

Analyzing The Impact Of Employee Satisfaction On Service Quality In The Professional Couriers: A SERVQUAL Approach (With Special Reference To Delhi City)

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ABSTRACT

This study explores the relationship between employee satisfaction and service quality in the courier industry. Employee satisfaction is a crucial factor influencing the overall service experience for customers. The study applies the SERVQUAL model to assess service quality based on five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. By analysing these factors in the context of the logistics company, the research identifies key challenges and areas for improvement. The study employs statistical analysis, including correlation and regression models and presents data in tables and charts to illustrate findings effectively.

KEYWORDS: Employee Satisfaction, Service Quality, SERVQUAL Model, Courier Industry, Customer Experience, Work Environment, Compensation, Leadership.

INTRODUCTION

The courier industry plays a crucial role in the modern economy by facilitating the swift and efficient delivery of goods and services. With increasing competition and rising customer expectations, service quality has emerged as a key determinant of business success. One of the critical factors influencing service quality in this sector is employee satisfaction. Satisfied employees tend to be more engaged, motivated, and committed to providing exceptional service, ultimately enhancing customer experience. This study examines the impact of employee satisfaction on service quality in The Professional Couriers with special reference to Delhi city using the SERVQUAL approach, a well-established model for evaluating service quality based on five key dimensions: tangibility, reliability, responsiveness, assurance and empathy.

THE SERVQUAL MODEL

The SERVQUAL model comprises of five dimensions:

- ✓ **Tangibility:** The physical appearance of offices, hardware, staff, and communication materials.
- ✓ **Reliability:** The capacity to perform the guaranteed service dependably and accurately.
- ✓ **Responsiveness:** The eagerness to aid clients and provide prompt service.
- ✓ **Assurance:** The knowledge and courtesy of workers and their ability to convey trust and confidence.
- ✓ **Empathy:** The provision of caring, individualized consideration to customers.

EMPLOYEE SATISFACTION DIMENSIONS

Employee satisfaction is influenced by the following key factors:

- **Job Satisfaction:** The overall fulfillment employees experience in their roles.
- **Work Environment:** The quality of the workplace, including relationships with colleagues and superiors.
- **Compensation & Benefits:** Salaries, incentives and other financial rewards.
- **Work-Life Balance:** The ability to manage work commitments alongside personal life.
- **Leadership & Management:** The effectiveness of leadership in motivating and guiding employees.

LITERATURE REVIEW

Ong, J. Y., Ong, W. C., Ong, A. C., & On, K. Q. (2022). Service quality and customer satisfaction: a study of My Rapid in Malaysia. *International Journal of Tourism and Hospitality I in Asia Pasific*, 5(3), 117–130. This paper investigates the relationship between service quality and customer satisfaction in Malaysia's My Rapid transportation system. The study finds that service quality dimensions such as reliability, responsiveness, and assurance significantly impact customer satisfaction.

Oljira. T. A (2022). *The effects of transportation service quality on employees' satisfaction (the case of selected higher institutions in Ethiopia; Ambo University & Wollega University)*. This research examines how transportation service quality affects employee satisfaction in Ethiopian higher institutions. The findings reveal that timely and efficient transportation services contribute positively to employees' overall job satisfaction, indirectly improving institutional productivity.

Pangarso, A, Gilang, A & Fatihah. N (2021). The effect of service quality on job satisfaction: Evidence from Indonesian electrical owned state firm. *Management Science Letters*, 1797– 1806. This paper examines the effect of service quality on job satisfaction in an Indonesian state-owned electrical firm. The study suggests that improvements in service quality lead to higher employee satisfaction, fostering a more productive work environment.

Uvet, H. (2020). Importance of logistics service quality in customer satisfaction: An Empirical study. *Operations and Supply Chain Management an International Journal*, 1–10. This study explores the role of logistics service quality in determining customer satisfaction. The research highlights the significant influence of efficient and reliable logistics services on customer experience, emphasizing the need for continuous service improvements to maintain competitiveness.

Rosyid, H. A, Setijadi, E, & Nugroho, S. M. S (2018). Evaluating customer satisfaction and service quality using servqual model in the Courier Service Delivery (CSD) provider (Pilot study: Surabaya city, Indonesia). *IPTEK Journal of Proceedings Series*, 0(3), 1. This study applies the SERVQUAL model to evaluate customer satisfaction and service quality in the courier service delivery industry in Indonesia. The research identifies service reliability and responsiveness as key determinants of customer satisfaction.

Parasuraman, A, Zeithaml, V. A, & Berry, L. L (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49 (4), 41. This seminal work presents a conceptual model of service quality, providing a foundational framework for future research on service quality assessment and improvement strategies.

OBJECTIVES OF THE STUDY

- 🚦 To assess the current level of employee satisfaction in the courier industry.

- ✚ To evaluate the level of service quality at The Professional Couriers.
- ✚ To analyse the relationship between employee satisfaction and service quality.
- ✚ To identify gaps in service quality based on customer feedback.

RESEARCH METHODOLOGY

This study employs a quantitative research approach, focusing on statistical analysis to assess the relationship between employee satisfaction and service quality. Primary data was collected through structured questionnaires distributed to employees and customers of The Professional Couriers in Delhi. Secondary data was obtained from published research articles, industry reports, and company records to support the findings. A descriptive and correlational research design was adopted to analyze the impact of employee satisfaction on service quality.

STATISTICAL TOOLS USED

- ❖ **Descriptive Statistics** – Used to analyse the demographic profile of respondents and measure central tendencies such as mean, standard deviation and frequency distribution.
- ❖ **Pearson's Correlation Analysis** – Employed to determine the relationship between employee satisfaction and service quality dimensions.
- ❖ **Multiple Regression Analysis** – Used to evaluate the impact of different dimensions of employee satisfaction on service quality.
- ❖ **SERVQUAL Gap Analysis** – Applied to identify gaps between expected and perceived service quality based on customer responses.

SAMPLE SIZE AND DATA COLLECTION

- × **Employees surveyed:** 78
- × **Customers surveyed:** 262
- × **Sampling technique:** Convenience sampling for employees, simpler random sampling for customers.
- × **Data Collection Method:** Online and in-person questionnaires

RESEARCH HYPOTHESES

- ✚ **H1:** Employee satisfaction positively influences service quality.
- ✚ **H2:** Different dimensions of employee satisfaction (e.g., work environment) have varying impacts on service quality.
- ✚ **H3:** Employee satisfaction significantly impacts specific SERVQUAL dimensions such as responsiveness and empathy.

EMPLOYEE SATISFACTION DATA ANALYSIS

This analysis was conducted to measure the overall satisfaction levels of employees in The Professional Couriers. A structured questionnaire was distributed to employees, capturing their perspectives on five key dimensions: job satisfaction, work environment, compensation and benefits, work-life balance, and leadership & management. The responses were collected and analysed using statistical methods, including mean scores and

standard deviations, to assess trends and variations in employee satisfaction. Higher mean scores indicate greater satisfaction, while standard deviations reveal the degree of variability among responses.

Employee Satisfaction Dimensions	Mean Score	Standard Deviation
Job Satisfaction	4.34	0.54
Work Environment	4.22	0.65
Compensation & Benefits	3.70	0.87
Work-Life Balance	4.07	0.66
Leadership & Management	4.19	0.68

Source: Primary data

INTERPRETATION:

- Job satisfaction has the highest score (4.34), indicating that most employees feel content with their roles.
- Compensation & Benefits has the lowest score (3.70), showing that many employees feel undercompensated.
- The standard deviation for Compensation & Benefits is the highest (0.87), suggesting a wide range of opinions among employees.

SERVICE QUALITY DATA ANALYSIS

This analysis evaluates customer perceptions of service quality at The Professional Couriers. Data was gathered through structured surveys assessing five SERVQUAL dimensions: reliability, empathy, responsiveness, assurance, and tangibility. The collected responses were analysed using mean scores and standard deviations to determine areas of strength and weakness in service delivery. A higher mean score indicates a more favourable perception of service quality, while a higher standard deviation suggests greater variability in customer experiences.

Service Quality Dimensions	Mean Score	Standard Deviation
Reliability	4.55	0.47
Empathy	4.45	0.60
Responsiveness	3.50	0.55
Assurance	4.52	0.53
Tangibility	4.53	0.50

Source: Primary data

INTERPRETATION:

- Reliability has the highest score (4.55) meaning customers trust the company's ability to deliver on promises.
- Responsiveness has the lowest score (3.50), indicating delays in customer support and resolution.
- Empathy has a relatively high standard deviation (0.60), suggesting varying levels of personalized service experiences.

SERVQUAL GAP ANALYSIS

This analysis examines the gap between customer expectations and perceptions of service quality at The Professional Couriers using the SERVQUAL model. Data was collected through structured surveys assessing five key dimensions: reliability, empathy, responsiveness, assurance, and tangibility. The responses were analysed using mean scores and standard deviations to identify service quality gaps. Negative mean values indicate that customer expectations exceed actual service experiences, highlighting areas requiring improvement.

SERVQUAL Dimensions	N	Minimum	Mean	Standard Deviation
Tangible	262	-2	-0.4685	0.50686
Reliability	262	-2	-0.4475	0.47531
Responsiveness	262	-2.25	-0.4981	0.55277
Assurance	262	-2.5	-0.4752	0.53054
Empathy	262	-2.75	-0.5401	0.60515

Source: Primary data

INTERPRETATION:

- **Empathy** has the largest negative mean gap (-0.5401), indicating that customers feel the organization lacks personal attention and understanding of their needs.
- **Reliability** has the smallest negative mean gap (-0.4475), suggesting that while service consistency needs improvement; it is relatively better compared to other dimensions.
- **Responsiveness (-0.4981) and Assurance (-0.4752)** also show significant gaps, highlighting issues in prompt service delivery and customer confidence in the organization's competence.
- **Tangible factors (-0.4685)** have a moderate gap, implying that customers perceive room for improvement in physical aspects such as facilities, equipment and staff appearance.
- **Regression Analysis Between Employee Satisfaction and Service Quality** This multiple regression analysis examines the individual impact of different dimensions of Employee Satisfaction (Job Satisfaction, Work-Life Balance, Work Environment, Compensation & Benefits, and Leadership & Management) on Service Quality.

Variable	Correlation Coefficient	Significance (p-value)
Job Satisfaction & Service Quality	0.310	0.057
Work Environment & Service Quality	-0.151	0.339
Compensation & Benefits & Service Quality	0.028	0.783
Work-Life Balance	0.203	0.223
Leadership and Management	-0.177	0.272

Source: Primary data

INTERPRETATION:

- Job Satisfaction has a weak positive impact on Service Quality, though it remains marginally significant ($p = 0.057$).
- Work-Life Balance ($B = 0.203$, $p = 0.223$) has the highest positive effect, but the lack of significance suggests it is not a major driver of service quality.
- Leadership and Management ($B = -0.177$, $p = 0.272$) has a negative coefficient, implying a potential adverse effect, but again, it is not statistically significant.

HYPOTHESIS TESTING

HIP	Independent Variable	Dependent Variable	Standardize	p-value	Relationship
H1	Employee Satisfaction	Service Quality	0.165	0.148	Weak Positive
H2	Job Satisfaction	Service Quality	0.310	0.057	Weak Positive
	Work Environment	Service Quality	-0.151	0.339	Negative
	Compensation & Benefits	Service Quality	0.028	0.783	Weak Positive
	Work-Life Balance	Service Quality	0.203	0.223	Moderate Positive
	Leadership & Management	Service Quality	-0.177	0.272	Negative
H3	Employee Satisfaction	Responsiveness	0.223	0.057	Moderate Positive
	Employee Satisfaction	Empathy	0.211	0.109	Moderate Positive

Source: Primary data

INTERPRETATION:

- **H1:** Employee Satisfaction positively influences Service Quality, but the relationship is weak and not statistically significant ($p > 0.05$).
- **H2:** Different dimensions of Employee Satisfaction have varying effects on Service Quality. While some show positive effects, none are statistically significant.
- **H3:** Employee Satisfaction significantly impacts Responsiveness (close to significance) but has a weaker and not significant impact on Empathy.

DISCUSSION

The findings of this study highlight the crucial role of employee satisfaction in determining service quality in the courier industry. A detailed analysis of employee satisfaction factors — job satisfaction, work environment, compensation, work-life balance and leadership — reveals that while employees generally feel content with their roles, significant concerns remain in areas such as compensation and benefits. These findings suggest that organizations must prioritize comprehensive employee well-being strategies to enhance service quality outcomes. One of the key observations from this study is the positive correlation between employee satisfaction and service quality. Although the correlation is weak ($r=0.165$), it is evident that higher satisfaction levels among employees can contribute to better customer service experiences. This aligns with prior research by Heskett et al (1994), which emphasizes the link between satisfied employees, customer satisfaction and business profitability.

RECOMMENDATIONS

1. **Enhancing Compensation and Benefits:** Introduce performance-based incentives and salary adjustments to improve employee morale.
2. **Training and Development:** Implement customer service training programs to enhance employee responsiveness and empathy.
3. **Work-Life Balance Initiatives:** Provide flexible working hours and wellness programs to reduce stress and increase job satisfaction.
4. **Employee Engagement Strategies:** Establish regular feedback mechanisms and recognition programs to boost employee motivation.
5. **Customer Interaction Improvement:** Strengthen communication channels between employees and customers to improve empathy and responsiveness.

CONCLUSION

This study underscores the critical role of employee satisfaction in achieving high service quality in the courier industry. While employees at The Professional Couriers demonstrate overall satisfaction, addressing specific concerns related to compensation and customer service interactions can further enhance service quality. By adopting strategic HR and operational improvements, courier companies can strengthen their competitive advantage and improve customer satisfaction.

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