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**INTERNAL SERVICE QUALITY AND ORGANIZATIONAL
COMMITMENT IN DBKU**

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ABSTRACT

The purpose of this study is to determine the relationship between internal service quality and organizational commitment among the employees of *Dewan Bandaraya Kuching Utara* (DBKU). The target population in this study involves the employees of DBKU from all of its departments, selected using random sampling technique. 350 questionnaires were distributed with the respond rate of 84% or 295 questionnaires. The questionnaire was measured with the scale of internal service quality developed by Hallowell, Schlesinger, and Zornitsky as well as the measurement with the scale of organizational commitment developed by Meyer and Allen. The internal service quality model developed by Hallowel, Schlesinger, and Zornitsky (1996) was used and slightly modified for the purpose of this research as the conceptual framework. This research used Anova, Pearson's correlation t-test, regression, frequencies, standard deviation, and mean among others in order to test the variables. Hypotheses were tested by using the various tests mentioned in order to find the relationships and significance of them towards organizational commitment. Each of the hypotheses tested the effect of internal service quality, the dimensions of internal service quality, length of service, and gender towards the DBKU's employees' organizational commitment. Findings from this study include: (1) internal service quality has a strong positive relationship towards organizational commitment; (2) there is a significant difference in organizational commitment based on length of service, whereby longer service results in higher level of organizational commitment; (3) there is no significant difference in organizational commitment between male and female; and (4) policies, procedures, and tools is the strongest determinant of organizational commitment. This study recommends future researchers to: (1) use a bigger scope of study that covers a bigger geographical area; (2) use moderator and mediating variables; and (3) use different data collection method such as interview. Therefore, it is clear that internal service quality has a great influence on organizational commitment of the employees of DBKU.

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter particularly, focuses on the internal service quality that have in public sector. It also focuses on organizational commitment due to the internal service quality. Specifically, it will emphasize in the public sector in Malaysia.

1.1 Background of the Study

Internal service quality is the comparison of the internal customer (employees) expectation and the actual service delivery from the organization. It is the service quality among the departments in the organization and the quality of service received by the employees from the organization. This can be seen through the procedure of the organization's service delivery, the service delivery time, and so on.

Past studies indicated that internal service quality has received little attention in the empirical literature, although certain aspects of it have received theoretical discussion during the time of Barnard (Hallowell, Schlesinger, & Zornitsky, 2002). This shows that the topic of internal service quality was previously regarded as insignificant in the management field. However, in the past decade, this topic has been examined as a holistic concept (Hallowell et al., 2002). Through this, the relationship between internal service quality and the employees' behaviours has been studied. Generally, a satisfactory or good internal service quality will lead to positive behaviours among employees such as high organizational commitment, good job performance, and high motivation in the workplace.

Organizational commitment is the employee's emotional attachment to, identification with and involvement in a particular organization (McShane, Olekalns, & Travaglione, 2013). With organizational commitment, the employee of an organization is more likely to be motivated in doing their job. Organizational commitment shows a strong, positive influence on employees' internal service quality, and that organizational

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter provides a review of the literature on the internal service quality and organizational commitment. Section 2.1 explains on the internal service quality. Section 2.2 discusses regarding service quality components. Section 2.3 discuss on the geographic factors that is length of service and gender. Section 2.4 discusses regarding on organizational commitment. Section 2.5 on the order hand, discusses on the relationship of internal service quality and organizational commitment. 2.6 explain on relationship of geographic factors and organizational commitment Section 2.7 provides the conceptual framework. Finally, Section 2.8 is identifies the hypothesis of the study.

2.1 Internal service quality

Internal service quality comprises of service quality and internal services. Service quality refers to the extent to which a service meets customers' expectations (Palmer, 2005). This means, there is a positive gap between customer perception and expectations of a service offer (Parasuraman, 1985). Service quality is also considered to mean the outcome of an evaluation process, where the customers compare their expectations with the service they have received (Gronroos, 1984).

Internal service refers to services provided by the organizational units or people working in these departments to other units or to the employees within an organization (Miguel, 2006). According to (Azzolini, 1998), internal service can be