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**An adaptation and application of the Internal Service Quality scale  
(INTSERVQUAL) to the context of a Not for Profit making organisation: A  
case study of the YMCA Central region in New Zealand.**

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Paper No: 287.888: Research Report

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*A Research report submitted in partial fulfilment of the requirements for the degree of  
Master of Quality Systems. Massey University 2016*

## **Abstract**

An organisation's effectiveness depends on the activities of each department, each person at each level working co-operatively because each department or person at each level is an internal customer or supplier of products or services to each other. To date most studies have focused on how external clients perceive the quality of service provided by organisations. The five dimensions of service quality (SERVQUAL) tangibles, assurance, reliability, responsiveness and empathy have become a standard for evaluating service quality from the end consumer's perspective. Little research has been carried out to identify and measure internal service quality. These are services designed, produced and delivered from one unit or employee to other units and employees within the organisation. Studies have shown that if the internal service satisfies the internal customer there is a greater chance of the organisation being able to meet the needs of its external customer. With growing interest in internal service quality a number of researchers have suggested that external service quality dimensions apply to internal service quality value chains irrespective of industry. However this transferability to a Not for Profit community organisational setting is yet to be proved empirically. This study investigated YMCA Central region, a Not for Profit organisation (NPO) operating in New Zealand with its head office in Wanganui. The study sought to establish the key service quality dimensions of the organisation's internal customers, adapt and apply the SERVQUAL scale to measure internal customers' perception of the service they receive from different departments within the organisation, assess strengths and weaknesses of internal service delivery in the organisation and make suggestions for future research. The study concluded that the Internal Service Quality scale is both transferable and adaptable in its original SERVQUAL form for the purpose of measuring the internal service environment of an NPO. Future research should aim at larger sample sizes for better analysis and should expand its qualitative inquiry on the definition of internal service quality at every hierarchical level within the organisation.

## **ACKNOWLEDGEMENTS**

I would like to express my sincere thanks to my Supervisors, Nigel Grigg and Nicky Campbell-Allen for their firm, honest and consistent support during this research and their expert guidance in the compilation of this report.

I also thank Gerry Gibbs the YMCA Central region's Chief Executive Officer for his support in encouraging staff to participate in the survey. Finally my gratitude goes to my amazing family for their persistent support and their encouragement.

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## **LIST OF ABBREVIATIONS**

EFA- Exploratory Factor Analysis

INTSERVQUAL- Internal Service Quality Scale

ISQ- Internal Service Quality

LGET- Looking Glass Evaluation Tool

NPO- Not for Profit Organisation

OSCAR- Out School Care and Recreation

P/N- Palmerston North

PO- People Organisation

PQSSO- Practical Quality Assurance System for Small Organisations

PSC- Public Service Contractors

SERVQUAL- Service Quality scale

SM- Senior Managers

YMCA- Young Men's Christain Association

## **1. Introduction**

### **1.1 Background**

The SERVQUAL is a quality management tool that measures the customer's perceptions regarding a service or product or the discrepancy between customer expectations and the actual customer's experiences. Previous studies show that it has been applied to both the manufacturing and service sectors. With appropriate adaptation it can be used by departments or divisions and sub divisions within an organisation to ascertain the quality of service they provide to employees in other departments.

The interest of this study is premised on the assumption that if a service within the organisation is improved then this will be passed on to the external customer in form of a better service delivery. It would be quite intriguing and fascinating to explore the transferability of the SERVQUAL instrument to measure service quality in the context of a non-governmental organisation's internal environment. The YMCA Central is a non-governmental organisation operating five departments namely; out of school care, sports recreation, education, recreation and outdoors. At the top of its organisational structure is the Chief Executive Officer, assisted by five managers from each of the departments as shown in the organisational chart in figure 4 . Its head office is located in Wanganui with branches in Palmerston North, and Ruakawa Camp. The Tertiary Education Commission and the New Zealand Qualification Authority plays a prominent role in the internal quality control processes of the YMCA as they set the funding and qualification requirements respectively.

Previous studies have shown that both marketers and organisational behaviourists emphasize the importance of the internal dynamics of the organisation in terms of a network of customers and suppliers interacting together to satisfy the external customer. Internal customers and internal suppliers within an organisation each supply the other in terms of the input-output links in the value

chain. Each supplier of an internal service will aim at exceeding the expectations of its internal customer in order to pass on value to the consumer of the organisation's final output.

The significance of this research is based on the following reasons. Services are important to the new Zealand economy in that the sector has increased its share of the gross national product from 66% in 2004 to 71 % in 2011 (New Zealand Economic and Financial Overview 2012).

An organisation's failure to invest in internal service quality and make proper consideration for improvement in internal processes may seriously affect its operational performance since employees may not be able to provide timely and adequate services desired by their co-workers. (Latif, Baloch & Rehman 2016).

Secondly the service environment within the non-governmental organisation such as the YMCA is unique and complex with multiple interactions occurring internally between several key internal stakeholders all aimed at delivering a service to the community. Thirdly, a community organisation is a significant field of study from both a technical and organisational perspective which gives greater scope for an extension of research into how internal service quality can be best co-ordinated to meet the complex needs of the community.

Finally it is important for the YMCA as an organisation to continuously work towards achieving a fitness of purpose for its service delivery within and outside the organisation given the increasing scrutiny from the general public and the cuts in public spending.

## **1.2 Research Significance**

Services contribute 68 % to New Zealand's Gross National Product and have been consistently contributing to economic growth since 2007 (Saunders et al., 2009) . The Not for Profit sector under

which YMCA falls grew to a \$9.8 billion industry with an operating expenditure of 6.5 billion in the year ended March 2004 and it employs 9.6% of New Zealand's workforce which is a significantly larger proportion of the New Zealand workforce compared with construction, transportation and utilities industries combined. Due to the ongoing worldwide recession Not for Profit Organisation (NPO) have made major cutbacks in their spending due to lack of funding and they are also operating in an abundantly competitive environment (Pandanyi and Gainer, 2003; Sarsdet and Schloderer, 2010) . There is a growing need for Not for Profit Organisations such as the YMCA to improve the quality of service in the communities in which they operate given the increasing competition for funding. The first port of call in their quest for better service quality delivery is undoubtedly their internal processes. Much research has been conducted regarding the service quality requirements of external customers and yet there has not been much research done on internal service quality in the Not for Profit making organisations.

### **1.3 Research Scope**

Although the study will include a broad review of literature on service quality, its main highlight will be internal service quality or the fitness of purpose of internal services supplied and received within a Not for Profit making Organisation. The inquiry will examine service quality in general, its ramifications in the form of external and internal services. It will narrow down its focus on the internal service and seek to adapt and apply the SERVQUAL scale originally designed to measure the organisation's external service so that it can be modified for the purpose of evaluating a Not for Profit Organisation's internal service. The organisation of choice is the YMCA Central region covering the Wanganui and Palmerston North areas in New Zealand.

### **1.4 Research Aim**

The study will investigate the adaptation and application of Internal Service Quality to the context



of the internal environment of a Not for Profit Organisation with a focus on the YMCA central region of New Zealand.

### **1.5 Research Objectives**

The study will achieve the above aim through the following objectives;

- 1.) To identify attributes used for measuring internal service quality in a Not for Profit Organisation.
- 2.) To assess the difference between the service quality attributes suggested in the original SERVQUAL scale and those used in YMCA central region's internal processes.
- 3.) To find out if the SERVQUAL scale in its original form can be adapted and employed to measure internal service quality in a Not for Profit Organisation.
- 4.) To examine if the adapted INTSERVQUAL scale is a reliable and internally consistent measure as applied in the context of YMCA central region's internal service environment.
- 5.) To investigate if there is any difference in the way how staff evaluate the service they receive from the YMCA central region's five departments, to make recommendations for continuous improvement and suggest enhancements for future research.

## **2. Literature Review**

### **2.1 Service Quality**

A service is an act or behaviour based on the interaction between a provider and receiver and its characteristics are essentially intangible, variable, inseparable and its production takes place simultaneously with its consumption (Kotler et al., 2014). Quality on the other hand is the fitness of purpose (Juran and Godfrey, 1999). Service quality is defined as an attribute which is a result of

long term evaluation of an organisation's performance (Hoffman and Bateson, 2006) . It is different from customer satisfaction as it includes customer satisfaction as part of its process. This is supported by (Hoffman and Bateson, 2006) as they state that service quality is a cumulation of successful and unsuccessful customer experiences with the organisation generating the service. Dhurup (2012) describes service quality as an important part of service marketing which should help a provider ensure customers or clients a dependable and accurate service delivery. Parasuraman et al. (1985) describe service quality as a broad judgement of an attitude to the superiority of a service which is achieved by a comparing customers' expectations and perceptions of products and services they receive. A prudent service provider would aim at exceeding his customers expectations. This is alluded to by Boulding et al. (1993) who underscores the important role played by customers prior experiences in their final decision to consume a service. They describe the dimensions of service quality as a function of a customer's prior expectations of what will and what should transpire during a service encounter.

Over the past three decades two schools of thoughts have emerged. The European or Nordic perspective proposes three dimensions of service quality namely functional quality which is the process of service delivery to customers, technical quality which is the way how outcomes are generated to customers and image quality which is the way the organisation is viewed by its clients (Gronroos, 2001). The American perspective is led by Parasuraman et al. (1985) and he proposes a two part SERVQUAL instrument in measuring service quality which essentially compares customers expectations and perceptions. They identified five key dimensions for measuring service quality. These include tangibility (physical facilities, equipment and personal appearance), reliability (the ability to provide the promised service dependably and accurately), responsiveness (willingness to help customers and prompt service), assurance (knowledge and courtesy of employers and their ability to gain trust and confidence) and empathy (providing individualised

attention to the customers).

## **2.2 Internal Service Quality**

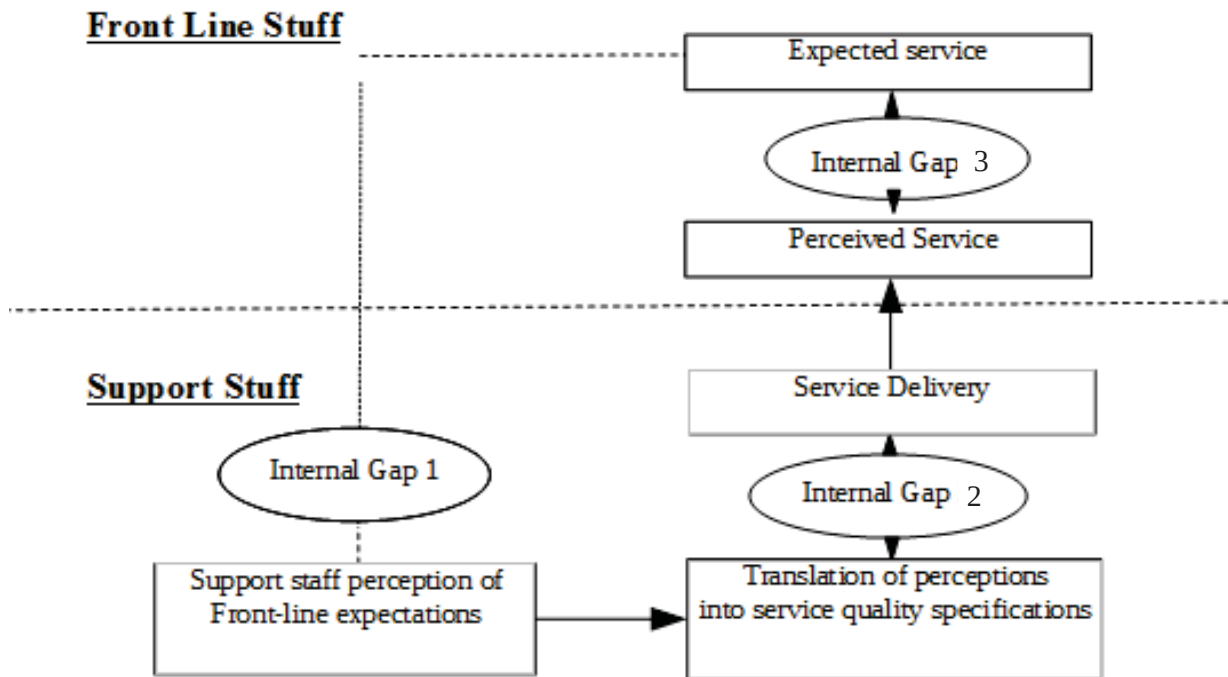
Organisations are more likely to deliver a better quality service to their external clients or customers if their internal service processes are of a good quality. The focus should not be only on external customers but on internal customers too that is the employees at various levels of the organisation's hierarchy. Frost and Kumar (2000) proposes internal front-line people to be treated the same way as external customers to ensure an organisational internal environment that support customer orientation. Total Quality Management initiatives should deliberately make conscientious organisation members view each other as customers within the organisation's value chain (Wittmer, 2005). Compared with external service research there is limited research which has been done in the area of internal service quality. Although internal service quality is of strategic importance in sustaining competitiveness in the market it has received relatively little attention from researchers (Jun and Cai, 2010). Iacobucci and Churchill (2009) suggests that this is a consequence of the marketing background of many service quality academics. Farner et al. (2001) proposes that it is due to the multidisciplinary nature of the internal service. Literature reveals two major approaches which have been followed over the years to attempt to measure internal service quality and these include the gap-based approach and perception-only based approach. The gap-based approach range from the SERVQUAL scale (Parasuraman et al., 1988) and similar versions (Young and Varble, 1997; Kang et al., 2002) , slightly modified versions (Frost and Kumar, 2000) to additions and deletions (Kuei, 1999) of service quality dimensions through to major shift away from the SERVQUAL scale (Reynoso and Moores, 1995). Some studies see the measurement of the internal services as being conceptually no more than just adopting the existing findings of SERVQUAL scale. Zeithaml et al. (1990) propose that SERVQUAL if properly adapted can be used by

departments and divisions within an organisations to assess internal service quality. More research needs to be done to support the transferability of the SERVQUAL to the internal customer service context.

### 2.3 The internal Service Quality Model

According to Frost and Kumar (2000) internal service quality is measured in terms of five basic attributes and levels. The internal service quality model (INTSERVQUAL) shown in Figure 1below identifies 3 gaps in which internal service fails.

**The Internal Service Quality Model**



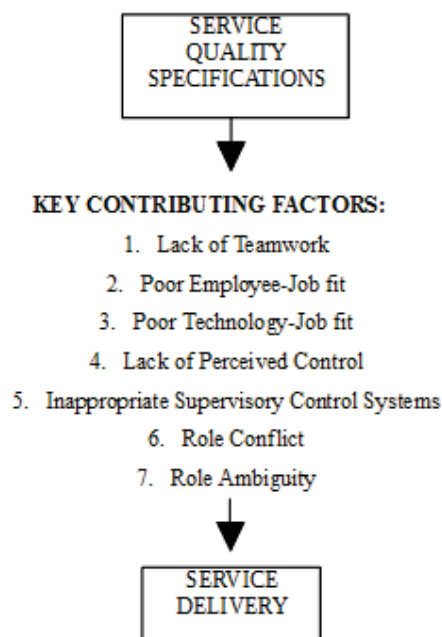
*Figure 1: The Internal Service Quality Model*

Source: Frost and Kumar (2000)

According to Frost and Kumar (2000) internal gap 1 measures the difference between support staff's perception (internal supplier) and front-line staff's expectation (internal customers). Support staff do not have direct contact with external customers. Front line staff are the coalface or "the moment of

truth" a phrase coined by Carlzon (1987) . The five different quality dimensions of reliability, empathy, assurance, tangibles and responsiveness used to assess service quality are the same as those used in the research of (Parasuraman et al., 1988). Internal gap 2 represents the discrepancy between an organisation's service quality specification and the actual service received by internal customers. Frost and Kumar (2000) describes this gap as the "internal service performing gap". Gap 3 is the difference between what managers have defined as standards of service quality and the way how a service was actually delivered (Blesic et al., 2011) . It occurs when employees are unable or unwilling to perform the service at the desired level.

### **Internal Service Quality Model: Key Contributing Factors**



*Figure 2: Internal Service Quality Model: Key contributing factors*

Source: Zeithaml and Berry & Parasuraman (1990)

In their research on the internal application of the gap-based model in large organisations Frost and Kumar (2000) found that large organisations like airlines where there is large support staff base with no direct contact with passengers the "internal service performing gap" (internal gap 3) is

wider. They suggest that front-line staff should be provided with the necessary tangible and intangible resources to narrow down the gap. The key contributing factors to internal service gap 3 are outlined above in Figure 2 above. They include lack of teamwork, poor employment-job fit, poor technology-job fit, lack of perceived control, inappropriate supervisory control systems, role conflict and role ambiguity. Inappropriate supervisory control systems come in form of oversights in the human resource management for example poor systems of evaluation and motivation. Roles which are not clearly defined are likely to cause conflict concerning jurisdiction and controls among staff. An organisation's internal service delivery is most likely to be measured against its own standards it has set for itself and hence the internal communication of its business rules, procedures and standards are crucial for the creation internal customer expectations.

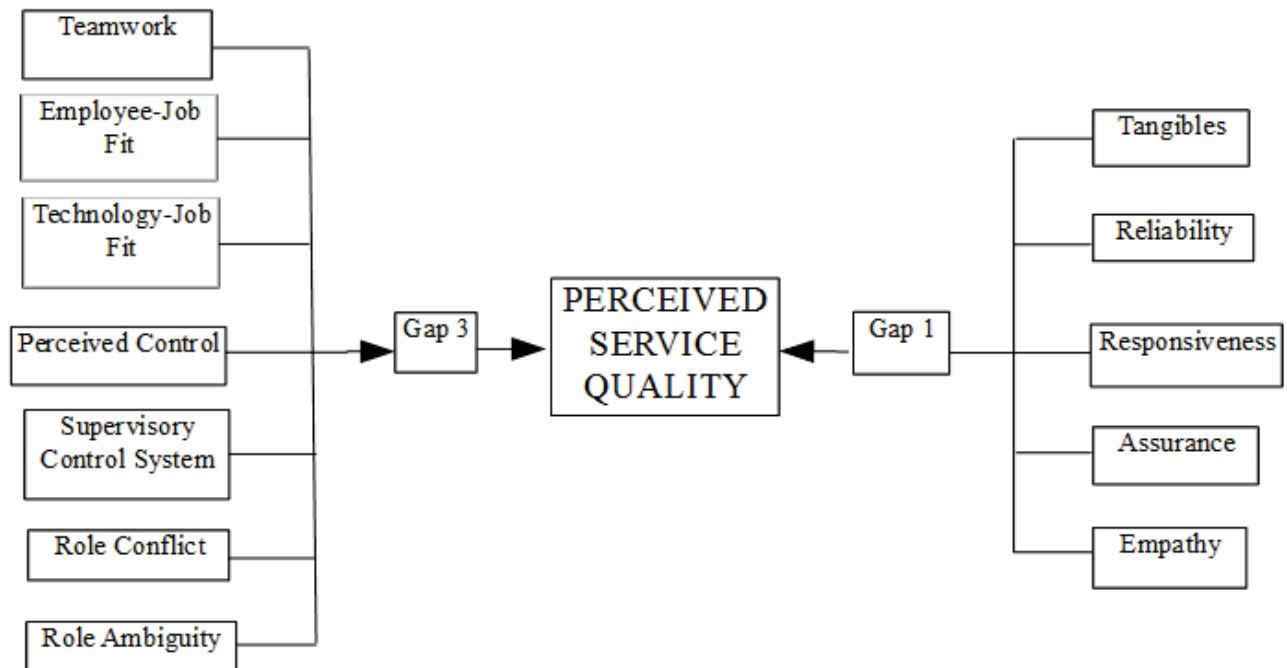
Internal gap 1 is based on the difference between front-line staff's expectations and perceptions of support staff's (internal supplier) service quality. In Parasuraman et al gap 1 is referred to as the provider gap which represents the difference between external customer's expectations and their perceptions of the service actually provided. In terms of internal service quality it is the shortfall between front-line staff's expectations and perception of support staff's (internal supplier) service quality which determines fitness of purpose of an organisation's internal service. This is considered the main gap in the original gap-model by (Zeithaml et al., 1990).

The key contributing factors to internal service quality gap 1 include inadequate marketing research operations, for example research that does not address internal service quality, lack of upward communication between the front-line staff with management, too many layers between contact personnel and top management and insufficient relationship focus (Parasuraman et al., 1985).

Figure 3 shown below illustrates the relationship between the determinants of service gap 1 and service gap 3. The determinants of service gap 3 should relate to those of service gap 1. A combination of good teamwork and good responsiveness and reliability may help increase the

perceived service quality of support staff to a level that exceeds front line staff's expectations. In such an instance the internal service quality of the organisation would be rated as favourable and most likely to be passed on to the end-customer as an added value. If the employee's skills and technology fit the job to be done and is linked with the appropriate tangible and intangible resources to achieve a desired level of responsiveness to the needs of the internal customer, the perceived service quality is most likely to exceed expectations.

**Internal service quality model: relationship between determinants of internal gap 1 and internal gap 3**



*Figure 3: Internal service quality model: Relationship between determinants of internal gap 1 and internal gap 3*

**Source:** Adapted from Zeithaml et al. (1990)

Table 1 below outlines key internal service quality which have been identified in previous studies.

Parasuraman et al. (1985) provided the SERVQUAL dimensions of tangibility, responsiveness,

### Studies on Internal Service Quality Dimensions Reported in Literature

Study	Dimensions
Gremler et al. (1994)	Recovery, Adaptability and spontaneity
Chaston (1994)	Reliability, willingness to help, prompt, trust, tangibles, personal attention
(Reynoso and Moores, 1995)	Tangibles, reliability, promptness, flexibility, confidentiality, professionalism, helpfulness, communication, preparedness
(Brandon-Jones and Silvestro, 2010)	Professionalism, processing, training, specification, content and usability
Caruana and Pitt (1997)	Service reliability and management of expectations
(Young and Varble, 1997)	Tangibles, reliability, responsiveness, assurance and empathy
Lings and Brooks (1998)	Reliability, responsiveness, credibility, competence, courtesy, communication, access, proactive decision making and attention detail
(Kuei, 1999)	Reliability, responsiveness, assurance and empathy
Frost and Kumar (2000)	Tangibles, reliability, responsiveness, assurance, empathy
Gilbert (2000)	Personal service and technical competence
Paraskevas (2001)	Professionalism, dependability, conscientiousness, communications and consideration
Kang et al. (2002)	Reliability, assurance, tangibles, empathy and responsiveness
(Parasuraman et al., 1988)	Tangibles, reliability, responsiveness, assurance and empathy
(Dhurup, 2012)	Credibility, accessibility and tangibility, assurance and preparedness, reliability, competence

*Table 1: Studies on Internal Service Quality Dimensions Reported in Literature*

Source: Adapted from: Gunawardane (2011)

empathy, assurance, reliability which became a standard for much of the service quality literature over the years and a starting point from which internal service quality literature has undoubtedly



built on. Studies done over the have revealed a wide range of internal service quality dimensions in various organisational and industrial settings, some of them identical to each other and and others quite different from each other as shown in Table 1 below. Literature reveals two main approaches to measuring internal service quality (ISQ) namely the gap-based measure and the perceptions-only measure. The gap-based measure assesses internal customer service by comparing customer expectations and perceptions. The second approach to assess internal service quality measures perceptions only instead of the two-part SERVQUAL approach of comparing expectations and perceptions. Studies have been conducted in the banking sector Lewis and Gabrielsen (1998) tourism and hospitality sector Musaba et al. (2013) , insurance services (Croom and Brandon-Jones, 2007) procurement services (Rossler and Hirsz, 1996) and generic internal services (Bruhn, 2003). Brandon-Jones and Silvestro (2010) applied the gap-based and perceptions-only measure of ISQ and they suggest that both approaches have their own advantages and disadvantages. They found that the perceptions-only measure had an advantage over the gap-based measures in terms of reliability and validity. The perceptions-only measure was found to be stronger than its counterpart when the focus of the study is on prediction of related constructs. Brandon-Jones and Silvestro (2010) found that the perceptions-only measure had the practical advantage of reduced questionnaire length which turned out to have significantly contributed to a higher response rate. Babakus and Boller (1992) also shares the same view that the perceptions-only measure reduces the likelihood of boredom setting in during questionnaire completion, thus improving response rates and heightening confidence in subsequent data analysis. Other observers have argued that the points scored from the expectations element of the gap-based measure is illusory insofar as "excellent" would appear to be a logical response to a prompt as to what is expected of a service experience (Carmen, 1990). Although the draw-back of the perceptions-only measure is that it cannot quantify the expectation-perception gap which helps to enhance data richness, its pragmatic advantages

cannot be underestimated. The debate on which approach is more superior to the other, between the gap-based and perceptions-only measure approach continues to rage on in service literature (Markovic and Raspor, 2010) . This study will seek to adapt and apply the perceptions-only measure as was done in previous studies by Reynoso and Moores (1995) , Dhurup (2012), Brandon-Jones and Silvestro (2010) and several others. Reynoso and Moores (1995) conducted a study on internal service quality in the UK on two NHS hospitals. Their research firstly conducted a qualitative inquiry to find out the key internal service quality dimensions which they referred to as departmental expectations. This was followed by a questionnaire which set out to measure how organisational units at the two hospitals perceive quality of support from other departments. Results showed that internal customers (employees) as well as external customers are able and prepared to produce scaled assessments of the service they themselves receive from other parts of the organisation. The internal service dimensions identified include helpfulness, promptness, communication, tangibles, professionalism, reliability, confidentiality, flexibility, preparedness and consideration. There were some differences and similarities with the dimensions identified by Berry's team. However the study concluded a possible transferability of the SERVQUAL scale to internal service quality measurement in hospitals . Reynoso and Moores (1995) conclude that the interesting differences and similarities in ISQ dimensions show that researchers should continue searching for a set of ISQ attributes some of which are generic and others which are unique to a specific situation. Not for profit organisations present as one of those unique internal organisational settings requiring such further studies.

Hollis (2006) used both qualitative and quantitative inquiry to examine how service quality dimensions in internal health care differ from those used in internal service quality evaluations and how groups within the organisation's internal service network differ in their assessment of service quality. The initial qualitative study was in form of in-depth interviews conducted with staff of

health care organisation. The following twelve dimensions were identified namely, responsiveness, tangibles, courtesy, reliability, communication, competence, understanding, patient outcomes, caring, collaboration, accessibility and equity. Equity came out to be the most significant. A quantitative study was conducted to adapt and apply the internal service quality dimensions identified. An internal service quality survey was administered on the employees of the health care organisation. A number of dimension labels were identified to be similar to those used in external studies of service quality. However their transferability to the context of internal customer service is not entirely supported and the same holds true about their transferability from industry to industry.

Brandon-Jones and Silvestro (2010) adapted the SERVQUAL scale and applied both the gap-based and perceptions-only approach to measure internal service quality to an e-procurement software and support organisation. The study found that both the gap-measure and the perception-only measure are both reliable and valid but the perception-only measure was found to be the marginally higher performer. The internal service context used in this study is the provision of e-procurement software training and user support and the analysis is based on survey data from 274 internal customers of e-procurement services provided by different departments within the organisation. The study identified 33 internal service quality items falling under five broad dimensions of professionalism, processing, training, specification, content usability. Professionalism included items such as support availability, reliability, responsiveness, knowledge and flexibility. Also included under this broad category are confidentiality, friendliness, problem resolution and concern shown.

Professionalism was identified as the most important ISQ attribute. Usability was found to be the least important attribute in rating the organisation's internal service quality. Dimensions of friendliness, reliability, accessibility and timeliness related dimensions have been identified in other previous studies on ISQ. Dhurup (2012) contributed to knowledge relating to internal service

quality by adapting and applying an ISQ instrument to measure internal service quality within functional units of a petro-chemical company basing on the perceptions of employees. The study identified the following dimensions namely credibility, accessibility, tangibility, preparedness, reliability and competence. In terms of regression the attributes with the strongest influence on internal customer satisfaction were accessibility, tangibility, reliability and competence.

## **2.4 Not for Profit organisations**

A Not for Profit Organisation is described by Lassiter (2007) as an organisation in which no owner, stockholder or trustee shares in profits and losses and which seeks not to earn revenue but to uphold a mission that typically improves public welfare. It is an entity that has a structure and regularity in its operations, it self-governing and its not part of the state apparatus or profit distributing (Saunders et al., 2008) . NPOs fulfil two major roles in their communities firstly the expressive function such as advocacy, culture, recreation, environmental, business, labour and professional representation and secondly the more perceived 'service' functions such as education, health care and social services (Salamon, 2010). Due to the lack of a profit motive, NPOs are multifaceted and fluid as they respond to social, political and economic change in order to survive (Wells, 2012) . It is assumed that NPOs are operationally driven by a mission or missions or some agreed values that guide those operating at different levels within the organisation (Auteri and Wegner, 2007) which further justifies the need for more research in the internal service quality of NPOs. This is most likely to have implications on its service quality. There is not much research which has been done in the area of NPOs' internal service quality, its contributions, needs and management. The NPO sector is perceived as "the lost continent on the social landscape of modern society" (Johns Hopkins University Non-profit Project as quoted in (Pascoe, 2008) p.6). Service quality is however still

regarded as one of the significant drivers of an organisation's reputation in NPOs (Sarsdet and Schloderer, 2010) . It remains unclear how NPOs manage their service quality processes as (Heller, 2008)suggest that running a workforce of voluntary and specialised professionals could impact the quality of outcomes with a resultant influence on a donor's perception to decide whether to support the organisation's cause or not.

NPOs are driven by the motive to promote the general welfare of the community and not to pursue profits. Lewis and Gabrielsen (1998) identifies four types of NPOs namely voluntary organisations which are driven by creating social mission from values, Public Service Contractors (PSCs) that work as businesses but to serve the public without gaining profit, People Organisations (PO) interested in helping members with specific interest and Non Governmental Organisations which provide public policies that protect the interest of the community. NPOs are seen as a vehicle of government policy and an integral part part of the mixed economy (Harris, 2001). The ability of a Not for Profit Organisation to improve and integrate its internal processes as well as linking these internal exchanges to the organisation's mission are critical aspects of performance and internal service quality at large. Lassiter (2007) identifies a connectivity between Not for Profit making and for Profit Organisation sector in their motive to create value. He however suggests that in for Profit Organisations, service quality is implemented to gain competitive edge, increase revenue and attain market leadership while the NPO's motive for service quality improvement is to compete for funding and donors. The internal service quality of NPOs is most likely to be driven by its funding bodies and regulators, the welfare needs of the communities in which they operate and the organisation's mission and vision for greater accountability. Scholars have over the years attempted to assess the internal operations of NPOs and to establish an assessment framework that captures both the donor and the NPO interest. It would be interesting to explore how the key internal service quality dimensions in an NPO are shaped by both donor interests and the NPO's own interests.

## **2.5 Internal Service Quality in Not for Profit Organisations**

To be able to have an insight into the internal processes of NPOs it is important to first understand the NPO business model. Donors such as governments, foundations, corporations or individuals each having their own outcomes, criteria and methods of evaluating outcomes are the main source of funding for NPOs (Glassman et al., 2012). NPO are run in form of programs or activities that benefit the community. A program begins with identification of a need such as improving literacy and numeracy levels in the community and this is followed by the donor distributing a call for proposals or applications from interested NPOs and Non Governmental Organisations (Glassman et al., 2012). After outlining a funding criteria the donor assesses the proposals received and select the best candidate for funding. A budget is negotiated followed by objectives, deliverables, funding, time-line, monitoring and evaluation criteria.

Quality systems used by NPO's vary on a number of approaches, some cover all aspects of the internal organisation's operations and management and others focus on a specific aspect of the organisation's operations (Cairns et al., 2005). Research shows that some have focused on measuring individual programs or projects (Boerner, 2004), others have adopted self-evaluations or self assessments while others have taken a broader organisational learning or capacity building (Blumenthal, 2004) . Over the years the NPO sectors in the UK and USA have adopted a wide range of quality systems approach many of which are derived from the commercial sector. According to (Cairns et al., 2005) these have included Total Quality Management tools that sets a process for organisational change through best performance practices, The Balanced score card; an approach initially designed for business which aims at aligning performance measures with the organisation's goals, The Investors in People which focuses on the human resources management, Outcome measurement a process that is primarily concerned with the extent to which a program or an

organisation achieve better performance by comparing their processes with those of other organisations. Some have used a generic quality systems approach such ISO 9000 while others have adopted a sector specific quality systems approach such as the Practical Quality Assurance System for Small Organisations (PQASSO).

Kaplan and Norton (2001) proposed the Balanced Scorecard as quality systems model to assess performance accountability in NPOs and its based on the belief that financial measures supported by ad hoc performance measures are not adequate in determining the success of the organisation. He suggested five quadrants which could be used to analyse the full performance accountability of an NPO namely the financial perspective, internal perspective, innovative perspective, learning perspective and customer service perspective. PQASSO or Practical Quality Assurance System for Small Organisations uses a peer review approach and it was created by the Charities Evaluation Services a UK registered Charity (Matthews, 2008). It assesses service quality using twelve building blocks an organisation needs in order to achieve high standards and these include planning, governance leadership and management, user centred service, managing people, learning and development, managing resources, community and promotions, working with others , monitoring and evaluations. The Investors in People is a human resources management focused quality system and the recognition as an Investor in People is achieved against twelve indicators which reflect four principles of commitment, planning, action and evaluation (Bell et al., 2002) . All the above performance improvement approaches aim at providing a framework for policies and values and a systematic attention for detail (Gaster, 1995).

Mueller et al. (2005) proposed a gap evaluation tool which is basically a self-assessment tool which covers six measurement dimension namely effective management, strategic planning, advocacy, legal framework, governance and fund raising. The tool which has become to be known as the

Looking Glass Evaluation Tool (LGET) is aimed at helping NPOs add value to their internal processes. Effective management and governance could be interpreted as having some relevance to some of the service quality attributes in the service quality scale proposed by Zeithaml and Parasuraman. The tool attempts to elicit through intense questioning, the organisations' perceptions of its governance and managerial functionality. The Looking Glass Evaluation Tool gives staff an opportunity to air their views regarding the internal processes of the organisation. The tool firstly measures the organisation's understanding of governance and managerial functions then it measures the degree to which the organisation plans its functions and finally it measures how NPOs how well the functions are performed or implemented. The tool has been updated to include an external audit function applied at the stage of measuring implementation so that credible statement can be made to external parties such as donors. Both the internal service quality scale and the Glass Evaluation Tool target staff of Not for Profit making organisation as source of information for their evaluation process.

However despite all the literature on performance improvement about NPOs there is still little research about internal processes within NPOs that yield programme improvement.

## **2.6 The YMCA Central Region Wanganui/Palmerston North**

The YMCA Central region covers the Wanganui and Palmerston North areas. It supports the holistic development of all people with a special focus on youth, by generating health in “Mind, Body and Spirit”, by creating a society of justice, freedom and peace and a through the construction of value based and ethical communities (YMCA, 2014). It aims at building strong kids, families and communities by promoting family values of honesty, caring, respect, responsibility and enjoyment of life. The organisation's mission and vision is founded on the principles adopted at the first YMCA s World Alliance conference held in Paris in 1855 and further adopted at the conferences



held at Kampala in Uganda in 1973, Krenchen in German in 1998 and Colorado in USA in 2014.

Directors and he oversees six departments as shown in Figure 4 below.

#### YMCA Central Region's Organisational Chart

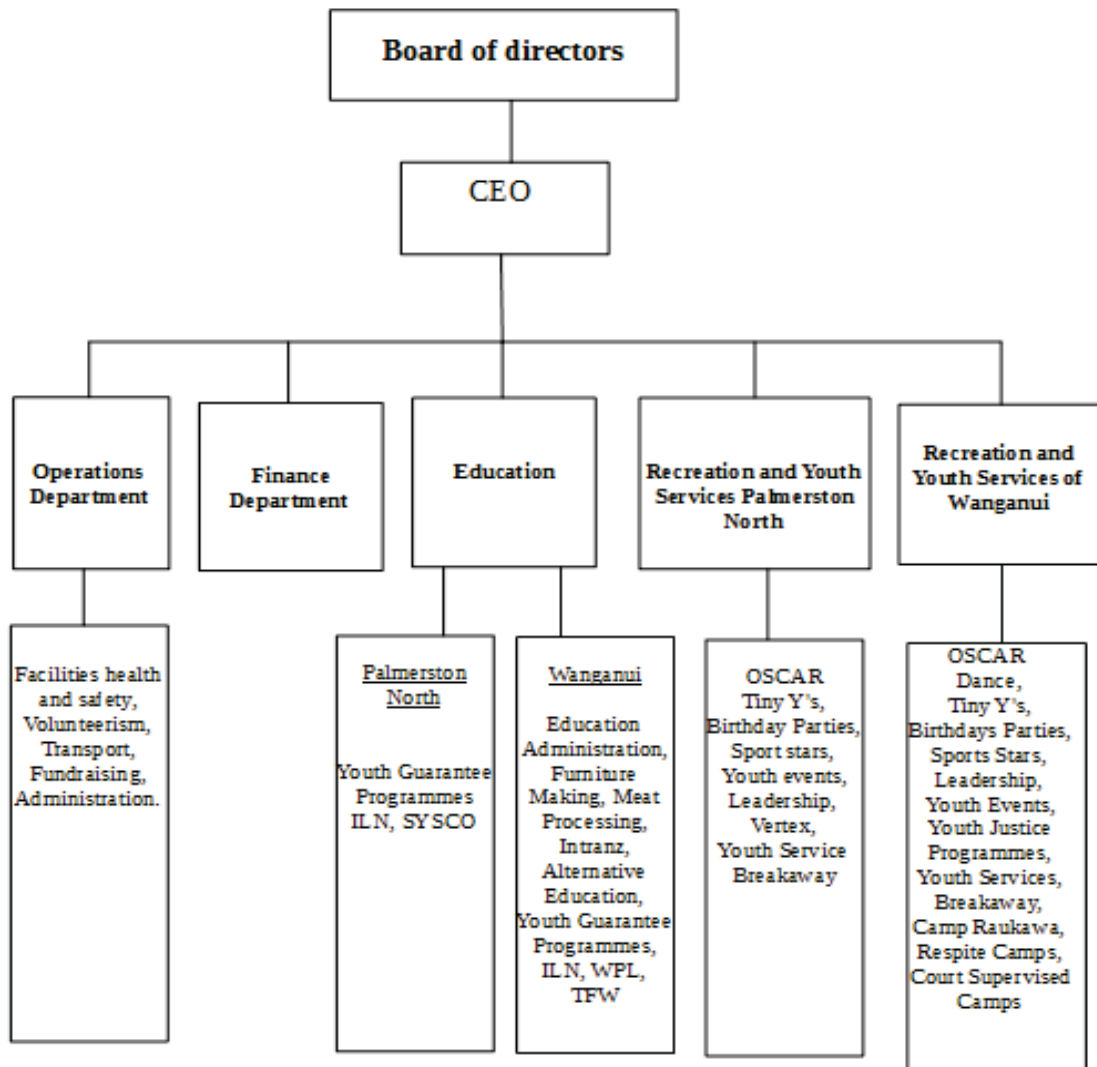


Figure 4: YMCA central region's organisational chart

#### Zealand Central Region Casual Induction Booklet 2014

YMCA organisations are mandated to provide a diverse set of quality programmes designed to promote self-improvement and self-reliance through spiritual, mental and physical development (Wallace and Weese, 1995). Change is omnipresent in sport and recreation organisations such as the

YMCA and creating a culture of quality improvement is important for the success and survival of the organisation (Sashkin, 1986) . The YMCA central region provides community services in the following core programme areas of sports and recreation, education, youth services, out of school care and recreation services, outdoors and early childhood education as shown in the organogram below. The organisation's head office is in Wanganui. The Chief Executive Officer reports to the Board of Recreation & Youth Services (Palmerston North) and Recreation & Youth Services (Wanganui) as shown in the organogram in Figure 4. Each department is run by a manager. The Education department provides Furniture making, Meat processing, Alternative Education, Youth Guarantee Programmes in Wanganui and Palmerston North. The Wanganui and Palmerston North Recreation and Youth Services departments provide Out of School Care and Recreation (OSCAR), Sports stars, Birthday parties, Youth events, Youth services, Youth justice, Dance Respite camps programmes in Wanganui and Palmerston North.

### **3 Methodology**

#### **3.1 Introduction**

The research is going to be of both exploratory and explanatory nature. Dutka (1995) asserts that choosing a qualitative or quantitative research approach is not an either-or-situation but the methodologies are complementary and should be combined in order to tap on the strengths of each other. The exploratory or qualitative study which will mark the first phase of the study seeks to identify themes in the YMCA organisation from which the internal service quality dimensions can be depicted. This will be done through in-depth interviews with five senior staff of the YMCA Central region. The explanatory or quantitative study will be the next phase in the study and it uses the findings from the exploratory study as well as from other secondary data sources in the literature

as a basis for constructing an internal service quality survey questionnaire which is finally modified and administered to all staff of the YMCA central region. Rather than repeat previous studies which have relied on the five service quality dimensions by Parasuraman et al. (1988) , this study seeks to identify internal service quality dimensions applicable especially to a non-profit-making organisation such as the YMCA. It will further compare the identified internal service quality attributes with the original SERVQUAL scale dimensions and examine the adaptation and application of the Internal Service Scale to the context of the internal environment of an NPO.

With a methodology driven by the research problem ((Hair et al, 2003; Neuman, 2003),the research question of this study relating to “how, why” questions are best answered with qualitative methods, the “who, what” questions are best answered by the survey method of data collection (Yin, 1981). The combination of research methods is designed to provide richness as data themes are explored through qualitative methods and then confirmed through quantitative methods (Deshpande, 1983) .

### **3.2 Methodology Phase 1 of the study**

Phase 1 of the study will aim at developing an understanding of the attributes and dimensions important to a Not for Profit making organisation internal service value chain with a special focus YMCA central region. The inquiry will use in-depth interviews to discover attributes used to describe internal service quality. Five senior managers will be interviewed. The qualitative approach will provide a richness of data to give insight to the themes developed. Easterby-Smith et al. (1994) assert that a semi-structured approach is necessary to understand the constructs that the interviewee uses as a basis for opinions and beliefs about a particular matter or situation and to be able to understand the respondent's world. Rubin and Rubin (1995) also echo the same viewpoint as they state that the unstructured and open-ended nature of in-depth interviews provide large amounts

of rich but disorganised data. The responses from the in-depth interviews although not providing a precise answer to the inquiry gives a framework to conduct an initial investigation which will help identify the issues to follow up in the more structured questionnaire survey of phase two of the study. The semi-structured approach provided for flexibility in the conduct of the interviews for both the researcher and the respondents. An interview guide was used to conduct the in-depth interviews with the view of reducing bias arising from sequencing subject matter, from any possible omission of questions and from any uncontrolled over-representation of subgroups among respondents.

Respondents were interviewed at their places of work to make it more convenient for them as well as exploiting the real internal work environment in which they have close interaction in the performance of their activities. Care was taken to ensure privacy and confidentiality during the interview.

### **3.3 Case study protocol**

Data was collected using an interview guided by a protocol (Yin, 1981). An interview guide provided six numbered questions which served as a basic check list to indicate the topics and their sequence in the interview. A copy of the interview guide is shown as Appendix 3. The first open question was asking the respondent what is his or her nature of work is and how long the respondent has been with the YMCA. The second question asked the interviewee the nature of his working relationship among staff from other departments, how the employee becomes involved in the value chain, who determines what he does and if he or she has control over work from other departments. The third question probed the interviewees how important quality is in their role, what they understand about internal service quality is, how it can be measured and if staff are rewarded for quality work amongst themselves. The fourth question asked the respondents the attributes they use for measuring internal service quality, how important the attributes are and if there is a formal

process for regulating internal service quality. The fifth question sought to investigate how the interviewee's expectations influence their assessment of internal service quality. Finally, question six probed staff on the proportion of time they spend with workers from other department as a percentage of their work day. The interview guide provides a protocol which prompts respondents with topics and issues for discussions in what Wallendorf and Brucks (1993) call guided introspection. The interview guide was pretested in interviews preceding the study phase 1. These questions helped the researcher understand the working environment and nature of relationships within work teams and across the departments and disciplines in the YMCA central region.

### **3.4 Samples**

The sample design for this study was purposive sampling and selects respondents by taking a random cross section of the population under study (Newman, 2001) . A small number of five senior managers from different departments were selected to ensure that a cross section of strata was interviewed. Codes such as SM1, SM2, SM3, SM4 and SM5 as shown in Table 2 were assigned to the in-depth interview respondents to uphold anonymity. The assurance of anonymity and privacy retains the validity of the study and it increases the likelihood of accurate reflections of opinions of interviewees (Hollis, 2006). Those interviewed in the pretest were not reinterviewed to prevent contamination. The stratification was based on the five departments of the two YMCA in the Central region namely the General Operations Department, Finance, Education, Recreation and Youth services Palmerston North and Recreation and Youth services Wanganui as shown in Table 2. Hollis, (2006) assert that it is standard requirement to sample or interview until saturation of each category is achieved. The Operations Departments oversees the organisation's facilities, health and safety, voluntarism, fund raising and the vehicle pool. The Finance Department is responsible for organising the financial and accounting affairs of the organisation. The Education Department in

Palmerston North offers Youth Guarantee Programmes and the one in Wanganui offers courses in business administration and computing, meat processing, furniture making, alternative education and youth guarantee programmes. The Recreation and Youth services Department in Palmerston North and Wanganui offers out of school care programmes, youth leadership courses, youth events, respite camps, court supervised camps, youth justice programmes and birthday parties. The purpose was to uphold a fairly representative sample of the population based on the function of each department. Unlike in quantitative sampling, qualitative sampling is based on smaller samples and it seeks richness in data to achieve an in-depth understanding of issues and their underlying factors (Kvale, 1996) . A smaller sample was thought to be appropriate given that the qualitative study was to be followed up by a quantitative study. For a qualitative research that has to stand as a research study on its own right, the number of interviews may be larger (Morton-Williams, 1985) .

### **3.5 The process of data collection and analysis**

The first batch of raw sense data is generated through listening, observing and interviewing. The interviewees were voice-recorded and they had to make a choice on whether they wanted to have their voices recorded or not. Perakyla (1998) suggests that recording and subsequent transcription of interviews increases the reliability of data used in research. Patton (1982) assert that a tape recorder does not eliminate the need for note taking as this helps formulate new questions during the interview and facilitates analysis at a later stage.

A review of interview transcripts helps to categorize or label units of data belonging to, representing or being an example of some more general phenomenon (Straus and Corbin, 1998). It also helps the researcher understand and link the large volumes of collected data to each other. Quality attributes were labelled and categorised with particular reference to service quality concepts

in previous studies particularly those drawn from Charles Hollis's (2006) Service Quality Evaluation of Internal Healthcare Service Chains. This allowed for consistency of terminology and making it easy to compare the results with those in previous inquiries. Data collected from each respondent was recorded on spreadsheet and quotations indicative of themes collected and put into categories as shown in Table 3 and 4. In order to ensure reliability of the classification system stability was ascertained when the content was coded more than once by the researcher (Weber, 1985) and an independent researcher was asked to make some comments to the categories identified to test for reproducibility or inter-coder reliability.

### **3.6 Methodology Phase 2 of study**

Phase 2 of the study is a quantitative inquiry in the form of a questionnaire survey shown as Appendix 4 which is based on the themes identified in study 1 and those identified in previous literature and more specifically on the SERVQUAL scale model. Quantitative research is used to collect viewpoints and then represents them in numbers (Turunen, 2011). The concepts and statements from the SERVQUAL scale were modified to allow for situational factors of the YMCA internal environment. The qualitative study helped to establish the factors and themes upon which quantitative survey in the form of a questionnaire was developed. The questionnaire provided structured or closed questions which required interviewees to make a quick decision by choosing among alternative answers (Hollis, 2006) and it also helps the researcher code the information for analysis at a later stage (Malhotra et al., 2006) .

### **3.7 Questionnaire design**

Questions 1 up to 6 dealt with demographics; that is the respondent's gender, age, education,

length of service and the respondent's department in the organisation. Question 7 measures how the respondent rates the importance of each department in the YMCA including theirs. Question 8 measures how the respondent rate the importance of caring, promptness, professionalism, service flexibility, team work, doing things right first time, meeting timeframes, physical facilities, respect, knowledge, dependable service and consistant service in the internal processes of the YMCA. Question 9, 10, 11, 12, 13 asks the respondents to rate the services they receive from the Finance, Recreation & Youth Services Wanganui, Recreation & Youth Services Palmerston North, General Operations and Education Deaprtments respectively in terms of the same attributes outlined above. Question 14, 15 and 16 are open-ended questions asking respondents how the YMCA could improve its internal service quality, the possible challenges and obstacles in achieving better internal service quality and what decisions around internal service quality they would make if they were the organisation's Chief Executive Officer. The questionnaire included both structured questions with attitudinal scales and open questions. The decision to choose a questionnaire or interview is based on the nature of investigation, the geographical distribution and type of the study population (Kumar, 2011) . In this case it was decided that anonymity of the respondents should be strictly upheld given that colleagues' work and communication was being investigated and also the fact that a questionnaire provided easy access to all the YMCA staff located at different geographical locations in the Wanganui and Palmerston North areas. The choice of a questionnaire survey enhanced the validity of the inquiry. A SurveyMonkey on-line survey software was used for the purpose of this study. The study population was considered to have computing skills and the on-line survey gave the respondents the flexibility to answer the questions at a time which suited them. To uphold confidentiality the questionnaire was sent to the study population via a generic YMCA e-mail address and answers were returned directly to the on-line SurveyMonkey software. The SurveyMonkey provides very useful customizable surveys and a suite of paid back end programs.



### **3.8 Selection of sample group**

The YMCA central region is made up of the YMCA Wanganui and YMCA Palmerston North and it has a total of 80 members of staff and they are spread around the Wanganui and Palmerston North areas. All the staff members and departments have direct connections to external customers. The questionnaire survey used stratified sampling based on the different departments which make up the organisation. Stratified sampling is regarded as the most efficient among probability designs (Sekaran, 1992) in that it improves representation of particular strata or group within the population and it helps the researcher to compare different strata and make valid inferences from the sample to the population. In order to improve on the response rate the survey instrument was distributed through the YMCA generic e-mail system to ensure access to all staff and the Chief Executive Officer also encouraged staff to complete the survey when he met them during his monthly departmental meeting. Follow up e-mails were also sent through the same channel. Survey questionnaires were distributed to all the 80 members of staff in the YMCA. The support given by the Chief Executive Officer contributed to the overall response rate of 62.5% with no strata falling below 50%. The Chief Executive Officer reminded staff to complete the survey during his monthly meetings and care was taken to ensure that staff do not feel compelled to heed to this call. The response rate in all the strata (Departments) shows a normal range for this type of survey and it is illustrated in Table 2 below. The selection of the sample was driven by the need to ensure all the different demographics, roles, literacy levels and all departments of the YMCA are fairly represented. Stratified sampling has the advantage over other sampling methods in that it embodies the entire population, ensures greater precision and thus minimising the selection bias and it requires a smaller sample which saves on costs (Malhotra et al., 2006). In this study stratified sampling was appropriate because the organisation only employs 80 employees. I

### Sample size/response rate analysis

	N (Population)	Response	% of total Response	Response Rate
Finance	2	1	2	50
Recreation & Youth Wanganui	20	12	24	60
Recreation & Youth P/N	27	17	34	62
General Operations	6	4	8	66.6
Education	25	16	32	64
Total	80	50	100	62.5

*Table 2: Sample size and response rates*

Palmerston North abbreviated as P/N in the table above.

### 3.9 Data collection and analysis

The survey questionnaire was designed using attitudinal scale questions and open questions. For the purpose of measuring the respondent's perception of the service they receive from their colleagues a seven-point likert scale was used. The internal service was measured in terms of caring, promptness, professionalism, service flexibility, team work, doing things right first time, meeting timeframes, physical facilities, respect, knowledge, dependable service and consistent service. 1 represented strongly disagree and 7 represented strongly agree. Previous studies have shown a better reliability for scales with approximately seven points than those with other scales (Birkett, 1986; Alwin and Krosnick, 1991). The use of scales provide a representation of the categories or continuum along which respondents arrange themselves, thus allowing description of the distribution of respondents along the scale or in categories (Hollis 2006). The seven point likert scale was used in the SERVQUAL model (Parasuraman et al 1988) and by using the same scale in this study this will help to make comparisons with previous related research possible. Three open questions numbered 14, 15 and 16 were designed into the questionnaire as complementary to the

attitudinal questions. They sought to find out what challenges and obstacles stand on the way to achieving a better internal service quality from the employees perspective. In order to identify and eliminate potential problems with the survey instrument and to establish face validity (Malhotra et al., 2006) a pre-test was done to 5 respondents with representation from each stratum. A further pre-test of the questionnaire was done to people outside the organisation which included a Phd researcher in Not for profit Organisations at Massey University, Lecturer in Statistics at Victoria University, a Service Manager in the Department of Corrections, a Business studies student at Massey University and a secondary school Mathematics teacher.

### **3.10 Reliability**

The term reliability is described by positivists as a measure that will give the same results on different occasions and by phenomenologists as different research studies yielding similar observations at different occasions (Easterby-Smith et al., 1994; Rubin and Rubin, 1995). Positivists focus on facts based on tested hypothesis while phenomenologists develop meanings through induction from data and both approaches are important. The study questionnaire was designed on the basis of the original SERVQUAL model in terms of the style of scaling and some of the terminology used for describing service quality dimensions. Previous studies have used the SERVQUAL scale or its modifications (Turunen, 2011). The seven-point likert scale has indicated to be more reliable than other scales (Birkett, 1986). Also the piloting of the survey instrument in and outside the YMCA organisation provided for sufficient checks and balances. Those who participated in the pre-test did not take part in the main survey as they may have become sensitive to the scale measurement and therefore alter their responses due to environmental or personal settings (Hair et al., 2003). The information from the pre-tests was also analysed in the SurveyMonkey software in order to validate the analysis possibilities. The study did not use the

original SERVQUAL twin scale approach of measuring respondent's service quality expectations against their actual experiences or perceptions. The study focused on measuring the actual experiences that is the perceptions only approach. The SERVQUAL twin scale has been criticised in previous researches as many respondents found it illusory not to rate their expectations anything either than (7) strongly agree (Reynoso and Moores, 1995). Statistical tests were carried out on data collected to determine the proportion of systematic variation of scales used. A Cronbach's coefficient alpha of 0.6 or less would be generally indicating unsatisfactory internal consistency or reliability. Hypothesis was tested using the Friedman's test to examine differences in the distribution perceptions around the thirteen internal service quality dimensions being measured.

### **3.11 Validity**

Validity tests is how well an instrument measures the particular concepts it is supposed to measure or whether the researcher has gained full access to the knowledge and meanings of informants (Easterby-Smith et al, 1994; Rubin and Rubin, 1995). For the purpose of this study the survey questionnaire has face or consensus validity as it significantly measures what it is supposed to measure (Litwin, 1995) . It is based on the seven-point SERVQUAL model which has been tried and tested in previous research and which has been pilot tested on the study population and has been thoroughly reviewed by people outside the organisation from different backgrounds. The study instrument uses bipolar semantic differential scale of (1) strongly disagree to (7) strongly agree which adequately represents the categories or continuum along which respondents can arrange themselves. The questionnaire was pre-tested twice and the content and context of the questions was adequately revisited. Malhotra et al. (2006) suggests that a survey instrument should be able to correlate with other standard measures of the same construct or established criterion. The internal service quality survey used in this study meets the criterion validity as it is able to associate with

previous research indicators in the SERVQUAL model by Parasuraman et al. Nearly the same scaling styles and question formats are used to measure internal service quality.

### **3.12 Ethics**

The participants of the in-depth interviews included the Chief Executive Officer and his assistants. The internal SERVQUAL survey will be administered on members of staff selected from the different business units within the YMCA central region. This includes managers, personal assistants tutors and office administrators. The importance of the research was fully explained to participants to help them make an informed decision to participate in the study. The researcher is an outsider and does not have any influence to compromise the validity of the research or ethical integrity. A researcher's journal is going to be kept as an audit trail. Data interpretations was shared and checked with informants and details provided of the research setting with participants to uphold the ethical integrity of the study. Finally the university ethical committee gave its approval for the study to go ahead.

### **3.13 Conclusion**

This study uses a mixed methodology of in-depth interviews and a survey questionnaire to investigate if the SERVQUAL model in its original form can be employed to measure internal service quality in a not for profit making organisation, examine the internal service quality that are unique to the YMCA, to investigate how employees view the services they receive from other departments within the organisation and how much importance they attach to internal service quality attributes. Both the in-depth interview guide and the survey questionnaire shown as appendix 3 and Appendix 4 have been pilot-tested and reviewed to enhance their reliability and validity. The survey instruments have also been designed on the basis of the SERVQUAL model

and on the experiences of previous research in a wide variety of settings.

## 4 Results analysis

### 4.1 Study 1 In-depth interviews

This chapter reports results of study 1 which was in form of in-depth interviews conducted on 5 senior management staff of the YMCA central region. In order to uphold the privacy of the respondents anonymous coding was used to identify the participants in study 1 as shown in Table 3 below. Five interviewees were selected for in-depth interviews and they are representative of five different Departments of YMCA central region namely Youth and Recreation services Wanganui, Youth and Recreation services Palmerston North, Education, General Operations and Finance as shown in Table 3 below.

**Participant Codes for the in-depth interviews**

	Code	Role	Gender	Time at the YMCA
1	SM 1	Management	Male	5-10 years
2	SM 2	Management	Male	20-25 years
3	SM 3	Finance Management	Male	10-15 years
4	SM 4	General Operations	Female	20-25 years
5	SM 5	General Operations	Male	5-10 years

*Table 3: Participants Codes for the in-depth interviews*

The interviewees are selected to be typically of the strata in terms of the range of work and responsibilities held. Each of the five department is overseen by a manager and an assistant manager which brings the total number of managers in the region to ten. Kvale (1996) suggests interviewing as many subjects as necessary to find out what you need and in this case half of the people in management participated in the in-depth interviews.

To explore whether the service quality dimensions proposed by Zeithaml et al. (1990) will differ

from those used to measure internal service in a Not for Profit Organisation, in-depth interview participants were asked about their understanding of internal service quality and the dimensions they might use to evaluate it.

#### **4.2 Defining service quality**

In his study of internal service quality in the healthcare sector, Hollis (2006) suggest that if participants can define service quality it can be assumed that they can be able to identify its dimensions and how to evaluate it. Although most respondents could not directly say whether internal relationships were good or bad but the general emphasis on the need for good working relationships in the organisation may point to a lack of it. This is illustrated by the following responses to the question, “How would you describe the nature of the working relationships you have with people from other sections?”

*Despite our offices being an open plan, communication between departments is passive and meetings are not as regular as they are supposed. (SM1)*

*Working relationships have not been so good because of the organisational changes taking place (SM2)*

*Working relationships differ as different managers may want information or services which suit different needs or tastes. There is need for staff to relate to each other well. (SM3)*

*On the whole relatively good (SM4)*

*Working relationships are good but they could be better (SM5)*

Respondents unanimously describe internal service quality as of critical importance to the organisation's success. This is illustrated by the following responses to the question, “How important is quality in your role?”

*Quality is important to the YMCA and it should be maintained at a high standard to ensure both the children and parents clientèle are happy (SM1)*

*Internal service quality is about managers being able to relate to each other even if they see things from different angles .....some managers are not talking to each other (SM2)*

*Internal service quality is key to the organisation's viability and survival and it is about good financial reports and managing cash flows properly (SM3)*

*The quality of the organisation's physical appearance is important things such as office appearance, department's billboard, logo, leaflets & staff's attire (SM4)*

*A highly rated internal service quality is of strategic importance to the organisations long term survival and it is about having proper systems in place (SM5)*

#### **4.3 Service quality dimensions**

Interviewees were asked to identify attributes which could be used to measure internal service quality. Most respondents could not find it easy to describe how service quality could be measured



and the question had to be re-framed to get a more direct response. One of the participants suggested that the means by which internal service quality is measured can be very subjective. They identified a wide range of service quality attributes ranging from the ability to communicate effectively, the timeliness, consistency, helpfulness and relevance of the service, the level of honesty, caring, motivation, politeness, knowledgeability, responsibility, respect, accuracy, with which staff deliver services internally and the completeness of delivered services. This is illustrated by the following responses to the question, “How do you evaluate the quality of work done by people from other sections with whom you work?”.

*Services should be complete, accurate, error-free, relevant and timely to the clients. Staff should up-hold the YMCA value of building strong family values and a communities*  
(SM1)

*Service quality attributes should be consistent with the YMCA values of caring, honesty, responsibility, respect, humour and fun and they should align with the expectations of the Tertiary Education Commission, the New Zealand Qualification Authority and the Donor community.*(SM2)

*Financial information should be relevant, reliable, accurate and timely and staff should uphold YMCA values of caring, honesty, respect, humour and enjoyment of life.* (SM3)

*Internal service quality is very important and it can be assessed on the basis of staff's timeliness honesty, accountability, responsibility and how service delivery aligns with the*

*organisation's mission. The way how staff present themselves for example their way of dressing.(SM3)*

*Nothing is cut and dry or perfect, but staff should aim at good communication, honesty, meeting set deadlines and following YMCA values (SM4)*

*Staff should be polite, helpful, dressed professionally and easily accessible and work as a teamwork (SM5)*

The in-depth interviews held with the senior managers revealed themes articulated as attributes used to measure service quality. These themes were classed into 36 categories as shown in Table 4.

**Service Quality Categories**

Timely response	Office appearance	Completeness
Honesty	Professionalism	Promptness
Caring	Department's logo and leaflets	Doing things right first time
Staff motivation	Responsibility	reliable
Enthusiasm	Respect	Risk minimisation
Team culture	Following processes	Accountability
Communication	Error-free	dependable
Feed back	Relevance	Helpfulness
Politeness	Owning to our mistakes	Humour & fun
Approachable	Availability	Considerate
Consultation	Best performance	Accepting criticism
Knowledgeabilty	Holistic approach	Trust and confidence

Table 4: Service Quality Categories

Adapted from Hollis (2006)

Although the number of categories were too many to work, they provided useful insight into what people think should be the best way to measure internal service quality in a Not for Profit-making

Organisation. A review of the above categories shows that some of the themes overlap into each other for example feed back and communication and timely response and promptness. Some of the categories shown in Table 4 could be meaning the same thing but said in a different terminology. Concepts suggested by different senior managers of different departments have the potential of being classified in a number of different ways given their multi-disciplinary backgrounds of the managers for example finance, education and sports and recreation. Farner et al (2001) identified the multi-disciplinary nature of internal service quality attributes compared to those for external customers. However the categories reflect dimensions which YMCA management use to assess the quality of their internal processes. Evaluating an organisation on the basis of 36 attributes would be quite cumbersome and therefore an attempt was made to reduce the dimensions to 10 generic categories as shown in Table 5. An effort was made to reduce the categories repeatedly with the view of coming up with some broad categories that can represent the internal service dimensions of the organisation. Allocation of attributes to broad categories was done according to patterns from previous research and details of this are shown in table 5.

#### **4.3.1 Tangibles**

Tangibles include things such as the physical appearance of the premises of service delivery, the offices, the organisation logo, equipment, furniture, stationary and staff's appearance.

Not many responses mentioned the physical environment as being part of the organisation's internal service quality outlook. Some respondents suggested that the way how staff present themselves in terms of dressing for example, is an important internal service quality attribute. Other respondents thought the billboards, logos leaflets and office appearance would be a bigger issue to external customers than to internal ones. Two senior managers out of five who participated cited staff's way of dressing and Staff's presentation in general as an important element in the overall

assessment of the organisation's internal service quality. Bitner (1992) underscores the importance of the physical environment on the processes that make the service itself.

#### **Dimensions of Internal Service Quality Attributes for the YMCA central region**

<b>1. Tangibles</b> <ul style="list-style-type: none"> <li>• Office appearance</li> <li>• Staff's attire</li> <li>• Department's logo and leaflets</li> </ul>	<b>6. Competence</b> <ul style="list-style-type: none"> <li>• Professional skills</li> <li>• Following processes</li> <li>• Best performance</li> <li>• Knowledgeable</li> </ul>
<b>2. Responsiveness</b> <ul style="list-style-type: none"> <li>• timely responses</li> <li>• promptness</li> <li>• enthusiasm</li> </ul>	<b>7. Assurance</b> <ul style="list-style-type: none"> <li>• Putting safety of staff first</li> <li>• Trust</li> <li>• Confidence</li> </ul>
<b>3. Reliability</b> <ul style="list-style-type: none"> <li>• Accuracy</li> <li>• Dependable</li> <li>• Relevant</li> <li>• Doing things right first time</li> <li>• Completeness of service</li> </ul>	<b>8. Courtesy</b> <ul style="list-style-type: none"> <li>• honesty</li> <li>• caring</li> <li>• politeness</li> <li>• humour</li> <li>• Fun</li> </ul>
<b>4. Communication</b> <ul style="list-style-type: none"> <li>• Staff communicating across departments</li> <li>• Staff being allowed in-put in decision making</li> <li>• Willingness to accept criticism</li> </ul>	<b>9. Responsibility</b> <ul style="list-style-type: none"> <li>• Risk minimisation</li> <li>• Owning to our mistakes</li> <li>• liable</li> <li>• Accountability</li> </ul>
<b>5. Collaboration</b> <ul style="list-style-type: none"> <li>• Team work</li> <li>• Consultation</li> <li>• holistic approach</li> </ul>	<b>10. Accessibility</b> <ul style="list-style-type: none"> <li>• Available</li> <li>• Approachable</li> </ul>

Table 5: Dimensions of ISQ attributes for the YMCA.

Adapted from Hollis (2006)

Two senior managers out of five who participated cited staff's way of dressing and Staff's presentation in general is an important element in the overall assessment of the organisation's internal service quality. Bitner (1992) underscores the importance of the physical environment on the processes that make the service itself. He suggests that the physical environment in which the

internal service is being delivered provides a tangible element in a service which by its nature cannot be seen or felt.

#### **4.3.2 Responsiveness**

Responsiveness is the promptness or quickness at which the service is delivered. All the five respondents identified timeliness as an important attribute. This is supported in the following transcription excerpts:

*We measure quality by reviewing documents before they go out, the timeliness in meeting deadlines is of critical importance (SM2)*

*Timeliness in submitting time sheets by staff should be one of the key measures of service quality internally (SM3)*

*Meeting set deadlines is of paramount importance.... (SM1)*

*There is lag in getting timely responses because the organisation's computers are too slow (SM5)*

#### **4.3.3 Courtesy**

Courtesy is an attitude or behaviour of showing politeness respect for others. Most of the respondents underscored the importance of courtesy in measuring internal service quality although they used different terminologies for an example;

*Staff are need to be polite to each other to promote good working relationships (SM5).*

*People should be honest in what they do because this is what the YMCA stand for as a community organisation stand for.*(SM4)

It was a widely held perception amongst managers who participated in the study that staff should be the first people to show courtesy among themselves before they can impart that value to the organisation's clients. *Our mission is to build strong kids, strong families, strong communities through our shared values of being respectful, polite, considerate and honest to each other* (SM2). YMCA's across New Zealand implemented the following values in the year 2000 namely; caring that is being considerate of others, helpful, thoughtful compassionate and kind, respectful that is treating others as we would have them treat us and honesty that is being truthful, open and sincere, acting with integrity in everything we do (YMCA, 2014).

*Valuing the worth of every person, including ourselves is an essential element in the way how we should measure internal service quality* (SM1)

#### **4.3.4 Competence**

Gronroos (2001) identifies three forms of quality namely functional quality which is the process of service delivery to customers, technical quality which is the way how outcomes are generated to customers and image quality which is the way the organisation is viewed by its clients. Competency is linked to the outcome of the technical quality. It is the ability to follow laid down business protocols and procedures to carry out a task. In the context of the YMCA internal processes it is the ability of staff to *submit their time sheets, helping student complete standard units, completing departmental reports, assessing staff performance according to the organisation's set deadlines* (SM2). Timeliness has been used to describe both competence and responsiveness in this case. As noted earlier on some of the categories will be seen to overlap. However this does not necessarily

underplay the value which respondents attached to competence as a measure internal service quality. Some respondents underscored professionalism as important attribute to assessing internal service quality.

*YMCA staff members must always look professional when at work and when representing the organisation in the community (SM3)*

*Wearing a uniform or other professional clothing portrays the organisation in a professional manner and helps customers to easily identify staff members (SM5)*

*No cutting of corners staff should always follow the processes as required by the organisation's rules(SM1)*

*Best performance is achieved by staff who are knowledgeable and smart (SM4),*

Being knowledgeable is being well-informed and well versed about YMCA's processes and what it stands for as a community organisation. A majority of the respondents uphold competence as an important measure of internal service quality although they perceive it in different forms such as being a best performer, knowledgeable, professional or following processes through.

#### **4.3.5 Communication**

The word communication kept coming up in most of the responses. Respondents general understand communication to mean getting timely feed back from staff, other managers, the chief executive officer and the Board. Thomas et al. (2009) suggests that when employees communicate well with each other, getting information from their supervisors, co-workers that is timely, accurate and

relevant they are more likely to feel less vulnerable and more able to rely on each other. However the study revealed a weakness in the lateral communication flows between managers of Departments. This is supported by the following responses;

*Managers are not communicating with each other ever since the organisational restructuring started I have had some managers who have not been talking to each other. Communication is key to a successful organisational change process (SM2)*

*Departmental managers do not meet regularly and the interaction between departmental staff is not at its best (SM1)*

*While people would like to be given feed back they don't seem to show much willingness to accept criticism. They choose to withdraw into their own departmental boundaries when criticised (SM3)*

*Some managers make decisions without seeking in-put from other people affected by their decisions (SM4)*

The need for an improvement in the organisation's lateral communication flows resonates across all the five participants. The services managers generally suggest that managers of departments should communicate with each other, be willing to accept criticism and consult before they make organisation wide decision.

#### **4.3.6 Collaboration**

Collaboration is a process in which semi-autonomous actors communicate with each other formally and informally and collectively creating rules that govern their relationships to achieve a shared



organisational vision (Thomas and Perry, 1998). Donors, private and public increasingly require organisations to demonstrate collaborative relationships in order to achieve policy goals (Thomson et al. 2007). Responses generally highlighted the importance of collaborative relationship in the organisation's search for better internal service quality. This is supported by the following transcript excerpts;

*We should build relationships between the people who deliver the YMCA programme, office reception staff and management (SM1)*

*Oh, people should adopt a consultative approach when making important decisions (SM2)*

*Consultation is important, every part of the organisation should know what is happening in the whole organisation (SM4)*

*A holistic approach.....I mean a systems approach to decision making is the best way to boost collaboration and better working relationships. I rate the level of collaboration as pretty low at this stage (SM3)*

#### **4.3.7 Family and Community values**

The YMCA defines its mission as supporting the holistic development of all people with special focus on youth, generating health in mind, body and spirit, building value and ethical based communities and creating a society of justice, freedom and peace (YMCA, 2014).

Only two of the respondents directly related the family and community values of the YMCA values to the organisation's internal service quality. *Our mission is to build strong kids, strong families,*

*strong communities through our shared values of being respectful, polite, considerate and honest to each other.....* (SM2). Other respondents although they mentioned the YMCA values of being honesty, polite, considerate and caring as important attributes to measuring service quality they could not related that directly to the YMCA value of building strong families and communities. *Of course honesty is an important value to us as staff we should be truthful, open and sincere and act with integrity in what we do within the organisation.....* (SM4). The family and community values attribute is not evident in all stratum.

#### **4.3.8 Accessibility**

Respondents indicated that some managers are more approachable than others. Access was generally articulated to mean availability, approachability and ease of contact. However respondents used the word accessible interchangeably with words such as easy going, friendly, hospitable, agreeable, affable and cordial as supported in the following transcript excerpts.

*I think as a manager people should have easy access to my office and they can if I am easy going, friendly, affable or approachable* (SM1)

*I look forward to working with some people more than I do with others because I find some people easily available and quite cordial to work with.....accessibility is two-way not just one way* (SM4)

*I think someone's personality or personal factors play determines whether he or she can be easily contacted or approached and I do agree this has a huge impact on working relationships* (SM5)

The responses show that managers generally prefer to work with people whom they get along with and probably their subordinates would be saying the same thing. This will be revealed in the later stages of this report. The responses significantly reveals accessibility as a key attribute in assessing internal service quality at the YMCA.

#### **4.3.9 Responsibility**

Responsibility refers to the state of being accountable, liable, taking ownership to over something. Managing responsibility goes beyond the traditional “do good” but it focuses on the nature and impact of company practices with respect to all stakeholders both internal and external (Waddock and Bodwell, 2007). Responsibility as an internal service quality attribute is understood in several different ways by the respondents as shown below;

*Staff should show some responsibility by completing their duties or tasks satisfactorily and in a way that minimises risk for other staff and the organisation (SM1)*

*It is irresponsible for us as managers to take ownership when our subordinates have done a job well and disassociate ourselves when the job have been badly done.....responsibility is about being honest and accountable (SM2)*

*Everyone makes mistakes and it for the general good of team we should be liable when we do things wrong. This way we can learn and build better working relationships too (SM5)*

*Some people do not leave the pool cars clean after using them and I score staff's responsibility in the proper use of pool cars a low 3 out of 10 (SM4)*

The above responses indicate the importance with which the study participants attaches to staff's responsibility or accountability as measure of internal service quality in their organisation. The respondents describe responsibility in terms of keeping the pool cars clean, owning up to mistakes and being honest and accountable. The fascinating revelation about responsibility is that staff should own up to their mistake in order to build good working relationships.

#### **4.3.10 Comparing dimension of this study to previous research**

This section will seek to compare the common attributes from previous research with the results from study 1 above. The dimensions from previous research do not necessarily show all the dimensions of all research previously conducted but a representative account of what is in the literature. The original service quality dimension of tangibility, responsiveness, competence, courtesy, credibility, security, access, communication and understanding were proposed by Parasuraman et al. (1988) and they measured external service quality. This comparison will seek to establish their transferability from an external to an internal organisational setting. Also included are the technical, functional and image quality forms proposed by (Gronroos, 2001). All of the nine attributes match with those identified in this study except assurance, credibility and recovery. Brady and Cronin (2001) identifies three broad types of service quality namely physical quality which includes ambient conditions, design and social factors, interactive quality which include attitude, behaviour and expertise and Outcome quality which includes waiting time, tangibles and valence. Design, ambient conditions and social factors were identified in this study as tangibles specifically described as ...*office appearance* (SM4) and...*the way how staff dress* (SM3). The responses gathered from in-depth interviews includes themes on ambient conditions, design, social factors, physicality of the service, meeting time frames and relational quality attributes. The variance between ISQ attributes identified in previous studies and those in this study is minimal.

## Summary of External service quality dimensions compared to Study 1

Dimensions	Study 1	PZB	GR	BC	DTZ	LL
<b>Tangibles*</b>	<b>X</b>	X	X	X	X	X
Processes	<input type="checkbox"/>					
Policy					X	
<b>Responsiveness*</b>	<b>X</b>	X	X			X
Promptness/timeliness	<input type="checkbox"/>			X		X
Work ethic						
Collaboration	<b>X</b>	X				
Team work	<input type="checkbox"/>					
Flexibility						
<b>Empathy</b>						
Access*	<b>X</b>	X	X			X
Communication*	<b>X</b>	X				X
Feedback	<input type="checkbox"/>					
Understanding*		X				X
Equity						
Consideration	<input type="checkbox"/>					
Caring	<input type="checkbox"/>					
<b>Assurance</b>	<b>X</b>		X			X
Competence*	<b>X</b>	X				
Courtesy*	<b>X</b>	X				
Personal interaction					X	
Credibility*		X	X			X
Security*		X				
Professionalism	<input type="checkbox"/>		X			X
Knowledge	<input type="checkbox"/>					
Behaviour			X	X		
Problem Solving					X	
Confidence	<input type="checkbox"/>					X
Recovery			X			
<b>Reliability*</b>	<b>X</b>	X	X		X	X
Outcomes				X		
Preparedness						X
Accuracy	<input type="checkbox"/>					

Table 6: Summary of external service quality dimensions compared to Study 1

\*Original PZB dimensions before consolidated Bold dimensions=PZB consolidated five dimensions

PZB=Parasuraman, Zeithaml, Berry (1985,1988) LL=Lehtinen &Lehtinen (1991) RM=Reynoso & Moores (1995)

GR=Gronroos (1984)

BC=Brady & Cronin (2001)

Adapted from Hollis (2006)

Dimension's shown with a bold **X** for this study are the 10 dimensions identified in Table 5. Dimensions shown with . under this study represents dimensions in Table 4 that relate to dimensions found in previous or current study.

The interactive qualities of attitude and behaviour could be likened to politeness, honesty and enthusiasm identified in this study. Expertise could be classed under competence alongside professional skills and knowledge identified in study 1.

Lehtinen and Lehtinen (1991) proposed responsiveness, professionalism, communication, timeliness and reliability which are the same attributes identified in study 1 as illustrated in Table 6. Of the five service dimensions proposed by Dabhokar et al. (1996) reliability was the only one found to match with those identified in this study. Table 6 illustrates the comparison in detail. Of the ten broad categories identified in this study eight of them are reported in other studies. Of the five broad categories proposed by Parasuraman et al. (1988) five of them are identified in this study. This shows a significant consistency between attributes used to evaluate service quality in both the external and internal environment of the organisation. Another objective of the study was compare the internal service quality attributes identified in this study with those identified in other studies. This study's in-depth interviews of five senior managers identified Tangibles, Collaboration, Courtesy, Competence, Communication, Reliability, Responsibility, Accessibility, Assurance and Responsiveness as the key internal service quality attributes. The senior managers who participated in the in-depth interviews are part of the link in a chain that represents an interaction between internal service providers and internal customers. Reynoso and Moores (1995) found that internal customers just like external customers are able to identify assessments of service they receive from other parts of the organisation based on nine attributes. These included tangibility, reliability, communication, flexibility, promptness, confidence, helpfulness, consideration and professionalism. Eight of these attributes were identified in this study. In their study Matthew and Clarke (1997) identified twelve dimensions which could be used to assess both the external or internal customers. Only two out of twelve of these attributes were identified in this study. Lings and Brooks (1998) identified ten attributes for assessing internal service quality and only six were found to be

consistent with the attributes identified in this study. The other attributes which included understanding the customer, attention to detail, leadership and proactive decision making though not mentioned directly in this study they were found to have a link with the attributes identified in the study. Attention to detail involves the ability of the internal supplier to provide detailed information to the internal customer with high degree of precision (Brooks et al., 1999) . Although this attribute is said to transcend the dimension of competence identified in this study it could be covered alongside *knowledgeable and accurate* (SM4) under the broad category competence. Leadership is the ability to motivate staff towards achieving organisational goals and it refers to the level of direction that employees receive from their managers. This was not identified in this study but it could link with communication identified in this study. *Communication is key to a successful organisational change process* (SM2). Proactive decision making involves the internal service supplier having the ability to solve problems by controlling the environment and it relates to internal supply chain management operations (Brooks et al., 1999). Proactive decision making could be interpreted alongside consultation and holistic approach which fall under the broad internal service quality of collaboration identified in this study. *Consultation is important.....*(SM4).

## **5. Results of Study 2**

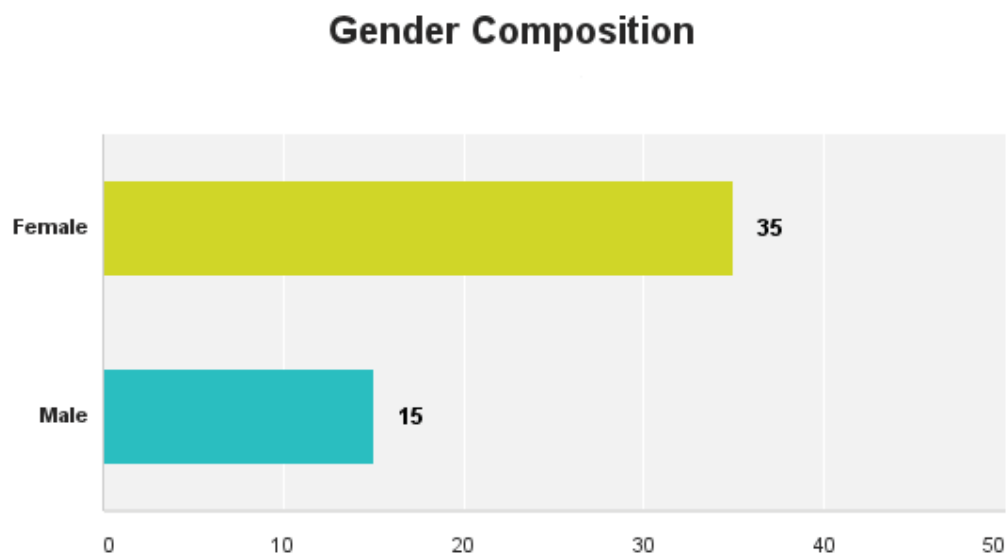
### **5.1 Introduction**

The qualitative Study 1 was an in-depth interview of senior staff at the YMCA Central region and seven general themes identified were those of Collaboration which covers a lot of team work issues raised, Courtesy which covers issues of politeness and caring highlighted, Communication, Competence which covers issues of meeting of time frames and being professional, Tangibles in the form of dressing appropriately and good workplace presentation, Responsiveness which covers

service promptness, Reliability as in doing things right first time, assurance as in being knowledgeable and self-directed and Empathy as in being flexible to individual internal customer needs. The quantitative study 2 takes the inquiry to a further level which will allow the results to be generalised. These themes were translated into 13 internal service quality dimensions upon which the YMCA central region's internal service quality was assessed. Study 2 consisted of 16 questions which were administered to 80 staff of the YMCA.

### 5.1.1 Sample Population for YMCA Central region employees

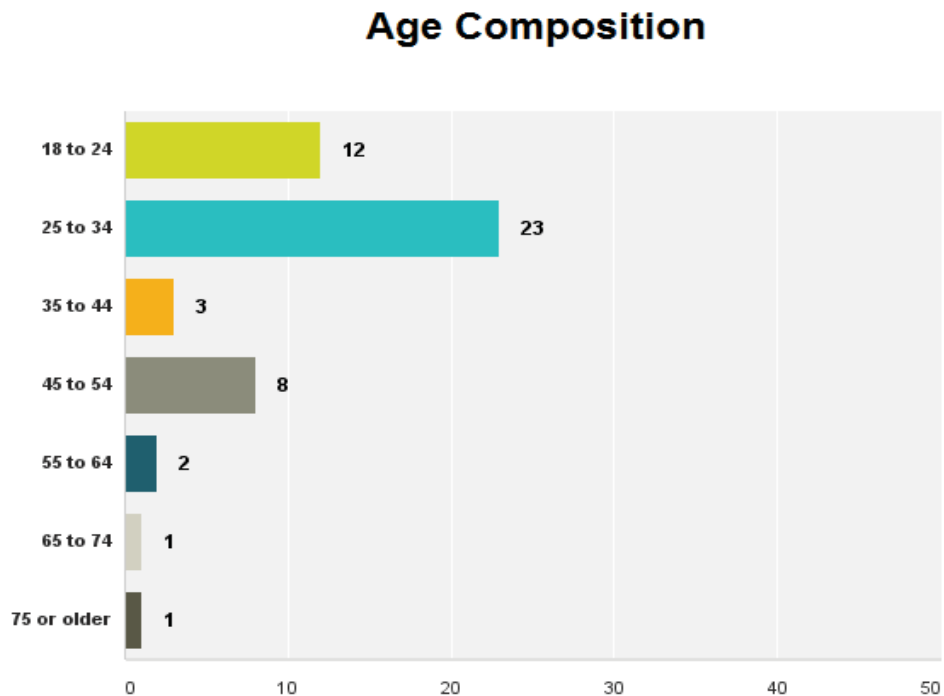
Question 1 as shown in figure 5 below inquired about the gender composition of the YMCA central region staff who responded to the question survey. 50 members of staff out of a total of 80 responded which translates into a response rate of 70% with 30% (15) being male staff and 70% (35) being female staff.



**Figure 5: Graph of Gender Composition**



Question 2 as shown in figure 6 asked about the age of the respondents. 24% of those who responded were between the age of 18 and 24 years old.

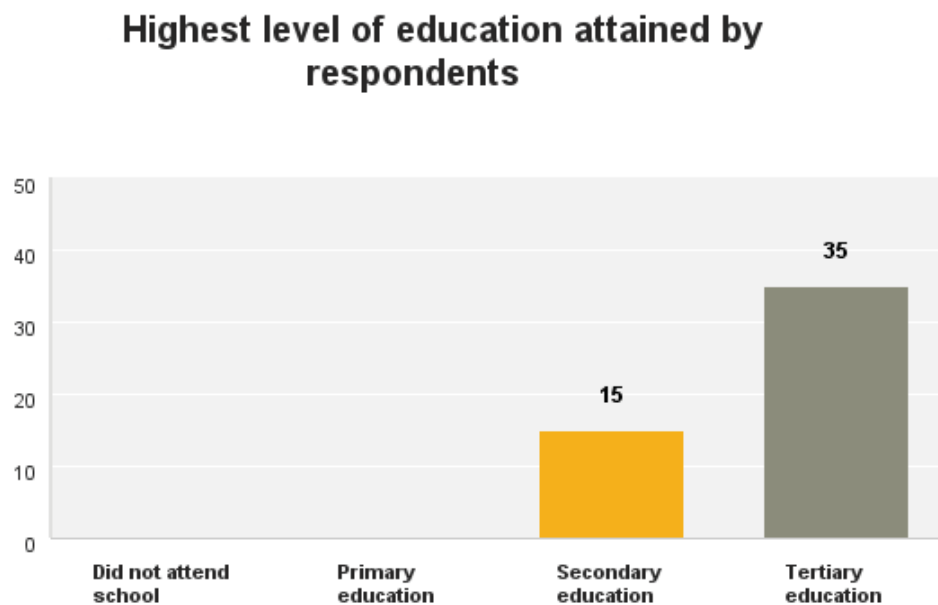


**Figure 6: Graph on age composition of respondents**

The majority 46% were between the age of 25 and 34 years old, 6% were between the age of 35 and 44 years old, 16% were between the ages 45 and 54 years old, 4% between the age of 55 years and 64 years old, and 2% between 65 years and 74 years old with the remaining 2% who are 75 years and older. A large number of staff who responded are mature adults between the ages of 25 years and 34 years old. This is attributed to the fact that the YMCA targets the youth population and hence the organisation tries to recruit staff that would associate closely with its youthful clientèle.

Question 3 shown in figure 7 below shows the educational attainments of the YMCA staff who responded to the questionnaire. 70% of the total staff who responded attained a tertiary education qualification and 30% hold a secondary school qualification. All those who responded to the

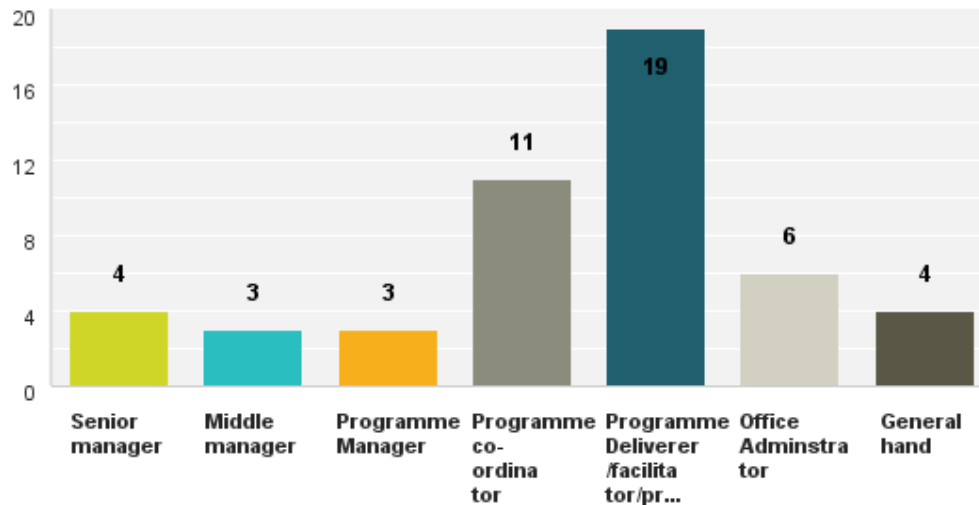
questionnaire survey have had a minimum of secondary school education with the majority having obtained a tertiary educational qualification. The high skills level help staff to command respect in the communities in which they work and to be good role models. Good educational qualifications which sufficiently fit with the job have a critical role in narrowing gap 3 described as “the internal service performing gap” by Zeithaml et al. (1990).



*Figure 7: Graph of the highest educational attainment of the respondents*

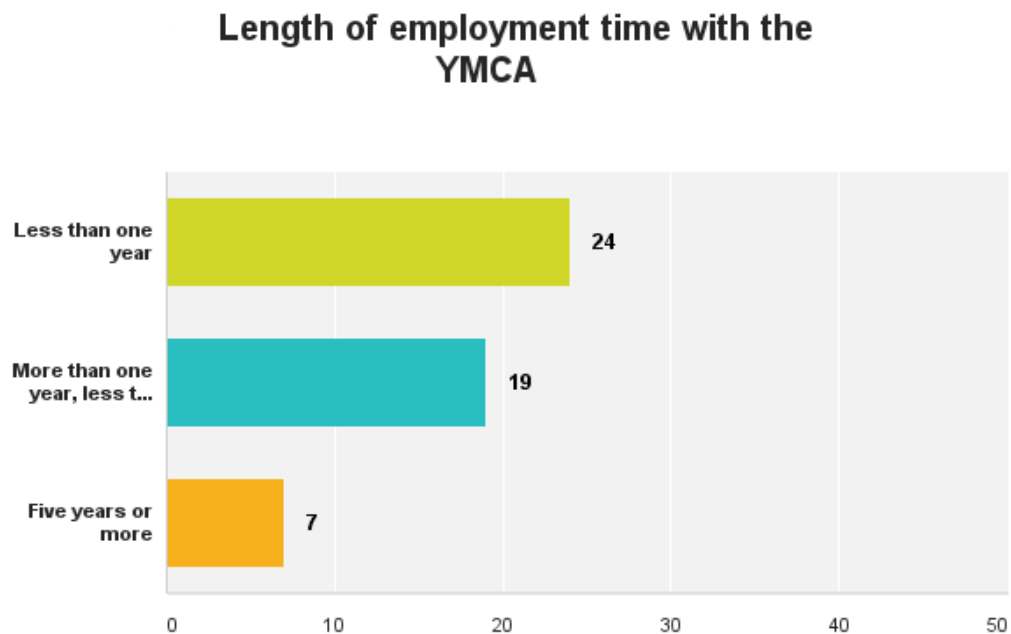
Figure 8 below shows a breakdown of the number of different roles of staff in the YMCA central. The organisational structure has four layers of management with the Chief Executive Officer at the top, supported by senior managers, middle managers, programme managers and programme coordinators. The new organisational structure has deliberately provided for more layers of management with the view of providing greater planning, controlling and monitoring of its internal processes.

## Role of the respondent in the YMCA



*Figure 8: Graph showing the different roles of respondents in the YMCA*

Figure 8 above is an illustration of how staff responded to question 4 which elicited information on the roles played by the YMCA staff interviewed. The staff roles include programme deliverers who constitute 38% YMCA staff who responded to the question, followed by programme coordinators who form 22% of the total respondents, office administrators forming 12%, senior managers forming 8%, general hands making 8% and middle managers 6% and programme managers forming 6% of those who responded. Programme facilitators are part of the front-line staff who provide community services ranging from education tutoring, youth training, out of school child care and recreation and others services. The role of programme deliverers is a key determinant of the organisation's functional quality which is the actual process of service delivery to the clients (Gronroos, 2001). The Office Administrators likewise are the key custodians of the organisation's image quality by virtue of their front-office roles and as the organisation's gate keepers they supply services to both the organisation's external and internal customers.

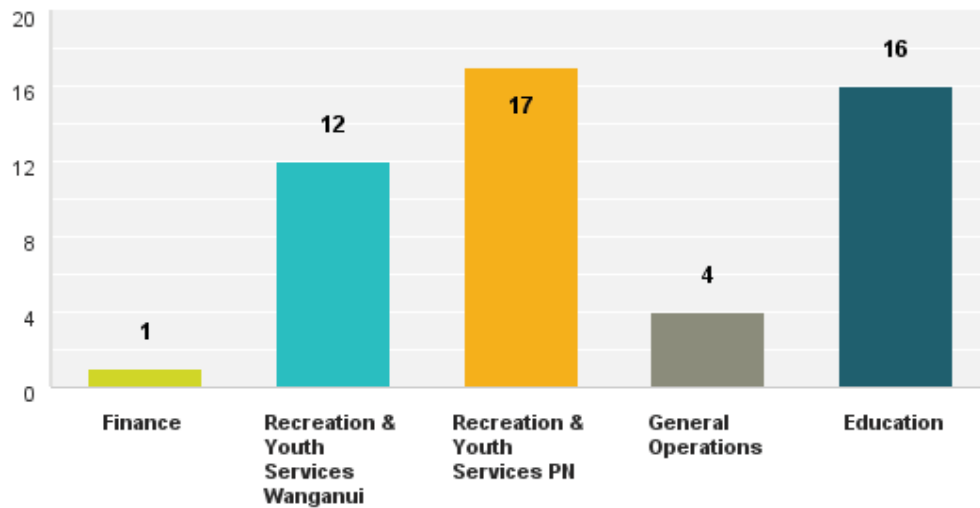


***Figure 9: Graph of the length of service of the respondents***

Information on the staff's length of service in the YMCA illustrated in Figure 9 above. 48% of those who responded to question 5 have been working for the organisation for more than a year. This is attributed to the fact that YMCA central region has just restructured with a large number of its workforce having been laid off and hence a predominantly new staff with experience less than a year. 38% of those who respondent have more than one year and less than 5 years length of service with the organisation. 14% have five or more years experience with the organisation.

The results for question 6 are illustrated in Figure 10. Question 6 asked about the department in which the responded worked. Recreation and Youth services Palmerston North had the largest number of respondents which constituted 34% of the total who responded, followed by the Education Department with 32% of the respondents, Recreation and Youth services Wanganui with 24% , General Operations with 8% and Finance with 2% of all the respondents. The result shows an

### Number of Respondents in each Department of th YMCA



**Figure 10: Graph of the number of respondents in each department of the YMCA**

uneven participation of the different departments. A majority of the respondents work in the Recreation and Youth Services Palmerston North with 34% representation, Education Department with 32% and Recreation and Youth Services Wanganui with 24%. This may affect the generalisation of the overall results as the opinions of the three most represented departments may overshadow other less represented departments. The results for question 7 are illustrated in figure 11 below. The question read “*How important do you find each of the following Departments in your work performance?*”. The importance of the departments is rated on a likert scale of 1 up to 4 with 1 representing very important and 2 standing for important, 3 slightly important and 4 representing not important. The Education was rated the most important Department in the YMCA central region with 49% of the respondents rating it as very important 6% finding the Department important , 12% finding it slightly important and 33% rating it as not an important. General

Operations came second with a weighted average of 1.81 with 40% of the respondents thinking that it is a very important department, 44% rating the department as important, 13% thinking it is slightly important and 17% finding the department not important. The Finance Department came third with a weighted average of 1.89 with 36% of the respondents rating the department as very important, 47% assessing it as important, 9% finding it slightly important and the rest of the 9% rating it as not important to their work performance. Recreation and Youth services Wanganui came fourth with a weighted average of 1.96 in terms of importance. 44% assessed the department as very important, 27% thought it was important, 19% found it slightly important and 10% assessed it as not important. Recreation and Youth services Palmerston North Department was rated the least as not important. Recreation and Youth services Palmerston North Department was rated the least

### Importance of each YMCA Department to the Respondent's Work Performance

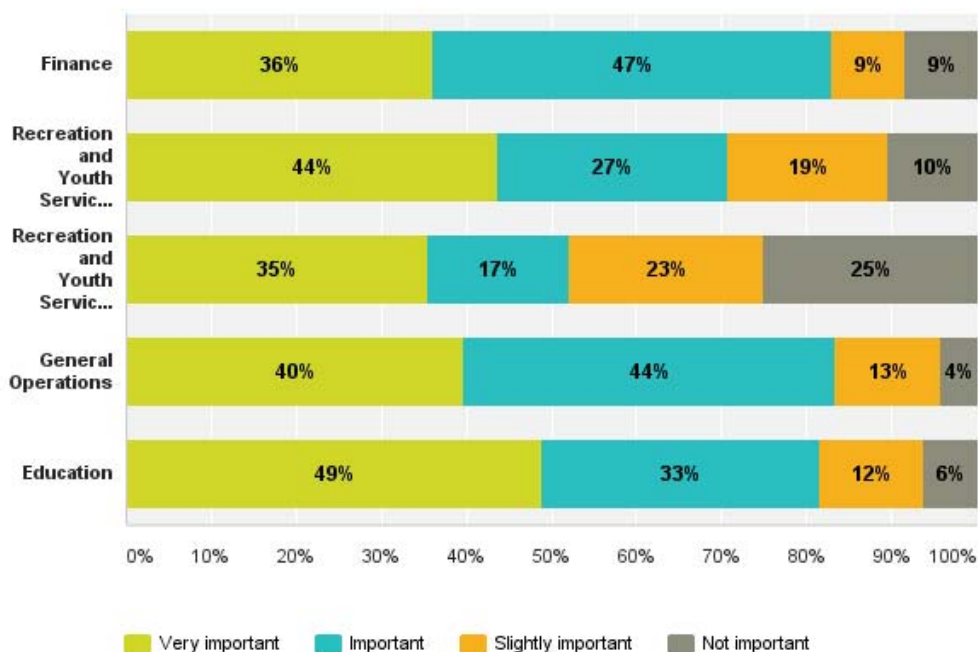


Figure 11 Importance of each YMCA Central Department to respondent's work performance

important Department with a weighted average of 2.38. 35% of those who responded rated the Department as a very important, 17% found it important, 23% thought it was slightly important and 25% rated it not important to their work performance.

A reliability analysis was conducted and it revealed a Cronbach's Alpha coefficient of 0.726 as shown in appendix 5 which is well above the minimum value of 0.60 which is considered acceptable as an indication of scale reliability (Hair et al. 2003) . A Friedman's test as shown below in Table 7 rejects the null hypothesis that the ratings of importance of the YMCA's Departments to the respondent's work performance are the same. The null hypothesis is rejected because the significance value shown in Table 8 is 0.040 which is below 0.05. The results of the Friedman's test empirically confirms the validity of the alternative hypothesis which reasserts the difference in the importance of the YMCA's departments to the work performance of those who responded to the survey.

**Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
1	The distributions of Recreation and Youth Services Wanganui, Finance, Recreation and Youth Services Palmerston North, General Operations and Education are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.040	Reject the null hypothesis.

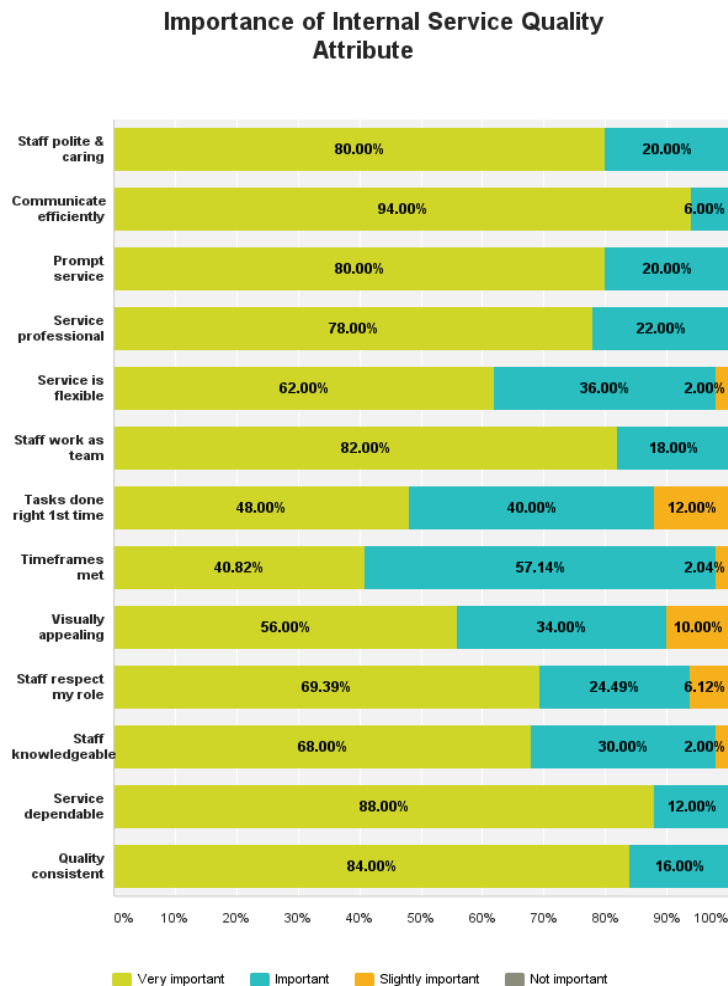
Asymptotic significances are displayed. The significance level is .05.

*Table 7: Hypothesis Test Summary-Importance of the YMCA Departments to Work performance*

Question 8 of the survey asked the respondents to evaluate the importance of each internal service quality attribute in terms of the statements shown in figure 12 below. The importance of each service quality attribute is rated on a likert scale of 1 to 4 with 1 indicating very important, 2 important, 3 slightly important and 4 not important. As can be seen in figure 12 all the measured attributes were positively rated. None of the service quality attributes was rated negatively. *Staff communicate efficiently* had a weighted average of 1.06 which placed it the closest to very important (1) on the likert scale. 94% of those who responded rated the internal service quality as very important with 6% of the respondents rating it as important. *Service is dependable* came second in the ranking with a weighted average of 1.12. 88% of the respondents assessed *dependability of service* as very important to their work performance and 12% of the respondents rated it as important. *Service quality is consistent* came third in the importance rating with a weighted average 1.16 on the likert scale. 84% of the respondents rated the internal service quality attribute as very important with 6% rating it as important. *Team work* came fourth in the ranking of importance with an average mean of 1.18. 82% of the respondents thought team work was a very important internal service quality attribute with 18% thinking the service quality dimension was important. *Staff is polite and caring* had a weighted average of 1.20 coming in as the fifth most important internal service quality attributes with 80% of respondents rating it as very important and 20% rating it as important. *Requests are handled promptly* had the same average mean 1.20 in terms of its rated importance to the YMCA internal processes with 80% of those who responded thinking that is a very important attribute and 20% rating it as important. 78% of the respondents rated *service is professional* as a very important criteria of measuring internal service quality with only 22% assessing the attribute as important and its weighting average was 1.22 making it the sixth in the ranking. *Staff respect my role* had an average mean of 1.37 making it the seventh most important service quality attribute with 69% of those who responded rating it as most important and



24% thinking that it was an important attribute. 68% rated *Staff are knowledgeable and self-directed* as a very important service quality measure while 30% thought it was just an important measure rather than a very important one. The average mean was 1.34 and it ranked the eighth most important service quality attribute. Coming ninth in the ranking of importance is the service quality attribute *Service is flexible to changing situations and needs* with 62% of those who responded suggesting it to be a very important measure of quality. Its average mean was 1.40.



**Figure 12: Graph of respondent 's rating of the importance of internal service quality attribute**

56% of the respondents thought *Physical facilities are visually appealing* was a very important

measure for YMCA internal service quality while 34% rated it as important and 2% finding the attribute as slightly important. The attribute came tenth in the ranking with a weighted average of 1.54. The eleventh in the ranking with a weighted average of 1.64 is *Tasks are performed right first time*. It was rated as very important by 48% of the respondents with 40% suggesting that the attribute is important and 12% indicating that it is of slight importance to the YMCA internal processes. Less than half of the those who responded, that is 41% thought that *Time frames are strictly followed* should be considered a very important internal service quality attribute in the YMCA. Over half of the respondents, that is 57% , think that the meeting of time frames should only be regarded as important, 2% thought it was of slight importance which puts adherence to strict *time frames* as the twelfth in the ranking with an average weighting of 1.61. Efficient communication is rated as the most important service quality attributes while strict adherence to time frames regarded is being of least importance according to the survey responses.

The top five most important measures of internal service quality include efficient communication, dependability or reliability of service, consistency of high quality service, team work, promptness of service and a caring and polite attitude. The service quality attributes of team work, efficient communication, quick to responding, polite and caring, being dependable and being consistency in providing a high quality service relate to personal or interactive quality according to Brady and Cronin (2001) . These identified attributes reinforces the role played by social dimensions in internal service quality which makes them more important in internal service quality assessments than in external service quality evaluations. Meeting time frames, doing things right first time and the physicality of the service were seen as least important to the YMCA internal processes. A reliability analysis of the likert scale used to measure the importance of each internal service quality attribute showed a Cronbach alpha coefficient of 0.902 shown in appendix 6. This is well above the

minimum value of 0.60 and it indicates a high scale reliability according to (Hair et al, 2003).

To test for differences between data items that is the difference in importance between the thirteen different internal service quality a Freidman's test was employed. The non-parametric test rejected

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distributions of Staff are polite and caring, Staff communicate efficiently, Requests are handled promptly, Service is professional, Service is flexible to changing situations and needs, Staff work as a team, Tasks are performed right first time, Time frames are strictly followed, Physical facilities are visually appealing, Staff respect my role, Staff are knowledgeable & self-directed, Service is dependable and Service quality is consistent are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

*Table 8: Hypothesis Test Summary-Distribution of importance of Internal Service Quality Attributes*

the null hypothesis that the distribution of the thirteen service quality attributes are the same as shown in Table 8 shown below. This is because the significance value of 0.00 is below the significance level of 0.05 required to accept the null hypothesis. The test therefore upholds the validity of the alternative hypothesis which confirms that there are differences in the overall distribution of the importance of internal service quality attributes. The rest of the questions 9, 10, 11, 12 and 13 evaluate the quality of service which YMCA employees receive from each of the five departments of Finance, Recreation and Youth services Wanganui, Recreation and Youth services

Palmerston North, General Operations and Education. These last survey question represent the actual application of a modified Internal Service Quality Scale.

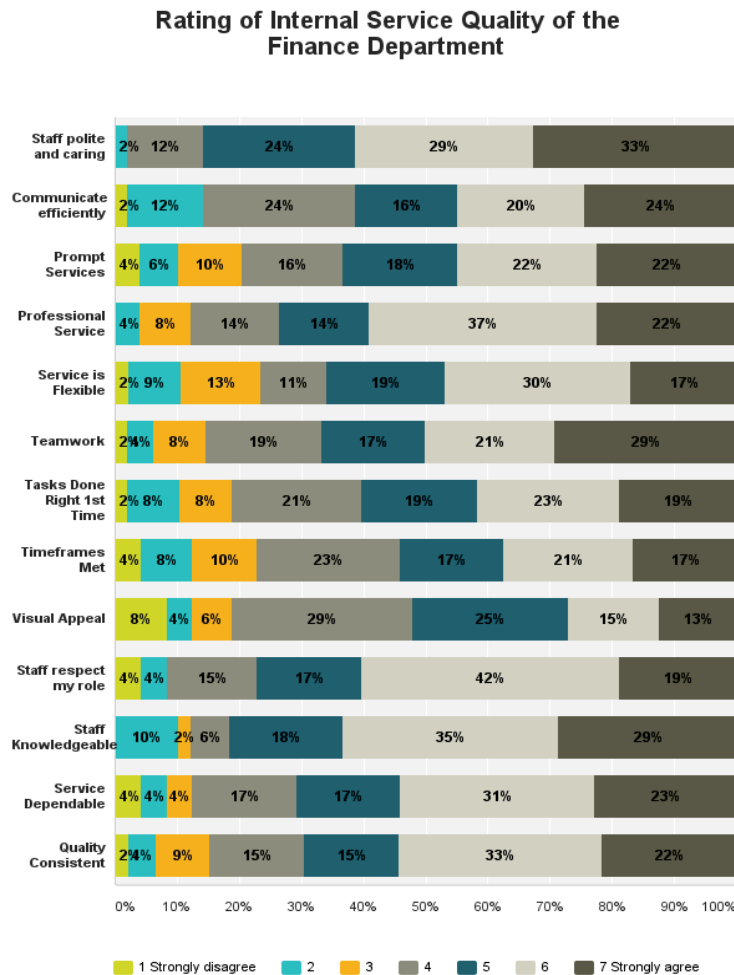
## 5.2 Finance

Question 9 illustrated asked respondents how they rate the quality of service they receive from the Department of Finance and the results of the inquiry are illustrated below in figure 13. They rate the services they receive from the Finance Department on a likert scale of 1 up to 7 with 1 standing for strongly disagree and 7 standing for strongly agree. Respondents gave a generally favourable rating for all the 13 internal service quality attributes. The statement, *Staff are polite and caring* received the best favourable rating with a weighted average of 5.76. 33% of those who responded strongly agreed with the statement, 29% agreed, 24% weakly agreed, 12% neither agreed or disagreed and only 2% disagreed. 29% of the respondents strongly agree that the department's staff are *knowledgeable and self-directed*, 35% agreed to the statement, 18% weakly agreed, 6% chose to be neutral, 2% weakly disagreed and 10% strongly disagreed. This amounts to a weighted average of 5.51 which shows a strong bias towards a general agreement with the statement. *Service is professional* was the third most favourable rated with a weighted average of 5.39 strongly biased towards a general agreement with the statement. 73% of those who responded to the question generally think that the *service is professional and* an overall 27% generally disagree. *Staff respect my role* ranked the fourth most favourably rated statement with a weighted average of 5.35 heavily leaning towards general agreement. 78% of those who responded generally agree that finance staff respect their roles, 19% generally disagree with 3% strongly disagreeing. The statements *Service is dependable* and *staff work as a team* ranked the fifth most favourably rated in the Department and

had a weighted average of 5.23 which shows a strong bias towards the agreeing end of the scale.

An overall of 71% of the respondents agreed that *service is dependable* and 25% of the respondents generally disagree with 4% strongly disagreeing. 67% of the respondents generally perceive staff in the department to be *working as a team*, 19% are neutral, 8% weakly disagree, 4% disagreed and 2% strongly disagreed. The statement *service quality is consistent* ranked the sixth most favourably rated service quality attribute with a weighted average of 5.22. Maintaining a high level of internal service quality is critical to achieving continuous quality improvement in the organisation's internal processes. 22% of those who responded strongly think the department's *service quality is consistent*, 33% agree, 15% weakly agree, 15% chose to be neutral, 9% weakly disagree, 4% disagree and 2% strongly disagree. *Communicate efficiently* was rated the seventh most favourable statement with a weighted average of 5.00. 24% of those who responded strongly agree that *staff communicate efficiently*, 20% agree, 16% weakly agree, 24% neither agree nor disagree, 12% disagree and 2% strongly disagree. 62% generally agree that *requests are handled promptly* 16% neither agree or disagree while an overall 20% disagree. The statement *request are handled promptly* ranked the eighth most favourably rated service quality attribute in the department with a weighted average of 4.96 on a likert scale of 1 up to 7. Financial needs and situations of other key players within the organisation are likely to be dynamic rather than static. 66% of those who responded generally agree that the department's *service is flexible to their changing situations and needs* with 11% neither agreeing nor disagreeing, 13% weakly disagreeing, 9% disagreeing and 2% strongly disagreeing. The statement *service is flexible* came ninth in the ranking of favourability with a weighted average mean of 4.94. The tenth most favourably service quality attribute was the statement *Tasks are performed right first time* with a weighted average of 4.90. 61% generally agree that tasks are performed right first time, 21% chose to be neutral, 8% weakly disagree, 8% disagree with 2% strongly disagreeing. The Finance Department ranked eleventh in *meeting set time frames*

with a weighted average mean of 4.69 in terms of favourability. 17% of the respondents strongly agreed that *time frames are being met*, 21% agreed, 17% weakly agreed, 23% were neutral, 10% weakly disagreed, 8% disagreed and 4% strongly agreed. *The least favourably rated were* The least favourably rated was the statements *Physical facilities are visually appealing* with a weighted



**Figure 13: Graph of the rating of internal service quality attribute of the Finance Department**

average mean of 4.52. 13% of the respondents strongly agreed that physical facilities are visually appealing, 15% agreed, 25% weakly agreed, 29% were neutral, 6% weakly disagreed, 4% disagreed and 8% strongly disagreed. Although the survey rated *Efficient communication as YMCA's* most

important internal service quality attribute the Finance Department ranked seventh in terms of this service quality dimension. *Meeting of time frames* is rated the least important priority to the organisation and the finance department had an eleventh favorability ranking in terms of this attribute. The internal service quality *Meeting of time frames* was a very popular theme among managers while front line staff thought they needed *leadership* who can inspire and provide a good vision.

### 5.2.1 Scale reliability and internal consistency

A Cronbach Alpha Test was used to measure the internal consistency and reliability of the ISQ scale. The Cronbach Alpha coefficient for the overall perception scale is 0.971 and it indicates a high reliability as shown in the case processing summary and reliability statistics shown below as Tables 9 and 10. The rest of the details are shown in appendix 7. It means that over 97% of the variance in the scores is reliable variance and about 3% is error variance.

Case Processing Summary			
		N	%
Cases	Valid	45	90.0
	Excluded	5	10.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Table 9: Case Processing Summary of the ISQ scale reliability applied to the Finance Department

It shows the 13 service quality attributes measured in the YMCA's Department of Finance are closely related and the measuring scale is internal consistent. Exploratory Factor Analysis could not be used to check the dimensionality of the service quality attributes as the sample size of 50 is inadequate for such a test to be carried out.

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.971	13

Table 10: Scale reliability statistics/Finance Department

A Friedman's test was used as a non-parametric alternative to test for the differences within the set of data describing the quality of internal service which respondents receive from the Finance Department as shown in Table 11.

Hypothesis Test Summary			
	Null Hypothesis	Test	Sig.
1	The distributions of Staff are polite and caring, Staff communicate efficiently, Requests are handled promptly, Service is professional, Service is flexible to changing situations and needs, Staff work as a team, Tasks are performed right first time, Time frames are strictly followed, Physical facilities are visually appealing, Staff respect my role, Staff are knowledgeable & self-directed, Service is dependable and Service quality is consistent are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000
			Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Table 11: Hypothesis Test Summary-Distribution of respondents's perceptions around the quality of service they receive from the Finance Department.

The Null Hypothesis was stated as; The distribution of the 13 attributes describing the internal

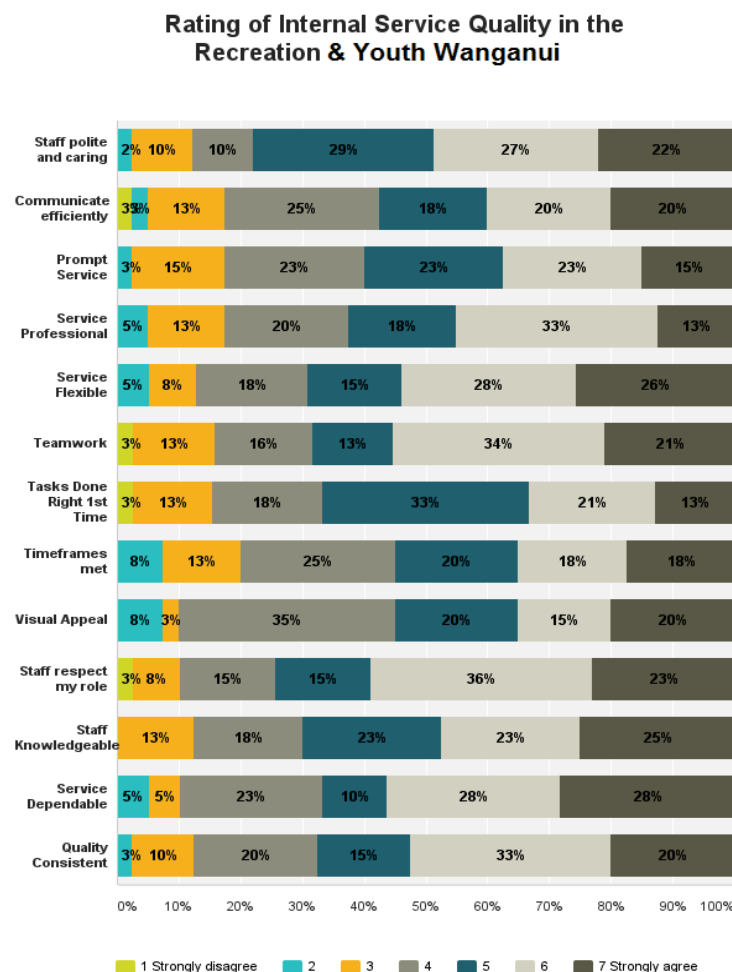


service quality of the Finance Department as perceived by other internal stakeholders in the YMCA central organisation is the same. The Alternative Hypothesis was stated as; The distribution of the 13 attributes describing the internal service quality of the Finance Department as perceived by other internal stakeholders in the organisation is not the same. As shown in the Hypothesis Test Summary shown in Table 11 above the Null Hypothesis was rejected and the Alternative Hypothesis accepted based on the decision rule that the significant value is less than 0.05. In this case the significant value is 0.00. The perception around the 13 internal service quality measured in the Department is differently distributed.

### 5.3 Recreation and Youth Wanganui Department

Question 10 asked respondents to rate the service which they receive from the Recreation and Youth Services Department in Wanganui the results are illustrated in figure 14 below. All the 13 internal service quality attributes were largely rated positively on a scale of 1 up to 7 with 1 representing strongly disagree and 7 representing strongly agree. 23% of those who responded strongly agreed that staff from the Department *respect the roles* which they play in the larger organisation, 36% agreed, 15% weakly agreed, 15% were neutral, 8% weakly agreed and 3% strongly disagreed. The weighted average mean around the statement *staff respect my role* was 5.41 which revealed the best favorability rating of all the 13 internal service quality dimensions measured in the Recreation and Youth services Department Wanganui. The statement *service is dependable* ranked as the second most favourably rated service quality attribute with a weighted average mean of 5.36. 28% of those who responded agree that the Youth and Recreation Wanganui Department have a *dependable internal service*, 28% disagree, 10% weakly agree, 23% neither agreed nor disagreed, 5% weakly disagreed and 5% disagreed. According to the results the statement *staff are polite and caring* came third in the favourability ranking with a weighted average mean of 5.34 on a likert scale of 1 up to

7. 22% of those who responded strongly agree that staff in the Department are polite and caring, 27% agree, 29% weakly agree, 10% neither agree nor disagree with the statement, 10% weakly disagree and 2% strongly disagree. The statement service is flexible to the changing situations and needs ranked the fourth most favourably rated with a weighted average mean of 5.31. 26% of those



**Figure 14: Graph of the rating of internal service service quality attributes in the Recreation & Youth Services Wanganui Department**

who responded strongly agree that Department's service is *flexible to the changing situation and needs* of internal customers, 28% agree to the statement, 15% weakly agree, 18% were neutral, 8%

weakly disagreed and 5% disagreed. *Staff knowledgeability and self-directedness* came fifth in the favourability ranking with a weighted average mean of 5.30. 25% of the respondents strongly agreed that *staff are knowledgeable and self-directed*, 23% agreed, 23% weakly agreed, 18% neither agreed nor disagreed and 13% weakly disagreed. 68% of those who responded generally agree that *Service quality is consistent* with 13% choosing not to agree or disagree. The statement *quality is consistent* ranked the sixth most favourably rated in the department. The results of survey show that the statement *Staff work as a team* was the seventh most favourably rated internal service quality attribute with a weighted average mean of 5.24. 21% of those who responded strongly agree that *Staff work as a team*, 34% agree, 13% weakly agree, 16% neither agree or disagree, 13% weakly disagree and 3% strongly disagree. Team work is considered an important determinant of interaction quality which is linked to attitude and behaviour of the service provider (Brady and Cronin, 2001). The department's sensitivity in terms providing a *professional service* to other internal customers ranked the eighth most favourably rated. 13% of those who responded strongly agree that the *service is professional*, 33% agreed, 18% weakly agreed, 20% remained neutral, 13% weakly disagreed and 5% strongly disagreed. The affirmations *Physical facilities are visually appealing*, *Staff communicate efficiently*, *Requests are handled promptly* ranked the ninth most favourably rated service quality attributes in the department with weighted average mean of 4.93. 55% of those who responded generally agree that Recreation and Youth services Wanganui's *physical facilities are visually appealing*, 35% were neutral and an overall 11% disagree. 58% of *staff communicate efficiently*, 25% neither agree or disagree and an overall 19% disagree. In terms of service promptness an overall 61% agree that *service requests are handled promptly*, 23% neither agree nor disagree and 18% generally disagree. The statement *Tasks are done right first time* came tenths in the favorability ranking and *Time frames are met* came eleventh in ranking with weighted average means of 4.92 and 4.80 respectively. 56% of those who responded generally agreed that

*time frames are met*, an overall 21% disagree with 25% choosing to be neutral. 67% generally agreed that tasks are done right first time, 16% disagree while 18% chose to be neutral. *Efficient communication* is regarded the most important internal service quality attribute and yet it was found to be the ninth most favourably rated attribute.

### 5.3.1 Scale reliability and internal consistency

The Cronbach Alpha was employed to test for the reliability and internal consistency of the Internal Service Quality scale as applied in measuring the perception of the respondents around the quality of service they receive from the Recreation and Youth Services Wanganui Department. The Cronbach Alpha revealed a coefficient value of 0.977 which indicates a high scale reliability and internal consistency as shown in Tables 12 and 13 shown below and in Appendix 8 .

97.7% of the variance in the internal service quality scores is reliable variance. A coefficient value of 0.00 shows no consistency in measurement and a value of 1.00 shows perfect consistency in measurement (Cronbach, 1951) . The Cronbach Alpha measures the uni-dimensionality of a set of items. The Exploratory Factor Analysis (EFA) which could be used to reveal the latent dimensions in a set of data could not be conducted as the sample size of 50 is inadequate for an EFA.

Case Processing Summary			
		N	%
Cases	Valid	38	76.0
	Excluded	12	24.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Table 12: Case Processing Summary of the ISQ scale reliability applied to the Recreation & Youth Wanganui Department

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.977	13

*Table 13: Scale reliability statistics/Recreation & Youth Wanganui Department*

### 5.3.2 Non-parametric Repeated Measures Comparisons

To detect the differences across repeated observations a Friedman's test was conducted. The Null hypothesis was stated as; There is no difference in the way how YMCA central employees perceive the service quality of the Recreation and Youth Wanganui Department in terms of staff politeness, promptness, ability to communicate efficiently, professionalism, service flexibility, team work, meeting time frames, doing things right first time, staff knowledgeability, respect, dependableness, consistency of service quality and the physical appeal of the service. The Alternative Hypothesis was stated as; There is a difference in the way how YMCA central employees perceive the service quality of the Recreation and Youth Wanganui Department in terms of the thirteen chosen attributes. Table 14 below shows that the Null Hypothesis was rejected and the Alternative Hypothesis accepted at a confidence level of 0.95. This is based on the decision rule that if the significant value is less than 0.05 reject the Null is rejected and the Alternative Hypothesis taken on board. There are differences in the way how employees assess the quality of service they receive from Recreation & Youth Services Wanganui.

However it should be noted that although respondents held different perceptions regarding the quality of internal service they receive from the key organisation's internal stakeholders their views about Recreation and Youth Services Wanganui Departments is more on the favourable (agree) end of the likert scale than on the unfavourable (disagree) end. It can be concluded that there are differences in perceptions around the quality of services respondents receive from the Department.

### Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distributions of Staff are polite and caring, Staff communicate efficiently, Requests are handled promptly, Service is professional, Service is flexible to changing situations and needs, Staff work as a team, Tasks are performed right first time, Time frames are strictly followed, Physical facilities are visually appealing, Staff respect my role, Staff are knowledgeable & self-directed, Service is dependable and Service quality is consistent are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.002	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

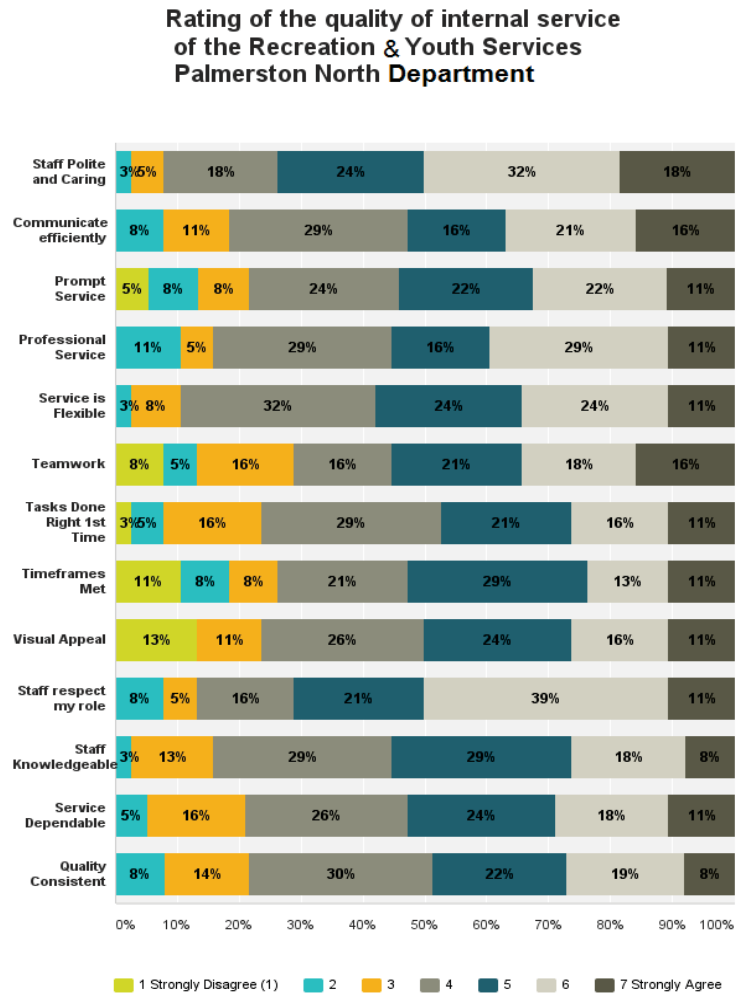
Table 14: Hypothesis Test Summary-Distribution of respondents's perceptions around the quality of service they receive from the Recreation & Youth Services Wanganui Department.

#### 5.4 Recreation and Youth Department Palmerston North

Question 11 asked respondents how to rate the internal service quality of the Recreation and Youth Department in Palmerston North in thirteen selected service quality measures on a scale of 1 up to 7 with 1 indicating strongly disagree and 7 indicating strongly agree. The results in figure 15 below show that all the thirteen attributes were generally rated positively. The statement *staff are polite and caring* had the best favourability rating with a weighted average mean of 5.32 which lower than the Finance Department's weighted average mean of 5.76. 18% of those who responded strongly agree the department's *staff are polite and caring*, 32% agree, 24% weakly agree, 18% were neutral, 5% weakly disagree and 3% strongly disagree. The affirmation *Staff respect my role* had a weighted

average mean 5.11 ranking the second most favourably rated in the Recreation and Youth service Department in Palmerston North. 11% of those who responded strongly agree that the department's *staff respect their roles*, 39% agree, 21% weakly agree, 16% were neutral, 5% weakly disagree and 8% disagree. The statement *service is flexible to their changing situations and needs* came third in the favourability ranking with a weighted average mean of 4.89 on a likert scale of 1 up to 7. 11% of the respondents strongly agreed that the department's *service is flexible to their needs*, 24% disagreed, 24% weakly agreed, 32% neither agreed nor disagreed, 8% weakly disagreed and 3% disagreed. The fourth most favourably rated internal service quality dimensions were the statements *service is professional* and *staff communicate efficiently* both with a weighted average mean of 4.79 lower than Wanganui's weighted average mean of 5.31. 11% strongly agreed that the department's service is professional, 29% agreed, 16% weakly agreed, 29% chose to be neutral, 5% weakly disagree and 11% disagree. 16% strongly agreed that *staff communicate efficiently*, 21% agree, 16% weakly agree, 29% neither agree or disagree, 11% weakly disagree and 8% disagree. The fifth most favourably rated service quality attribute was the affirmation *staff are knowledgeable and self-directed* with a weighted average mean of 4.71. An overall 55% of the respondents agree that staff from Recreation and Youth Palmerston North are knowledgeable and self-directed, 16% generally disagree and 29% are neutral. 11% of those who responded strongly agree that the department's *service is dependable*, 18% agree, 24% weakly agree, 26% were neutral, 16% weakly disagree and 5% disagree. The statement *service is dependable* ranked the sixth most favourably rated with a weighted average mean of 4.66. Service dependability is of critical importance to an organisation's internal processes given internal customers are more likely to deliver better services to the external customer if the services they trade internally between themselves is reliable and not requiring any rework. The results show that Recreation and Youth services Wanganui

Department in Palmerston North's service ranks the seventh most favourable rated in terms of the



**Figure 15: Graph of the rating of the quality of internal service in the Recreation and Youth Services Palmerston North**

statement requests are handled promptly with a weighted average mean of 4.57. 11% strongly agreed requests are handled promptly, 22% agree, 22% weakly agree, 24% were neutral, 8% weakly disagree, 8% disagree and 5% strongly disagree. While the statement request are handled promptly ranked seventh with a weighted average mean of 4.57 it ranked ninth in the Recreation and Youth services Department in Wanganui with a weighted average mean of 4.93. In terms of staff working as a team 16% of those who responded strongly agreed staff work as team when interacting with the internal customers, 18% agreed, 21% weakly agree, 16% were neutral, 16% weakly disagree, 5%



disagree and 8% strongly agree. With a weighted average mean of 4.55 the statement *staff work as a team* ranked the eighth most favourably rated. 49% generally agreed that the department's *service quality is consistent*, 22% disagreed with 30% remaining neutral.

The affirmation that *service is consistent* ranked the ninth most favourably rated service quality attribute with a weighted average mean of 4.54. 11% of those who responded strongly agreed that *tasks are done right first time*, 16% agreed, 21% weakly agreed, 29% were neutral, 16% weakly disagreed, 5% disagreed and 3% strongly disagreed. The statement *physical facilities are visually appealing* ranked the eleventh most favourably rated and *Time frames are met* the twelfth most favourably rated with weighted average means of 4.37 and 4.32. 51% of those who responded generally agree that *physical facilities are visually appealing* and an overall 24% disagree. An overall 53% agree that *time frames are met* in the department while 27% generally disagreed.

#### 5.4.1 Scale reliability and internal consistency

The internal service quality scale reliability analysis revealed a Cronbach alpha coefficient of 0.966 as shown in Table 15 and 16 below. This indicates a significantly high scale reliability (Hair et al. 2003) . This shows that 96.6% of the variance in the scores is reliable variance and 3.4% is error of variance. It demonstrates a high degree of internal consistency and how closely related the thirteen internal service quality attributes are. Due to the small size of the study sample an Exploratory

Case Processing Summary		N	%
Cases	Valid	36	72.0
	Excluded <sup>a</sup>	14	28.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Table 15: Case Processing Summary of the ISQ scale reliability applied to the Recreation & Youth P/N Department

Factor Analysis to reveal the underlying factors in the data items could not be carried out.

Comrey and Lee (1992) provided the following scale of sample size adequacy; 50-very poor, 100-poor, 200-fair, 300-good, 500-very good and 1000 or more excellent.

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.966	13

Table 16: Scale reliability statistics/Recreation & Youth P/N Department

#### 5.4.2 Non-Parametric Repeated Measures Comparison

A Friedman's test was employed to ascertain if there is a difference in the way how respondents perceive the quality of service they receive from the Recreation and Youth services Palmerston North Department. The Null Hypothesis stated that; The distribution of perceptions are the same across repeated measures and the Alternative Hypothesis stated; The distribution of perceptions across repeated measures are different.

The Friedman's test revealed a significant value of 0.00 as shown in Table 17 below. The decision rule is to reject the Null Hypothesis and accept the Alternative Hypothesis since the significance value is less than 0.05. It can be stated with 95% level of confidence that the distribution of perceptions across the attributes are different. There is fundamental difference in the way how respondents perceive the quality of service they receive from the Recreation and Youth services Palmerston North Department. The statements *staff are polite and caring, staff respect my role, service is flexible, and service is professional* received the first, second, third and fourth best favourability rating while the affirmations *Tasks are done right first time, Quality is consistent, and visual appeal* had the least favourability rating in the Department. The hypothesis test as shown in Table 17 empirically confirms these underlying differences in perceptions.

### Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distributions of Staff are polite and caring, Staff communicate efficiently, Requests are handled promptly, Service is professional, Service is flexible to changing situations and needs, Staff work as a team, Tasks are performed right first time, Time frames are strictly followed, Physical facilities are visually appealing, Staff respect my role, Staff are knowledgeable & self-directed, Service is dependable and Service quality is consistent are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000	Reject the null hypothesis.

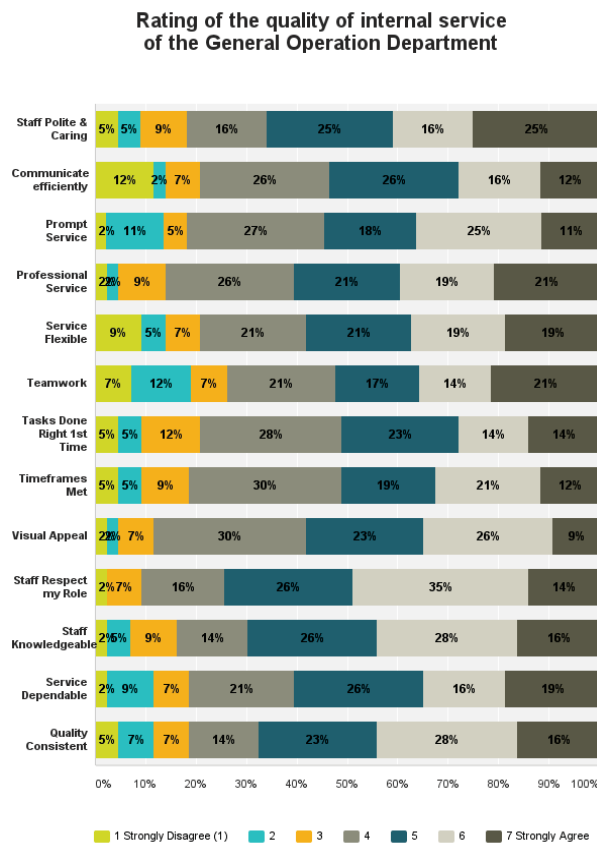
Asymptotic significances are displayed. The significance level is .05.

Table 17: Distribution of respondents's perceptions around the quality of service they receive from the Recreation & Youth Services Wanganui Department

## 5.5 General Operations

Question 12 asked the respondents to rate the quality of service they receive from the General Operations Department in terms of service promptness, meeting time frames among several other internal service quality attributes which were thirteen altogether. The General Operations oversees the organisation's facilities, health and safety, voluntarism, fund raising and the vehicle pool. The results illustrated in Figure 16 show a generally positive response in all the thirteen attributes and the mean scores of respondents' perceptions ranged from 4.47 to 5.23. *Staff respect my role* was the most favourably rated service quality dimension and had a weighted average mean of 5.23 on a likert scale with 1 representing strongly disagree and 7 representing strongly agree. 14% of those who responded strongly agreed that General Operations *staff respect their roles*, 35% agree, 26%

weakly agree, 16% were neutral, 7% weakly agreed, 2% strongly disagreed. The second highest perception was around the statement *staff are knowledgeable and self-directedness* which scored a weighted average mean of 5.05. 16% of those who responded to question 12 strongly agreed that staff are knowledgeable and self-directed, 28% agreed, 26% weakly disagreed, 14% were undecided, 9% weakly disagreed, 5% disagreed and 2% strongly disagreed. The statements *service are professional* and *staff are polite and caring* had the third highest perception with weighted average mean scores of 5.00. 21% of those who responded strongly agreed that service is professional, 19% agreed, 21% weakly agreed, 26% neither agreed nor disagreed, 9% weakly disagree, 2% disagreed and 2% strongly disagreed. 66% generally agreed that General Operations *staff are polite and caring*, an overall 19% disagree with 16% choosing to be neutral.



**Figure 16: Graph of rating of the internal service quality of  
the General Operations Department**

The general perception around staff's ability to maintain a *consistent quality* ranked fourth in terms of their favourable rating compared with other internal service quality attributes. The service attributes scored a weighted average mean of 4.93. The statement *Physical facilities are visually appealing* came fifth in the favourability ranking with a weighted average mean of 4.84. 58% of those who responded to question 12 agreed that the department's facilities are visually appealing, 11% disagreed with 30% choosing to be neutral. The affirmation that *service is dependable* scored a weighted average mean of 4.81 making the service quality dimension the sixth most favourably rated for the General Operations Department. 61% of the respondents generally agreed that the service is dependable, 18% disagreed and 21% were neutral. The seventh most favourable rated was the statement *service is flexible* with a weighted average mean score of 4.70. 59% of the respondents generally agree that the department's *service is flexible*, 21% disagree while 21% neither agree or disagree. The statements with the lowest perceptions included *Requests are handled promptly* with a weighted mean score of 4.68, *Time frames are met* with a weighted average mean score of 4.63, *Tasks are done right first time* scoring 4.58, *staff work as team* scoring 4.57, and *staff communicate efficiently* with a weighted average mean score of 4.47. In their hierarchical model, Brady and Cronin (2001) consider communication an important internal service attribute. 54% of the respondents generally agree that *Staff communicate efficiently* with 9% disagreeing, 12% strongly disagreeing and 26% being indifferent. 54% of the respondents agree that the department handles request promptly with 16% disagreeing, 2% strongly disagreeing and 27% neither agreeing nor disagreeing. Team work is considered the fourth most important service quality attribute in question 8 illustrated in figure 10 and 52% of the respondents generally agreed that *Staff work as team* in the General Operations Department. Finally 51% of those who responded agree that *Tasks are done right first time* with 17% disagreeing, 5% strongly disagreeing and 28% neither agreeing nor disagreeing. Although Department's low perception items are all favourably

rated towards the agree end of the likert scale with a weighted average mean above 4.00 the department would need to focus its continuous quality improvement efforts in these areas.

#### 5.5.1 Scale reliability and internal consistency

A Cronbach Alpha test showed that 97.5% of the variance in the average mean scores for the General Operation Department is reliable variance.

Case Processing Summary			
		N	%
Cases	Valid	42	84.0
	Excluded <sup>a</sup>	8	16.0
	Total	50	100.0

*Table 18: Case Processing Summary of the ISQ scale reliability applied to the General Operations Department*

Table 18 shows an SPSS generated Case Process Summary and Table 19 shows reliability statistics. The above table shows that 84% of the cases of the are valid and 16% of the cases were excluded. The General Operations Department's service quality was assessed in terms of thirteen attributes altogether as shown in the tables and appendix 10.

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.975	13

*Table 19: Scale reliability statistics/General Operations Department*

#### 5.5.2 Non-Parametric Repeated Measures Comparison

To compare the data items to question 12 around the perceptions of the YMCA employees regarding the quality of service they receive from the General Operations a Friedman's test was

conducted as shown in Table 20 shown below.

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distributions of Staff are polite and caring, Staff communicate efficiently, Requests are handled promptly, Service is professional, Service is flexible to changing situations and needs, Staff work as a team, Tasks are performed right first time, Time frames are strictly followed, Physical facilities are visually appealing, Staff respect my role, Staff are knowledgeable & self-directed, Service is dependable and Service quality is consistent are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

*Table 20: Hypothesis Test Summary-Distribution of respondents's perceptions around the quality of service they receive from the General Operations Department*

The Null Hypothesis was stated as; There is no difference in the way how employees view the service they receive from the General Operations Department of the YMCA central region. The Alternative Hypothesis was stated as; There is a difference in the way how staff view the service they receive from the General Operations Department.

The Friedman's test results are illustrated in Table 21 show a significant value of 0.00. The decision rule is to reject the Null Hypothesis as the significance value is below 0.05 and accept the Alternative Hypothesis which states that there is a difference in the way staff view the General Operation's Department service to their work performance.

## 5.6 Education Department

Preceding results of this survey show that the Education department is the second largest department in the organisation with 32% response rate and it is rated the most important department by 94% of those who responded. Figure 17 below illustrates the results.

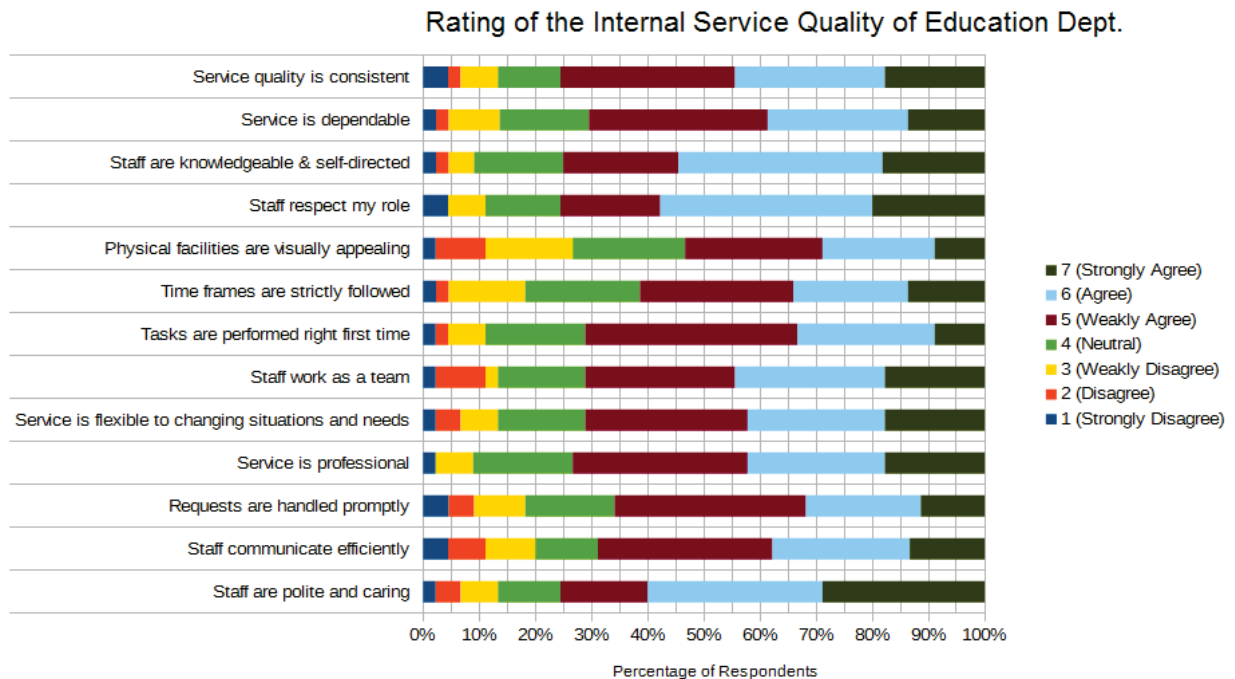


Figure 17: Graph showing internal service quality rating for the Education Department

It provides recreation and youth leadership courses, youth events, court supervised camps, courses in meat processing, business administration, furniture making and alternative education. The Education department was rated generally positively in all the thirteen internal service quality attributes with weighted mean average scores of respondents' perceptions ranging from 4.51 to 5.42 on a likert scale of 1 to 7 as shown in figure 17. 1 represents strongly disagree and 7 represents strongly agree.

The statement *Staff are polite and caring* ranked the most favourably rated in the department with a weighted average mean of 5.42. 29% of those who responded strongly agreed staff are polite and caring, 31% agreed, 16% weakly agreed, 11% were neutral, 7% weakly disagree, 4% disagree and



2% strongly disagree. The results show that an overall 76% of those who responded agreed that staff in the Education department are polite and caring 13% strongly disagree. Staff politeness and ability to care was found to be the organisation's fifth most important internal service quality attribute in question 8. The respondents were also asked to rate how staff in the Education Department highly regard or appreciate their roles in the organisation. The statement *staff respect my role* had the second highest perception from the respondents with a weighted average mean score of 5.33 on a likert scale of 1 to 7 with 1 standing for strongly disagree and 7 strongly agree. 20% strongly agree that *staff respect their roles* in the organisation, 38% agree, 18% weakly agreed, 13% were neutral 7% weakly disagree and 4% strongly disagreed. *Staff knowledgeability and self-directedness* was the third most favourably rated with a weighted average mean score of 5.32. The statement *service is professional* was the fourth most favourably rated with a weighted average mean score of 5.20. The inquiry found that 18% of the respondents strongly agreed with the statement, 24% agreed, 31% weakly agreed, 18% neither agreed nor disagreed, 7% weakly disagreed and 2% strongly disagreed. There was also a general agreement that *service quality is consistent* by an overall 76% of the staff who responded with 9% generally disagreeing, 4% strongly disagreeing and 11% neutral. The statement *service is consistent* came fifth in terms of its favourability rating with a weighted average mean of 5.13. Providing consistent service quality is considered one of the organisation's three top most important priorities. The ability to be flexible in dealing with other internal customers is equally important to an organisation's internal processes. The statement *service is flexible to changing situations and needs* is the sixth most favourably rated with a weighted average mean score of 5.09. 18% of those who responded strongly agree that the department's *service is flexible*, 24% agree, 29% weakly agreed, 16% neither agreed nor disagreed, 7% weakly disagreed, 4% disagreed and 2% strongly disagreed. Good relationships and cooperation achieved through team work is identified by Nanjundeswaramy and Swamy (2013) as an important

component of quality of work life in an organisation. Working as a team is more likely to increase the chances of better communication and coordination, a positive attitude and a better quality of work life. A majority of the 72% of those who responded generally agree that the Education *staff work as a team* with 11% generally disagreeing, 2% strongly disagreeing and 16% remaining neutral. Team work was identified as the seventh most important service quality attribute for YMCA central region. The YMCA central region considers *service dependability* as the second most important measure of service quality. It is the eighth most favourably rated service quality attribute in the Education department with a weighted average mean score of 5.02. 71% of the respondents generally think that the Education Department's *service is dependable* with an overall 11% disagreeing, 2% strictly disagreeing and 16% neutral. *Performing tasks right first time* helps to promote more efficient internal processes for employees which ultimately enables to achieve superior services to the delight of external customers (Mawoli, 2012). The statement *tasks are performed right first time* is the ninth most favourably rated with a weighted average mean score of 4.96. 71% of those who responded generally agree that *tasks are performed right first time* in the Education Department with 9% disagreeing, 2% strictly disagreeing and 18% neither agreeing or disagreeing. The affirmations *staff communicate efficiently* and *Time frames are met* were the tenth most favourably rated service quality attributes in the department with a weighted average mean score of 4.84. Efficient communication is considered YMCA central region's most important measure of internal service quality. An overall 68% of the respondents agree that *staff communicate efficiently* with 16% generally disagreeing, 4% strictly disagreeing and 11% neither agreeing nor disagreeing. An overall 65% of the respondents assessed the Department as being able to *handle their requests promptly* with 14% generally disagreeing, 5% strictly disagreeing and 16% neutral. Promptness in handling requests is rated the eleventh most important internal service quality dimension in the organisation with a weighted average mean score of 4.77. An overall 61% think

that the Department is able to *strictly meet its time frames* with 16% disagreeing, 2% strictly disagreeing and 20% not agreeing or disagreeing. Finally the statement *physical facilities* are visually appealing was favourably rated with 53% of those who responded generally agreeing, an overall 25% disagreeing, 2% strictly disagreeing and 20% choosing to be neutral. The following attributes had the highest perceptions namely; *Staff are polite and caring*, *Staff respect my role*, *Staff are knowledgeable and self-directed* and *Service is professional*. The four least rated attributes included *Physicality of service*, *meeting time frames*, *prompt services* and *communicate efficiently*.

### 5.6.1 Scale reliability and internal consistency

A Cronbach Alpha test revealed that 97.7% of the variance in the average mean scores is reliable

Case Processing Summary			
		N	%
Cases	Valid	42	84.0
	Excluded <sup>a</sup>	8	16.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Table 21: Case Processing Summary of the ISQ scale reliability applied to the Education Dept

variance. This indicates a high level of scale reliability as illustrated in Tables 21 and 22 and appendix 11.

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.977	13

Table 22: Scale reliability statistics/Education Department

### 5.6.2 Non-Parametric Repeated Measures Comparison

Although an Exploratory Factor Analysis could not be conducted to find the latent factors in the thirteen chosen attributes a Friedman's test was conducted to compare the data items. The Null

Hypothesis stated that; The distribution of perceptions across repeated internal service quality measures are the same and the Alternative Hypothesis stated that; The distribution of perceptions across the repeated internal service quality measures are different.

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distributions of Staff are polite and caring, Staff communicate efficiently, Requests are handled promptly, Service is professional, Service is flexible to changing situations and needs, Staff work as a team, Tasks are performed right first time, Time frames are strictly followed, Physical facilities are visually appealing, Staff respect my role, Staff are knowledgeable & self-directed, Service is dependable and Service quality is consistent are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

*Table 23: Hypothesis Test Summary-Distribution of respondents's perceptions around the quality of service they receive from the Education Department*

The result of the test shows a significance value of 0.00 as shown in the hypothesis summary below. The Null hypothesis is rejected and the Alternative Hypothesis which states that the distribution of perceptions across the repeated internal service quality measures are different is accepted at a confidence level of 95%.

## 5.7 Results for the Open-ended Questions

Question 14 asked the respondents their views on what YMCA employees could do to improve the quality of internal service for the benefit of the end customers. 58% responded to the question and

42% skipped the question. Question 15 asked the respondents the biggest challenges and obstacles they face when trying to deliver a high quality internal customer service. 64% of those who responded to the questions suggested improvement on a wide range of issues with the following main themes; communication, team work, resources, training, professionalism, service flexibility, clear and simple instructions, work autonomy, consistent service quality, meeting time frames and leadership. Responses to question 15 highlighted the following major challenges and obstacles which respondents face when trying to deliver a high quality internal service namely; lack of information, lack of leadership, lack of cooperation lack of communication, and lack of resources. Question 16 asked respondents the decisions they would make if they were the Chief Executive Officer of the YMCA Central region just for one day. 58% answered the question and 52 skipped the question. A majority 70% of those who responded underscored the need for intensified internal communication strategy and openness. Other themes that emerged include team work and greater respect for staff .

### **5.7.1 Communication**

In question 14, 40% of the responses highlighted the need for more efficient communication with one of the respondents suggesting that *“tasks should be clearly stated to employees at the start of the day so that everyone knows what is needed to be done”*. The respondents suggested improvements in communication between different departments, between managers of departments and the workers on the front line. There was a call for *“honesty communication and positivity from management”* and *for efficient communication between programmes and within programmes*. Another responded called for the organisation to *“communicate and operate integrally as one organisation , instead as separate departments”*. The above responses generally reinforces what Hallowell et al. (1996) refers to the multi-disciplinary perspective which has been

adopted by academic and popular writers in addressing internal service quality. Communication is perceived as multi-perspective and multi-disciplinary and all-encompassing. The respondents also call for clear lines of communications guided by clear lines of command. One of the respondents remarked how hard it is to communicate more efficiently despite the availability of “*cell-phones, e-mail facilities and a whiteboard in the office*” Apart from being reinforced in literature as an important internal service quality attribute question 8 in this study found the ability of *staff to communicate efficiently* as the most important service quality in the YMCA central region. The responses to question 15 generally reinforces some of the communication issues outlined in the findings of question 14 above. 16% of those who responded identify lack of communication as one of the major challenge or obstacle. One of the respondents cited a “*lack of avenues of communication and late receipt of vital resources and information*” Respondent also described the flow of information in the organisation as “*Lousy communication followed by other departments randomly commandeering programme venues and or borrowing resources without telling others*”.

### **5.7.2 Lack of information**

18% of those who responded to question 15 suggested lack of communication as one of the setbacks to internal service quality at the YMCA central region. This is evidenced by the following statement, *Different understanding of how things work around the office, payments, hirage fees, assistance etc*”. Respondents highlighted *lack of information in terms of knowledge of other departments. To many staff trying to organise each product ...*”. This internal service quality hindrance also reinforces the importance of *knowledgeability and self-directedness* as one of YMCA's key internal service quality measures identified in the earlier phases of this study. One of the respondents described the challenge he faces in the following statement, “*Not having enough relevant information . Things such as knowing your budgets and people to contact if 'X' happens*”

and the other was concerned about *“Not having the correct information and facilities to deliver excellent customer service”*

### **5.7.3 Team work**

Team work was highlighted by 20% of those who responded to the open-ended questions. One of the respondents suggested *“constant team building for staff to build strong relationships with staff that will be reflected in customer service”*. Another suggestion was that, *“staff should use initiative in all situations, flexible and willing to work together as a team”*. The above responses tie up with this study's findings in question 8 in which teamwork was found to be the fourth most important service quality attribute in the organisation. This also ties up with literature as Delgado Pina et al. (2008) assert that the increasing use of teams to answer to the requirements of the organisation's unstable internal and external environment has woken the interest of many academics and professionals.

### **5.7.4 Service flexibility**

10 % of the responses suggest that internal service quality could be improved through greater flexibility in the way staff render their services to others. Respondents suggest the use of initiativeness in all work place situations and greater *flexibility* to make the internal processes work. Another respondent calls for staff to be more flexible by being more generic in their roles. Service flexibility ranks as YMCA's sixth most important internal service quality attributes as shown in figure 10.

### **5.7.5 Resources, rules, work autonomy & open-door policy**

In a response to question 14 there was a mention of a greater need for more financial and material to enhance the level of internal service quality as evidenced in the following statement; *“Put more resources back into education programmes to make them more up-to-date.”* Another respondent called for a strict work routine and rules stating that *“Everyone aware of rules/routines etc so we look professional and knowledgeable when approached by parents/children”*. Business rules and procedures constitute what Gronroos (2001) describes as technical quality which is the standard service or product the customer receives. One of the responses was for managers to have an open-door policy and greater work autonomy.

In responding to question 15 which asked about the challenges and setbacks to achieving internal service quality one of the key themes that emerged related to lack of financial resources with the following statement having been noted; *“Accessibility to financial resources and the many processes and protocols associated to actioning any plans and events”*. One respondent made the following comment, *“We use available resource to good effect while operating with financial constraints”* and the other highlighted *“lack of essential resources, time to plan or management being organised to direct in what is required”*. Another respondent called for attention to a *“Lack of funding”*. An overall 34% of the respondents highlighted lack of resources as a key impediment to achieving high level of internal service quality. Work autonomy and use of rules were not included in key themes that emerged in question 15.

### **5.7.6 Leadership**

16% of the responses to question 15 featured lack of leadership as a key obstacle in achieving internal service quality in the YMCA central region. The following statements made by respondents brought to the fore the issue of leadership;



*“Leadership is the biggest issue facing the YMCA”,*

*“ Lack of leadership from line managers”,*

*“There is a battle through a mountain of management who all have conflicting interest”.*

Leadership is the process whereby an individual influences a group of individuals to achieve a common goal (Northhouse, 2010). This is the first response in this study issues of leadership have been brought to the fore.

### **5.7.7 Cooperation**

Cooperation is the process of people working together to the same end (Dictionary, 2011) . In question 15, 16% of the respondents highlighted lack of cooperation as an obstacle to internal service quality. One respondent indicated that *“Being able to access support from staff outside our department”* is one of the key challenges when trying to deliver high-quality internal customer care and this tied up with a second responded, *“It hits against other employees who aren't necessarily geared that way therefore the outcome doesn't fully eventuate”* and a third respondent stating, *“Staff sometimes want different outcomes to the decisions already made”*. The above responses could be interpreted as lack of team work.

## **6. Discussion**

The aim of this study was to adapt and apply the INTSERVQUAL scale to the context of a not for Profit Organisation, the YMCA Central region of New Zealand. The objectives of the study were to first identify the YMCA's key internal service quality dimensions through the in-depth interviews with senior managers, use the identified attributes to calibrate an Internal Service Quality scale, and apply the adapted Internal Service Quality scale to measure the respondent's perception of the quality of service they receive from each department in the organisation. The fourth objective was

to investigate the reliability and internal consistency of the ISQ scale and the final objective was ascertain if there are any differences in the way how people perceive the quality of service from the five YMCA departments, assess strengths and weaknesses of each department and suggest recommendations for future research. The study findings revealed highly fascinating information.

### **6.1 Findings around the definition and internal service quality**

Information from the in-depth interviews show that people understand the concept of internal service quality in many different ways. Some view it in the context of the roles they play in the organisation, others in the context of the clients they work with, others in terms of their work processes or outcomes and others in terms of relationships at the workplace. Literature is in agreement that internal service quality is the fitness of purpose of the multiple services which key internal stakeholders trade with each other in their strive to satisfy the needs of their ultimate customer which is the community. Commonly repeated phrases and words have been revealed regarding the way how YMCA staff define internal service quality. Definitions based on a variety of contexts have been uncovered. Bitner (1992) Gronroos (2001) Zeithaml and Berry and Parasuraman (1990) suggest that this is an inevitable phenomenon given the difficulty associated with the intangible nature of services. In an evaluation study of internal services quality in the Healthcare services, Hollis (2006) found internal service quality was being defined in terms of processes and in some cases in terms of outcomes. Some of the process related definition revealed in this study would include, *“services should complete, error relevant and free timely”* and internal service quality *“is the way how staff exercise accountability and responsibility”*. It also interesting to note that some of the definitions depended on who was defining the construct of internal service quality. Some of the managers defined internal service quality in terms of the *“employees' ability to follow rules and laid down business procedures”*. Some front-line staff understood internal service

quality as having leaders who able to motivate and inspire. Other definitions underscored collaboration in terms of *“team work”*, *“cooperation”*, *“strong relationships”* and *“support”*. Auteri and Wegner (2007) defines internal service quality in Not for Profit Organisations as being driven by the mission or missions of some agreed values that guide those operating at different levels of the organisations. This ties up with the some of the themes revealed in this study such as *“caring for each others”*, *“respect for each other”* and *“honesty”*. The study findings revealed significant prominence of relationship and interactive attributes which included some of YMCA values globally. Wells (2012) identified service flexibility as an important value of Not for Profit organisations given the multifaceted and fluid nature of their business as they have to respond to social, political, religious and economic change to survive nature. The qualitative study revealed a wide range of themes all feeding into five identifiable key internal service dimensions namely; tangibility which covered employee's dressing, attire and work place presentation, reliability which covered respondents' thoughts on service service dependability and consistency, responsiveness in terms of service promptness and meeting of time frames. Also included is assurance which derives from respondents thoughts around knowledgeability and self-directedness, politeness and caring and empathy as in terms of service flexibility and respect of other employees roles. The findings of this study did not find significant variance between the service quality dimensions suggested in the original SERVQUAL scale model with those suggested in the study. The study also confirms the hierarchical nature of internal service quality in that front-line staff view internal service quality as being provided with good leadership that is able to motivate and inspire while managers view service quality as compliance with rules and business procedures. Internal customers' needs are more likely to be driven the organisational hierarchy while those of external customers have no heirarchy which they follow. The study confirms the multidimensionality of internal service quality and a difference in importance to the organisation of each of the thirteen attributes identified. Brody

and Cronin (2001) suggest that the varying importance of original SERVQUAL scale dimensions themselves could be viewed as scale modifiers themselves when applying the INTSERVQUAL scale to different settings.

## **6.2 The study findings around the adaptability of the SERVQUAL scale in its original form in measuring internal service quality.**

The qualitative study findings revealed themes which match with the original SERVQUAL key service quality dimensions of Tangibles, Reliability, Responsiveness, Assurance and Empathy. The following attributes were identified as fitting in one or more of the above key service dimensions namely; politeness and caring, efficient communication, service promptness, staff acting professionally, service flexibility, team work, doing things right first time, strictly following time frames, physical facilities visually appealing. However a Friedman's non-parametric test revealed that there are differences in the overall perception of the importance of each of the identified internal service quality attributes to the respondents' work performance. Tangibles were viewed as one of the four least important ISQ attributes for evaluating YMCA's internal processes together with service flexibility, tasks done right first time and meeting time frames. Effective communication, service dependability, consistent quality, and team work were rated the most important attributes in the organisation. The results reveal reliability, empathy, assurance and responsiveness as more important measures of internal service quality than visual appeal in an NPO's internal environment. This may imply that the adapted internal service quality scale will need to load more service quality attributes or statements considered more important for NPOs. The external service dimensions of the original SERVQUAL scale adaptable to the internal service environment of a Not for Profit Organisation.

### **6.3 The study's findings on the reliability and internal consistency of the ISQ scale**

One of the key objectives of this study was to investigate if the adapted internal service quality scale produces consistent results if repeated measurements are made. The positivists perspective to scale reliability requires a measure to yield the same results on the different occasions assuming no real changes in what is measured and the phenomenologists's perspective requires similar observations to be made by different researchers on different occasions (Easterby-Smith, Thorpe & Lowe 1994; Rubin & Rubin, 1995). The data collected from the in-depth interviews revealed thirteen attributes which were then calibrated into the internal service quality scale. The INTSERVQUAL scale asked the respondents to rate the quality of service they receive from all the five departments of the YMCA central region in terms of thirteen attributes among which included service promptness, knowledgeability and self-directedness, efficient communication etc. The measurement was therefore repeated on five different department. Reliability is defined by Carmines & Zeller 1979; Devillers, 1991, Nunnally & Bernstein (1994) as the degree to which measures are free from random error and therefore yielding consistent results. Results of the Cronbach coefficient alpha test showed the ISQ scale as applied on each department of the YMCA central was a reliable and internally consistent scale with Cronbach Alpha Coefficients ranging from 0.966 to 0.977. The INTSERVQUAL scale can yield the same results on different occasions and similar observations can be made by different researchers on different occasions.

### **6.4 The inquiry's findings on the distribution of perceptions around the organisation's internal service quality across all the five departments.**

A cross tabulation of the favorability ratings of the four most important internal service quality attributes per department is shown in Table 25 below. As shown in the L matrix diagram below Finance ranked the best Department in terms of being able to communicate effectively, being polite

and caring, being knowledgeable and self directed, being quick to respond and being professional. Average mean scores ranged from 4.96 to 5.76. The Department had the second largest number of best ratings in the organisation. Its service was rated the best in the organisation in terms of its dependableness, visual appeal, team work, flexibility, maintaining consistent quality and show of respect to other's roles. The average mean scores ranged from 4.93 to 5.36. The Department had the third and fourth most favourable rating in terms of the statements, *staff respect my role*, *staff are professional* and *staff are polite and caring* with average mean scores of 4.97 to 5.34. The Finance Department will need to improve its internal processes in terms of the above three attributes. The organisation could use restorative approaches to build relationships in the workplace as suggested by Lambert et al. (2011).

**Matrix Diagram showing the overall favourability ratings for each department of the YMCA based on average mean scores.**

Service Quality Attributes	Overall Favourability Ratings for each Dept.(Average mean scores)				
	Finance	Recreation & Youth Wanganui	Recreation & Youth P/N	General Operations	Education
Communication	5.00 (1)	4.93 (2)	4.79(4)	4.47 (5)	4.84(3)
Dependable	5.23 (2)	5.36 (1)	4.66 (5)	4.81 (4)	5.02 (3)
Consistent service	5.22(2)	5.25 (1)	4.54 (5)	4.93(4)	5.13 (3)
Team work	5.23(2)	5.24(1)	4.55(5)	4.57 (4)	5.07 (3)
Polite & Caring	5.76 (1)	5.34 (3)	5.32 (4)	5.00(5)	5.42 (2)
Prompt services	4.96(1)	4.93 (2)	4.57 (5)	4.68(4)	4.77(3)
Professional	5.39 (1)	4.97 (4)	4.79 (5)	5.00(3)	5.20(2)
Respectful	5.35 (2)	5.41(1)	5.11 (5)	5.23(4)	5.33( 3)
Knowledgeable	5.51 (1)	5.30(3)	4.71 (5)	5.05(4)	5.32 (2)
Flexible	4.94(3)	5.31(1)	4.89(4)	4.70(5)	5.09 (2)
Visually appealing	4.52(3)	4.93(1)	4.37(5)	4.84 (2)	4.51 (4)
Tasks done right first time	4.90 (3)	4.92(2)	4.50 (5)	4.58 (4)	4.96(1)
Services are timely	4.69(3)	4.80 (2)	4.32 (1)	4.63 (4)	4.84 (1)

Table 24: Matrix Diagram showing Overall Favourability Rating for each YMCA Department

Recreation and Youth Palmerston North Department had the best ranking in only one service

quality attribute out all the thirteen attributes. Respondents thought it is the best Department in terms of meeting time frames with an average mean score of 4.32. The Department ranked fourth and fifth in the rest of the internal service quality attributes with average means scores ranging from 4.37 to 4.89. The General Operations Department as shown in Table 25 did not have any first ranking but ranked second in its service's visual appeal with an average mean score of 4.84. It ranked fourth and fifth in the rest of the service quality attributes. The Education Department ranked first in terms of the doing things right first time with an average weighted mean score of 4.96 and in terms of meeting time frames with an average mean score of 4.84. It ranked second and third in the rest of the service quality attributes. Effective communication with other staff is held as the most important internal service quality attribute in the organisation. Of all five YMCA departments, the Finance Department had the highest favourability rating regarding effective communication with a weighted average mean score of 5.00 followed by the Recreation and Youth Wanganui department with a mean score of 4.93, Education with a mean score of 4.84, Recreation and Youth Services Palmerston North department with a mean score of 4.79 and General Operations with a mean score 4.47. Responses to preceeding questions in the survey show that *service dependability, consistency in quality and working as a team* as YMCA's other most important internal service quality attributes. Regarding the perception around the statements *Service is dependable, service quality is consistent and staff work as a team* Recreation and Youth services Wanganui department scored the highest weighted average mean of 5.36, 5.25 and 5.24 respectively. Recreation and Youth Service s Palmerston North Department had the best rating in more internal service quality attributes than any other Departments. The Departments with low pereceptions in tangibles, reliability, responsiveness, assurance, empathy could close their internal service gap by promoting more team work, enhancing the employee-job fit, reducing role conflict and ambiquity as suggested by Zeithaml et al. (1990) as shown in figure 2. The general response to

the survey question 9, 10, 11, 12 and 13 show most of the average mean scores ranging from 4.32 to 5.76 which indicates that it is strongly biased towards the strongly agree end of the likert scale. Although there is a reasonable proportion of respondents who chose to neither agree or disagree, all of those who indicated a committal position had positive responses ranging from agree, slightly agree and strongly agree. This study's finding confirm a difference in the distribution of perceptions around the quality of internal service they receive from each of the five departments of the organisation.

## **6.5 Limitations**

Out of a population of 80 people only 50 responded to the questionnaire and one major limitation of this study was the sample size inadequacy to conduct more robust statistical tests. Although the study was able to determine the differences in the distribution of perceptions around the quality of internal service from each of the departments, the small size of the sample limited the inquiry in uncovering some of the most latent factors with the thirteen internal service quality attributes gathered from the in-depth interviews in study 1. While the Cronbach Coefficient Alpha revealed how closely related the set of data was as a group, an Exploratory Factor Analysis could not be conducted to provide a more robust insight into the dimensionality of the attributes. Comrey & Lee (1992) suggest that a sample size of 50 will provide a very poor sample size adequacy for an Exploratory Factor Analysis and a sample size of 300 is the minimum requirement.

The in-depth interviews could have been expanded to cover all the hierarchical levels within the organisations so as to capture both top-down perspective and bottom-up perspective on the meaning of and attributes of internal service quality. Another limitation was the short timeframe to pilot both the qualitative and quantitative research instruments. With more time to run the pilot test more useful feedback could have been collected to help enrich the findings of this study.



## 7. Conclusion

Perceptions of internal service quality are the degree to which NPO employees found various attributes important in enhancing their satisfaction with the service they receive from their workmates within their departments and from other departments. This study uncovered fascinating interpretations of internal service quality based on work processes, work outcomes, business procedures, workplace values and visual appeal and all which were found to have a link with the original SERVQUAL scale key service quality dimensions of tangibility, assurance, reliability, responsiveness and empathy. The inclusion of relationship and interactive quality attributes such as *politeness and caring, team work and respect of other's roles* was one of the key adaptations of the Internal Service Quality scale to suit the organisation's internal environment. All the other ISQ attributes except team work are interchangeable between the original SERVQUAL scale and the INTSERVQUAL scale applied in the study. The study findings show that effective communication, service dependability, quality consistency, team work and service promptness were rated the five most important service quality attributes in the YMCA's internal processes. Through hypothesis testing the study found that there are differences in the way how staff view the service they receive from the five Departments in the organisation. The Recreation and Youth Services Wanganui Departments had the highest number of best favourably rated internal service quality attributes compared to other departments. The General Operations Department ranked did not have any best favourably rated attributes. A majority of the departments internal service quality attributes ranked fourth and fifth. The recommendation is for General Operations to improve its internal processes in the areas of communication, politeness and caring and flexibility. This is achievable through restorative approaches to building relationships and by reducing role conflict and ambiguity (Lambert et al. 2011). Recreation and Youth Services Palmerston North Department is

recommended to improve its services around respecting other's employees roles, making its service, more dependable, professional and prompt and maintaining a consistently high quality. The Education Department was found wanting in terms of the visual appeal of its service. The adapted internal service scale was found to be reliable and internally consistent. Future research should aim at larger sample sizes for better statistical analysis. It should also expand its qualitative inquiry on the definition and attributes of internal service quality to include employees at every hierarchical level of the organisation. This will help to make its internal service quality scale calibration more representative and sensitive to the needs of all its internal customers. It can be concluded that the Internal Service Quality scale is both transferrable and adaptable in its original SERVQUAL form for the purpose of measuring the internal environment of a Not for Profit Organisation.

## **Appendix 1 Basic Information Sheet for Participants**

### **Internal Service Quality Survey**

#### **BASIC INFORMATION SHEET FOR PARTICIPANTS**

##### **Introduction**

My name is Simplisio Hove and I am an extramural student at Massey University in Palmerston North. The research I wish to conduct for my Master of Quality Systems thesis paper involves an adaptation and application of the Internal Service Quality scale to a Not for Profit-Making Organisation. The YMCA has been deliberately chosen for this study being one of New Zealand's largest Not for Profit-Making Organisations. The study seeks to explore how the internal service quality scale could be modified and applied in the YMCA given its uniqueness and complexity as a not for profit-making organisation. The study findings will help to improve the YMCA's internal processes and this will be possibly passed on in form of better service delivery to the community.

##### **Project Description and Invitation.**

The purpose of the study is to adapt and apply the Internal Service Quality scale to a YMCA service value chain. The study will first identify the key service quality attributes in the organization's internal services. It will measure the difference between expectations and perceptions of internal customers and then assess the strengths and weaknesses of each key internal stakeholder. Finally the study will then examine the obstacles if any of delivering high quality internal customer service. The research will help to modify the internal service quality measurement tool to suit your organizational setting. It will also make recommendations for internal process improvements.

You are being invited to take part in a research study. Before you decide whether or not to take part, it is

important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully

#### Participant Identification and Recruitment

We are kindly requesting you to participate in the research because you work for the YMCA and the research is meant to benefit the organization's internal processes. We have identified you as a potential participant in this research through your organization's personnel office and have sought for permission from the organization to undertake this study.

#### Project Procedures

The study will be divided into two stages; preliminary in-depth interviews which will target four participants from the organisation's top management and an internal service quality survey which will target a separate 160 participants from the organisation's workforce. The in-depth interview will last for 40 minutes and there will be no recording of sound or images. The survey questionnaire takes about 18 minutes to complete. There is neither physical nor psychological risks in participating in this survey nor is there any conflict of interest as this is intended to help modify a quality management tool that will provide useful insight in your organization's internal processes.

#### Data Management

You may feel concerned about being identified via your completed questionnaire or responses in during the in-depth interview. The study does not require you to provide any details about yourself. Raw data will be stored securely in password protected electronic files or locked filing cabinets for five years after completion of the project, when it will be destroyed. Your survey will be completely anonymous. The summary of the findings can be accessed as published work in form of a thesis. Personal information will be in form of aggregated statistics without any personal identification.

#### Participant's Rights

Completion of the online questionnaire implies consent. You have the right to decline to answer any particular question.

#### Project Contacts

If you have any questions about our project, either now or in the future, please feel free to contact either:

Researcher: Simplisio Hove

0211449583

simplisio.hove@gmail.com

Or

Supervisor: Associate Professor Nigel Grigg

School of Engineering and Advanced Technology, Massey University

06-3569099 extn 81732

N.Grigg@massey.ac.nz

Supervisor: Nicky Campbell-Allen

School of Engineering and Advanced Technology, Massey University

06-3569099 extn 81733

N.M.Campbell-Allen@massey.ac.nz

## **Appendix 2 Participant Consent Form-Individual**

### **Internal Service Quality Survey**

#### **PARTICIPANT CONSENT FORM - INDIVIDUAL**

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I agree/do not agree to the interview being sound recorded.

I agree/do not agree to the interview being image recorded.

I wish/do not wish to have my recordings returned to me.

I wish/do not wish to have data placed in an official archive

I agree to participate in this study under the conditions set out in the Information Sheet.

Signature:

Date:

Full Name - printed

## **Appendix 3 In-depth interview Guide**

### **Preamble**

The purpose of this interview is to discuss work relationships and how you assess the quality of work performed by members of other departments who impact on the performance of your work.

The things discussed in this interview are confidential. Information you provide is aggregated with other results so that you cannot be identified.

### **1. What is the nature of your work?**

How long have you been working in this area?

### **2.) How would you describe the nature of the working relationships you have with people from other sections?**

How and why do you become involved?

What role do you play?

Who determines what you do?

Do you have any control over the work performed by people from other areas?

### **3.) How important is quality in your role?**

What does service quality mean to you?

How do you measure quality?

Which attributes are important to you in assessing quality?

Which attributes are most important?

Is there a formal quality review process?

Is there an informal quality review process?

How does it work?

Are you rewarded for quality work?

4.) How do you evaluate the quality of work done by people from other sections with whom you work?

What attributes do you use?

Which attributes are the most important?

Is there a formal process?

5.) How do your expectations influence your assessment of the quality of work done?

If your expectations are met are you satisfied with quality?

6.) How much time do you spend each day with workers from other departments as a percentage of your work day?

Do you have regular contact with the same people?

How often do staff change?

Do you look forward to working with certain people?

How does this affect your work?

How do you rate the quality of work for people you work with on a regular basis to those you have limited contact?

Source: Adapted from Hollis (2006)



## Appendix 4 Internal Service Quality Questionnaire

1. Select your gender below.

- ☐ Female  
☐ Male

2. Select your age group from the following list.

- ☐ 18 to 24  
☐ 25 to 34  
☐ 35 to 44  
☐ 45 to 54  
☐ 55 to 64  
☐ 65 to 74  
☐ 75 or older

3. What is the highest level of education you have completed?

- ☐ Did not attend school ☐ Primary education ☐ Secondary education ☐ Tertiary education

4. What role do you play in the YMCA?.

- ☐ Senior manager  
☐ Middle manager  
☐ Programme Manager  
☐ Programme co-ordinator  
☐ Programme Deliverer/facilitator/provider  
☐ Office Administrator  
☐ General hand

5. Length of time you have worked for the YMCA

- ☐ Less than one year  
☐ More than one year, less than five years  
☐ Five years or more

6. Which Department of the YMCA do you work in?

- ☐ Finance
- ☐ Recreation and Youth Services Wanganui
- ☐ Recreation and Youth Services Palmerston North
- ☐ General Operations
- ☐ Education

7. How important do you find each of the following Departments in your work performance?

	Very important	Important	Slightly important	Not important
Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recreation and Youth Services Wanganui	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recreation and Youth Services Palmerston North	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General Operations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Consider your role as that of a customer receiving a service from other staff within the organisation. How important do you find the following statements in terms of internal customer service?

	Very important	Important	Slightly important	Not important
Staff are polite and caring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff communicate efficiently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Requests are handled promptly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is professional	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is flexible to changing situations and needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff work as a team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tasks are performed right first time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time frames are strictly followed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Physical facilities are visually appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff respect my role	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff are knowledgeable & self-directed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is dependable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service quality is consistent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. In the following questions 8, 9, 10,11&12 think of your role as that of a customer receiving a service from other staff working within the organisation. How do you rate the quality of internal service of the Finance Department to your work performance in terms of the following attributes listed below.

[illegible]

10. How do you rate the quality of internal service of the Recreation Youth Services Wanganui Department to your work performance in terms of the following attributes listed below.

	1 Strongly disagree	2	3	4	5	6	7 Strongly agree
Staff are polite and caring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff communicate efficiently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Requests are handled promptly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is professional	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is flexible to changing situations and needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff work as a team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tasks are performed right first time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time frames are strictly followed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Physical facilities are visually appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff respect my role	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff are knowledgeable & self-directed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is dependable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service quality is consistent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. How do you rate the quality of internal service of the Recreation Youth Services Palmerston North Department to your work performance in terms of the following attributes listed below.

[illegible]

12. How do you rate the quality of internal service of the General Operation Department to your work performance in terms of the following attributes listed below.

[illegible]

13. How do you rate the quality of internal service of the Education Department to your work performance in terms of the following attributes listed below.

	1 Strongly Disagree	2	3	4	5	6	7 Strongly Agree
Staff are polite and caring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff communicate efficiently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Requests are handled promptly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is professional	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is flexible to changing situations and needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff work as a team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tasks are performed right first time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time frames are strictly followed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Physical facilities are visually appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff respect my role	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff are knowledgeable & self-directed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service is dependable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service quality is consistent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. What could the YMCA employees do to improve the quality of internal service for the ultimate benefit of the end customers in the community.

15. What is the biggest challenge or obstacle that you face when trying deliver high-quality internal customer service.



16. If you were the Chief Executive Officer of this organisation for one day with the power and ability to make only one decision to improve internal customer service delivery, what decision would you make?

## Appendix 5 Scale Reliability SPSS Analysis- Importance of Department Qst 7

### Reliability

Scale: Rating Importance of Department

#### Case Processing Summary

		N	%
Cases	Valid	47	94.0
	Excluded <sup>a</sup>	3	6.0
	Total	50	100.0

#### Reliability Statistics

Cronbach's Alpha	N of Items
.726	5

#### Item Statistics

	Mean	Std. Deviation	N
Finance	1.8936	.89038	47
Recreation and Youth Services Wanganui	1.9362	1.03008	47
Recreation and Youth Services Palmerston North	2.3617	1.22342	47
General Operations	1.8298	.81612	47
Education	1.7872	.90737	47

#### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Finance	7.9149	7.732	.611	.635
Recreation and Youth Services Wanganui	7.8723	7.679	.492	.677
Recreation and Youth Services Palmerston North	7.4468	7.774	.334	.760
General Operations	7.9787	8.195	.575	.654
Education	8.0213	8.108	.507	.673

#### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
9.8085	11.549	3.39845	5

## Appendix 6 Scale Reliability SPSS Analysis Output-Importance of Internal Service Quality Attributes (Question 8)

### Reliability

Scale: Rating the importance of Internal Service Quality scale attribute

**Case Processing Summary**

		N	%
Cases	Valid	48	96.0
	Excluded <sup>a</sup>	2	4.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's	
Alpha	N of Items
.902	13

**Item Statistics**

	Mean	Std. Deviation	N
Staff are polite and caring	1.1875	.39444	48
Staff communicate efficiently	1.0625	.24462	48
Requests are handled promptly	1.2083	.41041	48
Service is professional	1.2083	.41041	48
Service is flexible to changing situations and needs	1.3958	.53553	48
Staff work as a team	1.1667	.37662	48
Tasks are performed right first time	1.6250	.70334	48
Time frames are strictly followed	1.6250	.53096	48
Physical facilities are visually appealing	1.5625	.68125	48
Staff respect my role	1.3750	.60582	48
Staff are knowledgeable & self-directed	1.3333	.51914	48
Service is dependable	1.1250	.33422	48
Service quality is consistent	1.1667	.37662	48

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Staff are polite and caring	15.8542	16.468	.602	.895
Staff communicate efficiently	15.9792	17.468	.501	.900
Requests are handled promptly	15.8333	16.312	.625	.894
Service is professional	15.8333	16.057	.707	.891
Service is flexible to changing situations and needs	15.6458	15.383	.686	.891
Staff work as a team	15.8750	16.580	.597	.895
Tasks are performed right first time	15.4167	14.887	.584	.899
Time frames are strictly followed	15.4167	15.525	.656	.892
Physical facilities are visually appealing	15.4792	14.766	.634	.895
Staff respect my role	15.6667	15.418	.581	.897
Staff are knowledgeable & self-directed	15.7083	15.402	.707	.890
Service is dependable	15.9167	16.418	.746	.892
Service quality is consistent	15.8750	16.495	.626	.894

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
17.0417	18.551	4.30714	13

## Appendix 7 Scale Reliability SPSS Analysis-Measuring Internal Service Quality for Finance Department (Question 9)

### Reliability

Scale: Internal Service Quality scale rating for the Finance Department

**Case Processing Summary**

		N	%
Cases	Valid	45	90.0
	Excluded <sup>a</sup>	5	10.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.971	13

**Item Statistics**

	Mean	Std. Deviation	N
Staff are polite and caring	5.7556	1.19003	45
Staff communicate efficiently	4.9556	1.71829	45
Requests are handled promptly	4.9778	1.73845	45
Service is professional	5.3333	1.44600	45
Service is flexible to changing situations and needs	4.8889	1.66818	45
Staff work as a team	5.1333	1.61808	45
Tasks are performed right first time	4.8667	1.64593	45
Time frames are strictly followed	4.6667	1.71888	45
Physical facilities are visually appealing	4.4889	1.65999	45
Staff respect my role	5.3111	1.50487	45
Staff are knowledgeable & self-directed	5.4000	1.54331	45
Service is dependable	5.1778	1.64163	45
Service quality is consistent	5.2000	1.57538	45

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Staff are polite and caring	60.4000	292.291	.652	.973
Staff communicate efficiently	61.2000	266.845	.898	.968
Requests are handled promptly	61.1778	269.195	.842	.969
Service is professional	60.8222	274.149	.919	.967
Service is flexible to changing situations and needs	61.2667	274.836	.770	.970
Staff work as a team	61.0222	268.613	.924	.967
Tasks are performed right first time	61.2889	269.483	.889	.968
Time frames are strictly followed	61.4889	267.074	.893	.968
Physical facilities are visually appealing	61.6667	279.091	.692	.972
Staff respect my role	60.8444	276.680	.825	.969
Staff are knowledgeable & self- directed	60.7556	276.643	.803	.970
Service is dependable	60.9778	270.249	.876	.968
Service quality is consistent	60.9556	270.453	.913	.967

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
66.1556	320.225	17.89484	13

## Appendix 8 Scale Reliability SPSS Analysis output-Measuring Internal Service Quality for Recreation & Youth Services Wanganui Department (Question 10)

Reliability

Scale: Rating Internal Service Quality for the Recreation & Youth Services Wanganui Department

Case Processing Summary			
		N	%
Cases	Valid	38	76.0
	Excluded <sup>a</sup>	12	24.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.977	13

Item Statistics			
	Mean	Std. Deviation	N
Staff are polite and caring	5.3158	1.37753	38
Staff communicate efficiently	4.9474	1.59301	38
Requests are handled promptly	4.9737	1.38499	38
Service is professional	4.9474	1.45095	38
Service is flexible to changing situations and needs	5.2895	1.50509	38
Staff work as a team	5.2368	1.51451	38
Tasks are performed right first time	4.8947	1.37132	38
Time frames are strictly followed	4.8421	1.48007	38
Physical facilities are visually appealing	4.9211	1.47743	38
Staff respect my role	5.3684	1.42224	38
Staff are knowledgeable & self-directed	5.3421	1.34116	38
Service is dependable	5.3158	1.49061	38
Service quality is consistent	5.2105	1.41723	38

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Staff are polite and caring	61.2895	245.833	.733	.978
Staff communicate efficiently	61.6579	235.745	.840	.976
Requests are handled promptly	61.6316	238.563	.909	.975
Service is professional	61.6579	236.934	.903	.975
Service is flexible to changing situations and needs	61.3158	236.762	.871	.975
Staff work as a team	61.3684	236.077	.881	.975
Tasks are performed right first time	61.7105	240.536	.869	.976
Time frames are strictly followed	61.7632	237.375	.873	.975
Physical facilities are visually appealing	61.6842	240.546	.800	.977
Staff respect my role	61.2368	239.159	.868	.976
Staff are knowledgeable & self-directed	61.2632	240.740	.885	.975
Service is dependable	61.2895	235.346	.914	.975
Service quality is consistent	61.3947	236.894	.928	.974

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
66.6053	279.381	16.71468	13



## Appendix 9 Scale Reliability SPSS Analysis output-Measuring Internal Service Quality for Recreation & Youth Services Palmerston North Department (Question 11)

### Reliability

Scale: Rating Internal Service Quality scale rating for the Recreation & Youth Services P/N Department

#### Case Processing Summary

		N	%
Cases	Valid	36	72.0
	Excluded <sup>a</sup>	14	28.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's	
Alpha	N of Items
.966	13

#### Item Statistics

	Mean	Std. Deviation	N
Staff are polite and caring	5.3333	1.21890	36
Staff communicate efficiently	4.8056	1.43067	36
Requests are handled promptly	4.5000	1.61245	36
Service is professional	4.8056	1.39016	36
Service is flexible to changing situations and needs	4.9167	1.13074	36
Staff work as a team	4.5556	1.74756	36
Tasks are performed right first time	4.5000	1.40408	36
Time frames are strictly followed	4.3056	1.70410	36
Physical facilities are visually appealing	4.3889	1.64365	36
Staff respect my role	5.1389	1.29069	36
Staff are knowledgeable & self-directed	4.6111	1.17784	36
Service is dependable	4.6389	1.33423	36
Service quality is consistent	4.5833	1.38099	36

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Staff are polite and caring	55.7500	218.707	.732	.965
Staff communicate efficiently	56.2778	209.406	.849	.962
Requests are handled promptly	56.5833	208.479	.763	.965
Service is professional	56.2778	209.635	.870	.962
Service is flexible to changing situations and needs	56.1667	219.286	.777	.964
Staff work as a team	56.5278	201.113	.856	.963
Tasks are performed right first time	56.5833	210.364	.841	.963
Time frames are strictly followed	56.7778	199.549	.917	.961
Physical facilities are visually appealing	56.6944	208.733	.740	.965
Staff respect my role	55.9444	218.568	.691	.966
Staff are knowledgeable & self-directed	56.4722	218.085	.780	.964
Service is dependable	56.4444	208.483	.943	.960
Service quality is consistent	56.5000	208.829	.898	.961

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
61.0833	246.593	15.70328	13

## Appendix 10 Scale Reliability SPSS Analysis output-Measuring Internal Service Quality for Recreation & Youth Services General Operations Department (Question 12)

### Reliability

Scale: Rating Internal Service Quality rating for General Operations Department

Case Processing Summary			
		N	%
Cases	Valid	42	84.0
	Excluded <sup>a</sup>	8	16.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.975	13

Item Statistics			
	Mean	Std. Deviation	N
Staff are polite and caring	4.9524	1.71012	42
Staff communicate efficiently	4.4524	1.75586	42
Requests are handled promptly	4.6190	1.59194	42
Service is professional	4.9762	1.52200	42
Service is flexible to changing situations and needs	4.6905	1.84110	42
Staff work as a team	4.5714	1.90177	42
Tasks are performed right first time	4.5952	1.59358	42
Time frames are strictly followed	4.6429	1.57451	42
Physical facilities are visually appealing	4.8571	1.35379	42
Staff respect my role	5.2381	1.32167	42
Staff are knowledgeable & self-directed	5.0476	1.52942	42
Service is dependable	4.8095	1.64151	42
Service quality is consistent	4.9286	1.68773	42

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Staff are polite and caring	57.4286	292.007	.811	.974
Staff communicate efficiently	57.9286	291.434	.798	.974
Requests are handled promptly	57.7619	292.430	.870	.972
Service is professional	57.4048	291.222	.939	.971
Service is flexible to changing situations and needs	57.6905	286.219	.846	.973
Staff work as a team	57.8095	281.231	.901	.972
Tasks are performed right first time	57.7857	290.563	.906	.971
Time frames are strictly followed	57.7381	293.125	.867	.972
Physical facilities are visually appealing	57.5238	304.743	.757	.975
Staff respect my role	57.1429	303.150	.814	.974
Staff are knowledgeable & self-directed	57.3333	296.667	.822	.973
Service is dependable	57.5714	288.885	.910	.971
Service quality is consistent	57.4524	288.400	.891	.972

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
62.3810	342.339	18.50241	13

## Appendix 11 Scale Reliability SPSS Analysis output-Measuring Internal Service Quality for Education Department (Question 13)

### Reliability

Scale: Internal Service Quality rating for Education Department

#### Case Processing Summary

		N	%
Cases	Valid	42	84.0
	Excluded <sup>a</sup>	8	16.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.977	13

#### Item Statistics

	Mean	Std. Deviation	N
Staff are polite and caring	5.3810	1.62229	42
Staff communicate efficiently	4.8333	1.66626	42
Requests are handled promptly	4.7381	1.54698	42
Service is professional	5.1667	1.36000	42
Service is flexible to changing situations and needs	5.0714	1.52048	42
Staff work as a team	5.0238	1.60012	42
Tasks are performed right first time	4.9286	1.31396	42
Time frames are strictly followed	4.7857	1.45729	42
Physical facilities are visually appealing	4.5476	1.51742	42
Staff respect my role	5.2857	1.53473	42
Staff are knowledgeable & self-directed	5.2619	1.39790	42
Service is dependable	5.0000	1.41421	42
Service quality is consistent	5.0952	1.55876	42

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Staff are polite and caring	59.7381	250.686	.878	.974
Staff communicate efficiently	60.2857	249.672	.873	.975
Requests are handled promptly	60.3810	252.827	.878	.974
Service is professional	59.9524	258.729	.864	.975
Service is flexible to changing situations and needs	60.0476	253.705	.875	.974
Staff work as a team	60.0952	250.527	.895	.974
Tasks are performed right first time	60.1905	259.085	.889	.974
Time frames are strictly followed	60.3333	254.618	.896	.974
Physical facilities are visually appealing	60.5714	259.909	.740	.977
Staff respect my role	59.8333	253.459	.871	.974
Staff are knowledgeable & self-directed	59.8571	258.516	.844	.975
Service is dependable	60.1190	257.181	.865	.975
Service quality is consistent	60.0238	252.902	.869	.975

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
65.1190	298.400	17.27426	13

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