

# **Assessing Customers', Employees' and Managers' Perceptions of Service Quality in Sri Lankan Financial Industry**

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## **INTRODUCTION**

### **Background**

The banking industry is a vital component of the services industry (Mishkin, 2007). Many regulatory, structural, and technological developments have occurred within the global banking industry as a result of the integrated global banking environment (Angur et al., 1999). Banks are expanding internationally, offering a varied array of competitive services, and revamping their services to meet changing client expectations (Arasli et al., 2005). Other finance companies, in addition to banks, would play a significant part in the financial industry. In the case of Sri Lanka, the scenario is similar.

### **Sri Lankan Financial Industry**

The Central Bank of Sri Lanka governs the Sri Lankan Financial System. One of the Central Bank's key goals is to maintain financial system stability. Even under economic shocks and stressful situations, a stable financial system can mobilise savings and allocate them to productive investments, manage risks, and settle payments without materially hurting economic growth and people's welfare. This helps create an environment conducive to effective financial intermediation to promote investment and economic growth (Sri Lanka Financial System, Central Bank of Sri Lanka)

Below mentioned are the institutions by which the Sri Lankan Financial System consist of:

- Licensed Commercial Banks
- Licensed Specialized Banks
- Licensed Finance Companies
- Registered Finance Leasing Companies
- Authorized Money Broking Companies

### **Banking Sector**

The banking sector in Sri Lanka, which comprises Licensed Commercial Banks (LCBS) and Licensed Specialized banks (LSBS), dominates the financial system and accounts for the highest share of the total assets in the financial system. Banks play a critical role within the Sri Lankan financial system,

as they are engaged in providing liquidity to the entire economy while transforming the risk characteristics of assets. (Financial system of Sri Lanka, Central Bank of Sri Lanka)

### **Non- Bank Finance And Leasing Sector**

Non-Bank Finance and Leasing Sector include Licensed Finance Companies (LFCS) and Specialized Leasing Companies (SLCS). The Supervision of Non-Bank Finance and Leasing Sector is conducted through Examinations, Continuous surveillance, Granting regulatory approvals, Issuance of directions and prudential requirements, Investigating into companies carrying on finance business and accepting deposits without authority and investigating into public complaints. The directions, regulations and rules issued under the provisions of the Finance Business Act (FBA) mainly cover minimum capital adequacy, liquidity requirements, provisioning for bad and doubtful debts, single borrower limits, limits on equity investments etc. (Financial system of Sri Lanka, Central Bank of Sri Lanka)

### **Research Problem**

Interestingly, so far, most studies on service quality have prioritised understanding the opinions of service providers or customers. In contrast, only a few studies have attempted to describe them in the context of service encounters (Svensson, 2006). These studies use applications to examine the average scores of employees and customers who perceive differences and believe that these parts of the service encounter have a typical perception pattern of service quality. However, there may be a perception mismatch. (Alexiadou et al., 2017). However, no research has found that differences in perception among customers, frontline employees and managers of the quality of service of the financial industry have been identified.

Understanding potential overlaps and dislocations in perceptions of frontline employees, managers, and customers will provide a more comprehensive view of the services provided. From a practical point of view, evidence shows that the mismatch of service quality in service encounters will affect the production, delivery, and consumption of services, affecting customers' overall service experience (Weiermair, 2000). Thus, the findings of this paper could serve as a starting point for evaluating perceived service quality in the financial industry, helping managers to recognise the aspects of quality that are cornerstones for both internal and external customers.

### **Research Questions**

RQ1: Is there equivalence in the perception of service quality dimensions among 'customers', frontline 'employees' and managers?

RQ2: Are there any potential mismatches in how customers, frontline employees and managers perceive service quality indicators in the financial industry?

### **Research Objectives**

To examine whether there is equivalence in the perception of service quality dimensions among customers, frontline employees and managers.

To diagnose potential mismatches in how customers, frontline employees and managers perceive quality in high involvement service settings.

### **Importance Of The Study**

Over the years, service quality has been increasingly recognised as a key strategic value for service organisations (Agus et al., 2007). In this sense, service managers realised that to use service quality as a competitive advantage successfully, actions should not be limited to the development and monitoring of quality technical objective measures (Abdullah et al., 2011), but it should also focus on correctly assessing customer perceptions of service quality (Abdullah et al., 2011). As (Chase et al., 2001) hypothesised, "Ultimately, there is only one thing that matters in the service experience: the customer's perception of what happened."

When it comes to any service organisation, there are front-end operations that have more contact with customers and back-end operations that have less contact with customers. Frontline employees are particularly important to the customer service experience (Solomon et al., 1985). In addition, existing research reports a positive correlation between the perceptions of frontline employees and customers about service quality (Schneider et al., 1998). In most service organisations, frontline employees become critical when delivering service concepts to customers.

In a highly competitive business environment, it is very important to meet customer expectations and exceed their expectations. Customer satisfaction is an important aspect of banks and is closely related to the quality of service (Bolton et al., 1991). Studies have shown that service quality is positively correlated with customer satisfaction (Gera, 2011). The quality of banking services plays a vital role in achieving customer satisfaction (Galloway et al., 1996). This makes the issue of service quality an important area of business research (Mersha et al., 2012) and advice (Sangeetha et al., 2011), including service quality, has been at the forefront of academic and professional research on service marketing (Narteh, 2017).

Even though many types of research have been conducted in relation with the service quality of the banking sector across the globe; still there is a lack of understanding about that of in Sri Lankan Financial Service industry. This study will provide Managers to recognise the aspects of service quality that are keystones for both employees and customers while providing deeper insight into service quality in the financial Industry.

### **LITERATURE REVIEW**

## **Service Quality**

One attribute that has caught the attention of service marketing researchers is service quality (Parasuraman et al., 1988). Existing literature shows that service quality depends on the difference between 'customers' expectations of service 'provider's performance and actual service evaluations (Parasuraman et al., 1988). Service quality is also conceptualised as a centralised assessment that reflects customer perceptions of specific dimensions of service (Hinson, 2006). Furthermore, (Parasuraman et al., 1985) defines service quality as the degree and direction of the difference between consumers' perceptions and expectations of different but relatively important dimensions of service. (Narteh, 2017)

Service quality has been used as a strategic tool to allow companies to differentiate themselves from other companies in the highly competitive service industry (Angur et al., 1999). It is considered an important determinant of the competitiveness of the service (Bolton et al., 1991). In layman's terms, service quality refers to the degree of excellence in service performance (Zeithaml, 2011), and service quality is considered subjective. Therefore, based on the customer's perception of the extent to which the service meets their needs and expectations, they compare the actual service with the expected service (Ennew, 2013). Regarding this vision, many authors interpret service quality as a form of customer attitude, which stems from comparing consumers' expectations of the services provided and delivery performance (Tan et al., 2010).

As a structure, service quality has received great attention from market research in the past few decades (Izogo, 2015). Service quality is closely related and is often confused with customer satisfaction (Hussain, 2015). It refers to the customer's evaluation of the company's service excellence or overall superiority (Zeithaml V.A., 1998). Service quality refers to the overall impression of customers' judgments on the services provided by the company (Hussain, 2015). Increasingly fierce global competition has led organisations to seek multiple ways to maintain a competitive advantage. One of the strategies is to provide high-quality services unmatched by competitors (Hussain, 2015) (Hu et al., 2009). It is agreed that the key to gaining a competitive advantage and overall business success is to improve service quality (Kuo et al., 2009).

## **Measuring Service Quality**

There are several models incorporated in the study of the quality of service measurement. The quality of service in the banking industry brought a scale measure in different dimensions. We can identify two widely accepted models in the investigation. SERVUQAL (Parasuraman et al, 1988) is based on the conceptualisation of service quality as a difference between performance and consumer's perceptual expectation. The SERVUQAL model assumed by (Parasuraman et al, 1988) has attracted extensive research on the quality of service of the retail bank. The models are fixed in the position where the quality of the service is measured using five main factors, Reliability, tangibility, Empathy,

Assurance and Responsiveness (Parasuraman et al, 1988). In total, 22 attributes are used to explain five decision factors; respondents evaluate rates from which they are expected for those of the service and how they recognise the services that will be asked to do (on a seven-point scale from " Strongly Disagree" to "Strongly Agree"). The general quality score is calculated according to the inconsistencies between expectations and recognition by 22 attributes.

On the other hand, SERVPERF (Hinson, 2006) is an approach based on performance for purely quality measurements. Cronin and Taylor (1992) have developed a measure of service quality based on SERVPERF performance of their conviction that conceptualisation and functioning of service quality (SERVUQAL) are insufficient. They are substantial that "performance" is not "yield", not "performance", especially in relation to the quality of service (Cronin et al, 1992), and does not affect almost or at all, affirms providing evidence. SERVPERF consists of the same 22 recognition points contained in SERVUQAL. It takes for forecasts. This compares the most efficient SERVPERF compared to SERVUQAL (Lee, 2000).

Reliability refers to providing services to customers as promised in an exact way of trust (Izogo, 2015). (Wang, 2006) explained the knowledge of the staff and the courtesy that customers feel sure that the client is well convinced. Possibilities point to physicists that customers can use to evaluate the quality of service. These include facilities, written materials or the emergence of the service company staff (Zeithaml V. A., 2011). The ability to respond helps customers help and provide a quick service (from Jager, 2007). Empathy explains the ability of the company to provide individual attention, paying attention to customers (Coetzee et al., 2013).

Several specific tools for the Industry have been developed, exceeding two models. For the banking sector, the CARTER model of (Othman, 2001), BANKSERV (Avkiran, 1994), BANKZOT (Nadiri et al., 2009), and BSQ developed by (Bahia & Nantel, J., 2000) can be considered for industry-specific analyses.

### **Service Encounters**

Services are produced, distributed, and consumed in the process of interaction between service providers and service recipients (Svensson, 2006), which emphasises the necessity of understanding service encounters. Service contact involves human and non-human interaction (Meuter et al., 2000), covering all aspects of the service business that customers can interact with within a certain period of time, including personnel, physical facilities, and other tangible items (Jun and Cai, 2001)

Bowen (1993) concluded that the strong similarity in perceptions of groups participating in-service experience has a positive impact on customers' repurchase intentions, similarly, research has shown that when employees understand the 'customer's mentality, multiple benefits can be gained;

employees are more likely to show greater engagement, customers receive better service, and the organisation improves performance (Kelloway, 2015).

However, as pointed out by (Chandon et al., 1997) and (Rhee and Rha, 2009), frontline employees are often unable to assess customers' perceptions of specific quality attributes accurately. Investigations on customer service perceptions of banking employees (Johnson, 1996) and (Yavas, 2006) concluded that those involved in service contact did not attach the same importance to the dimension of service quality. Therefore, to understand how both parties perceive service quality, we must pay attention to how each person perceives different aspects of service quality (Huang, 2008). In addition, (Alexiadou et al, 2017) revealed the equivalence of tangibility, Responsiveness and Assurance, but also revealed the Reliability and Empathy of customers and frontline employees. There is a mismatch between the opinions of the mind.

### **Customer Satisfaction**

As (Kotler, 2000) put it, satisfaction is a person's feeling of pleasure or disappointment by comparing the perceived product performance (or result) with their expectations. Specific transactions and cumulative transactions are two different concepts of customer satisfaction. The specific satisfaction of the transaction is related to the evaluation of the specific service encounter, and the accumulated satisfaction is related to the overall evaluation of the service provider so far.

There is a general argument in the literature that customer satisfaction is the past consumer experience. Therefore, (Olorunniwo et al, 2006) is in (Al-Eisa, A. S. & Alhemoud, A. M., 2009) sconceptualise customer satisfaction as the response to customer compliance after the consumer experience. Similarly, customer satisfaction is viewed as an 'individual's perception of the performance of a product or service related to expectations (Torres, E. & Kline, S., 2006).

Similarly, (Kotler, P. & Keller, K. L., 2013) defines customer satisfaction as "the feeling of pleasure or disappointment of a person when comparing the performance or perceived result of a product with their expectations".

## **METHODOLOGY**

### **Data Sources And Collection Tools**

In order to collect data for the study, both primary and secondary data sources were used. A survey was conducted using a questionnaire distributed among customers, front-line employees, and managers in financial institutions as primary data collection tool. In order to understand the structure of the Sri Lankan financial industry, annual reports of central banks of Sri Lanka were used as secondary data sources.

## **Survey Instrument**

In order to collect raw data, a self-managed structured questionnaire was developed. The questionnaire mainly follows the SERVPERF model (Cronin, J & Taylor SA, 1992), which means that it attempts to measure service quality based only on performance-based methods rather than the difference between advertising expectations and perceived performance. (SERVQUAL model) (Parasuraman et al, 1988).

Mainly, two types of questionnaires were there with a small difference for collecting data from three respondents separately. One questionnaire was used for customers The other one was used to collect data from both frontline employees and managers. In those questionnaires, items for measuring perception towards the product quality, tangibility aspect of financial services, and items for measuring the rest of the service quality dimensions were common in both types of survey instruments. To understand the nature of the employee-manager relationship, a separate section was included only in the questionnaire used for frontline employees and managers. Other than that an item was inserted to measure the overall satisfaction about the service received and service provided in both questionnaires. Finally, a section was there in all the questionnaires to collect the demographic information from customers, frontline employees and managers. Five point Likert scale was used for questionnaires stating from "very dissatisfactory" to ""very satisfactory".

## **Analytical Techniques and Tools**

Since this study focused on identifying the potential matches and mismatches in the perceived service quality among customers, frontline employees and managers, comparing the mean score of the service quality using One-way ANOVA were done as the analytical technique.

For doing the data analysis, IBM SPSS 22 software package was used.

## **Population**

The proposed study was mainly focused on customers, frontline employees and managers in the financial institutions; therefore, the target population of the study was "customers", "frontline employees" and "managers" in Sri Lankan financial industry.

## **Sample**

With the available time frame, as it was not possible to collect data from the entire population, "customers", "frontline employees" and "managers" in the western province were selected as the sample of the study.

## **Sampling Techniques**

In order to continue with the study, financial institutions were selected based on the convenience and random sampling method, based on the arrival, was used for customers, while random sampling, based on the availability, was used for both frontline employees and managers.

### **Unit Of Analysis**

The unit of analysis for the study was an individual, means, “customers”, “frontline employees”, and “managers” in the financial institutions.

### **Data Collection Procedure**

In order to collect the primary data, a paper-based questionnaire was employed, and to collect data from customers, the questionnaire was translated into Sinhala language. According to the central bank annual reports, there were altogether 141 financial institutions available in Sri Lanka during the data collection period. From those institutions, 96 institutions were covered throughout the data collection. Data were mainly, collected from the branches available in the western province related to those financial institutions.

At the end of data collection, the sample consisted of 1650 customers, 1085 frontline employees and 685 managers.

## **DATA ANALYSIS**

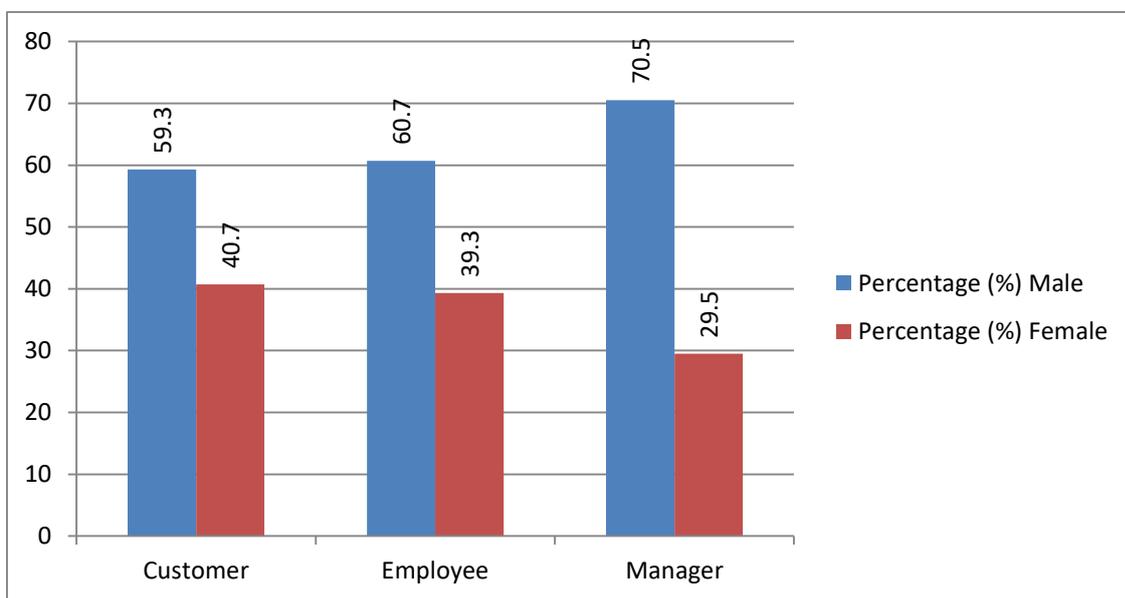
### **Reliability Analysis**

Reliability could be able to identify as the method by which it can be decided whether an assessment tool provides stable and consistent results. In this study, there were two types of questionnaires, and one is used for the customers, and the other one is used for both frontline employees and managers. Altogether there were 40 items included in the customer questionnaire to measure the service quality perception, and there were 44 items included in the questionnaire used for frontline employees and managers. Conbrach’s alpha was used to measure the internal consistency and summarise the results in table 1 below.

*Table 1: Reliability Analysis (Conbrach's alpha)*

Factor/ Dimension	Reliability (Conbrach’s alpha)		
	Customer	Employee	Manager

Tangibility	0.877	0.882	0.902
Reliability	0.762	0.743	0.756
Responsiveness	0.686	0.703	0.701
Empathy	0.809	0.808	0.782
Assurance	0.892	0.881	0.871
Overall	0.933	0.929	0.943



Criteria for Cronbach's alpha is stated as,  $\geq 0.7$  (George, 2004) or  $\geq 0.6$  (Robinson et al., 1991) and therefore, this produces similar results provided by the Cronbach's alpha values for all items in the questionnaire and all service quality dimensions are greater than 0.6. It implies an acceptable level of internal consistency.

### Demographic Data Analysis

Under demographic analysis, gender, age, residency, and the main reason for starting transactions with financial institutions were discussed among three respondents, and descriptive analysis was used.

*Figure 1: Gender categories of respondents*

The majority of the respondents in all three categories (customers-59.3%, frontline employees-60.7%, managers-70.5%) belonged to male in terms of their gender. (Figure 1)

Customers are represented in all age groups; the reason may be that a person would be a customer of a financial institution without much impact from his/her age. However, the majority of the employees (52.4%) are belongs to 26-35 years of age group and an almost equal percentage of respondents of

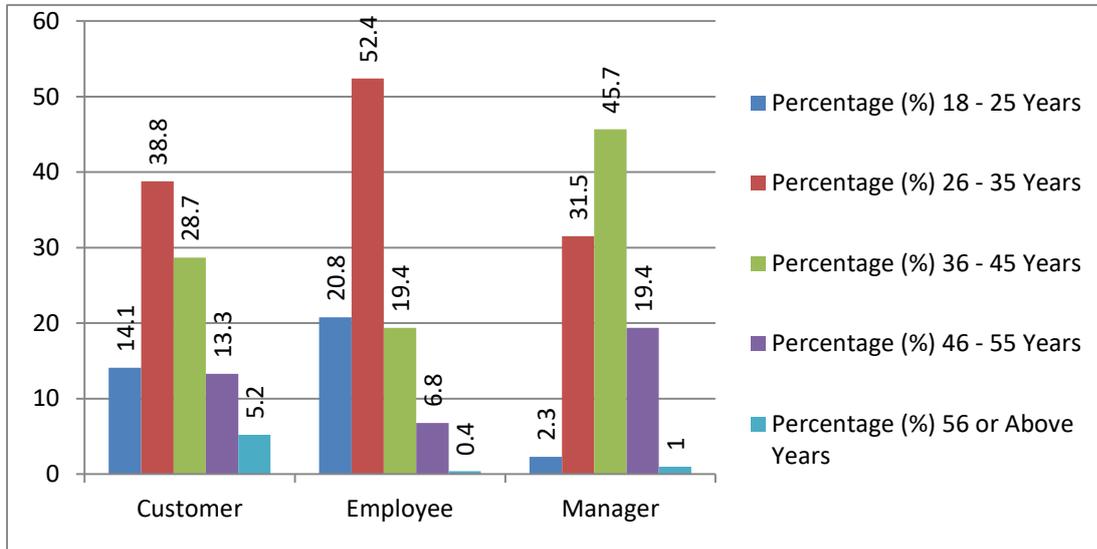
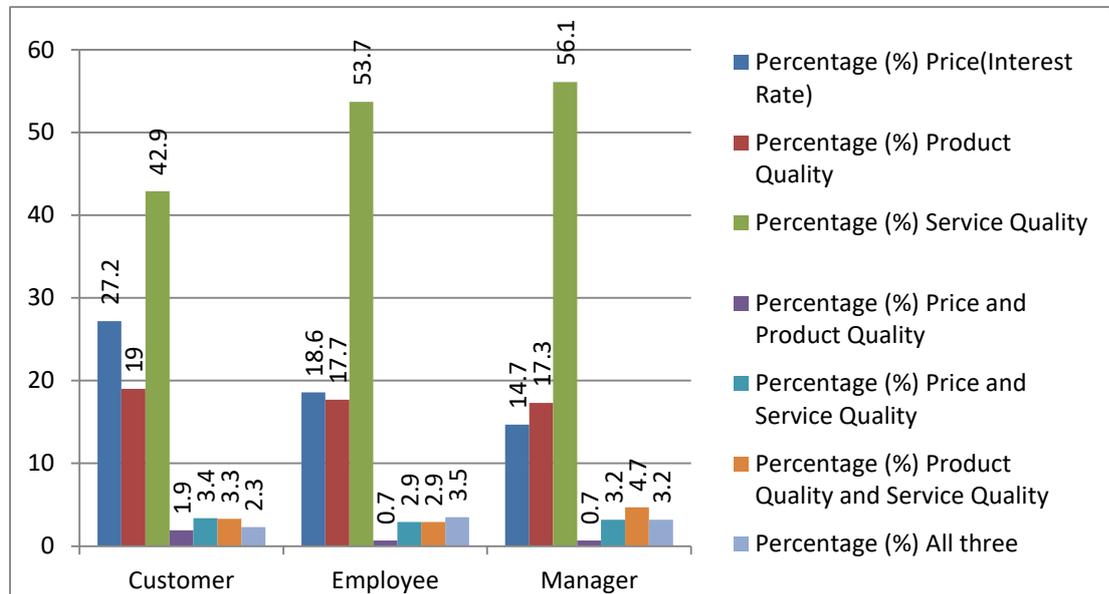


Figure 2: Age categories of respondents

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employees associate with 18-25 years(20.8%) and 36-45 years(19.4%) of age category. When it comes to Sri Lankan context, 26-35 age would be the period a person most probably work as an employee since those who below that may study and who above will climb their carrier ladder as assistant managers, managers etc. This can be proved by considering the analysis of managers in terms of their age, more than 60% of them are coming under 36-45 years (45.7%) and 46-55 years (19.4%) of their age. This would be reliable since, normally; an employee or a person would reach the

management level with their experience in the Industry. Only less than 1% of both employees and managers can be found in the 56 or above age category because in our country that is the retirement stage in most of the professions. (Figure 2)



The Respondents in all three

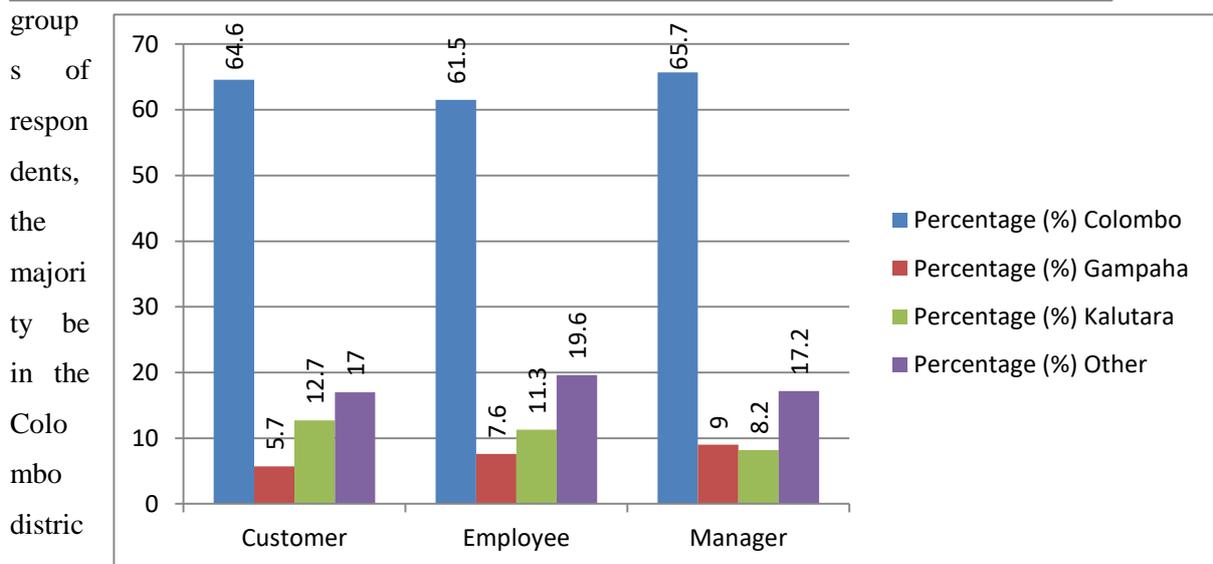


Figure 3: Residency of the respondents

ncy group (customer-64.5%, frontline employees-61.5%, managers-65.7%) whereas few of them come under other geographical areas. (Figure 3)

Figure 5: Main Reason for Starting Transactions

In the customer group, 42.9% stated that they started transactions with the relevant financial institutions mainly because of service quality and more than a quarter of them mentioned it as the

price. However, the majority of both employees (53.7%) and managers (56.1%) believe that customers would start transactions with their financial institutions because of service quality only. However, it can be identified that customers are concerned about other factors such as price and product quality before selecting an institution for their financial activities. (Figure 4)

### One-Way ANOVA

This study aimed to understand the service quality perceptual gap among customers, front-line employees, and managers in the Sri Lankan financial industry. The data analysis had to be conducted to understand whether there is such a difference in how those three different parties perceive the service quality in financial services. So, for that One-way ANOVA test was used to compare the means between three or more unrelated groups on the same continuous, dependent variable.

Some conditions should be satisfied before proceeding with this ANOVA test and since all the conditions are satisfied, the One-way ANOVA test has been conducted to understand the service quality perception gap.

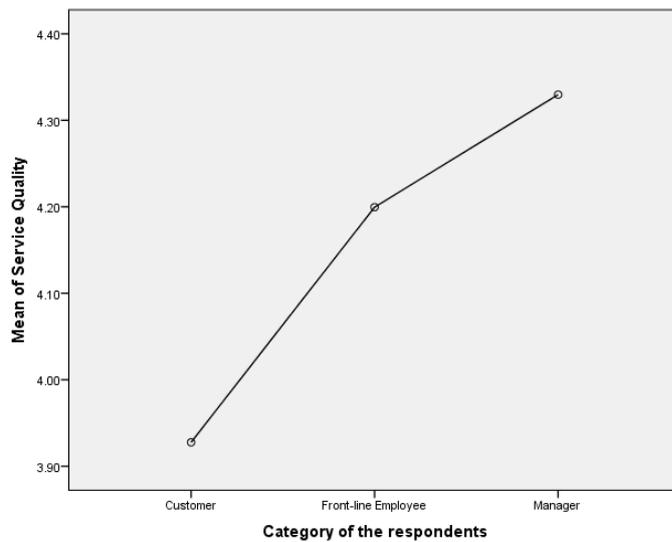
*Table 2: Case Summaries*

#### Case Summaries

Service Quality

Category of the respondents	N	Mean	Median	Std. Deviation
Customer	1650	3.9276	3.9767	.48421
Front-line Employee	1085	4.1996	4.1571	.42105
Manager	685	4.3297	4.3095	.40596
Total	3420	4.0944	4.1000	.47988

Figure 6: Means Plot



According to table 2 and figure 5, it can be observed that there are differences of sample means among respondent categories. Then, to check whether the variances of service quality in the financial industry are significantly differing among customers, front-line employees, and managers, the Levene test of homogeneity of variances has been conducted.

Table 3: Levene Test of Homogeneity

**Test of Homogeneity of Variances**

Service Quality

Levene Statistic	df1	df2	Sig.
5.706	2	3417	.003

Based on the results of the Levene test, it can be concluded that the variances of mean service quality are significantly different within each respondent group @ 5% level of significance (P value;  $0.003 < 0.05$ ). Therefore, to perform the hypothesis test under One-way ANOVA, Welch test is used.

Table 4: Welch Test for Hypothesis

**Robust Tests of Equality of Means**

Service Quality

	Statistic <sup>a</sup>	df1	df2	Sig.
Welch	240.905	2	1847.308	.000

a. Asymptotically F distributed.

According to table 4 stated that the conclusion would be the mean service quality in the financial Industry, Sri Lanka is significantly different for customers, frontline employees and managers in terms of their perception @ 5% level of significance (P-value;  $0.000 < 0.05$ ). For further analysis to find out among which groups of respondents the difference are there, Games-Howell test under Post-Hoc Multiple Comparison was used.

Table 5: Games-Howell Test

Respondent Category (I)	Respondent Category (J)	Mean Difference (I-J)	Std.Error	Sig.	95% Confidence Level	
					Lower Bound	Upper Bound
Customer	Front-line Employee	-.27196	.01748	.000	-.3130	-.2310
	Manager	-.40207	.01956	.000	-.4480	-.3562
Front-line Employee	Customer	.27196	.01748	.000	.2310	.3130
	Manager	-.13011	.02010	.000	-.1773	-.0830
Manager	Customer	.40207	.01956	.000	.3562	.4480
	Front-line Employee	.13011	.02010	.000	.0830	.1773

According to table 5, the Games-Howell test shows that mean service quality perception in financial Industry among all three groups of respondents (customers, frontline employees and managers) are significant difference @ 5% level of significance (P-value;  $0.000 < 0.05$ ).

As it has been found that there is a significance difference in service quality perception in the financial Industry among customers, frontline employees and managers, this study has been further conducted to understand in which service quality dimensions this perception gap can be seen with the intention to provide more insights to professionals in this sector to take necessary actions to reduce this perceptual gap. Accordingly, the One-way ANOVA test has been conducted in service quality dimension wise.

*Table 6: Case Summaries - Service Quality Dimensions*

**Case Summaries**

Category of the respondents		Tangibility	Reliability	Responsiveness	Empathy	Assurance
Customer	N	1649	1647	1646	1638	1609
	Mean	3.7983	3.9341	3.9353	3.9262	4.0519
	Median	3.8000	4.0000	4.0000	4.0000	4.0000
	Std. Deviation	.49428	.57884	.64269	.65680	.60300
Front-line Employee	N	1085	1083	1081	1081	1066
	Mean	4.0596	4.1799	4.2418	4.2217	4.2984
	Median	4.0500	4.2000	4.0000	4.2500	4.2500
	Std. Deviation	.47018	.49711	.53102	.58186	.48467
Manager	N	685	685	665	684	664
	Mean	4.1856	4.3524	4.3479	4.3726	4.4057
	Median	4.2000	4.4000	4.3333	4.2500	4.3750
	Std. Deviation	.48255	.46022	.52978	.50349	.45216
Total	N	3419	3415	3392	3403	3339
	Mean	3.9588	4.0959	4.1138	4.1098	4.2009
	Median	4.0000	4.0000	4.0000	4.0000	4.1250
	Std. Deviation	.51036	.55711	.61365	.63249	.55927

According to table 6, it can be observed that there are differences of sample means among respondent categories in terms of the service quality dimensions. Then, to check whether the variances of each service quality dimension in the financial Industry are significantly different among customers, frontline employees and managers, Levene test of homogeneity of variances has been conducted.

*Table 7: Levene Test of Homogeneity - Service quality dimensions*

**Test of Homogeneity of Variances**

	Levene Statistic	df1	df2	Sig.
Tangibility	3.309	2	3416	.037
Reliability	7.280	2	3412	.001
Responsiveness	6.496	2	3389	.002
Empathy	3.478	2	3400	.031
Assurance	3.243	2	3336	.039

Based on the results of the Levene test, it can be concluded that the variances of mean for each service quality dimension are significantly different within each respondent group @ 5% level of significance (P-value; Tangibility –  $0.037 < 0.05$ , Reliability –  $0.001 < 0.05$ , Responsiveness –  $0.002 < 0.05$ , Empathy –  $0.031 < 0.05$ , Assurance –  $0.039 < 0.05$ ). Therefore, to perform the hypothesis test under One-way ANOVA, Welch test is used.

*Table 8: Welch test for Hypothesis*

**Robust Tests of Equality of Means**

		Statistic <sup>a</sup>	df1	df2	Sig.
Tangibility	Welch	187.212	2	1761.215	.000
Reliability	Welch	179.669	2	1877.900	.000
Responsiveness	Welch	154.251	2	1810.944	.000
Empathy	Welch	170.019	2	1899.044	.000
Assurance	Welch	130.476	2	1856.704	.000

a. Asymptotically F distributed.

According to table, 8, the conclusion would be the mean value for each service quality dimension in the financial Industry; Sri Lanka is significantly different for customers, frontline employees and managers in terms of their perception @ 5% level of significance (P-value;  $0.000 < 0.05$ ). For further analysis to find out among which groups of respondents the difference are there, the Games-Howell test under Post-Hoc Multiple Comparison was used.

Table 9: Games-Howell Test

Dependent Variable	Respondent Category (I)	Respondent Category (J)	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Tangibility	Customer	Employee	-.26132	.01876	.000	-.3053	-.2173
		Manager	-.38723	.02209	.000	-.4391	-.3354
	Employee	Customer	.26132	.01876	.000	.2173	.3053
		Manager	-.12591	.02332	.000	-.1806	-.0712
	Manager	Customer	.38723	.02209	.000	.3354	.4319
		Employee	.12591	.02332	.000	.0712	.1806
Reliability	Customer	Employee	-.24579	.02078	.000	-.2945	-.1971
		Manager	-.41830	.02264	.000	-.4714	-.3652
	Employee	Customer	.24579	.02078	.000	.1971	.2945
		Manager	-.17250	.02318	.000	-.2269	-.1181
	Manager	Customer	.41830	.02264	.000	.3652	.4714
		Employee	.17250	.02318	.000	.1181	.2269

Responsiveness	Customer	Employee	-.30645	.02262	.000	-.3595	-.2534
		Manager	-.41257	.02594	.000	-.4734	-.3517
	Employee	Customer	.30645	.02262	.000	.2534	.3595
		Manager	-.10612	.02613	.000	-.1674	-.0448
	Manager	Customer	.41257	.02594	.000	.3517	.4734
		Employee	.10612	.02613	.000	.0448	.1674
Empathy	Customer	Employee	-.29548	.02401	.000	-.3518	-.2392
		Manager	-.44633	.02518	.000	-.5054	-.3874
	Employee	Customer	.29548	.02401	.000	.2392	.3518
		Manager	-.15086	.02615	.000	-.2122	-.0895
	Manager	Customer	.44633	.02518	.000	.3873	.5054
		Employee	.15086	.02615	.000	.0895	.2122
Assurance	Customer	Employee	-.24645	.02113	.000	-.2960	-.1969
		Manager	-.35373	.02311	.000	-.4079	-.2995
	Employee	Customer	.24645	.02113	.000	.1969	.2960
		Manager	-.10729	.02298	.000	-.1612	-.0534
	Manager	Customer	.35373	.02311	.000	.2995	.4079
		Employee	.10729	.02298	.000	.0534	.1612

According to table 9, the Games-Howell test shows that mean service quality perception for each dimension in the financial Industry among all three categories of respondents (customers, frontline employees and managers) are significant difference @ 5% level of significance (P-value;  $0.000 < 0.05$ ).

## **DISCUSSION AND MANAGERIAL IMPLICATIONS ON FINDINGS**

Perceived service quality is considered an integral part of banking service meetings because such meetings involve a high degree of participation and constitute a key determinant of perceived value

(Bitner, 1992). Therefore, both professionals and scholars are interested in accurately measuring perceived service quality, emphasising that it is a crucial success factor for service organisations (al. K. e., 2009). Some researchers have concluded that frontline employees and customers have a standard view on service (Schneider et al., 1998), while others pointed out significant differences (Nyquist et al., 1985). Due to the lack of understanding in the literature on how customers, frontline employees, and managers perceive service quality, this study uses in-depth analysis to show how customers, frontline employees, and managers perceive service quality in the financial Industry.

From the current study, divergences of service quality perception in the financial Industry were found among customers, frontline employees and managers. Therefore, it can be concluded that when service organisations try to understand perception gaps towards service quality, not only the customers and frontline employees but also managers need to be taken into account. When going through the findings of the current study, there are some aspects of service quality relating to which, according to managers' viewpoint, high quality is there in their financial institutions whereas frontline employees and customers might not feel as it is. Since the customers' perception is considered being lower, no point in having higher value only on the managers' perspective as the ultimate result of customer satisfaction and loyalty is based on what customers perceive as service quality.

According to demographic analysis, it has been found that though the majority of employees and managers think that customers consider service quality before starting transactions with their institutions, from customers' perspective they concern on price or the interest rate as well. It is clear that even though customers want to be aware of the return that will be gained for their money, most customers may not have a clear understanding of it as the section put on the questionnaire for asking about the interest rates, a lot of customers was ignored. Therefore, that factor needs to be paid attention by the managers.

In order to identify major concerns relating to which much concentration need to put, further discussion have been conducted on the mean score differences with respect service quality dimension as well.

Based on the findings, the following managerial implications could be determined. Managers in the financial institutions need to discuss with frontline employees how to deliver service to their customers as promised in a dependable and accurate manner. If there are any discrepancies, those needed to be fulfilled. Other than that managers need to pay attention on the fact that whether customers receive a personalised attention and customised service. The reason for that is, according to findings, it is clear though managers expected to have a higher service quality in their organisations, customers may not that much satisfied on that aspects of service they received. The problem may be with the number of staff, their attitudes and other resource availability. Anyway, managers need to get corrective actions after finding the route courses applicable to their financial institutions. Based on the

findings of the study, managers and frontline employees are encouraged to reconsider all service quality dimensions and relevant indicators and should try gaining the best possible understanding of how customers perceive service quality of financial services according to their viewpoint in order to align organisational activities with customer expectations. Accordingly, they can improve their service quality to the level customers require while achieving higher customer satisfaction and organisational performances.

## **CONCLUSIONS AND RECOMMENDATIONS**

This study examines the service quality perception gap from the perspectives of customers', front-line employees' and managers in the Sri Lankan financial industry. The results of this study reveal that there are mismatches in the service quality perceptions of different parties. Ultimately, based on mean score findings, the highest perception difference towards the service quality indicators and dimensions has been found between customers and managers of financial institutions that must be highly concerned.

The study's eventual findings contribute a lot to the improvement in financial services in terms of their service quality in Sri Lankan financial industry. Several managerial implications could also be found based on those results as mentioned under the discussion and managerial implication.

As already suggested under managerial implications, it is highly recommended to managers of financial institutions to be keen on this perceptual gap that exists among different parties. Then as the most responsible party on organisational performances, they must ensure necessary actions to improve their service quality as it goes in line with what customers really expect from the service provider.

Not only that, but frontline employees should also pay their attention on the findings so that their support could be gained to improve the service delivery process. Finally, it is highly recommended to perform more studies on the subject area to get proper understanding and knowledge as well.

## **Limitations And Suggestions for Future Research**

As with any research, this has some limitations which should be considered when conducting future research. Here, the current study has mainly collected data from financial intuitions available in the Western province as a sample. It is better if future research could be able to cover the whole geographical area in Sri Lanka.

This study was done considering the financial Industry only. Still, there is an ability to test the applicability of the same procedure presented here and compare findings among other service industries.

This research was done as a cross-sectional study and therefore, future researchers are encouraged to do it as a longitudinal study.

The current study was measured service quality purely based on the performance-based approach. In contrast, there is an ability to conduct the same study measuring service quality as the difference between perceived performance and expectations (SERVQUAL model).

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