



ADDIS ABABA UNIVERSITY

School Of Commerce

Department Of Marketing Management

**The Effect of Service Quality on Customer Satisfaction in Public
Service Organizations: The Case of Kolfe Industrial College
Industry Extension Service**

**Thesis submitted to Department of Marketing Management in
Partial fulfillment of the Requirement for the Masters of Arts
Degree in Marketing Management.**

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Service Organizations: The Case of Kolfe Industrial College
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Declaration

I, Alemayehu Leta, the undersigned, declare that this thesis is my own original work. I have carried out it independently with the guidance and suggestions of the research advisor Mesfin Workineh (PhD). And the study has not been submitted for award of any Degree or Diploma Program in this or any other Institution.

Alemayehu Leta

March, 2022

AAU

Signature _____

Date _____

Letter of Certification

This is to certify that Alemayehu Leta carried out his thesis on the topic entitled “The Effect of Service Quality on Customer Satisfaction in Public service Organizations: The Case of Kolfe Industrial College Industry Extension Service. This work is original in nature and is suitable for submission for the award of Master Art in Marketing Management.

Mesfin Workineh (PhD)
(Advisor)

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List of acronyms and abbreviations

ASCA	Addis Saving and Credit Association
ASSU	Assurance
E.C	Ethiopian Calendar
EKI	Ethiopian Kaizen Institute
EMP	Empathy
IES	Industry Extension Service
KIC	Kolfe Industrial College
REL	Reliability
RES	responsiveness
SERVPERF	Service Performance
SERVQUAL	Service Quality
SME	Micro and Small enterprise
TAN	Tangibility
TVET	Technical and Vocational and Education Training

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Abstract

The main objective of this study was to assess the overall level of service quality and customer satisfaction in Kolfe Industrial College's industry extension service, in Public Service Organizations in Ethiopia. A conceptual model of service quality dimensions was employed in this study. Explanatory and descriptive study designs were employed in this study. The study populations were MSEs in Kolfe Keranyo sub city under service scheme.199 of owners were involved in the sample populations which are the owners, managers, members or employees of the MSEs. The study is expected to identify the weak areas of service delivery. The collected data was analysed using both descriptive and inferential statistical analyses techniques. The findings of the study show that service quality of Kolfe Industrial Extension service is below average and customers are not happy with the service level.

Based on the finding all service quality dimensions have significant impact on service quality and customer satisfaction. The study provides the empirical application of Parasuraman (1985) and Anton (1997) service quality model so that this study will help Kolfe Industrial College contributes to improve its industry extension service quality which leads to customer satisfaction. The study concluded that over all service quality of KICs IES is not good and customers are not satisfied with the services of the College. The researcher recommended that KIC should work hard on all these service quality dimensions to improve its service quality and customer satisfaction of IES.

Key words: Service Quality, Customer Satisfaction, Industry Extension Service and Micro and Small Enterprises

CHAPTER ONE

1. INTRODUCTION

This chapter contains the background of the study, problem statement, research questions, objective of the study, significance of the study, scope of the study, and limitation of the study conceptual definition of terms and organization of the paper. It is the essential part of the research proposal to specify and limit the research.

1.1. Background of the Study

Any organizations cannot survive in this competitive environment, until it satisfies its customers with good quality service (Narangajavana and Hu, 2008). The service quality is basically the service corresponding to customer expectations and any organizations can win by delivering prompt service. When new and improved quality services are developed for customers, then it is crucial to meet expectations of customers of different categories in this competitive advantage. Many organizations are seeking quality improvement systems for competitive advantages (Hope & Wild, 1994).

According to Philip Kotler, service is an act or performance 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. The American Marketing Association defines services marketing as an organizational function and a set of processes for identifying or creating, communicating, and delivering value to customers and for managing customer relationship in a way that benefit the organization and stake-holders. Service quality and customer satisfaction are very important concepts that companies must understand if they want to remain competitive and grow. In today's competitive environment delivering high quality service is the key for a sustainable competitive advantage. Customer satisfaction does have a positive effect on an organization's profitability. Satisfied customers form the foundation of any successful business because customer satisfaction leads to repeat purchases, brand loyalty, and positive word of mouth (Biljana A. and Jusuf Z. 2012). Customers are the important stakeholders in an organization and their satisfaction is most important for any organization

Every service company works only for the customer's demand and added value and provide pleasant customer's service to get the competitive advantage (Edvardsson, 1997) and some

companies organized service department that gather information about customers and his/her interaction with products and quality (Petkova, Sander & Brombacher, 2000). Besides this, with new developments, the needs and expectations of customers are also changing rapidly. In the other hand Customer satisfaction is defined as customers overall feeling of contentment with a customer interaction. Customer satisfaction recognizes the difference between customer expectation and customer perception. Satisfaction may develop quickly or may be cultivated over a period. And also customer satisfaction is a result that emerges from the delivery of quality service. That is if the company know how to keep its customers comfortably be serving them quality service there is no reason for the customer not to be satisfied

The service industry plays an increasingly important role in the economy of many countries. In today's global competitive environment, delivering quality service is considered as an essential strategy for success and survival (Parasuraman, 1985). Even the public sector organizations have come under increasing pressure to deliver quality services and improve efficiencies (Robinson, 2003). Customer needs and expectations are changing when it comes to governmental services and their quality requirements.

In recent years, marketing has also become a major part of the strategies of many not-for profit organizations, such as colleges, hospitals, museums, zoos, symphony orchestras, foundations, and even churches. The nation's not-for-profits face stiff competition for support and membership. Sound marketing can help them attract membership, funds, and support. Kotler & Armstrong, (17th Edition)

As Anteneh G. 2016 cited, Service quality is, an important tool to measure customer satisfaction According to Jamal and (Anastasiadou2009) reliability, tangibility and empathy positively related with customer satisfaction. (Sulieman 2011) found that tangibility, reliability, assurance and responsiveness have significant and positive relationship with customer satisfaction. Moreover, the result of (Ravichandran2010) indicates responsiveness is the only significant dimension of service quality that affects the satisfaction of customers positively.

Ethiopia is one of the fastest growing countries in Africa. It is believed that the country is growing enormously compared to other nations in Africa and the world, before the outbreak of the corona virus. According to World Bank report of 2020, Ethiopia's economy experienced strong, broad-based growth averaging 9.4% a year from 2010/11 to 2019/20, Ethiopia's real gross domestic product (GDP) growth slowed down to 6.1% in 2019/20 due to COVID-19 (coronavirus pandemic).Having the second largest population (more than 112

million in 2019) in Africa is one good opportunity to the growth. The existence of abundant human resource and the created favourable investment opportunities are among the fostering factors of the country's growth. Even though the country is growing well and the growth rate is better than other nations, it is still one of the poorest countries in the world with a (per capita income of \$850 compared to the world leading Malaysia \$11,193.02) according to World Bank.

Ethiopia has been implementing many strategies to ensure sustainable development and reduce unemployment rate. Over 85% of the population lives in rural area engaged with mostly in agricultural activities. The rest population lives in urban area. Securing food and having job for one self is very difficult for the country's young generation. By observing other countries experience of development strategy Ethiopia developed a strategy where by jobless people becomes self-supporting by having one's own job. It is the strategy called micro and small enterprise. The MSE was believed to substitute items that are imported and reducing unemployment rate.

Micro and small enterprise strategy is a strategy where by government applies the activities of identifying unemployed mostly young people from the woreda's and kebele's and registering them according to their business type selection. Government then provides different supports services using different sectors, mainly Addis saving and credit association (ASCA), Addis Capital (where MSE get lease machine), Industry Extension service from TVET and other government schemes.

To make the strategy successful the government introduced Industry extension service that benefits these MSEs. Industry extension is the process of training, follow up, and empowering of those members of the MSEs in production, technology transfer, and finding new and better methods of production and productivity. Industry extension service was launched to support for those who are engaged in manufacturing sector, especially those who produce products for export market or replace import items and make competent the MSEs as the program was successful at Agricultural extension program.

(Published on Next billion, Wednesday, February 23, 2011,) Since the launch of industry extension service, February 22, 2011, the program is not going as required and planned like in producing export items or substituting imported items and reducing unemployment. Even though a good start is there in the support provision of industry extension service, the required result is not seen yet. Problems with qualities of product and services, lack of skills

in keeping the financial transactions and the use of old and traditional ways of making a business are the limitations of these MSE. Many challenges that are planned to be resolved by strategy are still manifested by these enterprises. This problem may arise from poor performance of support providing parties.

TVET provides support services to these micro and small enterprises by identified four packages namely 1) entrepreneurship and bookkeeping 2) Kaizen 3) Skill gap filling and 4) Transferring technology.

In Addis Ababa there are 15 colleges and Polytechnic colleges segmented into six clusters. One of these clusters is General Wingate's cluster which encompasses Addis Ketema Industrial College and Kolfe Industrial College. All of these colleges have their responsibility in providing the industry extension service for micro and small enterprises.

Kolfe industrial college is one of these colleges engaged in providing industry extension service. Hence assessing the service quality provided by the college for MSEs was what the researcher wanted to study.

1.2 Statement of the problem

According to FDRE MOTAI, Micro and Small Enterprises Development Strategy November 1997, "The Government has recognized and paid due attention to the promotion and development of MSEs for they are important vehicles to address the challenges of unemployment, economic growth and equity in the country". To this extent, the government has developed a National MSE Development and Promotion Strategy. Delivering quality service now a day, particularly in public service sector is costing a heavy shadow on efficiency and effectiveness of various sectors. Because sometimes they are chosen randomly, mostly by chance and even without much knowledge of business, most MSE beginners lack knowledge and experience in dealing with their business. It means that MSE are in need of IES.

Even though the government is expecting a lot from the MSE to transform the country's economy, they were not doing as planned and required. Ricardo pinto on his 'Ethiopian industry extension review of 2016,' found and mentioned that, "In the colleges visited, the trainers were not able to deliver the full IES package of support." Yodit G/Yohannes (2015) recommended in her research, even though the manufacturing sector is a crucial sector in transforming an economy, but in Ethiopia its contribution to GDP is still very low and its

growth has remained static for the past consecutive years. Thus, a great attention is needed to be given to the mentioned sector. The problems that hinder the growth of the manufacturing MSEs should be solved to minimize the exit of the firms by providing supportive as access to finance, working premises and relevant skill development (Yodit, 2015). In addition according to Bereket Taddese (2010) the main constraints of MSE are divided in to two and one is external and the other is internal factors. “The internal factors can be during start up, or operations, which hinder the normal functioning of MSEs, include: limited human capital (the skills, schooling, technical know-how and motivation of employees), lack of working capital, the utilization of obsolete technology and poor location”. Hence they need support from industry extension service which will add their productivity. Industry extension service is the process of training, following up, and empowering of the MSEs in production, technology transfer, and finding new and better methods of production and productivity (Fita Ayalew 2014). Technical and Vocational Education and Training (TVET) institutions are the one to provide the Industry Extension service package, which targets solving all the major headaches of MSEs in the country.

Even though it is believed and being implemented that the industry extension service will help MSE in the strategy, the growth and performance of MSEs are not yet found as planned and expected. Producing products for export and substituting the imported items and reducing unemployment are not satisfactory yet. Many challenges that are planned to be overcome by TVETs are still with the MSEs. This is may be because of the service provision problem like TVET and other stakeholders.

Kolfe industrial college is one of the TVET colleges that provide industry extension service. Currently the college is providing IES for more than 1500 MSE from different sectors like manufacturing, service, urban agriculture, and retailing. Since the college is new and debut its function in 2009 E.C there has been no research made on the subject with the college’s industry extension service and similarly there is no a study made in Kolfe keraniyo sub city particularly regarding on the service quality of industry extension service.

Therefore, this study will assess the quality of the provision of Industry Extension Service at Kolfe Keraniyo Sub city provided by Kolfe Industrial College by forwarding the following research questions.

1.3 Research Questions

This research attempts to answer the following research questions;

1. How do the service dimensions affect service quality and customer satisfaction of Kolfe industrial college industry extension service?
2. What is the level of customer's satisfaction with the Kolfe Industrial Colleges IE service delivery?
3. What challenges did customers face in relation to the service?

1.4 Objective of the study

1.4.1 General objective

The overall objective of this research was to assess the effects of quality of Industry Extension services delivered to MSEs on customer satisfaction.

1.4.2 Specific Objectives

- To analyze the quality level of Industry Extension services in Kolfe Industrial College.
- To identify satisfaction level of MSEs owners with industry extension service provided by Kolfe Industrial College
- To determine challenges customers face in relation to the service.

1.5 Significance of the study

The study could be helpful for many sectors that are striving for the development of industry extension service. Firstly, it will help the college in assessing and meeting the important factors for the implementation of the IES in the Kolfe Keraniyo Sub city. Secondly the sub city, the organizer of the MSE, will use the result for the further successful implementation of the IES. The Addis Ababa city's labour enterprise and industry development office and Addis Ababa TVET Bureau will also use the result as source in formulating their policies. Finally it will be helpful as second hand information for those who want to make a further study in the implementation of quality industry extension service.

1.6 Scope of the study

Customer's satisfaction can be affected by many factors such as price, geographical location of the service organization, environmental factors, consumer behavior and etc. However this study only emphasizes on service quality since it is the main issue raise in service market.

Since the Micro and Small enterprise strategy made its attention highly on the manufacturing sector, the scope of the study will mainly focus on manufacturing sectors. The research will cover the MSEs that are under the support service coverage of Kolfe Industrial College, which are found in Kolfe Keraniyo Sub City. The reason for choosing Kolfe keraniyo Sub city is that currently the college is providing the service for the Kolfe keraniyo Sub city, and the researcher also has a direct contact with the IES that the college is providing. Even though there are many factors for the success of MSE, this study is limited only to one of the success factor, industry extension service provided by Kolfe Industrial College's trainers. The study was made using both qualitative and quantitative methods of research. An explanatory and descriptive method was used. Since the numbers of MSEs under the College were more than 1500 a stratified simple random sampling method were used. The sample was used as the representative of other strata. Data was collected using questionnaire, interview and observations.

1.7 Limitation of the study

The research was conducted on MSEs under Kolfe Industrial College who reside in the Kolfe Keraniyo Sub city and the research was limited to only one sub city. In addition, though the sub city have 15 woreda's the study was focused only on the selected enterprises of 1-10 woreda's, because the college were not addressing woreda's from 11-15. So that it was difficult to generalize for the whole sub city. The number of enterprises in every woreda's was also not equal; therefore evenly sampling in all woreda's was found difficult. The research was conducted during Corona virus (Covid19), there were a problems during data collection. Lastly, since the researcher is an employee, being busy on regular work was also another huge limitation.

1.8 Organization of the Study

This study is organized under five chapters. The first chapter is the introduction part of the study which contains the background of the study, background of the organization, problem of the statement, research questions, objective of the study, significance and scope of the study, limitation of the study, and organization of the study, research questions, hypothesis of the study, objective of the study, significance and scope of the study. The next chapter, chapter two is all about literature review which reviews related theoretical and empirical literatures and provide conceptual framework of the study. Chapter three deals with the methodology of the study. It includes research design and approach, type of data and sources

of data, Population of the study, sampling procedure, and tools of data collection and analysis techniques, reliability and validity and ethical considerations. The content of chapter four is analysis of the study and its interpretations. The last chapter, chapter five includes summary of the findings, conclusion, and recommendations.

1.9 Definitions of terms

Entrepreneurship: - a form of training given by Technical and Vocational Education College trainers for manufacturing operators to enable them profitable.

Enterprise:-A legal business organization that operates by operators under government MSE support scheme.

Implementation: - Application of industry extension services in manufacturing MSEs.

Industry extension service: - A supportive framework established for micro and small enterprises to capacitate them by applying the 4 packages (kaizen, skill gap filling, entrepreneurship and technology).

Kaizen - It is a Japanese philosophy which is a continuous improvement in manufacturing or production area of MSEs to make them effective.

Manufacturing sector:- A value added operating activity by MSEs in the sub- sector of garment and textile, wood and metal work, leather and leather products, food and food processing(agro processing).

Skill gap training:-is a training given by Technical and Vocational Education College trainers to manufacturing operators after identifying their skill gap.

Service quality: An Assessment of how well a delivered service conforms to the clients expectations. (www.buinsedictionary.com, 2016)

Customer satisfaction: the customer's evaluation of a product or a service in terms of whether the product or service has met the customers need and expectations. (Valarie A. Zeithaml et al.2013)

CHAPTER TWO

2. LITERATURE REVIEW

Introduction

In this chapter the researcher have tried to present what has been said before on literatures and secondary data. It presents a theoretical review of related literature linked with the objective of the study which comprises of definition of service quality, public service. The definition of industry extension services will also be presented.

2.1 Theoretical Reviews

Defining service is not an easy task and still there is no globally accepted definition for it. The earlier view of the service concept was that it was simply a benefit attached to a physical product. Now a major shift has taken place in the concept of service and the service industry at present has achieved it independence and growth quite apart from physical goods.

A service is any activities or benefits offered for sale that are essentially intangible and do not result in the ownership of anything (Kotler, 2012). Its production may or may not be tied to a physical product. Increasingly, manufacturers, distributors, and retailers are providing value added services, or simply excellent customer service, to differentiate themselves, Services can also be defined as action of organization that maintains and improves the well-being and functioning of people (Hasenfield. Y and Richard, A.B., 1994).

Service can be defined as the performance of work or duty by an official or an act of helping others, or power to control or make use of resources, or an organization or system providing the public with something useful or necessary (Mareli Crous, 2002).

2.1.1 Service quality.

Quality is the key word for the survival of organizations in the global economy. Service quality is “the delivery of excellent or superior service relative to customer expectations” (Zeithamal and Bitner, 1996).

Delivering quality service is considered an essential strategy for success and survival in today's competitive environment (Parasuraman, Zeithamal and Berry, 1985).

“Service quality is a measure of how well the service level delivered matches customer expectations.

Delivering quality service means conforming to customer expectations on a consistent basis.” (Lewis and Booms) cited in (Parasuraman, A, 1985 On the other hand, service delivery is

defined as a product or service, promised to deliver by a government or government body to a community, or which is expected by that community' (Humphreys, 1998).

According to Humphreys (1998) efficient service delivery would thus imply the satisfaction of service delivery goals with the economical use of resources.

Deribe, 2018 cited as, Goldstein, S.M., Johnston, R., Duffy, J. And Rao, J; defines service delivery as providing efficient, quick and friendly service, building strong relationships with customers, handling complaints quickly and responding to customers' issues in time.

At the heart of service delivery, there has to be quality customer service which is the chosen way to keep customers come back, thus ensuring long-term success. Effective service delivery is about providing the services that the users actually use because it meets their needs (Goldstein, S.M., Johnston, R., Duffy, J. And Rao, J, 2002). They defined it as the way in which the “organization would like to have its services perceived by its customers, employees, shareholders and lenders. The four dimensions of services concept are the domain of the service concept definition.

1. Service operation: the way in which the service is delivered;
2. Service experience: the customer's direct experience of the service;
3. Service outcome: the benefits and results of the service for the customer and
4. Value of the service: the benefits the customer receives.

(Gronroos, 1984) proposed that customer compared their expectations to their experience of service quality in forming judgments. The author defined service quality as:

“The perceived quality of a given service will be the outcome of an evaluation process, where the consumer compares his expectations with the service he perceives he has received, i.e. he puts the perceived service against the expected service. The result of this process will be the perceived quality of the service” (Gronroos, 1984)

2.1.2 Determinants of service quality

(Parasuraman, 1985) proposed that ten dimensions determine service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customers, and tangibles. Thus, they proposed that the difference between perceived performance and expected performance of these ten dimensions determines overall perceived quality. These dimensions are restructured in to five principal dimensions that customers use to judge service quality based on a comparison between expected service and perceived service.

Table 2.1 Comparison between the original model and the restructured model of the quality dimensions

Original model	Restructured model	Description
Tangibility	Tangibility	Physical aspects of what is provided
Reliability	Reliability	Ability to fulfill what was promised accurately
Responsiveness	Responsiveness	Ability to attend to the users and provide the service promptly, capturing the notion of flexibility and ability to adapt to the needs of the service user
Competency	Assurance	Competency and courtesy extended to the users and the security provided by the operations.
Courtesy		
Credibility		
Safety		
Access	Empathy	Individualized attention to the users
Communication		
Comprehension of the user		

Source: A. Parasuraman, Valarie A. Zeithamal. & Leonard L. Barry, “A conceptual model of service quality and its implication for future research”

Tewodros Wuhib, 2016 also showed that, in 1988 Parasuraman and Zeithamal, re framed the 10 service determinants in to 5 Reliability, Assurance, Tangibles, Empathy and Responsiveness

The above same concepts discussed. "Communication and Control Processes in the Delivery of Service Quality," Journal of Marketing, 1988.

Reliability: It refers to the ability to perform the promised service consistently and accurately to deliver service outputs in time. It involves delivering expected service standards (service outputs) at all time, how the organization handle customer services problem, performing right services the first time, providing services within promised time and maintaining error free record. Reliability is the most important determinant of perception of service quality (Parasuraman, 1988).

Responsiveness: is willingness to help customers and provide prompt service. It is the ability to respond to customer requirements timely and flexibly, willingness and readiness of employees to help customers.

Assurance: The knowledge and courtesy of the academic staffs and their ability to convey trust and confidence: competence (possession of the required skills and knowledge to perform the service)

Empathy: It involves the provision of caring and individualized attention to customers. It includes access, communication and understanding the customer. (Parasuraman, 1988, 1991) define it as understanding the customers' personal needs, taking care of them individually and showing them all sorts of sympathy and affection, looking at them as close friends and distinguished clients.

Tangibles: Appearance of physical facilities, equipment, personnel and written materials. Tangibles provide physical representations or image of the service that customers, particularly new customers, will use to evaluate quality.

2.1.3 Measurement of service quality

Measuring service quality has proven to be challenging for both the researchers and companies due to its characteristics (Tiernan, 2008). Measuring service quality and customer satisfaction is central to evaluating public service delivery implementation. Measuring service quality is a very difficult task because of its intangibility and lack of universal definition for measuring it. (Deribe, 2018) cited '(Gagster and Squires 2003) explained the challenges as "differences of definition and identification of need, conflict of interest, constraints of finance, arguments about policy, and legal requirements must necessarily be taken into account in decisions about the extent, nature and focus of services to and for the public. Therefore, any discussion of quality and its improvements must be within this context." Like the tangible product measuring service performance is very difficult because of its intangibility.

According to Parasuraman, Valarie A. Zeithaml, & Leonard L. Berry (2013) quality service can be considered the ratio of the level of service effectiveness and expectations of the user. Quality service means, meeting the needs and expectations of a user in an effective manner. To evaluate a service is more complex than to evaluate a product, because the product is tangible and its defects can be detected, its functioning assessed and its durability compared. Conversely, service is first purchased and then it is produced and consumed simultaneously,

and then the possible nonconformities are produced and experienced, characterizing their inseparability Parasuraman, Valarie A. Zeithaml, & Leonard L. Berry (2013).

Services are intangible and heterogeneous, at the same time being judged by the performance and the experience of those who use them, with the possibility of interpretation and different judgments, according to the provider and the user in question.

2.1.4 Service Quality Models

Though it is difficult to measure quality of service there are several alternative service quality models and instruments developed. SERVQUAL, SERVPERF and GRONROOS dimensions are some of the models used to measure service quality.

I. SERVQUAL model

The original conceptualization of service quality was a framework developed by Parasuraman (1985, 1988 and 1994). Their works led to the development of a 22-item scale the SERVQUAL instrument which has been used extensively by most researchers. The SERVQUAL instrument was originally measured on ten (10) aspects or dimensions of service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding, and tangibles (Parasuraman et al, 1985) as a means of measuring the gap between customer expectation and experience. The original construct was found to be overly complex, subjective and statistically unreliable, and as a result it was simplified and modified to the five dimensional model which is measured on five (5) aspects, namely - reliability, assurance, tangibility, empathy and responsiveness (RATER).

II. Gronroos Model

(Ali, Setareh, Dr. Rohaizat, 2015) reviewed that; the early conceptualization of service quality model is formed by Gronroos (1982, 1984). He believed that if a firm wants to be successful, it is vital for the business operator to understand the customers' perception on the service provided. Service quality management means matching the perceived quality with expected quality and keeping this distance as small as possible in order to reach customers' satisfaction. He suggested three dimensions of service quality. The first dimension, Technical (outcome) means what customers received as a result of interaction with a service firm.

The other component is Functional (process) which means how a technical service received by customer. The way of service process is very important in customers' evaluation on the service quality. However, the service outcome received by the customers is upon their desire

and the process of receiving service has influence onto the customers' evaluation and view of the service.

By comparing these two factors of service the quality expected and received by the customers, we can get the perceived service quality. The third dimension of service quality in this model is Corporate Image which is the customers' view of corporate or brand. The customers' expectation is influenced by their view of the firm and it is the result of how customers perceived firm services. Therefore, the image is built up by the technical quality and functional quality. There are other less important factors that can affect image such as: traditional marketing activities (advertising, pricing, and public relations), ideology, tradition, and word-of-mouth

III. SERVPERF Model

Even though SERVQUAL model is a good measurement for many industries; researchers reported that this model is not suitable for some areas like retail store environment Dabholkar, Thorp, & Rentz, 1996. By years of study on this model and more debates among scientists, some stated that this model is not comprehensive in different applications (Brady & Cronin, 2001a; Dabholkar 1996; Shahin & Samea, 2010). In 1992, Cronin and Taylor suggested the refined model by considering performance as the only factor needs to be measured for service quality. They argued that service quality is a consumers' attitude and the performance (perceived service) of the service is the only measurement for service quality. Investigating service quality relationship with consumers' satisfaction and purchase intention was their study; they believe service quality is an antecedent of consumers' satisfaction. They suggested a new model for service quality based on SERVQUAL with respect to the conceptualization and measurement of service quality which used performance as the only measurement for service quality model called SERVPERF. In this new model, (Cronin and Taylor 1992) proceeded to measuring performance (perceived service) with the same dimensions as reliability, responsiveness, assurance, tangibles, and empathy for service quality measurement instead of —expectation-perception difference. The research finding showed SERVQUAL factors are inconsistent, and SERVPERF is a more accurate measurement for service quality in comparison with SERVQUAL (Cronin & Taylor, 1994; Seth 2005) Cited by Ali, Setareh, Dr. Rohaizat (2015).

2.1.5 Customer satisfaction

Customer is the ultimate consumer of a product or service while satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they experienced (Emrah, 2010). Customer satisfaction is the extent to which a product's or services perceived performance matches a buyer's expectations. Customer satisfaction depends on the product's perceived performance relative to a buyer's expectations. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted.

(Kotler p. & Keller K.L. 2012). Customer satisfaction often depends on the quality of product or service offering. In the context of services, some describe customer satisfaction as an antecedent of service quality (Bitner, 1990; Cronin and Taylor, 1992). Service quality is thus related, though not equivalent, to satisfaction (Oliver, 1980).

Satisfaction plays a key role in the service industry and especially in the travel and hospitality industry (Chang & Chang, 2010). The performance of any firm leads to customer satisfaction with a product or service. Customer satisfaction is fundamental for the future deed of an organization. And it can be a guarantee for the future better relationship with customers. Customer satisfaction (or dissatisfaction) has become an important issue for marketing practitioners because of the rapid business environment (Zeithaml, 2008).

2.1.6 Service perception

Perception is an opinion about something viewed and assessed and it varies from customers to customers, as every customer has different beliefs towards certain services and products that play an important role in determining customer satisfaction. (DemissieAreaya, 2020) Customer satisfaction determined by the customers perceptions and expectations of the quality of the products and services. In many cases, customer perception is subjective, but it provides some useful insights for organizations to develop their marketing strategies. Providing high level of quality service has become the selling point to attract customer's attention and is the most important driver that leads to satisfaction (Reich held, 1996). The quality of service depends on the customer's expectations and their perception of the service. If these do not match, quality difference can arise which will lead not only to a dissatisfied customers but also to bad publicity. According to (Kotler and Keller, 2006) successful companies add benefits to their offering that not only satisfy customers but surprise and delight them. Delighting customers is a matter of exceeding their expectations.

2.1.7 Public service

(According to Gaster and Squires, 2003) Public services is a term usually employed to mean services provided by the government to the citizens, either directly (through the public sector) or indirectly by financing the private provision of the services, and it is associated with a social consensus (usually expressed through democratic elections) that certain services should be available to all, regardless of their income. According to (Ole, 2001) public service delivery aim is achieved when service is delivered efficiently, effectively and economically based on public needs/interests. Public institutions must therefore strive to provide such services as required by the community as customer.

According to international journal of management and marketing research , volume 3 of (2010) Public sector services are responsible and accountable to citizens and communities as well as to its customers. Several researchers have dealt with service quality in public services (Wisniewski and Donnelly, 1996; Rowley, 1998; Wisniewski, 2001; Brysland and Curry, 2001). According to (Gowan, 2001), service provision is more complex in the public sector because it is not simply a matter of meeting expressed needs, but of finding out unexpressed needs, setting priorities, allocating resources and publicly justifying and accounting for what has been done. In addition, (Caron and Giauque, 2006) pointed out that public sector employees are currently confronted with new professional challenges arising from the introduction of new principles and tools inspired by the shift to new public management.

Generally public services are;-services to the public, Services providing public goods, services accountable to the public and so on. Services are delivered by public and private sectors .public services are imposed by public authorities in order to ensure that certain public interest objectives are met. The term services are currently economic and political changes.

2.1.8 Technical and Vocational Education and Training (TVET)

Elias 2018 cited (Ginja, Tamrat Gibon 2016) that, The overall objective of the National TVET Strategy is to create a competent, motivated, adaptable and innovative workforce in Ethiopia contributing to poverty reduction and social and economic development through facilitating demand-driven, high quality technical and vocational education and training, relevant to all sectors of the economy, at all levels and to all people. The strategy dictates that the institutions are expected to relevantly transfer the technologies to micro and small enterprise sector in order to increase their productivity and to provide TVET programs and technology transfer services to strengthen MSE in urban and semi-urban areas.

(Dr R. Pinto, 2016) cited Technical and Vocational Education and Training (TVET) provides trainees with the technical skills applicable for the particular trade. In practice, different types of programs are included under the umbrella of TVET. (Grubb and Ryan, 1999) distinguish the following four types of programs. (1) Pre-employment VET – prepares individuals for the initial entry into the employment. The regular track of the TVET in Ethiopia falls under this category. (2) Upgrade training provides additional training for the employed individuals; (3) Retraining provides the training for individuals that have lost jobs or for those wishing to switch careers; (4) Remedial VET provides training to individuals out of the mainstream labor force.

In general according to (New Business Ethiopia Wednesday, February 23, 2011) Technical and Vocational Education and Training (TVET) institutions are the one provide industry extension service package, which targets solving all the major headaches of SMEs in the country, according to the strategic document presented at the national conference opened on February 22, 2011 at the Prime Minister Office.

2.1.9 Industry extension service

Industrial Extension Service (IES) was recognized in 1960 in the city of Rome and placed under the responsibility of the Georgia Institute of Technology and the major technologically oriented institution in Georgia in the state university system. After that, the idea of IES was distributed to the world because it is the process of enabling change in individuals, communities, and industries. Industry Extension Service is a service provision to micro and small enterprises to improve their productivity after identifying and compiling their basic shortcomings, through training and consultancy, technological development and market linkage; and includes adaptation and transfer of best practice (Rogers, 2013).

Industry extension service is one of the directorates in TVET which means by identifying the basic problem of enterprise based on their willingness to take help give service by organizing the solution for their problem according to occupational standard to make them competent in the market by four packages (technical skill, Entrepreneurship, technology, KAIZEN)(Oromia TVET bureau.)

Ethiopia is prioritizing the development of the Micro and Small Enterprise sector (MSEs). In doing so, the country recognizes the critical important of the state providing support to start-ups and early growth MSEs. Industry extension service was launched firstly its operation on February 2012. ‘In an attempt to replicate success stories from its ‘Agriculture Extension Program’, which has been showing some good results in changing the lives of poor farmers,

the Ethiopian government launched today 'Industry Extension Service' package targeting urban Small and Micro Enterprises (SMEs). Technical and Vocational Education and Training (TVET) institutions will provide the new service package, which targets solving all the major headaches of SMEs in the country, according to the strategic document presented at the national conference opened today (February 22, 2011) at the Prime Minister Office.''(Source: New Business Ethiopia) Technical vocational and educational training or TVET have a part in the success of the micro and small enterprises. According to the strategy of the Federal TVET, it has two major responsibilities. One is providing training for trainers in the college and the other is supporting MSE either in the college or at the enterprises work premises. This service is called Industry Extension Service, IES. Industry extension service is the successor of the agricultural extension and health extension which are successful in their strategy.

The particular Industrial Extension Services (IES) model being pursued by the Ethiopian government aims to support priority sub-sectors of the manufacturing sector through provision of free support services to MSEs, thus delivering the necessary assistance to propel them to become medium and large enterprises, with a strong emphasis on the use of value chains and delivery of technology transfer support (Dr R. Pinto, 2016).

2.1.10 Industry extension packages

Industry extension service consists of four packages. Namely, kaizen or continuous improvement, entrepreneurship, skill gap filling and technology support.

2.1.10.1 Kaizen support

Kaizen means a continuous improvement. The Oxford English Dictionary also gives the definition of Kaizen "a Japanese business philosophy of continuous improvement of working practices, personal efficiency, etc." It is a process of continual understanding by an organization to improve its business activities and processes with the goal to always improve quality of products and services so that the organization can meet full customer satisfaction.

The kaizen process utilizes various tools and methods to make the problem visible, and then uses formal root cause analysis and other means to identify and correct the problem at the source. The result is rapid improvement: lower costs, higher quality, and better products or service – attributes that customer recognize (Zimmerman, 1991)

The implementation of the Kaizen management techniques could enable enterprises in Ethiopia to identify and solve their current manufacturing problems without employing high-tech approaches only involving people on the shop floor in Kaizen activities (Asayehgn, 2014).

The support will be given by the trainers firstly by identifying and recording the status quo of the enterprise through photograph or video which magnifies the performance of the trainer by comparing the ‘‘before’’ and ‘‘after’’ deed. Through kaizen MSE will benefit more free space, item placement and operating processes, neatness and soon. In addition kaizen will help enterprises in omitting the so called seven wastes or the 7 MUDAS, the 5’S and quality control circle (QCC) and soon.

2.1.10.2 Entrepreneurship support

Entrepreneurship is Capacity and willingness to develop, organize and manage a business venture along with any of its risks to make a profit. It is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit.(Wikipedia).It is an innovation process of new things and includes a reuse mechanisms or using a resources uniquely and wisely with predicting the future before problem happens. So, entrepreneurship is a process where entrepreneurs tackling problems and creating a new ideas.

Entrepreneurship support means the support given to micro and small enterprises in order to make them competent in the market by giving modern business ideas. In entrepreneurship support also called BDS the trainer will identify the gap that exist with micro and small enterprise, like gap with preparing with business plan, record keeping or bookkeeping, customer handling, promoting and soon. Then by planning what service will be required for them the support will be given.

The support will be given mostly first in the college as a training and then throughout the year in the MSEs work place. By providing entrepreneurship training mostly the competencies they are required to possess like risk taking initiation, goal oriented, information seeking, persuasion, planning, independency, persistency and soon, most MSE are highly motivated and refreshed themselves.

A business plan is a formal written document containing the goals of a business, the methods for attaining those goals, and the time-frame for the achievement of the goals. It also describes the nature of the business, background information on the organization, the organization's financial projections, and the strategies it intends to implement to achieve the

stated targets. In its entirety, this document serves as a road-map (a plan) that provides direction to the business (Wikipedia). All MSE are expected to have their own business plan. The college will try to simplify its preparation by providing them a pre prepared business format.

Bookkeeping is the recording of financial transactions, and is part of the process of accounting in business and other organizations. It involves preparing source documents for all transactions, operations, and other events of a business. Transactions include purchases, sales, receipts and payments by an individual person or an organization/corporation. There are several standard methods of bookkeeping, including the single-entry and double-entry bookkeeping systems.

While these may be viewed as "real" bookkeeping, any process for recording financial transactions is a bookkeeping process (Wikipedia). It is believed that recording transactions made and continuously doing the recording is their major gap in their success.

Customer handling and retailing techniques are the other part of the entrepreneurship support.

2.1.10.3 Skill gap support

A skills gap is a gap between the skills an employee has and the skills he or she actually needs to perform a job well. Skills gaps vary depending on the job in question and the types of skills required for the job. For example, some employees come into the workforce lacking the collaboration skills required to be successful at their job; they can learn these skills through on-the-job coaching and instructor-led programs. Until they receive this training, there is a gap between the skills they have and those required to perform well on the job.

This component of the industry extension service where TVET institutions will identify what standards are expected of the MSEs, what level of knowledge, skill and attitude they have and study the gaps in order to find out fitted training to fill the gap. The training mainly focuses on practical works while some conceptual class based lessons are given. (FitaAyalew, 2014)

The trainers firstly identify the gap that exists with the MSE personally by visiting their work performance and through interviewing. Then the support providing trainer will plan how to fill the gap with them. There are many options; 1 filling their identified gap on the job, 2 calling to the college and filling the gap in the college's workshop and 3 and if it is beyond

the capacity of the trainer the college will invite other people with the required skill from outside.

2.1.10.4 Technology support

Technology is the set of knowledge, skills, experience and techniques through which humans change, transform and use our environment in order to create tools, machines, products and services that meet our needs and desires. Etymologically the word comes from the Greek Tekne (technical, art, skill) and logos (knowledge) (www.what-is.info).

Technology transfer is one of the most important components of industry extension service provided by colleges for MSE. It is a means through which enterprises technology needs are identified and copied from different sources like internets, produced items abroad, or by inventing new technology and the how it is made is transferred to them.

As Fita, 2014 cited (EKI, 2012) technology transfer is one of the core issues of industry extension service where technology can be identified in terms of techno ware, info- ware, human- ware or orga-ware. Techno ware includes materials, gadgets, etc. Human ware includes the human knowledge, ability, experience, etc. Info ware includes organized information, work processes, design and blueprints, etc. Orga-ware: includes the organizational structures, setups, methods of doing things, etc. The term is now introduced to the different governmentally owned TVET institutions so that the different technologies copied by them could be further transferred to the nearby micro and small enterprises. Anyone from MSE can take for free the technology and can copy it for business.

2.2 Empirical Reviews

Elias Ambachew made a research on factors affecting the implementation of industry extension service for micro and small enterprises found in Bahir Dar city. He used questioner, interview and observation. The finding of this research revealed that. The capacity of most of the trainers towards the implementation of industry extension is low, need assessment was not made before the implementation of the service, the ratio of distributing enterprises for trainers was not proportional, there is a poor follow up for trainers supporting the IES and unattractive transport allowance were found. But the finding show that among the four packages of industry extension service Kaizen were the most better implemented than the other packages (Elias Ambachew, 2018).

A research undertaken by Lemma on factors that affect the effective implementation of industry extension service was made on MSEs found in North Shewa zone area. The data were collected from field study using questionnaire and interview. On the research he revealed that comparatively among the four IES packages Kaizen and Entrepreneurship performed well.

Whereas, technology transfer and skill gap training were less implemented. According to Lemma factors for poor implementation of IES were lack of continuous monitoring and evaluation, shortage of identifying skill gap in manufacturing MSEs, lack of continuous support, lack of practical support in the workshop, lack of training for awareness creation of stakeholders, lack of transferred technology to MSEs, lack of new copied technology, and lack of financial availabilities. The lack these factors contributed for poor performance of the industry extension service (Lemma Habtegiorgis, 2019).

According to Asaye Liknaw, on his research on the Challenges and Opportunities in the Implementation of Industrial Extension Services to Micro & Small Enterprises in Yeka Sub-City, Addis Ababa, using the methods of questionnaire, interview and observation to collect data, point out that due to different factors, some part of the packages do not continuously given, Like trainers unwillingness and lose his/her time out of services, unwillingness of the operators in such case the implementation industrial extension services are not completely given effectively.

But his research is limited to Yeka Sub city only (Asaye Liknaw, 2018)

A review undertaken by Dr. Ricardo Pinto, Pinto Consulting GmbH, on Review of the Industrial Extension Services (IES) System in the FDR of Ethiopia, also listed out about 10 factors for poor performance of industry extension service and one among these factors is the knowledge and skill of the trainers. The finding shows that knowledge and skill of the performer is very important for successful implementation of industry extension (Dr. Ricardo Pinto, 2016)

Researchers mentioned above made their research on measuring performance and effectiveness of their respective studied college. But none of them used to measure the quality of service provided to micro and small enterprise using the service dimension. In addition, the researcher still is unable to find any research made on industry extension service quality using the components of service quality dimensions. Hence based on the above mentioned gap the researcher developed the conceptual frame work.

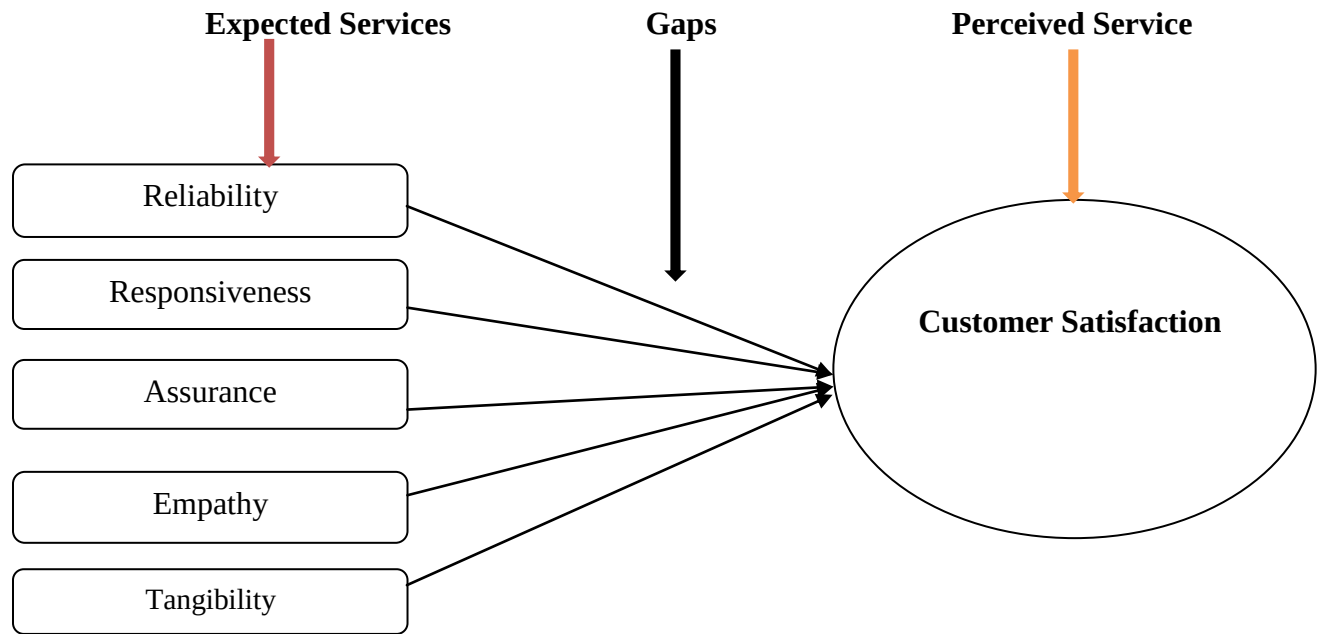


Figure 2.1 Conceptual Frame Work

Research framework of SQ dimensions and CS (Source: Parasuraman et al. 1988)

Mathematical model specification of the study

$$Y = \alpha + \beta_1 \text{tan} + \beta_2 \text{emp} + \beta_3 \text{ass} + \beta_4 \text{res} + \beta_5 \text{rel} + \epsilon$$

Where,

- 1) α = constant
- 2) $\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 were stand for the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.
- 3) Tan = tangibility
- 4) Emp = empathy
- 5) Ass = assurance
- 6) Res = responsiveness
- 7) Rel = reliability
- 8) Y = quality service
- 9) ϵ : refers to standard error

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

Introduction

In this part, methods used to do this research will be presented on this chapter. Starting from type of research sampling method and analysis ways and ethical issues will be presented in this chapter.

3.1 Research design and its Approaches

In this study the descriptive along with both correlation and explanatory research designs were employed with mixed research approaches (i.e. quantitative and qualitative).

Descriptive Study attempts to describe systematically a situation, problem phenomena, service or program, or attitudes towards an issue. The main purpose of such studies is to describe what is prevalent with respect to the issue or the problem under study.

Explanatory research attempts to classify why and how there is a relationship between two aspect of a situation or phenomenon. In fact there is not much difference between correlation research and explanatory research. It has to be noted that explanatory research goes deep, beyond establishing the existence of relationship, it also tries to answer why and how flexibility in the research process. It is used to understand variation / diversity in a phenomenon, issue, problem or attitude towards an issue.

Furthermore, **Correlation Study** will be also employed. It emphasizes to discover or establish the existence of relationship/association/interdependence between two or more aspects of a situation. In this study the relationship between dependent and independent variables.

Quantitative approach: In this there is predetermination of everything that forms the research process. objectives, design , sample, and the questions that are planned to be asked to respondents. To find out how many people have a particular perspective, how many people have a particular problem, or how many people hold a particular view, structured approach or quantitative research is needed. Quantitative research is based on the measurement of quantity or amount. It is applicable to phenomena that can express in terms of quantity. It is used to quantify the variation in a phenomenon, situation, problem or

issue. In this type of research the information is gathered using predominantly quantitative variables and the analysis is aimed to ascertain the magnitude of the variation.

Qualitative approach: Qualitative research is concerned with qualitative phenomenon. In this, the purpose of the study is primarily to describe a situation, phenomenon, problem or event and the information is gathered through the use of variables measured on nominal or ordinal scales.

3.2 Data Types and Data Sources

The study will use both primary and secondary data sources. The primary data will be collected from respondents, which are MSE managers or owners. Secondary data will be used from reports, manuals check lists etc. Raw data will be collected and analysed.

3.3 Population of the study

Table 3.1:- Sample Size of the study

S/No	Sectors	Enterprises	Sample	Proportionate
1	Furniture	108	54	108*199
2	Metal work	54	27	54*199
3	Textile and garment	192	96	192*199
4	Agro and food processing	44	22	44*199
Total Respondents =		398	199	

The population for the study was the MSE enterprises owners and managers. The College has currently 1524 (398 of them are manufacturing) enterprises that are benefiting from the industry extension service. Since the government strategy is made a huge focus on manufacturing the researcher also made a due attention on manufacturers

3.4 Sampling procedure

Sample size

Using Yamane formula study population will be enterprise owners, and target populations are 398 manufacturers, hence the sample population will be calculated using the following Yamane formula

$$n = \frac{N}{1 + N(e)^2}$$

Where

n= corrected sample size,

N = population size, and

e = Margin of error (MoE), e = 0.05 based on the research condition.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{398}{1 + 398(0.05)^2}$$

$$n = \frac{398}{1.995}$$

$n \approx 199.4$ which is 199.

Sampling technique

Stratified sampling techniques will be employed in this study. Thus, a proportionate stratified random sampling technique which provides equal chance for all strata of MSEs Owners will be used.

3.5 Data gathering instruments-variables and measures

The researcher will use mainly primary data sources by self-administered questionnaire using modified dimensions of SERVQUAL that is developed by Parasuraman (1988). It will be translated in to Amharic to make it easily understandable to all the responds.

The study will use five point Likert scale that helps to measure the variables and the respondents rated their level of agreements and disagreements to the given statement, that is “strongly disagree=1” “disagree=2”, “neutral=3”, “agree=4”, “strongly agree= 5”, points

3.6 Data Analysis technique

The data collected from primary sources will be documented, organized and analyzed as per research questions. Then, the major findings will be summarized and presented using descriptive statistical and inferential tools like frequency distribution, percentage, mean and standard deviation for collected quantitative data. Descriptive statistics helps to describe, show or summarize data in a meaning full way whereas. It helps to take findings from a sample group and generalize them to a larger population. Furthermore, the qualitative data obtained from the study will be organized, analyzed and interpreted and supplemented to quantitative data. To avoid redundancy while narrating respondents' answers, common

responses were summarized in tables, and then, taken as support to or against quantitative data.

3.7 Reliability and Validity of the instruments

Reliability refers to how consistently a method measures something. If the same result can be consistently achieved by using the same methods under the same circumstances, the measurement is considered reliable. Validity concerns how accurately a method measures what it was intended to measure. If research has high validity that means it produces results that correspond to real properties, characteristics, and variations in the physical or social world (Eden, 2017).

Therefore, reliability was tested using Cronbach's alpha values for the items in each construct. Accordingly, reliabilities less than 0.60 were considered to be poor, those in the 0.70 range, acceptable, and those over 0.80 good.

3.8 Ethical consideration

Research should be designed, reviewed and undertaken to ensure integrity and quality. Informed consent is the major ethical issue in conducting research. According to Armiger (1997) it means that a person knowingly, voluntarily and intelligently, and in a clear and manifest way, gives his consent. The issue of confidentiality and anonymity is closely connected with the rights of beneficence, respect for the dignity and fidelity.

Clarke J. (1991) suggests anonymity is protected when the subject's identity cannot be linked with personal responses. If the researcher is not able to promise anonymity, he has to address confidentiality, which is the management of private information by the researcher in order to protect the subject's identity.

Hence, in this study, respondents will be informed fully about the purpose, methods and intention of the study, possible uses of the study, what their participation in the study entails and what risks, if any, were involved.

In addition, the confidentiality of information supplied by research subjects and the anonymity of respondents will be respected. Research participants involved in a voluntary way, free from any coercion.

CHAPTER FOUR

4. DATA PRESENTATION AND DATA ANALYSIS

4.1 Introduction

In this section, quality of industry extension service in the case of Kolfe Industrial College was presented. This data analysis and interpretation part is composed of different information that was gathered through primary and secondary data collection methods.

The primary data was collected using self-administered questionnaire, and an interview. About 199 owners were given a self-administered questionnaire. In addition, face to face interviews with 5 industry extension and technology transfer coordinators, 5 deans and other 3 Addis Ababa city administration technical training and technology development, industry extension officers, totally 13 concerned bodies having ample experiences and knowledge of the issue under study was conducted. Out of them, thirteen pre-thought interviews with the top management, the researcher was lucky enough to undertake all. Out of the 199 questionnaires distributed, 194 were collected back resulting in 96.4 % response rate.

Table 4.1 Reliability Result of the Study

Items	No. of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized
Tangibility	4	.837	.837
Empathy	5	.584	.597
Reliability	5	.611	.625
Responsiveness	4	.796	.796
Assurances	5	.783	.782
Average	Overall	0.722	0.72

Source: SPSS results, 2021 G.C

A reliability test is used to assess consistency in measurement items (Cerri, 2012). Cronbach's alpha is used to measure the internal consistency of the measurement items. Higher Alpha coefficients indicate higher scale reliability. Specifically, Nunnally as cited in Eze et al., 2008 suggests that scales with 0.60 Alpha coefficients and above are considered acceptable. As shown in table 4.1 Scale Reliability Cronbach Alphas coefficients for service

quality items range 0.584 0.837. The overall Cronbach alpha coefficient for expected-scale items is 0.722. Therefore; the expected scales used in this study demonstrate high reliability.

4.2. General Information about Respondents

The first analysis of data involves profiling the background characteristics of the respondents drawn from the sampled respondents. In this section, based on the response obtained from the respondents, demographic characteristics of the study group were examined in terms of sex, age, level of education, growth of level the enterprise and position of the respondents.

Table 4.2: Demographic Characteristics of Respondents

Sex Of Respondent				
Variables	Frequency	Percent	Valid Percent	Cumulative Percent
Male	112	57.73	57.8	56.8
Female	82	42.27	42.2	100.0
Total	194	100.0	100.0	
Age Of Respondent				
Variables	Frequency	Percent	Valid Percent	Cumulative Percent
18-30	43	22.16	21.6	21.6
31-45	109	56.19	54.8	76.4
46-60	40	20.62	22.6	99.0
61 And Above	2	1.03	1.0	100.0
Total	194	100.0	100.0	
Educational Back Ground				
Variables	Frequency	Percent	Valid Percent	Cumulative Percent
Cannot Read	3	1.55	3.0	3.0
At least Can Read	26	13.40	13.6	16.6
1-8	68	35.05	34.2	50.8
9-12	65	33.50	32.7	83.4
Diploma/Level	24	12.38	12.1	95.5
First Degree	8	4.12	4.0	99.5

Source: Field Survey, 2021

In this study, about 112(57.73%) males and 82(42.27%) female respondents were participated during collection of quantitative data. This indicates that the research is fairly addressed both sex, male and female and it have no gender discrimination.

Regarding age of respondents 109(56.19%) was in between 31-45 years old. While the rest 43(22.16 %) were 18-30 in between years old. About 40(20.62 %) were in between 46-60 years old. Only 2(01.03%) of the respondents were 61 and above years old. As clearly, indicated that majority of respondents in selected enterprises were matured enough for properly understanding and filling the questionnaires distributed and it is free from emotional.

As can be seen from the above table 1, among 194 filling the questionnaires, 68(35.05%) were between grade 1-8, 65(33.50%) completed 9-12 grade, 26(13.40%) at least can read and, 24(12.38%) holds diploma level of education, whereas, the remaining 8(4.12%) of were 1st degree holders. This can be an implication that the respondents have a good academic background to understand and respond the distributed questionnaire.

Table 4.3: Growth Level of enterprises

Enterprise Growth Level				
Enterprises	Frequency	Percent	Valid Percent	Cumulative Percent
Micro Level	109	56.19	56.4	41.7
Small Level	83	42.78	42.6	84.4
Medium Level	2	1.03	1.0	96.5
Total	194	100.0	100.0	

As far as growth level of enterprises were concerned, majority 109(56.19%) of them were micro enterprises 83(42.78%), were small enterprises and the rest small in number 2(1.03%) were medium level. This indicates that the majority of IES provision was made for micro level and small level of enterprises.

4.3 Level of Quality of Services

Table 4.4: Tangibility

Descriptive Statistics			
	N	M	SD
KIC location is appealing and convenient	194	1.61	1.115
KIC have modern and convenient training equipment	194	1.75	1.084
always in uniform and neat in appearance	194	2.14	1.110
Good appearance of the physical facilities and is in line with the kind of industry extension services provided.	194	2.14	1.110

Notice: (M= Mean, SD=Standard Deviation), Intervals: (1.00-1.49) = strongly disagree; (1.50-2.49) = disagree; (2.50-3.49) = indifferent (3.50 - 4.49) = agree; (4.50-5.00) = strongly agree

Source: Own SPSS Result 2021

In the above table 4.4, the enterprises owners were asked the level of quality services using tangibility items. Thus, the mean values of each item were calculated between 1.61 and 2.14 with standard deviations of 1.12 and 1.11 in ascending order, which implies customers disagree that the college have tangibility in supporting industry extension service.

Accordingly, from the four questions asked under tangibility, the respondents disagree that the College's location is not appealing and convenient with mean of (M=1.61 and SD=1.12) on having modern and convenient training equipment with (M=1.75 and SD=1.08), wearing uniform and neatness for support with (M=2.14 and SD= 1.11) and inlineness of physical facilities with (M=2.14 and SD= 1.11) in ascending order.

The interview conducted with key informants confirmed that; the college's location is not on the road side instead it is in between residents, have no secured fence yet, and cannot be found easily by strangers, and most of the MSE were complaining on its location. And even though the trainers are provided annually with the uniform for the support service they were not using it at all.

Table 4.5: Empathy

Descriptive Statistics			
	N	M	SD
understand the specific needs of the enterprises	194	1.38	.732
giving enterprises individual attention for further improvements	194	1.64	.823
provide personal attention to each enterprise	194	2.12	.947
has the enterprise best interest at heart to provide industry extension services	194	3.58	.702
convenient operating hours to all enterprises	194	3.58	.702

Notice: (M= Mean, SD=Standard Deviation), Intervals: (1.00-1.49) = strongly disagree; (1.50-2.49) = disagree; (2.50-3.49) = indifferent (3.50 - 4.49) = agree; (4.50-5.00) = strongly agree

Source: Own SPSS Result 2021

Regarding empathy, in the above table 4.5, the enterprise owners were asked the level of service quality and found, the mean values of each item as calculated between 1.38 and 3.58 with standard deviations of 0.73 and 0.70 in ascending order

Accordingly, respondents strongly disagree that trainers of the KIC did not understand specific needs of the enterprises with (M=1.38 and SD=0.73) and also they still disagree that the trainers give individual attention for the enterprises further improvement with (M= 1.64 and SD=0.82) and the college have employees that provides personal attention with (M=2.12 and SD=0.95). On the other hand respondents agreed that the college have convenient operating hours for them and also the college has enterprise best interest at heart to provide industry extension service in ascending order. This implies that MSE owner disagree that in understanding and paying attention for the enterprise. But to some extent they agree that the college has convenient working hours and has the enterprises best interest at heart in providing the support service.

The conducted interview also shows that on the service provision the service providers were not paying personal attention for the enterprise, but the support is provided with enterprises at agreeable and convenient time even some times out of working days like weekends.

Table 4.6: Reliability

Descriptive Statistics			
	N	M	SD
performing support service on the promised schedule	194	1.57	.965
providing support services as promised	194	1.60	.804
dependable in handling enterprise owner's problem	194	1.96	1.204
When enterprises encounter problems, KIC employees show a sincere interest in helping enterprises solving it.	194	2.16	1.106
KIC is an institution you can depend on.	194	3.47	.945

Notice: (M= Mean, SD=Standard Deviation), Intervals: (1.00-1.49) = strongly disagree; (1.50-2.49) = disagree; (2.50-3.49) = indifferent (3.50 - 4.49) = agree; (4.50-5.00) = strongly agree

Source: Own SPSS Result 2021

In the above table 4.6, enterprise response showed that whether KIC employees are reliable or not. The responses mean were calculated between mean of 1.57 and 3.47 and the standard deviation of 0.97 and 0.95 in ascending orders. Thus most of the respondents disagree with the keeping promised schedule of support service with the mean of (M=1.57 and SD= 0.97), providing support service as early promised by the college with the (M=1.60 and SD 0.80), on bring dependable in handling problems of enterprises with (M=1.96 and SD=1.20) and showing sincere interest in handling encountered problems with (M=2.16 and SD=1.11). On the other hand respondents were indifferent or neutral in the college is an institute they can depend on with (M=3.47 and SD=0.945) in ascending order. Respondents reviled their disagreement that the college is reliable in providing service as promised, promised schedule and also in handling problems they encounter.

Table 4.7: Responsiveness

Descriptive Statistics			
	N	M	SD
giving prompt support service to enterprises	194	1.77	1.009
always willing to help enterprises in all what they can help	194	2.25	1.296
regularly notifies the enterprises the support services schedule timely	194	2.46	1.268
never too busy to respond to enterprises at times they are required	194	2.48	1.205

Notice: (M= Mean, SD=Standard Deviation), Intervals: (1.00-1.49) = strongly disagree; (1.50-2.49) = disagree; (2.50-3.49) = indifferent (3.50 - 4.49) = agree; (4.50-5.00) = strongly agree

Source: Own SPSS Result 2021

In the above table 4.7, the enterprises owners were asked with responsiveness of the KIC employees and found the mean values of each item calculated between 1.77 and 2.48 with standard deviations of 1.01 and 1.21 in ascending order.

Thus, the respondents revealed their disagreement in terms of getting prompt support service for them with $M=1.77$ and $SD=1.01$, the employees of the college are willing to help them in all what they can with the $M=2.25$ and $SD=1.30$, being notified by the college about the support service schedule timely with the $M=2.46$ and $SD=1.27$ and finally the college employees are never too busy to respond to enterprises at times they are required with ($M=2.48$ and $SD=1.21$) in ascending order. Respondents also show their disagreement by replying that the college is not providing to them a prompt service and in notifying the schedule.

Key informants reply that there are times that trainers may not be on the regular service which may made them not helping enterprises especially with manufacturing sector service providers because they might be needed by the college for emergency works in the college.

Table 4.8: Assurance

Descriptive Statistics			
	N	M	SD
feeling safe and comfortable in receiving support service	194	2.12	1.127
Frequency of the support service is convenient	194	2.24	1.173
consistently courteous and caring	194	2.56	1.255
inspires confidence in the members of enterprises	194	2.74	1.186
equipped with the knowledge and skill that is required to provide the support service	194	2.75	1.206

Notice: (M = Mean, SD =Standard Deviation), Intervals: (1.00-1.49) = strongly disagree; (1.50-2.49) = disagree; (2.50-3.49) = indifferent (3.50 - 4.49) = agree; (4.50-5.00) = strongly agree

Source: Own SPSS Result 2021

In the above table 4.8, the enterprises owners were asked the level of quality services using assurance items. Thus, the mean values of each item were fall between 2.12 and 2.75 with standard deviations of 1.13 and 1.21 in ascending order.

Accordingly, the respondents showed their disagreement in terms of feeling safe and comfortable in receiving support service from KIC employees with ($M=2.12$ and $SD=1.13$) and frequency of the support service is convenient for them with ($M=2.24$ and $SD=1.17$).

However, the respondents were neutral or indifference with employees courtesy and caring

consistently with the enterprise members with (M=2.56 and SD=1.23) the behavior of KIC employees inspires confidence in the members of enterprises with (M= 2.74 and SD= 1.19) and being equipped with the knowledge and skill required to provide the support service for the enterprise with (M=2.75 and SD=1.21), in ascending order. When it comes to assurance they are neutral with their response.

From the interview made the researcher came to learn that enterprises are feared full that their organization secret might not be kept, especially regarding their real income and total asset. This means they are not comfortable with the service.

4.4 Correlation Results

The correlation analysis result was performed to see the association between modified SERVQUAL dimensions and overall customer satisfaction. Therefore, the correlation analysis revealed the relationship between Reliability, Responsiveness, Assurance, Empathy, Tangibility, with overall customer satisfaction.

If the correlation result lies between -1 and 0, the two variables are negatively related. But if the correlation result of the two variables lies between 0 and 1, the two variables are positively related. Furthermore, according to Field (2005) general guidelines correlations of 0.1 – 0.29 are considered small, correlations of 0.30 – 0.49 are considered moderate and correlations above = > 0.5 are considered large.

Table 4.9: Correlation Analysis Results

Correlations							
		Tangibility	Empathy	Reliability	Responsiveness	Assurances	Satisfaction
Tangibility	Pearson Correlation	1					
	Sig. (2-tailed)						
Empathy	Pearson Correlation	.625**	1				
	Sig. (2-tailed)	.000					
Reliability	Pearson Correlation	.825**	.506**	1			
	Sig. (2-tailed)	.000	.000				
Responsiveness	Pearson Correlation	.835**	.627**	.690**	1		
	Sig. (2-tailed)	.000	.000	.000			
Assurances	Pearson Correlation	.787**	.623**	.668**	.929**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Satisfaction	Pearson Correlation	.753**	.634**	.605**	.930**	.862**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: SPSS correlation results (2022)

Researchers calculated Pearson Correlation to check whether the aggregate levels of satisfaction are significantly correlated with the five dimensions of service delivery scores. As it can be presented in table 12 the correlation results indicated that there is significant relationship among all variables. In other words, the result shows that there is significant and positive relationship between service quality and the five service delivery dimensions (Empathy, Responsiveness, Assurance, Tangibility and Reliability). From this, one can conclude that service delivery dimensions are positively correlated with customer

satisfaction, implying that they are dominant components/attributes to measure service quality.

The above correlation matrix shows that responsiveness has positive and highest associations with overall customer satisfaction other than the other dimensions with a value of ($r=0.930$, $p<0.01$). It is followed by assurance which have equal value ($r = 0.862$, $p<0.01$), tangibility ($r = 0.753$, $p<0.01$), empathy ($r=0.634$, $p<0.01$) and reliability with value ($r = 0.605$, $p<0.01$)

In summery from all these tests, the study confirmed that the five dimensions are positive relationship with corporate customer satisfaction, therefore, the result reflects that corporate customer satisfaction is affected by five dimensions variables.

4.5. Descriptive Analysis of Overall Customer Satisfaction

Table 4.9: Satisfaction level of Owners with Service Provided

Descriptive Statistics			
	N	M	SD
I am satisfied with performance of the trainers of the college	194	1.81	1.165
Overall, how satisfied are you with the service you have received from the college so far?	194	1.92	1.038
I am satisfied with the respectful behavior of trainers of the college	194	2.01	1.101
I am happy being a client of the college	194	2.02	1.145
I am satisfied with the trainers professional competency	194	2.03	1.246
I am satisfied with the prompt service of the college	194	2.06	1.276
I am satisfied with colleges complete range of service provisions	194	2.08	1.135
Do you think you will come back for college help if you need the same help in the future?	194	2.39	1.239

Notice: (M= Mean, SD=Standard Deviation), Intervals: (1.00-1.49) = strongly disagree; (1.50-2.49) = disagree; (2.50-3.49) = indifferent (3.50 - 4.49) = agree; (4.50-5.00) = strongly agree

Source: Own SPSS Result 2021

In the above table 4.9, the enterprises owners were asked their satisfaction level with the service provided by the college. Thus, the mean values of each item were calculated between 1.81 and 2.39 with standard deviations of 1.17 and 1.24 respectively. According to the disconfirmation theory, satisfaction is determined by the discrepancy between perceived performance and cognitive standards such as expectations and desires (Khalifa and Liu, 2003). Customer's expectations can be defined as customer's partial beliefs about a product or service (Mckinney, 2002).

Accordingly, the respondents revealed their low rate and disagreement in terms of that they are satisfied with the performance of the college's trainers with (M=1.81 and SD=1.12), overall satisfaction level of received service with (M=1.92 and SD=1.04), satisfied with the behavior of colleges trainers with (M=2.01 and SD=1.10), being happy on becoming college's client with (M=2.02 and SD=1.16), becoming happy on professional competency of the trainers with (M=2.03 and SD= 1.25), being satisfied with prompt service range of the college with (M=2.06 and SD= 1.28) owners satisfied with organization's complete range of services (M=2.08, SD=1.14) and finally, for the response do you think you will comeback for help with (M=2.39 and SD= 1.24) in ascending order

4.6. Challenges Facing In Relation To Service

Table 4.10: Challenges Facing In Quality Service

Descriptive Statistics			
	N	M	SD
unable to provide the required precondition for service, sufficient documents, and lack of sufficient orientation of the public service organizations services	194	1.7629	.83042
Trainers unable to provide sufficient requirements as per the rules, procedures, and regulations of the organizations	194	1.8814	.98242
inconvenience physical facilities affect image of industry	194	1.9072	.96124
lack of awareness and lack of information about the service	194	1.9227	.99699
Lack of skilled person ready to provide IE at the right time and situation	194	1.93299	.987300
lack of commitment from trainers	194	1.9536	.99372
Not fast enough to transfer customer's application to the concerned one in charge for DM process on time.	194	2.0670	1.12007
inconsistency and integration practices were problems during providing industry extension services	194	2.1134	1.13244

Notice: (M= Mean, SD=Standard Deviation), Intervals: (1.00-1.49) = strongly disagree; (1.50-2.49) = disagree; (2.50-3.49) = indifferent (3.50 - 4.49) = agree; (4.50-5.00) = strongly agree

Source: Own SPSS Result 2021

In the above table 4.10, the enterprises owners were asked the major challenges facing the provision of quality industry extension services. Thus, the mean values of each item were calculated between 1.76and 2.11 with standard deviations of 0.83 and 1.13 respectively.

Accordingly, the respondents revealed their disagreement in provision of required preconditions, sufficient documents, and lack of sufficient orientation with (M=1.76 and SD=0.83), trainers inability to provide sufficient requirements as per the rules and regulations with (M=1.88 and SD=0.98), inconvenience physical facilities of industry extension services affect image of their enterprises (M=1.91, SD=0.96), lack of awareness and lack of information about the service (M=1.92, SD=1.00). lack of skilled person with the (M=1.93 and SD 0.99), lack of commitment from the trainers to provide the service with (M= 1.96 and SD=0.99), being not fast to transfer application to concerned body on time with (M=2.07 and SD=1.12) and finally lack of integration and consistency with (M= 2.11 and SD= 1.13) were found in ascending order.

4.7 Descriptive Statistics of Factors

Table 4.11: Over mean and standard deviation of the construct

Descriptive Statistics			
Independent variables	Mean	SD	N
Tangibility	2.0825	1.17548	194
Empathy	1.9794	1.05280	194
Reliability	2.2113	1.24329	194
Responsiveness	2.2371	1.21539	194
Assurances	2.2732	1.26434	194
Customer satisfactions	2.1856	1.19437	194

Source: Own SPSS Result (2021)

As shown in the above table the independent variable Empathy with weighted mean 1.97 and standard deviation 1.05 verifies low result. Similarly, Tangibility as independent variable with weighted mean 2.08 and standard deviation 1.17 confirms low scores but higher than the computed value of role of empathy in increasing customer satisfaction.

Despite of this, reliability is the independent variable whose weighted mean 2.21 and standard deviation 1.24 revealed that low effects of reliability on customer satisfaction , but relatively higher than the former two independent variables. Lastly, responsiveness weighted mean 2.23 and standard deviation 1.21, and assurances with mean of 2.27 and standard deviation 1.26 has weighted mean relatively greater than the rest variables.

Table 4.13 coefficient of regression

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	@	.074		1.436	.153
	Tangibility	-.070	.063	-.069	-1.110	.269
	Empathy	.116	.039	.102	2.942	.004
	Reliability	-.048	.044	-.050	-1.089	.277
	Responsiveness	.965	.078	.982	12.424	.000
	Assurances	-.025	.067	-.026	-.368	.713
a. Dependent Variable: service quality						

Source: Own Survey Data (2021)

From the above table, it can easily compare the relative contribution of each of the different variables by taking the beta value under the standardized coefficients. The higher the beta value, the strongest its contribution becomes. Accordingly, responsiveness (Beta=.982) with $p=.00$) makes the strongest contribution to explaining the dependent variable in which the results revealed that, a one-unit positive change in responsiveness would lead to a 0.982 unit positive changes on service quality in service delivered.

Further, empathy (Beta=.102 with $p=.004$) makes the medium contribution to explaining the dependent variable in which the results revealed that, a one-unit positive change in empathy would lead to a 0.102 unit positive changes on service quality. Therefore, increasing responsiveness and empathy of service delivered have determinant and positive effects on service quality.

In general, as table above clearly shows, among the five factors, multiple linear regressions (Standardized Beta coefficients) analysis revealed that, responsiveness is the most significant factor that affects customer satisfaction followed by empathy respectively, but reliability, tangibility and assurances has negative, and insignificant effect on customer satisfaction.

Generally, the regression model is;

$$Y = @ - 0.07 X_1 + 0.116 X_2 - 0.048 X_3 + 0.965 X_4 - 0.025 X_5 + E$$

4.8 Result Discussions

Clients' perception of service quality results from a comparison of their before service expectations with their actual service practice. Service quality was considered as excellent, if perception exceed expectations; it was viewed as adequate, if it only equals the expectations, if it does not meet them, poor (Vazquez et al., 2001).

The quality service delivery of public service is not a privileged in a modern society rather it is genuine expectation (Aman fijnr, 2012). As one can understand from the above table, empathy and tangibility have the lowest mean score, which means the College has little willingness to provide prompt service, poor competency of employees, low understanding to customers, insufficient facilities, and their employees are not capable of doing their assigned task.

Hence, the current service deliveries of the SMEs are not compatible with the expected service of the selected college. However, customers respond with low mean/their expectation is greater than their perception. This implies that the college's service delivery is low, because result of key informant interview also shows similar poor performance.

The respondents' customers have weighted empathy and tangibility lowest and from this one can infer that we can understand that the college's the necessary facilities and equipment, and personnel and written materials resources are almost the maters of budget.

Hence, the reason behind why responsiveness is highly demanded by the clients; customers need quick response to their request, positive personal attitudes, care about their interest and immediate responsive to their inquiries. Furthermore, the reason behind why assurance is highly demanded by the clients were they give more focus to knowledge and courtesy and service providers ability to inspire trust.

Accordingly, the result of this study indicates that responsiveness, assurance and reliability are the most demanded service quality dimensions but scored with low mean values in this study. This shows that it is under expectations. Because customers of the SMEs are highly demand, immediate services to their request, positive and collaborative attitudes of employees, quick service with accuracy. Most of the time customers give great concern for speed of response to their complaints (responsiveness), attitudes of staff, employees concern for customers and security for transactions (assurance), speed of services, and accuracy of transactions (reliability). Generally, this implies that customers were not satisfied in the studied SMEs in tangibility, empathy, and reliability dimensions relatively as compared to responsiveness and assurances.

CHAPTER FIVE

5. Summary of Major Findings, Conclusion and Recommendation

5.1 Summary of Major Findings

Based on the data analysis the major findings are summarized as follows

From data analysis the Cronbachs Alpha for this study is 0.722 which shows that there is internal consistency between the items and that measure dimensions of the variables.

The effects of service quality on customer satisfaction

- ✚ Correlation analysis result was performed to see the association between modified SERVQUAL dimensions and overall customer satisfaction.
- ✚ Responsiveness dimensions have scored positive and highest association with customer satisfaction also followed by assurance.
- ✚ According to guidelines suggested by Field (2005), correlation coefficient (r) between 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and ≥ 0.5 is strong. The correlation result shows that the responsiveness and assurances dimension of the service quality are significant and the most important dimensions, statistically significant at ($p < 0.05$).
- ✚ Even though the rest of the dimensions that are tangibles, reliability and, empathy are not statistically significant in the overall customers satisfaction they still have positive correlation with overall customer's satisfaction on the service quality of industry extension services.

The enterprises owners were asked their satisfaction level with the service provided.

Satisfaction is determined by the discrepancy between perceived performance and cognitive standards such as expectations and desires. The respondents revealed their low rate and disagreement in terms of that the owners satisfied with organization's complete range of services and they were not satisfied with performance of the trainers of the college. They were not also happy enough being a client of the organization.

Furthermore, the enterprises owners were asked the major challenges facing the provision of quality industry extension services.

Accordingly, the respondents revealed that inconvenience physical facilities of industry extension services affect image of their enterprises and lack of awareness and lack of information about the service. In addition, inability of trainers to provide the required precondition for service, insufficient documents, and lack of sufficient orientation of the

services for the enterprises, trainers inability to provide sufficient requirements as per the rules, regulations, and procedures of the organizations, lack of commitment from trainers and lastly mismatch between professionals of service providers passive to transfer customer's application to the one who is in charge for decision-making process on time

5.2 Conclusion

To achieve the first specific objective the researcher identified the relationship between service quality and customer satisfaction in industries Pearson correlation analysis was used. It was found that all five dimensions of service quality are important for customer's satisfaction in industry extension services. The study revealed that the responsiveness and assurance dimensions of service quality have highest positive and moderate relationship with overall customer satisfaction.

This requires the company effort to work on these variables too, to satisfy its customers to the acceptable level. Because as it can be seen from the correlation analysis done, it is evident that all the five service quality dimensions have positive and significant correlation with customer's satisfaction. This result indicates that the industry customer place emphasis on all service quality dimensions. Thus it can be concluded that as these attributes increases from the industry, customer satisfaction also increases. Finally the finding have shown that mean score of overall satisfaction with the Service Quality is below average or satisfactory. In addition to this the mean scores with regarding to overall customers satisfaction on all dimensions are almost below average, which implies as more of industry extension services customers are not satisfied with service quality of the college.

5.3 Recommendations

- The researcher recommendation to increase industry extension service delivery is that it is better to work in awareness creation via different mechanism to the enterprises. Because an aware client helps to clearly ask their rights, consequently the service provider enables them to fill their gap as per the questions and comments of customer.
- In a net shell, customer satisfaction of the public organizations shows that customers of the college were dissatisfied. However, this does not mean they are not best in all and customers are dissatisfied. In the key informant interview shows that there are problems with regard lack of accountability, poor willingness to delivery service as per the quality.

- So the College is expected to give due attention to introduce accountability and provide service effectively and efficiently.
- There are also gaps in providing response to customers as per their request, quality related limitations, and enterprises owners dissatisfaction. Since the college is capacity builder and highly responsible, it should solve the quality related problems, service responsiveness and employee dissatisfaction by following best international standard, quality measurement, investing more in research and development, and revise its internal work procedure, work load and both financial and non-financial motivational factors and share other similar organizations experiences.
- The College should introduce appropriate and realistic accountability measure, furthermore, there should be more aware to assess the enterprises satisfaction consequently it helps them to solve immediately any low organizational belongingness.
- The college also should give due attention for their rules, regulations, and procedure consistency and other integration problems. Hence, it is better to discuss jointly at least the main gaps of the observed problems and give solutions.

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APPENDIX

QUESTIONNAIRE

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

Dear Respondents,

I am post graduate student of the Addis Ababa University School of Commerce. I am working research paper for the partial fulfillment of MA degree in Marketing Management. My research title is Assessing Service Quality of Industry Extension support service at Kolfe Industrial College. The questionnaire is prepared to identify your view on service quality of Kolfe Industrial College. The data will be used only for academic purpose and your response will not be forwarded to other 3rd party and it is kept confidential, please answer each questionnaire comfortably. No need of writing your name.

Thank you in advance for your active participation and your cooperation.

Alemayehu Leta

Email: - alemayehuleta@yahoo.com

PART ONE – PERSONAL INFORMATION

(Please put a tick (✓) mark to indicate your choice)

1. Gender Male ☐ Female ☐

2. Age Group

18-30 ☐ 31-45 ☐
45-60 ☐ Above 60 ☐

3. Educational Backgrounds

Primary school ☐ first degree ☐
High school ☐ 2nd degree and above ☐
Diploma ☐

5. Enterprise growth level

Micro ☐ small ☐ medium ☐ large ☐

6. Respondent position

Owner ☐ manager ☐ member ☐ employee ☐

PART TWO: - SERVICE QUALITY DELIVERY:

This part deals with your feeling on industry extension service provided by Kolfe Industrial College, for micro and small enterprises. The statements deal with the perceptions of service experienced in industry extension service provided by Kolfe Industrial College.

Please show the extent to which these statements reflect your perception of service in industry extension service provided by Kolfe Industrial College. Please circle a number that shows your level of agreement with the following statements where

1- strongly disagree 2- disagree 3- neutral 4- Agree 5- strongly agree

1. LEVEL OF QUALITY OF SERVICES

Tangibility

ITEMS	1	2	3	4	5
Employees of KIC are always in uniform and neat in appearance during industry extension services provision					
KIC location is appealing and convenience for providing industry extension services					
There is good appearance of the physical facilities is in line with the kind of industry extension services provided.					
KIC have modern and convenient training equipment's in providing industry extension services					

Empathy

ITEMS	1	2	3	4	5
KIC has employees who provide personal attention to each enterprise					
KIC employees understand the specific needs of the enterprises					
KIC has the enterprise best interest at heart to provide industry extension services					
KIC trainers give enterprises individual attention for further improvements					

Reliability

ITEMS	1	2	3	4	5
KIC employees are dependable in handling enterprise owner's problem					
KIC employees provide support services as promised					
When enterprises encounter problems, KIC employees show a sincere interest in helping enterprises solving it.					
KIC is an institution you can depend on.					
KIC employees perform support service on the promised schedule					

Responsiveness

ITEMS	1	2	3	4	5
KIC employees give prompt support service to enterprises					
KIC regularly notifies the enterprises the support services schedule timely					
KIC employees are never too busy to respond to enterprises at times they are required					
KIC employees are always willing to help enterprises in all what they can help					

Assurance

ITEMS	1	2	3	4	5
KIC trainers Frequency of the support service is convenient for the enterprises					
Enterprises feel safe and comfortable in their receiving support service from KIC employees					
KIC employees are equipped with the knowledge and skill that is required to provide the support service for the enterprise					
KIC employees are consistently courteous and caring with enterprise members.					
The behavior of KIC employees inspires confidence in the members of enterprises					

2. Satisfaction Level Of Customers

Please put a mark on a number that shows your level of agreement with the following statements where

1- Strongly disagree 2- disagree 3- neutral 4- Agree 5- strongly agree

ITEMS	1	2	3	4	5
I am satisfied with colleges complete range of services					
I am satisfied with performance of the trainers of the college					
I am happy being a client of the college					
I am satisfied with the trainers professional competency					
I am satisfied with the prompt service of the college					
I am satisfied with the respectful behavior of trainers of the college					

3. Challenges Facing In Relation To Service Delivery

Please put a mark on a number that shows your level of agreement with the following statements where

1-Strongly disagree 2- disagree 3- neutral 4- Agree 5- strongly agree

ITEMS	1	2	3	4	5
inconvenience physical facilities affect image of industry					
lack of awareness and lack of information about the service					
unable to provide the required precondition for service, sufficient documents, and lack of sufficient orientation of the public service organizations services					
Trainers unable to provide sufficient requirements as per the rules, procedures, and regulations of the organizations					
lack of commitment from trainers					
Service provider professionals are not fast enough to transfer customer's application to the one who is in charge for decision-making process on time.					

PART THREE: INTERVIEW GUIDE

1. How do measure the quality of industry extension service delivery in your college-----

2. Do you think that the enterprises owners were satisfied with the service delivery? If your answer is yes how do you explain it-----

-----? If not why? -----

3. What are the main challenges of industry extension services delivery in your college?-----

Confirmation letter

№ 16102 / 2014

ለአዲስ አበባ ዩኒቨርሲቲ ንግድ ስራ ትምህርት ቤት
አዲስ አበባ

ጉዳዩ፡- መስረጃ መላክን ይመለከታል

ተማሪ አለማየሁ ሲታ በኢንተርፕራይዎችን ለመመረቂያ ፅሁፍ Assessment of service quality and customer satisfaction in public service organizations in Ethiopia: the case of kolfe industrial college industry extension service በሚል ከኢንተርፕራይዎች መረጃ ስለሰበሰቡት ይህንን የሚገልፅ የፅሁፍ ማስረጃ ይሰጠኝ የሚል ጥያቄ አቅርበዋል። በዚህም መሰረት ተማሪው የኢንዱስትሪ አካላትን አገልግሎት ጥራትና የደንበኞች እርካታ በመንግስት አገልግሎት ሰጪ ተቋማት በሚል በኮልፌ ኢንዱስትሪያል ኮልጅ ስር የሚገኙ የማኑፋክቸሪንግ ኢንተርፕራይዎች ላይ የሁለተኛ ዲግሪ የመመረቂያ ፅሁፍቸውን እየሰሩ በመሆኑ ለጥናት የሚረዳ መረጃ በኢንተርፕራይዎችን መጠይቆችን አምጥተው በማስመላት የወሰዱ መሆኑን አንገልግለን።



ክሰላምታ 2C