



Journal Homepage: - [www.journalijar.com](http://www.journalijar.com)

## INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI: 10.21474/IJAR01/12937

DOI URL: <http://dx.doi.org/10.21474/IJAR01/12937>



### RESEARCH ARTICLE

#### EFFECT OF ORGANISATIONAL CONTEXTUAL FEATURES ON SERVICE QUALITY OF SELECTED INDIGENOUS AIRLINE COMPANIES IN NIGERIA

Akinshipe J.J., Adefulu A.D. and Akinlabi H. B

Department of Business Administration and Marketing, School of Management Sciences, Babcock University, Ilishan-Remo, Nigeria.

#### Manuscript Info

##### Manuscript History

Received: 30 March 2021

Final Accepted: 30 April 2021

Published: May 2021

##### Key words:-

Organisational Contextual Features,  
Organisational Culture, Organisational  
Structure, Service Quality

#### Abstract

Service quality provides an incentive for customers to come back to make repeat demand. Studies have shown that Nigeria aviation industry has failed to put into proper perspective the service quality specific dimensions of reliability, responsiveness, tangibility, assurance, and empathy in its service delivery. The study therefore examined the effect of organisational contextual features on the service quality of Airline companies in Nigeria. Cross sectional survey research design was adopted and the population was 2881 regular employees of Arik airline, Aero Contractors' airline, Med View airline and Air Peace airline. The sample was 441 determined using Krejcie and Morgan (1970) formula in addition to an attrition rate of 30%. The study used the proportionate sampling technique. Data were collected using an adapted, structured, and validated questionnaire. The Cronbach's Alpha coefficients for the constructs ranged from 0.798 to 0.853. The response rate was 78.8%. Data collected were analyzed using descriptive and inferential (multiple linear regression) statistics. The finding revealed that organisational contextual features through organisational culture and organisational structure have statistically significant effect on service quality of the selected indigenous airline companies in Nigeria. The study recommended that Indigenous airline companies in Nigeria should ensure establishment of organic structure and sustenance of people oriented corporate culture that promote customer satisfaction, customer loyalty and customer delight through service quality that guarantee patronage from air travelers in Nigeria and overseas.

Copy Right, IJAR, 2021., All rights reserved.

#### Introduction:-

Service quality refers to how companies meet or exceed customer expectations (Rauch, Collins, Nale, & Barr, 2015). Service quality provides an incentive for customers to come back to make repeat purchase or demand. It also gives firms a competitive advantage (Foster, 2007). For the sustainability and profitability of a Company in the long term depends on its service quality (Evans & Lindsay, 2008). Hence, service quality has become the means by which firm sustain their position and market among competing firms over time. Further, business with a high level of service quality is likely capable of meeting customer needs while also remaining economically competitive in their respective industry.

**Corresponding Author:- Akinshipe J.J**

Address:- Department of Business Administration and Marketing, School of Management Sciences, Babcock University, Ilishan-Remo, Nigeria.

The core framework and working practices for integrating the principal elements necessary for the achievement of an organisation's long-term objectives defined the organisational contextual features (Thaden and Wiegmann (2004). It is a performance management processes such as cultural norms, organisational policy, or impact of new technologies characteristic that could contribute to higher performance in overall organisational strategy implementation (Gabriela et al., 2016). Organisational contextual features provide clarity in work processes, information flows and decision making (Li et al., 2018). The organisational contextual features of a firm enable the firm to articulate its work processes, determine leadership style that is more appropriate under different situation, and develop organisational culture that will deliver the desire business outcomes. Ali (2016); Hadian (2017); Shabbir (2017), Riwo-Abudho et al. (2013) posit that firms often use organisational contextual features (such as leadership, culture, structure) to achieve laudable business outcomes like service quality.

The organisational contextual features (organisational leadership, culture and structure) of the Nigeria aviation industry is tended to be weak and has failed to put into proper perspective the service quality specific dimensions of reliability, responsiveness, tangibility, assurance, and empathy in its service delivery. This deficiency often affects customers' patronage of Nigerian indigenous airlines. Moreover, it also been noted that the Nigeria indigenous airlines disposition to touting of air-ticket at outrageous prices, arbitrary hike of airfare, closing check-in desk before prescribed closing time, undue delays of flight or cancellation of flight without compensation, and poor compensation for damaged or lost luggage have hindered service quality goals of customer's satisfaction, customer's loyalty and customer's delight in Nigeria aviation industry.

Arising from the foregoing, the objective of the paper is to establish the effect of organisational contextual features on the service quality of Airline companies in Nigeria. To achieve this objective, the paper addressed the research question – “how do organisational contextual features affect service quality of the selected indigenous airline companies in Nigeria?”

## **Literature Review And Hypotheses Development**

### **Organisational Contextual Features**

According to Li et al. (2018), organisational contextual features are internal features within the organisation (such as organisational culture, structure, power dynamics, processes, goals and missions) that influence individual behaviours. Contextual features have many facets both in terms of their origin as well as their characteristics that it is difficult to identify all of them (Kronsbein et al., 2014). Contextual features can therefore be at the organisational, team, and individual levels (Brennan, Bosch, Buchan, & Green, 2012, 2013; Shea et al., 2018). The organisational contextual features often facilitate employees with relationship-focused and low awareness-behaviour conformity (Lau et al., 2016). It requires activities to improve and management committed as well as team communication for it to yield increase business performance (Gabriela, 2016). Organisational context feature is not merely the backdrop to implementation, it interacts, influences, modifies, facilitates or constrains the intervention and its effectiveness (Dopson & Fitzgerald, 2005). Indeed, contextual features are frequently conceptualised within implementation research literature as barriers and facilitators to effective implementation (Lau et al., 2016; Li et al., 2018). In this paper organisational contextual features comprise organisational leadership, organisational culture, and organisational structure.

Organisational leadership is the ability to effectively and responsibly engage with people, processes, and programs, to achieve organisational, team, or individual goals (Manoj&Shilpa (2013). It is the capacity to create a compelling vision and to translate the vision into organisational realities. Northouse (2016) defined organisational leadership as the process whereby an individual influences a group of individuals to achieve the common goal of a company. Likewise, Bratton (2020) defined organisational leadership as a process of influencing within an employment relationship involving ongoing human interaction with others, wherein those others consent to achieve organisational goal. Organisational leaders clearly communicate organisational mission, vision and policies; build employees morale, ensure efficient business operations; help employees grow professionally and contribute positively towards organisations mission.

Organisational culture, also known as corporate culture is a slippery concept to define, though it has been explained in several ways by various scholars and authors (Hofstede & Hofstede, 2005; Huang, 2012; Ravasi& Schultz, 2006). According to Gordon and Cummins (1989) corporate culture is the organisation way of recognising the efforts and contributions of its employees by providing holistic outlines of what need to be achieved, the interrelationship of goals, and the procedure of goal attainment by the employees. Culture provides the sustaining reasons and rationale

for the organisation's vision, mission, strategy and philosophies. A strong and healthy organisational culture over long period of time provides an open, creative, collaborative, rational, and free-standing environment that is effective in making individual and organisational capabilities useful. It also guides the conduct of its employees by embedding ethical values in its culture

Organisational structure as the third dimension is defined by Mintzberg (1979) as the results of a combination of all the methods through which duties are assigned to people in different tasks and are then synchronized. Herath (2007) claimed organisational structure governs work competence, the passion of the employees and coordination between the top, middle and lower levels of management for the actualisation of the organisation future plans. Organisational structure determines how tasks are allocated, coordinated and supervise in order to achieve the goals of the organisation. It also facilitates decision making, proper reaction to environment and conflict resolution between the units. The most important components of organisational structure include formalisation, centralisation, and control (Zheng, Yang & Mclean, 2010).

### **Service Quality**

The construct service quality comprises of the word service and the word quality. Stanton (1981) viewed service as those separate identifiable essentially intangible activities that provide desire satisfaction and that are not necessarily tied to the sale of a product or service. While Kotler (1997) claimed service is "an action or an activity" which can be offered by one party to another party, but is basically intangible and cannot sway any ownership. On the other hand, Quality means continuous process improvement and is often a function of how the customer views the service that he or she receives. It is this quality perception that usually drives customer loyalty. Thus, Parasuraman, Zeithaml, and Berry (1985) defined service quality as the degree of inconsistency between customers' normative expectations for a service and their perceptions of service delivered. It refers to the excellence enjoyed by the end user (or consumer) of the service offered by a company. Similarly, Lewis and Mitchell (1990) asserted service quality is an evaluation of how well the delivered service conforms to the customer expectations. While American Marketing Association (2012) viewed service quality as an area of study that evolved in order to define and describe how services could be delivered to satisfy the recipient.

Service quality is perceived as excellent when expectations are exceeded; but when the expectations is commensurate to perceived service, quality is satisfactory; if expectations are greater than performance, then perceived quality is less than satisfactory, and hence customer dissatisfaction occurs due to the gap. The ultimate goal of service quality is customer's satisfaction, customer's loyalty and customer's delight, which is the real measure of whether or not the mission and goals of an organisation are being met.

### **Organisational Contextual Features and Service Quality**

Miranda et al. (2018) in their study on perceived service quality and customer satisfaction in the railway sector showed that three different combinations (comfort, connection, and convenience) of the service quality dimensions lead to overall customer satisfaction. In addition, Nikpour (2017) study on the mediating role of employee's organisational commitment on the impact of organisational culture on organisational performance revealed that in addition to the positive and significant direct impact of organisational culture on organisational performance, it had indirect effect on organisational performance through the mediation of employee's organisational commitment. While Hadian (2017) research concerning the effect of organisational culture and commitment on public service quality in Indonesia showed that organisational culture and organisational commitment significantly influence the quality of public services, but employees are more committed when public service organisation has a strong culture.

Adeniran and Binuyo(2016) study on service quality as a correlate of customer satisfaction in Nigerian airports found out a moderate and positive relationship between service quality (using SERVQUAL dimensions of tangibles, responsiveness, empathy, assurance, reliability), and the satisfaction of customer. Similarly, Mantey and Naidoo (2016) study on implications of service quality failure and recovery imperatives on airlines owned by South African found out that a significant positive correlation existed between service quality and the dimensional variables of tangibility, reliability, responsiveness, assurance, and empathy

Likewise, Mantey and Naidoo (2016) study on implications of service quality failure and recovery imperatives on South African airlines found out that a significant positive correlation existed between service quality and the SERVQUAL dimensional variables of tangibility, reliability, responsiveness, assurance, and empathy.

Yunuset al.(2016) study on service quality, organisational culture, and technology acceptance in Northern Malaysia found out that organisational culture and technological acceptance influenced the 1BestariNet application but service quality did not. Similarly, Abubakar and Dogoji (2015) research work on management of organisational culture and its impact on employee performance in the context of the aviation industry found out that organisational culture has significant impact on employee performance.

However, the study of Omondi, Rotich, Katuse, and Senaji (2017) on the mediating role of innovation in the relationship between organisation structure and performance revealed that the strategic knowledge capability defined by organisation structure had no significant effect on the performance in commercial bank in Kenya. Also, Dischner (2015) study on organisational structure, organisational form, and counterproductive work behaviour revealed that participation in decisions and formal standardization are negatively related to counterproductive work behavior (CWB), while specialization and decision autonomy were not related to CWB. More so, Ann et al. (2015) study on impact of structure on organisational performance of selected technical and service firms in Nigeria observed that task routine affected staff productivity both positively and negatively. In the light of these findings, the study therefore proposes that:

**H<sub>0</sub>:** Organisational contextual features have no significant effect on service quality of the selected indigenous Airline Companies in Nigeria.

#### A. Componential Theory of Creativity and Innovation in Organisations

This study is anchored on the componential theory of creativity and innovation in organisations. Teresa Amabile of Harvard business school propounded the componential theory of creativity and innovation in organisations in 1988. A central tenet of the componential theory of creativity and innovation in organisations is that people are most creative when they are motivated primarily by the interest, enjoyment, satisfaction, and challenge of the work itself – and not by extrinsic motivators arising from rewards, surveillance, competition, evaluation, or requirements to do something. However, the componential theory focus on the factors within an organisation and failed to include outside forces (such as consumer preferences and economic fluctuations). More so, it does not include the influence of the physical environment on creativity. Nevertheless, the componential theory is distinctive in the sense that it is relatively comprehensive in scope, covering skills and motivation within the individual as well as the external social environment; it also specifies the impact of the components at each stage of the creative process; and it emphasises the social environment, and the impact of that environment on the individual engaged in the creative process – particularly the individual's intrinsic motivation.

The componential theory is distinctive and relevant to this study in the sense that it is relatively comprehensive in scope, covering skills and motivation within the individual as well as the external social environment. It also specifies the impact of the components at each stage of the creative process; and it emphasises the social environment, and the impact of that environment on the individual engaged in the creative process – particularly the individual's intrinsic motivation. Nevertheless, the comprehensiveness of the componential theory of creativity and innovation in organisations was confined by its focus on factors within an organisation and failing to include outside forces, such as consumer preferences and economic fluctuations. In addition, the theory does not include the influence of the physical environment on creativity

#### Research Gap

Several scholars have conducted research works on the performance effect of organisational contextual features dimension (such as organisational culture, organisational leadership and organisational structure) in countries like Kenya, Indonesia, Iran, Russia, Malaysia, United Kingdom, and South Africa. But these research works correlated organisational leadership or culture or structure individually with organisational performance, organisational commitment, satisfaction of employees, technological acceptance, and employee performance (Abubakar&Dogoji 2015; Hadian, 2017; Kamau&Wanyoike 2018; Leontev, 2016; Nikpour, 2017; Uba, Wasuu, & Akeem, 2016; Yunus, Kamarudin, Zachariah, & Md Zabit, 2016). There seem to be paucity of studies linking organisational contextual features as a whole with service quality. Therefore, this research work intends to fill the existing gap by evaluating the effect of organisational contextual features on service quality of selected indigenous Airline Companies in Nigeria.

### Methodology:-

This study employed cross sectional survey research design. This design has been considered adequate and used by other scholars such as Afriyie et al. (2019); Chipeta and Muthinja (2018) and JayaniRajapathirana, and Hui (2018). The population of the study was 2881 regular employees in the employment of Arik airline, Aero Contractors' airline, Med View airline and Air Peace airline (Okeke, 2020; Okon, 2017; Oowler company profile, 2017; Tumba, 2017a, 2017b).

The four Airline Companies are selected for this study because they collectively engage 81% of the Nigeria airlines Crew / Maintenance Engineers, and constitute about 84% of the market for Nigeria indigeneous airlines in scheduled operations (NCAA airlines report, 2017; Okeke, 2020). The study sampling unit was the regular employees in the top-level, middle-level, and low-level management cadres of the selected Airlines.

The Krejcie and Morgan (1970) formula was used to derive a sample size of 339 while an attrition rate of 30% was added to arrive at 441 as used by Adefulu et al. (2020). Proportionate and stratified random sampling technique was adopted. An adapted and structured questionnaire was used to gather information from respondents. The questionnaire followed the 6-point Likert-type scale similar to the one adopted by Binuyo, Ekpe and Binuyo (2019) and Sujud and Hashem (2017). The options as indicated in the research instrument range from Very High, High, Moderately High, Moderately Low, Low, to Very Low with scale ratings from 6 to 1 respectively. The instrument Cronbach's Alpha reliability coefficients for the constructs are Organisational leadership (0.839), Organisational culture (0.853), Organisational Structure (0.798), and Service quality (0.842). The hypothesis was tested using the inferential statistics (multiple linear regression).

### Results And Discussion:-

The study collected data on employees from Arik airline, Aero Contractors' airline, Med View airline and Air Peace airline. The researchers distributed a total of 441 copies of questionnaire to the respondents, out of which 347 copies were rightly filled and returned to the researcher. The response rate of the participants to the questionnaire administered is 78.68%. The high response rate was traced to the data collection method of prior notification of the selected airline companies, use of research assistants, researcher's personal visits to the companies and follow up calls made to clarify issues and prompt the participants to fill and return the research instrument early. The analysis was conducted by using the multiple regression analysis and the results of the analysis are presented in Table 1.

**Table 1:-** Results of Regression of Organisational contextual features on service quality.

Variables	B	T	Sig.	R <sup>2</sup>	Adj. R <sup>2</sup>	F(df)	ANOVA (Sig)
Constant	5.722	4.516	.000	0.326	0.320	55.369(3,343)	0.001
Organisational Leadership	.124	1.844	.066				
Organisational Culture	.225	3.770	.000				
Organisational Structure	.535	6.705	.000				
a. Dependent Variable: Service Quality							
b. Predictors: (Constant), Organisational Leadership, Organisational Culture, Organisational Structure							

**Source:** Researcher's Field Results, 2021.

The regression in Table 1 show adjusted coefficient of determination value of 0.32 (Adj. R<sup>2</sup> = 0.32) which implies that organisational contextual features (organisational leadership, organisational culture, and organisational structure) explained 32% of the variations in service quality of the selected indigenous airline companies in Nigeria at 95 % level of confidence while other factors accounted for 68% of the variability. The results indicate that the overall model was statistically significant at F statistic of 55.369 and the reported p value (0.001) which is less than the conventional probability of 0.05 significance level (F(3,343) = 55.369, p < 0.05). As such, the proposed regression model fitted the data well.

The results further indicated that organisational culture ( $\beta = 0.225$ ,  $t = 3.770$ ,  $p < 0.05$ ), and organisational structure ( $\beta = 0.535$ ,  $t = 6.705$ ,  $p < 0.05$ ) have positive and significant effect on the service quality of selected indigenous

airline companies in Nigeria. On the other hand, organisational leadership ( $\beta = 0.124$ ,  $t = 1.844$ ,  $p > 0.05$ ) has a positive but insignificant ( $p$ -values  $> 0.05$ ) effect on service quality. These implied that out of the organisational contextual features, organisational culture and organisational structure are significant predictors of service quality of selected indigenous airline companies in Nigeria. Since organisational leadership has no statistically significant effect on the service quality, it was therefore removed from the model. The regression model for the construct is expressed as follows:

$$SEQ = 5.722 + 0.225OC + 0.535OS$$

Where:

SEQ = Service quality

OC = Organisational culture

OS = Organisational structure

The regression model shows that holding organisational contextual features (organisational leadership, organisational culture, and organisational structure) constant, service quality would be 5.722. This implies that without organisational leadership, organisational culture, and organisational structure, service quality would be positive at 5.722. Further, the results of regression analysis reveal that a unit change in organisational culture would lead to 0.225 improvement in service quality of the selected indigenous airline companies in Nigeria. Also, unit change in organisational structure would lead to 0.535 improvement in service quality of the selected indigenous airline companies in Nigeria. The coefficients of organisational culture and organisational structure are significant at 95% level of significance while that of organisational leadership is not statistically significant at 5% significance level. The results reveal that organisational structure has the most significant effect on service quality of the selected indigenous airline companies, followed by organisational culture. Based on the F statistics and adjusted coefficient of determination with  $p$ -value less than conventional probability of 0.05, the null hypothesis was hereby rejected. This implied that organisational contextual features through organisational culture and organisational structure have significant effect on service quality of the selected indigenous airline companies in Nigeria.

### Discussion of Findings:-

Conceptually, scholars have reported the relevance of organisational contextual features in accomplishing service quality in different climes (Hadian, 2017; Kamau and Wanyoike, 2018; Leontev, 2016; Miranda et al., 2018). Abubakar and Dogoji (2015) study on management of organisational culture and its impact on employee performance in the context of the aviation industry in UK found out that organisational culture has significant positive impact on employee performance. The finding of the study aligned with Shehadeh et al. (2016) who found out that operational excellence has a high positive correlation with leadership, human resources management practices, operation strategy, and involvement culture. Adeniran and Binuyo (2016) empirically indicated a moderate and positive relationship between service quality and satisfaction of customer by using SERVQUAL dimensions. Similarly, Mantey and Naidoo (2016) revealed in their study that a significant positive correlation existed between service quality and the dimensional variables of tangibility, reliability, responsiveness, assurance, and empathy. Also, is substantiated by the study of Leontev (2016) which revealed that organisational culture of a university is a multilevel system by which higher education institution satisfies employees and students on the quality of education. But the satisfaction arises through understanding the importance of customer requests.

### Conclusions And Recommendations:-

From the findings of this study, it can be concluded that organisational contextual features through organisational culture and organisational structure have statistically significant effect on service quality of the selected indigenous airline companies in Nigeria. This research work would guide top management and human resources managers in designing appropriate organisational contextual features such as organisational structure and culture for the service quality of their enterprise. The finding will further encourage private sector Managers to effectively use their organisational contextual features and in-built strategic innovations to improve the service quality. The finding possesses the ability to provide crucial insight for the Government and civil aviation policy makers (especially FMA, NCAA, and Nigeria national assembly senate / house of representative committees on aviation) on the guidelines necessary for promulgation of appropriate civil aviation policies, standards, regulations, and Acts, that will ensure sustainability of the indigenous airline companies in Nigeria. It is therefore recommended that Indigenous airline companies in Nigeria should ensure establishment of organic structure and sustenance of people oriented corporate culture and leadership that promote customer satisfaction, customer loyalty and customer delight through service quality that guarantee patronage from air travelers in Nigeria and overseas. Further, the incidences of poor work ethics such as touting air-ticket at outrageous prices, closing check-in desk before prescribed closing

time, undue delays of flight, and missing or vandalised luggage of passengers should be eradicated or reduced to the barest minimum.