of Technology leading to a Master's Degree in Business Administration. This research aims to investigate the employee perceptions on service quality at a selected outsourcing in Cape Town, South Africa.

The purpose of this research questionnaire is to collect data from a proportion of contact centre agents that are involved in service delivery. This questionnaire is divided into two sections as follows:

**Section 1** is made up of demographical information that requires the participant to select the most suitable answer from a list provided by indicating the appropriate answer with a tick (✓) and / or answer questions.

**Section 2** is in form of a five-point Likert Scale. The participant is requested to rate the statements on the basis of, "Strongly disagree, Disagree, Unknown, Agree, and strongly agree" for decision makings.

Please note that for accuracy and truthfulness of this research, respondents are asked not to focus on whether the answer is 'right' or 'wrong' but, rather focus on personal perceptions OR experiences on the given questions and / or statements.

I sincerely thank you for your participation and contribution to this research project. Your inputs will be highly valued.

Sincerely,

A handwritten signature in black ink, appearing to read 'Perez Danny Mabaka', is written over a horizontal line.

**Researcher:** Perez Danny Mabaka

Please make a “√” on your choice in the shaded block.

## Section 1. DEMOGRAPHIC DATA

### 1.1 Gender

1	Male	
2	Female	

### 1.2 Age category

1	< 25 years old	
2	25-35 years old	
3	36-45 years old	
4	46-55 years old	
5	> 55years old	

### 1.3 Where you come from?

1	South Africa	
2	African countries	
3	Europe/America	
4	Asia/Pacific	
5	Others (Please indicate)	

### 1.4 Working experience

1	< 1 year	
2	1-2 years	
3	2-5 years	
4	> 5 years	

### 1.5 Education

1	Less than Grade 12	
2	College Certificate	
3	University Degree	
4	Others (Please indicate)	

## Section 2: Decision-making

Please rate the following statement on the basis of (strongly disagree, Disagree, Undecided, Agree, and strongly agree).

No.	Statements	Decision-making				
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
1	When we promised to do something by a certain time, we do so.	<input type="radio"/>				
2	We show sincere interest in solving our customers' problems.	<input type="radio"/>				
3	We perform services right the first time.	<input type="radio"/>				
4	We provide services at the time we promised to do so.	<input type="radio"/>				
5	We provide correct/accurate information to our customers.	<input type="radio"/>				
6	We provide prompt services to our customers.	<input type="radio"/>				
7	We are always willing to help our customers.	<input type="radio"/>				
8	We are never too busy to respond to our customers' request.	<input type="radio"/>				
9	We always make follow-ups on pending requests of customers.	<input type="radio"/>				
10	The tone of our voice instills confidence in customers.	<input type="radio"/>				
11	We can be trusted by our customers.	<input type="radio"/>				
12	We are consistently courteous to our customers.	<input type="radio"/>				
13	We have the knowledge to assist customers.	<input type="radio"/>				
14	We give individual attention to our customers.	<input type="radio"/>				
15	We have our customers' best interest at heart.	<input type="radio"/>				
16	We understand the specific needs of our customers.	<input type="radio"/>				
17	We are flexible to work even beyond our working hours.	<input type="radio"/>				
18	We have modern-looking equipment.	<input type="radio"/>				
19	The resources in the workplace are visually appealing.	<input type="radio"/>				
20	The work environment is comfortable and attractive.	<input type="radio"/>				
21	We always dress neat professional at work.	<input type="radio"/>				
22	We have received necessary trainings for the services.	<input type="radio"/>				
23	We have the facilities to fulfil the need of customers.	<input type="radio"/>				
24	We are confident with our skills and abilities for the services.	<input type="radio"/>				

Thank you very much for your participation. Your inputs are highly valued.

## Questionnaire used for the pilot survey



Mr Perez Danny Mabaka  
22 Hibiscus Court  
Bellville, Cape Town  
Tel: (+27) 76 042 3612  
Email: perezmab1@yahoo.fr

Date: 16 March 2018

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Please note that for accuracy and truthfulness of this research, respondents are asked not to focus on whether the answer is 'right' or 'wrong' but, rather focus on personal perceptions OR experiences on the given questions and / or statements.

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4	46-55 years old	
5	> 55years old	

### 1.3 Where you come from?

1	South Africa	
2	African countries	
3	Europe/America	
4	Asia/Pacific	
5	Others (Please indicate)	

### 1.4 Working experience

1	< 1 year	
2	1-2 years	
3	2-5 years	
4	> 5 years	

### 1.5 Education

1	Less than Grade 12	
2	College Certificate	
3	University Degree	
4	Others (Please indicate)	

## Section 2. Decision-making

No.	Statements	Decision-making				
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
1	When we promised to do something by a certain time, we do so.	<input type="radio"/>				
2	We show sincere interest in solving our customers' problems.	<input type="radio"/>				
3	We perform services right the first time.	<input type="radio"/>				
4	We provide services at the time we promised to do so.	<input type="radio"/>				
5	We provide correct/accurate information to our customers.	<input type="radio"/>				
6	We provide prompt services to our customers.	<input type="radio"/>				
7	We are always willing to help our customers.	<input type="radio"/>				
8	We are never too busy to respond to our customers' request.	<input type="radio"/>				
9	We can be trusted by our customers.	<input type="radio"/>				
10	We are consistently courteous to our customers.	<input type="radio"/>				
11	We give individual attention to our customers.	<input type="radio"/>				
12	We have our customers' best interest at heart.	<input type="radio"/>				
13	We understand the specific needs of our customers.	<input type="radio"/>				
14	We have convenient working hours.	<input type="radio"/>				
15	We have modern-looking equipment.	<input type="radio"/>				
16	The resources in the workplace are visually appealing.	<input type="radio"/>				
17	The work environment is comfortable and attractive.	<input type="radio"/>				

## Appendix B: Research Results of the Questionnaire

Answers to Q1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	11	5.9	5.9	6.4
	Undecided	19	10.0	10.0	16.4
	Agree	127	67.6	67.6	84.0
	Strongly Agree	30	16.0	16.0	100.0
	Total	188	100.0	100.0	

Answers to Q2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	12	6.4	6.4	6.4
	Undecided	19	10.1	10.1	16.5
	Agree	112	59.6	59.6	76.1
	Strongly Agree	45	23.9	23.9	100.0
	Total	188	100.0	100.0	

Answers to Q3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	23	12.3	12.3	12.8
	Undecided	25	13.3	13.3	26.1
	Agree	79	42.0	42.0	68.1
	Strongly Agree	60	31.9	31.9	100.0
	Total	188	100.0	100.0	

Answers to Q4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	26	13.8	13.8	13.8
	Undecided	35	18.6	18.6	32.4
	Agree	90	47.9	47.9	80.3
	Strongly Agree	37	19.7	19.7	100.0
	Total	188	100.0	100.0	

<b>Answers to Q5</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	38	20.2	20.2	21.8
	Undecided	26	13.8	13.8	35.6
	Agree	80	42.6	42.6	78.2
	Strongly Agree	41	21.8	21.8	100.0
	Total	188	100.0	100.0	

<b>Answers to Q6</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.2	3.2	3.2
	Disagree	19	10.1	10.1	13.3
	Undecided	31	16.5	16.5	29.8
	Agree	94	50.0	50.0	79.8
	Strongly Agree	38	20.2	20.2	100.0
	Total	188	100.0	100.0	

<b>Answers to Q7</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.2	3.2	3.2
	Disagree	14	7.4	7.4	10.6
	Undecided	30	16.0	16.0	26.6
	Agree	96	51.1	51.1	77.7
	Strongly Agree	42	22.3	22.3	100.0
	Total	188	100.0	100.0	

<b>Answers to Q8</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	6.9	6.9	6.9
	Disagree	30	16.0	16.0	22.9
	Undecided	24	12.8	12.8	35.6
	Agree	85	45.2	45.2	80.9
	Strongly Agree	36	19.1	19.1	100.0
	Total	188	100.0	100.0	

<b>Answers to Q9</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.7	3.7	3.7
	Disagree	27	14.4	14.4	18.1
	Undecided	33	17.6	17.6	35.7
	Agree	72	38.3	38.3	74
	Strongly Agree	49	26	26	100.0
	Total	188	100.0	100.0	

<b>Answers to Q10</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.2	3.2	3.2
	Disagree	14	7.4	7.4	10.6
	Undecided	34	18.2	18.2	28.8
	Agree	92	48.9	48.9	77.7
	Strongly Agree	42	22.3	22.3	100.0
	Total	188	100.0	100.0	

<b>Answers to Q11</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	25	13.3	13.3	14.9
	Undecided	36	19.1	19.1	34.0
	Agree	88	46.8	46.8	80.8
	Strongly Agree	36	19.2	19.2	100.0
	Total	188	100.0	100.0	

<b>Answers to Q12</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.7	3.7	3.7
	Disagree	12	6.4	6.4	10.1
	Undecided	41	21.8	21.8	31.9
	Agree	88	46.8	46.8	78.7
	Strongly Agree	40	21.3	21.3	100.0
	Total	188	100.0	100.0	

Answers to Q13					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	15	8.0	8.0	9.6
	Undecided	36	19.1	19.1	28.7
	Agree	98	52.1	52.1	80.8
	Strongly Agree	36	19.2	19.2	100.0
	Total	188	100.0	100.0	

Answers to Q14					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	18	9.6	9.6	10.1
	Undecided	37	19.7	19.7	29.8
	Agree	94	50.0	50.0	79.8
	Strongly Agree	38	20.2	20.2	100.0
	Total	188	100.0	100.0	

Answers to Q15					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	15	8.0	8.0	8.5
	Undecided	37	19.7	19.7	28.2
	Agree	88	46.8	46.8	75.0
	Strongly Agree	47	25.0	25.0	100.0
	Total	188	100.0	100.0	

Answers to Q16					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.7	2.7	2.7
	Disagree	12	6.4	6.4	9.0
	Undecided	38	20.2	20.2	29.3
	Agree	96	51.0	51.0	80.
	Strongly Agree	37	19.7	19.7	100.0
	Total	188	100.0	100.0	

<b>Answers to Q17</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.7	3.7	3.7
	Disagree	27	14.4	14.4	18.1
	Undecided	50	26.6	26.6	44.7
	Agree	84	44.7	44.7	89.4
	Strongly Agree	20	10.6	10.6	100.0
	Total	188	100.0	100.0	

<b>Answers to Q18</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	32	17.0	17.0	18.6
	Undecided	29	15.4	15.4	34.0
	Agree	91	48.4	48.4	82.4
	Strongly Agree	33	17.6	17.6	100.0
	Total	188	100.0	100.0	

<b>Answers to Q19</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	30	16.0	16.0	17.6
	Undecided	28	14.9	14.9	32.5
	Agree	102	54.4	54.4	86.9
	Strongly Agree	25	13.1	13.1	100.0
	Total	188	100.0	100.0	

<b>Answers to Q20</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.1	1.1	1.1
	Disagree	39	20.7	20.7	21.8
	Undecided	25	13.3	13.3	35.1
	Agree	98	52.1	52.1	87.2
	Strongly Agree	24	12.8	12.8	100.0
	Total	188	100.0	100.0	

Answers to Q21					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	4.8	4.8	4.8
	Disagree	38	20.2	20.2	25.0
	Undecided	25	13.3	13.3	38.3
	Agree	92	48.9	48.9	87.2
	Strongly Agree	24	12.8	12.8	100.0
	Total	188	100.0	100.0	

Answers to Q22					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.6	1.6	1.6
	Disagree	25	13.3	13.3	14.9
	Undecided	28	14.9	14.9	29.8
	Agree	100	53.2	53.2	83.0
	Strongly Agree	32	17.0	17.0	100.0
	Total	188	100.0	100.0	

Answers to Q23					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	24	12.8	12.8	13.3
	Undecided	38	20.2	20.2	33.5
	Agree	89	47.3	47.3	80.8
	Strongly Agree	36	19.2	19.2	100.0
	Total	188	100.0	100.0	

Answers to Q24					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	4.8	4.8	4.8
	Undecided	8	4.3	4.3	9.0
	Agree	120	63.8	63.8	72.9
	Strongly Agree	51	27.1	27.1	100.0
	Total	188	100.0	100.0	

## Appendix C: Declaration by Language Editor

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I, Yvonne Smuts, hereby declare that I have been appointed by Perez-Danny Mabaka (“the candidate”) to attend to the linguistic aspects of Chapters One to Six of his dissertation that is hereby submitted in fulfilment of the requirements for the degree Magister Technologiae: Business Information Systems in the Faculty of Business and Management Sciences at the Cape Peninsula University of Technology.

To the best of my knowledge, all suggestions and recommendations made by me in this regard have been attended to by the candidate.

Title of dissertation: *Employee Perceptions on Service Quality at a Selected Outsourcing Company in Cape Town.*

Date: 16 September 2019



(Ms) Y Smuts

*BA (Languages) (UP)*

*HED (cum laude) (UP)*

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*Member of Prolingua*