

The Impact of Employee's Service Quality in Achieving Organizational Differentiation for Civil Banks

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Abstract: The current research aims to identify the impact of service quality across its dimensions (reliability, responsiveness, assurance, empathy, and tangibility) on achieving organizational excellence across its dimensions (excellence in leadership, excellence in service, innovation, and excellence in knowledge). The researcher identified and tested the relationships of influence and correlation between the research variables. The research was applied in practice to private banks in Muthanna Governorate, using a questionnaire that included (263) bank employees. The descriptive analytical approach was adopted in the research, and then analyzed using some statistical methods such as (arithmetic mean, standard deviation, linear correlation coefficient, and simple regression coefficient). The results were reached using statistical programs such as (SPSS.V.29) and (Amos.V.26) to analyze the data. The most prominent conclusions indicated that improving the skills and experience of employees in providing high-quality services enhances the bank's ability to stand out from competitors and create a distinctive image in the market.

Key words: Service Quality, Organizational Excellence, Private Banks.



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1. Introduction

The concept of quality is a scientific and conceptual term that has garnered significant attention from academic scholars, particularly due to the fast changes in customer culture and sensitivity. In the 1980s and 1990s, global rivalry intensified, prompting managers to prioritize quality in their production and service operations. It became crucial for managers to select the most effective approach to ensure optimal performance (Kranias & Bourlessa, 2013). The word "quality" originates from the Latin word "qualities" and refers to the true nature or essence of anything. However, in the administrative literature of writers Lau, Cheung, Lam, & Chu (2013), their notion of quality diverged. Quality is perceived as being 'relatively' focused on enhancing the product, and various perspectives vary depending on the source of advantage. Thus, this affirms the difficulty and complexity in attempting to ascertain the constituents and parameters that elucidate

the philosophy of excellence. Nevertheless, certain concepts put forth by scholars in this domain are not excluded. Love is characterized as the optimal value of the product, however occasionally it is associated with a distinct concept (Ledden, Kalafatis, & Mathioudakis, 2011). Othman et al. (2019) define it as providing the client or the next individual associated with the company with a product that fulfills their specific requirements. Lin (2010) and Shahbaz et al. (2019) argue that adhering to specifications indicates manufacturers' intentions to attain the desired product outcome, hence ensuring quality by minimizing errors. According to Chen, Lee, Chen, & Huang (2011), Juran believes that including the consumer in deciding the quality standards of the products they need makes it user-friendly.

In addition, Othman et al. (2019) defines product quality as the collective attributes and qualities of a product (a good or service) that enable it to effectively meet the customer's demands (Shin, 2012). Contends that the perception of art is in the subjective interpretation of the observer, who may recognize it inside the created thing. Furthermore, the concept of quality has been perceived from ancient times as the fulfillment of goals and ambitions in the administration of operations, which is today referred to as the realization of visions (Sigalas et al., 2013). However, Dayang Haryani et al. (2019) defines it as an intangible product that comprises a functional document tailored to the requirements and efforts of the service provider, without necessarily including any physical possession by the service recipient. In the same context, Swar, Sahoo, & Kumar (2012) describe service as intangible items that are exchanged in specialized marketplaces with the purpose of fulfilling the wants and wishes of customers, as well as providing benefits to industrial users. According to Adil (2013), these actions are both recognizable and intangible. They serve as the main objective of the transaction and are specifically intended to fulfill consumers' expectations. Nevertheless, the researcher contends that services are intangible activity that may be provided individually or independently.

2. Methodology

2.1 Research problem

The service, together with its quality, played a significant role in establishing the organization's reputation in the food industry. The primary catalyst that drives customers to seek this service, promote it positively, share their experiences with others, and foster customer loyalty for the organization's advantage is the quality of the service.

When considering organizational distinction, one should strive to establish the fundamental principles for achieving organizational excellence. Several attempts have been made to identify the key characteristics that might impact the success of differentiation within an organization (Kazemi et al, 2011).

Hui and Chuan (2002) identified nine techniques that may be implemented to achieve organizational excellence. These strategies include learning, innovation, job devotion, management ethics and values, employee engagement, motivation, and strong working relationships. Bowden (2000) noted that a company could be able to achieve greatness if its values and beliefs were well controlled. Hussain et al. (2010) asserted that achieving organizational distinction may be accomplished by ensuring customer happiness, motivating employees, and fostering a healthy work environment.

Goetsch and Davis (2014) suggest that supervising and improving quality may be viewed as a strategy for attaining remarkable results inside an organization. Shirvani and Javad Iranban (2014) noted, however, that raising the bar for quality can help achieve organizational excellence and eventually lead to differentiation by positively affecting employee productivity and organizational performance.

The present study seeks to investigate the impact of service quality aspects on an organization's capacity to achieve distinctiveness. The present study posits that the many aspects of service quality (empathy, dependability, tangibility, responsiveness, and assurance) might serve as influential factors that propel a company towards distinction.

2.2 Research hypothesis

H1: The service dependability has a substantial influence on attaining organizational differentiation.

H2: Service responsiveness has a substantial influence on attaining organizational differentiation.

H3: The presence of service trust and affirmation has a notable influence on attaining organizational differentiation.

H4: The service Empathy has a big influence on attaining corporate differentiation.

H5: The level of tangibility of a service has a notable influence on the ability of a company to differentiate itself from competitors.

2.3 Research Aim

The main objective of the study is to assess and evaluate the influence of employee service quality on attaining organizational distinctiveness in civil banks in Iraq. The research aims to comprehend the ways in which different aspects of service quality help differentiate banking firms from their rivals, allowing them to establish a distinct position in the market.

2.4 Research Objectives

1. To determine the primary factors of service quality that have the greatest impact on creating organizational differentiation in the banking industry.
2. The objective is to evaluate the correlation between service dependability and organizational difference in civil banks, specifically examining how providing consistent and dependable service might result in a distinct market position.
3. To assess the influence of service responsiveness on organizational differentiation: investigating the speed and efficiency with which banks address customer requirements and the significance of this in setting the business apart.
4. To assess the importance of service trust and assurance in enhancing organizational distinction, specifically in fostering customer confidence and loyalty.
5. This study aims to examine the impact of service empathy on organizational distinctiveness by exploring how effectively resolving customer concerns might lead to a competitive advantage.
6. This study aims to assess the impact of service tangibility on organizational differentiation by analyzing how the physical evidence of service, such as buildings, equipment, and the look of workers, affects the bank's differentiation strategy.
7. The purpose is to offer strategic suggestions to civil banks on how to improve the quality of service provided by their employees in order to obtain greater distinction and competitive advantage in the market.

The research goals of this study are in line with the purpose of investigating the correlation between service quality and organizational distinction. The study specifically focuses on finding practical insights that civil banks may use to increase their market position by improving their service quality.

3. Literature review

Consumers have exhibited a growing preoccupation with the quality of items (Babakus & Boller, 1992). Nevertheless, academics have provided several definitions for the idea of quality. Berry et al. (1994) define quality as the characteristic of surpassing or fulfilling customer expectations and needs. Berry et al. (1994) argue that the assessment of service quality should be based only on the customer's viewpoint, emphasizing the need to adopt a customer-centric approach. Brady and Cronin (2001) state that "fitness for use" and "conformance to requirements" are the appropriate ways to evaluate quality from the user's and the manufacturer's points of view. Brady and Cronin (2001) divided quality into five categories in a different study: the manufacturing-based approach, the transcendent approach based on philosophy, the product-based approach based on economics, the manufacturing-based approach, the value-based approach from the perspective of operation management, and the user-based approach combining economics, marketing, and operation management.

Quality, from a transcendent perspective, refers to the attainment of "inherent excellence". Quality, in this perspective, serves as a measure of exceptional accomplishment and unwavering criteria that is generally acknowledged via practical knowledge. From a product-oriented perspective, quality is defined as a "quantifiable and accurate variable". From this perspective, quality is determined by variations in the characteristics or amount of components, implying that businesses can only get a better quality product or service by paying significant resources. Quality, from a user-centric standpoint, is determined by the level of customer satisfaction. Higher quality products or services are those that effectively match consumers' preferences and demands. Quality, as viewed from a manufacturing-based perspective, is producing a product or service correctly on the initial attempt. This method focuses on the practice of manufacturing and engineering. According to a value-based approach, researchers define quality as a function of price and cost.

In sectors such as banking, where delivery, consumption, and manufacturing happen simultaneously, the notion of service quality has become increasingly significant to clients. Brady, Brady, and Cronin (2002) assert that businesses in the services industry, such as hotels and banks, are aware of the increasing sensitivity of customers towards service quality. They acknowledge that the quality of service may serve as a competitive advantage and a method to attain organizational distinctiveness (Brown, Churchill & Peter, 1993). In this field, the concept of perceived service quality, as described by various scholars, centers around satisfying customers' demands and desires, as well as evaluating how effectively the provided service matches customers' expectations. Cerman (1990) argues that in order for a business to consistently provide a high-quality service, it is essential to understand and acknowledge the specific criteria that customers deem as indicators of quality. Cerman (1990) classifies service quality into two distinct categories: technical quality and functional quality, at which functional quality focuses on the benefits or outcomes that consumers derive from the service, while technical quality primarily concerns the overall process of providing a service. The perceptions of service quality among service users and providers are determined by comparing the perceived service with the expected service (Parasuraman et al., 1985).

Ensuring the provision of high-quality service is acknowledged as one of the primary difficulties faced by banks and other service-oriented enterprises. Cerman (1990) asserts that the success of a company in the globally developing and competitive service industry is mostly contingent upon providing high-quality service. Carman (1990) asserts that quality is a crucial factor in satisfying customer requirements and attaining customer satisfaction. This dynamic condition is characterized by individuals, services, places, and goods that surpass or fulfill expectations. It also entails the recognition of the complete extent of the impact that a company may have on the environment, stakeholders, and society. Cronin and Taylor (1992) argue that customers evaluate a

service's quality by analyzing whether it fulfills or surpasses their expectations. Service quality, as seen by consumers, refers to the extent to which their perceptions align with their wants or expectations. Service delivery pertains to the specific aspects of where, how, and when services are provided to consumers.

Services has four distinct features that differentiate them from products. These attributes are commonly employed to analyze the behaviors of service consumers and develop service marketing strategies. The traits at question include intangibility, inseparability, perishability, and heterogeneity.

The term "intangibility" refers to the idea that services are acts, gratifications, and advantages that are supplied in conjunction with the sale of products or made available for purchase. They are defined as intangible actions that cannot be tested, perceived, observed, smelled, or heard. Prior to acquiring or ingesting them, it is not feasible to assess their quality. Some examples of these industries are consultancy, restaurants, hotels, banking, hospitals, and fast food shops.

Inseparability refers to the unique characteristic of services where they are consumed and delivered at the same time. Services are typically created and consumed concurrently. The argument is that inseparability allows customers to influence the quality and performance of a service. Unlike tangible items, which undergo production, transformation, and distribution through many intermediaries, services are inherently tied to their providers. This means that the presence of the service provider is necessary for the delivery of the service. Services cannot be stored for future use, unlike products. Moreover, the client's personal presence is essential. Because production and consumption are interdependent, providing consumers with high-quality services is essential. In order to improve their interpersonal and marketing skills, service marketers need to foster the technical and task-related knowledge of service professionals and aggressively seek guidance from qualified individuals.

Heterogeneity refers to the diversity or variation in the provision of a service. Services lack standardization unlike tangible products. They are carried out by persons who vary in their methods of execution. The heterogeneity of services refers to the fact that customers have varying wants and experiences when using a service. The perishability of a service relates to the concept that services cannot be preserved or kept for future use. The statement highlights the significance of time in relation to services, emphasizing their time-sensitive nature and the fact that they are perishable. They refer to actions or behaviors that cease to exist if not observed or experienced. Their ingestion must happen concurrently.

3.1 Service Quality

Multiple models exist that identify parameters suitable for measuring service quality. The SERVQUAL model, established by Parasuraman et al. (1988), is a well recognized and commonly utilized model in the service industry. Parasuraman et al. (1985; 1988) established a framework in which they defined certain factors that may be utilized to identify and quantify the level of service quality experienced by consumers. The SERVQUAL instrument is composed of 22 statements that are employed to assess the expectations and perceptions of consumers regarding the quality of service they receive. The study conducted by Parasuramen et al. (1988) had participants rating their level of agreement or disagreement with certain propositions. Consumers' impressions of the service being supplied are contingent upon the service they have received.

However, customer expectations are formed by the information they get and their previous experiences. The 22 statements represent the various aspects of service quality, including reliability, empathy, assurance, responsiveness, and tangibility. These dimensions have been identified by multiple researchers (Carman, 1990; Cronin & Taylor, 1992; Dabholkar, Thorpe, & Rentz, 1996; Dotchin & Oakland, 1994; Frost & Kumar, 2000; Finn & Lamb, 1991).

3.2 Service quality dimensions

Further research has demonstrated the involvement of service companies in a strategic manner, their commitment to maintaining high-quality standards, the monitoring of service performance, and the verification of customer satisfaction. Figure (1) depicts the many characteristics of service quality and their significance in influencing customers' perception of service quality. The researcher deems it suitable to provide a concise explanation of each of the five dimensions that were selected in the study's field side.



Figure 1: The Dimensions of Service Quality

3.2.1 Reliability

Zalfa and Siew (2017) define reliability as the degree of performance dependability or consistency, specifically referring to the responsibility of providing a service within the designated timeframe. The promise is upheld (Lau, Cheung, Lam, & Chu, 2013). It may be defined as the level of the bank's dedication to fulfilling the customer's instructions or preferences. The bank offers consumers a highly comprehensive and well-documented service. Swar, Sahoo, & Kumar (2012) contend that empathy denotes the individualized and compassionate focus given by bank staff to clients. Lo Liang Kheng, Osman Mahamad, & Ramayah (2010) suggest that banks naturally possess the capacity to offer dependable and precise services based on current information. Customer service quality perception is influenced by several factors, including the specific structure of the delivery service, problem-solving capabilities, and pricing. Given the bank's dedication to its business framework, particularly the aspects that are essential to the fundamental characteristics of its service, it is crucial for banks to be cognizant of consumer demands for dependability.

3.2.2 Responsiveness

The primary objective is to offer timely and effective customer support, ensuring that their needs are met and providing them with satisfactory service (Ganguli & Roy, 2011). Consequently, this is evident in the efficiency with which the service is completed. In addition, it is important to address client requirements, such as complaints and queries, in order to provide exceptional service and effectively solve problems. This will offer customers a favorable indication that their doubts and anxieties will be resolved (Saghier & Nathan, 2013).

As stated by Kranias & Bourlessa (2013), responsiveness pertains to the staff's inclination to assist clients and their capacity to deliver quick service. Specifically, it pertains to the manner in which individuals engage with one other within the context of a bank, including its employees and customers.

According to Zalfa and Siew (2017), responsiveness is the bank's readiness to serve the customer effectively in order to score highly in the response dimension. In order to achieve the objectives of both parties, banks should reduce the gap between their current procedures and the client's expectations on the specific standards for promptness and delivery methods.

Kranias & Bourlessa (2013) assert that enhancing customer service requires responsiveness. The promptness with which staff members deliver services to clients, their willingness to assist clients at all times, their ability to promptly respond to client inquiries even when they are busy, and the ease with which service connection details can be obtained from the service provider are the four primary service delivery indicators that they identified as contributing to responsiveness.

3.2.3 Trust and Affirmation

Puluhulawa, Mallongi, & Sufri (2018) assert that commercial banks and banking organizations endeavor to establish confidence with their clients in order to demonstrate the competence and credibility of their service providers and to achieve customer fulfillment. Othman et al. (2019) assert that consumer perception of credibility and trustworthiness is paramount.

Nevertheless, this aspect tends to have significant significance for the services that customers view as the as risks or uncertainties regarding the assessment of their benefits and outcomes, such as banking and insurance services. The client's confidence and trust in the bank, including securities brokers and insurance companies, is demonstrated by their connection with them (Minarti & Segoro, 2014).

In certain banking policies, the objective of exchange is to foster trust and loyalty between the president and the consumer. It is crucial to acknowledge that the bank's communication and evaluation processes are instrumental in maintaining trust between employees and clients at all levels of management. Their trading activities are significantly influenced by their confidence (Minarti & Segoro, 2014).

3.2.4 Empathy

Empathy is the act of showing respect and compassion by personally engaging with the customer. The bank, as the service provider, establishes overarching policies to enhance the client's connection, as well as the staff's and interpersonal interactions. Thus, this is accomplished by ongoing interaction between the service provider and the client. Especially at institutions that handle a limited number of clients (Othman et al., 2019a). According to Puluhulawa et al. (2018), empathy refers to the act of showing concern for the client and addressing any issues they may have at the bank, while actively seeking superior human solutions.

3.2.5 Tangibility

Tangibility is the tangible evidence of service, as defined by the official uniform of the bank's personnel and the appropriate location for staff to provide exceptional customer service, as per Wang et al. (2013). In addition, there are contemporary architectural structures specifically designed for financial institutions (eye banks) located in several European nations. According to Wu (2013), palpation refers to the physical examination or inspection of the material resources and personnel of public utilities. Banks frequently depend on significant geographical separation to establish strong connections with existing and potential clients.

3.2.5 Quality in banking service

The quality of financial service encompasses both the tangible and anticipated characteristics, which are fundamental components of any standard service. The second instance refers to the extraordinary situation that the customer desires to achieve, and it is important for financial institutions to make efforts to reduce the disparity between the two parties by establishing a high-quality system that is capable of devising contingency plans. For suboptimal operating conditions. Put simply, each process is divided into several components. The operations of these components are executed based on rigorous scientific principles, ensuring a high level of accuracy and setting them apart from their rivals. Managers, as stated by Muhammad Awan, Shahzad Bukhari, & Iqbal (2011), have identified 10 dimensions for assessing the quality of banking service. The main dimensions of quality service are typically considered to be ten in number. However, many scholars concur that these dimensions can be consolidated into five dimensions of service quality. The reliability and responsiveness dimension holds the highest importance, representing the organization's capability to offer customer-friendly services and their willingness to address customer needs.

The survey results show that trust and affirmation received a 95% ranking, indicating that the service was accomplished in a timely, effective, and secure manner. The concept of empathizing for the third place at 90% encompasses the expression of literature, respect, and affection by establishing personal connections with customers and displaying emotional sensitivity. Tangibility ranked fourth, with a percentage of 80%.

The researchers in the field of quality service assert that the fundamental determinant of consumers' evaluation of service quality is the significance of the five dimensions, which accounts for 100% of the overall assessment. The percentages of dependability, responsiveness, trust and affirmation, empathy, and tangibility are 32%, 22%, 19%, 16%, and 11% respectively (Muyeed, 2012).

3.3 Organizational Differentiation

Organizational differentiation is a strategic method used by firms to set themselves apart from rivals by providing distinctive goods, services, or experiences that are seen as superior or distinct in the market. This notion is based on the necessity for firms to establish a competitive edge by being distinct in ways that have significance for customers. According to Michael Porter (1980), difference is one of the three fundamental tactics that organizations may employ to gain a competitive advantage, together with cost leadership and focus. Organizations strive to achieve uniqueness by providing distinctive offerings that customers find valuable, enabling them to charge higher prices or cultivate customer loyalty.

Differentiation may be accomplished through several methods such as innovation, quality, brand reputation, customer service, and product features (Kotler & Keller, 2016). Apple Inc. distinguishes itself by employing creative product design and establishing a robust brand identity. Consequently, the company has cultivated a devoted consumer base and can command higher prices for its products. Similarly, in the service industry, differentiation can be achieved by providing outstanding customer service or creating a distinctive customer experience, as exemplified by companies like Ritz-Carlton, which sets itself apart through its personalized and top-notch service (Zeithaml, Bitner, & Gremler, 2018).

In the context of globalization and market saturation, the significance of organizational distinction has increased. This is due to the fact that customers now have a greater number of options available to them. In the face of growing competition, the capacity to distinguish oneself via difference becomes essential for survival and achievement (Barney, 1991). This is especially accurate in businesses where products or services are otherwise comparable, making the task of distinguishing one from another a crucial element in customer decision-making. Differentiation

not only enhances client attraction but also fortifies brand resilience against competition pressures and market fluctuations.

Nevertheless, attaining distinction is not without of its obstacles. Organizations must consistently engage in innovation and adjust to evolving client preferences in order to preserve their distinct position. If a distinctive business fails to take action, it may face the risk of rivals narrowing the gap or perhaps surpassing it, which might lead to a decline in its market share (Kim & Mauborgne, 2005). Hence, achieving successful difference necessitates a profound comprehension of client requirements, a dedication to excellence, and a continuous investment in innovation and brand enhancement.

To put it concisely, organizational differentiation is a crucial tactic for organizations aiming to develop a distinct market position and attain sustainable competitive advantage. Strategic positioning refers to the process of developing and providing unique and superior value compared to rivals, with the aim of attracting and maintaining consumers in a highly competitive market (Porter, 1980; Kotler & Keller, 2016).

3.4 Dimensions of Organizational Excellence

Organizational excellence can be measured through three main dimensions (Al Shobaki et al., 2017):

3.4.1. Leadership Excellence

This represents the degree to which a leader can capitalize on organizational opportunities, provide development opportunities, and accept work challenges in a way that helps the organization deal with various processes and crises. Leadership excellence is defined as the ability of leaders to utilize material and human resources and is measured by the extent to which employees are able to achieve leadership excellence within the organization (Al-Lozi et al., 2017: 17). Leadership excellence is considered one of the most important pillars of modern management, as contemporary management requires superior capabilities from the leader to be able to keep pace with the developments and changes imposed by the knowledge age (Al Shobaki & Naser, 2016: 70).

3.4.2. Service Excellence and Innovation

This dimension indicates that, under excellence management, resorting to competitors is an indication that something is wrong with the service approach, and these symptoms lead to an action plan to correct these errors or shortcomings. There is no doubt that using the structural gateway to solve problems makes it possible to move toward continuous improvement. Therefore, service excellence is developed with unique recipes. It gives the organization the opportunity to set exceptional prices (Naser & Al Shobaki, 2017: 12).

3.4.3. Knowledge Excellence

This dimension refers to knowledge management and knowledge as an organizational resource, and as important tools for achieving organizational excellence, performance, and competitive advantage through knowledge transfer and sharing. Therefore, knowledge transfer within an organization occurs when organizational members pass on tacit and explicit knowledge to each other. Information technology facilitates knowledge transfer by providing means for capturing, storing, and retrieving knowledge. Knowledge within the tacit domain requires further contextualization with innovative knowledge—in what context is the information used to explain the meaning of knowledge and how it is used (Magd, 2014:112).

3.5 The Relationship Between Service Quality and Organizational Differentiation in the Banking Sector

Service quality plays a crucial role in the banking industry, since it directly impacts how customers perceive, feel satisfied with, and remain loyal to a firm. Banks may differentiate themselves in a very competitive market by providing exceptional client experiences that are difficult for competitors to imitate, thanks to their outstanding service quality. Parasuraman, Zeithaml, and Berry (1988) propose that service quality may be evaluated based on many characteristics, including tangibility, dependability, responsiveness, assurance, and empathy. By excelling in these areas, banks provide a distinctive value offer that distinguishes them from other financial institutions.

A bank's capacity to offer dependable and prompt services may greatly bolster its image and foster consumer trust, both of which are crucial for distinguishing itself from competitors. According to Zeithaml, Bitner, and Gremler (2018), dependability, which refers to regularly fulfilling commitments, is especially crucial in the banking sector. This is because trust and confidence play a vital role in sustaining long-term client relationships. Financial institutions that are viewed as trustworthy are more inclined to maintain their client base, who, in turn, may serve as champions for the institution, so strengthening its unique position in the market.

Furthermore, service quality in the banking industry encompasses not just fulfilling client expectations but also surpassing them. Banks that exhibit a profound comprehension of consumer requirements and offer customized services, such as personalized financial guidance or quicker service, may distinguish themselves by delivering great customer experiences. Lovelock and Wirtz (2011) highlight the significance of providing customized and sympathetic service, in which personnel genuinely care about clients. This approach may establish powerful emotional bonds, resulting in heightened customer loyalty and a unique market position.

High service quality not only improves customer happiness but also promotes organizational differentiation through the facilitation of innovative service delivery. Banks may implement new technologies, such as mobile banking applications or automated customer support systems, to enhance their service offerings. These technologies not only increase service efficiency but also provide customers with a more contemporary and comfortable experience (Bitner, Brown, & Meuter, 2000). These innovations may be important factors that set things apart, especially in an industry where technical progress is quickly becoming a necessary element of competition.

The connection between service quality and organizational distinction is further strengthened by the influence of service quality on consumer perceptions of brand value. Customers that view a bank as providing excellent service are more inclined to consider it a premium brand, which can support higher pricing and enhance the bank's overall market position (Aaker, 1991). The perceived value is essential for differentiation, as it enables the bank to distinguish itself in a saturated market where products and services frequently exhibit similarities.

Service quality is crucial in attaining organizational distinction in the banking industry. Banks can establish robust customer relationships, promote innovation, and elevate their brand value by providing dependable, tailored services. These factors collectively contribute to a distinct and enduring competitive advantage (Parasuraman et al., 1988; Zeithaml et al., 2018; Lovelock & Wirtz, 2011).

3.6 The Applied Aspect of the Research

3.6.1 Coding the Main Study Variables and Their Composite Dimensions

This section focuses on two variables (service quality, organizational excellence) by expressing them using a set of meaningful symbols that provide precise meaning for interpreting the data and

building a clear understanding for the reader regarding the symbols used in the analysis. Table (1) may provide a clearer explanation of the coding and description of the research variables.

Table (1) Coding of study variables and dimensions

Variables	Dimensions	Paragraphs	Symbolism
Quality of service	Dependability	4	DF
	Responsiveness	5	RE
	Assurance	4	AS
	Empathy	5	EM
	Tangibility	5	TA
Organizational Excellence	Leadership excellence	10	OEL
	Service & innovation excellence	10	OES
	Knowledge excellence	10	OEK

3.6.2 Testing the stability and moderation of the research

It is noted from the results of Table (2) that the measurement tool, with its variables and dimensions, follows a normal distribution. This indicates that the results obtained by the research are balanced and consistent with the responses of the research sample. The results also indicate that the measurement tool is characterized by relative stability, as the Cronbach's alpha value is higher than (75%). This means that all items and dimensions of the research are consistent with the responses of the research sample

Table (2) Results of the stability and moderation test of the research variables and its dimensions

Variables	Dimensions	Paragraphs	Test Kol-Smi	Cronbach's Alpha
Quality of service	DF	4	0.071	0.906
	RE	5	0.102	0.908
	AS	4	0.064	0.906
	EM	5	0.136	0.907
	TA	5	0.084	0.907
Organizational Excellence	OEL	10	0.102	0.904
	OES	10	0.064	0.908
	OEK	10	0.066	0.913

3.6.3 Describing the Research Variables and Testing the Strength of the Relationship

Data analysis shows that the average performance levels across service quality components (such as reliability, responsiveness, assurance, empathy, and physical manifestations) ranged between approximately 3.63 and 3.75, with varying standard deviations. Reliability achieved a mean of 3.66, with a standard deviation of 0.57, indicating consistent performance by employees in providing reliable service. Responsiveness achieved a mean of 3.73 and a standard deviation of 1.05, indicating that the level of responsiveness varies more, as some employees may respond well, while others do not. Assurance achieved a mean of 3.75 and a standard deviation of 1.03, indicating a medium level of trust and assurance felt by customers. Empathy achieved the lowest mean of 3.63 and the highest standard deviation of 1.14, reflecting greater variation in the level of empathy provided to customers. Physical manifestations achieved a mean of 3.71 and a standard deviation of 0.91, indicating that physical manifestations are generally considered to be of good quality, with some variation. As for overall service quality, its average is 3.69 with a standard deviation of 0.85, reflecting customer satisfaction with service quality as average to good, with some variation in ratings. Data analysis shows that the overall rating for the three areas

(excellence in service and innovation, excellence in knowledge, and organizational excellence) ranges between approximately 3.76 and 4.21, with varying levels of variance.

Table (3) Description of the research variables and testing the strength of the relationship between them

No.	Mean	S.D	%
DF	3.66	0.57	73%
RE	3.73	1.05	75%
AS	3.75	1.03	75%
EM	3.63	1.14	73%
TA	3.71	0.91	74%
QS	3.69	0.85	74%
OEL	3.84	0.82	77%
OES	4.21	0.79	84%
OEK	3.76	0.71	76%
OREX	3.93	0.75	79%

The first main hypothesis: There is a significant correlation between service quality and organizational excellence.

The results of the table show that there is a correlation between service quality and organizational excellence, with a value of (0.645). This means that improving service quality can contribute significantly to enhancing organizational excellence in private banks. In other words, when bank employees are able to provide high-quality services, this helps achieve consistency between the services provided by banks and the general objectives of the organization, which supports its success and excellence in the market. Therefore, service quality is not just an individual element, but rather has a major role in achieving organizational success and excellence.

Table (4) Matrix of the relationship between service quality and organizational excellence

	DF	RE	AS	EM	TA	QS	OEL	OES	OEK	OREX
DF	1									
RE	.404*	1								
AS	.847*	.828*	1							
EM	.446*	.397*	.504*	1						
TA	.357*	.472*	.493*	.548*	1					
QS	.532*	.413*	.565*	.375*	.466*	1				
OEL	.548*	.537*	.644*	.784*	.855*	.765*	1			
OES	.557*	.536*	.653*	.384*	.366*	.527*	.528*	1		
OEK	.428*	.347*	.465*	.298*	.342*	.517*	.481*	.516*	1	
OREX	.654*	.339*	.414*	.426*	.318*	.256*	.416*	.471*	.586*	1
**. Correlation is significant at the 0.01 level (2-tailed).							Sig. (2-tailed)=0.000			n=263

Second Main Hypothesis: There is a significant impact of service quality on organizational excellence.

The results of the analysis of the impact of service quality on organizational excellence in private banks indicate a strong, positive relationship. Furthermore, the coefficient of determination ($R^2=0.427$) means that 42% of the changes in institutional performance can be explained by service quality, confirming the importance of service quality in promoting organizational excellence.

Table (5) Results of the analysis of the impact of service quality on organizational excellence

path		Standard weights	standard error	C.R	R ²	(P)
DF	--->	0.871	0.061	14.27869	0.427	0.001
RE	--->	0.693	0.052	13.32692		0.001
AS	--->	0.644	0.057	11.29825		0.001
EM	--->	0.523	0.072	7.263889		0.001
TA	--->	0.713	0.072	9.902778		0.001

Discussion of the Results

The results indicated that improving the skills and experience of employees in providing high-quality services enhances the bank's ability to differentiate itself from competitors and create a distinctive image in the market. Furthermore, having employees who provide reliable, prompt, and compassionate services reflects an advanced level of quality, which contributes to building strong relationships with customers and achieving organizational excellence. Furthermore, investing in employee training and developing their capabilities to provide high-quality service effectively contributes to improving the bank's overall performance and achieving uniqueness and excellence. An important aspect is that management's lack of focus on employee service quality may lead to a decline in organizational excellence, negatively impacting customer satisfaction and the bank's competitiveness. Finally, it can be said that the quality of employee service leads to the more effective realization of the bank's vision and strategy, which enhances the bank's excellence and contributes to its long-term sustainability and success.

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