# ST. MARY'S UNIVERSITY
# SCHOOL OF POST GRADUATE STUDIES

# THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION; IN THE CASE OF MAIN DEPARTMENT OF IMMIGRATION AND NATIONALITY AFFAIRS IN ADDIS ABABA BOLE INTERNATIONAL AIRPORT BRANCH.

**BY: MARIYAMAWIT ALEMSEGED**

**JUNE, 2019**
**ADDIS ABABA, ETHIOPIA**

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SCHOOL OF GRADUATE STUDIES

FACUL TY OF BUSINESS


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NATIONALITY AFFAIRS INADDIS ABABA BOLE INTERNATIONAL
AIRPORT BRANCH


BY

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APPROVED BY BOARD OF EXAMINERS


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# DECLARATION

I, Mariyamawit Alemseged, hereby declare that the thesis work entitled, ''THE EFFECTOF SERVICE QUALITY ON CUSTOMER SATISFACTION IN ADDIS ABABA BOLE INTERNATIONAL AIRPORT IMMIGRATION DEPARTMENT'', is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the research advisors.

This study submitted by me for the award of the degree of Master of Business Administration (MBA) MBA program in S'merry University, Addis AbabaEthiopia, is original work and it hasn't been presented for the award of any other Degree, Diploma, Fellowship or other similar titles of any other university or institution.

By: Mariyamawit Alemseged Tamerat;                    Signature: _____

                                                      Date: _____

**ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.


_____                                    _____

       Advisor                                                              Signature & Date

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# ACRONYMS

1. ICAO ------------ International Civil Aviation Organization

2. MoFED ---------- Ministry of Finance and Economic Development

3. GDP ------------ Gross Demotic Product

4. NSD ----------- New Service Development

5. SERVEQUAL---------- Service Quality Model, a survey instrument that purports to measure the quality of service rendered by an organization along five dimensions: reliability, assurance, tangibility, empathy and responsiveness

6. SERVPERF   Service Performance developed to measure service quality on the basis of performance ignoring the expectations.

7. UNESCO ----------------- International Institute for Educational Planning

8. GFI D -------- Global Forum of International Development

9. MDINA---------- Main Department of Immigration and Nationality Affairs

10. NISS--------------- National Intelligence and Security Service

11. FLO ------------------ Front Line Officers

12. DEPARTMENT ------------- Addis Ababa Bole International Airport Immigration Department

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# *Abstract*

*International travel is becoming the order of the day. People these days are crossing borders for a wide variety of reasons: be it business, vacation, educational tours and lots of others. The provision of various services that traveler customers receive at entry point's influence their impression of the destination countries, positive or negative, to a greater extent. Excellent customer service coupled with utmost efficiency is what service providers, public or private, should strive. The study was aimed at the effect of service quality delivery on customer satisfaction at Immigration Department, Addis Ababa Bole International Airport. To serve the purpose of the study and achieve the main objective, explanatory and descriptive study design was employed and 304 incoming passengers selected through convenience sampling method were consulted. The data collection instrument used was questionnaire and interview. The collected data was analyzed by using statistical tools such as mean, standard deviation, correlation and regression tests. The results of this study indicate that, most satisfied with the tangibility dimensions of service quality. To the contrary, however, customers were less satisfied with responsiveness dimensions of service quality. The findings also revealed that the overall satisfaction level of the customers with the five SERVEQUAL rates on mean of 2.197. Moreover, the outcomes of correlation and regression analysis indict Empathy, tangibility and responsiveness has a high relationship & Reliability and assurance dimension has moderate relationship. Also responsiveness has a higher beta coefficient. Finally, based on the findings of the study, The researcher recommends that, the more the department invests on enhancing its employee's ability to help customers and be responsive to customer's enquiry, the more the customer will satisfy. The management also should pay adequate attention to address the acute shortage of manpower and to constantly train the existing workforce in the areas of service quality in general and customer handling in particular which in turn enable them to cope with the existing realities of the current world.*

**Key words**: Service Quality, Service quality dimension, Customer Satisfaction, SERVIQUAL Model, MDINA, Department.

## CHAPTER ONE

## INTRODUCTION

### 1.1    Background of the Study

The service industry in both private and public sector play very important roles in the economy of a country. It makes a direct and significant contribution to GDP and job creation, and provides crucial inputs for the rest of the economy. The service sector accounts for a significant proportion of GDP in most countries, including low income countries, where it frequently generates over 50% of GDP (GFID, 2010). The process of development usually coincides with a growing role of services in the economy, alongside a reduced role for agriculture. Thus services constitute an increasing percentage of GDP in nearly all developing countries. Today Quality delivery of public services is not a privilege in a civilized and democratic society - it is a legitimate expectation (Benjamin, 2012). The public service is evaluated based on its effectiveness in delivering services which meet the basic needs of all citizens of the state. However, the public sector over the years has faced with many daunting challenges in its quest to deliver quality services. Among these are excessive bureaucracy, political instability, political interference, corruption, nepotism, unattractive working conditions and poor work ethics (Benjamin, 2012). According to (GFID, 2010) services contributed 47% of growth in Sub-Saharan Africa over the period 2000-2005, while industry contributed 37% and agriculture only 16%. Recent growth in Africa is due to services as much as natural resources or textiles (even in countries benefiting from trade preferences in these products (GFID, 2010).

Researchers are divided over the antecedents of service quality and satisfaction. Some argue service quality leads to satisfaction, others think otherwise. The studyof Sulieman (2011) suggested that, service quality leads to customer satisfaction and to achieve a high level of customer satisfaction, a high level of service quality should be delivered by the service provider as service quality is considered an antecedent of customer satisfaction. This means, if service quality improves, it helps to increase customer satisfaction.

In today's world wide business environment, whether it is a private or public sector, delivering quality service is considered as an essential strategy for success and survival.

Specially, the public sectors organizations have come under continuous pressure to deliver quality services and improve efficiencies because the customers need and expectation are changing in governmental services and their quality requirements (Teicher& Dow 2002). This is because, the service quality practices in public sector organizations is slow and is further exacerbated by difficulties in measuring outcomes, greater scrutiny from the public and press, a lack of freedom to act in an arbitrary fashion and a requirement for decisions to be based in law (Sulieman2011).

As most studies indicated, the quality of service offered is related to overall satisfaction of the customer. If the level of perceived service quality increases or is at a higher stage, its end result will be higher customer satisfaction (Jain & Gupta 2004). However, in most developing countries public sectors including our country Ethiopia, the quality of service supplied by service providers is not fulfilling customer's wants. People complain about late deliveries, incompetent personnel, inconvenient service hours, needlessly complicate procedures, long queues and a lot of other problems. Driven by growing customer expectations the efficiency and effectiveness of public service delivery is increasingly seen as key metrics of public sector performance. Because of this, quality has become an immensely popular term where the organization of public service is concerned (Makokha&Theuri 2014). One common challenge faced by every organization including the public sector, is how to serve its customers better. To address this, public sector must find ways of improving the efficiency and effectiveness of its service.

In general, the public service is an activity or series of activities, which is conducted to meet service needs; it is administrated by the laws for every citizen and resident for the goods, services, and /or administrative services provided by public service providers. As all we know, the main activity or the main obligation of public service is the attitude of being helpful, friendly and professional to ensure societal satisfaction in providing services or products through its service giving institutions (Rudianto2005). This is to mean that, the ability of government bureaucrats is to put themselves on the community and comprehend the things or issues from a community perspective. The most important aspects of service user participation are their aspiration for variety, quality and cost of service delivery. Otherwise, it is very likely that the organizers and executors of public service will organize

and implement services that actually produce something that is not needed or not desired by the users of the service. according to Eshghi, Roy &Ganguli (2008) service quality and customer satisfaction have received a great deal of attention from both scholars and practitioners because of their relevancy and relationship and the main reason for focusing on these issues is improving overall performance of organizations (Magi &Julander, 1996). In many countries one part of public service delivery is enhanced in the airport industry.The growing demand for global travel along with an increase in airport infrastructure investment and new technological developments in airport traffic systems and air carriers has prompted an aggressive expansion of airport terminal capacity and service features (Gupta 2015). The overall service within an airport is provided by various airport service packages including airlines, customs and immigration officials and handling agents. Depending on the requirements of the passenger interacting with these services, different expectations of quality will likely exist. Moreover, according to Jaffer&Timbrell (2014) the airport service can be evaluated in three dimensions: check-in by the airline, immigration process and customs inspection. They also suggest characterization and measurement of airport service quality must involve the passengers themselves in order to yield accurate results.

Therefore, as globalization has impacted on the escalation of international travel of various purposes, such as, trade, business, tourism, and so forth, each country has the right to set regulation of whoever coming or leaving, whether to visit or stay for specific period of time (Jaffer&Timbrell 2014). The responsibility of this kind of service is provided to the immigration authority. Hence, this study will assess the service quality and customer satisfaction in relation to the incoming passenger's in Addis Ababa Bole Airport Immigration Department.

## 1.2    Profile of the Organization

The historical background of immigration in Ethiopia started during the rule of King Minilik. It was under the Ministry of Internal Affairs in collaboration with security. A well-developed Immigration System was established around 1930 E.C and an act was issued under 36/1935. Moreover under act 27/1961, Ministry of Internal affairs provide exit visas

for Ethiopians and entry and exit visas for foreigners. In addition, it has required foreigners to be registered and given a residence permit; this has laid a foundation for the current days' Immigration system (MINDA Manual 2000).

Many changes have been recorded since the immigration system came into action in 1930 E.C. The1995FDRE constitution of has stressed the freedom of citizens to move from place to place and also the National Intelligence and Security Service has done a lot to accomplish the missions of the constitution. As a result, many changes have been implemented on the working systems by making it modern and automated.

Currently MDINA has customer service outlets in different parts of the country exit and entry ports. It has a head office at Addis Ababa and branch offices at Mekele, Bahir Dar, Dire Dawa and Awassa. It also has offices at different parts of the country namely: Addis Ababa, Dolo Ado, Humera and Moyale. Since 1992 E.C and in consecutive years, there have been some changes to simplify the previous system. Also, in 1995 under proclamation 354/1995, freedom of movement without visa for Ethiopians and foreigners who are living permanently in the country has come into effect. In 1997 E.C transformations has been made to modernize the immigration service by introducing information system project that helps to standardize the passport preparation and other immigration control.

Now even the mandate of the Main Department for Immigration and Nationality Affaires (MDINA) derives from proclamation number 354/2000,according to proclamation number 804/2013 article 9/1 it is accountable to the National Intelligence and Security Service (NISS).MDINAis a service giving public institution with the responsibility of controlling entry and exit of persons, seeking to live temporarily or permanently in Ethiopia as well as issuance of travel documents to Ethiopians to facilitate travel.

In general, the core functions of the main department are formulation of national immigration policy; control of entry and exit of all persons at the country's border posts; issuance of Ethiopian passports and other travel documents; control and regulation of residency through issuance of entry permits and passes as provided by law; and the enforcement of all immigration related laws and regulations.

Particularly, Addis Ababa Bole International Airport Immigration Department is giving service for more than 6500incoming and outgoing passengers on a daily bases (Bole Immigration Department Record 2015).

## 1.3    Statement of the problem

Service quality is defined as superiority or excellence as perceived by the customer and rendering quality service to customers   is one of the important factors that give significant contribution to build good reputation and credibility in the community, Yasin Olum(2012). Public sector organizations are established to render quality services to the citizens. However, in most cases, particularly, in developing countries this sector has been seen as lethargic and nonresponsive to the needs of the citizens as well as to the private sector. Issues such as excessive bureaucracy, political interference, corruption, poor working conditions, poor work ethics, outdated and outmoded systems, procedures and practices are the main challenges that, the public sector organizations face,(Benjamin 2012). Focusing on customer satisfaction, the efficiency and effectiveness of service delivery is increasingly seen as key metrics of any business sector performance. As a result of this, the issue of quality service has become an immensely popular term where the organization of public service is concerned. Therefore, rendering quality service to customers is one of the important factors that give significant contribution to build good reputation and credibility in the community, (Benjamin 2012).

Customer Satisfaction is a critical issue in the success of any business system (Ho & WU, 1999 et al). It recognized as is the key to survival and the source of competitive advantage for any organizations (Anderson,Fornell & Lehmann, 1994 , et al.)The public service operating environment is different from the environment which the private sector operates. The service in the public sector is rendered mostly free at the point of use, or at least at a charge which is only related to the costs. Because, the goal of public service is not profit maximization rather, it is facilitating the overall private sector activities and serving

citizens. Because of this, there is greater public expectation on the part of the public service than on the private sector, (Nor et al 2010).

For the purpose of the study the researcher approached incoming passengers at bole international airport informally to solicit information about the service delivery of immigration department. In addition to that, the feedbacks from the suggestion box were used to get a preliminary understanding of the issues. Its result indicates, the passengers have complained regarding the quality of the service that requires a specific investigation especially with regard to the speed of the service rendered at the immigration counters.

The management of the organization needs to be aware of the tools that would improve level of customer service. Moreover, they need to be aware of the status through a frequent continued assessment on the level of quality service and customer satisfaction. The researcher carefully analyze various research studies conducted so far using the SERVQUAL model and realizes that, many research works have been carried in different service industries in Ethiopia, such as telecommunication, banking, health care and insurance companies and their results indicate that the service quality dimensions positively affects service customer satisfaction. Specially, responsiveness has a strong relationship with customer satisfaction according to those studies. As far as the knowledge of the researcher cannot find a study on this level at the MDINA and also the research has not been done on this area to improving the customer service at MDINA. Hence, there is a knowledge gap. Furthermore; there is scares on input for the management in this regard that would enable to improve the level of service quality customer service and also the area is center of compliance that needs more attention. The status and the situations of customer service are unknown at MDINA. So, knowledge and understanding in this regard would greatly help in improving the level of service quality and customer satisfaction in the organization. Therefore this study, will examine the effect of service quality on customer satisfaction of MDINA in particular to Addis Ababa Bole International Airport Immigration Department.

## 1.4    Research Questions

The main issues that were addressed in this study are the level of service quality and customer satisfaction using the SERVQUAL model with relation to Addis Ababa Bole

International Airport Immigration department context. The researcher is interested in the dimensions of service quality from the passengers' perspective. Therefore, this study was designed to answer the following questions;

- How is customer satisfaction with respect to responsiveness, reliability, assurance, tangibility and empathy which is dimensions of service quality in the airport immigration department?

- What is the dominant service quality dimension that has a strong relation with customer satisfaction in airport immigration department?

- To what extent is the overall satisfaction level of customers with the service quality offered by the Organization?

- What is the relationship between service quality dimension and customer satisfaction?

## 1.5    Objective of the Study

### 1.5.1   General Objective

The main objective of the study was to examine the effect of service quality on customer satisfaction of customers at MDINA Addis Ababa Bole Airport Department.

### 1.5.2   Specific Objective

In order to achieve the general objective of this study, the research has also specific objectives that must be accomplished are:

- To determine the customer satisfaction with respect to responsiveness, reliability assurance, tangibility and empathy dimensions of service quality in MDINA

- To identify the service quality dimension that has significant effect on customer satisfaction

- To evaluate the overall satisfaction level of passengers with the service quality they get from the organization.

- To examine the relationship between service quality dimension and customer satisfaction with the company.

## 1.6     Research Hypotheses

The researcher develops the following hypotheses for the study based on the above literature review.

H1: The tangibles have significant positive influence on customer satisfaction.

H2: Reliability has significant positive impact on customer satisfaction.

H3: Responsiveness has significant positive effect on customer satisfaction

H4: Assurance has significant positive impact on customer satisfaction

H5: Empathy has significant positive effect on customer satisfaction

## 1.7     Significance of the study

The results of this study are significant in various respects. First, its result will help the management of the airport immigration department to understand how the quality of service is built to meet the customer's expectation and how the organization can maintain and improve the service quality so as to meet the customer expectations. Because, on the basis of the analysis the researcher will recommend set of alternative courses of actions to be considered to  develop and enhance the level of service quality and customer satisfaction in the department. Second, the approaches and the experiences that will be applied in the study can be disseminated to other branch of NISS and other public sector service giving organizations.  Third, Implications for further research will be set and it will be used as a stepping stone for similar research works. Forth, For creating and delivering customer value, achieving customer satisfaction and building long term mutually beneficial relationship with customers and achieving sustainable growth in Airlines Immigration Department. Fifth, the researcher on the course of the study undertaking will be enhanced his knowledge and skills on research methodology and the title in question. Lastly, it will serve as partial fulfillment of the requirements of the award on master's degree in business administration.

## 1.8    Scope of the Study

This study is one time study and it attempts to investigate the current service quality and customer satisfaction that exists at MDINA particularly, Addis Ababa Bole International Airport Immigration Department. The study is conducted using the dimensions of

SERVQUAL model. Although the department gives service to incoming and outgoing passengers the focus of the study was only on incoming passengers. This is because, most incoming passengers flew for long hours and when they arrived safe, they feel stable and more settled than outgoing passengers therefore they can get enough time to respond my request so, the researcher believed that, assessing their reaction to the service delivery of the Bole international Airport Immigration Department makes the study appropriate.

## 1.9    Limitation of the Study

As all studies have their own limitation, this study is not different. Currently Addis Ababa Bole International Airport Immigration Department is giving service for more than 6500 international incoming and outgoing passengers. However, the study focuses only on the incoming passengers. According to the daily list of passengers from the Bole Immigration Department, the number of incoming passengers on a daily base varies from 3050 – 3110, hence, the findings may not show the full image of the service quality and customer satisfaction at Addis Ababa Bole International Airport Immigration Department. In addition to that, during the distribution of the questionnaire there was    respondents' bias, and unwillingness of respondents. However, this was solved by approaching the incoming passengers friendly and politely.

## 1.10    Organization of the Study

This study has five chapters. The first chapter is an introductory part, which contains background of the study, profile of the company, statement of the problem, research questions, and objective, significant of the study, delimitation of the study, limitation of the study and organization of the study. The second chapter deals with literature review in which critical review of relevant previous scholars work in the research data. The research design and methodology that is utilized design, the sample population and sample size, data collection tools and procedure and data analysis method are discussed in chapter three. Chapter four covers the findings of the study with data analysis, presentation and interpretation. Finally, the fifth chapter includes summary of findings, conclusions, and recommendations.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1    Introduction

For better understanding of service quality and customer satisfaction, a number of related works were reviewed from different books and journal articles prepared on the prescribed title. The chapter begins with a review of definitions and some measurements of service, service quality and customer satisfaction, , service concept, quality concept, service quality dimensions, customer satisfaction Concept, service quality measurement ,service quality dimensions, customers' expectations and perceptions of service quality, service quality gaps, followed by the relationship between service quality and customer satisfaction, public Service ,service Quality in the public service, service quality models, the SERVQUAL model , theoretical framework and conceptual frame work of the study.

## *2.2*    Concept and Definition

### 2.2.1    Service Concept

The service concept is a frequently used term in the service design and NSD literature, and indeed explicitly or implicitly the importance of "service concept" is recognized. Service could mean an industry, a performance, an output or offering or a process (Johns, 1999). It is mostly described as 'intangible' and their output viewed as an activity rather than a tangible object. According to Edvardsson, Gustavsson, Johnsonand Sanden (2000)definition the service concept is a detailed description of the customer needs to be satisfied, how they are to be satisfied, what is to be done for the customer, and how this is to be achieved. He thinks that the concept of service should be approached from the customer's perspective, because, it is the customer's total perception of the outcome.

### 2.2.2    Quality Concept

According to Sower and Fair, (2005); quality has many different definitions and there is no universally acceptable definition of quality. They claim it is because of the elusive nature of the concept from different perspectives and orientations and the measures applied in a particular context by the person defining it. These variations are caused by the intangible

nature of its components since it makes it very difficult to evaluate quality which cannot be assessed physical implying other ways must be outlined in order to measure this quality. Quality has been considered as being an attribute of an entity (as in property and character), a peculiar and essential character of a product or a person (as in nature and capacity), a degree of excellence (as in grade) and as a social status (as in rank and aristocracy) and in order to control and improve its dimensions it must first be defined and measured(Ghylin et al., 2000).The main point here is customer expectations and the customer's perception of the service encounter is a vital component to delivering quality service.

### 2.2.3 Customer and Satisfaction Concept

Those who buy the goods or services provided by companies are customers. In other words, a customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him/her by the organization with the aim of fulfilling a need and to maximize satisfaction. Sometimes the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer. Another author explained this difference i.e. a customer is the person who does the buying of the products and the consumer is the person who ultimately consumes the product (Solomon 2009).

When a consumer/customer is contented with either the product or services it is termed satisfaction. Satisfaction can also be a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations (Kotler& Keller, 2009). As a matter of fact, satisfaction could be the pleasure derived by someone from the consumption of goods or services offered by another person or group of people; or it can be the state of being happy with a situation, (Agbor, 2011).Bitner&Zeithaml (2003) stated that, satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. In this case, we can say satisfaction is a positive, affective state resulting from the appraisal of all aspects of a party's working relationship with another.

### 2.3 Theoretical Review

#### 2.3.1 Service

Many writers define 'service' in different ways: for example Kottler (2003) defined service as "any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product". In this case, any intangible actions that are performed by person or machines or both to create good perception within userare called service. From this definition we can understand that, even the service is performed in between a service provider and consumer together, its quality results in perception and value assessment by the user or customer. Gronroos(2000) also defines service:" a service is an activity or series of activities of more or less intangible that are usually done and not necessarily in the interaction between the customer and staff or physical resources or goods and or supplier systems for services but are provided as solutions to customers problems.

#### 2.3.2 Service Quality

In order for a company's offer to reach the customers there is a need for services. These services depend on the type of product and it differs in the various organizations. Service can be defined in many ways depending on which area the term is being used(Sower and Fair, 2005). An author defines service as "any intangible act or performance that one party offers to another that does not result in the ownership of anything" (Kotler& Keller 2009). In all, service can also be defined as an intangible offer by one party to another in exchange of money for pleasure.

Aymankuy (2006) states, quality has long come to be recognized as a strategic tool for attaining operational efficiency and improved organizational performance. It is an evaluation with a predominant cognitive aspect that emerges as a result of the comparison of the service (perceived service) quality that a consumer receives with the service quality shaped according to the expectations of consumer before the purchase. It includes both outputs in the end of production process, and the way that service is provided or its form. Since services have abstract quality, service quality has also abstract structure. Therefore, the term perceived service quality is used rather than the term of service quality. Perceived service quality is the result of the comparison of expectations before services with real

experience of service and is considered as the difference between the expectations of service receivers and their perception

It can be said that, quality of service is a comparison between what customers feels should be offered to him/her, and what is actually provided him/her. It is the compliance with customer expectations and understanding customer expectations from the given service. This can show the degree of difference between the perceptions and expectations of customer services (Othman and Owen, 2001).The relevance of service quality to service giving organizations is emphasized, because, it offers a competitive advantage to them that strive to improve and bring customer satisfaction and is considered an important tool for firm's struggling to differentiate them from their competitors. In general, quality of service plays a crucial role in the success of the organization in creating competitive advantage and increase competitiveness (Rod et al 2009). Specially, in the public sector, it has a great force in building public confidence and credibility.

Nowadays service quality has received a great deal of attention in academies as well as practitioners and it is defined as the overall assessment of a service by the customer (Eshghi*etal*2008). If public or private organizations have clear understanding of service quality, they can be able to deliver services with higher quality level which results higher customer satisfaction (Ghylin*et al* 2008). The understanding must involve acknowledging the characteristics of service which are intangibility, heterogeneity and inseparability.

The customer's total perception of a service is based on their own perception of the outcome and the process; the outcome is either value added or quality and the process is the role undertaken by the customer (Edvardsson, 2000). Parasuraman,*Zeithaml& Berry*(1988) defines perceived quality as a form of attitude, related but not equal to satisfaction, and results from a consumption of expectations with perceptions of performance. Therefore, having a better understanding of consumers attitudes will help to know how they perceive service quality.

According to Parasuraman, Berry &Zeithaml.(1990), service quality is an overall judgment similar to attitude towards the service and generally accepted as an antecedent of overall customer satisfaction. Hehas defined service quality as the ability of the organization to meet or exceed customer expectations. It is the difference between customer expectations of service and perceived service. Perceived service quality results from comparisons by

customers of expectations with their perceptions of service delivered by the suppliers (Zeithaml&*Bitner*1990). If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman, Zeithaml& Berry1985). Traditionally, service quality has been conceptualized as the difference between customer expectations regarding a service to be received and perceptions of the service being received. However, today it is also conceptualized as the consumer's overall impression of the relative inferiority or superiority of the services.

Unlike the tangible products services are produced and consumed at the same time in the presence of the customer and the service producer. The presence of the human element during the service delivery process greatly increases the probability of error on the part of employees and customers. Czepiel (1990) concluded that research on service quality must always include the perspectives of both the provider and the receiver. However, according to Svensson, (2006) service quality construct has been restricted to one perspective: that of the service receiver. A few have applied dual perspectives and considered interactive features of service quality in service encounters. Because service delivery occurs during the interactions between contact employees and customers, attitudes and behaviors of the contact employees can influence customer's perceptions of service quality.

### 2.3.3   The Gap Models

As stated earlier service quality has been defined differently by different people and there is no consensus as to what the actual definition is. We have adopted the definition by Parasuraman*et al* (1988) which defines service quality as the discrepancy between a customers' expectation of a service and the customers' perception of the service offering. Parasuraman et al., (1985) developed a conceptual model of service quality where they identified five gaps that could impact the consumer's evaluation of service quality in four different industries (retail banking, credit card, securities brokerage and product repair and maintenance). These gaps were;

**Gap 1: Consumer expectation - management perception gap:** Service firms may not always understand what features a service must have in order to meet consumer needs and what levels of performance on those features are needed to bring deliver high quality service. This results to affecting the way consumers evaluate service quality.

**Gap 2: Management perception - service quality specification gap:** This gap arises when the company identifies want the consumers want but the means to deliver to expectation does not exist. Some factors that affect this gap could be resource constraints, market conditions and management indifference. These could affect service quality perception of the consumer.

**Gap 3: Service quality specifications – service delivery gap:** Companies could have guidelines for performing service well and treating consumers correctly but these do not mean high service quality performance is assured. Employees play an important role in assuring good service quality perception and their performance cannot be standardized. This affects the delivery of service which has an impact on the way consumers perceive service quality.

**Gap 4: Service delivery – external communications gap:** External communications can affect not only consumer expectations of service but also consumer perceptions of the delivered service. Companies can neglect to inform consumers of special efforts to assure quality that are not visible to them and this could influence service quality perceptions by consumers.

**Gap 5: Expected Service – perceived service gap:** the key to ensuring good service quality is meeting or exceeding what consumers expect from the service and that judgment of high and low service quality depends on how consumers perceive the actual performance in the context of what they expected.

Parasuraman et al (1988), later developed the SERVQUAL model which is a multi-item scale, developed to assess customer perceptions of service quality in service and retail businesses. The scale decomposes the notion of service quality into five constructs as follows: Tangibles, Reliability, Responsiveness, Assurance and empathy. It bases on capturing the gap between customers' expectations and experience which could be negative or positive if the expectation is higher than experience or expectation is less than or equal to experience respectively.

The SERVPERF model developed by Cronin & Taylor, (1992), was derived from the SERVQUAL model by dropping the expectations and measuring service quality perceptions just by evaluating the customer's the overall feeling towards the service.

Implicitly the SERVPERF model assesses customers experience based on the same attributes as the SERVQUAL and conforms more closely on the implications of satisfaction and attitude literature, (Cronin et al. 1992).

Later, Teas (1993) developed the evaluated performance model (EP) in order to overcome some of the problems associated with the gap in conceptualization of service quality. This model measures the gap between perceived performance and the ideal amount of a feature not customers expectation. He argues that an examination indicates that the P-E (perception – expectation) framework is of questionable validity because of conceptual and definitional problems involving the conceptual definition of expectations, theoretical justification of the expectations component of the P-E framework, and measurement validity of the expectation. He then revised expectation measures specified in the published service quality literature to ideal amounts of the service attributes (Teas, 1993, Brady & Cronin, (2001), proposed a multidimensional and hierarchical construct, in which service quality is explained by three primary dimensions; interaction quality, physical environment quality and outcome quality. Each of these dimensions consists of three corresponding sub-dimensions. Interaction quality made up of attitude, behavior and expertise; physical environment quality consisting of ambient conditions, design and social factors while the outcome quality consists of waiting time, tangibles and valence. According to these authors, hierarchical and multidimensional model improves the understanding of three basic issues about service quality: (1) what defines service quality perceptions; (2) how service quality perceptions are formed; and (3) how important it is where the service experience takes place and this framework can help managers as they try to improve customers' service experiences (Brady & Cronin 2001). Saravanan & Rao, (2007), outlined six critical factors that customer-perceived service quality is measured from after extensively reviewing literature and they include;

- ➢ Human aspects of service delivery (reliability, responsiveness, assurance, empathy)
- ➢ Core service (content, features)
- ➢ Social responsibility (improving corporate image)
- ➢ Systematization of service delivery (processes, procedures, systems and technology)
- ➢ Tangibles of service (equipments, machinery, signage, employee appearance)
- ➢ Service marketing

From their study, they found out that these factors all lead to improved perceived service quality, customer satisfaction and loyalty from the customer's perspective. According to Brady & Cronin, (2001) service quality is defined by either or all of a customer's perception regarding 1) an organizations' technical and functional quality; 2) the service product, service delivery and service environment; or 3) the reliability, responsiveness, empathy, assurances, and tangibles associated with a service experience. Mittal and Lassar's SERVQUAL-P model reduces the original five dimensions down to four; Reliability, Responsiveness, Personalization and Tangibles. Importantly, SERVQUAL-P includes the Personalization dimension, which refers to the social content of interaction between service employees and their customers (Bougoure & Lee, 2009).

### 2.3.4 Service Quality Dimensions

Measuring the quality of a service can be a very difficult exercise. Unlike product where there are specific specifications such as length, depth, width, weight, colour etc. a service can have numerous intangible or qualitative specifications. In addition there is there expectation of the customer with regards the service, which can vary considerably based on a range of factors such as prior experience, personal needs and what other people may have told them.

As a way of trying to measure service quality, researchers have developed a methodology known as SERVQUAL – a perceived service quality questionnaire survey methodology. SERVQUAL examines five dimensions of service quality:

For each dimension of service quality above, SERVQUAL measures both the expectation and perception of the service on a scale of 1 to 5, 22 questions in total. Then, each of the five dimensions are weighted according to customer importance, and the score for each dimension multiplied by the weighting. Following this, the Gap Score for each dimension is calculated by subtracting the Expectation score from the Perception score. A negative Gap score indicates that the actual service (the Perceived score) was less than what was expected (the Expectation score).

The Gap score is a reliable indication of each of the five dimensions of service quality. Using SERVQUAL, service providers can obtain an indication of the level of quality of their service provision, and highlight areas requiring improvement.

Parasuraman et al. (1988) identified five dimensions of service quality (viz. reliability, responsiveness, assurance, empathy, and tangibles) that link specific service characteristics to consumers' expectations.

➢ **Tangibility** - include physical aspects of the service such as physical facilities, appearance of personnel, tools or equipment that is used to provide the service, physical representations or other customers in the service facility.

➢ **Empathy**–Parasuraman,Zeithaml& Berry. (1985) defined empathy as the caring and individual attention the firm provides its customers. It involves giving customers individual attention and employees who understand the needs of their customers and convenience business hours.

➢ **Assuranc**e - knowledge and courtesy of employees and their ability to convey trust and confidence; Parasuraman,Zeithaml& Berry. (1985) defined assurance as knowledge and courtesy of employees and their ability to inspire trust and confidence.

➢ **Reliability** - that is connected to the consistency of performance and dependability. Here it is determined if the company give the service in the right way the first time and keeps to its promises

➢ **Responsiveness** - this factor concerns to what extent the employees are prepared to provide service. This involves factors such as mailing a transaction slip immediately, calling a customer back in short time and giving prompt service.

### 2.3.5 Customers Expectation & perception of Service Quality

*Service quality* is a measure of how well the service level delivered matches customer expectations (Weitz and Wessley, 2002). They argued that service quality results from customers' expectations of what should the service provider offer, how the provider actually performs to meet those expectations. Thus delivering quality service is ensuring consistency in service delivery performances on daily basis. According to Kotler (2007) service quality is very important to attract and retain customers. This is due to the fact that customers derive the perceptions of service quality on the levels of satisfaction they experience with the particular business, (Gagliano&Hathcote 1994).

*Customer expectations* are beliefs about service delivery that function as standards or reference point against which performance is judged (Zeithaml&Bitner 1996). Customers hold different types of expectations for service performance, (Zeithaml&Bitner 2003). For example as a result the self-service approach used in food retail sector, supermarket customers may hold different expectations of service performance compared to those they would have when visiting a bank. Customers compare their perceptions of service delivery with these reference points when evaluating service quality and therefore knowing what customers expects is critical in gaining competitive advantage, (Ibid). From this point we can understand failure to understand the levels of service customers expects can mean losing a customer to competitors who are able to meet customers' expectations and therefore be at a risk of losing business.

Customers hold different level of expectations about service, the highest type of these is desired service and adequate service. Desired service is the level of service the customer hopes to receive". It is a combination of what customers believe "can be" and "should be". The expectations signal the level of customer hopes and wishes and belief that they may be fulfilled, thus failure to meet these expectations may result to customers cutting down on purchase (Zeithaml*et al* 2009).

*Perceptions* are formed through customers' assessment of the quality of service provided by a company and whether they are satisfied with the overall service (Zeithaml*et al*2009). Because, perceptions may shift over time, it is necessary for companies to continually assess customer perceptions. Customer's zone of tolerance increases or decreases with the influence of a number of factors including price (Zeithaml*et al* 2009). For example when

prices are high customer expect quality service and therefore are less tolerant of poor or unreliable service.Customers' service tolerance also varies for different service features or dimensions. The more important the service factor the less tolerant customers become towards bad or unreliable service (Zeithaml*et al*2009). Thus this concludes the point that the higher the expectations of customers, the higher adequate service levels should be enhanced.

### 2.3.6   Service in the Airport

Services in the airport were defined as any activities or services that the airport offered in order to facilitate passengers' choice of how to use their waiting time in the airport (Fodness& Murray, 2007). Time is a scarce resource in an airport, because the airport experience demands a significant time commitment. The extent to which the airport facilitated or frustrated passengers' use of time could have a significant effect on passengers' perceptions of the overall quality of their service encounter

### 2.3.7   SERVQUAL

Service quality is a measured based on the difference between customer expectation and perception. The point here is how well the delivered level of service matches customer expectations. When customers are satisfied with the service efforts, customers will be loyal to the organization and continuously show their support through repeat visits and positive word-of-mouth advertising, (Angelos, 2006). Measuring service quality has been one of the most recurrent data in management literature, (Parasuraman*et al* 1988). This is because of the need to develop valid instruments for the systematic evaluation of firms' performance from the customer point of view; and the association between perceived service quality and other key organizational outcomes, which has led to the development of models for measuring service quality (Cronin *et al*2010).

Service quality is a measure of how well the service level delivered matches customer expectations (Weitz and Wessley, 2002). They argued that, service quality results from customers' expectations of what should the service provider offer, how the provider actually performs to meet those expectations. Thus delivering quality service means ensuring consistency in service delivery performances on daily basis. According to Kotler (2007) service quality is very important to attract and retain customers. This is due to the

fact that customers derive the perceptions of service quality on the levels of satisfaction they experience with the particular business.

The most widely used measure is based on a set of five dimensions which have been consistently ranked by customers to be most important for service quality, regardless of service industry. Service quality measurements have benefitted greatly from studies done by Parasuraman*et al*(1988) that developed a model and measurement approach which they named SERVQUAL Consisting of 22-items. SERVQUAL was based on the concept that service quality is the difference between consumers' expectations about performance of a general class of service providers and their assessment of the actual performance of a specific firm within that class. These dimensions defined by the SERVQUAL measurement instrument are Tangibility, Reliability, Responsiveness, Assurance and Empathy (Parasuraman*et al* 1985).

These five SERVQUAL dimensions are used to measure the gap between customers' expectation for excellence and their perception of actual service delivered. The SERVQUAL model, when applied helps service providers to understand both customer expectations, perceptions of specific services, and areas in need of quality improvements. SERVQUAL has been used in identifying specific service elements requiring improvement, and targeting training opportunities for service staff. Proper development of items used in the SERVQUAL instrument provides rich item-level information that leads to practical implications for a service manager (Daniel &Berinyuy 2010).

### 2.3.8   Customer Satisfaction

Customer satisfaction can be defined in various situations that are associated with goods and services. Customer satisfaction is feeling or attitude toward a product or service after its use. It is the result of between marketing activities that acts as a communication bridge between different stages of consumer buying behavior. Customer satisfaction is the result of a comparison between customer purchase of the expected performance with actual performance and perceived and payment expenses (Taghizadeh, 2012). These results in repurchasing, positive word of mouth, loyalty, and the extract of these beneficial outcomes can be long term profitability for the organization (Wirtz, 2003). It can be also defined in various situations that are associated with goods and services. Customer satisfaction is feeling or attitude toward a product or service after its use. There is direct relationship

between customer satisfaction and willingness to loyalty to the company (Wirtz, 2003). Understanding customer satisfaction in an organization should be considered as a major issue. Basic questions should be raised in relation to customer satisfaction in an organization are: What do we provide product or service? Who are our customers? What do they want and need? Is it measurable? What is needed to improve the process? By answers to these questions will have a better understanding of customer continuously and products and services to adapt to market needs would be better (Rampersad 2001).

Customers perceive service in terms of quality, but how satisfied they are with the overall experience, is what defines their satisfaction. Whether the customer is satisfied after purchase depends on the offer's performance or the customer service in relation to the customer expectations. However, according to Zeithamlet al (2006) although service quality and customer satisfaction are used interchangeably, there is indeed a distinction. It is when the outcome of the service matches the expectations of the service. Therefore, the expression "no customer dissatisfaction" does not necessarily go hand-in-hand with "customer satisfaction". We can understand from this, changes in satisfaction are consequences from past decisions, (Kondo 2001). Because, quality is judged by the consumer and that the most important measurement of quality is how it affects customer satisfaction. Whether the customer is satisfied or not, is dependent on the perceived quality.

Most literature reviews suggest that, satisfaction is achieved as a result of two parallel processes that include: emotional process and normative process (Robinot&Giannelloni2010). Although satisfaction and service quality have a common features, satisfaction has the broader concept than quality, because it focuses on services dimensions. The service quality is considered as part of satisfaction. Service quality represents a customer's perception from five dimensions of service, while satisfaction is more pervasive and including quality of service, product quality, price and also situational factors and personal factors (Javadin, 2009).

Therefore, customer satisfaction is a key issue for all organizations in both public and private sectors. This is a highly important challenge as service standards today relies on excellent service quality delivery and high customer satisfaction levels. All employees have a role in determining the degree of satisfaction experienced by their customers. In the

public sector, due to increased levels of information dissemination, governments are expected to be more sensitive to the demands and needs of the peoples and societies they serve. Many public sector organizations are undergoing reforms in order to provide better, faster and even wider range of services to the people. Governments' should take into account the customer has a prominent place in these reforms (Ghylin*et al* 2008).

### 2.4 Empirical Review

#### 2.4.1 Relationship between Service quality and Customer Satisfaction

Various studies that have focused on a link between satisfaction and quality argued for different views in terms of relationship. Some think that quality leads to satisfaction, and others support that satisfaction leads to quality (Negi, 2009). Some researchers propose that quality and satisfaction are determined by the same attributes; like Parasurman et al., (1988) tried to relate customer satisfaction to service quality ,Negi, (2009) clearly points out that overall service quality is significantly associated with and contributes to the overall satisfaction of customers. Customer satisfaction is based on the level of service quality delivered by the service providers.

Parasuraman et al., (1985) contends that when perceived service quality is high, then it will lead to increase in customer satisfaction. They argue that service quality leads to customer satisfaction and this agree with Lee et al., (2000) who acknowledge that customer satisfaction is based upon the level of service quality provided by the service provider. Organizations that consistently satisfy their customers enjoy higher retention levels and greater profitability due to increased customers' loyalty (Wicks &Roethlein, 2009). It is vital to keep consumers satisfied by trying to know their expectations and perceptions of services offered by service providers. In this way, service quality could be assessed and thereby evaluating customer satisfaction.

Specially, over the past few years there has been a heightened emphasis on service quality and customer satisfaction in business and academia alike. Sureshchanndra*et al*(2003) identified that strong relationships exist between service quality and customer satisfaction while emphasizing that these two are conceptually distinct constructs from the customers' point of view.

(Wilson *et al*2008) can see the relationship between customer satisfaction and service as service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service

Negi(2009) suggests that customer-perceived service quality has been given increased attention in recent years, due to its specific contribution to business competitiveness and developing satisfied customers. This makes service quality a very important construct to understand by firms by knowing how to measure it and making necessary improvements in its dimensions where appropriate especially in areas where gaps between expectations and perceptions are wide. Hence, the study is not only interested in learning more about the factors associated to service quality perceived by customers and how service quality is measured but also provide a direction for improvement of service quality in order to bring customer satisfaction.

Beatson*et al.* (2008) found that, perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a sizable impact on perceived product quality and on perceived service quality. Frontline employees or contact persons represent the organization and can directly influence customer satisfaction. Whether acknowledged or not, service employees perform marketing functions. They can perform these functions well, to the organization's advantage, or poorly, to the organization's detriment. Customer actions, reactions and other characteristics can have a profound influence on the actions and mannerisms of front-line service personnel (Matzler*et al* 2004).

Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml*et al.* 2006). Some authors have agreed to the fact that service quality determines customer satisfaction. Parasuraman*et al* (1985) in their study, proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction. It's acknowledged that

"Customer satisfaction is based upon the level of service quality that is provided by the service providers" (Lee2000)

Fen &Lian, (2005) found that both service quality and customer satisfaction have a positive effect on customer's re-patronage intentions showing that both service quality and customer satisfaction have a crucial role to play in the success and survival of any business in the competitive market. Based on this,Su et al., (2002) carried a study to find out the link between service quality and customer satisfaction, and came up with the conclusion that, there exist a great dependency between both constructs and that an increase in one is likely to lead to an increase in another. Also, they pointed out that service quality is more abstract than customer satisfaction. Because, customer satisfaction reflects the customer's feelings about many encounters and experiences with service firm while service quality may be affected by perceptions of value (benefit relative to cost) or by the experiences of others that may not be as good,(Daniel &Berinyuy2010).

Milion Tsegaye (2017) of findings indicates that empathy and tangibility have the largest impact on customer satisfaction and on the results show that all the five dimensions of service quality have a strong positive relationship with customer satisfaction. Though all the five dimensions are significant, empathy and tangibility are the first two dimensions of service quality that have a strong and positive significant impact on customer satisfaction and he concludes that from the findings of the study all the five dimensions of service quality have shown a significant positive effect on customer satisfaction.

According to Yeh&Kuo, (2002) Airport Service Quality is measured service quality by establishing and monitoring service by direct customer input which measure both internal and external service performance. Internal measure service performances are number of complaints, wait/service time for baggage delivery or check-in, etc. External measure service performances are attitudes and opinions of customers directly.

The Lidiya Seyoum (2017) finding shows that the quality of ethio telecom call center below average and customer are not satisfied with the service Based on the findings all of the service quality dimensions have significant impact on service quality and customer satisfaction and finally she conclude that over all service quality of call center is not good & customer are not satisfied and she recommended that ethio telecom should work on all these service quality dimensions to improve its service quality and customer satisfaction of

call center. So the all dimensions have significant impact on service quality & customer satisfaction as well.

### 2.4.2 Service Delivery

Service produces form, time, place and psychological utilities. Organizations should plan and design any service that can create maximum utilities desired by customers. For an effective and quality service delivery, organizations have to first identify the needs and wants of their customers. According to the FDRE Service Delivery Reform Report (2002) "Service delivery basically refers to the systematic arrangement of activities in service giving institutions with the aim of fulfilling the needs and expectations of service users and other stake holders with the optimum use of resource.

### 2.4.3 Service Quality and Customer Satisfaction in the International Airports

Air travel industry is driven by globalization and liberalization and remains the fastest-growing market in the world. According to IATA, (2007) over 2.9 billion passengers departed on scheduled trips in 2010. Strong economies saw international passenger demand grow by 5.9%.In Ethiopia as well this industry has shown a rapid growth during the last two decades. As a result of an increase in passenger traffic, the Ethiopian government has made enormous investment in infrastructure development on domestic and international airport. As Ethiopia is recognized as the investment and tourist destination,passenger satisfaction of the services offered at the airports has a significant effect on country's income and image. While coming to the airport service delivery there are several stakeholders having varying of degree of control over the service rendered to customers at the airport. Many groups like airlines, customs and immigrations are involved in the service delivery. Passengers demand fast and quality service in this place. According to annex 9 chapter one B 1.2/a and chapter three K 3.39 & 3.40 of the ICAO"contracting states, with the corporation of aircraft operators and airport operators, should establish as a goal the clearance within 45 minutes of disembarkation from the aircraft of all passengers requiring not more than the normal inspection, regardless of the aircraft size and scheduled arrival time". And the time required for the accomplishment of border controls in respect of persons and aircraft and for the release/clearance of goods is kept to the minimum time.

However, according to Fodness and Murray (2007), air travelers usually spend over one hour on average in the airport services cape.

One of the essential airport processes for incoming international passengers is immigration and customs control. Immigration and customs control are the first service encounters that incoming international passengers experience upon their arrival at the airport. Clients have a 'global' perception of the quality of the entire chain of service offered at international airports and therefore all the elements of the service chain have to be efficient for customers to perceive a good level of quality of service of the overall facilitation (Jaffer&Timbrell 2014). Thus, it was important to include evaluation of this service experience in this study. One of the facets of facilitation is quality of service offered at the airport immigration department. In order to satisfy its customers, it is important to provide the best possible prompt service in relation to the annex 9 of the ICAO standards. Therefore, the researcher is aiming to assess the level of service quality and customer satisfaction of Addis Ababa Bole International Airport Immigration. This is the reason the study will focus on the service quality and customer satisfaction at Addis Ababa Bole International Airport Immigration Department.

### 2.4.4    Measurement of Service Quality

Assessing customers' expectations and perceptions of service quality requires an understanding of customers' relationship with the service provider. Thus, a sound measure of service quality is necessary for identifying the aspects of service needing performance improvement, assessing how much improvement is needed on each aspect, and evaluating the impact of improvement efforts.  Due to the intangible nature of a service SERVQUAL model was developed to measure customers' evaluations of service quality (Zeithaml*et al* 2009).

There have been several attempts made by a group of researchers who have systematically identified the variables that quantify service quality, among which the two most popular metrics are SERVQUAL and SERVPERF (Varambally and Motlagh, 2010). SERVQUAL is based on the conceptualization of service quality as the difference between consumer's Perceived performance and Expectation (Parasuraman et al., 1988). On the other hand,

SERVPERF is purely a Performance based approach to the measurement of service quality (Cronin and Taylor,

1992). Even though SERVQUAL and SERVPERF are the most commonly used scales of service quality measurement Among these two the most commonly used measure is SERVQUAL (Duff and Hair, 2008), (Ladhari, 2009) as cited on (Varambally, Motlagh,2010). There is no universal and encompassing approach to service quality dimensions which can be appropriate and applicable to all service industries and across all sociocultural and economic environments. But as discussed by many researchers SERVQUAL has a wide range of applications in service quality measurement which includes: health care applications (Woodside et al,.1989); Reidenbach and SandiferSmallwood, (1990); Babakus and Boller,(1992); Lytle and Mokwa,

(1992); (Bebko and Garg, 1995); (Licata et al.,1995) as cited on (Varambally, Motlagh, 2010).even though there is not one universally accepted measurement model of service quality that is applicable for all types of services as already mentioned there are two most popular models namely SERVQUAL and SERVPERF because SERVQUAL provides rich information and also as a measurement tool it also help as identify which parts of the service provided are contributing positively and which aspects of the service needs implement.

The SERVQUAL scale is designed in a form of a survey containing 22 service attributes, grouped into the five service quality dimensions (Zeithaml,*et al* 2009). The service quality dimensions used in the SERVQUAL model are; tangibles, which refers to appearance of physical facilities, equipment, personnel and written materials; reliability, which is ability to perform the promised service dependably and accurately; responsiveness, which is the willingness to help customers and provide prompt service; assurance, which refers to employees' knowledge and courtesy of employees and their ability to inspire trust and confidence and empathy, which refers to caring, individualized attention given to customers by the company (Zeithaml and Bitner, 2003). Therefore, the researcher uses this model because it takes into account customer's expectation of a service as well as perceptions of the service which is best way to measure service quality in service sector (Shahin, 2005).

## 2.5 Study Gap

As far as the researcher knowledge, the literatures reviewed have indicated that several studies have been carried out on effects of service quality on customer satisfaction in different countries both in public and private sector. However, coming to Ethiopia context studies carried out in this title on Immigration are limited in number almost none. Therefore, this study has tried to fill the study gap by investigating the effect of service quality in terms customers perception on customer satisfaction on the case of main department of immigration and nationality affairs in Addis Ababa bole international airport branch.

## 2.6 Conceptual Framework

The aim of this section is to summarize the idea about past literature and to bring out the contributions for this study area. Thus this part starts with the idea generated and the contribution follows. The general idea from the past literature is that there is a relationship between customer satisfaction and service quality; also that service quality could be evaluated with these five service quality dimensions and the most useable is the SERVQUAL scale.

**Figure 1**, Conceptual Frame Work
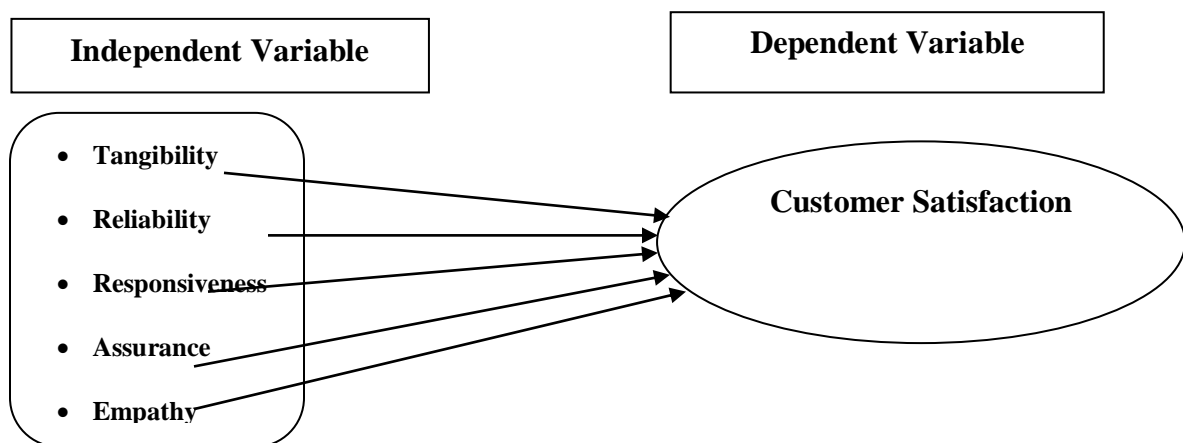


**Source**; this model is adopted and modified from BENJAMIN (2012)

## CHAPTER THREE

## RESEARCH DESIGN AND METHODOLOGY

### 3.1     Introduction

This chapter begins with the description of the study area, discussion of research design and research methods that have been adopted. It also describes the target population, the sample size, the procedure and techniques that were used in selecting the sample. Moreover it discussed the data collection techniques, types of data used for the study and the research or survey instruments used. Finally, it discussed how the data were analyzed and presented.

### 3.2     Description of the Study

The area of the study is examining the effect of service quality on customer satisfaction of MINDA, particularly, the case of Addis Ababa Bole International Airport Immigration Department.

### 3.3     Research Design and Research Approach

#### 3.3.1   Research Design

A research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to the following; expressing causal connections between variables, generalizing to larger groups of individuals than those actually forming part of the investigation, understanding behavior and meaning of that behavior in its specific social context and having a temporal (i.e. over time) appreciation of social phenomena and their interconnections (Bryman & Bell, 2007).

In this research, descriptive and explanatory research design were used and also different inferential statistics tools were used to understand the relationship between the five dimensions of SERVQUAL and customer satisfaction and the impact this SERVQUAL dimensions have on customer satisfaction in Ethiopian airlines immigration department. Because, it helps to transform the raw data in to form that provide information to describe a set of factors in a situation. It is more efficient and able to obtain information with reference to test and answer research questions concerning the current status of the subject of the study (Idris2013). It helps researchers to know a substantial amount about the research problem and able to define what should be measured on the study.

### 3.3.2 Research Approach

Research strategy is a general plan of how to answer the research questions. It is mainly guided by research questions and research objectives (Schindler, 2006). In this study mixed research approach were utilized, both the qualitative and quantitative research approaches were used. Qualitative research techniques is more expressive and quantitative research techniques is more often draws inferences based on statistical procedures and often makes use of graphs and figures in its analysis.

## 3.4 Data Type and Source

In this study primary and secondary data were utilized. Primary data are organized for the specific purpose of addressing the problem on hand and that are used in questionnaire survey whether by online or paper(Naresh2010). Secondary data refers to information gathered by other party that already conducted in previous study (Sekaran&Bougie 2009). The primary data were collected through survey using questionnaires for incoming passengers and interviews for managers and the secondary data were collected from published article, research work, previous studies, books and daily, weekly and monthly records of the department, and other source were reviewed. The development of the questionnaire and the interview were conducted in English.

## 3.5 Sampling Method, Sample Frame and Sample Size

### 3.5.1 Sampling Method

According to the daily data recorded at Addis Ababa Bole International Airport Immigration Department, airport immigration is rendering service for about 6500 to 7000 incoming and outgoing passengers on a daily bases. Given the fact that most incoming passengers flew for long hours and they arrive and feel settled so they can get enough time to respond a researcher request so, the data was focused on assessing the incoming passengers how they react to the service delivery of the Bole International Airport Immigration Department.

Regarding the sampling method, convenience sampling under non probability sampling method was employed because it is fast, easy, readily available, and cost effective(UNESCO 2005). An interview was also conducted with the management members purposefully. The rationales behind choosing purposive sampling method for interview to select key informants is: purposive sampling can help to reach a targeted

sample quickly and with a purposive sample, the researcher can get the opinions of target population.

### 3.5.2   Sample Frame and Sample Size

The potential sources of information for the study were the incoming passengers and the management members of Addis Ababa Bole International Airport Immigration Department. So, the sample frame for the study was considered on the basis of the number of people served daily. From the immigration daily record of international incoming passengers, the incoming passengers vary from 3050 to 3110 on a daily base. Hence, the average number of incoming passengers is 3080. So, determining a sample size for this study is very crucial, because the researcher cannot cover the entire population. Although using large sample size is better, but if the researcher uses very large as large as the entire population, it lacks resources and money. Therefore, the researcher decided to use the Kothari's (2004) sample size determination formula to determine the sample size of the target population.

Where:

$$n = \frac{z^2 * p * q * N}{e^2(N-1) + z^2 * p * q}$$

N= the population size

p = Sample proportion of successes

n= Sample size

q = 1 – p

z = the value of the standard deviate at 95% level of confidence

e = Acceptable error (the precision)

Thus, N=3080, p=0.5 z= 1.96 e=0.05

Therefore,

$$n = \frac{(1.96)^2(0.5)(0.5)3080}{(0.05)^2(3080-1) + (1.96)^2(0.5)(0.5)}$$

$$n \ = \ \underline{342}$$

Therefore, the sample size of the study is 342 incoming passengers. Besides, two management members of immigration department were interviewed. The researcher collected the data in three days of the week. The days are Tuesday, Thursday and Saturday. The researcher select these days based on the arrivals of most international flights. Good time for distributing the questionnaires was in the morning time starting from 6; 00 am to 10; 00 am and during the night time starting from 7;30 pm to 10;30 pm; because, the arrival time of most international flights is during this time.

### 3.6 Data Type and Source

For the sack of achieving the purpose of this study, the relevant data is collected or obtained from primary and secondary source of data, Lidiya (2017) As the study is intended to assess the level of service quality and customer satisfaction from the customers' perspective so the source of primary data is questionnaire, because according to Leary (2004), the major advantages of questionnaires are that they can be administered to groups of people simultaneously, and they are less costly and less time-consuming than other measuring instruments and it is the most frequent use of data collection as per the observation of the researcher. The design of the questionnaire is formulated as closed-ended questions. The closed ended questions are structured for respondents to select their choices of statement from a list of questions that were presented to them. For an easy understanding and reading, the questionnaires are designed into two parts. The first part of the questionnaire solicits data on the respondent's demographic characteristics and the second part of the questioner is about measuring of the service quality of the Addis Ababa Bole International Airport Immigration Department based on the service quality dimensions. The questionnaire was extracted from other similar research papers with some modifications in part one and were distributed for the incoming passengers. The questioner distributed to any incoming passenger who was willing and ready to answer instantly.

The respondents were expected to rate their perceptions of the organizations services on level of their importance on a predefined five-point Likert Scale: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, and 5 – Strongly Agree. The questionnaire consisted of 22 items split between the five instruments Tangibles, Assurance, Responsiveness, Empathy and Reliability. That each measures service quality.

Moreover, the researcher administered unstructured interview to get relevant and appropriate information through face-to-face surveys and discussion with the management members of the Bole International Airport Immigration Department. Because interviews are particularly useful for getting the story behind a participant's experiences and the knowledge of the management members on the subject matter (Ritchi E and Lewis 2003). The secondary data were collected from consultation with relevant documents. Service delivery plan, standard, working procedure manuals, daily and weekly reports and other related documents and relevant literatures had been reviewed

### 3.6.1 Pilot Testing and Administrating of Questionnaires

A preliminary draft of the questionnaire was given to some focus group members to test the clarity and meaningfulness of the questionnaire. Finally, after some adjustments especially in part one, the questionnaire was administered to the target population through personal contact by the researcher. Since, the respondents were incoming passengers the best place for distributing the questionnaire was at the airport passport control area.

### 3.7 Data Analysis Techniques

Data were analyzed using qualitative and quantitative method. The qualitative analysis was done by using descriptive method to write down the themes based on the research objectives and research questions and the issues that were discussed accordingly. The quantitative data analysis was conducted by using the descriptive Statistical Package for Social Scientist (SPSS) software IBM version 20. Moreover, descriptive analysis like mean frequency, correlation analysis, and regression analysis were applied to analyze background information of respondents, to analyze respondents' perception on service quality and customer satisfaction as well as relationship between service quality dimensions, overall service quality and customer satisfaction. Presentation devices such as tables, graphs, and charts were utilized to analyze and present the results to help easy understanding of the analysis and findings.

### 3.8 Reliability Test

Reliability refers to whether a measurement instrument is able to yield consistent result each time it is applied. It is the property of a measurement device it causes it to yield similar

outcome or results for similar input.  Statistically, reliability is defined as, the percentage of the inconsistency in the response to the study that is result of difference in the respondents (Nimako and Azumah, 2008). It could be estimated using stability or equivalence approaches. In this study, in addition to the pilot test of the questionnaires to strengthen its reliability, Cronbach's alpha was used to test its reliability. The Cornobach's alpha coefficient is an indicator of internal consistency of the scale. A high value of the Cronbach alpha coefficient suggests that the items that make up the scale 'hang together' and measure the same underlying construct (Bryman and Bell, 2003). According to Hair, *et al,* (2006), if α is greater than 0.7, it means that it has high reliability and if α is smaller than 0.3, then it implies that there is low reliability. To meet consistency reliability of the instrument, the questionnaire was distributed to 304 customers of Addis Ababa Bole International Airport Immigration Department and Cronbach's alpha was found to be reliability 0.863 for service quality questionnaire, which is above 0.7. So, according to Hair, *et al.* (2006) this 0.863 indicates that, it has acceptable reliability.

**Table 1**, Reliability test of each service quality dimension

| SERVQUAL Dimensions | Cronbach's Alpha | Number of Items |
|---|---|---|
| Tangibility | 0.768 | 4 |
| Reliability | 0.776 | 5 |
| Responsiveness | 0.833 | 4 |
| Assurance | 0.818 | 4 |
| Empathy | 0.709 | 5 |
| Overall Satisfaction | 0.863 | 22 |

**Source**, SPSS Reliability test

### 3.9 Ethical Considerations

Ethics are the moral distinction between right and wrong, and what is unethical may not necessarily be illegal (Bhattacherjee (2012). In order to be ethical a researcher should consider voluntary participation and harmlessness. Subjects in a research project must be aware that their participation in the study is voluntary, that they have the freedom to withdraw from the study at any time without any unfavorable consequences, and they are not harmed as a result of their participation or non-participation in the project. Name of the respondents and companies name are not asked to write in order to increase the

confidentiality of the information they give. And also the questionnaire explains that the purpose of research was for academic purpose and finally the respondents were included based on their willingness. Furthermore, the researcher tried to avoid misleading or deceptive statements in the questionnaire. Lastly, the questionnaires will distribute only to voluntary participants. The information gathered through questionnaire is used only for its purpose i.e. for the fulfillment of the requirement of my MA degree.

# CHAPTER FOUR

## DATA ANALYSIS AND INTERPRETATION

### 4.1    Introduction

Data Analysis of the findings was generated from the results of survey which conducted in person through the questionnaires and interviews. This chapter were present a discussion of the final results and the process through which the results were obtained. In addition to this, background information of respondents was presented. Finally, the statistical methods of analysis was discussed, which included a descriptive analysis, a correlation analysis, and a liner regression analysis through SPSS version 20

### 4.2 General Information about Respondent

From the large population, three hundred forty two questionnaires were distributed to the respondents and out of the 342 questionnaires 323 were collected and among these 19 questionnaires were not valid since they were not fully completed. Therefore the study takes 304 questionnaires.  Therefore, the researcher believed that these response rates were enough to conduct the analysis on the data. The demographic characteristics include: gender, age, nationality, level of education, and occupation. This aspect of the analysis deals with the personal data on the respondents of the questionnaires given to them. In addition to that the questionnaire has some specific information like frequency of the respondent in using the service, time taken for the service and access of information about the service. The tables below show the details of the demographic background and some specific information's of the respondents.

**Table 2** General Information about Respondent

| Item Description | Category | Frequency | Percentage |
|---|---|---|---|
| Gender of the respondent | Male | 181 | 59.5 |
| | Female | 123 | 40.5 |
| Total | | 304 | 100 |
| | 18-29 | 26 | 8.6 |
| | 30-39 | 169 | 55.6 |
| Age of the respondent | 40-49 | 77 | 25.3 |
| | 50 < | 32 | 10.5 |
| Total | | 304 | 100 |
| Nationality of the respondent | Ethiopian | 119 | 39.1 |
| | Foreigner | 185 | 60.9 |
| Total | | 304 | 100 |
| | 10<sup>th</sup>/12<sup>th</sup> | 4 | 1.3 |
| Education of the respondent | College/ Diploma | 37 | 12.2 |
| | Degree | 58 | 19.1 |
| | Masters and Above | 205 | 67.4 |
| Total | | 304 | 100 |
| | Private | 54 | 17.8 |
| Occupation of the respondent | Government | 14 | 4.6 |
| | Self Employed | 93 | 30.6 |
| | Other | 143 | 47 |
| Total | | 304 | 100 |
| How Often do you pass through bole international airport immigration service? | 1-3 times | 10 | 3.3 |
| | 4-6 times | 40 | 13.2 |
| | 6 < | 254 | 83.6 |
| Total | | 304 | 100 |
| | < 30min | 35 | 11.5 |
| How much time did it take you to get the immigration service? | 30min-1hr | 203 | 66.8 |
| | 1hr-2hr | 64 | 21.1 |
| | More than 2hr | 2 | 0.7 |
| Total | | 304 | 100 |
| | Other stakeholders | 20 | 6.6 |
| In which way do you receive information about services provided by the airport immigration department? | Oral explanation at information desk | 192 | 63.2 |
| | Telephone | 14 | 4.6 |
| | Sign board | 18 | 5.9 |
| | Website | 36 | 11.8 |
| | There is no access at all | 24 | 7.9 |
| Total | | 304 | 100 |

**Source:** Own Survey (2019).

### 4.2.1 Gender of the Respondents

According to the table 2, out of the 304 respondents 181 (59.5%) were Male and the remaining 123 (40.5%) were Females. This shows majority of the respondents were male.

### 4.2.2 Age of the Respondents

Table 2 above shows that, regarding the age of the respondents 26 (8.6%) of the respondent were in between 18 to 29, 169 (55.6%) of the respondents were in between 30 to 39, 77 (25.3%) of the respondents were in between 40 to 49 and the remaining 32 (10.5%) of the

respondents was 50 years old and above. From the above table 80.9% of the respondents were between 30-49 ages.

### 4.2.3 Nationality of the Respondent

According to table 2, 119 (39.1%) of the respondents were Ethiopians and the remaining 185 (60.9%) respondents were foreigners. From this output we can say that the majority of respondents are foreigners.

### 4.2.4 Educational level of the Respondent

Coming to the educational status from table 2, 4 (1.3%) of the respondent were 10th/12$^{th}$ complete, 37 (12.2 %,) College diploma, 58 (19.1%) first Degree and 208 (67.4%) were masters and above. From this data we can say that the majority of the respondents were educated.

### 4.2.5 Occupation of the Respondent

Regarding the occupation of the respondents 54 (17.8%) of the respondents were engaged in private activities, 14 (4.6%) were working for government, 93 (30.6%) respondents were self-employed and the remaining 143 (47.0%) of the respondents were working in other sectors.. From this table, we can understand that majority of incoming travelers were working in other sectors like NGO and international organizations.

### 4.2.6 The time that you pass through the Immigration

Moreover, the background information of the respondents is about past experience on the organization. In order to that 10 (3.3%) of the respondents have passed through Bole Immigration Service for 1-3 times, 40 (13.2%) of the respondents have passed 4-6 times and the remaining 254 (83%) of the respondents have passed above 6 times. This indicates, majority of the respondents have been used the service frequently. Hence, we can say that, those respondents can have better knowledge about the service of the department.

### 4.2.7 A time that you spent to get the service

As shown in table 2, the time taken to get the service were, 35(11.5%) of the respondents said that it took them less than 30 minutes, 203 (66.8%) of the respondents said it took them 30 minutes to an hour, 64 (21.1%) of the respondents said it took them 1 to 2 hours and the remaining 2 (0.7%) of the respondents said it took them more than 2hr. About the

above table we can infer that, the majority of the respondents' the service took more than an hour. From this point we can understand the time that took for the service was contradicted to the international standard. Chapter one B 1.2/ac and chapter three K 3.39 & 3.40 annex 9 of the ICAO convention states that, "contracting states, with the corporation of aircraft operators and airport operators, should establish as a goal the clearance within 45 minutes of disembarkation from the aircraft of all passengers requiring not more than the normal inspection, regardless of the aircraft size and scheduled arrival time.

### 4.2.8 Source of Information

Finally, the result about accessing of information about the service shows that, 20 (6.6%) of the respondent said that they get information from other stakeholders, 18 (5.9%) from the sign board at the arrival hole, 36 (11.8%) from their website, 14 (4.6%) through telephone, 192 (63.2%) oral explanation at front desk after they arrived at the airport immigration control and the rest 24 (7.9%) respondents say there is no access at all. This impels that majority of respondents get the information through oral explanation after their arrival at the airport but it doesn't mean that the department gave information for its customer properly because still there is 7.9% of the customers who cannot get the information about the service provided by the airport immigration.

## 4.3 Descriptive Analysis

In this study, to assess the service quality rendered in Addis Ababa Bole International Airport Immigration Department SERVIQUAL model was used. This model directly measures the customer's perception of service performance and assumes that respondents automatically compare their perceptions of the service quality levels with their expectations of those services. The model contains 22 questions and a five point liker scale. For all the service quality dimensions (Tangibility, Reliability, Responsiveness, Assurance and Empathy), the mean score have been computed on the table below represents the results.

**Table 3**  Customer satisfaction with respect to service dimension

| Descriptive Statistics | | | |
|---|---|---|---|
| | N | Mean | Std. Deviation |
| Overall Satisfaction | 304 | 2.1974 | 0.75378 |
| Tangibility | 304 | 2.6982 | 0.66964 |
| Reliability | 304 | 2.6322 | 0.62859 |
| Responsiveness | 304 | 2.0576 | 0.70592 |
| Assurance | 304 | 2.6464 | 0.70591 |
| Empathy | 304 | 2.5243 | 0.63905 |

**Source**: own survey, 2019

Table 3, indicates that the mean and standard deviation for Addis Ababa Bole International Airport Immigration Department Service quality dimension and Customer Satisfaction, from the above table Tangibility dimensions (2.6982), Assurance dimensions (2.6464), Reliability dimensions (2.6322) Empathy dimensions (2.5243) and the least responsiveness dimensions (2.0576) respectively. Therefore, it may be concluded from table 3. that, respondents are most satisfied with Tangibility, it has the highest means which means physical aspects of the service such as physical facilities, appearance of personnel, tools or equipment that used to provide the service is in a good look. Responsiveness is refers to the prompt response to the service need of the customer and the readiness of employees to provide service, the speed and timeliness of service delivery and the ability of the service to respond promptly to customer service requests, with minimal waiting and queuing time have least mean value. Generally, we can understand from this table respondents are well satisfied with tangibility, assurance, reliability, empathy and less satisfied with responsiveness respectively.

### 4.3.1  Overall Customer Satisfaction

Customer satisfaction can be measured using overall satisfaction measures. This overall satisfaction refers to the customers overall evaluation of the service delivered. According to Parasuraman *et al.* (1988) and Negi, (2009), customer satisfaction is an antecedent of service quality. The SERVQUAL approach integrates the two constructs and suggests that perceived service quality is an antecedent to satisfaction. Customers become satisfied if the performance of the good or service is equivalent to, or even surpasses, the original expectation. This will be measured using a single question to which respondents will be

asked to rate their satisfaction on a five point liker- scale. Accordingly identifying satisfaction level of customers is one interest of this study. The satisfaction level in this study is also categorized and it ranges from strongly agree, Agree, Neutral, Disagree and strongly disagree.

**Table 4.** Overall Satisfaction of Respondents

| Overall Customer Satisfaction | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Strongly Disagree | 34 | 11.2 | 11.2 | 11.2 |
| | Disagree | 204 | 67.1 | 67.1 | 78.3 |
| | Neutral | 38 | 12.5 | 12.5 | 90.8 |
| | Agree | 28 | 9.2 | 9.2 | 100 |
| | Total | 304 | 100 | 100 | |

**Source;** Owen Survey 2019

As it can be seen from the table above, we can understand that, 67.1% of the respondents are dissatisfied, 12.5% respondents are neutral that means they are neither satisfied nor dissatisfied with the service quality given by the immigration, 11.2% respondents were strongly dissatisfied and only the remain 9.2% were satisfied. Which is the highest percentage of respondents are dissatisfied by the service provided by immigration, 90.8 % of the respondents have concerns regarding the service quality of the department. The respondents indicate the greatest gap was related to the item "right the first time service" they are required to provide to customers.

Generally the mean value for customer satisfaction is 2.1974 with a standard deviation of 0.75378. The mean value for overall customer satisfaction is low that shows there is a big gap between what it should be and what actually is.

## 4.4    Correlation Analysis

To find out the relationship between service quality dimensions and customer satisfaction, Pearson's correlation coefficient (r) which measures the strength and direction of a linear relationship between dependent and independent variables is used. Values of Pearson's correlation coefficient are always between -1 and +1. A correlation coefficient of +1 indicates that, two variables are perfectly related in a positive sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A low correlation coefficient; 0.1-0.29 suggests that the relationship between two items is weak or non-existent. If r is between 0.3 and 0.49 the relationship is moderate

(Benjamin 2012). A high correlation coefficient i.e. >0.5 indicates a strong relationship between variables. The direction of the dependent variable's change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable; if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable (Ibid). Hence, in this study both the direction and the level of relationship between the dimensions of service quality and customer satisfaction are conducted using the Pearson's correlation coefficient. The table below presents the result of the correlation analysis made using bivariate correlation.

**Table 5** The relationship between service quality dimensions and customer satisfaction

**Correlations**

| | | Overall Satisfaction | Tangibility | Tangibility | Responsiveness | Assurance | Empathy |
|---|---|---|---|---|---|---|---|
| Overall Satisfaction | Pearson Correlation | 1 | | | | | |
| | Sig. (2-tailed) | | | | | | |
| | N | 304 | | | | | |
| Tangibility | Pearson Correlation | .521** | 1 | | | | |
| | Sig. (2-tailed) | .000 | | | | | |
| | N | 304 | 304 | | | | |
| Reliability | Pearson Correlation | .466** | .640** | 1 | | | |
| | Sig. (2-tailed) | .000 | .000 | | | | |
| | N | 304 | 304 | 304 | | | |
| Responsiveness | Pearson Correlation | .506** | .233** | .105 | 1 | | |
| | Sig. (2-tailed) | .000 | .000 | .000 | | | |
| | N | 304 | 304 | 304 | 304 | | |
| Assurance | Pearson Correlation | .472** | .286** | .265** | .337** | 1 | |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | | |
| | N | 304 | 304 | 304 | 304 | 304 | |
| Empathy | Pearson Correlation | .538** | .463** | .433** | .198** | .188** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .001 | .001 | |
| | N | 304 | 304 | 304 | 304 | 304 | 304 |

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

Table 5 shows the correlation value between service quality dimensions and customer satisfaction. Even though, their degree differs, the results of correlation analysis supported question number four and proved that there is a positive relationship between the "service quality dimensions and customer satisfaction". When we look at the inter correlation between the service quality dimensions we can see that, there is a positive and significant relationship with customer satisfaction. However, the degree differs with the dimensions. Empathy, Tangibility, Responsiveness, Assurance and Reliability, have high and moderate relationship with customer satisfaction.

The finding on the table above further indicates that, the highest or strong relationship is found between empathy and customer satisfaction (r = 0.538, p < 0.01), followed by the relationship between tangibility and customer satisfaction (r = 0.521, p < 0.01), then comes the relationship between responsiveness and customer satisfaction (r = 0.506, < 0.01), and assurance and customer satisfaction (r= 0.472 < 0.01), at last comes the relationship between reliability and customer satisfaction (r= 0.466 < 0.01) .In this case empathy, tangibility and responsiveness have significant relationship; assurance and reliability has moderate relationship with the customer satisfaction and there is no weak relationship with customer satisfaction.

In all the service quality dimensions with their positive coefficient number, customer satisfaction will move in the same direction as the dimensions and any improvement in one of the dimensions will positively contribute in enhancing the customer satisfaction. Thus from this result confirmed that there is a high and moderate positive relationship between service quality dimensions and customer satisfaction.

### 4.5 Regression Analysis

Regression analysis is one of the most commonly used statistical techniques in social and behavioral sciences as well as in physical sciences which involves identifying and evaluating the relationship between a dependent variable and one or more independent variables, which are also called predictor or explanatory variables. It is particularly useful for assess and adjusting for confounding. Model of the relationship is hypothesized and estimates of the parameter values are used to develop an estimated regression equation. Various tests are then employed to determine if the model is satisfactory. If the model is deemed satisfactory, the estimated regression equation can be used to predict the value of the dependent variable given values for the independent variables and regression analysis helps to understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed (Mohamed Ahmed Zaid).

In this study regression analysis is used to examine the effect of service quality on customer satisfaction but before running multiple linear regression analysis, the researcher conducted basic assumption tests for the model. These are statistical assumption tests of normality

distribution, linearity of the relationship between the dimensions of service quality and customer satisfaction, multicolinearity, and, auto-correlation/DurbinWatson/. Each test is explained below:

## 4.5.1 Normality Distribution Test

Multiple regressions require the independent variables to be normally distributed. Normality test helps to determine whether the data used is normal or not, and this assumption is met for statistical tests.

Frequency distribution comes in many different shapes and sizes. Therefore, it is quite important, to have some general description for common types of distributions. In an ideal world our data would be distributed symmetrically around the center of all scores. As such, if we draw a vertical line through the center of the distribution then it should look the same on both sides. This is known as a normal distribution and is characterized by bell-shaped curve. This shape basically implies that the majority of scores lie around the center of the distribution. So, the largest bars in the histogram are all around the central value (Field, 2006). The normal distribution graph was shown on figure 1 below.

**Figure 2:** Normal Distribution
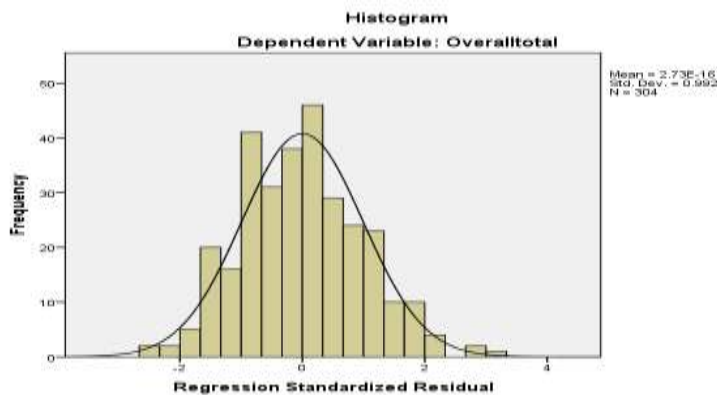


Source: Own Survey (2019).

## 4.5.2   Linearity Test

The second assumption for computing multiple linear regressions is test of the linearity of the relationships between dependent and the independent variables. As depicted in the

below graph of the visual inspections of the p-p plot there exist the linear relationship between the service quality dimensions and customer satisfaction .

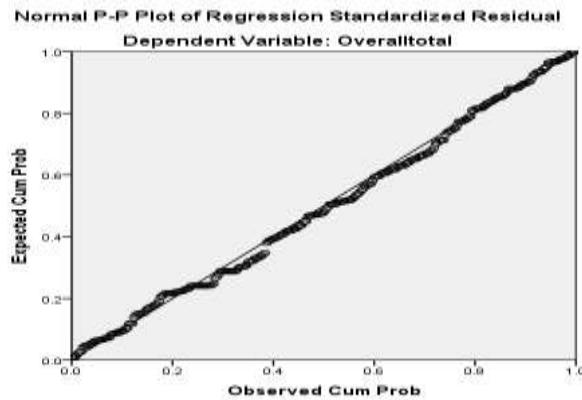**Figure 3:** Linearity of the relationship



**Source**: Own Survey (2019).

### 4.5.3  Multicollinearity Test

Multicollinearity exists when there is very strong correlation between two or more predictors in a regression model Saunders et.al (2007). There should be no perfect linear relationship between two or more of the predictors. So, the predictor's variables should not correlate to highly Kothari, (2004). If there is perfect collinearity between predictors, it becomes impossible to obtain unique estimates of the regression coefficients because there are an infinite number of combinations of coefficients that would work equally well. If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the "problem of multicollinearity" Kothari, (2004);  This study data multicollinearity assumption is checked by the Pearson correlation coefficient and collinearity statistics.

Checking the multicollinearity assumption is that by looking SPSS analysis output regression table of colinearity statistics value of Tolerance and Variance Inflation Factor /VIF (Field, 2006). The tolerance column value below 0.2 and VIF value above 10 create a multicolliniearity problem. Having this, the Tolerance and VIF value is shown in the regression standardized coefficients table 5.below and the analysis indicates that there is a minimum tolerance value of 0.526 which is above 0.2 and the maximum VIF value is 1.901

which is below 10. Since the predictors doesn't significantly correlate each other; hence, there is no multicollinearity problem.

**Table 6 :** Collinearity Statistics value

| Model | Collinearity statistics | |
| --- | --- | --- |
| | Tolerance | VIF |
| Tangibility | 0.526 | 1.901 |
| Reliability | 0.553 | 1.807 |
| Responsiveness | 0.848 | 1.18 |
| Assurance | 0.826 | 1.211 |
| Empathy | 0.743 | 1.346 |

**Source**: Own Survey (2019).

### 4.5.4   Auto-correlation /Durbin-Watson Test/

It is the assumption of independent error acceptable or reasonable test. Durbin-Watson used to test for serial correlation between errors. The Durbin-Watson statistic test can vary between 0 and 4. A value of 2 meaning residual statistics are uncorrelated Field, (2006). A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. Similarly, Ott and Longnecker (2001), defines when there is no serial correlation, the expected value of Durbin-Watson test statistics d is approximately 2.0; positive serial correlation makes d< 2.0 and negative serial correlation makes d > 2.0. Although, values of d less than approximately 1.5 (or greater than approximately 2.5) lead one to suspect positive (or negative) serial correlation. If serial correlation is suspected, then the proposed multiple linear regression models are inappropriate.

Referring this and the model summary table 4.7 below; the Durbin-Watson value of this study is 2.122. Therefore, the auto-correlation test has almost certainly met, since it falls between 1.5 and 2.5, and we can conclude that our model is free of serial correlation.

The four assumptions test of multiple regressions are met and the next step was processing the regression analysis to determine the values of the model fit (ANOVA), model summary (R and $R^2$), and the Beta coefficients. Accordingly, the relative effect of service quality dimensions on customer satisfaction was identified.

## 4.6 ANOVA Model Fit

**Table.7**: ANOVA Model Fit

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 1586.179 | 5 | 317.236 | 80.914 | .000[b] |
| | Residual | 1168.348 | 298 | 3.921 | | |
| | Total | 2754.526 | 303 | | | |
| a. Dependent Variable: Customer Satisfaction | | | | | | |
| b. Predictors: (Constant) Tangibility, reliability, responsiveness, assurance and empathy. | | | | | | |

**Source:** Own Survey (2019).

The regression model overall fit can be examined with the help of ANOVA. Accordingly, the overall significance of the model presented in ANOVA table 6 above, the total variance (2754.526) was the difference in to the variance which can be explained by the independent Variables (Model) and the variance which was not explained by the independent variables (error). The study established that there existed a significant goodness of fit between variables as F-test $F_{(5,298)} = 80.914$, at P=0.000<0.01). This indicated that the model formed between effects of service quality on customer satisfaction was a good fit for the data.

## 4.7 Model Summary

**Table 8**: Model Summary

| Model Summary[b] | | | | | |
|---|---|---|---|---|---|
| Model | R | $R^2$ | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .759[a] | .576 | .569 | 1.98006 | 2.122. |
| a. Predictors: (Constant), Tangibility, reliability, responsiveness, assurance and empathy. b. Dependent Variable: Customer satisfaction. | | | | | |

**Source**: Own Survey (2019).

In the model summary above (table 7), the multiple regression coefficients R, indicates a strong correlation of 0.759 between customer satisfaction and the five service quality dimensions. The $R^2$ =0.576 reveals that the model accounts for 57.6% of the variation in the customer satisfaction and is explained by the linear combination of all the five

independent variables of service quality dimensions(i.e. tangibility, reliability, responsiveness, assurance and empathy). The remaining 42.4% is explained by other factors giving room for further study to investigate other factors which affect customer satisfaction.

## 4.8 Beta Coefficient

**Table 9:** Multiple Regression Beta Coefficient Result

| Model | | Unstandardized Coefficients | | Standardized Coefficients | Sig. |
|---|---|---|---|---|---|
| | | Beta | Std.Error | Beta | |
| 1 | ( Constant) | -4.540 | .684 | | .000 |
| | Tangibility | .166 | .059 | .148 | .005 |
| | Reliability | .186 | .064 | .149 | .004 |
| | Responsiveness | .343 | .044 | .320 | .000 |
| | Assurance | .237 | .044 | .226 | .000 |
| | Empathy | .282 | .041 | .299 | .000 |

**Source:** Own Survey (2019).

The unstandardized coefficients ($\beta1$ to $\beta5$) are the coefficients of the estimated regression model. Hence, by including the error term ($\varepsilon$), the model for service quality dimension can be written as;

$$Y= \beta_0 + \beta_1X_1+ \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5+ \varepsilon$$

$$Y= - 4.540 +.166X_1 + .186X_2 + .346X_3 + .237X_4 +.282X_5+0.05$$

The intercept ($\beta_0$ is the point on the vertical axis where the regression line crosses the Y axis. The value of $\beta_0$ is -4.540 which means the expected value of customer satisfaction is -4.540 when all the five dimensions of service quality assume zero value.

On the coefficient table we find the beta value which measures of how strongly each independent variable influences the dependent variable. Thus a unit increases in tangibles leads to .166 increases in customer satisfaction other things being constant. Therefore the more the department invests on its physical facilities equipment, technology and appearance of its personnel the more it satisfies its customers. We also find the beta value which measures how strongly each independent variable influences the dependent variable. Thus a unit increase in reliability leads to .186 increases in customer satisfaction other things being constant. The department should invest to enhance its ability to perform the promised service dependably and accurately so that the satisfaction level of its customers

will increases. We find the beta value which measures of how strongly each independent variable influences the dependent variable. Thus a unit increase in responsiveness leads to .343 and increase in customer satisfaction other things being constant. Therefore the more the department invests on enhancing its employee's ability to help customers and be responsive to customer's enquiry, the more the customer will satisfy. We find the beta value which measures how strongly each Independent variable influences the dependent variable. Thus a unit increase in assurance strongly increases customer satisfaction by .237 other things being constant. Therefore the more the department invests on enhancing its employee's knowledge, skill and on their ability to instill confidence to serve customers, the more the customer is satisfied. We find the beta value which measures of how strongly each independent variable influences the dependent variable. Thus a unit increase in empathy leads to .282 increases in customer satisfaction other things being constant. Therefore the more the department gives care and individualized attention to customers, the more the customer is satisfied. As it can be depicted from the result that Responsiveness is the dominant service quality dimension which has the highest effect on the customer satisfaction.

### 4.9    Hypothesis Testing

**Table 10:** Hypothesis results

| Hypoth. No. | Hypothesis | P-value | Relationship Direction | Result |
|---|---|---|---|---|
| **H1** | Tangibility does affect customer satisfaction in Airport Immigration Department. | 0.005 | Positive | Accepted |
| **H2** | Reliability does affect customer satisfaction in Airport Immigration Department | 0.004 | Positive | Accepted |
| **H3** | Responsiveness does affect customer satisfaction in Airport Immigration Department | 0.000 | Positive | Accepted |
| **H4** | Assurance  does affect customer  does affect customer satisfaction Airport Immigration Department | 0.000 | Positive | Accepted |
| **H5** | Empathy  does affect customer does affect customer satisfaction Airport Immigration Department | 0.000 | positive | Accepted |

**Source:** Own Survey (2019).

The above table shows that variables that were tested by multiple regression beta coefficient, the whole five dimensions have a positive and significant effect on customer satisfaction

and also there is positive effect between overall service quality dimension and customers satisfaction   Therefore, the five hypotheses that assumed earlier to accomplishing study were accepted by all dimensions.

### 4.10 Discussion of Results

This section discusses the findings of the statistical analysis with related to the previous research and literature.

#### 4.10.1  Descriptive statistical Analysis

The finding of this study indicates that customers were most satisfied with the tangibility and assurance dimensions of service quality. However, customers were less satisfied or dissatisfied with responsiveness and empathy dimensions of service quality and reliability is found between two of them which has a moderate mean compared to each other. this factor concerns to what extent the employees are prepared to provide service. This involves factors such as mailing a transaction slip immediately, calling a customer back in short time and giving prompt service. (Parasuraman 1985) confirms that Responsiveness refers to the prompt response to the service need of the customer and the readiness of employees to provide service. It is the speed and timeliness of service delivery. When the customer is kept waiting for no apparent reason creates unnecessary negative perceptions of quality. In this regard, at the Addis Ababa Bole International Airport Immigration, specially, while many flights arrive at similar time there is a long queue. Because of this, the incoming passengers are forced to wait in the queue for more than an hour.

#### 4.10.2  Correlation analysis

In this study correlation was used to determine the relationships between service quality dimensions (Tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction.Parasuraman et al., (1988) stated that "SERVQUAL can be used to assess a given firm's quality along each of the five service quality dimensions by averaging the different scores on items making up the dimension.

Despite their degree, the correlation result shows there is positive and significant relationship between all the service quality dimensions and customer satisfaction. The finding further indicates that the highest relationship is found between empathy and

customer satisfaction. However, the relationship between reliability and customer satisfaction was moderate and positive relationship. In this regard we can say that the more or change on empathy, tangibility and responsiveness, there is a positive and significant effect on the dependent variable which is customer satisfaction. The result of this study indicates that all the service quality dimensions have a positive and significant effect on customer satisfaction. This finding is supported by Meron Melaku (2015), By adopting Parasuraman's work, measurements of the five dimensions of service quality were correlated with the overall measures of customer satisfaction.

### 4.10.3 Regressing Analysis

This result is found that the service quality dimensions have a positive and significant effect on customer satisfaction. This finding is also supported by Abreham G/ezgiabher (2015) service quality dimensions has statistically significant and positive effect on customer satisfaction with local and international guests. This result supported by Mey, Akbar & Fie (2006) and Juwaheer& Ross (2003).To be successful, an organization ought to place emphasis on the service quality as one of their strategies, i.e., giving customers what they want, when they want it, and how they want it. In addition, they should train their frontline employees well and constantly measure customers' satisfaction.

However, the finding of this study indicates that responsiveness has high and significant effect on customer satisfaction. This result is the same with the study by Mohammad and Alhamadani (2011), found that responsiveness has strongly positive and significant effect on customer satisfaction. This includes the speed of throughput and the ability of the service to respond promptly to customer service requests, with minimal waiting and queuing time. This finding is also supported by the study of Al-Hawary et al., (2011) reported that responsiveness has a strongly positive and significant effect on customer satisfaction.

As it can be seen from table 8 above, the unstandardized coefficients of responsiveness is the largest value followed by empathy, assurance, reliability and tangibility ranks from one to five respectively. The larger the standardized coefficient, the higher is the relative effect of the factors to improve customer satisfaction.

The significance test of the five explanatory variables indicate that all of the explanatory variables are significant with p-value ($p<0.01$) for predicting customer satisfaction.

All the five independent variables tangibility, reliability, responsiveness, assurance and empathy are found to be statistically significant. The beta coefficients of these factors indicate that a one unit increase in the service quality dimensions, the result will increase in customer satisfaction.

In general, from the findings of this study, researcher found out that All the five service quality dimensions (tangibility, reliability, responsiveness assurance, and empathy) have positive and significant effects on customer satisfaction. The results of this study further indicate that responsiveness and empathy are the most important factor to have a positive and significant effect on customer satisfaction.

### 4.11 Interviews

For the purpose of examining the effect of service quality on customer satisfaction in Addis Ababa Bole International Airport Immigration Department, the researcher has interviewed two management members of the department and the responses of the interview questions are provided as follows.

The interviews were unstructured and were basically intended to answer questions which are related to this study. The respondents were Ato Zerihun Tamene current shift officer of Addis Ababa Bole International Airport Immigration Department and Wro Serkalem W/Senbet senior head of Addis Ababa Bole International Airport Immigration Department. The reason why the researcher chooses to interview the former head was that, the respondent had been working as ahead of the department for about 9 years So, the researcher thought that, the experience of the former head Wro Serkalem could help to know the level of service quality and problems facing to enhance quality serve to the extent it is expected from the department.

Regarding the objectives of the department both respondents gave the same answer. And stated that, the main objectives of Addis Ababa Bole International Airport Immigration Department are;-

➢     Control of entry and exit of all persons at Addis Ababa Bole International Airport.

➢     Allowing entry visas on arrival for the incoming passengers according to the regulation and directives of the MDINA.

Concerning the level of service quality rendered by the department, it was tried to be evaluated based on the ICAO convention. Annex 9 chapter one B 1.2/ac and chapter three K 3.39 & 3.40 of the ICAO convention states that, "contracting states, with the corporation of aircraft operators and airport operators, should establish as a goal the clearance within 45 minutes of disembarkation from the aircraft of all passengers requiring not more than the normal inspection, regardless of the aircraft size and scheduled arrival time". And the time required for the accomplishment of border controls in respect of persons and aircraft and for the release/clearance of goods is kept to the minimum time". Hence, the question was did the service rendered by the department satisfies the incoming passengers.  And both the respondents answered the question in the same way. They states that, at this time the department is rendering service for more than 3000 incoming passengers on a daily bases. Both believe for different reasons the service of the department is not satisfactory. When they evaluate it with annex 9 of the ICAO convention they said, we are very far from the standard. Comparing to other Asian and Europe countries, the service is very slow. Specially, when many flights arrive at similar time there is always a long queue in all counters (front line desks). And this makes the service to become slow, as a result the passengers to feel not satisfied. Some of the reasons that create this kind of problem are:


•     Shortage of manpower,

•     Lack of skilled manpower, and

•     Lack of adequate training in customer handling

Moreover, wro Serkalem sates that, for the last few years with the fast economic development of the country, the aviation industry was growing very fast. In addition to that, the country was becoming a best tourist destination in the world.  These, all developments become a reason for the increase of incoming and outgoing passengers through Addis Ababa Bole International Airport. Before, a few years ago Bole International Airport Immigration Department was rendering service for about 900-1000 incoming international passengers on a daily bases. But, currently, the department is rendering service for more

than 3000 incoming passengers on a daily bases. However, the number of passengers was increasing fast without adding equivalent number of employee. This were not only the result for deterioration of quality service but has also adversely affected the working interest of employees. If there is shortage of manpower the placement of front line officers will be few in number. And this creates long queue that makes the service boring to the passengers. Specially, when 5 to 6 flights arrive at similar time the department couldn't give prompt service due to the huge number of the incoming passengers at a time.

Ato Zerihun Tamene also states that, in addition to what Wro. Serkalem has stated about the manpower shortage, the training given to the officers is basically related to the security awareness and technical works in relation to the technologies they use during their office hours. Since, the department is service giving institution; staffs of the department should have the knowledge how to handle their customers (passengers). But, they didn't take any training about customer handling. And, this creates problem during the interaction of the front line officers and the passengers.

In addition to that, even there is a suggestion box in the area; the department didn't make any assessment based on the feed backs that are collected from the box to evaluate its service quality. So, it does not have mechanisms to get feedback about the service that the department is rendering to the incoming passengers.

For the question, what kind of actions is taking the department to maintain and improve its service? Both the interviewees respond in the same manner by stating that, regarding the manpower shortage the department is working with the head office (MDINA) but still there is manpower shortage. in the last two years, there is some improvement in recruiting new officers to solve the problem of skilled man power and the main department (MDINA) in collaboration with its head office (NISS) were trying to have skilled officers by implementing different recruitment mechanisms and giving better training. However, the problem of customer handling didn't get that much attention. Still it is not part of the training.

From the interview conducted by the researcher, we can understand that, the main problem of Addis Ababa Bole International Airport Immigration Department is shortage of

manpower. If there is shortage of manpower it is obvious that the department couldn't render prompt service to its customers. Since, the department is rendering service for more than 3000 incoming passengers on a daily bases it should have enough workforce that can facilitate there passengers in a few minutes. But, practically as per the interview conducted by the researcher and observation of the researcher as well, there are few front line officers in few desks which didn't match with the number of the incoming passengers. And this creates long queue that forced passengers to wait for 1 to 2 hours to get immigration service that make not to be responsive. This is also confirmed in the mean and regression tests which resulted responsiveness has a least mean and the higher beta coefficient related with the other dimensions on customer satisfaction. Because, responsiveness dimensions measure the ability and willingness to provide prompt service when customers have questions/problems (Zeithaml*et al* 2002).Understanding customer requirements and developing the level of service based on responsive feedback enhances service satisfaction and trust (Gummerus*et al* 2004).According to Fodness& Murray, (2007) Services were defined as any activities or services that the airport offered in order to facilitate passengers' choice of how to use their waiting time in the airport. Time is a scarce resource in an airport, because the airport experience demands a significant time commitment.

The extent to which the airport facilitated or frustrated passengers' use of time could have a significant effect on passengers' perceptions of the overall quality of their service encounter.

According to Gowan*et al.* (2001 Management needs to recognize the importance of the behavioral aspects of service as customers place great emphasis on FLE response to their needs that can vary according to the occasion or purpose for the service. Management needs to ensure that there is appropriate selection and training of FLE so as to perform and display the qualities of responsiveness and reliability regarded by customers as being important (Ibid). In this regard, from the answers of the interviewees we understand that in addition to the manpower shortage, training with relation to the customer handling didn't take place in the department.

# CHAPTER FIVE

## Summary of Findings, Conclusion and Recommendation

### 5.1 Summary

The basic interest of this study was to examine the effect of service quality on customer satisfaction in the case of Addis Ababa Bole International Airport Immigration Department. The 5 dimensions and 22 service item of the SERVQUAL model was used to investigate the relationship between the service quality dimensions and customer satisfaction. The data obtained from the respondents was analyzed using various statistical tools.

The result of the background information of respondents indicated that the majority of the respondents are male (59.5%) and the remaining 40.5% are Females. When we see the age of respondents 55.6% the majority of the respondents are within the age of 30 to 39. Regarding the education background, 67.4% which is majority of the respondents are masters and above.  Regarding the frequency of the service and time it takes to get the service 83.6% of the respondents have pass through the immigration control for more than six times and for the 66.8% of the respondents the service took 30 to an hr. and for the 21.1% of the respondents took 1 hour to two hours. Concerning the access of information about the service of the department 63.2% of the respondents get information after their arrival orally by the front line officers and lastly 39.1% of the respondents are Ethiopians and the rest 60.9% are foreigners.

From the mean result it is observed that customers were most satisfied with tangibility dimension of service quality followed by assurance, reliability, and assurance and then finally responsiveness dimension of service quality. The results tell as customers are not satisfied with responsiveness dimension. The finding from the correlation result reveals that despite their degree relationship, there is a positive and significant relationship between the service quality dimensions and customer satisfaction. Empathy has a positive significant correlation with customer satisfaction and the findings from the inter correlation indicates that the moderate relationship is found between reliability and customer satisfaction. Hence, the results of correlation analysis answers question number four and showed that, even if the moderate relationship with the reliability dimension with the customer

satisfaction is a positive relationship between the "service quality dimensions and customer satisfaction"

In addition to that the finding from the regression result indicates all the service quality dimensions have a positive effect on customer satisfaction and responsiveness is the dominant service quality dimension which affects customer satisfaction. The results of correlation analysis answerers question number two and shows the dominant service quality dimension.

Thus the findings are important to enable the department to have a better understanding of customers 'perception on the level of Addis Ababa Bole International Airport Immigration Department service quality and consequently it helps the department to know how to improve the satisfaction of passengers with respect to aspects of service quality dimensions.

## 5.2 Conclusion

Understanding the relationship between airport immigration service quality and customer satisfaction is important for the managers of airport immigration department and MDINA as well. Using the SERVQUAL instrument, this study will help the department to identify important areas for improvement in its service delivery. It has clear implications for service quality measurement and management of airports immigration.

The study was conducted to examine the effect of service quality on customer satisfaction in Addis Ababa Bole International Airport Immigration Department. The finding of the study indicates that customers of Addis Ababa Bole International Airport Immigration Department were not satisfied by the five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy).

The finding of the study also indicates that, there is a positive and significant relationship between overall service quality dimensions and customer satisfaction. In conclusion this means that delivering a service with high quality will lead to a higher customer satisfaction. Customers were most satisfied with tangibility dimensions of service quality. However, customers were less satisfied with responsiveness dimensions of service quality. The correlation result shows that, the three service quality dimensions (empathy, tangibility and responsiveness) are positively and significantly related with customer satisfaction and

assurance and reliability has the moderate value. So from this we can conclude that if the department focus on those 3 dimensions more then, the outcome that gets from customer satisfaction will be high and positive.

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In terms of the stated research questions the following specific empirical findings emerged from the investigation: The five service quality dimensions including responsiveness, tangibility, reliability, assurance and empathy have positive and significant/moderate effect on customer satisfaction. The findings of this study also indicated that all service quality Dimensions are important factor to have a positive and significant effect on customer satisfaction.

## 5.3 Recommendation

In this section, a list of recommendations has been presented based on the findings of the survey conducted. In relation to the findings, the study came up with following recommendations:

- Empathy is the dimensions of service quality which is important for customer satisfaction. So Bole International Airport Immigration Department should focus on this dimension to keep its promise and deliver a quality service in order to raise the level service quality and customer satisfaction.

- As per the result of the study next to empathy, Tangibility has a highest impact on customer satisfaction. So Bole International Airport Immigration Department should work with physical facilities like modern equipment and make them visible to their customers those materials associated with the service.

- Responsiveness also has the strong relationship with customer satisfaction. As we can see from our data finding there is a low level of satisfaction on responsiveness dimension in Bole International Airport Immigration Department. So the department should make mailing a transaction slip immediately, calling a customer back time and giving prompt service. Responsiveness has also high beta coefficient of a unit increase in responsiveness leads to .343 and increases in customer satisfaction other things being constant. Therefore the more the department invests on enhancing its

employee's ability to help customers and be responsive to customer's enquiry, the more the customer will satisfy.

- On the other side, clients' complaints and compliments should be managed. It is key information on areas that needs to improve. The clients' complaints can serve as an eye-opener.

- Additionally, customer service team shouldn't being forgotten to be motivated by the company. Great things happen to the target clients when employees are happy. If people are satisfied with their jobs and happy to be part of the team, they will work hard to achieve more for the organization.

### 5.3.1  Relates to Manpower

As far as the observation of the researcher and the response of the interviewees, in Bole International Airport Immigration Department shortage of manpower is becoming a big challenge. With this problem in hand the department couldn't give prompt service for its customers. Therefore, MDINA should think of about the manpower shortage of its airport branch.

### 5.3.2  Relates to Training

Service quality will rely on excellence service providers. To provide a quality service for the customers', there must be talented and inquisitive persons in addition to this service giving organization should have security awareness and the technologies shouldn't be outdated. The department needs to provide more training in related with "customer handling" for FLO to enhance their customer service skills. The training should focus on FLO because they have to have the ability to help customers resolve their queries and problems quickly. In the process of resolving such problems, they should show a caring, courteous attitude and a sincere interest in helping customers. Furthermore, FLO should improve their knowledge and skills so that they can provide a fast and reliable service to their customers. In this study responsiveness is the most dominant service quality dimension which has a highest positive beta coefficients with customer satisfaction. Therefore, the Department should work on the indicators of this dimension i.e. should invest on trainings to enhance

its employees knowledge and behavior, and also should ensure that customer feels safe in all transitions made.

For the communication or language problem, the department is better to recruit those who can able to communicate, otherwise, since they are working at international airport in all shifts the department should have translator who can able to communicate with the international languages.

### 5.3.3 Relates to Assessment and Feedback

According to Cain and Jun (2010), assessing internal and external customers perceptions and expectations of service quality can result in improved service quality. So feedback is a form of communication that provides information can help the service providers to improve their efficiency and effectiveness and also ensure if resources are spent effectively. Customers need to tell how they're doing. Without feedback, it is like walking in the dark. Feedback is the cheapest and most powerful, under used management tool that we have at our disposal. However, in Addis Ababa Bole International Airport Immigration its importance seems ignored as the response of the interview the researcher conducted. Therefore, understanding the importance of feedback assessments is very crucial to the management of the department. If effective feedback is designed into a performance management program, individual and team performance will improve, which will make the department more effective and also the department can improve customer satisfaction

In general, all Service quality dimensions listed in the model of the study have impact on overall service quality and customer satisfaction of Addis Ababa Bole International Airport Immigration. Based on these dimensions, customers perceived overall service quality and satisfaction is low. So that immigration should work hard on all these service quality dimensions to improve its service quality and customer satisfaction of the immigration.

Future researchers, who want to investigate similar area, may include outgoing passengers as an input customer of Ethiopian investigate the level of service quality and customer satisfaction among itself and its main competitors using other service quality measurement tools. Since this study focus only on the effects between service quality and customer satisfaction, future researchers may include other factors that can have a big impact on customer satisfaction and do a survey.

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**St.mary's University College of Business and Economics**

**Department of Management**

**Questionnaire to be filled by customers**

Dear Airport Immigration Department Customers:

I am an MBA student in St.mary's University. As part of my studies, I am carrying out a study on the effect of service quality on consumer satisfaction at Addis Ababa Bole International Airport immigration Department. You are selected to participate in this survey, and I would appreciate you for answering all the questions. Please answer the following questions as candidly as you can! It takes only 10-15 minutes. Please be assured that the responses you give are for academic purposes only and don't put your name on the questionnaire. No individual answers will be analyzed. Rather, only composite information will be used.

Thank you for your assistance in providing this valuable information.

> **Note:**
>   ➢ Please put a mark \ √/ or write your opinion on the space provided
>   ➢ Your responses are confidential and used for research purposes only.

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## PART ONE: CHARACTERISTICS OF RESPONDENTS

1. Sex:      Male ☐      Female ☐

2. Age      18-29 years old ☐      30-39 years old ☐

      40-49 years old ☐      50 years old and above ☐

3.  Nationality          Ethiopian ☐

                         Foreigner ☐

3.  Educational status:

              A. 10th/12$^{th}$ Complete ☐

              B. College Diploma     ☐

              C. First Degree        ☐

              D. Masters & above     ☐

4. Occupation

              A. Private          ☐

              B. Government       ☐

              C. Self Employed ☐

              D. Other Specify --------------------

1. How often do you pass through bole international airport immigration service?

       A. 1-3time ☐      B. 4-6times ☐       C.  More than 6   ☐

2. How much time did it take you to get the immigration service?

              A. less than 30 minutes  ☐

              B. 30 minutes to an hour  ☐

              C. 1 to 2 hours ☐

              D. More than 2 hours  ☐

3.  In which way do you receive information about services provided by the airport immigration department?  You can Choose/Select more than one answer.


              A. Other stakeholders ☐

              B. Oral explanation at information desk ☐

              C. Telephone  ☐

              D. Sign board ☐

              E. Website ☐

              F. There is no access at all ☐

## PART Two: MEASURING BASED ON THE FVE DIAMENTIONS OF SERVICEQUALITY

Please rank the following on a scale 1-5 to reflect your feelings and the extent to which you agree with the statements. The minimum you may rank is 1 and the maximum 5. This ranged from 1= strongly disagree, 2 = disagree, 3 = neutral   4 = Agree, 5 = strongly agree. You may rank 1, 2, 3,4 or 5.

| No. | Variables | 5 | 4 | 3 | 2 | 1 |
|---|---|---|---|---|---|---|
| | **Tangibility** | | | | | |
| 1 | The department uses modern equipment. | | | | | |
| 2 | The department's physical facilities are visually appealing. | | | | | |
| 3 | The department reception desk employees are neat appearing. | | | | | |
| 4 | Materials associated with the service are visually appealing at the department | | | | | |
| | **Reliability** | | | | | |
| 5 | When the department promises to do something by a certain time, it does so. | | | | | |
| 6 | When you have a problem, the department shows a sincere interest in solving it. | | | | | |
| 7 | The department performs the service right the first time | | | | | |
| 8 | The department provides its service at the time it promises to do so. | | | | | |
| 9 | The department insists on error free records | | | | | |
| | | | | | | |
| | **Responsiveness** | | | | | |
| 10 | Employees of the department tell you exactly when services will be performed | | | | | |
| 11 | Employees at the department give you prompt service. | | | | | |
| 12 | Employees in the department are always willing to help you. | | | | | |
| 13 | Employees in the department are never too busy to respond to your request. | | | | | |
| | **Assurance** | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 14 | The behavior of employees in the department instills confidence in you. | | | | | |
| 15 | You feel satisfied in your transactions with the department. | | | | | |
| 16 | Employees of the department are consistently courteous with you. | | | | | |
| 17 | Employees in the department have the knowledge to answer your questions | | | | | |
| | **Empathy** | | | | | |
| 18 | The department gives you individual attention. | | | | | |
| 19 | The department has operating hours convenient to all its customers. | | | | | |
| 20 | The department has employees who give you personal attention. | | | | | |
| 21 | The department has your best interest at heart | | | | | |
| 22 | The employees of the department understand your specific needs. | | | | | |
| | **Overall Quality and Satisfaction** | | | | | |
| | Overall I am satisfied with the services provided by Bole Immigration Department. | | | | | |
| | In General, the service quality of Bole Immigration Department service is good. | | | | | |