

The Impact of Employee Satisfaction on Functional Quality Services at Chicken Inn Outlets in Harare, Zimbabwe

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Abstract

The study was focusing on the impact of employee satisfaction on functional quality services at Chicken Inn outlets in Harare. The main objective of the study was to find the relationship between employee satisfaction and functional quality. Causal research design was used to find out how employee satisfaction affects the functional service quality of Chicken Inn and the study used questionnaires for collecting primary data. Probability and simple random sampling techniques was used in selecting the respondents. A sample size of 123 was used for the study. The data collected was analyzed through the use SPSS by regressing and correlating the variables in order to determine the strength of the relationship. The research findings from the hypothesis tests explore that there is a moderate relationship between employee satisfaction and functional quality. The study recommends Chicken Inn to adopt internal marketing as a way of satisfying employees internally as they are the ambassadors of the company. The company should also apply performances appraisals and several training on monthly bases so that the employees will be equipped with the required skills to cope up with changes in technology in the hospitality industry.

Keywords: Employee satisfaction, Service quality, functional quality

1.0 Background of the study

Services quality has attracted many researchers for many years (Cronin and Taylor, 1992; Gronroos, 1984). Service quality is a determinant of whether an organization sinks or swims in the aggressive competition that characterizes the business world (Gronroos, 2007). Providing excellent service quality is widely recognized as a critical business requirement and many organizations are concerned with how they deliver their services (Kotler, 1983). Chicken Inn has been the market leader in the fast food industry for the past 25 years. It has established branches in Zimbabwe, Kenya, Zambia and Ghana offering a wide range of fast foods such as fried chicken, hand-cut chips and fried chicken burgers which helps it to effectively position itself in the mentioned African countries. The food outlet has been operating effectively and efficiently since 1987 when it has first introduced in Harare Zimbabwe. However the invading of other giants such as Chicken Slice, KFC, Food Express, Bhello and Nandos into the industry has led the company to face stiff competition. The statistics from an article by the Herald newspaper (02 /01/ 2016) shows that its market share decreased by 5 percent from 2014 to 2015 as well as the profits which declined by 10 percent. The shrinking of Chicken Inn profits and market share has led to financial instability. This has resulted in company employing inadequate staff due to insufficient fund to employ many workers. The company employees are now exposed to 10 working hours instead of 8 normal working hours agreed by the labor law. The employee fails to be consistent in the service delivery which resulted in low performances compromising the service quality in terms of waiting time and cleanliness of Chicken Inn. The company is failing to compensate for the overtime which is against the labor law. The floors, sinks and the serving tables are mostly seen with remaining containers, empty cans and splashes of foods from previous served customers. The order processing of Chicken Inn takes time leading to long waiting period as well as customers' dissatisfaction. Competitors in the fast food industry are adopting innovative practices and focusing into venturing new products lines with different strategies to trap customers. They are mainly concerned with improving service delivery through satisfying the employees by providing good working conditions and hence improving service quality. It is against this background that leads the researcher to explore the impact of employee satisfaction on service quality on Chicken Inn restaurants in Harare.

2.0 Literature Review

The food industry is the fastest growing sector in the world. In order for the organization to increase the capacity for achieving service quality in this sector requires the theoretical understanding of the relationship between employee satisfaction and service quality. Kludge, Stan and Litch (2006) postulated that in order for the business to be successful they must generally have knowledge of how best can they facilitate service quality. The theoretical framework refers to the collection of interrelated concepts and theories supporting the topic (Kotler, 1998). The researcher looked at the theoretical literature that is related to the relationship between employee satisfaction and functional quality.

2.1 The relationship between Employee Satisfaction and Functional Quality.

Gronroos (1984) service quality model proposed that functional quality refers to how services organization provides their service to consumers. Cronin and Taylor (1992) postulate that functional quality refers to the interaction process between an employee and a customer during service delivery that is the responsiveness and reliability of the service. Levitt (1981) asserts that many benefits derived by customers from the service occur not as a result of what is offered but as a result of the way it is offered. This relationship is greatly influenced by the way in which the company personnel deliver the perceived service quality to the customers and how customers appreciate the service delivery process. The relationship is supported by service climate framework and Herzberg two factor theories.

2.1.1 Services climate framework

Services climate framework also support the relationship between employee satisfaction and functional quality (Schneider, 1990; Heskett et al 1992). The theory explains the perceptions of employee towards the organizational support and facilitation of service performance which determines the quality of the service they deliver to the customers. This means that if the employee has positive perception towards the service delivery set up provided by the company he or she will be satisfied and able to deliver good service quality. The theory also emphasis on how employee view managerial policies and the organizational services climate affect attitudes and behavior of employees and its consequences to customer responses when service delivered (Yoon and Seo, 2004). This implies that if the service employee is unhappy in their job, this will distort the functional quality that will be transferred and customer satisfaction will be difficult to be achieved (Kottler and Armstrong, 2004). Kamakura, Wagner, Mittal, De Rosa, Mazzon (2002) explores that many service operations which have personal interaction between employee and the customers during service delivery, the action of employee on the interaction strongly influence the customer's perception of service. Therefore the management of the service organization should train their employees to carry out their tasks competently and smoothly. The management is responsible to motivate them to go an extra mile during service delivery.

2.1.2 Herzberg's Two Factor Theory

The relationship between employee satisfaction and functional quality is also supported by Hertzberg's two factor theory. Herzberg (1984) proposed two broad categories which are hygiene factors and motivation factors. The theory explores that there are certain factors in the work place that cause satisfaction while other factors cause dissatisfaction. The factors that led to employee satisfaction are achievement, intrinsic interest in the work, responsibility and advancement. This implies that at the work place employees are motivated by those factors and the present of these factors at work will result in an employee being able to deliver high service quality. The dissatisfies are company policy and administration, supervision, salary, interpersonal relations, working conditions and job security lead to dissatisfaction of employee if they are not properly formulated. This means that the organization should be aware of these factors and avoid them as they cause dissatisfaction to employee, hence hygiene factors are needed to ensure that an employee are satisfied. Motivation factors are needed to motivate an employee to deliver high service quality to the customer.

Brown and Mitchel (1993) examined the relationship between employee satisfaction and functional quality in service operations through a survey of 206 service shops in Hong Kong and the results show that there is positive relationship between employee satisfaction and functional quality. However this research is different from that of Brown and Mitchel (1993) in that this research focused on one company Chicken Inn and this is an advantage in that the researcher will be doing an in-depth analysis thereby gathering adequate information. In another research conducted by Frei (1997) on American Banks the major concern of this study was to examine the relationship between functional quality and employee satisfaction. The findings from this study suggest that consistent of functional quality is very important to employee satisfaction when business is operating. The study asserts that banks with good and consistent processes enjoy higher financial performance. The relationship between employee satisfaction and functional quality has proved to be positive in the research done by Roth and Jackson (1995). The main objective of the study was to investigate the strategic determinants of service quality and the results show that functional quality has a significant impact on employee satisfaction. The study further explore that functional quality is determined by the employee skills which is applied when serving a customer. In another research conducted by Choudry (2007) the main objective of this study was to explore the dimensions of service quality in the context Indian retail banking industry. The service quality parameters have been used in the context of four largest banks to identify the underlying dimensions using factor analysis. The study proves that functional quality is determined by employee's satisfaction that in turn leads to customer satisfaction and reveals that there is positive relationship between these two. The results also exerts that if banks managed functional quality and satisfy employee there will be high chances for the banks to gain the competitive advantages over its competitors. Tsikriktsis and Heineke (2004) conducted a research on the relationship between employee satisfaction and functional quality in driving service quality in the US Airline industry. The study use a sample of 300 respondents and SERVIQUAL instrument was used to measure functional quality using responsiveness, reliability, assurance, tangibility and empathy (RATER) of employee. The results show that there is relationship

between employee satisfaction and functional quality. The research differs from this study in the sense that the current research will not make use of the research instrument that was used by the previous researcher. The relationship was also supported by Woodside, Frey and Darley (1989) on linking functional quality, employee satisfaction and behavioral intentions, the results show that employee satisfaction and functional quality has a strong relationship. The researcher adds that an increasing number of companies are now focusing on functional quality in order to ensure effective performance on service quality dimensions. This implies that the mood of the employee on the process of the service delivery is very crucial. Leblebici (2012) studied on the relationship between employee satisfaction and functional quality in a foreign private bank in Turkey and discovers that there is positive relationship between employee satisfaction and functional quality (the process dimension). The results prove that there is positive relationship between employee satisfaction and work environment in which the employee operates on. He went on stating that the quality of the machines, equipment and wellness in the workplace may simply determine the level of employee satisfaction, motivation, subsequent performance and productivity. In another research carried by Peltier and Dahl (2009) on the relationship between employee satisfaction and hospital experiences, the main objective of the study was to determine the extent to which employee satisfaction relates to the quality of the patience experience. The research shows that there is direct and positive relationship between satisfaction of employee and the quality of the patience experiences. In a study conducted by Maddern, (2009) also looked into the relationship between functional quality and employee satisfaction in the banking sector. The results show that there is moderate relationship.

3.0 Research Methodology

The researchers used the causal research design in this study. This research design helps to examine and explain the cause and the effect of employee satisfaction on functional quality of services at Chicken Inn outlets in Harare. The target population for this study are all employees and customers of the Chicken Inn outlets in Harare. The researchers used probability sampling techniques and simple random methods to collect the required data. The sample size for the research was adapted from Saunders et al (2005). The population size from the Chicken Inn customer database was 150 daily transactions who translate to the sample of 108 dyads of interactions between employees and customers (15 employees and 108 customers) of Chicken Inn testing at 95% level of confidence level. Questionnaires were used for collecting primary data. The research questionnaire used in this study was an adapted version of Gronroos, (2004) for measuring services quality and Job descriptive Index was adapted from Lock, Smith, Kendall, Hullin and Miller, (1964) for employee satisfaction. The researchers used Statistical Package for Social Sciences (SPSS) software to analyze the data and the SPSS software enables the researcher to use regression analysis to estimate the relationships between the variables. The data was presented in form of tables for easy understanding.

4.0 Findings and Analysis

The research hypothesis was analyzed using the bivariate and regression analysis. The discussion and conclusion obtained are presented below.

4.1 The relationship between Employee satisfaction and Functional Quality

The first hypothesis states that there is a relationship between employee satisfaction and functional quality. The results of the hypothesis from the regression analysis are shown by the Table 4.1 below:

Table 4.1: Regression coefficient of Employee satisfaction on Functional Quality

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.625	.315		6.356	.000
Functional quality	.588	.015	.664	14.886	.000

a. Dependent Variable: employee satisfaction

Table 4.1 show the results of the relationship between employee satisfaction and functional quality. The results show that there is moderate and significantly positive relationship as evidenced by a standardised regression coefficient of .664, $p = .000$ and the t value is above 2 which show a significant relationship. This means that a change in the level of employee satisfaction cause change in functional quality. Since the results prove that there is a relationship, therefore the above hypothesis is accepted.

Table 4.2 The model summary of employee satisfaction and functional quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664 ^a	.440	.154	.892

a. Predictors: (Constant), employees satisfaction

Table 4.2 show the model summary that R square is .440 which implies that 44% of the changes in functional quality are caused by the employee satisfaction where as 56% is explained by other factors.

4.2 Discussion of results

The finding from the research hypothesis testing of employee satisfaction and functional quality show from the Table 4.2 the standardised coefficient was .664, $p=.000$ shows that there is moderate relationship between employee satisfaction and functional quality. The results slightly differ from the findings of the research done by Brown and Mitchel (1993) who find that there is strong relationship between the two, the results was different due to the sample that was used in the studies. Brown and Mitchel (1993) conducted his research in Hong Kong using a sample of 206 service shops whilst this research was confined to one Chicken Inn outlets in Harare using a sample of 123 with 108 customers and 15 employees. The findings of Bowen and Mitchell (1993) agree with the results found by other reseachers which are Frei (1997) on his research using American Banks, Roth and Jackson (1995) and Choudry (2005) on their research as which prove that there is positive relationship between employee satisfaction and functional quality. The different of results of this study maybe was caused by the measurement scales which were used the researches. Parasuraman et al., (1985) who assert that if employees are not happy they do not process the functional quality dimension properly leading to the decreasing of the services quality standards of the company hence leading to customer dissatisfaction. Therefore management of Chicken Inn must note that, it is vital for the organizations to advance the levels of employees satisfaction as it lead to increased functional quality that the customer receive from a satisfied employee. Basing on the results from this research implies that a slight change in employee satisfaction could also cause a slight change on the functional quality. This means that changes in one variable (employee satisfaction) is accompanied by change in functional quality.

5.0 Conclusion and Reccommendations

In conclusion employee satisfaction is the major determinant of services quality in terms of functional quality in the fast food industry. Basing on the findings obtained after conducting a detailed analysis the researcher concluded that there is a strong relationship between employee satisfaction and company image. Based on the above conclusion it is recommended that the top management of Chicken Inn should educate their employees on how to deliver their service and this help to improve the standards of the service quality as employees will have enough knowledge. The company must also engage on performance appraisals on certain bases which can help to assess employees to see whether they meet the required standards of the organization or not, so that if there is deviation on the standards they will implement them. This strategy can also be facilitated by introducing performance based paying rate system which helps the organization to have high standards. The company is also recommended to give incentive and competitive remuneration to employees because a competitive remuneration increases employee satisfaction and in turn increase their service standards. Heskett et al (1994), Brudney and Condrey (1993) believe that a good incentive system encourages employees to be productive and creative as well as being loyalty and stimulates innovation. The company is also recommended to provide employee with normal working hours. This will motivate employees so that they will be goal oriented and strive for achieving the objectives of the company they are attached. They would also prevent the company image. The company is recommended to practice adequate orientation of employees and continuous training of the staff periodically. Training is vital since it helps the employees to know what is expected from them. This will address the gap in knowledge of procedures, products and equips the employee to be able to perform to higher standards. Training contributes the understandings of every person with in an organization because frontline employees they do not work in isolation from other departments and every member of the organization should have the knowledge of the whole aspects within the organization. The company should also include employees in decision making which improve communications and helps in dissemination of useful information upwards and downwards between top management and employee which will help everyone to understand what is really on the grounds. This study recommends further research on some practicalities areas such as training of employees and its implication to services outcomes, the use of technology in enhancing service delivery and the roles of employees in service delivery need to be clearly elaborated in order for the organisations that is operating in Food industry to succeed.

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