



Investigating Effect of Services Quality Dimensions on Insurant Satisfaction; Studying Domain: Customers of Social Security Insurance

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ABSTRACT: Recent research is conducted to investigate effect of service quality dimensions of social security insurance on insurant satisfaction, and also exploring recovery and investigating priorities to increase their satisfaction. First, in the research, conceptual model and research hypothesizes are presented through reviewing files and literature of subject. Then, to test hypothesizes and conceptual model presented here, required data were collected through distributing questionnaire among customers (insurant) of social security insurance in shiraz. Finally, conceptual model and research hypothesizes were examined by using structural equation modelling. Then, based on results obtained from examination of research model, importance – performance quality dimensions of social security insurance services and recognition priorities of quality improvement were studied. Results obtained from drawing importance-performance matrix showed that empathy, as one of the services quality dimensions, is defined as recovery priority for social security organization.

Key words: Services Quality, Insurant Satisfaction

Received 10 Jun 2014
Accepted 25 Oct 2014

ORIGINAL ARTICLE

INTRODUCTION

Focus on customers' needs is the main factor of marketing philosophy. Today, many companies and service organizations accept new concepts of marketing and act according to them. They have realized that focus on customers' needs means considering quality and presenting services to customers. So, each organization tries to be customer-based. To gain superiority in providing services for customers' needs full commitments to them. Among methods through them companies can distinct their services from rival companies is continually providing services better than other rivals [1]. Those service organizations which have accepted marketing rules and established their plans and programs based on marketing associated elements have gotten positive results [2]. This issue is also applying to insurance companies as a service organization. So, in today's variable and competitive world, insurance companies are needed to become familiar with service marketing principals, specially marketing associated concept, and use them to provide desirable services and expanding their business.

Today, insurance industry on the one hand is recognized as one the main economic structures and on the other hand as the strongest support structure for other economic structures and families. In 21th century, technology, transportation and communication transitions are conducted with a surprising extend and speed that has resulted to quick insurance improvement in different dimensions. After Islamic Revolution, insurance industry in Iran has become nationalized and from 1380 onwards, given to the need for privatization to address market imperfections (such as country insurance service quality), some private insurance companies received license to inter the insurance market [3]. Although over the past decade insurance industry in Iran has had remarkable growth, but insurance industry in Iran has not had a deep look, as it should be, to their customers' basic needs and by increasing in insurer companies, competition between them has dramatically increased that its subsequent results, like decreased sale and share of market confirm this. The desire to provide services with high quality plays an important role in service industries, including insurance, because quality of services are crucial for survival and profitability of such organizations and are a profitable strategy for the organization. Today, customer satisfaction and service quality are counted vital issues in most service industries [4]. As a result, given to research need in the field of investigating and improving service quality that exists in insurance industry, this study examines effect of service quality dimensions on insurant satisfaction, and provides strategies for improving quality in the industry.

Reviewing theoretical literature and research background

As mentioned earlier, this research is in line with applying quality basses in insurance services. Clearly, a general knowledge of quality definitions and also familiarity with theoretical bases can be effective in putting the scientific research forth as much as better and hence, in this section we study theoretical bases quality of services and research background.

Quality of Services

Quality is a common and familiar term that various interpretations of how its application have been conducted. But, common to all these definitions is goods and services compatibility with needs and expectations of customers. Quality starts from customer and any attention to goods and services regardless of customers' opinion doesn't necessarily follow the quality; so quality is often defined based on adaptability of product with customer's desired characteristics, or amount of products that can meet the customers' prior expectations [5]. Different definitions of quality are offered by some of pioneers of the quality debates which some of them are mentioned in Table 1. Definitions provided for quality indicate that, the purpose of the quality of a product or service is, to meet consumer's need and satisfaction. We should never forget that no one, except buyer can't assign good or bad quality of the product provided for them, and we should always notice that satisfied customers are a source of profit for the company.

Table 1. Some definitions offered for quality term

Provider	Definition
Montgomery	Quality is a set of characteristics and features of a good or service which provides customer's needs and satisfaction and is determined by customer not by manufacturer or service provider [6].
Deming	Predictable level of homogeneity and reliability for product that is appropriate for market with a low cost [7].
Feigenbaum	All marketing qualities, construction and maintenance engineering of goods and services through them goods and services used, meet customers' expectations [8].
Gefen	Quality of services is a subjective analogy which customers make between service quality they want and what they actually receive [9].
Gitlow	The level that customer and consumer think product or service is out or their expectations [10].

Service quality scale

Although measuring quality in the tangible production domain has a long story but, in domain of services, this issue has precedence less than 20 years. Complexity of identifying key properties or parameters affecting the quality of service processes compared with manufacturing processes is the most important cause for delay in developing tools for measuring quality of services. To measure quality of services, plenty of methods are offered which some of them are propounded as conceptual patterns created to explore measurement process of service quality. One of the basic affairs in accessing service quality is investigating, analyzing, and comparing viewpoints of service providers on the one hand, and rate of its conformity with customers point of view on the other hand. Assigning, investigating, analyzing, and pathology of possible disconformities between viewpoints of service providers and customers is counted one of the most important works in line with fast, correct, and careful improvement in service quality. Making "Serqual tools" is based on the service quality fission model, and originate of fission model can be found in primary writings about customer dissatisfactions [11].

Parasuraman [12] by using psychometric test and investigating common properties of service qualities, offered 5 expanded dimensions of service quality, including 22 items that are used in the majority of organizations. He and his followers believed that although in some aspects service is unique, but these five dimensions of services are more general. This category will include 22 items referred in Serqual model as follows (Table 2).

Table 2. Dimensions and standard components of service quality based on Sequal model

Dimension of service quality	Component
Tangibles	Modern equipments Significant physical facilities Employees with tidy appearance Regular documents (like booklets, bills , ...)
Reliability	Do the work or service to a given time Showing sincere interest in solving customer's problems Reforming in services as soon as possible Providing an doing services in promised time
Responsiveness	Staff tell customers what services they exactly provide Employees provide emergency services for customers (in the shortest time) Staff s are always willing to help customers Employees in any case are ready to answer customer's questions
Assurance	Employee's behavior gradually makes confidence in customers Customers feel security in their interaction with service provider Staffs always treat customers with courtesy Employees have enough knowledge for answering to the customers' questions
Empathy	Personal attention to customers Suitable work hours for customers Staffs show personal attention to customers Demanding the best interest for customers Employees understand special needs of customers

Reviewing Previous Researches

The concept of service quality is counted one of the most important research topics in marketing, because it is in relation with cost, financial performance, customer satisfaction, customer protection and their loyalty. While Serqual tools are used as research methodology in many researches, some writers [including 13, 14, 15 and 16] believe that the model consider only service delivery process. Sureshchandar et al. [17] concluded that three other dimensions should be observed in addition to dimensions of serqual model. These include: human factors, tangibles and feelings, key services (more or less similar to outcome), non-human factors, social responsibility.

In the field of service quality measurement in insurance industry, many researches has done, serqual service quality model and its dimensions are used as research methodology to assess quality of insurance industry services. This important matter is shown both in overseas researches and studies, and studies within country in the field of insurance industry quality services, which are referred in following. Rand et al. [18] in a research named factors' identification and improvement affecting service quality in insurance industry in Greec and Kenya, chose Serqual model as research tool. Service quality fission of insurance industry in Greec have been less than Kenya, and Greek customers in comparison with Kenyan customers have been more satisfied of service quality in insurance industry. Ahmad and Sungip [19] in other study named assessing research quality in insurance industry of Malasia investigated customer expectation and their perception of insurance companies in terms of services presented by them. Also, these researchers were seeking to review the relation between demographic factors and serqual dimension score mean. Results show that there is a large fission between reliability, and empathy, and reliability had the highest interval between perception and customer expectation [19]. Sandhu et al., in a research named "customer perception of services quality in life insurance companies in India", by using factor analysis approach expanded Suresh et al., studies. To measure insurance service quality, seven factors structure including skill, media advertising an speeches, physical and moral commitment, delivery approach, security, credit, and performance were used in this research [20].

In a thesis in 2010 entitled "assessing service quality of Moallem Insurance Company from the view point of educational insurant" by factory and colleague was performed to study service quality of Moallem Insurance Company from the point of view of educational and by using Serqual. Result of the research showed that, level of services received by teachers were lower than their expectations and didn't meet their expectations. Results also showed that order of dimensions importance at the level of expectation and receipt are confidence, responsiveness, reliability, empathy, and tangibles, respectively [21]. Etebarian and Talee [22] in a research entitled investigating service quality and assigning level of fission between perceptions and expectations of those who have insured in social security organization of Isfahan province in 1389 were seeking to determine level of fission between perceptions and expectations of insurant based on Serqual model indicators in social security of Isfahan province. Research hypothesizes were set based on five indicators of Serqual model, including tangibles, responsibility, trust, empathy, and commitment. The results of data showed that there is a fission between insurant's inceptions and expectations in all five dimensions, and none of them have met customers' expectations [22]. Dadvand [23] performed a study aimed at identifying factors which could help insurance companies in getting competitive advantages. Also, they were ranked to distinct which factors have more priority to be acquired by insurance companies. To do this, efficacy, quality, innovation, and responsiveness items which according to Hill and Jones model were effective on competitive advantage, were studied, and finally, dimensions and indicators were ranked by using ANP method, and results showed that according to senior executives, responsiveness to customer had the highest priority, and then quality, efficacy, and innovation were later priorities in getting competitive advantage [23].

Research Conceptual Model

As it is evident from Figure 1, five first dimensions of proposed model mentioned above ,namely reliability, responsiveness, guarantee, empathy, and tangibles are adapted from Parasuraman et al. [24] ; Parasuraman et al. [12] and particularly from Serqual studies which are referred to in previous pages. Social responsibility dimension from studies of Sureshchander et al. [17] is added to proposed model.



Fig 1. Research conceptual model

According to this, research hypothesizes are formulated as follows:

Hypothesis 1: Confidence level as one of the service quality dimensions has a significant effect on insurant satisfaction.

Hypothesis 2: The level of confidence as one of the service quality dimensions has a significant effect on insurant satisfaction.

Hypothesis 3: The level of empathy as one of the service quality dimensions has a significant effect on insured satisfaction.

Hypothesis 4: The level of tangibles quality as one of the service quality dimensions has a significant effect on insured satisfaction

Hypothesis 5: The level of responsiveness quality as one of the service quality has a significant effect on insurant satisfaction.

Hypothesis 6: The level of social responsibility as one of the service quality dimensions has a significant effect on insurant satisfaction.

MATERIAL AND METHODS

Since the methodology of this study evaluates the service quality, it is in the domain of descriptive research, and since it studies relation between service quality dimensions and customer satisfaction, so it is a correlation study. This research is also practical in terms of object.

Statistical universe in this research are customers of Social Security Company in Shiraz. The sample size was determined by using formula for an infinite population sampling model and estimation of parameters based on similar researches. Accordingly, a sample size of 384 was determined. Given to estimated sample and to ensure achieving of this total, 400 questionnaires were distributed which finally after eliminating distorted questionnaires, information from 390 questionnaires were used. Also, to distribute questionnaires, simple random sampling was used.

As mentioned earlier, questionnaire tool was used in this research to collect data. Content validity method was used to investigate validity of data collection tool. Therefore, understandability the question, relevance of experiment objective with raised questions, and deleting irrelevant questions have been considered. Finally, by using experts and scholars' opinion, this questionnaire is modified in several steps. Alpha kronbakh coefficient with the SPSS 20 software was used to assess the questionnaire validity. Since alpha kronbakh coefficient in various dimensions for all questionnaires is higher than 0.70, so the questionnaire had acceptable validity. The results of assessing questionnaire's validity level are presented in table 3.

Table3. Validity assessment results of research questionnaire

Variable	Question .no	Alpha kronbakh
Confidence	5	0.73
Guarantee	4	0.81
Empathy	3	0.76
Tangibles	4	0.88
Responsiveness	6	0.86
Social security	4	0.79
Satisfaction	3	0.82

RESULTS

The next step after presenting model is getting estimations for free parameters from a set of observed data. Figure 2 shows the research's conceptual model in standard coefficients estimation mood. All research variables change to hidden and evident categories. Evident (rectangular) or observed variables are distributed and measured directly by researcher, while hidden (oval) or not observed variables aren't directly measured, but are inferred based on relations and correlations between measured variables.

Values or coefficients in Figure 2 classify in two categories. The first category is classified as first-order measurement equations which are relations between hidden (oval) and evident (rectangular) variables. These equations are called loading factors. The second category includes structural equations which are relations between hidden and evident variables, and these are called path coefficients. According to model in coefficients estimation mode, loading factors and path coefficients can be estimated.

Figure 3 shows research conceptual model in significantly state of coefficients (t-value). Indeed, the model tests all measurement equations (loading factors), and path coefficient in %95 confidence level. If t-value is out of +1.96 to -1.96 ranges, and if -value is in this range, so loading factor or path coefficient won't be significant. Loading factor or path coefficient is significant in % 99 levels if t-value is out of +2.58 to - 2.58 ranges. According to results of t-value test, all loading factors have been significant in %99 confidence level, and have performed a significant share in measuring their factors.

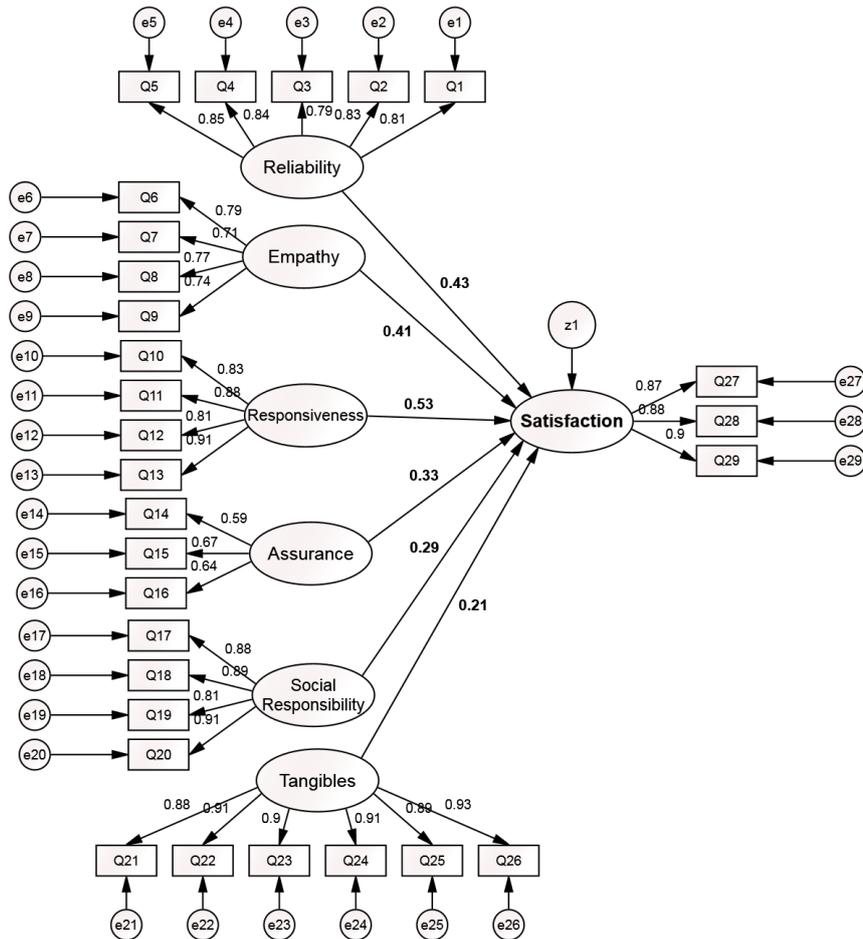


Figure 2. Research conceptual model in standard coefficients mood

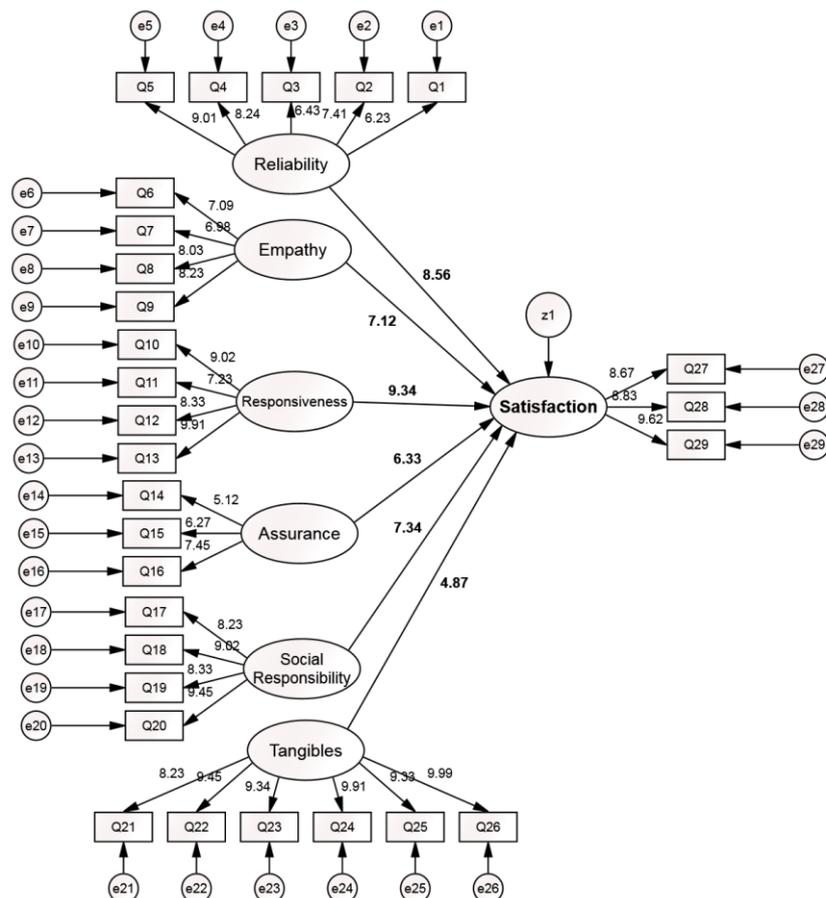


Figure 3. Research conceptual model in significantly state of coefficients (t-value)

Since general fitness of model should show a proper value before investigating slight fitness or the same research hypothesizes testing, indicators reported in the output of the software after testing final model are presented in table 4 which reflect an acceptable fitness for research final model.

After general fitness of model, it comes to partial fitness or research hypothesizes testing. Impact coefficient of each variable and significantly of coefficient is investigated in this step. Table 5 shows estimated effect coefficients for relations developed in model and also their significantly. Accordingly, we can make decisions about rejection of acceptance of research hypothesizes.

Table 4. Reported suitability indicators for research conceptual model

Permissible limit	value	Name of indicator
Less than 3	1.753
Higher than 0.9		GFI
Less than 0.09	0.057	RMSEA
Higher than 0.9	0.97	CFI
Higher than 0.8	0.83	AGFI
Higher than 0.9	0.94	NFI
Higher than 0.9	0.97	NNFI

Table 5. Direct effects, t-value, and result of research hypothesis

Result of research hypothesis	Significance level	t-value	Standard coefficient (β)	Research hypothesis
Approved	0.01<	8.56	0.43	confidence→satisfaction
Approved	0.01<	7.12	0.41	Empathy → satisfaction
Approved	0.01<	9.34	0.53	Responsiveness→satisfaction
Approved	0.01<	6.33	0.33	Guarantee → satisfaction
Approved	0.01<	7.34	0.29	Social responsibility → satisfaction
Approved	0.01<	4.87	0.21	Tangibles→ satisfaction

Significance - Performance analysis of service quality dimensions

Then, according to operational framework of research, we will discuss about performance -importance analysis for service dimensions of social security insurance organization. To do this, estimated effect coefficient for impact intensity of each dimension of service quality on patients' satisfaction is considered as importance of each dimension. Also, the average score which is given to social security organization in each of service quality by participants is considered as performance of each dimension. Table 6 shows importance and performance for each dimension of service quality in social security organization. Based on the information from this table, we can draw performance - importance matrix (figure 4).

Table 6. Importance and performance of service quality dimensions

Lable	1	2	3	4	5	6
Variable	Confidence	Guarantee	Tangibles	Empathy	Social responsibility	Responsiveness
Importance	0.43	0.33	0.21	0.41	0.29	0.53
performance	3.53	2.77	2.85	2.82	3.15	3.20

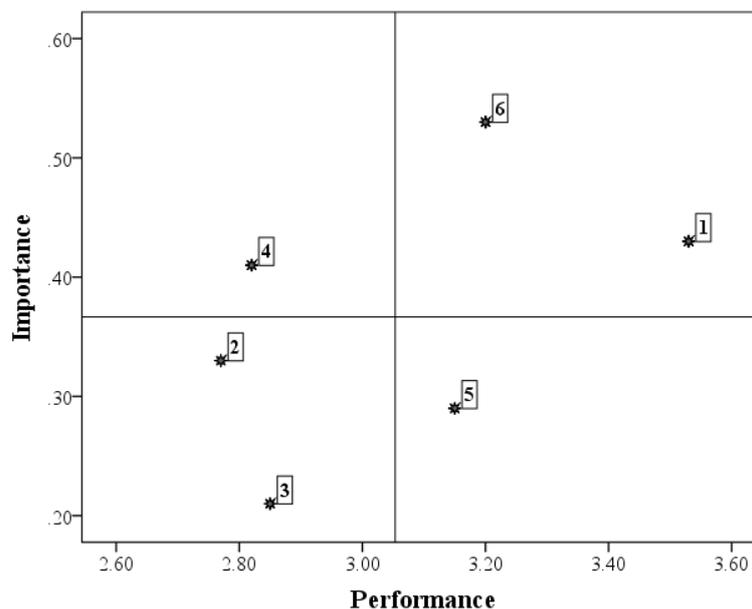


Figure 4. Importance - Performance Matrix

DISCUSSION AND CONCLUSION

In this research, conceptual model and research hypotheses presented by reviewing literature and record. Then, required data were collected through distributing questionnaires among customers (insurant) of social security insurance in Shiraz. Finally, by using modeling, structural equation of conceptual model and research hypotheses were examined. Also, based on the result of research model testing, we analyzed importance-performance quality dimensions of social security insurance organization and identified quality improvement priorities. Results for drawing importance –performance matrix are as follows.

First quadrant of matrix: According to the result of importance-performance matrix, empathy as one of the service quality dimensions is located in first quadrant of matrix (high importance – low performance), and as a result is identified as improvement priority. In the other word, empathy variable has a great effect than other service quality dimension on insurant' satisfaction but, social security organization has gotten a low score in this dimension of service quality. Thus, social security organization should allocate its optimal resources to enhance empathy and employee's training to this purpose.

Second quadrant of matrix: Results of figure 4-4 shows that guarantee and responsiveness variables, as service quality dimensions, are placed in the second quadrant of matrix (high importance –low performance). On the other hand, according to insurant' viewpoints these dimensions have great importance, and social security insurance also has gotten great advantage in this field. Thus, resources that are allocated to enhance these dimensions are optimal and the organization should follow its strategy on this lines.

Third quadrant of matrix: The only variable that as service quality dimension is placed in this quadrant of matrix is social responsibility variable. Results show that this dimension of service doesn't have a high effect than the other service quality dimensions on insurant' satisfaction, so it cannot consider as priority of investing and improvement.

Fourth quadrant of matrix: Importance-performance dimensions (low importance –low performance) of service quality including Guarantee and intangibles are placed in this quadrant. Variables or service quality dimensions which place in this quadrant represent features that are indifferent so there is no need to investigating and serious concern.

A result of the recent research showed that empathy dimension, as one of the research quality dimension, is identified as a priority in investment and improvement. Given that this dimension of service quality has four elements including understanding customer's need, attention to customers, listening to and having friendly relationship with customers, and asking the best interests for customers, so following practical offers present to improve these components.

- Training staff to understand importance of insurant: Given that keeping organization's customer has great importance, senior managers in social security organization should train their staff properly so they can better understand insurant and try to meet their needs. One of the most important among these trainings is communication skills training which has great importance. For example, one of the most important communication training which is necessary for employees is the effective hearing ability to insurant' requests to meet better their demands.

- The possibility of providing services electronically: This not only facilitates insurant communication with organization, but also this allows for easier and faster communication between them.

- Arranging working hours so that it provides insurant satisfaction, hence it is necessary that managers of organizations investigate possible methods in this field, like increasing working hours in different branches, and so on.

- Special attention of organization to insurant: Observing special demands of each insurant and respect them by management and employees is very important so, focusing on marketing from person to person is necessary, until special needs of each person be investigated through continues and mutual communication between organization and single individuals .

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