THE IMPACT OF INTERNAL SERVICE QUALITY ON JOB PERFORMANCE: MEDIATING ROLE OF WORK COMMITMENT OF EMPLOYEES IN THE LEASING COMPANIES IN BATTICALOA



BY

PATHUJA PARARASASINGAM

REG NO: EU/IS/2016/MS/046

INDEX NO: MS 1896



Project Report Library - EUSL

A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration.

DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA
2021

ABSTRACT

Internal Service Quality is the one of the biggest challenges to many working employees in the Leasing companies. Internal Service Quality is the one of the major determinants of employees' work commitment and job performance in the Leasing companies. Enhancing Internal Service Quality is very essential and important for getting maximum contribution from employees to achieving organizational goals and objectives.

The main objective of this study is to investigate the impact of Internal Service Quality on employees' work commitment and job performance and this study focuses on Leasing companies in Batticaloa. This research design was described using a quantitative approach and this study is mainly considering primary data. The data were collected through a self-administered survey method with a use of closed structured questionnaires from 200 respondents of working employees in leasing companies. The study used univariate, bivariate, regression and mediation analyses in order to analyze the data and find the results of the study objectives.

The findings of the study revealed that the internal service quality, work commitment and job performance are high level among employees of leasing companies in Batticaloa. The analysis stated that internal service quality has a positive relationship with job performance, internal service quality has a positive relationship with work commitment, work commitment has a positive relationship with job performance, internal service quality has a positive and significant impact on employee job performance and employee's work commitment has been found to cast a partial mediating effect in the relationship between internal service quality and employee job performance.

Keywords: Internal Service Quality, Work Commitment and Job Performance.

TABLE OF CONTENTS

ACKNOWLEDGEMENT	iv
ABSTRACT	V
TABLE OF CONTENTS	vi
LIST OF TABLES	xj
LIST OF FIGURES	xiii
LIST OF ABBREVATIONS	xiv
CHAPTER - 1	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Problem Statement	3
1.3 Research Questions	5
1.4 Research Objectives	5
1.5 Significant of the Study	
1.6 Scope of the Study	6
1.7 The Organization of the Chapters	7
1.8 Chapter Summary	8
CHAPTER - 2	9
LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Internal Service Quality	9
2.2.1 Dimensions of Internal Service Quality	12
2.2.1.1 Job Design	13
2.2.1.2 Workplace Design	13
2.2.1.3 Equipment	13
1 1	1.2
2.2.1.4 Employee Reward and Recognition	13
2.2.1.4 Employee Reward and Recognition	14
2.2.1.4 Employee Reward and Recognition	14
2.2.1.4 Employee Reward and Recognition	14 14
2.2.1.4 Employee Reward and Recognition 2.2.1.5 Employee Training and Development 2.2.1.6 Supervisory Support 2.3 Employee Work Commitment	14 14 15
2.2.1.4 Employee Reward and Recognition 2.2.1.5 Employee Training and Development 2.2.1.6 Supervisory Support 2.3 Employee Work Commitment 2.3.1 Dimensions of Employee Work Commitment	

2.4 Employee Job Performance	15
2.4.1 Dimensions of Employee Job Performance	16
2.4.1.1 Task Performance	16
2.4.1.2 Contextual Performance	16
2.4.1.3 Adaptive Performance	16
2.5 Relationship between Internal Service Quality and Job Performance	17
2.6 Relationship between Internal Service Quality and Work Commitment	17
2.7 Relationship between Employee Work Commitment and Job Performance	17
2.8 Impact of Internal Service Quality on Employee Job Performance	18
2.9 Employee Work Commitment Mediates the Relationship between Internal Service Quality and Employee Job Performance	
2.10 Chapter Summary	19
CHAPTER – 3	20
CONCEPTUALIZATION AND OPERATIONALIZATION	20
3.1 Introduction	20
3.2 Conceptualization	20
3.3 Conceptual Framework	20
3.4 Hypothesis	21
3.5 Definition of Key Concept and Variable	22
3.5.1 Internal Service Quality	22
3.5.1.1 Job Design	22
3.5.1.2 Workplace Design	23
3.5.1.3 Equipment	23
3.5.1.4 Employee Reward and Recognition	23
3.5.1.5 Employee Training and Development	23
3.5.1.6 Supervisory Support	23
3.5.2 Employee Work Commitment	24
3.5.2.1 Affective Commitment	.24
3.5.2.2 Continuance Commitment	.24
3.5.2.3 Normative Commitment	.24
3.5.3 Employee Job Performance	.25
3.5.3.1 Task Performance	.25
3.5.3.2 Contextual Performance	.26
3.5.3.3 Adaptive Performance	.26
3.6 Operationalization	.26

3.7 Chapter Summary	29
CHAPTER – 4	30
RESEARCH METHODOLOGY	30
4.1 Introduction	30
4.2 Research Philosophy	31
4.3 Research Approach	31
4.4 Research Strategy	32
4.5 Methodological Choice	33
4.6 Time Horizon	33
4.7 Research Site/ Area Selection	33
4.8 Population of the Study	34
4.9 Sampling Technique / Method	34
4.10 Sample Size and Sampling Framework	34
4.10.1 Sample Size	34
4.10.2 Sampling Framework	35
4.11 Method of Data Collection / Sources	36
4.12 Research Instruments	37
4.13 Source of Measurement	39
4.14 The Pilot Study	40
4.15 Validity and Reliability of Instruments	42
4.16 Unit of Data Analysis.	43
4.17 Method of Data Analysis	43
4.17.1 Methods of Data Analysis for Objective One	43
4.17.2 Methods of Data Analysis for Objective Two	44
4.17.3 Methods of Data Analysis for Objective Three	44
4.17.4 Methods of Data Analysis for Objective Four	44
4.18 Method of Data Evaluation	45
4.18.1 Univariate Analysis	45
4.18.2 Correlation Analysis	46
4.18.3 Regression Analysis	47
4.18.4 Mediation Analysis	48
4.18.4.1 Decision Criteria for Accepting Mediating Variable	48
4.18.5 Testing Hypothesis	50
4.19 Data Presentation	51
4.20 Ethical Consideration.	52

4.21	1 Chapter Summary	.52
CH.	APTER- 5	54
DA	TA PRESENTATION AND ANALYSIS	.54
5.1	Introduction	.54
5.2	Analysis of Reliability	.54
	5.2.1 Reliability of Internal Service Quality	.55
	5.2.2 Reliability of Work Commitment	.56
	5.2.3 Reliability of Job Performance	.56
5.3	Data Presentation	.57
	5.3.1 Data Presentation for the Personal Information	.57
	5.3.1.1 Gender	.57
	5.3.1.2 Age Level	.58
	5.3.1.3 Working Years	.58
	5.3.2 Data Presentation for Research Information	.59
	5.3.2.1 Univariate Analysis	.59
	5.3.2.2 Bivariate Analysis	.63
	5.3.2.3 Simple Regression Analysis	.66
	5.3.2.3.1 Simple Regression Analysis for Internal Service Quality on Job Performance.	
	5.3.2.4 Mediation Analysis	.68
	5.3.3 Testing Hypotheses	.78
	5.3.3.1 Testing Hypothesis 1	.78
	5.3.3.2 Testing Hypothesis 2	.79
	5.3.3.3 Testing Hypothesis 3	.79
	5.3.3.4 Testing Hypothesis 4	.80
5.4	Chapter Summary	.82
CH.	APTER- 6	.83
DIS	SCUSSION OF FINDINGS	.83
6.1	Introduction	.83
6.2	Discussion of Personal Information	.83
	6.2.1 Gender of Respondents	.83
	6.2.2 Age of the Respondents	.83
	6.2.3 Working Years of the Respondents	.84
6.3	Discussion of Research Information	.84
	6.3.1 Discussion -Objective One	.84

	6.3.1.1 Level of Internal Service Quality	84
	6.3.1.2 Level of Work Commitment	85
	6.3.1.3 Level of Job Performance	85
	6.3.2 Discussion- Objective Two	86
	6.3.2.1 Relationship between Internal Service Quality and Job Performance	86
	6.3.2.2 Relationship between Internal Service Quality and Work Commitment .	87
	6.3.2.3 Relationship between Employee Work Commitment and Employee Job Performance	
	6.3.3 Discussion –Objective Three	88
	6.3.3.1 Simple Regression Analysis for Internal Service Quality and Job Performance.	88
	6.3.4 Discussion for Objective Four	89
6.4	Finding from Hypothesis Testing	90
6.5	Chapter Summary	93
CH	APTER – 7	94
CO	NCLUSIONS AND RECOMMENDATIONS	94
7.1	Introduction	94
7.2	Conclusions	
	7.2.1 Conclusion- Objective One	95
	7.2.2 Conclusion- Objective Two	95
	7.2.3 Conclusion- Objective Three	96
	7.2.4 Conclusion- Objective Four	96
7.3	Contributions of the Study	96
	7.3.1 Conceptual Contribution.	96
	7.3.2 Theoretical Contribution.	97
7.4	Recommendations	.97
7.5	Limitations of the Study	98
7.6	Direction for Future Studies	.99
LIC		
LIS	T OF REFERENCES1	01