

Evaluating Service Quality of Commercial Banks towards SMEs in Pakistan: Implications for Improvement

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In this research, commercial banks' service quality measures towards SMEs in Pakistan are investigated. A descriptive study design was adopted to conduct this study in which perceptions of commercial banks branch managers, officers, and SMEs customers were explored to measure the service quality. A structured questionnaire was used to collect data from three categories of respondents' managers, bank officers, and bank customers, especially those who belong to SMEs. SERVQUAL instrument along with additional dimensions adapted from various empirical studies on commercial banks was used on a 5-point Likert scale. Questionnaire reliability was ensured by performing Cronbach's alpha test on all the 12 dimensions of service quality. The sample size constituted 300 SME customers, 30 branch managers, and 120 bank officers. Statistical analysis was executed using SPSS software where mean, standard deviation, independent samples t-test, ANOVA, and Tukey HSD test for multiple comparisons were used for variance analysis. Results revealed that sampled commercial banks were failed to provide better service quality as perceived by SMEs customers but perceptions of managers and bank officers from the banks' side indicate interesting results as almost in all dimensions both respondents (Managers and bank Officers) agreed-upon provision of effective and efficient service quality in their respective banks. Commercial banks in Pakistan should take firm measures to improve the quality of services towards SME customers as it has a significant impact upon banks' growth in terms of market share, competitiveness in services, and high profitability.

Key Words: Service Quality; Commercial banks; SMEs; SERVQUAL

INTRODUCTION

In the past three decades, the business environment has been rapidly changing all over the world especially in the banking sector (Chang, Jang, Li, & Kim, 2017). Significant changes have been emerged due to technological advancement, demand fluctuations, globalization trends, and the drastic revolution of social media. New methods for running organizations have been cropped up because of the global paradigm shift in the last two decades. Thus, learning organizations have managed to change, and develop their strategies accordingly, and flourished in the new business environment whereas some organizations are in transition and facing challenges, but a large number of organizations are working in the traditional practices of doing business.

A similar situation could be seen by analyzing the business environment of Pakistan's banking sector. The service sector all over the world constitutes a major part of the economy (Iqbal, Ahmad, & Nasim, 2016), and the banking sector of every economy in the world is considered as the backbone of every country. Since the inception of Pakistan, this sector was initially grooming and gaining momentum in the 1960s but later in Butto's regime this sector was nationalized and then the scope of the banking sector was restricted up to certain limits for many years. Again it was handed over to the private stakeholders after the 1980's and a significant expansion and development started taking place because there was a lot to do in this sector. Currently, it is a very competitive sector and contributing a significant amount to the GDP of Pakistan with a massive expansion in financial products, technological advancement, increased margin in profit, and diversification of Commercial, Islamic, and specialized banks.

Development in the banking sector in certain dimensions, like

online services, issuance of plastic money, internet banking, etc in Pakistan is acknowledged both in the private and public sector, but one crucial factor that is advancement in service quality, could not be achieved by the Pakistani commercial banks as compared to international customer service standards of the banking sector. The situation slightly revs up after the entry of foreign banks in last decade and bankers paid much attention to improving service quality because of intense competition, and even for the survival in the financial sector. This study is based on this stance that in the future competitive edge of commercial banks over other banks will not be an advancement in technology, expansion in the network, and new lucrative initiatives in the financial products, etc. but only those banks will survive who will delight their customers and could be able to make them for life by offering extraordinary services beyond their expectations. As customer awareness about service quality has also been increased due to the explosion of media and social media. In the 21st century, service quality is considered as one of the most important elements of customer retention, satisfaction, and loyalty. From a marketing standpoint, it is believed that dynamic customer service standards have become a crucial element of business long-term strategic vision which leads to competitive advantage to those organizations who vigorously work for the innovation and improvement in service quality measures.

The Pakistani banking sector has been growing rapidly over the last 20 years and it has the most developed infrastructure in terms of network expansion, advancement in technology, and innovation in financial products. This study intended empirical investigation of commercial banks' service quality measures towards SMEs in Pakistan. The inspiration for this investigation was based on lacking any useful research in this area

and a similar study conducted by Veli (2007) titled “*Measuring Service Quality of Commercial Banks Towards SMEs in Northern Cyprus*” also inspired the researcher to work on this area in Pakistani context. Service quality has become the crucial element of every organization's strategy, but to measure and retain service quality in terms of certain established standards has always remained a question mark and difficult task as concluded by (Bahia & Nantel, 2000).

LITERATURE REVIEW

The banking sector plays a pivotal role and its financial strength is considered to be the backbone of any economy in the world (Hennayake, 2017). During the last 30 years, this sector has faced vibrant and turbulent challenges caused by the technological explosion, globalization, and change in means of working all over the world. Being the largest supplier of services all over the world and the increased importance of service quality in this sector has led the researchers to investigate the service delivery of banks.

The banking sector of Pakistan has also faced many crunches due to unstable policies, economic turbulence, and political instability in the country since the inception of Pakistan. In the 1960s private banks in Pakistan were providing excellent services and they were dominating the economy but in the 1970s era all banks were nationalized, and ownership was retained by the government. Due to nationalization policy, all banks showed poor performance until the 1990s and again a good initiative was taken by the government of Pakistan and most banks were privatized and then they were on the track again and showed tremendous progress in terms of services, profitability, and innovation in products and in other financial initiatives.

SMEs have been playing a vital role in eliminating poverty through the creation of widespread jobs and providing a significant contribution to GDP. Definition of SMEs differ in literature, in this study following definition of SME is used to collect data from concerned customers of banks.

“An enterprise is said to be small and medium, if its employment size is up to 250, paid-up capital is up to Rs.25 million, and annual sales are up to Rs.250 million” as given in SME Policy of Pakistan.

Banks and SMEs both sectors play an unprecedented role in the development of the Pakistani economy. In this study, data is collected from those enterprises which fall in the definition of SME mentioned above about the service quality of commercial banks in Pakistan.

Understanding Construct of Service Quality

Service quality has been a major element of organizational growth and development strategy. A dynamic business environment and increased customer power have pushed firms towards a customer-focused strategy (Ngo & Nguyen, 2016). The inception of service quality construct cracked in literature in 1976 and recognized as customers importance at priority and retaining them for life (Anderson Jr, Cox III, & Fulcher, 1976). Churchill Jr and Surprenant (1982) identified service quality as an attitude and measured the impact of attitude as a leading factor towards superior service quality. It was found difficult to define service quality (Cronin Jr, Brady, & Hult, 2000; Lagrosen, 2004) and it was associated with customers perception about the service,

whatever is perceived by customers is the service quality, and it is also predicted as customers perception about organizations overall experience (Zeithaml, 1988) and difference of expectation and perception between degree and direction (Newman, 2001) but later on within the personal interactive paradigm service quality has well-established definitions in the literature (Santos, 2003). Initially, it was considered an approach to run business activities concerning ensuring customer satisfaction which leads to the competitiveness of the services industry (Powell, 1995), and now a steadily growing amount of literature on service quality covers a variety of interpretations (Mardani, Jusoh, Zavadskas, Khalifah, & Nor, 2015). Whereas it could not be measured and understood unless characteristics and requirements could be compared and they should comply with each other (Raza, Zia, Naqvi, & Ali, 2012). As cited by (Siddiqi, 2011) the concept of perceived quality was endorsed by (Arun Parasuraman, Berry, & Zeithaml, 1991a, 1991b; Anantharathan Parasuraman, Zeithaml, & Berry, 1985; Ananthanarayanan Parasuraman, Zeithaml, & Berry, 1988; Arun Parasuraman, Valarie A Zeithaml, & Leonard L Berry, 1994; Ananthanarayanan Parasuraman, Valarie A Zeithaml, & Leonard L Berry, 1994) and other researchers leading to extended gap model and high attention was paid to their work regarding the measurement and evaluation of service quality model SERVQUAL. Thus, service quality literature has received extensive attention of academic researchers for over three decades (Izogo & Ogba, 2015) and now it's just not a statement or quality policy only but a commitment to provide continuous and long-lasting customers' expected services in the view of their increasing needs and wishes. Today service quality is a crucial factor and a hot issue from the marketing standpoint, which helps to maintain a competitive position and a large market share (Q. Ali, 2018) which leads to high profitability (Abdullah, 2002) and everlasting survival of the organizations is depends upon the standards of service quality in the long run (Yilmaz, Ari, & Gürbüz, 2018). Organizations are striving to satisfy their customers by offering excellent service quality so that they could be retained for life.

Understanding Service Quality in Banking Sector

Measuring service quality has remained a critical research topic (Paul, Mittal, & Srivastav, 2016) in the banking sector. As banking sector has been facing intense competition due to vibrant customers' expectation over the past few years (Cheng & Madan M., 1996) and customers now seeking those financial institutions which meet their expectation (Pai & Chary, 2012). Information technology adaptation has replaced conventional banking services with digital banking services which led the banking sector into new horizons (Malik, 2012). In the last three decades, it has been focused by many researchers to investigate and evaluate several facets of service quality in the banking sector (Ijaz & Ali, 2013) as banks considered being the backbone of the financial infrastructure of any economy. Service quality is often associated with banks' profitability, growth, and it also reduces costs (Buttle, 1996) because it makes customers satisfied with services (Zeithaml, Bitner, Gremler, & Pandit, 2006). Managers, bank officers, and SMEs customers play an important role in the quality improvement initiatives of commercial banks (Waite & Stites-

Doe, 2000) as managers have to manage and implement certain policies, officers being front line soldiers, makes policies implemented, and customers observe those quality policies according to their expectations. Thus, with the dominance of the services sector over the manufacturing sector (Grönroos, 1990), service quality has attained increased attention of researchers who provided the theoretical and applied solutions to the bankers with regard to develop various service quality standards which could meet the customers expectation. Therefore, it has become a challenge for commercial banks due to technological progress, products innovation, improved infrastructure, reduced profit margins, high competition to accommodate the customers pulsating expectations which has changed the banking environment (Angur, Natarajan, & Jahera Jr, 1999).

Evaluating Service Quality

The above debate and discussion on various facets of service quality have concluded that service quality is crucial and indispensable for the growth and development of any service organization (Ghost & Gnanadhas, 2011). As increased competition in services has made it compulsory for organizations to measure their service quality (Alnaser, Ghani, & Rahi, 2018). At first, measurement of quality was associated with tangible things of product because of less importance of services sector. Now researchers believe that the service sector has gained dominance over manufacturing which increased the importance of this sector and service quality has now become a core area of attention (M. Ali & Raza, 2017; Seth, Deshmukh, & Vrat, 2005) to managers, researchers, academicians, and practitioners because of its significant impact on business performance in terms of growth, customer loyalty and satisfaction, profitability, and lower costs (Gummesson, 1998).

Evaluation of service quality has always remained a critical and difficult task especially in-service sector. Service quality is a multidimensional construct, which means it could have different meanings to different people (Cronin Jr et al., 2000). Various theories, models, and frameworks were presented by the researchers to fully capture the extent of service quality regarding service firms. However, highly acknowledged work of (Arun Parasuraman et al. (1991a), 1991b); Anantharathan Parasuraman et al. (1985); Ananthanarayanan Parasuraman et al. (1988); Arun Parasuraman et al. (1994); Ananthanarayanan Parasuraman et al. (1994)) has been considered by the researchers to be the first initiative to evaluate service quality with a famous instrument called "SERVQUAL". Initially, SERVQUAL consists of ten dimensions (Communication, Competence, Understanding, Credibility, Courtesy, Access, Reliability, Security, Responsiveness, and Tangibility) but with its continuous refinement in the research, it was refined to 5 dimensions measured on the 22-items scale. SERVQUAL questionnaire has been extensively used by the researchers to evaluate service quality in a number of sectors, like banking, insurance, schools, colleges, hotels, etc due to its high validity and reliability statistics. The dimensions of SERVQUAL were studied by researchers according to their own, demographics, cultural, and other geographical considerations.

Understanding Service Quality Dimensions

The following twelve dimensions of service quality were operationalized and deliberated in this study. The Likert scale consists of a 5-point response was used to operationalize all the items. The first five dimensions were taken from the SERVQUAL instrument developed by Parasuraman *et al.* (1985-1994) whereas the remaining dimensions were adopted from literature conducted on service quality of commercial banks.

Tangibles

Tangibles refer to the physical environment of commercial banks, including modern-looking equipment, the appearance of visual decoration, employees' professional appearance, and their dressing (Saraswathi, 2011). This dimension consists of four constructs taken from (Parasuraman *at al.* 1985-1994). Allred and Lon Addams (2000) mentioned tangibles as the most significant construct of service quality, especially in the banking sector.

Reliability

It refers to the ability of commercial bank staff to perform services dependably and accurately (Saraswathi, 2011). It includes accuracy in dealings, solving problems of customers, consistency in performance maintenance, and timely provision of promised services. Reliability is another important aspect of service quality as it includes employees' perfection in products/services knowledge along with their attitude and skills (Ahmad, Saif, & Safwan, 2010).

Responsiveness

It refers to commercial bank staff's ability to inform customers timely, reduce waiting time, respond quickly, ensure the provision of prompt and quick service, and willingness to help customers by heart (Saraswathi, 2011).

Assurance

It is an integral element of service quality (Arasli, Turan Katircioglu, & Mehtap-Smadi, 2005) which includes transactions safety, customers' confidence, knowledge and efficiency of employees to satisfy customers, and ensuring the confidentiality of customers' information.

Empathy

It refers to the strength of relationship with customers and it indicates employees' problem-solving attitude, understanding of customer-specific needs, paying individual attention, deal with care, and easy access to branch locations (Saraswathi, 2011).

Security

It refers to the feelings of security while making transactions with the bank, and security at employees desk and table, at entrance and exit, deposit security, and personal and financial data security having five constructs (Flavian, Torres, & Guinaliu, 2004; Ijaz & Ali, 2013).

Access

This dimension of service quality was adopted from (Flavian *et al.*, 2004; Islam & Ali, 2011) which includes four assessment and measurement constructs. These are convenient bank's location, contact is easy, timings are flexible and convenient, services are easy to access, and transactions required time is provided by the employees to the customers.

Services

All the items of this dimension of service quality were adopted

from (Flavian et al., 2004) which includes the availability of maximum banking services, it also indicates the suitability of offered services, interest on the loan is rational, bank charges for service are logical, and provision of saving interest is satisfactory.

Reputation

It indicates the reputation of commercial banks to keep promises for customers, goodwill in the banking sector, positive image among other banks and the general public, and branding of the bank to common people. All the constructs of this dimension were adopted from (Flavian et al., 2004) and service quality is considerably influenced by the reputation of the concerned bank.

Internet Banking and Phone Banking

It includes efficient delivery of internet and phone banking facilities to the customers. In contemporary banking practices, almost all commercial banks are trying to provide internet and phone banking services to customers in order to ensure efficiency and effectiveness in their service delivery. The importance of the internet as modern-day shopping and payment channel also requires an in-depth understanding of online service quality (Blut, Chowdhry, Mittal, & Brock, 2015).

Satisfaction

All the items of this dimension were taken from (Osayawe Ehigie, 2006). This dimension refers to the overall satisfaction of customers about commercial banks' service quality initiatives being currently provided. It includes satisfaction with the banks' physical environment, decoration, employees' cooperation, performance, and fewer complaints.

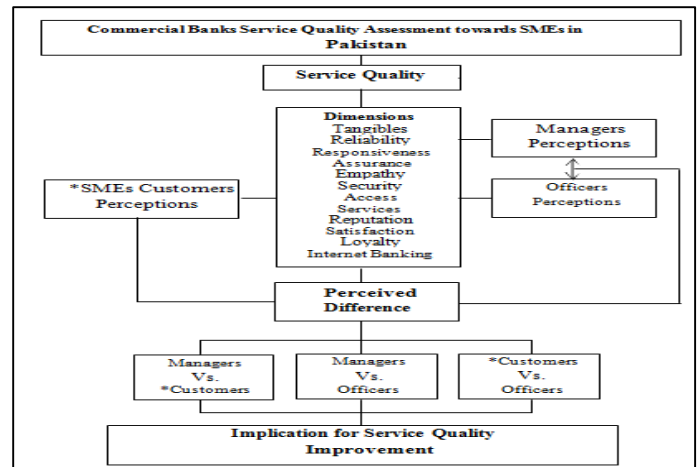
Loyalty

It indicates the ability of customers to introduce the bank to others, influence others to use this bank, services are of high standards, and will be affiliated with this bank forever. All the items of these dimensions were adopted from (Ehigie, 2006). The ultimate purpose of all banks is to get customer loyalty to retain customers for life.

Approach to Evaluate Service Quality of Banks towards SMEs

Based on the above deliberation and theoretical background of service quality dimensions, it is evident that service quality has been measured by many researchers because of its significant relationship with customer satisfaction. Based on theoretical grounds, this study adopts the perceived difference model and evaluates the service quality of Pakistani commercial banks towards SMEs. This study adopted the following thematic framework taken from (Ijaz & Ali, 2013) to evaluate the service quality of Pakistani commercial banks towards SMEs. However, certain mandatory changes are made which were found necessary in some items but the basic theme of the framework is as it is adopted to carry on this research.

Though word service quality is an elusive and complex construct (Alshurideh, 2017) and its evaluation models were presented by the researchers time to time and from the above-mentioned model of service quality and concept of perceived difference were adapted from the literature and a framework in this study to evaluate service quality of Pakistani commercial banks towards SMEs in Pakistan is developed on the basis to previous research conducted by (Ijaz & Ali, 2013).



METHODOLOGY

A descriptive study design was adopted to conduct this research and the data were collected from various categories of respondents. A multi-dimensional instrument called SERVQUAL was adopted from Parasuraman et al. (1985; 1988; 1990; 1991; 1993; 1994) and other similar theoretical studies were adapted accordingly, validity and reliability were ensured. The population of this study constituted all private commercial banks listed with the State Bank of Pakistan. All over the world commercial banks have been providing massive jobs and reducing unemployment (Garg, Dar, & Mishra, 2018). All the said commercial banks operating in Lahore, the capital of Punjab province was the target population of this study. The target population banks list is taken from the SBP (Statement Bank of Pakistan) official website. Multi-stage sampling techniques were used to select samples. There were 17 private commercial banks listed with State Bank of Pakistan operating and providing services in Lahore, out of which (33%) 6 banks were randomly selected at the first stage. From the randomly selected 6 banks, sample following criteria was used for the selection of the final sample size of Bank managers, bank officers, and SMEs customers.

Table 1: Sample Selection

Respondents	Sample	Sample Size	Technique
SMEs Customers	50 from each bank	300	Purposive
Branch Managers	5 from each bank	30	Convenience
Bank Officers	20 from each bank	120	Convenience

A structured research questionnaire consists of 12 dimensions was adapted and used to collect data. All the items were coded on a Likert scale ranging from 1 to 5 (Strongly Disagree to Strongly Agree). Following are the alpha values of which reveal high consistency among the constructs of all dimensions.

Table 2: Reliability Statistics of the Service Quality Variables

S.Q Dimensions	Items	Cronbach's alpha Value 0.929	
		Overall	
Tangibles	4	.762	
Internet Banking	2	.769	
Reliability	5	.731	
Satisfaction	5	.735	
Responsiveness	5	.690	
Access	6	.693	
Assurance	4	.663	
Loyalty	4	.754	
Empathy	4	.791	
Security	5	.743	
Service	4	.728	
Reputation	4	.771	

Statistical data analysis was executed by using SPSS (Statistical Package for Social Sciences) software. Descriptive statistics, independent sample t-test, ANOVA, and Tukey HSD test for multiple comparisons were used for variance analysis.

ANALYSIS AND RESULTS

This study evaluated the perceptions of Pakistani commercial bank branch managers, bank officers, and SMEs customers towards service quality. Respondents majority in all three categories were male, customers majority belongs to the age group of 20 - 45, officers 26 - 50, and the managers' majority were in the age category of 31 – 50 years old. The majority of the customers were affiliated with their current banks up to 10 years and the majority nature of the business was trading in mobiles, computers, electronic appliances, boutique, and property dealers. Managers' majority was 10 – 20 years experienced whereas officers' majority had up to 10 years of banking experience. Managers and bank officers' mean value is significantly higher than customers which shows the perceived difference in the opinion of respondents about all factors of banks service quality. The perceived difference in perceptions shows a gap in service quality.

Table 4: Mean and Standard Deviation of Customers against Satisfaction and Loyalty Dimension

Dimensions	N	Mean	S.D
Overall Satisfaction	247	3.523	0.705
Loyalty	247	3.539	0.778

SMEs customers were not satisfied with their banks' services as in all the statements mean value is very low which reflects the low satisfaction level. It could be determined that commercial banks' SMEs customers were not satisfied and the low mean score in all the statements shows customers' low loyalty to their banks.

Table 3: Respondent Wise Analysis of Mean values and S.D

Dimensions	Respondents	N	Mean	S.D
Tangibles	Managers	30	4.708	0.371
	Officers	108	4.585	0.280
	Customers	247	3.876	0.658
Reliability	Managers	30	4.486	0.281
	Officers	108	4.022	0.474
	Customers	247	3.296	0.711
Responsiveness	Managers	30	4.266	0.414
	Officers	108	4.213	0.465
	Customers	247	3.434	0.669
Assurance	Managers	30	4.233	0.382
	Officers	108	4.152	0.371
	Customers	247	3.611	0.695
Empathy	Managers	30	4.183	0.504
	Officers	108	4.099	0.594
	Customers	247	3.351	0.658
Security	Managers	30	4.586	0.382
	Officers	108	4.533	0.396
	Customers	247	3.833	0.609
Access	Managers	30	4.216	0.381
	Officers	108	4.052	0.429
	Customers	247	3.386	0.567
Services	Managers	30	4.375	0.476
	Officers	108	4.379	0.435
	Customers	247	3.547	0.647
Reputation	Managers	30	4.291	0.455
	Officers	108	4.294	0.450
	Customers	247	3.749	0.760
Internet and Phone Banking	Managers	30	3.850	0.882
	Officers	108	4.106	0.659
	Customers	247	3.680	0.969

Table 5: One Way ANOVA analysis against Service Quality Dimensions

Dimensions	Variance	Sum of Sq.	df	M.S	F	Sig.
Tangibles	Between Groups	48.28	2	24.14	77.49	.00
	Within Groups	119.01	382	.312		
Reliability	Between Groups	65.59	2	32.79	82.99	.00
	Within Groups	150.94	382	.395		
Responsiveness	Between Groups	55.41	2	27.70	76.46	.00
	Within Groups	138.40	382	.362		

Dimensions	Between Groups	Within Groups	Sum of Sq.	df	M.S	F	Sig.
Assurance	27.81	137.90	2	13.90	38.52	.00	
	2	382	.361				
Empathy	52.18	151.95	2	26.09	65.59	.00	
	2	382	.398				
Security	44.91	112.32	2	22.45	76.37	.00	
	2	382	.294				
Access	44.20	103.25	2	22.10	81.76	.00	
	2	382	.270				
Services	61.14	129.90	2	30.57	89.90	.00	
	2	382	.340				
Reputation	26.24	170.05	2	13.12	29.48	.00	
	2	382	.445				
Internet and Phone Banking	13.70	300.33	2	6.85	8.71	.00	
	2	382	.78				

Table 6: Tukey HSD test for Multiple Comparisons of Service Quality Dimensions

Dimensions	(I) Respondents	Mean difference (I-J)	
		(J) Respondents	Customers
Tangibles	Managers	0.122	0.831*
	Officers		0.709*
Reliability	Managers	0.464*	1.190*
	Officers		0.725*
Responsiveness	Managers	0.053	0.832*
	Officers		0.778*
Assurance	Managers	0.080	0.622*
	Officers		0.541*
Empathy	Managers	0.083	0.832*
	Officers		0.748*
Security	Managers	0.053	0.753*
	Officers		0.700*
Access	Managers	0.164	0.830*
	Officers		0.665*
Services	Managers	- 0.004	0.827*
	Officers		0.832*
Reputation	Managers	- 0.002	0.542*
	Officers		0.544*
Internet and Phone Banking	Managers	- 0.256	0.169*
	Officers		0.426*

* $p < 0.05$

The above analysis of the tukey-HSD test depicts that no significant difference in the perception of managers and bank officers found about dimensions of service quality but there is a significant difference of perceptions about service quality dimensions between managers and customers, and bank officers and customers found. Thus, it could be concluded that perceived difference exists significantly in the perceptions of respondents. Pakistani commercial banks need to fill this gap that exists in the perceptions of customers and management (managers, employees) which indicates a gap in service quality. Overall managers and officers are also not fully satisfied as their mean is also less than five in all the dimensions of service quality.

Table 7: Independent Samples-t-Test for Comparisons of Service Quality Dimensions by Gender (Respondents: Managers)

Dimensions	Gender	N	Mean	SD	MD	t-values	Sig.
Tangibles	Male	26	4.70	.36	- 0.04	- 0.237	.54
	Female	4	4.75	.50			
Reliability	Male	26	4.49	.27	0.04	1.405	.76
	Female	4	4.45	.34			
Responsiveness	Male	26	4.30	.37	0.30	- 0.092	.10
	Female	4	4.00	.63			
Assurance	Male	26	4.23	.36	- 0.01	- 0.544	.50
	Female	4	4.25	.54			
Empathy	Male	26	4.16	.51	- 0.14	- 0.541	.49
	Female	4	4.31	.42			
Security	Male	26	4.57	.38	- 0.07	- 0.351	.85
	Female	4	4.65	.44			
Access	Male	26	4.22	.39	0.05	0.277	.33
	Female	4	4.16	.30			
Services	Male	26	4.38	.49	0.07	0.277	.30
	Female	4	4.31	.37			
Reputation	Male	26	4.26	.46	- 0.16	- 0.682	.55
	Female	4	4.43	.42			
Internet and Phone Banking	Male	26	3.86	.92	0.11	0.240	.43
	Female	4	3.75	.64			

* $p < 0.05$

Analysis of the above table indicates that there is no significant difference of opinion found between male and female managers

of commercial banks regarding all the dimensions of service quality. It can be concluded that all the banks' managers opinion is all most same but little difference (not significant) exists in some dimensions of service quality.

Table 8: Independent Samples-t Test for Comparisons of Service Quality Dimensions by Gender (Respondents: Officers)

Dimensions	Gender	N	Mean	SD	MD	t-values	Sig.
Tangibles	Male	87	4.59	.28	0.03	0.47	0.82
	Female	21	4.55	.28			
Reliability	Male	87	3.99	.49	- 0.13	- 1.19	0.10
	Female	21	4.13	.38			
Responsiveness	Male	87	4.17	.47	- 0.18	- 1.64	0.21
	Female	21	4.36	.38			
Assurance	Male	87	4.14	.34	- 0.04	- 0.51	0.23
	Female	21	4.19	.46			
Empathy	Male	87	4.06	.62	- 0.15	- 1.08	0.16
	Female	21	4.22	.43			
Security	Male	87	4.53	.39	0.01	0.12	0.31
	Female	21	4.52	.42			
Access	Male	87	4.03	.41	- 0.09	- 0.88	0.19
	Female	21	4.12	.50			
Services	Male	87	4.39	.43	0.05	0.54	0.98
	Female	21	4.33	.44			
Reputation	Male	87	4.29	.45	0.01	0.09	0.62
	Female	21	4.28	.42			
Internet and Phone Banking	Male	87	4.11	.67	0.04	0.27	0.30
	Female	21	4.07	.61			

* $p < 0.05$

Analysis of the above table indicates that there is no significant difference of opinion between male and female bank officers of commercial banks regarding all the dimensions of service quality. It can be concluded that all the banks' officers' opinion is all most same but little difference (not significant) exists in some dimensions of service quality.

DISCUSSION

Perceptions of respondents against service quality dimensions concluded that no significant difference in the opinion of managers and officers found about all dimensions of service quality but a significant difference of opinion found among commercial bank managers, officers, and customers. Gender-wise perceived difference concluded that there is no significant difference in the perceptions of managers, and bank officers about service quality dimensions. It can be concluded that commercial banks were failed to provide better service quality as SMEs customers were not fully satisfied with banks service quality as in all the dimensions of service quality, the mean score was very low which reflects the low satisfaction level of SMEs customers towards service quality of commercial banks in Pakistan.

The first objective of this was to reveal the perceptions of all three respondents regarding various dimensions of service quality. As indicated by data managers perceptions revealed greater provision of service quality to the customers but they are also not found fully satisfied which indicates the gap as in all the dimensions mean score was less than five which reflects that managers also think some improvements are still needed in their current service quality measures. Bank Officers' perceptions also revealed some gap about service quality as in all the dimensions mean score was less than five which also indicates the same situation as managers. SMEs Customer perceptions revealed that mean value was very low which indicates that customers were not fully satisfied with the service quality of Pakistani commercial banks. These findings are also consistent with the study of (Ijaz &

Ali, 2013) which was conducted on Pakistani Islamic banks' service quality.

The second objective of this was to reveal the difference of opinion among respondents regarding the service quality of Pakistani commercial banks. Findings revealed that a significant difference of opinion was found between bank managers and customers, and customers and bank officers about service quality. This means managers and officers are more satisfied as compared to customers about service quality which may reflect the defensive position being part of banks management (Ijaz & Ali, 2013) and they are not ready to accept the actual situation. These findings are also consistent with (Ijaz & Ali, 2013; Raza et al., 2012) in which Islamic bank customers were also found less satisfied as compared to managers and MTOs in Pakistan. This finding puts a serious question mark on the credibility of banks about service quality as management (managers, officers) are satisfied that their banks are offering the best service quality whereas customers showed quite less satisfaction and customers showed exact situation service quality which is offered by the banks (Ijaz & Ali, 2013; Raza et al., 2012). Service firms should pay more attention to customer service quality to retain maximum customers (Sihombing, Chidabaram, & Passiah, 2012). Moreover, numerous studies have shown a positive relationship between high service quality and customer satisfaction (Anderson, Fornell, & Lehmann, 1994; Dukic & Kijevcanin, 2012).

The second objective of this was to reveal the level of SMEs customer satisfaction towards service quality of Pakistani commercial banks. Commercial banks' SMEs customers were not found satisfied with service quality. This situation needs the serious attention of bank service quality policymakers as customer satisfaction plays important role in terms of competitive edge to the service companies all over the world (Anderson et al., 1994). A number of research studies (Al-Hawary, Alhamali, & Alghanim, 2011; Chaoprasert & Elsey, 2004; Malik, 2012; Tahir & Abu Bakar, 2007) have found the various parameters of customers satisfaction associated with service quality and other products of the firms. SMEs Customer perceptions about service quality dimensions revealed that mean score was less than even four as standard was given five but customers showed almost dissatisfaction which indicates that banks should improve service quality initiatives. Which could lead to high customer retention because service quality if managed properly can contribute significantly towards customer satisfaction (Al-Hawari, Hartley, & Ward, 2005; Naeem, Akram, & Saif, 2009). Service quality is a crucial aspect of the business strategy because of its significant relationship with customers' satisfaction and retaining customers is something fundamental for all firms to survive in the competitive environment (Alnaser, Ghani, Rahi, Mansour, & Abed, 2017; Alsaggaf & Althonayan, 2018). In the banking sector, it is believed that retaining and get maximum market share and maintain a competitive position depends on banks' initiatives to respond to the requirements of changing customers' expectations regarding service quality (Kasiri, Cheng, Sambasivan, & Sidin, 2017). Nowadays markets are highly competitive and dynamic which needs innovative strategies to cope with its viable requirements. Customers' perceptions about

bank services are changing and need to be shaped according to economic, social, and technological factors and a close relationship has been found between banks ability to produce services that fit in the changing demands of the customers (Kaura, Durga Prasad, & Sharma, 2015).

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