

Employee Training and Financial Performance: Mediating Effects of Perceived Service Quality and Customer Satisfaction

Saba Jafar

Institute of Quality &
Technology Management,
University of the Punjab,
Lahore, Pakistan

Syed Sohaib Zubair*

Department of Administrative Sciences,
University of the Punjab,
Jhelum, Pakistan
(Corresponding Author)

Mukaram Ali Khan

Institute of Administrative Sciences,
University of the Punjab,
Lahore, Pakistan

Abstract

The financial performance of an organization is a key indicator of organizational success. It is also important that employees should be equipped with relevant technical and updated knowledge and soft skills so they can provide an improved level of service quality. Employee training is a systematic way to improve employee performance or in other words service quality of a company. In a service-profit-oriented organization, service quality has a large impact on the profitability of an organization. This study aims to find the impact of employee training on the financial performance of banks. A conceptual framework is proposed to observe the linkage of employee training and financial performance of banks, while customer satisfaction and perceived service quality are being tested as mediating variables. The valid sample size was 287 and a random sampling technique is used. In order to test the model, covariance based structural equation modelling (SEM) has been used. Results revealed that all hypotheses have been accepted i.e. customer satisfaction and perceived service quality partially mediate the relation between employee training and financial performance of the organization.

Introduction

This paper investigates the effects of training on financial performance through perceived quality and customer satisfaction in the banking industry of Pakistan. Various factors help organizations to improve their performance. Nowadays, organizations are aware of this need and are ready to invest a significant amount of resources to train their employees (Shafiq & Hamza, 2017). According to Abbas (2014), training is a very important element to manage human resources for an organization's development because some employees might not be able to complete tasks on time due to a lack of skills and knowledge. Training assists to learn and improve (Richey, 2000) which ultimately improves the on-job performance. Reiterated by Abbas & Yaqoob (2009), it is an indisputable fact that the foremost concern for organizations is employee performance. The human resource of an organization should be able to

adjust themselves in a rapidly changing working environment (Shrivastava, 1983) which needs continuous upgrade of knowledge, development, and improvement of skills (Dermol & Cater, 2013). Training plays a crucial role in building the required skills. The aim of training and other activities that help the workforce to develop professionally is to emphasize on learning and teaching a new set of skills to employees with the intent to improve organizational performance (Spreen, Afonso & Gerrish, 2020).

Furthermore, the performance of any organization is the aggregate of all the operations and strategy of business (Irawati, Maksum, Sadalia & Muda, 2019). For sake of better performance of an organization, service quality and customer satisfaction are getting greater attention for many reason such as deregulation and greater competition (Khan et al., 2019; Khan et al., 2020). For better customer service quality, employee training enables staff to deliver solutions, make promises to customer, build customer oriented culture, encourages uniformity to form service trademark, and propose growth with constantly upgrading service. According to Mahta and Tariq (2020), perceived service quality has an impact on the customer's mind. As today customer satisfaction is very much important for a successful business and it widely depends on perceived service quality, Pamela and Lwakama's (2010) highlights that the satisfied client is one whose desire is met time and again. Such customers believe that they are getting good value in return for their money and also feel that they are treated fairly. If organizations are delivering the expected perceived service quality level to their customers, it will eventually affect their financial performance. Hence, customer satisfaction, perceived service quality, and financial performance are directly related. Diamantidis and Chatzoglou (2019) argue that some organizations view the cost of training as an investment which ultimately improves employee performance. By seeing the current problems of the banking industry, the importance of training is undeniable (Motlokoa, Sekantsi & Monyoloc, 2018).

In the current context of study, banking industry in Pakistan is facing challenges and radical ups and downs for decades. In the beginning, it suffered from a severe deficiency of resources and also faced the uncertainty in terms of

political, social, and economic conditions (Burki&Niazi, 2003). Human resource professionals were not well trained and they were the reason for low-quality products and services. There was a need for a financial institution that can bring some good changes and control the situation. To fulfill that need on 1st July 1948, central bank of Pakistan came into existence named as State Bank of Pakistan (SBP). SBP took different steps and gave amenities to encourage and motivate people to establish a financial institution that helps this industry to grow. But as a result of this, some unhealthy competition and illegitimate practices are observed. It is stated that after bringing monetary improvements and some alterations in authority brings a good effect on the performance of banks and overall Pakistan banking sector also improved over time (Burki & Niazi, 2003).

In the past, research explained mixed relation between employee training, financial performance, customer satisfaction, and perceived service quality (Spreen, Afonso&Gerrish, 2020; Motlokoa, Sekantsi & Monyoloc, 2018; Keisidou, Sarigiannidis & Maditinos2013; Hanaysha & Tahir, 2016; Golovkova, Eklof & Malova, Podkorytova, 2017). Some studies explained that improving service quality enhance financial performance (Al-hawari, 2006) whereas some researchers proposed that by training employee, service quality can be improved (Dhar, 2015) which ultimately impacts the financial performance through increased profitability (Mukherjee, Nath & Pal, 2003). For better financial performance, banks need well-trained staff to cope up with the dynamic market and increased competition (Motlokoa, Sekantsi & Monyoloc, 2018). Other studies provide empirical evidence that training helps to improve the skills and capabilities of employees that leads to better service quality (Motlokoa, Sekantsi & Monyoloc, 2018; Tahir & Sajjad, 2013). On contrary, few studies revealed insignificant relationships between service quality and customer satisfaction in relation to financial performance (Ittner, Larcker & Meyer, 2003; Douglas and Fredendall, 2004). To fill the gap and build the literature, this research aims to find the relation of employee training on the financial performance of service-oriented organizations through the mediating role of customer satisfaction and perceived service quality.

In this context, the study focusing on the banking sector develops a conceptual framework and intends to further test the conventional relationship between employee training and financial performance. Moreover, bridging the research gap, the study uses two distinct mediators i.e. perceived service quality and customer satisfaction and tests them to the fact that how do they mediate the linear relationship between employee training and the financial performance of an organization.

Literature Review

Training is described as a structured way of learning and development which helps to grow the efficiency in a person, team, and overall organization (Khawaja & Nadeem, 2013). Another researcher Aguinis & Kraiger, (2009) defines the importance of training by saying that it elevates the job performance of employees and also develops positive changes, for instance, acquiring a new skill. It also braces the idea of Aguinis & Kraiger, (2009) while Fitzgerald (1992) states that training is an accomplishment of understanding and leaning a skill to perform a task. In Past, many studies have been done which provide evidence that there is a direct connection between training and organization performance (Ramya, 2016).

Financial performance of any organization is very important for their survival. In the current scenario when there is uncertainty and competitive market, management of banks is keenly focusing on how to improve the performance of the organization by improving service quality (Sousa & Voss, 2002). The performance of financial institutions, sales, profit ratio, liquidity ratio, ability, and return on equity are used as indicators to evaluate financial performance. For examining the financial performance of banks financial ratios are used such as profitability ratios, liquidity ratios, and return on equity. Some financial measures have a direct relation with quality service for instance capital adequacy or return on asset (Duncan & Elliot 2004).

Hypothesis Development

This section leads to the development of research framework and hypotheses in the light of research objectives laid out in the first section.

Employee training and perceived service quality

Employee training is one of the organized methods to develop and boost the skill quality of employees (Nda & Fard, 2013). The study of Goldstein & Ford (2002) stated that training and development are seen as a systemized approach that helps to learn, improve and develop on all levels, such as individuals or a group of people. Thus, training helps an organization to improve companies' service quality as well as organization goods which increase the market competition by refining the technical knowledge of human resources (Manju & Suresh, 2011). Few researchers have tested the effects of employee training on their job performance which leads to service quality (Dhar, 2015). Quality of service offered to customers is highly improved by the employees if organizations invest and train their employees for creative problem solutions and technical knowledge and skills (Boshoff & Allen, 2000; Yavas & Babakus, 2010). If employees can easily access training and development activities in an organization, it improves the employees' performance such as improved and better service quality (Likert, 1967). So based on this context, the following hypothesis is articulated:

H₁: Employee training is positively associated with perceived service quality

Perceived Service Quality and Financial Performance

In some studies, it is stated that perceived service quality is related to the customer's opinion or perception and also customers' trust (Gummesson, 1979). According to Al-Hawari(2005), perceived service quality highly affects the financial performance of banks. Some of the studies suggest that service quality has a strong impact on profit for a service-oriented organization (Mukherjee, Nath & Pal, 2003). In some studies, it is evident that there is a relationship between service quality and financial performance through customer loyalty (Bitner, 1993) while on the other hand, some say that the link between service quality and financial performance is not conclusive (Duncan & Elliott, 2002). Some researchers proposed that perceived service quality is one of many factors that impact

the performance of an organization in terms of profitability (Soterious & Zenios, 1997). So based on the above mentioned discussion, the following hypothesis is deduced:

H₂: Perceived service quality is positively associated with financial performance

Employee Training and Financial performance

As discussed earlier, training plays a significant role in the better financial performance of an organization (Hanaysha & Tahir, 2016). A study conducted by Bhat (2013) suggests competence of employees can be improved through training which leads to improved organizational performance. Training also assists the employee to boost their confidence by mastering their skills and behavior. It also helps to perform the task efficiently and effectively to sustain organizational performance (Hanaysha & Tahir, 2015), thus, investing in employees through training and development leads to a beneficial financial standing for an organization (Sultana, Irum, Ahmed & Mehmood, 2012). It leads to the third hypothesis of this study i.e.:

H₃: Employee training is positively associated with financial performance

Employee Training and customer satisfaction

The most important part of any organization is its employees. They are the key asset of a company as the company's reputation is very much dependent on them (Elnaga & Imran, 2013). Therefore, employee training is the need of this fast-paced changing environment so the employees can learn new skills and enhance their knowledge and capabilities to fulfill their day to day job tasks (Hollenbeck et al., 2004). Employees are accountable to complete the necessary task along with customer satisfaction (Elnaga & Imran, 2013). Training helps the employee improve their thinking ability and ingenuity that help them to make a better decision and therefore, employees good behavior leads to better customer satisfaction level (McCleary & Weaver, 1982). According to Meyer and Collier (2001), employee training impacts employee performance in a positive manner which leads to customer satisfaction and as a result improves the performance of a firm. Based on the above-mentioned points, the following hypothesis is presented:

H₄: Employee training is positively associated with customer satisfaction

Customer Satisfaction and Financial Performance

In literature, one of the most discussed concepts is customer satisfaction (Douglas & Fredendall, 2004). Companies invest a significant amount of resources to improve customer satisfaction, therefore they should be able to quantify the value added. Subsequently, if customer satisfaction has a positive impact on financial performance, then the organization can utilize this as an indicator and manage financial performance by working on customer satisfaction (Golovkova, Eklof, Malova, & Podkorytova, 2019). Some studies have explained that there is a direct relationship between customer satisfaction and financial performance (Sun & Kim, 2013; Keisidouet al., 2013). Whereas some other research studies confirm that customer satisfaction plays a mediating role in contributing to the financial performance of an organization (Lins, Servaes & Tamayo, 2017). This discussion leads to the following hypothesis:

H₅: Customer Satisfaction is positively associated with financial performance

H₆: Perceived service quality mediates the relationship between employee training and financial performance

H₇: Customer Satisfaction mediates the relationship between employee training and financial performance

The following figure summarizes the relationships among various constructs that are being tested in this study:

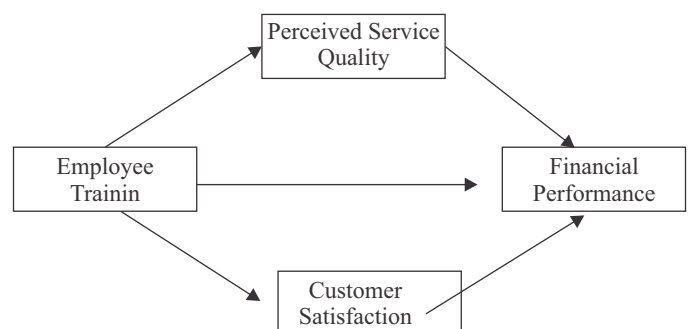


Figure 1: Conceptual Framework

Research Methodology

This study uses a quantitative approach that helps the researcher to measure the perceptions of participants through a certain number of questions. The closed-ended questionnaires help to know the general design of reactions that helps in generalizing the results and to present the results precisely (Yilmaz, 2013).

The population is the private banks in Lahore, Pakistan. The target population of current study is the employees from

managerial level and non-managerial level of two largest private banks. The sample size for employees was calculated based on Yamane's formula (Yamane, 1967). The data was collected from 320 respondents using simple random sampling, however, some questionnaires were partially filled, and therefore were excluded from the sample leading to the valid sample size of 287. Following table 1 shows the summary of the measures and number of items.

Table1: Measures

Construct	No. Of items	Source
Employee Training	5	Hanaysha& Tahir (2015)
Perceived Service Quality	6	Yoo& Park (2007)
Customer Satisfaction	3	Yoo& Park (2007)
Financial Performance	3	Keisidou, Sarigiannidis, Maditinos&Thalassinos (2013)

In order to test the research hypotheses using data collected on the lines mentioned above, covariance based structural equation modelling (SEM) has been employed. SEM is popular and believed to be the most accurate method of analyzing relationships between variables in social or business research (Kaplan et al., 2001). For that matter, the next section elaborates on the data analysis.

Data Analysis

Data analysis starts with descriptive analysis. As far as means of latent constructs are concerned, all means were in range of 3.23 to 3.94 which shows that respondents scored higher than average in all four latent constructs. Moreover, standard deviations range from 0.65 to 0.88 which means that values mean difference is not much and close to the mean.

Confirmatory Factor Analysis

The inferential analysis begins with the development and testing of the measurement model through Confirmatory Factor Analysis (CFA). The said model is used to test the fundamentals of the measurement mechanism i.e. reliability, validity and model fitness indices. Testing of the

measurement model further strengthens the applicability of the model in a specific context (Khan et al., 2019).

To begin with, the factor loadings fall within the prescribed value of 0.70 (Hair et al., 2010), therefore, no item was removed from the presented model. Referring to the measurement model shown in figure 2, various statistics mentioned in the figure provide the assurance of the model developed in this study to be statistically significant and fit. Several measures are used to check the fitness of the developed model. Firstly, the CMIN/DF value stands at 2.478 which according to the literature (McIver & Carmines, 1981) suggests that model is appropriate. Secondly, the GFI value that also reflects model fitness should be at least 0.90, as suggested by Tanaka&Huba (1985), which in this case is marginally above i.e. 0.903. Referring to the third key measure, i.e. normed fitness index abbreviated as (NFI) for this model stands at 0.901, it is imperative to point out that Hair et al., (2017) recommend 0.90 as the minimum acceptable value for NFI and so is the case with TLI (Bentler&Bonett, 1980) which here is 0.946. Moving on to the final measure i.e. the RMSEA the figure 2 shows that the said value is 0.076, which according to Browne and Cudeck (1993) should be less than 0.08.

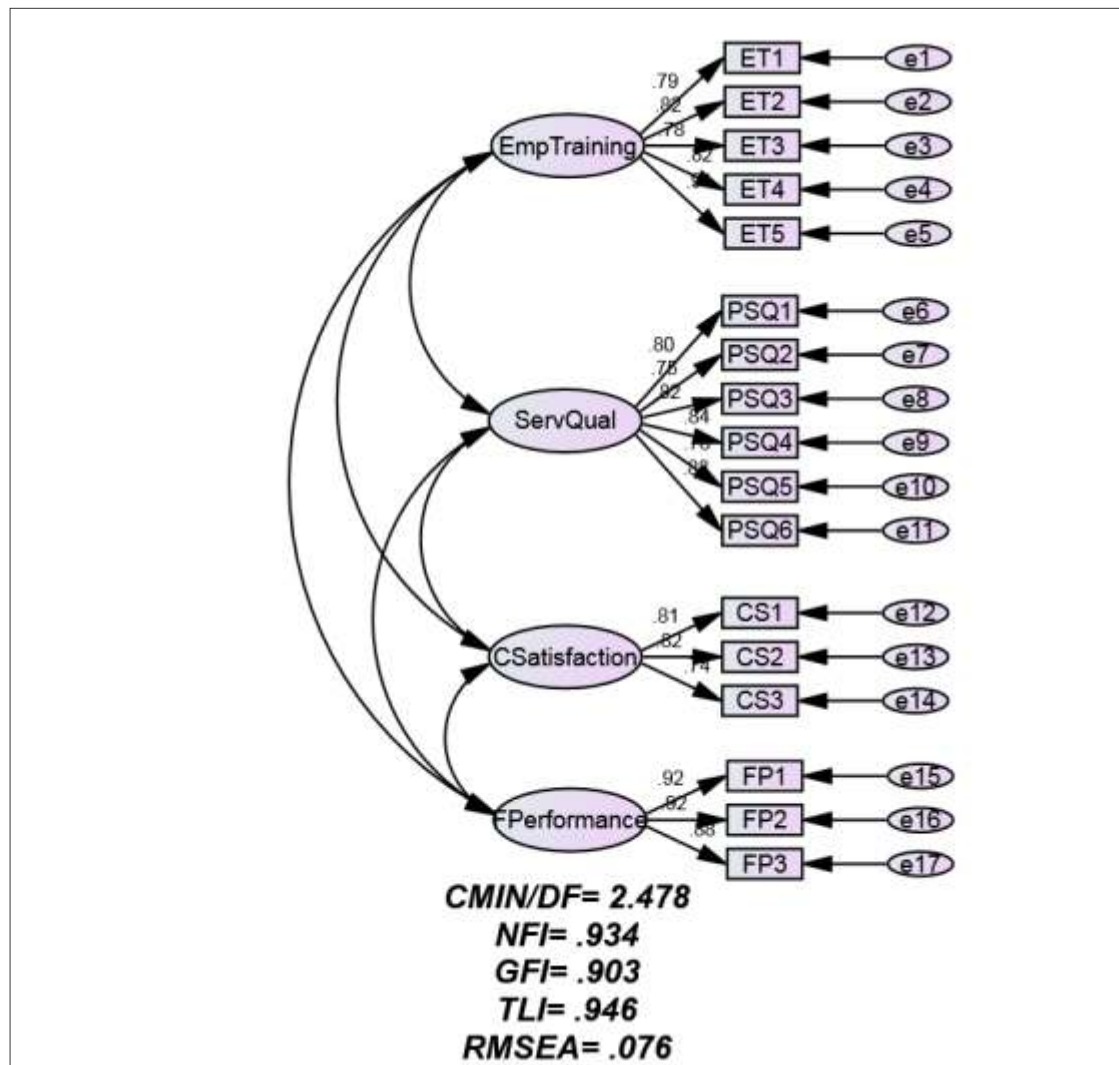


Figure 2: Measurement Model

Following the confirmation of the measurement models fitness using various statistics, the next step is to confirm the reliability and convergent validity. The statistics mentioned in the table 2 confirm these two prerequisites. To begin with, the composite reliability value is comfortably above the minimum suggestive value of 0.70 (Nunnally & Bernstein, 1994). The composite reliability value for Employee Training is 0.914, Perceived Service Quality is 0.917, Customer Satisfaction is 0.834 and for Financial Performance is 0.932. Furthermore, the second key statistic used here is the Average Variance Extracted (AVE) in order to confirm convergent validity. This study uses more than

one measure to confirm the convergent validity of the constructs. Hair et al., (2006), AVE should be greater than 0.50, which, as shown in table 4 is 0.681, 0.648, 0.627, 0.820 for ET, PSQ, CS, and FP respectively. Table 4 also mentions SFL, which also is above the minimum prescribed threshold as discussed earlier. After confirming convergent validity, it is also recommended that the discriminant validity of the constructs should also be confirmed, which according to the data in table 3 is in accordance with Fornell and Larcker (1981) i.e. all correlations amongst the constructs are lower than the square root of average variances extracted.

Table 2: Reliability and Convergent Validity

Latent Construct	Item Code	SFL	CR	AVE
Employee Training	ET1	.789		
	ET2	.825		
	ET3	.781	0.914	0.681
	ET4	.819		
	ET5	.907		
Perceived Service Quality	PSQ1	.798		
	PSQ2	.752		
	PSQ3	.824	0.917	0.648
	PSQ4	.841		
	PSQ5	.780		
	PSQ6	.830		
Customer Satisfaction	CS1	.815		
	CS2	.821	0.834	0.627
	CS3	.737		
Financial Performance	FP1	.919		
	FP2	.921	0.932	0.820
	FP3	.876		

As per table 2, the composite reliability of all the latent constructs has met the minimum threshold of 0.70 as the value ranges from 0.779 to 0.869. Moreover, as far as convergent validity is concerned, CR has achieved its minimum criteria as already discussed. SFL is also beyond the minimum threshold value of 0.60 and lastly, AVE also meets the minimum threshold of 0.50 as it ranges from 0.501 to 0.593. In nutshell, it is concluded that convergent

validity has been achieved for this model.

As far as discriminant validity is concerned, it refers to the “extent that items measuring one construct are distinct from the items measuring other constructs” (Hair et al., 2006). Discriminant validity can be achieved when all the correlations among the latent constructs are less than the square roots of AVE (Fornell&Larcker, 1981).

Table 3: Discriminant Validity

	ET	PSQ	CS	FP
ET	0.825*			
PSQ	0.34	0.805*		
CS	0.29	0.47	0.792*	
FP	0.61	0.45	0.51	0.906*

*Square root of AVE

Hypotheses Testing using Structural Model

As the next and final step, after confirming the measurement and other prerequisites, the final stage is to

test the hypothesis or causal relationships using the structural model (Stephan &Friston, 2009) in accordance with the objectives of the research.

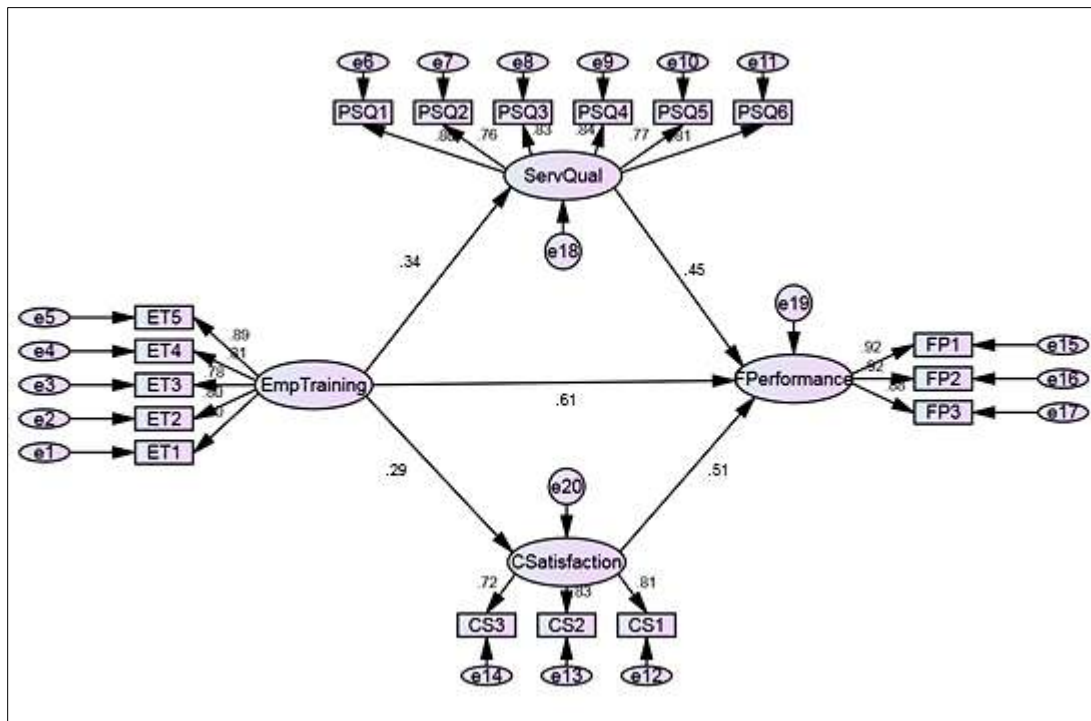


Figure 3: Structural Model

In the following section, the results of each of the hypotheses have been explained. All the hypotheses tested with a significance level of 1% and were found to be statistically valid. Employee Training and Perceived Service Quality were tested as the first hypothesis, the results show that a moderate relationship ($ET \rightarrow PSQ = 0.34$) exists here. The second hypothesis (H2) tested the relation between Employee Training and Customer Satisfaction and a moderate relation was identified ($PSQ \rightarrow FP = 0.45$). Moving on to the third hypothesis i.e. the relation between Employee Training and the dependent variable Financial Performance, a relatively strong relationship was identified ($ET \rightarrow FP = 0.61$).

The analysis of the fourth hypothesis (H4), revealed that a significant relationship exists between Employee Training and the second mediator i.e. the Customer Satisfaction ($ET \rightarrow CS = 0.29$). Continuing in this direction, this mediator, i.e. the Customer Satisfaction was found to have a moderate relation with Financial Performance ($CS \rightarrow FP = 0.51$), confirming H5 as well. Referring to the H6 and H7, the hypotheses testing the mediating effect of two mediators

i.e. perceived service quality and customer satisfaction, the coefficients (indirect effects) are seen to be low i.e. 0.11 for both paths, even though both hypotheses were statistically significant. The comparison of the direct ($ET \rightarrow FP = 0.72$) and indirect effects in both mediating paths, it can be concluded that perceived service quality and customer satisfaction, both partially mediate the relationship of Employee Training and Financial Performance.

Discussion and Conclusion

The analysis of this study reveals that employee training has a significant relation to perceived service quality. Many research studies have supported this argument that through training employees, better service quality can be achieved (Manju & Suresh, 2011; Boshoff & Allen, 2000; Yavas & Babakus, 2010). The findings also confirm that perceived service quality impacts the financial performance of the organization. This notion is supported in previous studies along with the idea that profitability can be improved by providing better service quality (Duncan & Elliott, 2002; Soterious & Zenios, 1997). According to Duncan and

Elliott(2002), service quality has a direct effect on financial performance. The analysis further revealed that employee training and financial performance has significant positive relation. This idea has great support from researchers that the productivity of a firm can be improved by giving training to the employees (Hanaysha & Tahir, 2015; Falola et al., 2014). Noe and Kodwani(2018) believes that employee training is a great investment for an organization as it helps to move towards better financial standing. The results of this study provide evidence that mediating variable customer satisfaction is positively related to employee training. The employee can solve and provide better service after getting training which leads to better customer satisfaction level (Mc Cleary & Weaver, 1982; MintahAgyei,2014)

Furthermore, moving onto other hypotheses, customer satisfaction has also a direct positive relationship with the financial performance of the organization and previous studies are aligned with this (Rust, Zahorik, & Keiningham 1995; Raithelet al., 2012; Seiders et al., 2005). According to Anderson et al. (1994), customer satisfaction has a significant impact on the financial performance of the organization. Since the findings have revealed that financial performance is connected with customer satisfaction, the organization should work on the factors which help to improve customer satisfaction.

Finally, the results highlight that customer satisfaction and perceived service quality mediates the relation between employee training and financial performance. In the past, many empirical research studies provide evidence that service quality with customer satisfaction leads to better performance of an organization (Iglesias, Markovic & Rialp, 2018). Further support has been observed in Meyer and Collier's (2001) study who argue that employee training helps to achieve customer satisfaction which ultimately leads to the improved financial performance of an organization. These findings offer a significant suggestion to the banks to focus on employee training as it is an important factor to improve employee performance with customer satisfaction for better organizational performance.

This research study intended to examine the effects of

employee training on the financial performance of banks along with mediating effects of perceived service quality and customer satisfaction. The importance of training is one of the significant topics which are discussed in literature extensively. Employee training plays an important role in employee performance as well as organizational productivity. Training and development of bank employees play an important role in improving their customer service delivery which ultimately helps to increase the financials of the organization. Employees are the key resource of any bank so the importance of employee performance in organization success is unquestionable for sustain ability and growth. Analysis reveals that customer satisfaction and perceived service quality mediates the relationship between employee training and financial performance. As Kumar et al. (2010) says those banks who are providing good services to their customers have more probability to retain their customers, generate high revenue with winning customer loyalty which ultimately gives them a competitive advantage and enhances their survival capability. This research also concluded that the financial performance of banks is related to their customer satisfaction. According to Croninet al. (2000), perceived service quality positively influences the satisfaction of customers as confirmed by this research as well.

To sum up, seven hypotheses were developed to study the connection between training, customer satisfaction, perceived service quality, and financial performance as depicted in the conceptual performance. Confirming all the hypotheses, findings revealed that significant relationship exist between employee training, perceived service quality, customer satisfaction, and financial performance of the organization, where both mediators partially mediate the relationship between exogenous and endogenous variables.

Managerial implications

With globalization and market saturation, the competition has increased and in order to maintain a competitive position or even to sustain business, banks have to focus on service quality and customer satisfaction as it helps them to improve their financial performance which is an ultimate goal of any profit organization. Mangers should follow such strategies which help them to retain their customers in this

challenging business environment such as by improving customer's buying experience. Managers should focus on improving the skills, knowledge, and abilities of human resources through training as the performance of an organization is related to employee performance. Importantly, a realization of the criticality of constructs and findings discussed in this study should exist. The top-level management of banks should develop a comprehensive framework that helps them to enhance their abilities to develop skills for increasing customer satisfaction and perceived service quality which may include trainings from top to bottom. It is also suggested that to improve the perceived service quality, a continuous training program should be developed for employees.

Limitations and future research directions

Generally, while doing any research it is practically difficult to be realized without facing difficulties. Some limitations of this study should be considered in future research work. First, this research concentrates only on conventional banks of Pakistan as this study is bounded by insufficient time for the researcher to collect data. Another limitation of this study is that dealing only with banks so the results and findings of this research may not apply to other financial institutions and lastly, pure financial data was not used in conducting this research rather focus was laid on subjective measures of financial performance.

References

- Abbas, Q., & Yaqoob, S. (2009). Effect of leadership development on employee performance in Pakistan. *Pakistan Economic and Social Review*, 47(2), 269-292.
- Abbas, Z. (2014). Identification of factors and their impact on employees' training and organizational performance in Pakistan. *Kasbit journal of management & social science*, 7(1), 93-109.
- Aguinis, H., & Kraiger, K. (2009). Benefits of training and development for individuals and teams, organizations, and society. *Annual review of psychology*, 60, 451-474.
- Al-Hawari, M. (2006). The effect of automated service quality on bank financial performance and the mediating role of customer retention. *Journal of Financial Services Marketing*, 10(3), 228-243.
- Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden. *Journal of Marketing*, 58(3), 53-66.
- Babakus, E., Bienstock, C. and Scotter, J. (2004). Linking perceived quality and customer satisfaction to store traffic and revenue growth. *Decision Sciences*, 35(4), 713-37.
- Bentler, P.M. & Bonett, D.G. (1980). Significance tests and goodness of fit in the analysis of covariance structures. *Psychological Bulletin*, 88(3), 588-606.
- Bhat, Z. H. (2013). Impact of training on employee performance: A study of retail banking sector in India. *Indian Journal of Applied Research*, 3(6), 292-293.
- Bolton, R. N., Lemon, K. N., & Verhoef, P. C. (2008). Expanding business-to-business customer relationships: Modeling the customer's upgrade decision. *Journal of Marketing*, 72(1), 46-64.
- Boshoff, C., & Allen, J. (2000). The influence of selected antecedents on frontline staff's perceptions of service recovery performance. *International Journal of Service Industry Management*, 11(1), 63-90.
- Browne, M.W. & Cudeck, R. (1993). Alternative ways of assessing model fit, in Bollen, K.A. and Long, J.S. (Eds), *Testing Structural Equation Models*, Sage, Newbury Park, CA, pp. 136-162.
- Burki, A. A., & Niazi, G. S. K. (2003, November). The effects of privatization, competition and regulation on banking efficiency in Pakistan, 1991–2000. In *Regulatory Impact Assessment: Strengthening Regulation Policy and Practice*, Chancellors Conference Centre, University of Manchester, Manchester, UK.
- Buzzell, R. D., Gale, B. T., & Gale, B. T. (1987). *The PIMS principles: Linking strategy to performance*. Simon and Schuster: New York.
- Cronin, J.J. Jr, Brady, M.K. & Hult, G.T.M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218.

- Dermol, V. & Cater, T. (2013). The influence of training and training transfer factors on organizational learning and performance. *Personnel Review*, 42 (3), 324-348.
- Dhar, R. L. (2015). Service quality and the training of employees: The mediating role of organizational commitment. *Tourism Management*, 46, 419-430.
- Diamantidis, A. D., & Chatzoglou, P. (2019). Factors affecting employee performance: an empirical approach. *International Journal of Productivity and Performance Management*, 68(1), 171-193.
- Douglas, T. & Fredendall, L. (2004). Evaluating the Deming management model of total quality in services. *Decision Sciences*, 35 (3), 393-422.
- Duncan, E., & Elliott, G. (2002). Customer service quality and financial performance among Australian retail financial institutions. *Journal of Financial Services Marketing*, 7(1), 25-41.
- Elnaga, A., & Imran, A. (2013). The effect of training on employee performance. *European Journal of Business and Management*, 5(4), 137-147.
- Falola, H. O., Osibanjo, A. O., & Ojo, I. S. (2014). Effectiveness of training and development on employees' performance and organisation competitiveness in the Nigerian banking industry. *Bulletin of the Transilvania University of Braşov*, 7(1), 161-170.
- Fitzgerald, W. (1992). Training versus development. *Training and Development*, 46(5), 81-84.
- Fornell, C., Johnson, M.D., Anderson, E.W., Cha, J. and Everitt Bryant, B. (1996). The American customer satisfaction index: nature, purpose, and findings. *Journal of Marketing*, 60 (4), 7-18.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Goldstein, I. L., & Ford, J. K. (2002). *Training in organisations*. Belmont, CA: Wadsworth.
- Golovkova, A., Eklof, J., Malova, A., & Podkorytova, O. (2019). Customer satisfaction index and financial performance: A European cross country study. *International Journal of Bank Marketing*, 37(2), 479-491.
- Gustafsson, A., Johnson, M. D., & Roos, I. (2005). The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. *Journal of Marketing*, 69(4), 210-218.
- Gummesson, E. (1979). The marketing of professional services—an organizational dilemma. *European Journal of Marketing*, 13(5), 308-318.
- Hair, J. F., Black, W. C., Balin, B. j., & Anderson, R. E. (2010). *Multivariate data analysis*: Maxwell Macmillan International Editions.
- Hair, J.F. Jr, Black, W.C., Babin, B.J., Anderson, R.E. & Tatham, R.L. (2006). *Multivariate Data Analysis*, 6th ed., Prentice-Hall International, NJ.
- Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2), 107-123.
- Hanaysha, J., & Tahir, P. R. (2016). Examining the effects of employee empowerment, teamwork, and employee training on job satisfaction. *Procedia-Social and Behavioral Sciences*, 219, 272-282.
- Hollenbeck, J. R., DeRue, D. S., & Guzzo, R. (2004). Bridging the gap between I/O research and HR practice: Improving team composition, team training, and team task design. *Human Resource Management: Published in Cooperation with the School of Business Administration, The University of Michigan and in alliance with the Society of Human Resources Management*, 43(4), 353-366.
- Iglesias, O., Markovic, S., & Rialp, J. (2019). How does sensory brand experience influence brand equity? Considering the roles of customer satisfaction, customer affective commitment, and employee empathy. *Journal of Business Research*, 96, 343-354.
- Irawati, N., Maksum, A., Sadalia, I., & Muda, I. (2019). Financial Performance of Indonesian's Banking Industry: The Role of Good Corporate Governance, Capital Adequacy Ratio, Non-Performing Loan and Size. *International Journal of Scientific and Technology Research*, 8(4), 22-26.

- Ittner, C. D., Larcker, D. F., & Meyer, M. W. (2003). Subjectivity and the weighting of performance measures: Evidence from a balanced scorecard. *The accounting review*, 78(3), 725-758.
- Kaplan, D., Harik, P., & Hotchkiss, L. (2001). Cross-sectional estimation of dynamic structural equation models in disequilibrium. *Structural equation modeling: Present and future*, 315-339.
- Kaplan, D. (2004). *Structural equation modeling*. In M. S. Lewis-Beck, A. Bryman & T. F. Liao (Eds.), *The SAGE encyclopedia of social science research methods* (Vol. 1, pp. 1089-1092). Thousand Oaks, CA: SAGE Publications, Inc.
- Keisidou, E., Sarigiannidis, L., Maditinos, D. I., & Thalassinou, E. I. (2013). Customer satisfaction, loyalty and financial performance: A holistic approach of the Greek banking sector. *International Journal of Bank Marketing*, 31(4), 259-288.
- Khan, A., Zubair, S. S., Khurram, S., & Khan, M. A. (2020). Service Quality Dimensions and Customer Satisfaction in online shopping: A customer's perspective. *Journal of Applied Economics and Business Studies*, 4(1), 53-76.
- Khan, M. A., Zubair, S. S., & Malik, M. (2019). An assessment of e-service quality, e-satisfaction and e-loyalty. *South Asian Journal of Business Studies*, 8(3), 283-302.
- Khawaja & Nadeem (2013). Training and Development Program and its Benefits to Employee and Organization: A Conceptual Study. *European Journal of Business and Management*, 5 (2), 243-252.
- Kumar, M., Tat Kee, F., & Charles, V. (2010). Comparative evaluation of critical factors in delivering service quality of banks: An application of dominance analysis in modified SERVQUAL model. *International Journal of Quality & Reliability Management*, 27(3), 351-377.
- Likert, R. (1967). *The human organization: its management and values*. McGraw-Hill.
- Lin, H. H., & Wang, Y. S. (2006). An examination of the determinants of customer loyalty in mobile commerce contexts. *Information & management*, 43(3), 271-282.
- Lins, K.V., Servaes, H. and Tamayo, A. (2017). Social capital, trust, and firm performance: the value of corporate social responsibility during the financial Crisis. *Journal of Finance*, 72 (4), 1785-1824.
- Manju, S., & Suresh, B. H. (2011). Training Design Interventions and Implications for the Productivity Effectiveness. *Synergy*, 9(1), 52-68.
- McCleary, K. W., & Weaver, P. A. (1982). Improving employee service levels through identifying sources of customer satisfaction. *International Journal of Hospitality Management*, 1(2), 85-89.
- McIver, J., & Carmines, E. G. (1981). *Unidimensional scaling* (No. 24). Sage Publications.
- Meyer, S. M., & Collier, D. A. (2001). An empirical test of the causal relationships in the Baldrige Health Care Pilot Criteria. *Journal of operations management*, 19(4), 403-426.
- Mintah Agyei, D. (2014). The impact of training and development programmes on the performance of employees in Rural Banks in the Ashanti Region (*Doctoral dissertation*).
- Motlokoa, M. E., Sekantsi, L. P., & Monyoloc, R. P. (2018). The Impact of Training on Employees' Performance: The Case of Banking Sector in Lesotho. *International Journal of Human Resource Studies*, 8(2), 16-46.
- Mukherjee, A., Nath, P. and Pal, M. (2003). Resources, service quality and performance triad: A framework for measuring efficiency of banking service. *Journal of the Operational Research Society*, 54, 723-735
- Nda, M. M., & Fard, R. Y. (2013). The impact of employee training and development on employee productivity. *Global journal of commerce and management perspective*, 2(6), 91-93.
- Noe, R. A. (2008). *Employee training and development*, 5th ed., New York: McGraw-Hill
- Noe, R. A., & Kodwani, A. D. (2018). *Employee training and development*, 7e. McGraw-Hill Education.
- Nunnally, J.C., & Bernstein, I.H. (1994). *Psychometric Theory*, 3rd ed., McGraw-Hill, New York, NY.
- Oliver, C. (1997). Sustainable competitive advantage:

- combining institutional and resource-based views. *Strategic management journal*, 18(9), 697-713.
- Oliver, R. L. (1993). A conceptual model of service quality and service satisfaction: Comparative goals, different concepts. *Advances in service marketing and management*, 2, 65-85.
 - Pamela, A., &Lwakama, G. (2010).Improving Service Delivery in the Financial Sector: A Case Study Improving Policy, Impacting Change. *Institute of Policy Analysis and Research Rwanda*. 1-47.
 - Parasuraman, A., Berry, L. and Zeithaml, V. (1991).Perceived Service Quality as a Customer-Based Performance Measure: An Empirical Examination of Organizational Barriers using an Extended Service Quality Model.*Human Resource Management*, 30 (3), 335–364.
 - Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985).A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41-50.
 - Parawansa, D.A.S. (2018). Effect of commitment and customers' satisfaction on relationship between service quality to the customer retention in rural bank in Makassar, Indonesia. *Journal of Management Development*, 37(1), 53-64.
 - Raithel, S., Sarstedt, M., Scharf, S., &Schwaiger, M. (2012).On the value relevance of customer satisfaction. Multiple drivers and multiple markets. *Journal of the Academy of Marketing Science*, 40(4), 509-525.
 - Ramya, (2016).The Effect of Training on Employee Performance.*International Journal of Scientific Research and Modern Education (IJSRME)*, 1 (1), 697-706.
 - Richey, R. (2000). *The Legacy of Robert M. Gagne*, ERIC Clearinghouse on Information and Technology, Syracuse: NY, p. 295
 - Roscoe, J. T. (1975). *Fundamental research statistics for the behavioral sciences* [by] John T. Roscoe.
 - Rust RT, Zahorik AJ and Keiningham TL (1995). Return on Quality (ROQ): making service quality financially accountable. *Journal of Marketing*, 59, 58-70.
 - Seiders, K., Voss, G. B., Grewal, D., & Godfrey, A. L. (2005). Do satisfied customers buy more? Examining moderating influences in a retailing context. *Journal of Marketing*, 69(4), 26-43.
 - Shafiq, S., & Hamza, S. M. (2017).The effect of training and development on employee performance in private company Malaysia.*International Journal of Education, Learning and Training*, 2(2), 42-56.
 - Shankar, A., &Jebarajakirthy, C. (2019). The influence of e-banking service quality on customer loyalty: A moderated mediation approach. *International Journal of Bank Marketing*. 37(5), 1119-1142.
 - Soteriou, A., &Zenios, S. A. (1997).Efficiency, profitability and quality of banking services. *International Journal of Bank Marketing*, 18(5), 97-128.
 - Soterious, A. and Zenious, S. (1998). Operations, Quality, and Profitability in the provision of Banking Services. *Management Science*, 45 (9), 1221–1238.
 - Sousa, R., & Voss, C. A. (2002). Quality management re-visited: a reflective review and agenda for future research. *Journal of operations management*, 20(1), 91-109.
 - Spreen, T. L., Afonso, W., &Gerrish, E. (2020). Can Employee Training Influence Local Fiscal Outcomes? *The American Review of Public Administration*, 1-14.
 - Sultana, A., Irum, S., Ahmed, K., &Mehmood, N. (2012). Impact of training on employee performance: A study of telecommunication sector in Pakistan. *Interdisciplinary Journal of contemporary research in business*, 4(6), 646-661.
 - Sun, K.A.and Kim, D.Y. (2013). Does customer satisfaction increase firm performance? An application of American Customer Satisfaction Index (ACSI).*International Journal of Hospitality Management*, 35, 68-77.
 - Tahir, A., &Sajjad, S. (2013). Assessing the Impact of Training on Employees' Performance in Commercial Banks in Urban Lahore.*The Lahore Journal of Business*, 2(1), 95-109.

- Tanaka, J. S., & Huba, G. J. (1985). A fit index for covariance structure models under arbitrary GLS estimation. *British Journal of Mathematical and Statistical Psychology*, 38(2), 197- 201.
- Tariq, M. (2020). How Brand Image and Perceived Service Quality Affect Customer Loyalty through Customer Satisfaction. *Academy of Marketing Studies Journal*, 24(1), 1-10.
- Valarie A., Zeithaml, Bitner, M. J., & Dwayne D. Gremler. (2003). *Services marketing: integrating customer focus across the firm*. New York: McGraw-Hill.
- Wang, Y., Lo, H. P., Chi, R., & Yang, Y. (2004). An integrated framework for customer value and customer-relationship-management performance: a customer-based perspective from China. *Managing service quality*, 14(2-3), 169-182.
- Yamane, T. (1967). *Statistics: an introductory analysis*, 2nd edn, Harper and Row: New York.
- Yavas, U., & Babakus, E. (2010). Relationships between organizational support, customer orientation, and work outcomes: a study of frontline bank employees. *International Journal of Bank Marketing*, 28(3), 222-238.
- Yilmaz, K. (2013). Comparison of quantitative and qualitative research traditions: Epistemological, theoretical, and methodological differences. *European journal of education*, 48(2), 311-325.
- Yoo, D. K., & Park, J. A. (2007). Perceived service quality. *International Journal of Quality & reliability management*, 24(9), 908-926.
- Zeithaml, V. A., Bitner, M. J., & Gremler, D. (2003). Customer perceptions of service. *Services Marketing: Integrating Customer Focus across the Firm*, 7th Ed, McGraw Hill.