

USING SERVQUAL TO MEASURE EMPLOYEE SATISFACTION:
AN IRANIAN CASE STUDY

Mehran Nejati

Department of Economics, Management and Accounting
Yazd University, Iran

Mostafa Nejati

Faculty of Management
University of Tehran, Iran

Azadeh Shafaei

Faculty of Humanities, Rasht Islamic Azad University, Iran

Abstract

The purpose of this study is to measure employee satisfaction and determine the existing gap between employees' expectation and perception of their working condition. This paper uses SERVQUAL model to measure employee satisfaction in an Iranian auto parts manufacturing company. The results from the gap model highlighted which aspects of the job condition employees would like to see improved. The gap measurement is effective for use in managerial decisions to improve and diagnose physical environmental features. This paper can be used as a guide for managers who are interested in measuring employee satisfaction in order to excel in satisfying their expectations, increase their motivation, and as a result lead to more productivity.

Keywords: Employee satisfaction, Job satisfaction, SERVQUAL, Satisfaction grade

Introduction

Employee satisfaction is perhaps the most frequently studied construct in the organizational sciences (Schneider and Brief, 1992). Employee satisfaction (often referred to as job satisfaction) has been defined as "a pleasurable or positive emotional state resulting from the appraisal of ones job or job experiences" (Locke, 1976).

It is often assumed that employees who are more satisfied with their job condition are more likely to produce better work outcomes.

This is based on the rationale that higher levels of satisfaction improve morale and reduce voluntary turnover (Dole and Schroeder, 2001). A meta-analysis conducted by Petty et al. (1984) concluded that job satisfaction and performance are indeed positively correlated ($r = 0.23$, uncorrected).

Models of employee turnover almost universally propose a negative relationship between satisfaction and turnover (Hom and Griffeth, 1991; Hulin et al., 1985; March and Simon, 1958; Mobley et al., 1979; Price and

Mueller, 1986; Rusbult and Farrell, 1983). More importantly, three meta-analyses have concluded that such a link exists (Carsten and Spector, 1987; Hom and Griffeth, 1995; Steel and Ovalle, 1984), and studies using structural equation modeling techniques support the viability of a causal relationship (Hom and Griffeth, 1991; Price and Mueller, 1986). Improving employee satisfaction thus appears to be instrumental for decreasing employee turnover.

Due to the potential impact that employees have on the business, it is imperative that management understand the specific dimensions that help shape employees' attitudes toward their jobs. Over the past several years, considerable attention has been given to role conflict, role clarity, job tension and job satisfaction as four very important determinants of the performance of individuals and their impact on the operational effectiveness of the organization (Kelly et al., 1981; Lusch and Serpkenci, 1990).

From a user's perspective, satisfaction is related to confirmation or disconfirmation of expectation. This study explored the differences between employees' perception of job features and the attributes employees expect, based on the propositions of SERVQUAL (Parasuraman et al., 1988) and introduced a simple method for calculating overall employee satisfaction grade.

Gaps between perceptions and expectations within job related indicators

Traditional employee satisfaction measurement methods are mostly perception-based; that is they usually ask questions such as "all things considered, how satisfied are you with indicator x regarding your job?" without asking about "how important that indicator is to you?" The latter question can clarify the opinions or expectations of the employee toward the indicator. In such cases, unless people indicate severely low satisfaction levels, it is hard to provide specific managerial direction from the results. For instance, in an imaginary company, the mean satisfaction with wage is 82 percent, while the satisfaction level with job enrichment is 67 percent. How should a reader interpret this? Does the higher satisfaction level mean no action is required, or should more effort be put on increasing employees' wage because it might be much more important to them than other factors?

Frequently, satisfaction results may be interpreted with the researcher's perspective rather than reflect the actual user's perspective. Varady and Carrozza (Varady and Carrossa, 2000) argued that structured questions tend to limit the kinds and the depth of questions, and results from satisfaction surveys are likely to have a number of different interpretations.

Parasuraman et al. (1985) developed "SERVQUAL" to measure customers' appraisal together with expectation of

service quality. In SERVQUAL, perceived quality is represented by the difference in scores between perception rating and expectation rating.

Therefore, the present study measures job satisfaction in a company by using SERVQUAL. Founded in 1992, the company has been manufacturing auto parts since then. Here for copy right purposes, the name of the company is not mentioned.

Job satisfaction literature

Job satisfaction has long been viewed by researchers as a way to assess workers' affective responses to their jobs across time and place because it represents a "generic" type of work attitude (Firebaugh and Harley, 1995).

In general, studies suggest that satisfaction is higher among workers in jobs that are more complex and autonomous, more secure, less dangerous, and more highly rewarded (Kalleberg and Griffin, 1978; Miller, 1980; Wharton and Baron, 1987). While the effects on satisfaction of numerous other job and firm characteristics—such as the percentage of women in the job or occupation, unionization, firm size, ownership arrangements, among others—have also been investigated, these results are much less consistent (Jiang et al., 1995). Generally, researchers have viewed satisfaction as a function of workers' reward levels and expectations.

Job satisfaction refers to the individual's attitude toward the various aspects of their job as well as the job in general. High role conflict and low role clarity contribute to low job satisfaction, which can, in turn, lead to increased absenteeism and turnover (Lawler and Porter, 1967). In addition, low job satisfaction has the potential of causing low quality service encounter performances on the part of the employee (Bitner et al., 1990). This inferior performance will lead to customer dissatisfaction, firm switching and negative word-of-mouth communication on the part of the customers about the employee and the firm (Bitner, 1990).

Using data for The Netherlands, Groot and Maassen van den Brink (1999) analyze the relation between allocation, wages and job satisfaction, by using an empirical model. Five conclusions emerge from the empirical analysis: satisfaction with the job content is the main factor explaining overall job satisfaction; the effects of individual and job characteristics on job satisfaction differ by the aspect of the job considered; the response to a general question on job satisfaction differs from the response to questions on satisfaction with different aspects of the job; it is relevant to consider the joint relation between wages and job satisfaction; and skill mismatches do not seem to affect job satisfaction.

Lam (1995) has conducted a study of Job Satisfaction and total quality management among front-line supervisors on eight diverse organizations in Hong Kong. Having a sample size of 211, the study showed that

front-line supervisors were less satisfied with work dimension than with the other Job Descriptive Index dimensions like supervision and co-workers. The study also showed that only (16.1%) of the respondents claimed that their overall job satisfaction had increased.

Castaneda and Nahawandi (1991) conducted a study of job satisfaction and the relation of managerial behaviours to the performance ratings of bosses and subordinate satisfaction with a sample size of 94 managers. The study reveals that clearer relation to subordinate satisfaction is important than to structural behaviours. High performance ratings from bosses were associated with structural behaviour.

Alan (1991) has conducted a study of job satisfaction in its 5th annual job satisfaction survey, computer world magazine with sample size of 851 senior and middle information systems managers and professionals surveyed. The study reveals that two third (2/3) do not believe they are working up to their personal potential, Information Systems (IS) middle managers cited salary (57%), relationship with managers (55%), and opportunity for advancement (53%) as factors that have an impact on job satisfaction.

SERVQUAL - literature review

There seems little doubt that in the past decade SERVQUAL has proved to be the most popular instrument for measuring service quality. It aims to measure

perceptions of service across the five service quality dimensions identified by Parasuraman et al. (1988):

1. Tangibles;
2. Reliability;
3. Responsiveness;
4. Assurance; and
5. Empathy.

The instrument consists of two sets of 22 statements: the first set aims to determine a customer's expectations of a service firm: for example, "they should have up-to-date equipment"; while the second set seeks to ascertain the customer's perceptions of the firm's performance: for example, "XYZ has up-to-date equipment". The respondent is asked to rate his/her expectations and perceptions of performance on a five-point Likert scale ranging from 1 (very bad) to 5 (very good). The results of the survey are then used to identify positive and negative gaps in employees' job satisfaction on the five service quality dimensions.

The gap between expectations and perceptions (perceived service quality) is measured by the difference between the two scores (perception minus expectations).

A more recent version of the instrument (Parasuraman et al., 1991) includes a third section that measures the relative importance of the five dimensions to the customer. These scores are then used to weight the perceived service quality measure for each dimension, the main purpose being to give a more accurate overall perceived service quality score.

Potential uses of SERVQUAL in measuring job satisfaction

There are a number of ways in which SERVQUAL can be used to help companies identify areas for performance improvement. Some of these ways include: Understanding current job satisfaction level, Prioritization, and Performance analysis over time.

Methodology

A questionnaire composed of questions related to different aspects of job satisfaction was designed based on SERVQUAL model. The employee population used in this study was limited to employees in the auto parts manufacturing company mentioned before. After a pre-test, questionnaires were distributed to 50 employees of the company using written questionnaires. All the 50 completed questionnaires were analyzed for this study.

Items on the questionnaire represented various job condition aspects. Each aspect was concisely repeated in two statements: one to measure expectations and the other to measure perception about job condition, following the method used by Parasuraman et al. (1988). These aspects fell in the five dimensions of SERVQUAL model including Tangibles, Reliability, Responsiveness, Assurance, and Empathy. A five-point Likert scale ranging from very good to very bad was used to measure each of the indicants. (Very Bad = 1, Bad = 2, Fair = 3, Good = 4, Very Good = 5)

Understanding current job satisfaction level

Table 1 shows a summary of the expectation, perception and gap scores in the pilot study. According to the results, company employees have a job satisfaction level of below mean in 3 of the 5 dimensions. However, there exist a negative gap score in all the dimensions which implies that employees are not satisfied with their current job condition. Interestingly, a traditional employee satisfaction measurement method would just focus on the perception scores and therefore consider the tangibles and assurance dimensions to be in a good condition. This is probably one of the most important potential advantages of SERVQUAL over a traditional job satisfaction method.

Prioritization

The importance attached to each dimensions by employees varies markedly, with Reliability always having the highest weight (with the exception of Production Unit) and Empathy typically the lowest. For Tangibles, in particular, the weight varies from 18 percent for Engineering Unit to 33 percent for Production Unit. However, in spite of differences between the actual weights, there is considerable consistency on the rankings of these within each unit. Reliability is ranked first by six of the seven units (and second by the remaining unit), Responsiveness typically ranked second and Empathy last.

Performance analysis over time

Repeating the gap survey over time allows the company to track whether actions taken, have closed the existing gaps and whether new gaps are emerging. The company in this study, is planning to use SERVQUAL for measuring employee satisfaction next year to see how successful its improvement actions been in reducing the existing gaps.

Discussion of results

In order to determine employees' expectations toward their workplace, this study investigated the relationship between expectation levels and perception levels of different job satisfaction features. Gap scores between perceptions and expectations are presented in Table 1. Table 2, on the other hand, shows the importance of each dimension for each of the working units.

The results indicated that employees participating in this study expected to have more Reliability. The largest gap was again found in Reliability (with a gap score of -2.2). The second largest gap belongs to Responsiveness Dimension of the job. The results taken from this research show that any improvement in factors related to Reliability will result in greater satisfaction among employees.

Conclusion

This study used SERVQUAL model to measure employee satisfaction and determine the existing gap between employees' expectation and perception of their working condition. The model was used for an auto parts manufacturing company in Isfahan and the results were discussed. The paper also verified that Insightful employee satisfaction research is the key to understanding how to improve it.

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Table 1: Job satisfaction gap scores

Dimension	Tangibles	Reliability	Responsiveness	Assurance	Empathy
Expectation	4.3	4.6	4.4	4.2	3.8
Perception	3.3	2.4	2.6	3.1	2.9
Gap score	- 1	- 2.2	- 1.8	- 1.1	- 0.9

Table 2: Dimension weights

Dimension	Managing	Engineering	Laboratory	Production	QA	Maintenance	Packing and Warehouse
Tangibles	20	18	19	33	21	20	19
Reliability	33	30	28	30	22	27	22
Responsiveness	30	24	20	22	22	23	20
Assurance	13	14	18	9	19	18	20
Empathy	4	14	15	6	16	12	19