

## **The Effect of Education and Training on Service Quality, Customer Satisfaction and Loyalty in Airline Industry**

JiYeon Paek, PhD

Hanyang University Business School Center for Technology

Entrepreneurial Studies

Seoul 04763, South Korea

Email: svc100@hanyang.ac.kr

Chang Won Lee, PhD

Corresponding author

Hanyang University Business School

Seoul 04763, South Korea

Email: leecw@hanyang.ac.kr

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### **ABSTRACT**

*This study examines on the education and training of an airlines' ground staff. Also it studies on employees'perceived service quality that can make an influence on customer satisfaction and loyalty. After searching the education and training and service quality through the literature reviews related to the subject, established is a framework of an empirical study about the subject of study. In order to achieve the purpose of this study, the survey method is conducted to the airlines'ground staff members and the time frame and the target subjects are set. Collected data is used for frequency analysis, reliability analysis, factor analysis, regression analysis and with the SPSS 21.0 for a statistical package program. The*

*study results are shown as follows: first, education and training have a positive influence on the five factors of the service quality. Second, employees' perceived service quality show positive impacts on customer satisfaction and loyalty. The majority of studies on airline employee training have focused on the cabin crew. As a result, the number of studies involving ground staff is lacking. This study therefore aims to empirically verify the relationship between training of ground staff, service quality, and customer satisfaction. Given the difficulties in accessing customers for their feedback, few studies have been conducted on the effects of employee training on customer satisfaction. This empirical study used questionnaires, which are administered to airline employees and customers via one-to-one interviews, to provide theoretical and practical implications of the findings.*

**Keywords:** Education and training, Service quality, Customer satisfaction, Customer loyalty

## INTRODUCTION

As economic units of service production systems, airline systems face the problem of service quality, customer satisfaction, and loyalty along with planning, controlling, and evaluating education and training that consists of conflicting decisions in a organization. Business activities that want to satisfy customers are related to profitability and can eventually gain a competitive advantage within the market (Bienstock et al., 2003; Hapsari et al., 2017). Especially in the service industry, the service contact staff is important because the customer frequently contacts the service staff during the service delivery process and this affects the selection of the service contact point. The importance of education

and training for customer contact staff is becoming more important in service companies (Ahmed et al., 2016; Mahoney, 1984; Migacz et al., 2018). Service training and service quality of service companies are insufficient, and the necessity of empirical research on education and training, service quality and customer satisfaction is raised (Brown et al., 2003; Oliver, 1980; Saleem et al., 2017).

This study examine on the Education and Training of the Airlines' Ground Staff. Also it studies on employees' perceived service quality that can make an influence on customer Satisfaction and Loyalty. This study aimed to promote further improvement in the service quality of employees through systematic training to realize high-quality customer service.

This study is composed as follows. The next section presents a study background and its necessary hypotheses developed based on the previous literatures and provides the main constructs. The third section suggests the study methodology with data measurement and data collection. The fourth section presents study results with reliability and validity analysis and tests of hypotheses. The final section provides study discussion and conclusion.

## **BACKGROUND AND HYPOTHESES**

Since Nadler (1970) first defined training and development of human resources in academic terms, many researchers have used these terms in different ways depending on circumstances and the context in which they were dealt with, rather than taking the comprehensive and integrated perspectives approach. Since its first use in the 1980s, the term service training has been defined as corporate management training programs that encompass workplace training and human resource development (Carrillat et

al., 2007; Sherman et al., 1998). In other words, training is intended to develop the knowledge, technical skills, and behaviors needed to improve job performance, the abilities of employees, and for career development (Cascio & Award, 1981). In this study, service training is defined as an approach to fostering organizational competence by improving the individual abilities of employees and offering high-quality services by enabling employees to acquire the knowledge and skills necessary to perform their tasks confidently and to deal with customers (Gomez-Mejia et al, 1995; Hensher, 2014; Suki, 2014; ). In view of that, following hypotheses are proposed:

Hypothesis 1: Education and Training influence on service quality.

H1-1: Education and training will have a positive effect on the Tangibles of service quality.

H1-2: Education and training will have a positive effect on the Reliability of service quality.

H1-3: Education and training will have a positive effect on the Responsiveness of service quality.

H1-4: Education and training will have a positive effect on the certainty of service quality.

H1-5: Education and training will have a positive effect on the empathy of service quality.

Hypothesis 2: Education and Training influence on customer loyalty.

Research on service quality has long been studied, but the concept is defined in various ways depending on the researcher or situation (Babakus and Boller, 1992; Jemmasi et al., 2011). Gronroos (1984) defined service quality as a result of a comparative

evaluation of the customer's perceived and expected services. Cronin and Taylor (1992) say that perceived service quality should be conceptualized and measured as an attitude that means long-term and overall evaluation of a particular service. Also, they argued that service was a precursor to customer satisfaction. Parasurman et al. (1985) defines service quality as 'the overall judgment or attitude of an individual related to the excellence of a particular service', and this concept is generally quoted. Preliminary studies on service quality have used the SERVQUAL scales developed by Parasurman et al (1988) to measure perceived service quality. The items of SERVQUAL are the type of like scale that responds to service attributes. They have been applied to the service industry by dividing them into five dimensions of Tangibles, reliability, responsiveness, certainty, and empathy. This study constitutes a question to measure only the perception of performance based on the SERVQUAL scale and Service quality is defined as employee's perception of service attitude and quality toward contact customers in airline service and applied to research. Parasurann et al. (1988) saw service quality as a precursor to customer satisfaction and also in Cronin & Taylor (1992), the perceived quality of service was a prerequisite for consumer satisfaction. On the basis of several results, we suggest the following hypothesis.

Hypothesis 3: Service quality influence on Customer Satisfaction.

Given that customer satisfaction is a key factor for business activities, numerous studies have provided notable results. However, the findings of these studies vary according to methodological and perspective characteristics.) Customer satisfaction is defined as the overall evaluation of goods and

services based on transactions and experiences that customers have had over time while interacting with a company (Cronin & Taylor, 1992; Upadhyaya et al., 2013). Among previous studies on service quality and customer satisfaction, a study by Lewis & Klein (1987) claimed that service quality has an effect on customer satisfaction. Some studies also reported that service quality is a precursor of customer satisfaction (Cronin & Taylor, 1992). The relationship between service quality, perceived value, customer satisfaction, and repurchase intention is examined by conducting an empirical analysis and reported positive influences of expected service on perceived service as well as some empowerment (Chen, 2008; Hamed, 2010). However, no effects were found for customer satisfaction and perceived value. In addition, perceived service quality had an indirect influence on customer satisfaction through perceived value. Based on previous studies, customer satisfaction is defined herein as customers' overall perception of service quality after experiences of services offered by the airline (Gursoy, 2005; Liou et al., 2011). Thus, the following hypothesis is proposed:

Hypothesis 4: Customer Satisfaction influence on customer loyalty.

## **STUDY METHODOLOGY**

### **Measurement and Data**

In this study, different types of literature reviews and interviews with professionals and working-level employees were conducted to construct survey questions, and the relevance of the selected questionnaire items were verified through a preliminary survey. The participants in this study included service employees in a Korean airline who had completed workplace service training. A total of 160 self-administered questionnaires were distributed to

measure training and development, service quality, customer satisfaction, and loyalty following the service training. Of those, 156 completed questionnaires were collected. A valid sample of 150 questionnaires was used for statistical analysis after excluding those with missing values such as nonresponses.

The service training and development comprised items asking about the extent to which employees were satisfied with the service training. The service quality items were designed to measure the quality of customer service provided by the participants. The customer satisfaction items were designed to measure the level of customer satisfaction with services offered by the airline, while customer loyalty items measured the level of customer intention to reuse and recommend the airline. All items were measured on a 7-point Likert scale with 0 being “Not at all important” and 7 being “Extremely important.” In order to achieve the purpose of this study, the survey method was conducted to the airlines’ ground staff members and the frame and the target subjects were set. Collected data was used for frequency analysis, reliability analysis, factor analysis, regression analysis and with the SPSS 21.0 for a statistical package program.

## **STUDY RESULTS**

### **Reliability and Validity Analysis**

The results of validity and reliability test for each variable are as follows; first, for reliability test, Cronbach’s alpha was used for testing internal consistency of the factors, in which the factor with Cronbach’s  $\alpha$  above .7 is regarded reliable (Nunnally, 1978). < Table 1 > shows the result of reliability Analysis.

Table 1. Results of Reliability Analysis.

Variables		Cronbach's $\alpha$
Education and Training		.971
Service quality	Tangibles	.860
	Reliability	.939
	assurance	.953
	Responsiveness	.939
	empathy	.927
Customer satisfaction		.972
Customer loyalty		.909

As a result of the primary exploratory factor analysis associated with service quality, a total of five factors that may explain the service quality are derived. The factors are named as Factor\_1 of reliability, Factor\_2 of empathy, Factor\_3 of responsiveness, Factor\_4 of certainty and Factor\_5 of tangibles. Factor loading are all 0.6 or more. The results are shown in Table 2.

### Test of Hypothesis

On the basis of hypothesis, first we examined the effects of education and training on service quality. we put service quality as a dependent variable, the education and training as an independent variable. Then we analyzed the relationship between dependent variable and independent variable by using regression analysis. The test can be used to predict the value of the dependent variable given values for the independent variables. The result of



regression analysis showed the education and training has a significant and positive relationship with service quality.

Table 2. Results of Factor Analysis of Service Quality

variable	Reliability	empathy	Responsive ness	assurance	Tangibles	Commonal ity
Providing care and attention to customers	<b>.790</b>	.143	.307	.208	.206	.825
Maintaining records on daily tasks	<b>.789</b>	.245	.197	.237	.150	.800
Completing work as agreed	<b>.689</b>	.278	.357	.397	.115	.851
Performing tasks in a timely manner	<b>.640</b>	.352	.324	.376	.187	.814
Using working hours convenient for customers	.147	<b>.793</b>	.280	.264	.234	.853
Considering customer interests	.414	<b>.748</b>	.203	.081	.288	.862
Trying to understand customers	.196	<b>.745</b>	.311	.347	.189	.847
Paying individual attention to customers	.322	<b>.689</b>	.204	.326	.296	.813
Responding promptly to customers	.351	.242	<b>.748</b>	.316	.236	.897
Voluntarily identifying customer needs	.421	.276	<b>.741</b>	.228	.162	.881
Providing spontaneous customer service	.364	.276	<b>.727</b>	.350	.192	.896

Notifying of the working hours in advance	.158	.318	<b>.723</b>	.372	.206	.829
Dealing with customers in a courteous manner	.257	.359	.351	<b>.760</b>	.159	.920
Making customers feel comfortable	.227	.271	.393	<b>.757</b>	.182	.885
Confident attitude in serving customers	.444	.227	.276	<b>.676</b>	.285	.863
Adequate knowledge and capabilities to perform tasks	.493	.222	.290	<b>.650</b>	.176	.830
Cleanliness of workplace	.341	.210	.147	.241	<b>.757</b>	.812
Employee dress and appearance	-.071	.402	.224	.135	<b>.731</b>	.770
Providing up-to-date facilities	.489	.180	.180	.136	<b>.671</b>	.772
Eigen Value	7.459	6.975	6.984	6.856	5.421	
Variance explained	20.213	17.644	17.506	17.043	11.911	

The final results are shown in Table 3A (Tangibles), Table 3B(Reliability), Table 3C (assurance), Table 3D (responsiveness ) and Table 3E (empathy). Concerning regression analysis on impact of Education and Training and Tangibles of R<sup>2</sup> explains 56.1% of the total variance and value of F is 189.504. Reliability (B=.735, p<.001) showed positive (+) relationship with Education and Training. Further, responsiveness (B=.901, p<.001) showed positive (+) relationship with Education and Training. Likewise, assurance (B=.905, p <0.001) showed positive (+) relationship with

Education and Training. Lastly, empathy ( $B=.906$ ,  $p<.001$ ) showed positive (+) relationship with Education and Training. In the model, all five measures were statistically significant. Thus H1-1, H1-2, H1-3, H1-4 and H1-5 are accepted.

Table 3. Results for Education and Training on Service Quality

Independent	Dependent	Std. $\beta$	T	Sig.	R <sup>2</sup>	F	P
Education and Training	tangibles	0.749	13.766	0.000	0.561	189.504	0.000
	reliability	0.735	13.766	0.000	0.541	189.504	0.000
	assurance	0.905	25.876	0.000	0.819	669.578	0.000
	responsiveness	0.901	25.250	0.000	0.812	637.553	0.000
	empathy	0.906	25.983	.000	0.820	675.126	0.000

Regarding to the effects of customer satisfaction on service quality, the model were able to explain 44.3% of the observed variations in service quality ( $R^2$  change = 44.3,  $F$ -change = 117.945,  $p<0.01$ ). There is an effect of service quality on customer satisfaction significantly. Thus, H3 was accepted.

Table 4. Result of Influence of Service Quality on Customer Satisfaction

dependent	independent	Std. $\beta$	T	significance
customer satisfaction	constant	0.666	5.866	.000
	service quality		10.860	.000***
R <sup>2</sup> = 0.443, F = 117.945, p = 0.000				

Note: \*\*\*  $p<.001$

Regarding to the effects of customer satisfaction on customer loyalty, the model were able to explain 26.3% of the observed

variations in customer loyalty ( $R^2$  change = 26.3,  $F$ -change = 52.828,  $p < 0.01$ ). Thus, H4 was supported.

Table 5. Result of Influence of Customer Satisfaction on Customer Loyalty

dependent	independent	Std. $\beta$	T	significance
customer loyalty	constant	0.513	4.723	.000
	customer satisfaction		7.268	.000***
R <sup>2</sup> = 0.263, F = 52.828, p= 0.000				

Note: \*\*\*  $p < .001$

## DISCUSSION AND CONCLUSION

The study explores the five factors of the service quality such as tangibles, reliability, responsiveness, assurance, empathy that can make an influence on customer satisfaction and loyalty. Also it studies on employees' perceived service quality that can make an influence on customer satisfaction and loyalty. The implications of the study are as follows. This study has attempted a detailed analysis of the relationship between service employee training and each dimension of service quality. It also verified the relationship between service quality perceived by service employees and customer satisfaction, which was directly verified by actual users of airline services, while also providing practical implications for improving customer satisfaction. However, this study has limitations. Its sample size is limited to certain departments within an airline, making it difficult to generalize the results of

this empirical study to the overall organization. The service quality items were designed to measure the quality of customer service provided by the participants. The customer satisfaction items were designed to measure the level of customer satisfaction with services offered by the airline, while customer loyalty items measured the level of customer intention to reuse and recommend the airline. All items were measured on a 7-point Likert scale with 0 being “Not at all important” and 7 being “Extremely important.” In order to achieve the purpose of this study, the survey method was conducted to the airlines’ ground staff members and the frame and the target subjects were set. Collected data was used for frequency analysis, reliability analysis, factor analysis, regression analysis and with the SPSS 21.0 for a statistical package program.

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