Contrastive Analysis of Insurance Services Quality from Iran Insurance Staffs and Customers' Point of View

1Zahra Ebrahimi Kia and 2Yasan Allah Purashraf

1Department of Management, Science and Research Branch, Islamic Azad University, Ilam, Iran.
2Assistant Professor and Faculty Member, Ilam University, Iran

ABSTRACT

The aim of present study is to contrastive investigation of insurance services quality from Iran insurance staff and customers' point of view. The population of this research was headship and branches of Iran insurance staffs and customers in Ilam province. The total number of participants was 257, that according to morgan table the size of statistic sample was 155. Since in part of customers the statistic sample is large and inaccessible, it was preferred to use accessible sample. The size of customers' sample was 196, that was selected randomly. The used model for designing research questions was Servqual standard model. This model includes five aspects of observables, reliability, confidence, responsibility and sympathy. These were investigated based on a five rank scale. For data analysis t-test was used. The results of study shown that there is no difference between staffs and customers' understanding from organization services quality. Also, there is no deference between staffs and customers' understanding of reliability, security and responsibility aspects of organization services quality. But there is a significant relationship between staffs and customers' understanding of physical aspect (Perceivable factors) and sympathy aspect about organization services quality.

INTRODUCTION

Today, services department plays a key role in economics of countries so that more than 75 percent of national gross production of developed countries is related to their services department and this is increasing, constantly. In present world because of severe competitive pressures, one of the important strategies that organizations through it can achieve long lasting competitive advantage, is improving their services quality [6]. Improving services quality have worthy and valuable results for organizations, finally results in customers' satisfaction and loyalty, achieving more market share and more profitability of organization [13]. One of the most important strategies that servicing organizations through it can achieve stable competitive advantage is improving their services quality [10]. Importance of paying attention to services quality is considered not only in commercial (profit- making) companies, but also in noncommercial (nonprofit- making) organizations like charitable associations and religious organs like churches. Different investigations in this field show that improving services quality has valuable results for organizations and finally leads to customers' satisfaction and loyalty, achieving more market share and more profitability of organization [3]. Today those servicing organizations that don't pay attention to services quality can't be success in their business. Generally it can be said that now services quality as a strategic lever has a special role in success of services organizations [7]. It is not surprising that most of researchers have paid more attention to subjects such as services quality. Services quality management, evaluation of organizations' services quality, etc. As mentioned above, today because the increase of competition, organizations must follow to increase their services quality and in different times evaluate their services quality so that to enter the cycle of organizations' competition. According to the importance of insurance in any country and services quality is considered as competitive advantage, the main aim of this study is to investigate services quality aspects from Iran insurance staffs and customers' point of view of Ilam province. The main question of this research is that is there any difference between insurance services quality from Iran insurance staffs and customers' point of view in Ilam province?
Background of Study:

Kambel, Danly & Visniosky have done a research by the title "evaluating the function of services quality in Scotland's sterling library by using Servqual instrument". The findings of this study shown that in two aspects of five aspect of Servqual, because of budget shortage, there is a significant difference between presented services and expected ones.

Yeng in his study by the title "quality of websites services of figurate society", investigated users' satisfaction of figurate society websites by using a questionnaire based on Servqual model. In this study, students of three authorized universities in Taiwan were considered as research sample. The results of study shown that by increasing services quality, both respect to resources and function, users' satisfaction of web sites will increase.

Masmandis, et al [12] in a research title "investigating services in Greece ski centers based on multi attribute measuring model", they used Servqual model and investigated eleven center. The findings of their research shown that advantages and importance of Servqual five dimension model among centers were different. Generally perceivable aspect is more important than other aspects. The degree of importance of other aspects is according to the following order reliability, responsibility, security, sympathy.

Landrum, et al [11] have done a research by title "investigating services quality by using Servqual model" they investigated customers' understanding of relative importance of Servqual aspects. The findings of their study shown that the degree of aspects' importance from customers' point of view by order is as follow: observables, reliability, sympathy, confidence and responsibility.

Kebriaei & Roodbari have done a study by title "qualitative difference of educational services in medical sciences in Zahedan University". The results of study shown that in all qualitative aspects the students' expectations of providing services are more than their understanding, sympathy and reliability have most and generally negative qualitative differences, respectively.

Hagh khah has investigated influential factors on leasing services quality in country automobile industry. The results of this research shown that the degree of services quality in country automobile industry influenced by reliability, sympathy, observables, confidence and responsibility, respectively.

Review of Literature:

In order to determine services exactly, most of early researches have stressed on difference between services and consuming goods. These deference's are related to services features. These features distinguish services from goods According to Cartez & Klue (2002) services have four main features that goods haven't these features. These are include: intangibility, unstability, indivisibility, and heterogeneous. Brink & Brendet stated that services quality include all activities that organizations and their staffs have done for customers' satisfaction and consent. Services are intangible, they are activities or actions, not things that can be observed. In stead goods are tangible. For rendering an intangible service it may need to physical or mental presence of customers [5]. Unstability of services means that it can not store services. The degree of services unstability influenced by their intangibility degree. This feature reveals that renders of services must render services correctly for the first time, this result in that customers can't check up services before rendering them [9]. Indivisible refers to production and consumption of services, simultaneously. Goods were produced and the sold, but services not [9]. Services can not separate from their renders. Whether these renders are human or machine. Since while rendering services, customers are present, both renders and customers have effect on services results. Heterogeneous refers to unwanted or accidental levels of services quality received by consumers of a service. Services are heterogeneous because they are produced by human [9].

From organizations' point of view services quality is related to needs and features of services quality. So they occur in a long period of time and influenced by different factors. Factors that can influence on the quality of servicing relationship include following aspects:
1. reliability 2. responsibility 3. confidence
4. sympathy 5. observibility

Customers apply all or some of these aspects for determining services quality understanding. Studies show that relative importance of these aspects influenced by cultural differences.

Reliability:

It refers to an organization's ability for rendering promised services, exactly and reliable. According to Yao, most of organizations are over exposure their services and give promises that really have no potential for doing it. His studies show that services quality of organizations are not limited to experiences that take place in the range of equipments and instruments, but include equipments such as library, laboratory and cafeteria. Reliability is a key aspect for evaluating services quality by customers. This evaluation is done while rendering services, what customers received or understand, and what renders have been promised.
Confidence:
It refers to salers' ability to present products based on staffs' knowledge, polite and confidence [9]. In an organization confidence depends on giving suitable guidance to customers. Confidence can be seen in staffs' knowledge, ability and humility for making belief and confidence of customers. According to this aspect organization's personnel must encourage customers to improve their skills, readiness level and health.

Responsibility:
It refers to staffs willingness to help customers and rendering emergency services. This aspect focuses on attention and urgency in facing needs, questions and complaints of customers. They offered that renders of services must be active and volunteer to help customers and render them urgent services. Also they must flexible in solving customers' problems and satisfying their needs. Servicing organizations must have ability to satisfy special needs of customers. Interactions and communications are key factors in services quality. Through interactions and communications staffs obtain opportunity to prove their ability for helping customers, during this period customers investigate and evaluate the degree of organization's attention.

Sympathy:
It is considered as servicing personnel's attention to customers while rendering services. Sometimes there are different challenges for satisfying customers' needs and expectations. Renders of services have to render services in an agreement time in order to solving problems of customers, this has effect on individual attention and sympathy towards customers.

Observables:
Visual elements of organizations are important for organization's efficiency, whole understanding of organization and commercial marks. Generally, servicing organizations in order to improve their popularity and rendering qualitative services, use observables. Observables are considered as an important part of services these services renders by customers and proprietaries. Where services physical presence in the process of rendering is worthwhile. Customers need more observables for determining services quality from five aspects. These five aspects are:
1. Tangibles: The appearance of equipments and physical instruments in workplace.
2. Confidence: The ability of rendering service organization in practice, fulfilling their promises exactly and constantly.
3. Responsibility: Organization's willingness and interest to help customers and rendering services in time.
4. Guarantee: Staffs' and organization's knowledge, skill and competence for obtaining customers' confidence.
5. Sympathy: Sympathy with customers and paying special attention to him/her and effort to understand customers' needs.

Servqual model based on 22 character evaluated customers' expectations of services and by using analysis leakage between customer's understanding and expectation. Also this model is known as leakage analysis model (Brokez, 1999). This was invented by parasoorman and Zithamel. Also this evaluates rendering services quality from five aspects. These five aspects are:
1. Tangibles: The appearance of equipments and physical instruments in workplace.
2. Confidence: The ability of rendering service organization in practice, fulfilling their promises exactly and constantly.
3. Responsibility: Organization's willingness and interest to help customers and rendering services in time.
4. Guarantee: Staffs' and organization's knowledge, skill and competence for obtaining customers' confidence.
5. Sympathy: Sympathy with customers and paying special attention to him/her and effort to understand customers' needs.

Servqual model based on 22 character evaluated customers' expectations of services and by using analysis leakage investigated services quality. Final goal of this model is guiding organization towards elevation of function [2]. Today, services quality can help an organization to distinguish itself from other organizations and to achieve stable competitive advantage [1].

Figure 1 shows qualitative five aspect leakages in forming and rendering services. These leakages include:
1. Leakage among real expectations of customers, staffs' understanding and managing these expectations.
2. The leakage among manager's understanding from customers' expectation and designated features of quality.
3. The leakage among services quality standard and services that renders to customers in practice.
4. The leakage among servicing quality that renders and the servicing quality that was promised to customers.
5. The leakage among customers' expectations of receiving services and servicing quality that was received in practice. In other words it is a leakage between customers' expectations and understanding.

The fifth leakage that represents the distance between customers' understandings and expectations of servicing units, is depend on other leakages, so it is known as qualitative leakage".


Research Hypotheses:
First hypothesis: There is a difference between staffs’ and customers' understanding from rendering services quality by Iran insurance company.

Research Alternative Hypotheses:
First alternative hypothesis: There is a difference between staffs' and customers' understanding from physical aspect in rendering services by Iran insurance company.
Second alternative hypothesis: There is a difference between staffs' and customers' understanding of confidence aspect in rendering services by Iran insurance company.
Third alternative hypothesis: There is a difference between staffs' and customers' understanding of guarantee aspect in rendering services by Iran insurance company.
Fourth alternative hypothesis: There is a difference between staffs' and customers' understanding of responsibility aspect in rendering services by Iran insurance company.
Fifth alternative hypothesis: There is a difference between staffs' and customers' understanding from sympathy aspect in rendering services by Iran insurance company.

Research Methodology:
This present study with respect to practical end and based on methodology is a descriptive research. The guide for gathering data in this study is surveying and the instrument for gathering data is a questionnaire. Statistic sample in this study is staffs' and customers' headship and branches of Iran insurance company in Ilam province. Sampling was done among staffs and customers. As the statistic sample is all managers' staffs and administrations of different units in different organizational levels in administration and branches of Iran insurance company of Ilam province. The total size of statistical sample equals to 257, that the size of sample according to Morgan table is 155.

The sample of customers was selected randomly. Since the statistical sample framework is not accessible so the values of p, q are equals to 0.5. That customers' sample size with 0.07 error and significant level 0.95 equals to 0.196.

The model used for designing research questions was Servqual standard model. This model includes 5 aspects. Tangible, confidence, reliability, responsibility and sympathy were investigated by 5 order scale from strongly agree to strongly disagree. Content validity of research questionnaire was investigated and accepted by 10 of experts. Stability of questionnaire was obtained 0.88 by Alpha Chronbach's coefficient. According to this value it can be infer that research instrument have suitable stability. For data analysis statistic descriptive was used. For testing hypothesis, t-test was used. Data was analysed by using SPSS.

Research Findings:
Data distribution was investigated through Kolmogorov- Smirnov test (K-S), the level of error of research variables was more than 0.05; so research variables have normal distribution (Table 1).

Testing hypothesis:
Main hypothesis: There is a significant relationship between staffs' and customers' understanding from rendering services quality of Iran insurance company. The test used for comparison of organization and customers' understanding based on normal distribution of data was t-test. The result of comparison of mean understanding by t-test was given in table 2.

According to the result of above since the significant level is more than error level of 0.05, so in confidence level 0.95, H₀ was proved and H₁ was rejected. It means that there is no significant difference between staffs’ and customers' understanding of organization services quality.
Table 1: Kolmogrov-Smirnov test for normal distribution of research variables.

<table>
<thead>
<tr>
<th>Research Samples</th>
<th>Staffs’ Sample</th>
<th>Customers Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td></td>
</tr>
<tr>
<td>Normal Parameters</td>
<td>Mean</td>
<td>78.75</td>
</tr>
<tr>
<td></td>
<td>Standard Deviation</td>
<td>20.82</td>
</tr>
<tr>
<td>Differences</td>
<td>Absolute</td>
<td>0.142</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
<td>0.095</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td>-0.142</td>
</tr>
<tr>
<td>Kolmogrov-Smirnov</td>
<td></td>
<td>1.801</td>
</tr>
<tr>
<td>Significant level</td>
<td></td>
<td>0.61</td>
</tr>
<tr>
<td>Research result</td>
<td></td>
<td>Normal</td>
</tr>
</tbody>
</table>

Table 2: Result of mean understanding comparison by t-test.

<table>
<thead>
<tr>
<th>Staffs understanding mean</th>
<th>customers understanding mean</th>
<th>t-value</th>
<th>degree of freedom (df)</th>
<th>Significant level</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>78.75</td>
<td>78.38</td>
<td>0.192</td>
<td>358</td>
<td>0.84</td>
<td>H0 rejected</td>
</tr>
</tbody>
</table>

Testing alternative hypotheses:

First alternative hypothesis:
There is a significant difference between staffs’ and customers' understanding from physical aspect (tangible aspects) in rendering services by Iran insurance company.

The results of staffs’ and customers’ understanding mean comparison from physical and tangible aspects in rendering services by Iran insurance company was presented in table 3.

Table 3: Results of staffs' and customers' understanding mean comparison test from physical aspect in rendering services.

<table>
<thead>
<tr>
<th>Staffs understanding mean</th>
<th>customers understanding mean</th>
<th>t-value</th>
<th>degree of freedom (df)</th>
<th>Significant level</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.36</td>
<td>14.44</td>
<td>-2.72</td>
<td>358</td>
<td>0.007</td>
<td>H1 rejected</td>
</tr>
</tbody>
</table>

According to the finding of above table since the significant level equals to 0.007 and is less than 0.05 error level, so in confidence level 0.95, H1 was accepted and H0 was rejected. It means that there is a significant difference between staffs’ and customers’ understanding of physical and tangible aspects in servicing. According to obtained results customers’ understanding mean from physical and tangible aspects is more than staffs’ understanding mean.

Second alternative hypothesis: There is a significant difference between staffs’ and customers' understanding from confidence aspect in rendering services by Iran insurance company. The results of staffs’ and customers’ understandings mean comparison test from confidence aspect in rendering services in Iran insurance company was shown in table 4.

Table 4: Staffs’ and Customers’ understandings mean comparison test results from confidence aspect in rendering services.

<table>
<thead>
<tr>
<th>Staffs understanding mean</th>
<th>customers understanding mean</th>
<th>t-value</th>
<th>degree of freedom (df)</th>
<th>Significant level</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.46</td>
<td>13.44</td>
<td>0.039</td>
<td>358</td>
<td>0.94</td>
<td>H0 rejected</td>
</tr>
</tbody>
</table>

According to the finding of above table since the significant level is more than error level 0.05, so in confidence level 0.95, H0 was proved and H1 between was rejected. It means that there is a significant difference staffs’ and customers’ understanding of confidence level in rendering services by Iran insurance company.

Third alternative hypothesis:
There is a significant difference between staffs’ and customers' understanding from guarantee aspect in rendering services by Iran insurance company.

The results of staffs’ and customers’ understanding mean comparison test from guarantee aspect in rendering services by Iran insurance company was shown in table 5.

Table 5: Staffs’ and customers' understanding mean comparison test results from guarantee aspect in rendering services.

<table>
<thead>
<tr>
<th>Staffs understanding mean</th>
<th>customers understanding mean</th>
<th>t-value</th>
<th>degree of freedom (df)</th>
<th>Significant level</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.54</td>
<td>18.08</td>
<td>0.937</td>
<td>358</td>
<td>0.35</td>
<td>H1 rejected</td>
</tr>
</tbody>
</table>

According the result of above table since significant level is more than level of error 0.05, so in confidence level 0.95, H0 was proved and H1 was rejected. There is no significant difference between staffs’ and customers’ understanding from guarantee aspect (confidence aspect) in rendering services by Iran insurance company.

Fourth alternative hypothesis: There is a significant difference between staffs’ and customers' understanding from responsibility aspect in rendering services by Iran insurance company.
The results of staffs’ and customers’ understanding mean comparison test from responsibility aspect in rendering services by Iran insurance company was shown in Table 6.

Table 6: Results of staffs' and customers' understanding mean comparison test from responsibility aspect in rendering services.

<table>
<thead>
<tr>
<th>Stafs understanding mean</th>
<th>customers understanding mean</th>
<th>t-value</th>
<th>degree of freedom (df)</th>
<th>Significant level</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.23</td>
<td>14.74</td>
<td>-1.22</td>
<td>358</td>
<td>0.22</td>
<td>H1 rejected</td>
</tr>
</tbody>
</table>

According to the results of above table since the significant level is more than error level 0.05, so in confidence level 0.95, H0 was proved and H1 was rejected. It means that there is no significant difference between staffs’ and customers’ understanding from responsibility in rendering services by Iran insurance company.

Fifth alternative hypothesis: There is a significant difference between staffs’ and customers’ understanding from sympathy aspect in rendering services by Iran insurance company.

The results of staffs’ and customers’ understanding mean comparison test from insurance company was shown in Table 7.

Table 7: Results of staffs' and customers' understanding mean comparison test from sympathy aspect in rendering services.

<table>
<thead>
<tr>
<th>Stafs understanding mean</th>
<th>customers understanding mean</th>
<th>t-value</th>
<th>degree of freedom (df)</th>
<th>Significant level</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.16</td>
<td>17.68</td>
<td>2.96</td>
<td>358</td>
<td>0.003</td>
<td>H0 rejected</td>
</tr>
</tbody>
</table>

According to the findings of above table since the significant level equals to 0.003 and less than error level 0.05, so in confidence level 0.95, H1 was confirmed and H0 was rejected. It means that there is a significant difference between staffs’ and customers’ understanding from sympathy aspect in rendering services by Iran insurance company. Therefore according to obtained values staffs’ understanding mean from sympathy aspect in rendering services is more than customers' understanding mean.

Results:

Today, countries in the process of universalization and joining to competition process were facing many challenges. One of the challenges of organizations' management is quality. Services quality is an important factor for organizations' growth and stability, the key factor for organizations' success in rendering services is paying attention to services quality and customers. One of the effective factors in servicing organization's success, is following customers' satisfactory through improving rendering services quality. In this study investigating insurance services quality by servqual standard model among Iran insurance company staffs and customers in Ilam province was done. The results of this study shown that there is no difference between staffs' and customers' understanding from organizations' services quality, Since the above hypothesis was rejected this is found that there is no significant difference between staffs’ understanding mean (78.75) and customers’ understanding mean (78.38). Also there is a significant difference between staffs’ and customers' understanding of organizations' services quality from physical and sympathy aspects. According to obtained results customers' understanding mean from physical and tangible aspects is more than staffs' understanding mean. This category includes facilities, equipment's, personnel's and communicative channels. All these aspects provide a picture that customers have considered for investigating quality. There is no significant different between staffs' and customers' understanding of organizations' services quality from confidence, responsibility and reliability aspects. The results of this study were similar to Terry and et al, Masmandis, et al [12], Leen, et al, Kebriaei & Roodbari and Ghasemi [8]. Because of the probability of changing customers' and staffs' perspectives during past times and probably its unstability in future, the necessity of continuous investigation of insurance services was proposed strongly. On the other hand in order to exact investigations of customers it can be divided them into categories based on ages genders, level of education, market position, geographical position, customers' type so that presents exact analysis according to these features.

REFERENCES