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INTERNAL MARKETING IN THE MALAYSIAN TELECOMMUNICATIONS INDUSTRY

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INTRODUCTION

The Telecommunications industry is currently undergoing changes due to globalisation and new technological developments (Telekom Malaysia Berhad, 2000). Multiple mergers and acquisitions have resulted in global expansion, liberalisation and privatisation of the industry (Leisen and Vance, 2001). Thus, achieving the right service quality is important as it is the driving force for productivity and profitability (Edvardsson *et al.*, 1994). Good service could be achieved through empowerment (Tschohl, 1998); and adequately trained staff (Gummersson, 1991).

Employees are internal customers of the organisation because they receive services and products from other members of the organisation to carry out their jobs (Zemke, 2002; Zeithaml and Bitner, 1996). Thus, individual units or departments need to view themselves as customers and suppliers (Farner *et al.*, 2001). Customer orientation of the frontline employees is crucial for business success as the behaviour of the employees affects the customer perception of the service (Kelly, 1992).

A study was carried out on frontline employees of telecommunications service providers to determine the company's most important service attributes, as improvements in the service attributes could improve the internal customer service quality and eventually, the companies' service quality.



THE TELECOMMUNICATIONS INDUSTRY

The telecommunications industry is becoming a strategic weapon of the twenty-first century, revolutionising the manner in which business is to be conducted, as well as creating a competitive advantage to the businesses as globalisation and fast changing business environment result in new framework for employing and managing employees (Willems and Ketler, 1999) to sustain competitive advantage (Vloeberghs, 2001). Thus, it becomes necessary to be consistent in supporting the company's core values, changes and growth with regards to everything else; possess strong corporate cultures to motivate employees; and focus on products and people leading to quality and customer service (Polak and Kleiner, 2001).

The telecommunications industry is also one of the most competitive and important sectors. East Asia has been the fastest growing area in the world over the past three decades, with forthcoming forces of privatisation and deregulation as their economies are developing (Beard and Hartmann, 1999).

Technological changes and innovation add to the rapid changes in the telecommunications industry. Links between technologies within the technological system will change over time and affect the structure of the industrial network and firm behaviour. Thus, organisations that successfully align service roles with advanced information technology can achieve comparative advantages in the marketplace (Youngdahl and Loomba, 2000).

The internet explosion is transforming the telecommunications industry with the implementation of e-commerce (Bishop, 1999), a dynamic model for the information society and opportunity to increase competition by improving the level of quality; creating opportunities for employment; enforcing competition; facilitating participation at the international level; increasing government transparency; and diffusing the use of information technology (Kamel and Hussein, 2002).

The use of service delivery technology helps to reduce cost, as well as result in the overall efficiency of the operations (Byers and Lederer, 2001), such as the design and development of technology used to store and speed data transfer (Bradley, 1993). Service delivery and its impact on improving customer satisfaction and retention, sales and market share, and corporate image could be achieved by increasing capital expenditure on service delivery technology (Lewis *et al.*, 1994).

The deregulation and privatisation of Malaysia's telecommunications sector leads to technological innovation in the sector. Two forces drive the sector, namely technological innovation which drives the developed or matured markets; and technological diffusion which drives the developing or emerging ones (Telekom Malaysia Berhad, 2006). There is a need to adapt to developments in the global economy and local environment to strengthen the financial position and enhance service competitiveness (Telekom Malaysia Berhad, 2004).

This study suggests ways to revitalise the telecommunications industry through service quality improvements by the internal customers (the employees).

The Malaysian Telecommunications industry

The Malaysian telecommunications industry took the liberalisation path in the early 1990s. TM Berhad, the country's telephone system operator has begun the liberalisation process by going from being a government-owned concern to becoming a commercial concern. The corporation process started in 1987 and the privatisation in 1990. New players, such as Maxis and DiGi, challenged its dominance and fierce competition became intensified (Telekom Malaysia Berhad, 2001).

The Malaysian Communications and Multimedia Commission (MCMC) oversee the industry's development through the issuance

of new licenses, leading to new players in the internet and content-based operators. The development made restructuring of telecommunications companies necessary so that change can come from within and across the spectrum of the industry (Telekom Malaysia Berhad, 2000); as well as being able to adapt to developments in the global economies and local environment to create the balance between the existing and the new offerings (such as the tariff, access or interconnection, universal services and licensing in the competitive industry (Telekom Malaysia Berhad, 2004).

The rapid increase in the usage of mobile telephony and the Internet has also contributed to the increasing importance of telecommunications and the need for speed and innovation in technology. As the industry is facing fierce competition over the years, the trend in the telecommunications industry can be observed with the increase in cellular telephones subscribers and the decrease in the number of fixed-line subscribers. However, there was an increase in fixed-line sector for the business and the ISDN sectors, while the rest of the sectors are on the decline. The decrease in the household segment could be due to the preference for mobile telephones over fixed-lines.

In the mobile telephony segment, the ratio between the post-paid and the pre-paid subscribers were getting wider, with the pre-paid subscribers increasing rapidly over the period of time (Telekom Malaysia Berhad, 2001; 2002; 2003; 2004; and 2005).

The business strategy for the domestic cellular business was driven by three factors: nationwide coverage with the focus on appropriate technology in different areas; improving service quality in terms of call quality and facilities available to the subscribers; and providing cellular services profitably at the lowest and the best price (Telekom Malaysia Berhad, 2004).

Originally, there were five mobile service providers (Maxis, Telekom Malaysia, DiGi, Celcom and Time dotcom). However, the consolidation of the mobile service providers resulted in only three

(namely, Maxis, Celcom, and DiGi). The market share of mobile subscribers among service providers are Maxis at 40.5 %; Celcom, 38.0 %; and DiGi, 21.5 % as at the end of 2004 (CIMB, 2005).

The consolidation became necessary as telecommunications demands heavy capital expenditure. Having five operators had taken a heavy toll on the economy as most of the equipment was sourced abroad, as well as the requirement for bigger investment for the 3 G mobile services. A penetration rate of 50 % is required before 3G could be implemented (Investors Digest, May 2002). Currently, Malaysia's cellular penetration rate is 72 % (MCMC, 2007). However the drive for 3 G services demand in Malaysia was vendor driven, rather than consumer driven (Investors Digest, May 2002).

The telecommunications industry offered unique challenges. As technology becomes more sophisticated and expensive, users expected cheaper technology-enabled, high-speed and high-value added services (Telekom Malaysia Berhad , 2001), such as the customers' quest for cheaper and reliable products that converge voice and data (Telekom Malaysia Berhad 2003). However, the main profit generator in the Malaysian telecommunications industry was still the voice segment.

The telecommunications component of the Malaysian Information Technology sector had been changing rapidly in recent years as part of global restructuring and liberalisation processes. Information Communication Technology (ICT) was considered the new engine of growth because the telecommunications industry is strategic in sustaining the long-term economic growth, in terms of knowledge via increased communications through facilitating the speed, transfer, and sharing of knowledge between people, businesses, and nations (Telekom Malaysia Berhad 2000; 2002).

Telecommunications remained the growth sector in both Malaysia and across Asia. The Malaysian telecommunications industry, for example, was facing the challenges of developing cross-border synergies that could lower costs across the network and

allow technology and process sharing (Telekom Malaysia Berhad 2007).

The convergence of computing, telecommunications and imaging technologies gave rise to a higher rate of productivity and the enhancement of competitive advantages for the telecommunications companies (Chow, 2001) to deliver service excellence (Jack and Humble, 1994).

THE SERVICE PROFIT CHAIN CONCEPT

The Service Profit Chain concept explains the sustainable competitiveness of service organisations. The concept proposes that the growth and profitability are derived from customer satisfaction of the service value created by the satisfied, committed, and productive service employees (Lau, 2000). Thus, successful service organisations focus on both the employees and customers (Papasolomou-Doukakis, 2002). The causal effects between each link is measured by the feelings the employees have towards their jobs, colleagues, and companies (Lau, 2000). Therefore, service providers should create the value of service point backed up by internal processes (Heskett *et al.*, 1994).

According to the Service Profit Chain Concept, improvements on internal customer service quality leads to improvement of external customer service quality. The concept establishes the relationship between internal customer service quality and employee satisfaction; and external customer service quality and customer satisfaction resulting in profitability. Thus, the model is based on the direct and strong relationship between profit, growth, customer loyalty, customer satisfaction, the value of goods and services delivered to customers; and employee capability, satisfaction, loyalty and productivity (Heskett *et al.*, 1994).

The core of the Service Profit Chain relationship point to the beliefs that customers and management have to be managed for

results; employees with the right attitude, incentive, and the right amount of latitude are key to designing and providing services to create such results; financial performance is the result of past performance, making the measurement and incentives determinants of future performance, customer and employee satisfaction, and loyalty, to reflect drivers of growth and profitability to a greater degree than results itself; and lastly, listening to customers results in the maintenance of strong, adaptive organisations that ensures continued excellence (Heskett *et al.*, 1997).

According to the Service Profit Chain concept, the internal customer service quality dimensions are workplace design; job design; employee selection and development; employee rewards and recognition; and tools for serving customers (Heskett *et al.*, 1994). These dimensions are similar to the four managerial processes that are linked to employee satisfaction and retention (supervision; benefits; work design; and work conditions) known as the drivers of employee satisfaction (Rust *et al.*, 1996). However, other dimensions from the literature are found to be equally important and need to be included.

The dimensions are work environment (Yoon *et al.*, 2001; Davidson, 2003; Lam, 1996; and Edvardsson and Gustavsson, 2003); decision-making latitude (Yagil, 2002; Heskett *et al.*, 1997; and Tschohl, 1998); and information and communication (Fletcher, 1999; Rudnick, 1996; and Caruana and Pitt, 1997a).

INTERNAL CUSTOMER SERVICE QUALITY

Service quality is defined as the result of comparison between customers' expectation about the service and their perception of the way the service has been performed (Grönroos, 1984; Parasuraman *et al.*, 1985, 1988, 1991, 1994); described as the "delivery of excellent or superior service relative to the customer expectation" (Zeithaml and Bitner, 1996); as well as the customers' interpretation of their

experience (Garavan, 1997). It is viewed as a multidimensional construct (Johnston *et al.*, 1995); and as an overall assessment (Wang and Lo, 2003).

Service quality creates an essential ingredient for establishing and maintaining a loyal and profitable customer base (Rust *et al.*, 1995; Zeithaml, 2000) and acts as the driving force for productivity and profitability (Edvardson *et al.*, 1994). Achieving the right quality could be done through do-it-yourself production systems; customer education; and individual preferences and perceptions. Service quality data is very useful in attaining service improvement (Shaw and Haynes, 2004) and could be considered as the root cause of customer satisfaction (Yavas *et al.*, 2004).

Employees are internal customers of the organisation and they represent the internal market within the organisation. An internal customer is defined as any member (employee) of the organisation receiving services and products from other members of the organisation to carry out his or her job (Zeithaml and Bitner, 1996). Service providers could give good service through empowerment to the front-line staff to enhance service quality (Tschohl, 1998); and training, as inadequately trained front-line staff would find it difficult to perform the task effectively (Gummerrson, 1991).

The quality of staff and its impact on the quality of customer service is vital in gaining a competitive advantage. Thus, employees should be viewed as the organisation's most valuable asset and be treated as internal customers. Thus, treating employees as customers could give the organisation a competitive edge. The quality of staff and its impact on the quality of customer service is vital (Papasolomou-Doukakis, 2002). Processes could be improved if each department treats the people who receive the outputs from their work as "customers" (Farner *et al.*, 2001). Internal service processes include simplified standard operations, procedures and activities, that support the front-line business function and interact with customers (Voss *et al.*, 2005).

The basic principle of internal customer service stipulates that every department in an organisation exists to serve the external customer (or another department). Each department either receives work from, or processes work for another department (Zemke and Zemke, 1994). Thus, individual units or departments need to view themselves as both customers and suppliers as they receive inputs from another departments(their supplier), add value, and send the output of their work to another department (their customer).

The notion of internal customers creates a service quality in their internal service encounters (Papasolomou-Doukakis, 2002). Thus, the interactions between employees within a firm (internal service encounters) are described as a dyadic interaction between internal customers and internal service providers (Paraskevas, 2001).

Internal Customer Service Quality Measurement

Several service quality internal and performance measurements are being applied to measure the internal service quality. These measurements are adapted from the measurement of external customers, such as the SERVQUAL. Cannon (2002) adapted the SERVQUAL model in relation to internal customers through the application of the service quality criteria and the five gaps to the internal customers. Thus, the five gaps for the internal customers are: Gap 1 (the employees' expectation/management-perception gaps); Gap 2 (management's perception/service quality specifications gap); Gap 3 (service quality specifications/service delivery gap); Gap 4 (service delivery/external communication gap); and Gap 5 is where uncommitted workers who do not deliver service quality and ultimately, probably leave the organisation, voluntarily or involuntarily.

This research applied SERVPERF, a perception-only model for the questionnaire construction. It adopts similar SERVQUAL dimensional framework based on the comparison of Gap 1 and

Gap 2 (Cronin and Taylor, 1992; and Murphy, 1999). It consists of SERVQUAL items, in addition to an overall rating of satisfaction, perceived service quality and purchasing intentions (Gumus and Koleoglu, 2002).

EMPLOYEE SATISFACTION

Organisations need to focus on employee satisfaction because qualified employees are becoming scarce and the turnover is high among employees (Rust *et al.*, 1996). The company's health depends on employees' common shared values and how well the employees are treated by the company's activities to ensure loyalty, low employee turnover, and productivity gains (Dotchin and Oakland, 1994).

Employees could be protected in order to retain customers in an increasingly competitive market through leadership development for guidance and support of strong leader, so as to be effective and motivated (Fletcher, 1999). Employee satisfaction is considered as the function of service quality by the management (Allred, 2001), as employees feel more respected, resulting in positive impact on the consumer confidence, and low hiring and training costs (Cannon, 2002).

To create service culture where employee satisfaction could be striven for, it is essential to develop managerial behaviour that rewards, supports, plans for, and expects service excellence; create systems support for service from marketing to human resource and operations functions; develop customer retention or attention programme that clearly demonstrate the importance of customers; and create logistics support for the tools, equipment, supplies, and facilities needed to deliver service (Bowen *et al.*, 2001).

RESEARCH METHODOLOGY

A cross-sectional study was carried out on four well-known Malaysian telecommunications service providers who agreed to participate in the survey on the internal customer service quality of the telecommunications industry. The study carried out, covered the companies' service centres located throughout the Peninsular of Malaysia.

The variables in establishing the dimensions of service quality were based on the internal customer service quality dimensions of the Service Profit Chain concept. This model was chosen because it could express the relationship in the research question instrument in establishing the dimensions of service quality, through SERVPERF.

The scope of the study was to investigate the relationship between the specific internal service quality dimensions derived and the internal service quality; the relationship between the internal service quality and employee satisfaction; and to determine the overall internal service quality and employee satisfaction. The importance of the study was its contribution to the earlier research on the employee evaluation of service quality and the strength of the relationship between employee satisfaction and the internal service quality.

The study gave some insights into the internal customer service quality of the telecommunications industry in Malaysia and the results of the study could also be of value to the industry in the development of the organisational strategies, as well as service quality improvements. The results of the study could help revitalise the telecommunications industry, as the perceptions of the employees could give a rough picture of the industry's service quality and level of employee satisfaction

Research Design

The research was a combination of a descriptive and quantitative study to illustrate how the dominant dimensions of the internal customer service quality determined could contribute to the industry's service quality improvements. The research objectives previously mentioned were carried out to determine the specific dimensions of internal customer service quality and to investigate the strength of relationship between the internal customer service quality and employee satisfaction.

Conceptual Framework

The conceptual framework was developed from the organisational indicators to support service quality through the Service Profit Chain concept developed by Heskett *et al.* (1994). The concept was incorporated to explain the relationship between the internal customer service quality dimensions, as well as the relationship between internal service quality and employee satisfaction.

The resultant dimensions incorporated in the conceptual framework were workplace design and environment; job design and decision-making latitude; employee selection and development; rewards and recognition; information and communication; and adequate "tools" to serve customers.

Research Procedures

Sampling was done based on the target population of the service providers participating in the study. The respondents were service workers from the managerial, supervisory and front-line employee levels randomly selected by the management of the service centres. This method was used due to existing company policies, indicating the competitiveness of the industry.

The questionnaire was constructed based on the adapted SERVQUAL instrument (the SERVPERF). The SERVPERF included questions on the internal service quality dimensions, the overall rating of satisfaction, perceived service quality, as well as questions relating to the employee satisfaction dimension. The concept showed the relationship between employee retention and employee productivity of the internal service quality, and the resultant employee satisfaction.

The questionnaire consisted of closed question with Likert scale, to measure opinions, beliefs, and attitudes. The respondents evaluated the problems independent of each other based on the seriousness of one question compared to the rest. The numerical scale of one to eight was chosen to offer the respondents a greater degree of differentiation in their responses; and potential problems in interpreting purely verbal answers could be avoided (Bruhn, 2003).

The questionnaire was divided into three sections:

- (i) Part one consisted of Importance Survey: The Importance Survey ranged from 1 (Not Important) to 8 (Very Important) based on the internal service quality dimensions used for this study. Each dimension consisted of five questions.
- (ii) Part two consisted of the Satisfaction Survey. The Satisfaction Survey ranged from 1 (Not Satisfied) to 8 (Very Satisfied). The five questions set included the overall rating of satisfaction, perceived service quality, and questions pertaining to the employee satisfaction dimension (Gumus and Koleoglu, 2002).
- (iii) Part three consisted of demographics, namely, gender, age groups, education levels, job positions and tenure.

The set up of the questionnaire was similar to that developed by Chen *et al.*, (2006) to show the usefulness of service quality data in attaining service improvements by focusing on areas of resources allocation, in which areas of high importance and low quality indicate areas requiring resources and improvements; and areas of low importance and service quality maintained (Shaw and Haynes, 2004).

The existence of different internal customer segments in the internal customer services occurs as managers from different departments or different hierarchical layers weigh the various dimensions of service quality differently and reach, in part, strongly deviating results concerning the quality dimensions. Thus, the study uses demographic variables such as gender, age groups, education levels, job positions, and tenure.

Data Collection and Analyses

The questionnaires were self-administered and personally sent to the respective service centres for distribution to the respective respondents to ensure that data analyses could be done within a short period of time and no interruption in the respondents' work schedules. The questionnaires were returned by mail using the self-addressed envelopes provided. This method of survey was suitable for the study as the respondents were involved in critical jobs and limited time could be spared for the survey.

Doubts on the respondents' part could be cleared by explaining to the details of the questionnaire to the service centre managers to ensure higher returns from the respondents than those generally achieved using mail survey which ranged from 25 to 30 % (Davies *et al.*, 2001). Analyses done on the data collected were to test the reliability of the instrument; carry out the research objectives mentioned earlier; and to answer the research questions.

RESULTS

The resultant sample was 391, of which 174 respondents (44.5 %) returned the questionnaires, which was favourable, as the questionnaires were returned by mail. Table 1 displays the profile of the respondents. The highest percentage of “missing” was the Job Position segment (8.6 %), indicating the respondents’ quest to be anonymous to avoid being traced by the management of the company they were attached to.

		n	%	%
GENDER	Male	57	32.8	32.8
	Female	113	64.9	97.7
	Missing	4	2.3	100.0
AGE GROUPS	20 – 30 years	103	59.2	59.2
	31 – 40 years	42	24.1	83.3
	41 – 50 years	19	10.9	94.2
	> 50 years	9	5.2	99.4
Missing	1	0.6	100.0	
EDUCATION LEVELS	School leavers	59	33.9	33.9
	Diploma Holders	74	42.5	76.4
	Degree Holders	40	23.0	99.4
Missing	1	0.6	100.0	
JOB POSITIONS	Managerial	5	2.9	2.9
	Supervisory	38	21.8	24.7
	Front-line	116	66.7	91.4
	Missing	15	8.6	100.0
SERVICE LENGTHS	< 1 year	26	14.9	14.9
	1 – 10 years	103	59.2	74.1

11 – 20 years	28	16.1	90.2
> 20 years	16	9.2	99.4
Missing	1	0.6	100.0

Table 1: Profile of the Respondents

Reliability of the Instrument

The coefficient α on the 35 items was 0.952 indicating the instrument was reliable. Nunnally suggested the minimum of 0.7 as acceptable, while Petersen (1994) suggested a range between 0.5 and 0.6 as the minimum level acceptable.

Factor Analysis

The initial factor extraction was conducted using Kaiser's criterion. Only factors with *eigenvalue* greater than one were selected (Kaiser, 1970). The results of the factor analysis showed that seven significant factors were found. The first factor explained 17.078 % of the total variance; the second 11.575 %; the third 11.144 %; the fourth 9.846 %; the fifth 9.174%; the sixth 8.553%; and the seventh 5.409%. The cumulative per cent of the seven factors explained 72.778 % of the total variance.

The elements within the range were recalculated to obtain the *eigenvalue*, percentage and the alpha value of each factor component. After conducting the *varimax* rotation, the variances of the factors, the first was found to be Internal Support System; the second, Rewards and Recognition; the third, Adequate Tools; the fourth Internal Customer Orientation; the fifth Interpersonal Relationship, the sixth, Workplace and Job Design; and lastly, Empowerment. Table 2 illustrates the results.

	Components						
	1	2	3	4	5	6	7
Management information and communication influence behaviour, attitude, and knowledge							
	0.588						
Management information and communication help maintain focus on service and customers							
Impact of technology on internal communications reduce employee communications cost							
		0.649					
Communication should match reliability of service							
					0.741		
Technology transforms employee communications							
					0.755		
Service standard flexible							
					0.626		
Operational, working environment, workforce, and structural flexibility							
							0.801
Real and operational flexibility has positive influence on performance							
							0.797
Public recognition							
							0.733
Private recognition							
							0.693
Rewards in intrinsic forms							
							0.850
Rewards in extrinsic forms							
							0.604
Rewards take into account effective leadership							
							0.679

Adequate tools to serve customers	0.791
Sufficient skills to match expectations	0.679
Current pay period suitable	0.774
Trained to be customer-focused	0.596
Trained to be service-focused	0.531
Treating customers and other employees well equally important	0.588
Right service the first time	0.439
Motivated to serve for customer satisfaction and rewards from management	0.466

	Components							
	1	2	3	4	5	6	7	
Excellent relationship with co-workers								0.785
Excellent relationship at every level of organisation								0.739
Co-workers' appearance								0.492
Facilities provided by management								0.705

Feasible work environment for development and innovation							0.595
Initial training provided							0.551
Incentive programmes for career development							0.591
Convenient working hours							0.704
Decision-making latitude							0.572
<i>Eigenvalue</i>	12.967	2.571	1.596	1.254	1.238	1.206	
1.001							
% of variance	43.224	8.571	5.320	4.179	4.128	4.019	
3.337							
α	0.926	0.856	0.870	0.834	0.770	0.828	
0.416							

Note: Component 1 = Internal Support System
 Component 2 = Rewards and Recognitions
 Component 3 = Adequate Tools
 Component 4 = Internal Customer Orientation
 Component 5 = Interpersonal Relationship
 Component 6 = Workplace and Job Designs
 Component 7 = Empowerment

Table 2: Factor Analysis of the Internal Customer Service Quality Elements

The dominant elements of the components of the internal customer service quality of the components were further examined. It was found that the element “Treating customers and other employees well equally important” had the highest mean (7.25) and the element “Rewards in extrinsic form” the lowest means (6.11). The Factor 5 (Interpersonal Relationship) component had

the highest average mean, indicating its degree of importance to the respondents, while the least important, Factor 2 (Rewards and Recognitions). The industry's overall internal customer service quality was moderately high at an average of 6.6150, indicating room for improvement in some important components, especially the Interpersonal Relationship component. The results are summarized in Table 3.

	Average Mean	Mean	Std. Dev.
Factor 1: Internal Support System: Management information and communications influence behaviour, attitude, and knowledge Management information and communications help maintain focus on service and customers Impact of technology on internal communications reduce employee communications cost Communications should match reliability of service Technology transforms employee communications Service standard flexible Operational, working environment, workforce, and structural flexibility	6.7938	6.85 6.86 6.73 6.98 7.02 6.80 6.92	1.049 1.141 0.976 0.976 1.000 1.045 0.977

Real and operational flexibility has positive influence on performance	6.90	1.033
Factor 2: Rewards and Recognitions:	6.2370	
Public recognition on achievements	6.27	1.595
Private recognition on achievements	6.34	1.480
Rewards in intrinsic forms	6.48	1.620
Rewards in extrinsic forms	6.11	1.822
Rewards take into account effective leadership	6.22	1.604
Factor 3: Adequate Tools:	6.4598	
Adequate tools to serve customers	6.44	1.468
Sufficient skills to match expectations	6.60	1.430
Factor 4: Internal Customer Orientation:	6.9569	
Current pay period suitable	6.69	1.579
Trained to be customer-focused	7.00	1.048
Trained to be service-focused	7.09	1.038
Treating customers and other employees equally important	7.25	
0.856		
Right service the first time	6.73	
1.142		

	Average Mean	Mean	Std. Dev.
Motivated to serve for customer satisfaction and rewards from management		7.06	1.066
Factor 5: Interpersonal Relationship: Excellent relationship with co-workers Excellent relationship at every level Of the organisation Co-workers' appearance	6.9828	7.21	0.975
		6.84	1.167
		6.94	1.049
Factor 6: Workplace and Job Designs: Facilities provided by management Feasible work environment for development and innovation Initial training provided Incentive programmes for career development	6.5489	6.32	1.521
		6.67	1.255
		6.41	1.474
Factor 7: Empowerment: Convenient working hours Decision-making latitude	6.3621	6.42	1.849
		6.38	1.448
OVERALL INTERNAL CUSTOMER			
SERVICE QUALITY	6.6150		
0.84366			

Table 3: The dominant elements in the specific dimensions of the internal customer service quality

Similarly the industry’s overall employee satisfaction could be determined as illustrated in Table 4.

Employee Satisfaction Elements	Average Mean	Mean	Std. Dev.
Perception of company’s service quality	6.43	1.268	
Ability to affect performance	1.240	6.43	
Satisfaction with style of supervision		6.24	1.345
Ability to affect customer experience		6.66	1.159
Overall satisfaction of work		6.54	1.318
OVERALL EMPLOYEE SATISFACTION		6.4590	1.11376

Table 4: The dominant elements in the Employee Satisfaction dimension

The results indicated there was least satisfaction with the style of supervision (6.24) and the highest satisfaction with the ability to affect customer experience (6.66). The industry’s overall satisfaction was moderately high (6.4590), indicating more should be done to increase employee satisfaction. The results also indicated

the importance of leadership skill in supervising the employees.

The relationship between the internal customer service quality and the factor components showed that the correlations were positively high. Table 5 illustrates the relationship.

Dimensions	Spearman rho (σ)
Factor 1: Internal Support System	0.781**
Factor 2: Rewards and Recognitions	0.811**
Factor 3: Adequate Tools	0.764**
Factor 4: Internal Customer Orientation	0.748**
Factor 5: Interpersonal Relationship	0.711**
Factor 6: Workplace and Job Designs	0.806**
Factor 7: Empowerment	0.764**

Note: * Correlation is significant at 0.01 level (2-tailed).

Table 5: The Relationship between the Internal Customer Service Quality and the Factor Components

The relationship between employee satisfaction and the factor components showed that the correlations were positive, but on a moderate scale. Table 6 illustrates the relationship.

Dimensions	Spearman rho (σ)
Factor 1: Internal Support System	0.654**
Factor 2: Rewards and Recognitions	0.491**
Factor 3: Adequate Tools	0.595**
Factor 4: Internal Customer Orientation	0.551**
Factor 5: Interpersonal Relationship	0.499**
Factor 6: Workplace and Job Designs	0.545**
Factor 7: Empowerment	0.383**

Note: * Correlation is significant at 0.01 level (2-tailed).

Table 6: The Relationship between Employee Satisfaction and Factor Components

The relationship between the internal customer service quality and employee satisfaction dimensions; and between employee satisfaction and internal customer service quality dimensions were found to be significant. Regression Analysis in Table 7 shows that the beta values were significant between internal customer service quality and Employee Satisfaction dimensions “perception of company’s service quality” and the “Ability to affect performance”.

Dependent Variable:	B	SE	Beta	Independent Variables
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Employee Satisfaction (F=12.941; R² = 0.356)

Internal Customer Service Quality Dimensions:

Factor 1: Internal Support System	0.178	0.107		0.156
Factor 2: Rewards and Recognitions		0.031	0.069	0.037
Factor 3: Adequate Tools		0.190	0.078	0.238
Factor 4: Internal Customer Orientation		0.179	0.119	0.138
Factor 5: Interpersonal Relationship		0.065	0.109	0.054
Factor 6: Workplace and Job Designs		0.049	0.099	0.052
Factor 7: Empowerment	0.084	0.060	0.102	

Internal Customer Service Quality (F= 18.072; R² = 0.351)

Employee Satisfaction Dimensions:

Perception of company's service quality:	0.236	0.074		0.354*
Ability to affect performance:	0.045	0.073		0.066*
Satisfaction with style of supervision:	-0.020	0.064		-0.031
Ability to affect customers' experience:	0.178	0.081		0.244
Overall satisfaction of work:	0.008	0.071		0.012

Note: * Regression is significant at 0.01 level (2-tailed).

Table 7: Regression Analysis of Internal Customer Service Quality and Employee Satisfaction

LIMITATION

The study was intended to include more companies but there were problems getting other companies to participate due to company policies. Even among respondents participating, some items in the questionnaire had not been completely answered, due to secrecy or disagreement of the statements by the respondents concerned. As a result, some of the demographic variables were also missing, especially in the job position segment.

The method used to collect data through the branch or regional service centres, was used to ensure a higher return. Thus, some of the items in the questionnaire had to pass through the companies' management due to the sensitivity of the issues involved. There was also the tendency of bias responses, especially on items pertaining to leadership quality of the superiors. The group sample sizes were also unfavourable, especially in the job position segment, as the respondents either would not state the job position or the management avoided distributing the questionnaire to those in the managerial level leading to small sample size for the particular sub-segment.

The results were mostly not significant, possibly due to the nature of the industry that could result in various satisfying outcome as the internal customer service quality might not constitute to much dramatic changes to the respondents.

The study carried out was focused on the demographic variables in general, without taking into consideration the socio-economic structure. Thus, it would be more interesting to include demographic variables such as marital status, race, and income groups, in the future.

MANAGERIAL IMPLICATIONS

Managers need to look into the employee evaluation results at various angles to improve the company's service quality by giving priority to the most important component evaluated; and the most important elements to indicate the areas important for improvement. These areas need to take into account the requirement of various segments of internal customers. Thus, service quality improvements need to be addressed differently at various segments.

CONCLUSIONS AND FUTURE RESEARCH RECOMMENDATIONS

The results of the study acted as the basic information for benchmarking the internal customer service quality in the industry, so that companies' organisational strategies would be within the industry's standard.

The results found Interpersonal Relationship components the most important Internal Customer Service Quality dimensions. The dimension was also positively and significantly related to both the Internal Customer Service Quality and Employee Satisfaction. Overall the industry's internal service quality and employee satisfaction was found to be moderately higher.

Apart from this, a comparative study with other companies in the same industry could give a true picture of the nation's telecommunications industry. The study was carried without taking into consideration other demographic variables such as marital status, race and income groups to give a better view of the country's socio-economic structure.

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