

CHAPTER 1

THE RESEARCH CONTEXT

1.1 Introduction

This chapter sets the scene for this research and is divided into seven sections. The first two parts discuss the development of studies in service sector generally and the banking industry in particular in Malaysia since its independence until the present. Following this, there is a discussion of the position of service quality and service climate research in Malaysia and how these affect the researcher's intention in respect of both these fields.

1.2 The world of services

The services sector is a major contributor to Malaysia's GDP growth comprises finance (finance, insurance, real estate and business services) as one of its sector indicators (Economic Report, 2001-2007; Productivity Report, 2001-2007). It continued to record substantial growth in 2005 and 2006 due to higher consumer spending with rising disposable income (Economic Report, 2001-2007) and high tourist arrivals (Mohd. Roshdi, 2007), despite the temporary SARS outbreak (Koay, 2008) and the Iraq war (Utusan Malaysia, 2005a; 2005b).

In the Ninth Plan 2006-2010, which was announced by Malaysian Prime Minister, highlighted the importance of human capital as the strategic thrust of the nation. The main contributor of human capital is the workforce, which has to be competent, innovative, motivated and capable of high productivity (Chin, 2004) in order for an organization particularly services sector to achieve organizational excellence. Hence, organizations must encourage their employees to be more knowledgeable, customer focused, capable of team working (Wright and Brauchle, 1994), flexible and have the ability to work independently. This can be achieved through maximizing the benefit of employee training and organizations have to ensure the suitability of training to their employees' needs. This allows maximum benefit of training to be gained and provides a foundation for the transferability of knowledge (Kwang *et al*, 1999). The knowledge and skills of the workforce are essential for business survival, particularly in the services sector.

Customers' requirements and demands for world class products and services are increasing. To meet this demand, the services sector requires workforce with a new mindset to ensure high quality service delivery and instill greater professionalism in service provision (Sinclair and Zairi, 2001). It is important for organizations to hire the right people for the task. An organization needs to create a new approach for the work system to place greater emphasis on performance that is comprehensive, market driven, customer focused and multi-skilled. For this reason, organizations have to establish a beneficial learning culture comprising multi-skilling,

including customer service and technology skills. Skill levels in the services sector can be enhanced through a specific training centre (Juran, 1993a; Tang and Zairi, 1998). From the employee perspective, multi skilling helps to sustain self value and high employability, better understanding of integrated organizational activities and, ultimately, customer services are delivered in a more timely and cost-effective manner. This must be accompanied by a strong work culture, a change in mindset and positive work attitudes. The culture of excellence and the quest for continuous productivity need to be promoted intensely. The success of the services sector relies heavily on the human capital which contributes to the innovativeness and competitiveness of the industry. Together with the assistance of highly efficient human resource strategies and processes, the organization will be able to create a leading edge in human capital terms.

The rapid growth of information and communication technology, including telecommunications, has resulted in the availability and wider range of services in this industry. The application of information and communication technology (ICT) is essential in the services sector as it increases the competitiveness of businesses, enabling cost reduction and the creation of a larger customer base. Among the ICT applications used are web-based Electronic Data Interchange (EDI) in the logistics sector and e-banking facilities in the finance sector. For the change to be beneficial, the use of technology should be business driven and complement the business needs. The optimum use of appropriate technology will enable the sector to shift to higher

growth, improve customer services, increase market share and leverage existing resources to generate new revenue and gain a competitive edge.

The migration of the economy from price-economy to knowledge-economy requires organizations to change their way of doing business. Customers' expectations and needs are becoming more demanding and sophisticated. To understand the requirements of their customers, service organizations should develop and improve their strategic service division. Organizations need to identify strategic service vision and direction to coordinate activities, create a common understanding on how the overall business process systems work and improve over time, and to apply changes successfully. As businesses are increasingly globalized (Juran, 1993b), organizations must employ new methods, new skills and knowledge through e-business. In the knowledge-based economy, success in this fast-changing era will depend on the ability of both organizations and individuals to exploit knowledge, creativity and skills. Apart from this, greater efforts should be made to adopt better management systems to enhance the quality of service delivery (Newall and Dale, 1991). Service providers also have to look into speed of action as their focus in providing efficient and effective services, which requires a reduction of bureaucracy and paperwork.

The services sector is facing increasing pressure as the market becomes more competitive as a result of the rapid growth in technology, particularly technology

associated with globalization. The sector needs to enhance productivity improvement continuously and sequentially to meet these challenges. Related to these factors are a number of issues and challenges that need to be addressed for long-term sustainability of the services sector. The success of any quality service improvement requires coordinated interfaces among all units and departments in the organization (Tang and Zairi, 1998). Such improvement also entails more commitment from all parties to plan and implement using information and data management that keep track of immediate and long term objectives (Juran, 1993).

Improving service quality and understanding customer needs and expectations is important to retain existing customers and win new ones. An organization must provide customers with outstanding quality services that meet or exceed their demands and expectations, reasonable prices and on-time delivery. To attain this level of excellence, organizations continually need to examine their service quality systems to see if they are responsive to changing customer requirements. Implementing quality improvement initiatives, such as Total Quality Management (Newall and Dale, 1991), Six Sigma, the Balanced Scorecard and Human Resource Development will contribute towards a higher level of quality in the eyes of customers (Singh and Deshmukh, 1999). Several service organizations have embarked on customer relationship management (CRM) to better understand their customers' needs in order to provide better levels of service. This requires organizations to build quality into every aspect of their procedures so as to improve

operational efficiency and customer satisfaction and at the same time lead towards world-class standards of business excellence.

1.3 Statement of the problem

Banking services remain one of the largest and fastest growing industries in Malaysia and this industry stimulates the development of new infrastructure that creates new income-earning opportunities (Economic Report, various years). The Malaysian economy has undergone significant structural changes over the last thirty years. Since independence, along with the rapid growth and modernization of the Malaysian economy, banking systems have expanded very rapidly. Before independence, the banking network was dominated by a few foreign banks, engaged primarily in mobilization of savings to finance exports, plantation agriculture, mining and international trading. With the establishment of the Central Bank of Malaysia in 1959 and the emergence of more locally incorporated banks in the early 1960s, the system as a whole has become more responsive to the priorities and basic needs of the domestic economy.

Until the 1970s the economy was mainly dependent on agriculture. However, in the 1980s the country focused on changing its economic structure towards economic development that was driven by the twin-engines of growth; namely the manufacturing and service sectors. Hence, the role of the service sector in thrusting

the national economy into the next stage of development became increasingly important in the 1990s. The service sector has grown in tandem, as presented in Table 1.1 below.

Table 1.1: Output share and output growth for service sector in Malaysia

Years	Output share of services sector	Output growth of services sector
2002	14.31/49.72	5.26/25.62
2003	15.13/50.25	5.35/25.46
2004	14.05/46.64	6.33/41.77
2005	14.29/47.22	7.20/38.19
2006	14.32/47.19	5.99/32.84

Source: National Productivity Corporation's report various years

Unlike the situation in industrialised countries, where the central bank operates within a framework of a well established and highly developed banking system, the central bank in developing economies as Malaysia has to assume the responsibility of promoting the establishment of local banks and ensure that the banking system is managed on a sound basis. This role has proven to be as demanding as in monetary management and planned economic development.

Banking has long been recognized as a business vested with a high degree of public interest. Today, the emphasis on bank regulation under central banking law lies in ensuring that banks are efficiently managed in the public interest. The Central Bank of Malaysia has been given the responsibility to develop the banking system on a sound and secure basis. To enable the bank to discharge this responsibility, the

Central Bank is vested with comprehensive legal powers to regulate and supervise the banking system in the form of the Central Bank of Malaysia Ordinance, 1958, and the Banking Act, 1973. The banking laws define the conduct, operation and responsibilities of banks undertaking banking business in Malaysia. Important aspects of this role include the following: (i) to ensure the liquidity of the banking system by serving as the banker's bank; (ii) to regulate the growth of banks and their branches; (iii) to ensure that the banking system serves the needs of the national economy and (iv) to uphold the interests of the general public (Bank Negara Malaysia, 1989).

In the late 1990s, Malaysia took full advantage of the positive economic environment to implement financial restructuring and structural reforms in the banking industry. The consolidation of the domestic banking institutions represented a major structural enhancement to the banking system. The merged banking groups were better capitalized to undertake a wider scope of business activities. This operational business process and rationalization exercise allowed for greater operational efficiency and cost effectiveness. Banking institutions could then exploit economies of scale, diversify and strengthen their earning base and create a larger market presence.

In 2004, continued efforts were focused on strengthening the capacity of domestic banking institutions as listed in Table 1.2 in terms of enhancing structural and operational efficiencies. This was to ensure that domestic banking institutions

were well-positioned to compete in a more deregulated and liberalized environment. The banking industry continued to remain strong in line with the strong performance of the economy in 2004. The level of competition in the banking landscape will intensify further with increased deregulation and further liberalization. This competitive environment will also drive domestic banking institutions to strive for greater efficiency as well as to venture into new areas of business. Banking institutions will have to undertake more product innovation in order to offer competitive, differentiated products and value added services. At the same time, they need to maintain high delivery standards, engage in aggressive marketing and further improve cost efficiency.

Table 1.2: Local licensed banking institutions in Malaysia

<p>Commercial Banks Affin Bank Berhad Alliance Bank Malaysia Berhad Arab-Malaysian Bank Bhd. Bumiputra-Commerce Bank Bhd. EON Bank Bhd. Hong Leong Bank Berhad Malayan Banking Berhad Public Bank Berhad RHB Bank Berhad Southern Bank Bhd. Bank Islam Malaysia Berhad Bank Muamalat Malaysia Berhad</p>
<p>Savings institutions Bank Rakyat <i>Bank Simpanan Nasional</i></p>

Source: <http://www.allmalaysia.info>, 2005

Leading banks are pursuing new ways to achieve competitive advantage; to remain competitive, a bank needs to respond to emerging market pressures by reducing costs, acting on competitive cost profile changes, resolving inefficiencies

from recent mergers and slashing the rising cost of developing and maintaining their applications. In addition, they should make use of a range of technology application options in order to assist them to reduce costs, mitigate location-specific risk and deliver the same or better service. There are major challenges for the bank's technology professional that has to develop long-term banking technologies. Certain technologies may be subject to rapid change according to customers' wants; although loyal, they nonetheless want to enjoy the convenience of new technologies. Banks are transforming the ways they do business. Technology is enabling a new era of connectivity, where employees, customers and partners are making transactions quickly, accurately and securely. This has made it important for banks to deploy the right technology architecture, applications and policies to operate as truly connected and integrated enterprises. Back-office transformation remains a strategic objective for many banks, which are increasingly recognizing the benefits of emerging technologies that enable them to act quickly and display the agility to support their customers and counter their competitors.

While the focus on the Internet as a channel is gaining a lot of traction worldwide, it is equally pertinent not to ignore the importance of the traditional branch. Online banking transactions today have become very compelling for banks in view of the tremendous cost benefits and the general acceptability of the Internet as a delivery channel, particularly in advanced markets. This trend is expected to extend globally in the near future, especially if issues around bandwidth and cost are

addressed adequately. Banks worldwide may want to take heed of the possibilities the Internet offers. It is therefore very important for banks to review their branch strategy in its entirety. The change we are seeing at the branch is a shift from the traditional transactional service delivery point to one that is expected to deliver optimal customer experience with increasing emphasis on selling and advisory services.

In Malaysia, where foreign exchange trading skills are inadequate, it is the duty of the Central Bank to be the provider of skilled manpower in the market, to be an educator of such technical skills and to be at the forefront of banking and technology. It has invested heavily in modern dealing room technology and manpower skills in the firm belief that the highest return on capital is in human capital.

In each industry blockages occur, and valuable time is wasted on routine issues. Although many organizations spend large sums to improve the productivity of their workers, many common delays go unnoticed and not quantified. The banking industry comprises commercial banks, finance companies and merchant banks. This sector is a highly competitive one, and banks strive to shorten review times to provide higher value customer service. For example, unified communications represent cost savings across many areas of a business; it is not just about acquiring new technology. Decision delays upset customers and result in customer attrition.

However, many banks lose valuable time due to issues between customers and employees.

Employees are expensive, and banks strive to reduce operating costs to improve their operating profits. By not optimizing employee productivity, banks continue to rely on other cost cutting measures, some of which may affect customer satisfaction. Yavas, Bilgin and Shemwell (1997) pointed out the important position of bank employees in delivering high quality of services to their external public clients. Banks should not ignore the specific needs of their internal publics too, notably their customer-contact employees. As a result, little is known about the facets that are of most concern to them and theoretically these might be different from one employee to another.

Being a labor intensive industry, bank employees play an important role in achieving competitive advantage among banks and financial services institutions. Hence this particular study, which focuses on external and internal units, could be beneficial to the banking sector in general and the participative banks in particular. In this sense, practitioners and policy makers may also benefit from the findings of this study, as it can be useful in improving their organizational practices aimed at achieving service excellence.

1.4 Context of the problem

The sample population for the research was taken from one industry in Malaysia, banks located in Kuala Lumpur. The population was restricted to one state rather than a nation; perhaps differences between states might have caused just one state to be selected and this research was exploratory in its first phase by virtue of the use of the Profile Accumulation Technique. The study involved account savers and personal financees for bank customers and bank employees. Both groups were included to allow a comparison to be made between the dimensions generated from the surveys. The banking industry was chosen because its daily routine involves interactions between customers and employees, creating various service experiences, both negative and positive. These interactions occur frequently due to the importance of banking services in daily life which relate to the financial situation of each one of the potential respondent customers.

The researcher believed that using the banks in Malaysia as the basis for this research was appropriate for the following reasons: first, the changes in the banking industry situation mirror globalization across the world, which means that any transformation in the banking sector in the United Kingdom as well as in Saudi Arabia also influences progress in Malaysia. So far, no research on needs of bank customers and employees using the same methodology has been undertaken. In view of this, the researcher believed there to be a genuine need to carry out research in this area.

Second, since the researcher is a member of staff in a research university in Malaysia, it was possible to obtain first hand information on customers and employees, which made the collection of data easier. More importantly, the researcher is in a position to contribute the findings of this research not only to the body of knowledge of these two fields but also to the university and banking sector itself. Thus, this research has implications both for work of the university and for the researcher's own professional knowledge, practice and development.

Finally, since the banking products and services used by nearly all Malaysians are fairly similar, a thesis investigating the needs of bank customers and employees will have great relevance to the participating banks and other banks intending to explore their internal and external customer voices.

1.5 Scope of the research

This thesis intends to target basic needs in determining the foundation of the relationship between service quality and service climate from three main perspectives: the previous scholars in both fields; the bank customer and the bank employee. The aspect that is of particular interest to the researcher is the 'voice of the customer' viewed from the perspective of the internal customer, the employee, for the following reasons.

The development of SERVQUAL and other similar measures of service quality and service climate have been described in Chapter 2. The importance of these measures is inherent in the fact that these perceptions are responses from customer and employee concerning variety of events and reports of experiences. Although there were variations in the methods utilized by researchers in exploring service climate which produced different results, most of them confined their research to the investigating of factors influencing the particular employee's responses in a conventional mode of research (e.g. using a close-ended survey) and very few explored the relationship with service quality (Schneider and White, 2004) in the banking context. Therefore, it is interesting to take notice that all of the procedures that been discussed in this chapter began with identifying preliminary themes, developing survey items to tap the identified themes, administering the surveys to relevant respondents and finally using various techniques to refine the dimensions were all developed in ways similar to SERVQUAL and other service quality measures.

The development of service climate measures, again, the focus was on descriptions of events and also practices under the same logic as that presented for service quality measures even though there has been little effort in the service climate literature to develop a universal set of service climate dimensions and the questions of whether such set exists has received much less attention in the service climate literature than the parallel question has received in the service quality literature

(Schneider and White, 2004). In the same chapter too, the researcher also showed that service quality reports from customers and service climate reports from employees were consistently and significantly linked across a wide variety of studies (Schneider *et al*, 2000). However, after an extensive review of literature and drawing upon the findings from the pilot study in 2005, the researcher decided to adopt the research ideas and methods of Johns and Lee-Ross (1995) and Johns and Howard (1998) in formulating the parameters of this research. Based on their work, the researcher gathered that it would be most relevant for the purpose of this research to explore the relationship of service quality and service climate through the investigation of the core aspects and attributes of both in the preliminary study. Their studies suggest that those two areas should be established either by attributes (e.g. reliability and comfort) or aspects (e.g. environment and customer service). Having confined the scope of this research to the analysis of the individual items that constitute each dimension, action can be taken to address specific problems, as proposed by Kwan and Tan (1993), from both bank customer and employee responses. The preceding stage was to contemplate how to approach the task at hand, bearing in mind that the overall objectives of this research are to formulate strategies for developing quality and climate related initiatives for the Malaysian context.

In the main survey, these potential dimensions were expanded in order to see the substance of each dimension in both subjects and the relationship between them. McDougall and Levesque (1994) recommended that service climate and service

quality should be based only on performance rather than a performance minus expectations approach. The researcher tried to utilize the data obtained in the field with the purpose of producing the end results; therefore the background information of each respondent was omitted in contributing to the body of knowledge.

Although the two phases of research for this thesis were carried out only in a small number of banks in Malaysia, the researcher believes there is a strong possibility that the findings could be generalized to other bank customers and employees (at least in Malaysia) in view of the similarities in the way the products and services are offered and in the types of aspects obtained from the potential participating banks which will the findings contribute towards the field of banking and finance.

1.6 Research perspective

The overall objective of this thesis is to develop a theoretical framework to explain the importance of service climate and service quality as they impact on participative service oriented organizations' implementation of service initiatives, particularly in the banking sector in Malaysia. To achieve the above overall aim, it is necessary to: (1) identify the underlying key dimensions of banking service quality as perceived by banking customers and employees; (2) examine the relationships between the service climate and service quality dimensions identified earlier; (3)

measure organizational performance; (4) diagnose problem areas by examining scores across dimensions and items and (5) present the managerial implications and recommendations for improving banking service climate and quality.

The primary concern of this thesis is the exploration of the relationship between service quality and service climate. A vast amount of existing work has been undertaken on these both areas by notable researchers, such as Parasuraman *et al* (1985, 1988), Johnston (1995, 1997), Yavas (1997), Othman and Owen (2001, 2002) and many more. The thesis drew upon such research in its attempt to extend the explorations of these areas to bank customers and employees in Malaysia.

Having discussed the overall scope of the thesis, it is now essential to discuss its theoretical background. As mentioned in the previous section, the parameters of this thesis were formulated by drawing upon the research ideas and methods mainly of Johns and Lee-Ross (1995). The dimensions are different from those of the initiators of service quality and service climate (Parasuraman *et al*, 1985; 1988; Schneider, 1973; 1980; 1990; Schneider *et al*, 1980; 2002). The researcher used 'aspects' such as Automated Teller Machine; corporate image; physical features and facilities rather than 'attributes' such as reliability, assurance and tangibles. The context of this study, the banking sector in Malaysia, is at variance with Johns and Lee-Ross' (1995) studies, which were widely applied in hospitality and tourism in Europe. Thus, the conceptual basis for this research is broader than that of Johns and

Lee-Ross (1995) in the sense that it also encompasses literature from the fields of management, particularly relative to customers and employees.

In order to investigate the external service quality and internal service climate dimensions of bank customers and employees, the following research methodology was employed in the study. The Profile Accumulation Technique (PAT) proposed by Johns and Lee-Ross (1995), a semi-quantitative technique which allows qualitative data to be collected and yet assessed quantitatively, was employed in the first phase of the study. It allows respondents to say exactly what they want and the data is not tainted by the possible irrelevant assumptions of the service provider. Moreover, respondents' perceptions of service experiences can be assessed without influencing their responses. These responses can be gathered and constructs exist to build a framework of service quality and service climate theories. These encompassing dimensions are discussed in the relevant sections in Chapter 3 where the researcher focuses on discussing how the ideas and methods of respective scholars were brought together to formulate the theoretical framework of this thesis and position these parameters within a wider framework.

Self administered surveys were distributed during the two phases of study, aiming to look into a better understanding of respondents' opinions regarding banking services delivered and offered in participating banks. Thus, the purpose of the second phase of quantitative study was, principally, to enhance the validity and

reliability of the research through the provision of further insights into and clarification of the quantitative data. As with other statistical techniques, the larger the numbers of responses collected the more reliable the quantitative data becomes. As in Johns and Lee-Ross' (1995) research, there was a marrying of qualitative and quantitative data in the method employed (see Chapter 4 for justification of methodology used).

Analysis of data in the main survey extended the researcher's understanding and expertise in the application of the *Statistical Package of Social Science* software (SPSS) relevant to statistical analysis, such as the rationale for using parametric and non-parametric analysis; correlation and elaboration analysis. The preceding consideration in the preliminary study involved manual calculation and was supported by the use of NVivo 7 (Bazeley and Richards, 2000) with the intention of exploring the metathemes (Attride, 2001).

Having described the extent of the research and the research viewpoint of this thesis, it is now appropriate to present the following research questions.

Preliminary study

1. What are the aspects and attributes that contribute to service quality from the bank customer's perspective?

2. What are the aspects and attributes that contribute to service climate from the bank employee's perspective?

Main survey

- 1a. What is the relationship between service climate and service quality?
- 1b. Which dimensions are vital to service climate and service quality?
- 2a. How much does each dimension contribute to addressing problems (i.e. customer-employee relationships) in participative banks?
- 2b. Which dimensions most affect the customer-employee relationship?
3. What are the mediators of this relationship?

1.7 Outline of the thesis

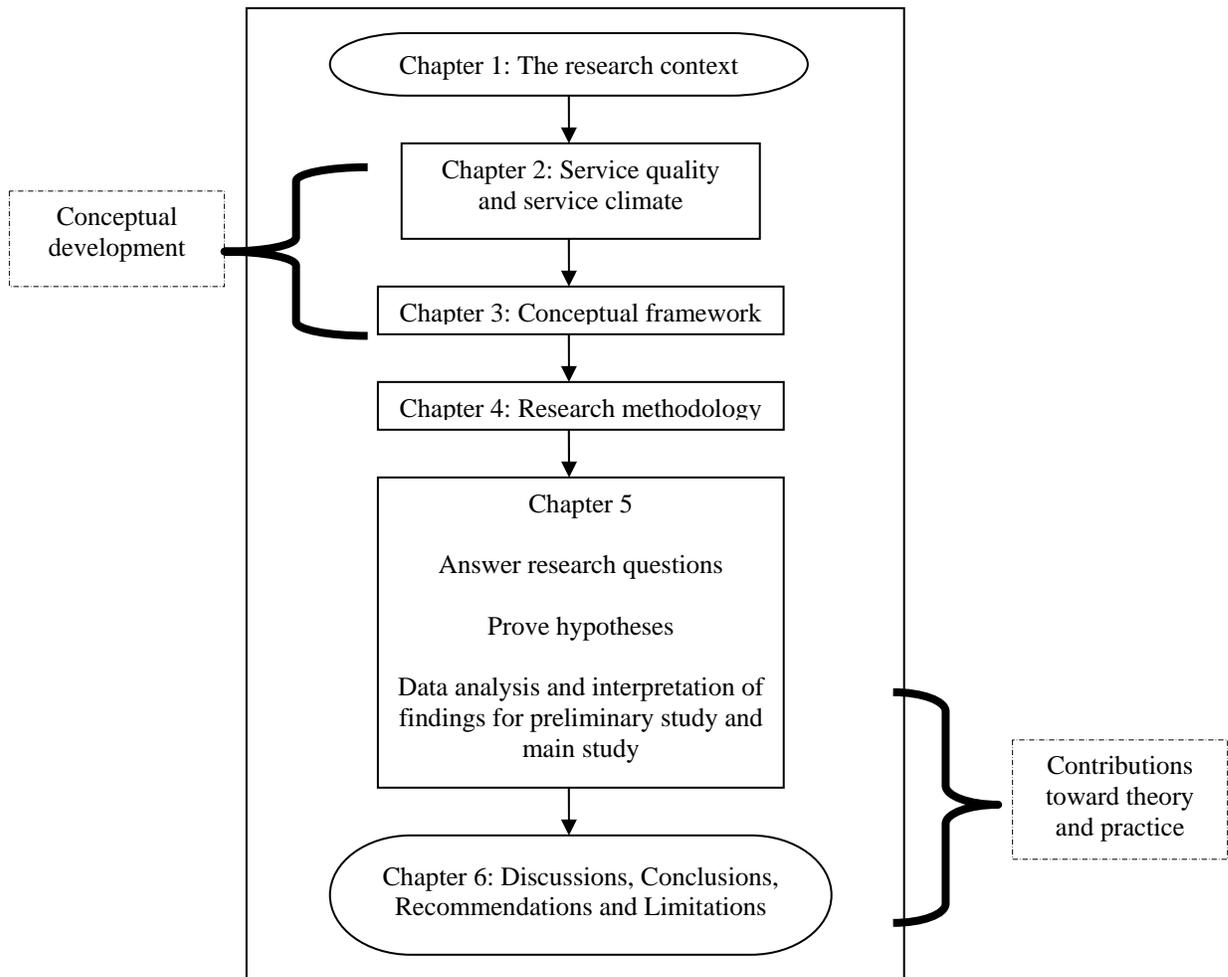
This thesis is divided into six chapters. A brief summary of each chapter follows and is illustrated in Figure 1.1.

Chapter 1: The research context

It is important to introduce a research study. This requires identifying the research problem or issue, framing this problem within the existing service climate and service quality literature, pointing out deficiencies in the precise literature, and

targeting the study for its audience: supervisors, examiners, colleagues and future researchers. This chapter provides a general overview of the services world in Malaysia, predominantly in the banking sector. A set of research questions and hypotheses serve to narrow and focus the purpose of the study.

Figure 1.1: The structure of this research



Adapted from: Jankowicz (2005)

Chapter 2: Service quality and service climate

Reviewing the literature on these two topics was another preliminary step to design the research. Comparative analysis was conducted of previous research e.g. criticism, methodology, method of analysis, results and findings. Numerous examples of relevant research studies using SERVQUAL are presented in this chapter. Alternative measures and models for both service climate and service quality are included, with various issues highlighted by different prominent scholars. Different researchers have used different methodologies in their analytical process, including factor analysis, principal component analysis, general regression analysis, generalized method of moments, time series regression analysis, causality analysis, and a residual based as well as an autoregressive conjoint approach. Many researchers have dealt with the problems of identifying factors to explain the circumstances of their studies.

Chapter 3: Conceptual framework

The results from the preliminary study guided in constructing dimensions and items in the main study. A theoretical framework is presented consisting of dimensions of service quality (Automated Teller Machine; corporate image; customer interaction and customer service; online and phone banking; physical features and facilities; products and services; rates and charges; management, staff), service climate (benefit, bonus, reward and salary; corporate image; customer service; facilities; organization; department and branch; management; organization output; products and services; workforce; myself) and their efficiency guide the data

collection, analyses and interpretation of the relationships and disparities that exist between these two areas and techniques. The particular frameworks involve bringing together elements of what constitutes service climate and service quality from bank customer and employee points of view. One approach resulting from this interconnection is a quantitative method. This chapter assisted the researcher to identify the specific approach to use in the main study.

Chapter 4: Methodology

Designing a study is a difficult and time-consuming process. In designing the procedures, there is a need to identify the type of methodological strategy of inquiry, the data collection and analysis approaches, the researcher's role, and the overall structure guiding the stages of study. This chapter provides indication of the steps taken in designing quantitative methods procedures for the studies.

This research was conducted in two different consecutive stages; a pilot study was carried out in March 2005 in order to test the understandability of the Profile Accumulation Technique (PAT) among research students, researchers and practitioners. The preliminary study was conducted as the first stage in July 2005 to gain responses from bank customers and bank employees through PAT open ended questionnaires and a main survey (second stage). The main study was based on the construction of close ended questionnaires from the PAT open-ended questionnaires.

The intention of the researcher was to affect the measurement process in three months of data collection in Kuala Lumpur, Malaysia involving bank customers and employees from participative banks.

Chapter 5: Results and findings

Cross-sectional analysis studies the relationship between different variables at a point in time. It can be thought of as providing a "snapshot" of the frequency and characteristics of service climate and service quality in a population at a particular point in time. This type of data can be used to assess the prevalence of dimensions for each area. The cross-sectional survey "freezes" a specific moment in time. It aims to find the same kind of relationships that might be shown by the "moving picture" of the cohort study, but at far less cost. Unlike time series, cross-sectional analysis relates to how variables affect each other at the same time (Saunders *et al*, 2003).

The meaning and use of concept analysis was used to analyze the preliminary study's findings as well as to guide in the construction of the questionnaires to be used in the main study. From here, the researcher also examined the strengths and weaknesses of using the Profile Accumulation Technique suggested by Johns and Lee-Ross (1995, 1997). Later on, non-parametric tests (Kolmogorov-Smirnov one sample test) was used in the analysis section because of the smallness of the sample

size. These types of analysis should be done at the macro level (national) and micro level (organization).

Chapter 6: Discussion, interpretation and conclusion

This chapter discusses and interprets the data analysis of the research. The data was analysed against the background of the research question. The methods employed for research were a literature review and open ended and close ended questionnaires in two different phases of study. These methods were employed to elicit the opinions of participating bank customers and employees in four local Malaysian banks. In this final chapter of the thesis, the main findings and the implications for theory and practice are summarized. This is followed by a description of the strategies for developing the service quality and service climate related initiatives meant for the practitioners, policy makers and potential studies intended for academicians, all devised based on the findings of this thesis. Some limitations of the studies in two phases undertaken are listed. In conclusion, the significance of this thesis is recapitulated.

1.8 Summary

This chapter has explained the underpinnings for the thesis. It has introduced the background of services, including the banking sector in Malaysia and outlined the

context of the problem and research questions. The research has been justified; the methodology briefly described and justified, the thesis outlined and the limitations given. On this foundation, the thesis can proceed with a detailed description of the research in the chapters that follow.