

**THE EFFECT OF NATIONAL CULTURE  
ON SERVICE PROVISION**

**A thesis submitted for the degree of  
Doctor of Philosophy**

**by**

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## Abstract

### *Purpose:*

*this research is to investigate the effect of national culture on service provision. Hence, the researcher aims Firstly to investigate the differences in national culture between any two different countries share some attributes like language, religion or geographic location. Secondly, it aims to find whether the differences in national culture of two countries associated with differences in service provision. Finally, the researcher aims to propose a framework that shows how differences in national culture may associate with differences in service provision.*

### *Design /Methodology/ Approach*

*This research will quantitatively develop and examine a conceptual framework that is designed to test the effect of national culture on service provision within the context of Takful industry. A total of 463 respondents completed the survey based questionnaire from two different countries (Kuwait and Egypt) which are identified as being related to the same cluster that is, the Arab clusters. The context of the research happened to be within the context of Takaful (Islamic insurance industry) due to the uniqueness of the sector to the cluster. The data was statistically tested using SPSS and AMOS programming system as the primary statistical technique to build structure equation modelling that allows testing the proposed conceptual framework.*

### *Findings:*

*Results have shown that the differences in national culture of power distance and uncertainty avoidance have an effect on service provision through service delivery gaps. Results indicated that the service delivery gaps of information gap, specification gap and performance gap partially mediate the effect of national culture on service provision in terms of information flow, style of management, control, communication policy, specification driver and boundary system. The findings also indicate that there are differences in national culture between Kuwait and Egypt despite the commonality of language and religion. The findings are in contrary to Hofstede's findings in which he argues that Arab cluster have an identical national culture dominated by Islam. Finally, results provide strong evidence that the researcher cannot disconfirm the theory after being statistically tested in which result support the validity of the theory.*

### *Limitations:*

*The research studied only two dimensions of national culture against three service gap attributed to the theory followed by the research, however they were found strongly linked in previous research. Also the research has addressed only one sector of service industry in two countries, but since the industry (Takaful) stemmed from the religion of the context to which previous research assumes homogeneity of Arab national culture based on the power of the religion. Hence, generalizability of the findings can be extended to any national culture of two countries from the similar cluster share similar attributes of religion and language.*

## *Contributions:*

### *Contribution to theory*

*This research confirmed the findings of previous researches as to what extent national culture effect service provision associated with service delivery gaps. It confirmed previous research findings on the underlying relationships between national culture and service provision and how this might be associated with service delivery gaps. An important contribution to theory is the ability of power distance and uncertainty avoidance in predicting national culture differences in service provision between any two countries. Further, the study found that the national culture dimensions do not equally influence service provision as it varies cross culturally. In addition, the research contributes to the theory by providing a conceptual framework that can cultivate the seed in the body of knowledge to enrich the soil for researchers to study the effect of national culture on service provision. Another contribution stems from the findings that opposes Hofstede's claim regarding the homogeneity of Arab countries. Finally, the research proposes a data driven model stems from the collected data.*

### *Contribution to Practice*

*The findings of this research assist service providers of Takaful in particular, and services sector providers in general, to improve their service quality as it identifies and explains some key insights that might help in dealing with various service delivery gaps. Therefore, it is very important for marketers to understand the effect of national culture differences on service delivery gaps which in turn effect the mechanisms of service provision.*

### *Contribution to Policy*

*The research has contributed to the policy with which delivery processes can be systematically enhancing the excellence of service delivery for organizations. Policies of organizations can be set taking in consideration the role of national culture. Organizations may bridge the service delivery gap if they comprehend the effect of national culture on the delivery of their services. Information gap, specification gap and performance gap can be reduced or eliminated if provider understands the effect of national culture on those gaps and how they policies for Information flow, Style of management, Control, Communication policy, Specification driver and Boundary System. These policies may apply differently in different cultural settings as policies applicable in one culture may not be valid for other culture. On the other hand, differences in power distance and risk acceptance may shape provider's policy to adapt to the pertinent environment. Hence, this research provides policy makers understand the role of culture on service provision.*

### *Contribution to method*

*This research is significant in drawing support from cultures which is different from Anglo cultures (Hofstede, 1980) which in most researches provide evidence to the management literature. On the foundation of the literature review, the research has contributed to method by using a unique context that related directly to the studied national cultures. The method was the adoption of national culture of countries that belong to the same cluster and study the differences/similarities of this national culture with a unique context that related to the dimension to which they were clustered upon like religion and language. Moderation effect of national culture was not appropriate as the conventional methodology when using structural equation modelling in cross cultural studies. However, mediation effect has been found valid and appropriate in exploring the effect of national culture on service provision. results revealed that the method of testing mediation effect was successful in highlighting the effect of national culture drawn from similar cluster countries on service provision mediated by service quality gaps with which a new addition has been added to the body of the literature.*

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# Glossary

**Takaful:** *An Islamic alternative to the conventional Insurance designed based on Sharia teachings*

**Service Provision:** *means the process in designing the service delivery by organization staff*

**Services Marketing:** *Services marketing is a form of marketing which focuses on selling services.*

**Gap Analysis:** *Systematic tool consist of five dimensions to explore the gaps in organisations service quality by identifying the causes of service quality shortfalls in each or all of the dimensions*

**Service Quality:** *Providing services that meets or exceeds customer expectation*

**Information gap :** *This gap results from a difference between what customers expect and what management perceives these expectations to be. Gap 1 occurs as a result of insufficient research or communication failures and when there are many management layers effects the information flow.*

**Specification gap:** *The Difference between management perception of consumer expectations and service quality expectations*

**Performance gap:** *The Difference between service quality specification and the service actually delivered*

**Culture:** *A society's culture consists of whatever it is one has to know or believe in order to operate in a manner acceptable to its members. It is the difference between members of one society to another due to the collective programming of the mind of those people*

**National culture:** *national culture is programmed into us first, that is, right from day we are born first. Thus, they form the most profound level of our mental programs, which are our values. By the time we are adults, our values are usually well settled and difficult to change*

**Power distance:** *The less powerful member of institutions and organizations within a country expect and accept that power is distributed unequally*

**Uncertainty avoidance:** *The extent to which people feel threatened by ambiguous situation and have created beliefs and institutions that try to avoid these” in another words means to assess the degree to which members of a society feel either unsecure or secure in unstructured situations.*

**Direct Effect:** *Is the direct effect of one variable on another variable without being mediated by mediator*

**Indirect Effect:** *Is the effect that result through a mediator between the two variables*

**Total Effect:** *The resultant of multiplying the direct and indirect effect*

**Mediation Effect:** *The casual relationship between the independent variable and the outcome*

**Moderation effect:** *Is the Qualitative or quantitative variable that affects the direction or strength of the relation between an independent an dependent variable*

**Information flow :** *The way information being disseminated and collected*

**management Style:** *The style of management in involving employees in setting service quality specification*

**Control :** *The level of freedom the organization is providing to their fellow employees in delivering service quality*

**Communication policy:** *The way communication is being driven within organization*

**Specification driver:** *The driver of organization in specifying service quality*

**Boundary system:** *The accepTable domain of activity when providing service*

**Wakalh Model:** *is similar to the power of attorney concept. This occurs when a person choose an agent to undertake business deal on his behalf*

**Mudharabah Model:** *cooperation between fund and expertise, where one partner gives money to another for investing it in a commercial enterprise.*

**Musharakah Model :***is a joint venture between two parties or more agreed provide funds to be used in a venture. The invested capital decides the distribution of profits or losses between partners according to the invested capital.*

## ***Abbreviations***

***PD:*** Power distance

***UAV:*** Uncertainty Avoidance

***NC:*** National Culture

***GAPI:*** service delivery gap as per Parasuraman model which is information gap

***GAP2:*** service delivery gap as per Parasuraman model which is specification

***GAP3:*** service delivery gap as per Parasuraman model which is performance gap

***GCC:*** Gulf Cooperation Council countries of Kuwait, Saudi Arabia , UAE, Qatar, Bahrain and Oman

***SQ:*** service quality

***SERVQUAL:*** service quality gap model

***SERVPERF:*** service –performance model

***SDM:*** service delivery mechanism

***IF:*** information flow

***MS:*** management style

***CL:*** control

***CP:*** communication policy

***SD:*** specification driver

***BS:*** boundary system

***WH:*** hierarchical driven information gathering and sharing

***WF:*** functional driven information gathering and sharing

***WNP:*** non Participative leadership Driven in Setting Service Quality Specification

***WP:*** Participative leadership Driven in Setting Service Quality Specification

***WCP:*** Delivering service quality regulated by centralized performance

***WE:*** empowering to perform in delivering service quality

***WCF:*** close and formal driven communication

***WOI:*** open and informal driven communication

***WMD:** money- driven specifying service quality*

***WCD:** customer satisfaction- driven specifying service quality*

***WSB:** system boarder driven performing*

***WCS:** customer satisfaction driven performing*

# 1 INTRODUCTION

## 1.1 Services marketing

Nowadays, service marketing is crucial to most countries economies especially to all developing countries as it accounts for more than 70% of their GDP. It contributes to the economy in many facets, of which value added, creation of employment and substantially being integrated in the overall production system (Sanchez Maroto, 2010). Service marketing concepts and researches started in the late seventies triggered by a Dutch scholar called Gronroos (1979) who argues that service industry is human intensive defined as “deed or performance” which has a uniqueness of its characteristics as “ephemeral- transitional and perishable”. The provision of excellence services is a key pillar for the competitive strategies for all service organizations (Khan and Matlay, 2009). Thus, effective organizational and institutional process is must be adopted otherwise it will be difficult for employees to perform their duties in an efficient way which will lead to poor productivity. Lovelock and Yip (1996) argue that poor organizational and institutional process might bring with it poor delivery of service quality to customers. Also, Reed and Vakola (2006) suggest that poor service provision leads to customer dissatisfaction in the short term then loss of competitive advantage in the long term, because In the context of services the value of the process that pertains to the delivery of the service is far more important than the attainment of a certain item or outcome (Lehtinen and Lehtinen, 1982; Brown and Swartz, 1989). Wilson (1997) suggests that the dealings of service personnel and customers create impressions and perceptions in the minds of customers about the uniqueness and image of the organization that they are dealing with. Therefore, customer’s evaluation of the quality and satisfaction of a service “depends directly and most immediately on managing and monitoring of the individual service encounter” (Bitner, 1990). As a result, organizations that measure, develop, and monitor their employees should experience improved results (Zeithaml and Bitner, 1996). Hence, as service delivery is an interactive process that has a great deal of human role during the process which by analogy renders national cultures a pivotal role on the delivery of

service quality (De Chernatony and Segal-Horn, 2003). Therefore, the employees of an organization are responsible for the provision of quality services provided to their customers internally and externally due to their direct involvement of the delivery process (Khan and Matlay, 2009). The link between national culture and service quality need to be explained in order to investigate the effect of national culture on service provision.

## **1.2 Service Quality and Culture**

Few researchers have examined how cultural differences between practitioners might threaten service provider's success in case of global expansion (Kogut and Singh, 1988). Many scholars in the service quality field have developed different conceptual models that demonstrate the relationships of the dimensions and their importance to improve the delivery of service quality, for example the conceptual Gap Model (Parasuraman, Zeithaml and Berry 1985,1988), Technical and Functional Model of Service Quality (Gronroos, 1984) and Attribute Model of Service Quality (Haywood-Farmer 1988). All these models were intended to pinpoint to academic and practitioners the areas of service quality improvements and the tools to be used for evaluation purposes only. However, all these models have proven that service quality is not cultural-free (Parasuraman, 1985). Moreover it was supported by various researchers (Malhotra, 1994; Armstrong, 1997; Hauser et al., 2006, Donthu and Yoo, 1998; Yavas and Benkenstein, 2007; Furrer, 2000) studied the link between culture and service quality based on customers perceptions and found positive relationships support their hypothesis of the strong link between culture and service quality from customer's side, however the attempts to develop a conceptual framework / model explaining the extent of the effect of national culture on service quality on the service providers side have been found very anaemic in the literature. Review of cross-cultural studies suggest that the bulk of existing research has been focusing on studying the effect of culture on service quality from the customer perspective and directed to comparisons between US and European samples, and Middle Orient samples (Donthu and Yoo, 1998). On the other hand, reviewing the literature revealed that there is a scarcity of researchers studying the national culture of the Middle Eastern countries due to the claim that all Middle Eastern countries belong to one culture

as they are dominated by Islam. Hofstede (1981) clustered all Arab countries (22 countries) in one group assuming that they have identical scoring in his index of cultural typologies of power distance, uncertainty avoidance, individualism and masculinity without a thorough dissecting of each country. There are very few researchers who have been published to confirm/ disconfirm Hofstede theory on Arab countries whether they have homogenous cultures driven by Islamic religion or some differences may exist. For all of the above reasons, the researcher intends to study the effect of national culture on delivered service quality from the provider's side within the context of Takaful in order to add knowledge to the subject and to fill the gap in the literature. The researcher will generate hypotheses to be tested quantitatively and also build a model that can work as a seed for further research to add to the anaemic literature by studying the effect of national culture on service provision.

### **1.3 Takaful**

Takaful is a service sector invented as an Islamic alternative to the taboo conventional insurance which is against the principle of Islamic Sharia. In essence, the cultural diversity in the implementation of Takaful services based on Sharia teachings is broad, for example Takaful companies are operating in the GCC countries, Arabic countries and South Asian Islamic countries (Dr. Ali El-Ashry, 2008). Dr. Ali El-Ashry added that some of the companies are present in other markets; for example, Wethag Company is a Kuwaiti based company that launched its operation in Egypt which he thinks is not a similar market as the needs and cultural factors are different than the home culture. The attributes that drive Kuwaitis towards products and services of insurance might be different than what Egyptians need; service attributes that are critically important in a culture may be of less importance in other cultures or vice versa (Lee, 2005). Social needs or the difference in services provided between one Takaful company and another has also caused several service quality problems and failures or what are called "service quality gaps". According to Lassar et al., (2000), providing high service quality results in a number of positive results varying from improved customer retention rates, greater willingness to recommend to other customers and to enhance profitability. In today's marketing environment, practitioners and academics a

critical evaluation of organizational performance for which their interest continues to grow consider service quality. On the other hand, Takaful industry has yet to be integrated in the global financial system (Ahmed Jachi, 2006) as the evolution of wider Islamic finance has supported Takaful growth and expansion in the last few years (Farhan, 2007).

Ajmal Bhatti, Global Head of Takaful HSBC Amanah, said: "Takaful is one of the fastest growing sectors of insurance and has excellent potential". We are very much committed to supporting this industry which is fast moving beyond its formative years and encourage healthy debate and consensus in meeting the challenges for its secure and stable growth." Ajmal Bhatti spoke on "Shifting Takaful into higher gear" during the Bank assurance: Capitalizing on Opportunities for Providing Takaful Solutions through Alliances with Banks session of the conference conducted in Malaysia 2006. Dr. Adel Rabeh, the Chairman of Egypt insurance authority, also mentioned that the potential of Takaful is very promising, "we have licensed five more new Takaful companies, and they have just entered the market. Dr. Adel said among these 5 new companies, 2 of which are Kuwaiti companies who are new in the Egyptian market. The main concern that might face them is the cultural differences between Kuwait and Egypt that force the service provider to take anticipative measures to cope with the differences if any, also how those cultural differences are associated with the service provision. Hofstede (1981) suggests that all Arab countries have exactly the same national culture as they are driven by Islamic teachings. However, taking his assumption for granted would include some other Islamic countries such as Pakistan and Iran hence the researcher intends to find out the national cultural differences between Kuwait and Egypt as they belong to the Arabic cluster that Hofstede homogenized. However, to maintain the growth of Takaful industry, a mechanism of delivering an outstanding service quality is imperative to Takaful providers especially with the increase of globalization trends. From all of the above, the intention of the researcher is to study the affect of national culture on the delivery of service quality on the provider's side in the Takaful context.

## **1.4 Research problem**

In the context of service provision, the intangible nature of the final product gives the employees a very crucial factor in the value-generation process of the service organization regardless of the type of the service. Front line employees are the first line within the organization to interact with customers as they are the first step in service encounter. They collect information and intelligence about customers, answer customer's complaints and pass it on to the back office that in-turn need to have a very quick response to customers inquires in order to satisfy customer's needs. Front line employees must understand the customer's needs and put in an extra effort to match their company's service offering with customer specific needs (Gummesson, 1991). On the other hand, back office employees need to act in a timely manner to handle customer's requests or complaints (Zeithaml et al., 2001). Managers need to share information with their subordinates and receive feedback about their perceptions of the organizations performance as well as working with other managers to solve any issues (Gronroos, 1990). However, service marketing researchers and practitioners are recognizing that the success of any firm must accommodate customers within the context of their environment (Robertson and Wind, 1983). This environment is increasingly becoming international. However, before moving to a different market, service firms must get acquainted with their service marketing strategy and how this might affect the success of their expansion pertinent to the importance of the service personnel in implementing the marketing strategy are the findings of a recent study by Harris and Ogbonna (2000). The author report that a major difficulty relates to service employees reluctance and resistance to the concept of market orientation and their lack of service consciousness. Cooper and Frank in 2001 confirmed that major customer dissatisfaction in the service industry stems from poor service design and delivery, ignorance of the customer's needs, the inability to match the customer's perception with expectation, and inferior quality of services. Reichheld and Sasser (1990) suggests that in order to maintain growth of the business, service companies must improve the delivery of service quality which in return doubles the company's growth. They argue that the longer period of time a company keeps a customer the more money they make; in other words, the profit they make from a customer on the 4th year is triple higher than what they make from a customer in his first year

as perceived high service quality leads to customer satisfaction and retention which ultimately increases profit by meeting or exceeding customer satisfaction. The behaviour of customers in service industry has to be understood in order to build very long relationships between customers and service providers (Harrison, 2003). For instance, the economical performance of financial services like insurance is strongly connected with customer retention (Dicon and O'Brien, 2002) and that make service quality very important for the insurance industry since they make profit only after having the customer retained for at least 3 years (Zeithaml et al., 1996). Parasuraman et al. (1985; 1988) have developed a conceptual framework regarding the determinants of service quality: tangibles, reliability, responsiveness, assurance, and empathy.

However, studies using the framework have reported that culture is an important variable mediating the relative importance of these dimensions on the perception of service quality (Winsted, 1997). Also because service encounters are human intensive, rules and expectations related to the service encounters are bound by cultural norms and prescriptions of customers and management (Furrer et al. 2000). Many other researchers have proven that service quality is not culture-free (Bang et al., 2005; Malhotra et al., 2005; Donthu and Yoo, 1998; Kettinger et al., 1994) which is one of the main drivers for the researcher to find out the effect of national culture on service quality. Sun Tzu once wrote: *"Know your enemy and know yourself and you can fight a hundred battles without disaster"*. It is conceivably a bit extreme to compare a service delivery to a battle and a customer to an enemy, however the main belief is to understand your national culture characteristics in contrast with others in order to be successful and provide an excellent service. Hill (1998) describes the cross cultural importance as *"an understanding of how cultural differences both across and within nations can affect the way in which business is practiced"*. Therefore, the intention of the researcher is to investigate the effect of national culture on service delivery in the context of Takaful as a unique product to the Islamic principal since the study will be conducted between two Arab countries; Kuwait and Egypt, to contribute to the dearth of researchers in this part of the world as Donthu and Yoo (1998) suggest that academic must pay attention to the scarcity in academic published works relating to services marketing in a non-western context. Also, another driver for the

research is to validate Hofstede's findings regarding the homogeneity of Arab culture as he claims that they are dominated by Islamic religion. Hence, Hofstede's clustered all Arab countries according to the Islamic religion giving them the same ranking in his cultural index. By analogy then, one can expect that other clustered countries based on language, religion or geographic location are having homogeneous national culture if no further investigation is conducted. Therefore, the researcher intends to find the effect of national culture of two Arab countries on service delivery to find whether there are national cultural differences between countries belonging to the same cluster and how these might have an effect on services in order to contribute to the body of the literature and practice.

## **1.5 Research Formulation**

As the intention of the researcher is to add to the little knowledge available of the effect of national culture on the delivery of service quality from the angle of the service providers. The researcher's motivation is to fill the gap in literature to know how national cultural differences of any two countries effect service provision. Also, to develop a preliminary model that would be a first brick for more studies and researches in the same field. On the other hand to validate Hofstede's theory of the homogeneity of Arab countries and investigate the cultural differences between these two countries.

## **1.6 Research Significance**

This research is going to be important and helpful for both researchers and practitioners for many important reasons. From the academic prospective, it is generally investigating the effect of national culture on service provision which is suffering from the anaemic researchers studying this issue from the service provider side. Also, proposing a new conceptual framework will be significant for the body of knowledge as it can be perused in further studies. On the other side, this research will be significant for practitioners to know the key determinants used for the success of their businesses in line with the national culture they perform their business within. Comprehending the effect of national cultural differences

will assist provider in designing a robust service delivery mechanisms of information flow, style of management, control, communication policy, specification driver and boundary system that suits the national culture where which the organisation operates. Also, service provider will benefit from knowing the effect of national culture differences on service provision and what the differences in services in different cultural settings are. Hence, the findings of this study will be significant for both scholars and practitioners in this area.

## **1.7 Research Design**

### **1.7.1 Problem statement:**

service sector is growing and booming in the developing countries with a huge intention for local companies to expand globally, as a result, the researcher intend to know the extent to which national culture affects the delivery of service quality in Takaful context and whether the differences between the cultures of two countries associated with differences in service provision. Most of the researches focus on investigating cultures of distinct countries that have obvious fundamental differences. The literature is very anaemic in studying the effect of differences of national cultures of countries have some apparent communalities like religion, language and geographic location on service delivery from the perspective of the provider. Hofstede (1981) claimed that some developing countries clustered in one group based on the religion and languages they share have no cultural differences. He claimed that culture of all Arab countries is identical and is dominated by the religion of Islam giving them all an identical scoring for his cultural index. This cluster consists of 22 countries that he believes have exactly similar scoring for his cultural dimensions without any further investigation. However, two countries were chosen from the Arab cluster (Kuwait and Egypt) and Takaful as the context with which cultural differences attributed to religion and language as Hofstede claims might provide clear cut findings to Hofstede's theory and to find how the effect of these differences on service provision.

### **1.7.2 Research Question**

The researcher has developed one major research question and three minor research questions for this research. The main research question of the research has been stated as the following:

To what extent does national culture effect service quality gaps within Takaful context.

The minor research questions:

Are differences between the cultures of two countries associated with differences in service provision through service quality gaps?

What are the expected differences to culture?

What are the expected differences to services?

## **1.8 Research Objective**

The objective of this study is twofold; investigating the relationship between culture, and service provision associated with service quality.

Specifically,

- 1- To identify any differences between the cultures of two countries
- 2- To investigate the impact of these national culture differences on service provision provided by Takaful industry from the service provider's side.
- 3- To identify how these differences might be associated with differences in service quality gaps
- 4- To propose a conceptual framework for the effect of national culture on service provision.

## **1.9 Outline of the Thesis**

This thesis comprised of seven chapters that designed and structured as the following:

### **Chapter One**

Provides an introduction to the thesis with a brief background about services marketing, service quality, national culture and the link between service quality

and national culture. Additionally, it talks about the basic studies that drive the main research gap; more specifically, the effect of national culture on services from the customers side, whereas there is lack of studies from the providers side. The research formulation, research design and a preliminary conceptual framework offers a clear picture to the reader about the research. Finally, it describes the major and secondary objectives of the thesis and delineates issues to be discussed in the subsequent chapters.

## **Chapter Two**

This chapter presents the historical background of the insurance industry in general with a focus on Takaful insurance industry in particular. The inception of Takaful industry, concept and mechanism has been reviewed and discussed. The principal of Takaful, mechanisms, the differences between Takaful and Non Takaful (Conventional insurance) and finally Takaful in Kuwait and Egypt is discussed in details in order to explain the fundamentals of the industry and provide an overview of this service sector.

## **Chapter Three**

Contains the literature review and discusses the body of knowledge. Specifically, it focuses on previous studies in the field of service marketing and the effect of culture. It presents different models of service quality and different models of national culture dimensions. The reasons for choosing Hofstede's model for culture models against Zeithaml model for services gaps are explained as well as presenting the critique and support these models.

## **Chapter Four**

Offers a conceptual framework in which the researcher delineated the connection between national culture dimensions of power distance and uncertainty avoidance with service quality gaps of information gaps, specification gaps and performance gaps on service provision. The developed conceptual framework drives 13 hypotheses with which the researcher intends to test the theory and to investigate the extent that national culture factors may influence service provision. Detailed

discussion on the assumptions and preconditions of the differences between any two countries belonging to a cluster of similar attributes. Subsequently, investigation of the effect of the variables of national culture dimensions which are power distance and uncertainty avoidance on service provision and how this might be associated with service gaps.

### **Chapters Five**

This chapter explains the details of the research philosophy, research approach, research strategy and the research time horizon. The chapter also presents the data collection, the design of the questionnaire, and the variables and measurements that have been employed to identify the cultural factors with service quality dimensions. The research population, sample size, and sampling procedure have also been explained. Conceptualization and operationalization of the variables have been discussed in details. Finally, it discusses the measurement scale of the research that has been used in the questionnaire and how it has been developed in a pilot study, followed by discussion on data analysis and statistical technique of explanatory and confirmatory factor analysis.

### **Chapters Six**

This chapter presents the findings of the research stemming from the data analysis. The results presented after using various applications for different purposes in different phases of the analysis. The statistical inference is presented to show the evidences of the effect of national culture on service provision. Results have been analyzed and discussed based on data collected from Kuwait and Egypt within Takaful industry using AMOS statistical software. The applications used include Jump, SPSS and AMOS software to achieve the research objectives. In addition to the research objectives, the findings present new relations between national culture dimensions of power distance and uncertainty avoidance on service provision; however it needs theoretical support in further research.

### **Chapters Seven**

In this Chapter the researcher aims to outline findings and arguments mentioned in the previous chapters, and link them to the objectives of the thesis. It further considers the implications of the research findings, articulates the various contributions of this research to the body of knowledge, the limitations of the research, recommendations and finally proposes further research.

## **1.10 Summary**

In the next chapter a review of the literature on the existing service quality models, cultural model and previous studies that has been conducted linking national culture to service quality gaps will be demonstrated. The justification of the reasons for choosing Hofstede and Parasuraman models for this research will be supported by evidences from the literature as well reviewing the critics on these adopted models. The gap of the research will be highlighted as most of the existing literature about the differences of any two countries that effects the quality of service delivery was found to be conducted from the customer side unlike the scarce models that tackle the problem from the provider's side which was the motive for the researcher to conduct this research.

## **2 Takaful industry**

### **2.1 Introduction**

This chapter highlights the historical background of the insurance industry in general with a focus on Takaful insurance industry. A historical presentation of Takaful industry, its inception, concept and mechanism has been reviewed. The intention is to present the context of Takaful industry from all perspective starting from the principal of Takaful in accordance with Islamic Sharia, mechanisms of Takaful, the differences between Takaful and Non Takaful (Conventional insurance) and finally Takaful in Kuwait and Egypt will be discussed in details in order to explain the fundamentals of the industry and provide an overview of this service industry.

### **2.2 Emergence of Insurance**

Development of the modern insurance system started aftermath the great fire of London in the year of 1666 which destroyed 85% of the city's buildings. This catastrophe resulted in the establishment of specialized fire insurance companies. Subsequently, in the seventeenth century, there was some practices for individuals known as "underwriters," who tend to guarantee commercial ventures on a personal basis most of which held in 'Lloyds Coffee House' in Tower Street, London. However, the early roots of insurance goes back to the 8th century as similar activities to insurance had been practiced in derivation of the medieval insurance (Charles Farley Trenerry, 2009). This type of insurance is referred to in this research as conventional insurance which is taboo in Islam and against Islamic teachings. As a result, Muslims have great objection to conventional insurance practices which have always been considered not permissible under Sharia and cause great religious concern to Muslims (Abdul Wahab et al. 2007).

## **2.3 Definition of Takaful**

Takaful word stems from Arabic word “Kafal” which is a verb that means taking care of other’s need. Literally, Takful means the solidarity of group of people in guaranteeing themselves in face of any anticipated risk (Abdul Wahab, et. al, 2007). Another definition that is articulated in the Malaysian Act 1984, defines Takful as “a scheme based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to the participants in case of need whereby the participants mutually agree to contribute for that purpose,” The first sign of Takaful was practiced intentionally as mutual insurance in the eighteenth century when ship-owners established mutual insurance unions that mutually assist each other to attain their requirements in a reduced cost of premiums (Aly Khorshid, 2004). Now a day’s Takaful is part of Islamic financial system which is based on the principles of brotherhood, solidarity and mutual assistance (Ali, 2006).

## **2.4 Origin of Takaful**

After gaining their own independence from the European countries, Muslims had the freedom to apply their values and beliefs stemming from Sharia principles. According to Sharia principles, the interest-based banking system is forbidden, Hence, the phenomena of interest-free Islamic banking has emerged in the seventies to substitute the interest-based banking system which is not aligned with Sharia teachings ((Ramin & W.Kwon, 2000).

Following the success of Islamic banking, Muslims have invented Takaful insurance as an alternative to the conventional insurance. The Takaful brand of insurance is a traditional example of a consumer-driven response to need, since Muslims for Many centuries until the emergence of Takaful, have been raised with a state of mind that insurance is taboo because it breaches the Islamic creed. Life insurance, as sold in the conventional way, was declared unacceptable in 1903 by some prominent Islamic scholars in the Arab countries (Ahmed et al., 2010). Muslim scholars have been searching for an acceptable alternative to conventional insurance ever since, until 1970's when the debate took sufficient momentum to reach a consensus. In 1979 the very first Takaful company was established - the

Islamic Insurance Company of Sudan which was followed by the Islamic Insurance Company of Saudi Arabia later in the same year (Khan, 2007).

Historically, 'AQILAH' was a strong evidence proves that Takaful practices started before the era of Islam when a member of a tribe was killed by a member of another tribe, the heir of the victim had the right to demand compensation, known as 'diah' or blood money, from the killer tripe. Therefore, Aqilah resembles Takful practices since the main inspiration of Aqilah was that the tripsmen must be prepared to contribute financially to cover compensation cost if necessary in terms of regular financial payments to the tribal fund Which is similar to the payment of premiums in today's insurance practice, while the compensation paid by the killer's tribe could be similar to the indemnity or sum insured in present insurance practices (Ahmed et al., 2010). After Islam, Ibn Abidin (1784-1936) is the first Islamic scholar to come up with the meaning, concept and legal basis of an Islamic insurance contract (Klingmuller, 1969). For the last decade Takaful insurance has become popular in Asian countries with sizable Muslim populations. In 1984, The Malaysian Government passed an act legitimizing the operation of the Takaful industry within the country. It was the only country in the world with such a law for Takaful (Ramin & W.Kwon, 2000). In 1985, the Grand Counsel of Islamic scholars in Makah, Majma'a al-Fiqh, Saudi Arabia, approved the Takaful system as an alternative form of insurance, written in compliance with Islamic Sharia (The Grand Counsel Letter 2nd, edition, 1985). The Grand Counsel approved this new system in principal of cooperation and mutual support but the precise process and operation was left to Islamic scholars and insurance practitioners to develop and implement in a way that abide by the principles of Islamic Sharia (Mohammad Ajmal Bhatti, 2001).

## **2.5 Principles of Takaful**

According to Maysami and Williams (2006) Takaful principles is based on mutual cooperation that embodied by the willing of group of people in helping each other, they stated "In accordance with the principle of joint guarantee (tabarru'a) to help others, each policyholder willingly agrees to give a portion of the paid premium to other policyholders who may be in need of financial assistance. The claimants, in turn, must realize that the amount paid to them has come from fellow

policyholders, and should not indulge in any profiteering and self-serving activities that may be detrimental to the interests of the other policyholder. In other words, the concept of Islamic insurance resembles that of mutual insurance companies developed in the west during the nineteenth century with supplementary restrictions on illegal investments that are not made in Islamic permissible ways (Patel, 2005). Takaful has certain fundamental guidelines of which:

i) The practice must adhere strictly to the Islamic principles of business or commerce;

ii) Utmost good faith, honesty, full disclosure, truthfulness and fairness in all aspects must be the way in which Business is conducted

iii) mutual risk sharing and reciprocal assistance amongst the participants in the group

iv) The awareness amongst the group members that they are facing similar risks and are willing to contribute to any unfortunate member (Ramin and W.Kwon, 2000).

These guidelines are the main driver for the specific elements that making insurance activities taboo. Derived from above guidelines Takaful must comply with Sharia principals in rejecting three specific factors that exist in conventional insurance, but does not subscribe to Takaful. The three main factors are:

Gharar: means the uncertainty associated with the insurance contract that when a loss occurs and how much compensation would be payable In conventional insurance policyholders are not informed on how profits are distributed and in what funds are invested in.

Mayser: Means the gambling factor when the insured stands to lose all the premiums paid if the risk does not occur. On the other hand, he stands to get more when a calamity happens whilst paying a small amount premium.

Riba: Means the interest element associated with the investment activities of conventional insurance companies. As per Sharia rules, Loans policy in conventional life insurance is considered a Riba based transaction. Islam forbids any investment activities, which are interest based.

The above elements are the main reasons behind the unacceptability of insurance in Islam and were modified to be modified according to Sharia principals. (Khan, 2007)

## **2.6 Difference between Takaful and conventional Insurance**

According to Lewis (2005), the refusal of conventional insurance in Islam is mainly due to the gambling element connected with insurance processes when the insured and insurer do not know their respective rights and liabilities until the occurrence of the events. Conventional insurance depends on buyer – seller relationships when the insured buys the policy that protect him from speculative risk that based on likelihood of occurrence and the insurer makes profit by selling that policy regardless of the actual occurrence of the misfortune. On the other hand, Takaful insurance built on a principle that makes Takaful operators work as trustee, manager or partner of the participant’s fund. Takaful structure consists mainly of two bodies:

Participants (policyholders) who buys the insurance policy and Shareholders (operators) who provide the capital and nominate the executive administration that runs the company. Whereas, participants are the policyholders who pay premium as donation that goes to the participant insurance pool. In case of surplus, the participant pool will be used as dividends distributed on participants who has not used any compensation from the pool in case no misfortune occurred, otherwise he will not be illegible to get any dividend since he used the pool to cover his misfortune. Dividends to be distributed based on the strategy of the company and the surplus achieved by the company. In case of deficit, Shareholders will provide interest-free loan for the company (Alkoholifi, 2006).

Some Islamic scholars declare the insurance as un-Islamic due to the elements of Gharar (uncertainty), Maysir (gambling) and Riba (interest) involved in the operation of insurance contracts. According to a saying of the Holy Prophet (PBUH), which he told to a Bedouin Arab, who left his camel untied to the will of Allah, “tie the camel and then leave it to the will of Allah” this an indication recognized that insurance concept is not rejected if provided as per Sharia

regulations (Khan, 2007). Below Table 2.1 shows the differences between Takaful and conventional insurance based on some issues exist within the insurance context.

Matter	Takaful Insurance	Conventional Insurance
Organization Principal	Based on mutual cooperation.	stand on commercial factors.
Value Proposition	Free from interest (Riba), gambling, (Maysir), and uncertainty (Gharar).	Conventional insurance includes elements of interest, gambling, and uncertainty.
Mechanism	Contribution paid by the Participant is a donation to the Takaful Fund.	The premium is owned by conventional insurance companies in for bearing all expected risks.
Laws	Subject to the governing law as well as a Sharia Supervisory Board.	only subject to the governing laws.
Ownership	Full segregation between the Participants Takaful Fund account and the shareholders' accounts.	Premium paid by the Policyholder belongs to the shareholders.
Surplus	Surplus is shared among Participants only, and the investment profits are distributed among Participants and shareholders on the basis of Mudharabah or Wakalh models.	All surpluses and profits belong to the shareholders only.
Deficit	In case of the deficit of a Participants' Takaful Fund, the Takaful operator (Wakeel) provides free interest loan (Qard Hasan) to the Participants.	Covers the risks.
Investment	Capital is invested in investment funds that are Sharia compliant.	The capital of the premium is invested in funds and investment channels that are not necessarily Sharia compliant.
RE-Insurance	Re-insurance with Re-Takaful companies or with conventional re-insurance companies that adhere to certain conditions of Sharia.	Do not necessarily have re-insurance with re-insurance companies that abide by Sharia principles.

**TABLE (2.1): DIFFERENCE BETWEEN TAKAFUL AND CONVENTIONAL INSURANCE**  
**SOURCE: OWN ELABORATION BASED ON (T'AZUR) 2010**

Takaful mechanisms depend on different models that specific to the Takaful industry. According to Siddiqi et al. (1985), mechanisms of Takaful from Sharia perspective are specific to the Takaful Business as the principal of Takful and fundamentals are fixed, Model of Takaful is left to each operator to decide the appropriate model relevant to their context.

## **2.7 Models of Takaful**

Different countries have adopted different models or variations as permitted by *Sharia* scholars in of the company and their country (Wahab et al., 2007) the main two models are:

i) Al-Mudharabah - This literally means 'profit sharing' between participants and Takaful operator. The Takaful operator accepts and invests the Takaful contributions (premiums) received from Takaful participants. The contract specifies how the profits to be shared between the participants and the Takaful operator. For example, the ratio may be on a 60:40 basis (Ahmed et al., 2010).

ii) Al-Wakalh Model

According to Alkholifi (2006), it is an Agency model, whereby Takaful operators do not participate in the underwriting results as they only receive fees for their administration and participants agree to be pay certain fees to the operators for the services.

## **2.8 Global Takaful**

Jeffrey Liew and Wan Siew Wai (2010) stated that “ The Takaful is seeing phenomenal growth in contributions with the average annual growth rate estimated at between 20% to 30 %”. A total insurance premium income of the world is \$2.4 trillion whereas in Takaful the total premium income is \$2.1 billion. Against normal insurance only five percent population of Muslim countries are availing the insurance facilities only where it is a legal binding to get insurance. 95% population is not buying insurance due to the concept that the insurance is un-Islamic. By using Takaful as Islamic insurance a large population out of remaining 95% can be attracted to get insurance in the form of Takaful. Re-Takaful (Reinsurance) companies are a few in the world and generally the Takaful operators are using the services of normal reinsurers. The Takaful market has recorded growth rates of around 20% in recent years with premiums of more than \$2 billion written in 2005. Takaful insurance premiums are expected to reach \$7.4 billion annually by 2015 (Rahman et al., 2009).

## **2.9 Takaful in Kuwait**

According to the CEO of the First Takaful Company, Mr. Khalil Alshami who was interviewed as an expert of Takaful industry in Kuwait and the region, stressed that Takaful industry is growing in Kuwait and the whole world as an alternative to the conventional insurance. Kuwait started its Islamic insurance industry market and licensed the first Takaful Company in the year 2000. The rapid diffusion of Takaful industry in Kuwait placed a great need to organize and regularize the sector based on the rising number of companies emerging every year. Growth in the country GDP thankful to oil prices and increased government spending led to the glut of insurance companies and growth in their business (Ministry of Commerce Statistical report, 2006).

Kuwait for instance, in 1960 till 2000 had less than seven insurance companies operating according to the conventional insurance principle. From 2000 until 2008 there are more than 15 extra companies operating according to Islamic Sharia principle which is known as Takaful. The insurance in Kuwait started in 1960, with the Kuwait Insurance Company. The company operates under conventional insurance methods. Nowadays, there are 22 insurance companies in Kuwait, divided between national, Arabic and foreign business with a total value of 646 million dollars in 2006, increased from 558 million dollars in 2005 (The Statistical Report for Insurance Companies, 2009).

The first Islamic Bank was set up in 1987 and subsequently, in February 1998, the Ministry of Commerce granted the license for the First Takaful Insurance Company. The First Takaful Company was incorporated in Kuwait with a paid up capital of 30 million dollars by eight major share holders including the Kuwait Finance House, the International Investor and International Murabaha (Kuwait Today Official Newspaper, 1998). Now a day, there are 13 insurance companies in Kuwait operating in Takaful principle (The Statistical Report for Insurance Companies, 2009). In 2006 Direct premiums is for Takaful insurance in Kuwait is 22.4 K.D whereas in 2005 was 17 Million K.D which implies a growth of 32% from the previous year. Knowing that the overall growth of insurance companies was 15%, as which means Takaful growth is a higher than the overall growth of the industry if comparing to the insurance industry growth. The equation shows that the growth rate of the Takaful industry in Kuwait is 32% comparing to 15%

growth rate of non-Takaful companies. Kuwait Takaful companies are listed in Table 2.2 below.

Takaful Organization
Ain Takaful Insurance
Al Muthanna Takaful.
Al Safat Takaful Company.
First Takaful Insurance
Gulf Takaful Insurance Company.
National Takaful
Takaful International
Takaful Islamic Insurance
T`azur
Wethaq Takaful

**TABLE 2.2: KUWAIT TAKAFUL COMPANIES**

**SOURCE: KUWAIT MINISTRY OF COMMERCE STATISTICAL REPORT**

## **2.10 Takaful in Egypt**

Egypt ranked as the third largest market in the Arabic world excluding the GCC, the total premium of the Egypt insurance industry is about \$ 1 billion in 2006 (Adel Rabeh,2008) . However the insurance have very low penetration rate of smaller than 1% of the 70 million populations based on Egypt Insurance Supervisory Authority, the Takaful growth in Egypt is more than 80% for Takaful companies from 2006 to 2007. Adel Rabeh, the head of the supervisory authority said the Takaful industry in Egypt has very strong potential and worth studying and investigation. The intention of the researcher is to compare Kuwait and Egypt, as Kuwait representing the GCC countries and Egypt represents the Arab countries as well as the Muslim countries. Egypt has nine Takaful companies as can be seen in Table 2.3 below.

Organization
Arab Orient Takaful Insurance
Egyptian Banks for Takaful Insurance
Egyptian Saudi Home Insurance
Wethag Takaful Insurance
Nile Family Takaful Company
Nile General Takaful Company
Solidarity Takaful Company
Co-Operative Insurance Society
Egyptian Takaful

**TABLE (2.3): EGYPT TAKAFUL COMPANIES**  
**SOURCE: INSURANCE SUPERVISORY AUTHORITY**

## **2.11 Summary**

This chapter explains the fundamentals of Takaful insurance as an Islamic alternative to the conventional insurance in terms of origins, principals and models of Takaful. Interviews with key people from Takaful industry in Kuwait and Egypt provided important insights with regard to the differences between Takaful and conventional insurance. The size of the industry for the boundary of the research Kuwait and Egypt was highlighted in which the data will be collected. Next chapter will present the results from analysis of the data collected from Takaful context.

## **Chapter 3**

# **Literature review**

## **3.0 INTRODUCTION**

This chapter contains a review of the literature on the key concepts of national culture on service marketing in general and on the delivery of service quality in particular. Various models for measuring service quality have been reviewed to highlight the existing knowledge about service quality issues, models and the most used instrument for measuring service quality. In the half of this chapter, national culture models have been presented, explained and critiqued. The review also includes a search of the existing models linking national culture to service quality. Therefore, this chapter identified the gap in the literature that needs to address the effect of national culture on service provision within a Takaful context. Hence, the expected contributions of this chapter are to highlight the existing research of the national culture, service quality and how they are linked to each other in association with the existing models.

## **3.1 Services Marketing**

In services marketing, the basis of the rising service economy is the service encounter, the moment when the customer interacts directly with the service provider. These moments are “critical moments of truth in which customers often develop indelible impressions of a firm” (Bitner et al., 2000). Hence, service delivery and quality of service offers service providers the chance to garner a good image when using resources optimally to fulfil human needs, add value for the economy, benefit for the customer and the provider.

In the western countries service quality concept has been regarded as a key success factor in any organization's life which made many researchers to study customer perception of services in banking, health, hotel, airlines, insurance, and many other services. Service quality has been described as the most researched area of service marketing (Fisk et al., 1993), however very few researchers have been focused directly on the applicability of service quality in cross-cultural rather than mono-

cultural environments which is dominating the literature (Smith and Reynolds, 2001). The importance of studying service quality in cross-cultural settings emerged to clarify service attributes that are critically important in a culture but may be of less importance in another culture or vice versa (Lee, 2005), due to the fact that service encounters are social encounters, rules and expectations are bound by cultural norms and prescriptions (McCallum and Harrison, 1985).

### **3. 2 Service Quality and Culture**

Many empirical studies investigating the association between the determinants of service quality and cultural uniqueness suggest that the consumers of services in different countries have different perceptions of service quality; providers need to be aware of the variation of wants and needs that consumers would bring into a service encounter in different cultures (Bang et al., 2005; Donthu and Yoo, 1998; Malhotra et al., 2005; Kettinger et al., 1994). However, there is still a lack of researchers to explain the level in which national culture effects the delivery of services from the provider's perspective and whether the service provision differ based on national culture or it is culturally-free. A brief review of cross-cultural studies suggests that the bulk of existing research has been conducted mainly from the customer's side between US and European model (Kettinger et al., 1994, Herche et al., 1996), East Asian samples ( Lee, 2000, Mattila, 1999, Lee and Ugaldo, 1997; Kettinger et al., 1994), and North East Asian samples (Donthu and Yoo, 1998), however there is a lack of researchers studying the effect of national culture on service provision from the provider side on one hand, and exploring the effect of cultural differences between countries share similar attribute in general and countries driven by language and religion in particular. On the other hand, a major gap was found in exploring the differences between Middle Eastern countries and how the cultural differences qualify to make differences in service provision.

Very few researches have been reported or published studying the national culture differences between countries belonging to the same cluster that have some common attributes as most of the research is focusing on different countries from different clusters.

The intention of the researcher is to study the impact of national culture on the delivery of service quality of Takaful providers as it falls under the services sector and relates to the Islamic culture with which the differences between any two countries from the Arab cluster can be rationally explained as it is a unique product to the cluster. Takaful is an Islamic alternative to the conventional insurance that is entertaining substantial growth in the Arab world in particular and the world in general. However, there is a gap in the literature focusing on the impact of national culture on service provision in the services settings; hence Takaful happened to be the context of this research.

### **3.2 Takaful**

Following the success of Islamic banking and fast growing Islamic finance Takaful companies are spreading in Kuwait and in the Gulf region very rapidly with more than 80 companies within the Gulf Cooperation Council (GCC) - Kuwait, Saudi Arabia, Oman, UAE, Bahrain and Qatar. The spreading out of Takaful industry in Kuwait and the GCC has brought both benefits and problems for Takaful providers. On one hand, apart from the direct benefits, it has brought with it the opportunity to establish a competitive advantage based upon delivering quality of services to satisfy customers expectations and needs. But, on the other hand, serving heterogeneous Takaful services from dissimilar models tailored for some countries and different national culture backgrounds have created difficulties and complexities for Takaful industry standardization for providers with respect to the delivering of high service quality within their companies. In essence, the cultural diversity in the implementation of Takaful service based on Sharia teachings, the social needs or the difference in services provided between one Takaful company and another which has also caused several service quality problems and failures or what are called “service quality gaps”. Therefore, the behavior of customers in the insurance industry has to be understood in order to build very long relationships between customers and service providers (Harrison, 2003) as insurance is strongly connected with customer retention (Dicon and O’Brien, 2002) and that makes service quality so important for the insurance industry as they make a profit only after having the customer for at least 3 years (Zeithaml et al., 1996). As a result, Takaful growth in the international arena is heavily depending on the quality of

services provided to customers during service encounters since it is associated with interactions between service providers of one culture and customers of another. Dissimilar cultural norms and values regularly generate misunderstandings and conflict between service providers and customers which in turn leads to unsatisfied customers, a disturbed provider, and missing trade (Cushner and Brislin, 1996).

### **3.4 Concept of the Literature review**

In order to review the literature of this research, there are four major concepts considered as the main drivers of this research. These are service quality gaps, national culture, the link between national culture and service quality and theories and conceptual framework that links national cultures dimensions to service quality gaps. Each of which has been reviewed separately then collectively with other variables. Detailed discussion about the drivers of the research is articulated in the next section.

### **3.5 Service Quality**

The research in the field of service quality has been given a paramount interest by marketers and researchers in the attempt to study services quality issues started in the mid 1960s (Rathmall, 1966), but in the last two decades researchers and practitioners have published intensive studies focusing on the service quality measurements and service quality concepts through which it has gained momentum followed by a series of publications such as (Parasuraman, Zeithaml and Berry 1985, 1988; Parasuraman, Berry and Zeithaml 1991b, 1993; Zeithaml, Berry and Parasuraman 1993); Lewis and Booms (1983); Bitner (1990); Bolton and Drew (1991a,1991b). Also publications on specific service industry like health care (Brown and Swartz, 1989), education (Rigotti and Pitt, 1992), hotels (Saleh and Ryan, 1991), car servicing (Bouman and van der Wiele, 1992), accounting firms (Freeman and Dart, 1993), banking (Kwon and Lee, 1994), and services in general (Bolton and Drew, 1991; Heskett et al., 1990). Service quality has been found to be strongly related to many performance attributes, for example relationship to profitability ( Zahorik et al., 1992) customer satisfaction (Bolton and Drew, 1991), customer retention (Reichheld and Sasser, 1990), and positive word of mouth is widely regarded as a driver of corporate marketing and financial

performance (Buttle, 1996). However, services have a unique definition differs than products as explained next.

### 3.5.1 Definition of Services

Haywood-Farmer and Nollet (1991) argues that the definition of services has yet to be agreed upon, he stated that clearly “Despite more than 25 years of study, Scholars in the field of service management do not agree on what a service is. Indeed, instead of coming closer to a definition they seem to be less certain”. However, scholars and the pioneers of service industry have defined services as intangible and perishable goods that produced and consumed simultaneously (Sasser et al., 1978, Zeithaml & Bitner, 2003), activities or package of activities that falls within the context of intangibility which intends to solve customer’s problems (Gronroos, 1990), services are one or many processes, and actual performances (Zeithaml and Bitner, 1996; Gronroos, 2000). The nature of services differs than manufacturing products) as the output of services organization is intangible, whereas manufactured products are tangible and visible (Zeithaml & Bitner, 2003). Table 3.1 below summarizes the differences between services and manufactured products.

Services	Manufacturing Products	Impact on Quality
Intangible	Tangible	Service Quality measured based on performance not production. Employees are seen part of the quality for the service provided. Difficult quality control for Services.
Simultaneous production and consumption	Production has no time bond to consumption	Quality drawbacks are easy to be uncover difficult to recover. Service customer’s share in services transactions. Service employees have an effect on Quality end result of Services.
Heterogeneity	Standardized	Service Employee’s behaviors towards customers influence the quality of service delivery. Service delivery can’t be standardized since it varies from one employee to another.
Perishable	Can be stored	Services can not be stored, returned or resold

**TABLE 3.1 DIFFERENCE BETWEEN SERVICES AND MANUFACTURING GOODS**  
**SOURCE: DEVELOPED BASED ON ZEITHAML & BITNER (2003)**

Gronroos (2000) has stated that services differ from physical goods as core value produced during the delivery of the service between the buyer and the seller are unlike the physical goods which core value produced inside the factory “a service is a process that leads to an outcome during partly simultaneous production and consumption processes”. Also he suggests that physical goods are a standalone thing whereas services are processes or series of activities. Moreover, Gronroos believes that customers have no role in the production of physical goods as they do in production of services (Gronroos, 2000).

### **3.5.2 Defining Quality**

The concept of quality has been contemplated throughout history and is still one of the major repeated words in academic and trade publications (Reeves et al, 1994). A consistent definition for quality has never been found as it has various and multiple definitions, for example Abbot (1955) states that quality is a value, whereas Crosby (1979) defines quality as conformance to requirements, or conformance to specification (Gilmore, 1974). According to Parasuraman, Zeithaml and Berry (1988) they define quality as meeting or exceeding customer expectation. However, the term quality has been invented by the Greek philosopher and depends heavily on its context and varies from morally, intellectually, physically and practically (Kitto, 1951).

The origins of quality started in the manufacturing of goods to produce quality products like the example of the Japanese who have shown the world how superior quality made their products succeeded by gaining large market share. Quality has also made companies like Hewlett - Packard, Boeing, Caterpillar entertain outstanding financial performance (Garvin, 1984) as quality was also considered as the single most important factor that lead to economical growth of companies in international market (Feigenbaum, 1982). Quality has a direct effect on market position and an indirect affect on the return of investment (Buzzell and Gale 1987) and also is the basis for product differentiation that leads to customer loyalty, low price elasticity, and curbs any external competition on which the normative strategy can be achieved ( Kiechel, 1982). Taguchi’s loss function theory defines quality as the gap between how good something is and how optimum it could be. The theory states that the more the gap increases the more loss the company will

incur (Dagleish, 2003). Garvin (1987) defined quality as a function of eight dimensions: performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality. Whereas, Reeves et al., (1994) have expressed the definitions of quality in four different ways:

- 1- Quality is fitness for use: this simply means Different customers have different needs on which they perceive quality based on their satisfaction.
- 2- Quality is innate excellence.
- 3- Quality is related to cost: The higher the cost the higher the quality
- 4- Conformance to specification (Crosby, 1979)

Another definition by Garvin (1984) suggests that quality of product/service rely heavily on the experience which is simulating the Greek philosophers who believe that Quality is an art or “Excellence” which can be defined depending on the context. Excellence means speed if describing a car, whereas if describing a man excellence is used to praise him morally, intellectually, physically or practically (Kitto, 1951). Tuchman (1980) believes that “Quality Means investment of the best skill and effort possible to produce the finest and most admirable results possible”. Evans and Lindsay (1994) define quality as “totality of features and characteristics of product or services that bears on its ability to satisfy given needs”. Quality in judgmental fields is always controlled by unique preference which makes it very difficult to define exactly but can be recognized through experience (Garvin, 1984). The value of quality was found in terms of costs to the producers and price to the customers as Feigenbaum (1951) challenged that the value and quality not to be separated and emphasized on the importance of value and argued that the concept of value must be embedded in any quality definition as he stated “Quality doesn’t have popular meaning of best in any absolute sense. It means “best for certain customer conditions. These conditions are (a) the actual use and (b) the selling price of a product. Product quality cannot be thought of apart from product cost”. In a study for Curry (1985) of appliances manufacturers, he found that the companies offering good quality with relatively low prices have the largest market share, which is against what has been believed by many researchers who have omitted the role of price and the impact of quality in purchasing behaviour (Abott, 1955).

a) Quality is conformance to specifications

In order to eliminate subjectivity in defining quality it can be separated into two folds (1) Quality of design (2) Quality of conformance (Juran, 1998). Quality of design means the excellence of product design, whereas quality of conformance addresses the maximum degree that a product can be conforming to design specification. The best quality of product/services can be achieved if specifications are met and strictly adhered to (Garvin, 1984). Henry Ford's ultimate goal of having mass production of cars wouldn't have been achieved without conforming to specification. It had led to the interchangeability of spare parts which in turn led to mass production of Ford's cars. Also it had contributed to higher quality standards which emerged from conforming to specification that is deemed as a key success to achieve mass production without failure (Hounshell, 1984).

b) Quality is meeting or exceeding customer expectation

The definition of quality as its meeting or exceeding customer expectation is one of the most difficult definitions since customers are not sure of what their expectations are (Cameron & Whetten, 1983). According to Lewis and Booms (1983) "service quality is a measure of how well the service level delivered matches of customer expectation". There are external factors formulating customer expectation which are not within the control of the service provider (Zeithaml et al 1988). Parasuraman et al. (1985) suggest in their service quality model that the main factors which formulate customer's expectation are: (1) Word of mouth, (2) Past Experience and (3) Need for the service. Whereas, Gronroos (1990) argue that the factors affecting customer's expectation's are (1) market communication, (2) corporate image, (3) word of mouth and (4) customer needs, however the definition of quality as meeting or exceeding customer expectation is very difficult which made the importance of understanding what customers want and also created means to evaluate how the customers perceived the service (Gronroos, 1988). However, measuring customer expectation is subjective if higher level of expected quality is higher than actual quality in which more complaints will emerge from customers (Forbes, 2008). Zeithaml et al. (1990) confirm the definition of quality meeting or exceeding customer expectation by stressing on customer judgment of quality as the most relevant judgment where others are not important. Parasuraman, Zeithaml and Berry (1994) further argues that to assess

customers perceived quality is to measure what they should expect against what they would expect which turns to be the gap that practitioners to close in order to deliver the best service quality possible. A study by Cooper and Frank (2001) suggest that poor service quality stems from ignorance in customer's need; however, service providers will not know the right direction of the attributes that affect the customer evaluation of a service before knowing how customers are evaluating the service (Gronroos, 1982).

### **3.5.3 Concept of Service Quality**

The issue of quality has been recognized as being critically linked to an organization's success (Buzzell and Gale, 1987; Gronroos, 1990). The services sector has been very crucial for the global economy for the last two decades with a raising tendency in the direction of globalization (Gronroos, 1999). It has been considered a critical measure of organizational health and still garners the attention of practitioners and academics (Lassar et al., 2000; Yavas and Yasin, 2001). Many scholars have distinguished the services sector from manufacturing goods due to the main difference attributed to intangibility (Judd, 1964; Sasser et al., 1978; Buckley et al., 1999), which means services cannot be seen, felt, touched or tasted in the same way that tangible goods can (Zeithaml and Bitner, 2003). As a result, services are impossible to be classified as goods since it has different attributes very difficult to be managed (Sasser et al. 1978), and it is also considered to be a process rather than a thing (Gronroos, 1988) which makes gauging service quality seems to create difficulties for academics and practitioners who need to understand service quality is unlike physical goods quality, due mainly to three main characteristics of service quality: intangibility, heterogeneity, inseparability (Parasuraman et al., 1985). Moreover, Parasuraman believes that service quality is in the eye of the beholder who is ultimately the receiver of the service and by whom the service quality will be assessed. The concept of service quality is a customer centric concept that contained within customers evaluation of the service received. Service quality can be defined as the consumer's comparison between service expectation and service perception as well as the actual performance provided by the service provider (Parasuraman, Zeithaml and Berry, 1988). Thus, Parasuraman (1988) defines perception as "the degree and direction of discrepancy

between customer's expectation and perceptions". The nature of services being intangible made customer's perception of service quality subjective and prone to different assessment based on customer's encounter as each customer would evaluate the service received based on his own perception (Lewis, 1993). Brady et al. (2002) discussed that service quality perception have been qualified and tested based on multiple dimensions, for example scholars have proposed two dimensions (Gronroos 1982), three (Rust and Oliver 1994), five (Parasuraman, Zeithaml, and Berry 1988), and also ten (Parasuraman, Zeithaml, and Berry 1985) as the type, nomenclature or number of the dimensions have never been agreed in a broader sense (Brady et al., 2002).

### 3.5.4 Service Quality Models

#### i. Parasuraman Gap Model of Service Quality

Parasuraman et al.(1985, 1988) conceptualization and measurement of service quality has been widely used in the literature of service marketing as an important model of marketing researchers. They have developed 10 determinants of perceived service quality regardless of the type of service driven from a focus group they constructed 10 determinants by which the SERVQUAL was introduced. The SERVQUAL is an instrument of 22-Item measure scale that measures the perceived service quality by subtracting customer perception from their expectation on each service quality dimension. The Servqual consists of two sheets; one for expectation and the other for perception and the difference between them is the perceived service quality. Parasuraman conceptualize the service quality as the difference between customer's expectation before they had the services and their perceptions of the delivered services after the actual reception of the service (Zeithaml and Bitner 2003). If the expected services are higher than the services perceived then the service quality is negative, whereas if the perceived services are greater than the expected services that means the perceived service quality is positive as customers valuation of the services is higher than what they expected. Table 3.2 shows the 10 determinants of service quality dimensions.

Dimensions	Definitions
Tangible	Appearance of physical Facilities,

	Equipments, personnel and communication material.
Reliability	Ability to perform the promised services dependably and accurately.
Responsiveness	Willingness to help customers and provide prompt service.
Competence	Possession of the required skills and knowledge to perform the service.
Courtesy	Politeness, respect, consideration, and friendliness of contact service personnel
Credibility	Trustworthiness, believability, honesty of the service provider
Security	Freedom from danger, risk or doubt
Access	Approachability and ease of contact
Communication	Keeping customers informed in a language they can understand and listening to them
Understanding Customers	Making to effort to know customers' needs and requirements

**TABLE (3.2): SERVICE QUALITY DIMENSIONS**  
**SOURCE : (ZEITHAML ET AL., 1990)**

As a result of subsequent research the above 10 dimensions were merged into five broader dimensions by substituting the assurance dimensions with competency, courtesy, credibility and security and the empathy with access, communication, understanding customers. The model was refined and subsequently broken-down from the 10 dimensions into five dimensions yielding the following:

Reliability – the firm’s ability to perform the promised service dependably and accurately, Responsiveness – the firm’s willingness to help customers and provide prompt service, Assurance- the knowledge and courtesy of employees and their ability to inspire trust and confidence,

Empathy –the caring, individualized attention the firm provides to its customers and tangibles – the level of the tangible elements of service (Parasuraman et al.,

1988). The gap model invented by Parasuraman et al. (1985) has been considered as the best model that has been tested and used in various service settings to locate the existence of the gap in service (Chang, 2009). The gap model proposed by Parasuraman et al (1985, 1988) was constructed as a function of five dimensions, four of which concerns the marketer and the fifth gap concerns the customer gap. The gap model can be seen in (Fig. 2.1). The five dimensions are:

Gap 1: Information gap: the difference between service provider's understanding of customer's expectation)

Gap 2: Specification Gap: the difference between service provider's perception of customer's expectation of standard and specification and the actual service standards to be performed.

Gap 3: Performance Gap: the difference between written standard and specification against the actual service performed.

Gap 4: Communication Gap: the difference between promised and delivered service

Gap 5: Customer Gap: the difference between customer expectation of a service and the perception after receiving the service

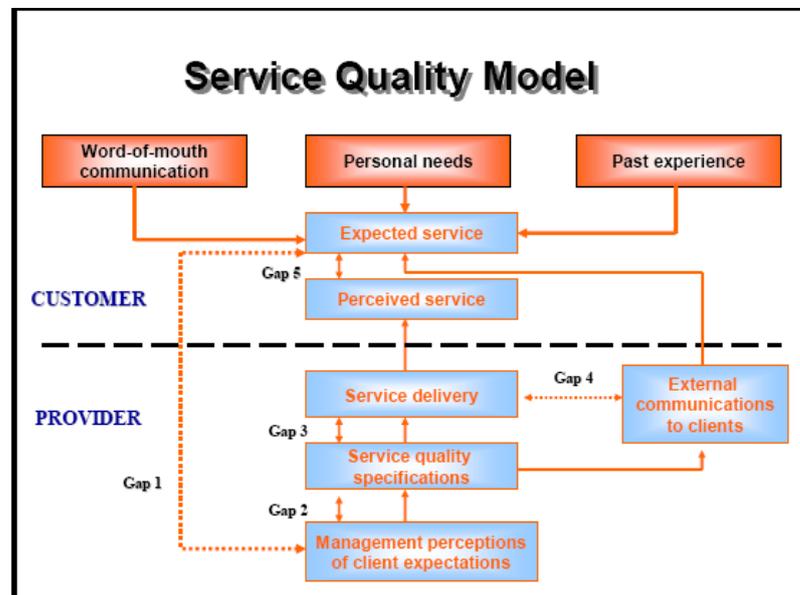


Fig. 3.1 Service quality conceptual Gap Model  
Source: Parasuraman et al. 1985

According to Parasuraman, Zeithaml and Berry (1988) Gap 5 is the perceived service quality as it is the difference between the customer's expectations and the customer's perception of the delivered services, if there is no gap existing it means the services delivered are meeting the customers' expectations, whereas superior service quality is when the customer's perception exceeds their expectation which in turn relies on the size and direction of the four gaps associated with the delivery of the service quality on the provider's side (Zeithaml, 1988). The conceptual gap model was refined and further improved by Zeithaml et al., (1988) to identify a reasonably exhaustive set of factors thought to affect the magnitude and direction of four gaps on the provider's side of the service quality model. The refined model was called the extended gap model of service quality. The factors of the extended model was mainly involving the communication and control process that have been implemented in organizations by which management of employees could be controlled and also to manage the outcome of the processes. Fig 3.2 illustrates the extended gap model by Zeithaml et al., (1988).

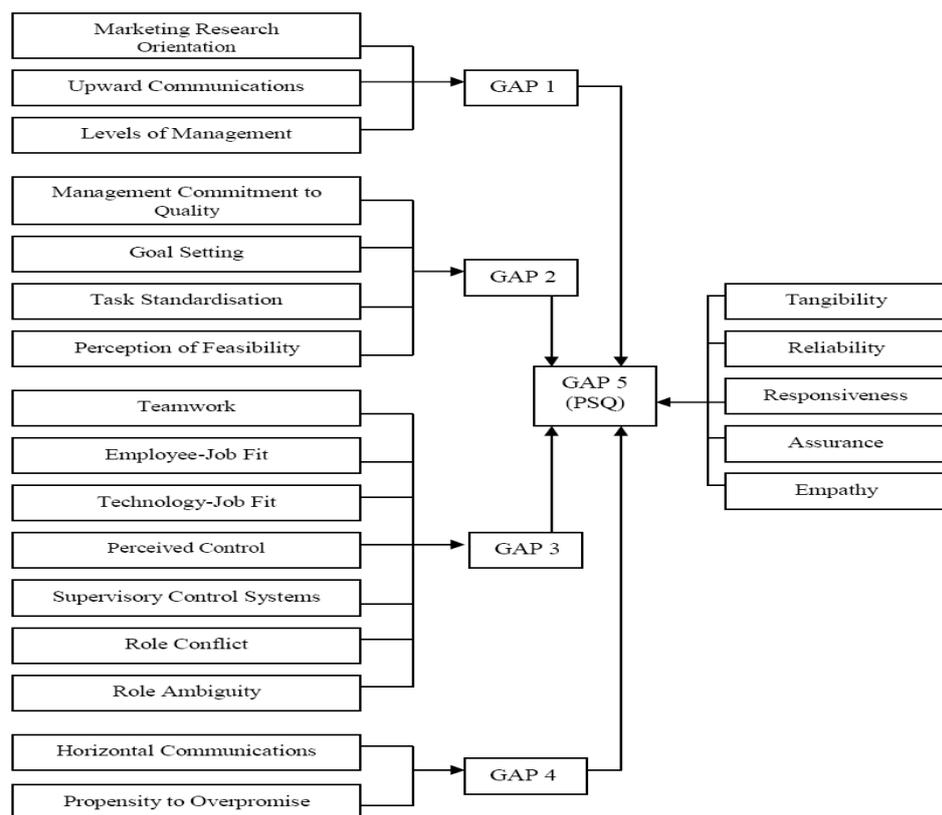


Fig (3.2): Extended Gap Model of service quality  
Source: Zeithaml et al., Model (1988)

In the extended gap model, Zeithaml et al (1988) developed theoretical organizational constructs that affect the four gaps of service quality. The model was divided into two parts; the main part is focusing on the four gaps (gap 1 to gap 4) in the model that shows the variables and their relevance to each of the four gaps. The variables can be used to operationalize and measure the theoretical constructs affecting the four gaps in various organizational constructs and their relationships with service quality gaps. The extended model is an integrated model that includes in its second part the SERVQUAL model as an indicator of the construct of perceived service quality by using the SERVQUAL five dimensions: tangibles, empathy, responsiveness, assurance and reliability which was initially in the SERVQUAL model intended to measure service quality along these dimensions only.

## **ii. Gronroos Model (1984)**

Another referenced model in service quality was the technical and functional model suggested by Christian Gronroos which was considered as the Nordic model of service quality. In his Model, Gronroos (1984) suggests that perceived service quality occurs when matching the expected service before having the service against the perception after having the service. The difference between expectation before the service was provided and perception after receiving the service will lead to customer satisfaction. Gronroos identified three components of service quality which was defined as functional quality, technical quality and image. Functional quality defined as the quality that is concerned with the interaction between the provider and the recipient of a service and it is always perceived in a subjective manner, whereas technical quality is the actual outcome of the service encounter and is always to be measured in an objective manner. Finally, the corporate image is concerned with the consumer perception of the service organization. The image relies on many aspects of which: functional, technical, price, external communication, and physical location, appearance of the site and the competence of and behaviour of service firm's employees. Gronroos model as can be seen in Fig (3.3) below.

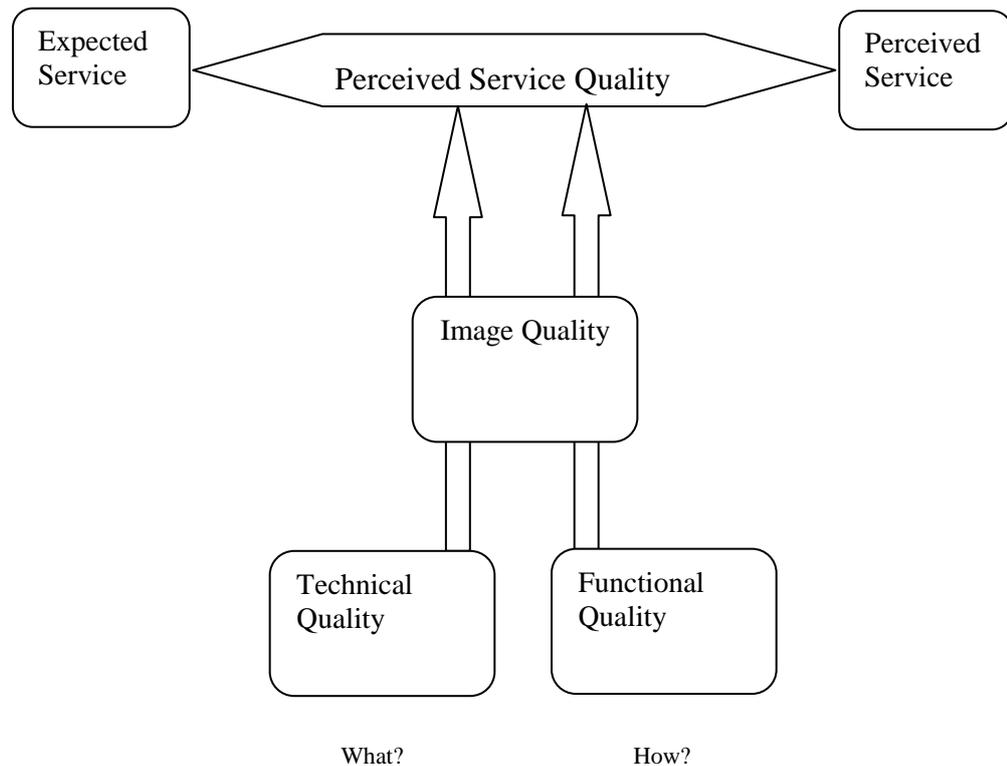


Fig 3.3: Gronroos Model of service quality  
Source: Gronroos (1984)

Rayan (1991) stated that functional quality can offset any discrepancies caused by technical quality. Kang and James (2004) researched "service quality dimensions: an examination of Gronroos service quality model" from a cell phone service, their study revealed that Gronroos' model is a more proper representation of service quality than the American model developed by Parasuraman et al. (1985, 1988) though it has a limited focus on the dimension of functional quality. They argued that the multidimensional of service quality does support the European model as the results proved that the technical and functional quality influence the perception of overall service quality. Also they found that image has mediating roles of individual's overall perception of service quality. Finally, they found that the effect of functional quality on image is higher than the effect of technical quality, which means that the interaction between consumers and the employees of the organization has greater effect on consumer's image of the organization.

The major shortcomings of the model that made it less popular than the American model was the rigidity as being a static model that doesn't allow for measurement of the service quality as it lacks the operationalization (Altayab, 2007).

Researchers have to design their own scale of measurements each time they intended to measure technical quality (Kang and James, 2004).

### **iii. Lehtinen-Lehtinen (1982) Model of service quality**

Another Nordic model was developed by Lehtinen-Lehtinen (1982) based on three quality dimensions:

- 1- Physical quality
- 2-interactive quality
- 3-corporate quality

They defined the three dimensions as the following:

1- Physical quality: this dimension is related to Gronroos technical quality (Gronroos, 1983a) was depicted as the physical elements that divided into two parts

A) Physical product and B) physical support

A) Physical Product: " Physical product can be defined as a good or goods consumed during the service production process", they explained that physical products practically sometimes nonexistent in some type of services such as dental clinic or law firms but at the same time it is very essential for the services associated with the existence of physical product, for instance, a meal in a restaurant is subjected to physical products, however it is difficult to measure it is quality technically.

B) Physical support: is the outline that assists in the production of a service. They divided it into two categories: 1) environment 2) instrument

1) Environment: is the internal setup, layout of the surroundings associated with the service production.

2) Instrument: All equipment associated with production of the service, for example, the silverware in a restaurant. (Lehtinen-Lehtinen, 1982)

2) Interactive Quality: it was defined as the quality produced during the interaction between customers and the interactive elements of the service provider. The

interactive elements were suggested to be either interactive personal by which the interaction occurs between the customer and the service provider or between customer and another customer, whereas, the interaction equipment is the interaction between the customer and the equipment as the case in the banking teller machine.

### 3) Corporate Quality:

It depends on the image that customers or potential customers perceive regarding the organization. Lehtinen et al. (1991) believe that the word of mouth has a great effect on the corporate quality as it can be experienced without having involvement in the service production process. They believe that corporate quality is a lagging indicator as it takes longer time to be felt even if the organization experiences difficulties in the physical quality and interactive quality.

Lehtinen - Lehtinen (1991) adopted the higher level approach by studying the two dimensional quality approach: Process quality and output quality in away to mimic Gronroos two quality dimensions. They define the process quality as "customers qualitative evaluation of his participation in the service production process", in other words it is the customers subjective evaluation on which he perceive the quality of the process based on his involvement. Output quality defined as "consumer's evaluation concerning the result of a service production process" it was divided into tangibles and intangibles. They believe that the main objective of the model was for segmentation purposes, customers and service offerings that would be very useful for managerial analysis.

#### **iv. Attribute Service Quality Model, Haywood- Farmer, 1988**

Haywood - Farmer model of service quality was developed based on three attributes of service quality components: physical and procedural, behavioural, and judgmental. Suggesting that "high quality" where an organization meets customer preference and expectation is only achieved by concentrating on all three attributes equally without giving more attention to one attribute over another. He stressed that over concentration on one of the attributes may cause adversity to the organization. The categorization drew from three different service settings

(education service providers, club service providers and healthcare service providers) based on their level of service features on three degrees:

- 1- Degree of labour intensity
- 2- Degree of service customization
- 3- Degree of contact and interaction with service customers

For instance, services with a low degree of customer contact, service customization and labour intensity ( utilities, Mail services) are closer to the physical facilities and process attributes, thus require more attention paid to this particular attribute as the service factors of this attribute is very important as per the model depicted in Fig 3.4 below.

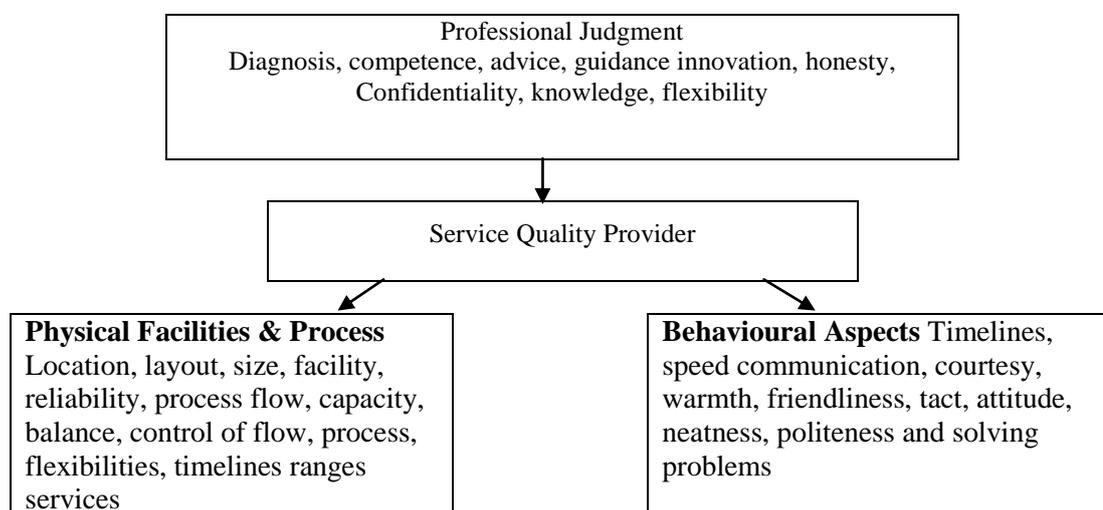


Fig (3.4) Attribute Service Quality Model  
Source: Haywood - Farmer (1988)

The attribute model of service quality does not offer any method for service quality measurements or how service quality should be measured, also failed to provide practical procedure enables academic or practitioners to identify service quality deficiency (Seth et al. 2005); however the model has provided a link between quality and operational factors.

#### v. Internal service quality Model, Frost and Kumar (2000)

Frost and Kumar (2000) have designed a conceptual model that is called "Internal Service Quality Model" which has been tested on Singapore airlines as a large

service provider. The front line employees were chosen to play the customer's role (Internal customers), whereas, the support staff was assumed to be the service provider (Internal supplier). The model was modified from the Parasuraman et al. gap model (1985, 1988 and 1991) to be utilized in the internal marketing settings to evaluate dimensions and their relationships that verify service quality among internal customers ( front line employees) and internal suppliers (support staff). The objective of the study was to empirically investigate the reliability and validity of an internal service quality model INTSERVQUAL as depicted in Fig 3.7, secondly to examine the relation of proposed hypothesis based on the model, finally to investigate the appropriateness of the model as a valid conceptual framework with a questionnaire instrument that allows for internal service quality measurements. The results indicated that the expectations and perceptions of internal suppliers and internal customers play a vital role in identifying the level of internal service quality perceived.

They conclude that the INTSERVQUAL is a useful model for identifying the internal gaps of service quality; however the model was only tested in a single service setting on which generalization is difficult to draw at this point.

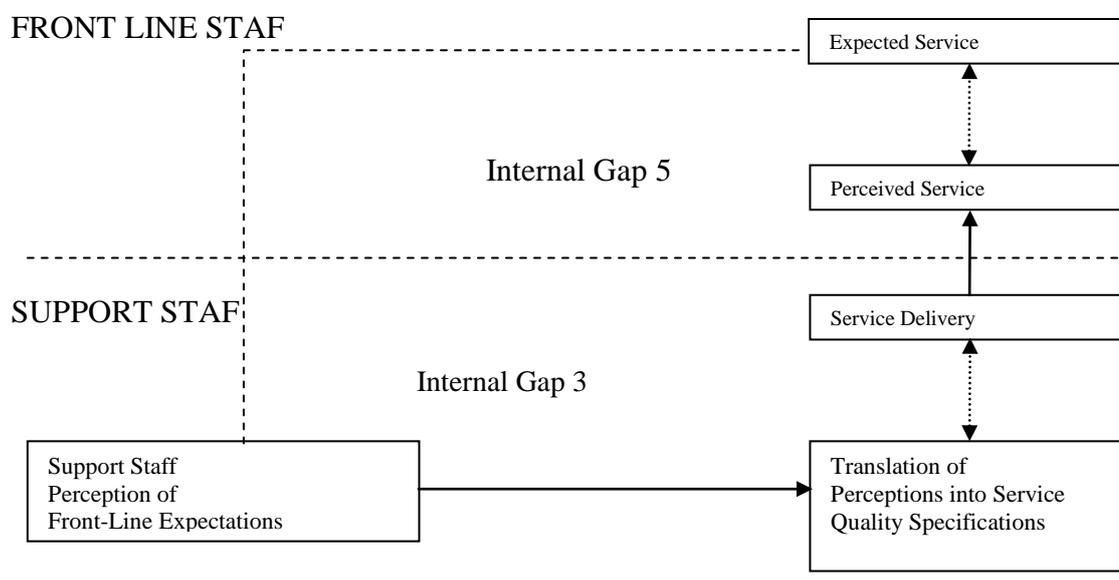


Fig (3.5): Internal service quality Model  
Source: Frost and Kumar (2000)

## **3.6 Instruments of measuring service quality gaps**

The debate on service quality gaps instruments is hovering around two theories which are disconfirmation paradigm and performance-only measurement. SERVQUAL of (Parasuraman et al. 1988) and SERVPERF of (Cronin and Taylor, 1992) are measurement mechanism that offers operationalization for service quality measurements as discussed below.

### **3.6.1 The disconfirmation Paradigm**

Based on the disconfirmation paradigm presented by the SERVQUAL model that driven from the GAP analysis of Parasuraman et al (1985, 1988, 1991) developed to test the difference between customer expectation and their perception by comparing what customers believe "will" happen in a service encounter against "what" should happen (Berry and Parasuraman, 1991) by answering questionnaire consisting of a 22 distinct service attributes divided into five dimensions which are reliability, responsiveness, assurance, empathy, and tangibility. Customers need to answer the identical questionnaire two times, for their expectation at first time and their perception on the second time based on an identical 7 Point Likert scale. The difference between expectation and perception of customers then quantified to find the direction of the perceived service quality. If the difference found to be zero or positive number that means Service quality is meeting or exceeding customer perception, whereas, less than zero means the expectation was higher than the service perceived which implies a gap in the perceived service quality. Zeithaml and Parasuraman (2004) suggest that SERVQUAL is a valuable skeleton that is very useful to track service quality trends when used in conjunction with other forms of service quality measurement. SERVQUAL have been used either by modification to the service intended to measure or applying the same model by many researchers. For instance, Gagliano and Hathcote 1994, Bojanic and Rosen 1994, Fernandez and Bedia 2005, Santos 2003, Francois Carrillat et al. 2007, Chang 2009.

### **3.6.2 Performance only measures - SERVPERF**

SERVPERF is based on the "performance only" perspective and uses only performance items of the Servqual scale (Brady et al., 2002, Cronin and Taylor, 1992). Opposing to the idea of service quality that measures service quality based on customer expectation and their perception, Cronin and Taylor (1992) constructed the SERVPERF scale based on the Parasuraman et al. (1985) SERVQUAL model attributes and dimensions but discarded the expectation portion of the model. They believe that measuring customer perception is enough to evaluate customer perception without including the expectation part of SERVQUAL as the efficiency of SERVPERF is more in comparison with SERVQUAL as it reduces the number of measurement items from 44 items to 22 items. They examined the unweighted SERVPERF of dimensions (service quality = Performance) against three alternatives:

Service quality = (Performance - Expectation)

Service quality = importance \* (Performance - Expectation)

Service quality = importance \* (Performance)

In four service industry (banking, pest control, dry cleaning and fast food restaurants) where they found empirical evidence that unweighted SERVPERF captured more of the variation in service quality than anyone of the three alternatives, also results revealed that service quality is an antecedent of consumer satisfaction and consumer satisfaction has more influence on purchase intentions than service quality.

### **3.6.3 SERVQUAL against SERVPERF**

Both Servqual and Servperf scales are equally adequate and which might be considered as ending the debate of superiority of one over the other (Carrillat et al., 2007). Another study for SERVQUAL vs. SERVPERF conducted by (Lee, 2005) suggested that SERVPERF scale was found to be better than the SERVQUAL if reliability is concerned. On the other hand, SERVQUAL instrument was found to be better than the SERVPERF scale in terms of validity though. Jain and Gupta (2004) researched the difference between SERVQUAL vs. SERVPERF and found that SERVPERF scale should be used for service quality assessment due to its "psychometric soundness and greater instrument parsimoniousness" and also stated

that "the SERVPERF scale should also be the preferred research instrument when one is interested in undertaking service quality comparisons across service industries", conversely, "when the research objective is to identify areas relating to service quality shortfalls for possible intervention by the managers, the SERVQUAL scale needs to be preferred because of its superior diagnostic power". This finding support what Parasuraman et al. (1994) pointed out, the use of performance-only (SERVPERF) versus (SERVQUAL) should depends on the purpose of use as whether the main purpose is for a diagnostic purpose or for establishing theoretically sound models. They believe that the SERVQUAL scale have richer diagnostic value than any model which allows managers to identify service shortfalls and use this information to allocate resources efficiently (Parasuraman et al., 1994). Chang et al. (2002) researched the appropriateness of SERVQUAL and SERVPERF as which instrument is more appropriate to use in measuring airline's service quality, the results yielded that SERVQUAL model is the more appropriate instrument to measure service quality in airline industry than SERVPERF. Seth et al., (2005) criticize the SERVPERF as it lacks the generalizability for all type of service settings; also they suggest that a quantitative relationship between consumer satisfaction and service quality need to be established. Carrillat et al. (2007) investigation of the validity of SERVQUAL and SERVPERF scales revealed that it was not feasible to detach the effect of national culture and language as the predictive validity of service quality equally for SERVQUAL and SERVPERF increases. A summary of the difference derived from different sources was tabulated as shown below in Table 3.3 below.

Model	STRENGTH	Weaknesses
SERVQUAL	<ol style="list-style-type: none"> <li>1- Provide systematic approach for gaps finding</li> <li>2- operationalization for examining service quality</li> <li>3- test the consumer point of view regarding the service provided</li> <li>4- could be culturally tested</li> </ol>	<ol style="list-style-type: none"> <li>1- Exploratory study</li> <li>2- lacks clear procedure by which measurement of gaps at different levels can be measured</li> <li>3- Based on disconfirmation paradigm rather than an attitudinal</li> <li>4- Expectation is not well defined</li> </ol>
SERVPERF	<ol style="list-style-type: none"> <li>1- reduces the number of items by 50% to 22 items</li> <li>2- service quality an antecedents of consumer satisfaction</li> <li>3- consumer satisfaction has better effect on purchase intentions than service quality</li> </ol>	Need to be generalized for all type of service settings

**TABLE (3.3) THE DIFFERENCE BETWEEN SERQUAL AND SERFPERF  
SOURCE: DEVELOPED BASED OWN ELABORATION.**

### 3.6.4 Criticisms of the Gap Model

However, despite its growing popularity and widespread utilization of SERVQUAL to identify the gap exist between provider - customer or within the provider only, it has been subject to criticisms by many scholars. Carman (1990) found that the items of SERVQUAL are not consistent when subjected to cross sectional analysis as he questioned the reality of the five components of the SERVQUAL when using the same component for different types of service providers. Carman's results were derived from four different service settings of which Dental school, patient clinics, a business school placement centre, a tire store and an acute care hospital by which he concluded that " It may be more appropriate as next step to do more replication and testing of the SERVQUAL dimensions and measures before accepting it as a valid generic measure of perceived service quality that can be used in any retailing or service situation". He suggests that some wording and subjects of the SERVQUAL items must be customized to each service settings as they fail to be completely generic. Cronin and Taylor (1992) have found that the five component structure for the SERVQUAL developed by Parasuraman et al. (1988) is not confirmed. They

suggest that the use of performance -based measures such as SERVPERF explains more of the variation in service quality than SERVQUAL does, also they argue that the SERVQUAL conceptualization is inconsistent for two reasons: first, it is based on a satisfaction paradigm not attitude model, secondly, it is only supported two out of the four industries studied. Brady et al., (2002) criticized the Servqual model as descriptive model that failed to capture the construct and require further testing to ascertain their broad applicability. Teas (1993, 1994) examined the validity of the perceived service quality gap P-E ( Perception - Expectation) and found an existence of some problems regarding the expectations measure, he argue that the ambiguity in the construct of the questions led to misinterpretation of the respondents as to what the questions being asked intended to answer. Respondents were confused as some answers overestimated the expectation measures, whereas other respondents infer the questions as to relate other factors other than "should be" measure proposed by PZB. Besides, he argues that the service quality expectations concept may have serious discriminant validity weaknesses with respect to other expectations concepts used in marketing as the definition of expectation is vague. He suggested a lack of congruence between the conceptual and operational definitions of the original SERVQUAL measure. Buttle (1996) criticizing the SERQUAL model as being Paradigmatic objections. He argued that there are two major criticisms that have been found. First, the basis of SERVQUAL was built on an expectations disconfirmation model rather than an attitudinal model of service quality. Second. He summarized the critics on a number of theoretical and operational criticisms as the following:

(1) Theoretical:

There are some disadvantages associated with the use of SERVQUAL of theses Paradigmatic objections, firstly, SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; secondly, SERVQUAL lacks the construct on extant comprehension in economics, statistics and psychological theory. In terms of the Gaps model, there is lack in the support of evidences that customers assess service quality in terms of P - E gaps. In terms of process orientation, it has been criticised that SERVQUAL focuses on the process of service delivery only but not dealing with the results of the service encounter. In

terms of Dimensionality, Servqual five dimensions have been criticised as not considered generalized as service quality dimensions are contextualized.

(2) Operational:

Buttle (1996) argues that the term expectation is not well defined. He believes that the term expectation is vague to consumers as they might use standards other than expectations to evaluate service quality. Also in terms of item composition, number of items as five is deemed few items and cannot capture the inconsistency within each service quality dimension. A major criticism regarding moments of truth (MOT); customers' evaluation of Service quality may vary from MOT to another.

Polarity which is defined as the division of items in the scale may causes confusion to respondent which may lead to error in the data and the inference of results. In terms of Scale points, Buttle criticises the seven-point Likert scale as flawed and the two administrations of the instrument lead to confusion.

Finally, according to Finn and Lamb (1991) results, the validity of SERVQUAL to be used across all type of services was not supported as the data gathered by Finn and Lamb from different retail stores did not fit the SERVQUAL measurement model. They believe SERVQUAL requires more refinement for the instrument is needed for service by service before it can be applicable for wide range of services.

### **3.6.5 Support for the gap model**

However, despite the few criticism of the SERVQUAL developed by Parasuraman et al. (1988), it is the major reference point of contributions on service quality as many researchers have applied the SERVQUAL model to their research without any deficit and got valid results (Gagliano and Hathcote 1994, Johns and Johns et al. 1997, Fernandez and Bedia 2005, Chang et al 2002, Francois Carrillat et al. 2007, Chang, 2009).

A strong support to SERVQUAL was found by Bojanic and Rosen (1994) argue that SERVQUAL instrument was an effective way of measuring service quality in food industry. They surveyed customers in a North American chain restaurant using the SERVQUAL model. Their study concluded that the SERVQUAL instrument provide insights regarding customer perceptions and expectations of

service quality in restaurants. Furthermore, Knutson et al. (1995) developed DINESERV which was derived from SERVQUAL for restaurant settings. The instrument was pilot tested in different restaurant categories: quick service, casual and fine dining. The researchers found that there were no significant differences in consumers' service quality expectations across the three restaurant categories. Chang (2009) researched the Taiwanese tourists' perceptions of service quality. The research was conducted on group of Taiwanese travellers who participated in a guided package tour. The results confirmed that the SERVQUAL instrument can be used in the travel industry but he suggests that two additional dimensions of service quality to be added which are 'communication', and 'sociability' that he believes were essential for travellers in package tours.

Pakdil and Aydin (2007) examined service quality based on a Turkish airline in the service airline settings. The sample was taken from the passengers from Istanbul International Airport. The study used modified SERVQUAL instrument dimensions combined with the airline service quality dimensions of 35 items questionnaire that consistent with SERVQUAL dimensions. The results discovered that "responsiveness" dimension is the most important dimension in service quality, while "availability" which has been added to the questionnaire to suit the industry, the least important element of quality. Passenger's demographics were an important variable on customers' expectations and perceptions. SERVQUAL's instrument was applicable to the airline service environment.

Gowan et al. (2001) researched customers, employees, and managers in public agency using the modified SERVQUAL model revealed that managers and employees perceptions of the service were similar and no differences were found between managers, employees, and customers expectations on the service provided.

From all of the above, The SERVQUAL scale (Parasuraman et al., 1985, 1988, 1991) has been widely utilized by both managers (Parasuraman et al., 1991) and academics (Babakus and Boller, 1992; Carman, 1990; Cronin and Taylor, 1992). Buttle (1994) stated that the popularity of SERVQUAL gained was due mainly to a number of advantages:

- 1- For its acceptability as a standard for assessing different dimensions of service quality.
- 2- Validity for the use in a number of service situations.
- 3- Found to be reliable
- 4- Has shown consistent analysis procedure to aid understanding of results

Finally, SERVQUAL has been extensively used in the literature as an instrument that measures service quality by both managers and academic.

### **3.7 Culture**

Goodenough (1971) defined culture in a very significant statement as: "A society's culture consists of whatever it is one has to know or believe in order to operate in a manner acceptable to its members. Culture is not a material phenomenon; it does not consist of things, behaviour, or emotions. It is, rather, an organization of these things. It is the form of things that people have in mind, their models for perceiving, relating, and otherwise interpreting them. Schein (2004) defines culture as an entity that has a goal consisting of a set of behavioural and cognitive uniqueness. Nakata Sivakumar (2001) supported this definition as they stated, "culture has been defined as a system of thinking, feelings and performance that have been anchored in a group of people believes and values.

Hofstede (1991) defines culture as the difference between members of one society to another due to the collective programming of the mind of those people. Cultural disparity makes consumers requirements vary cross-cultural especially in services sector as consumer and service providers requires more interaction which made the impact of culture on services greater than tangible goods (Mattila, 1999). As a result, omitting culture differences between countries have led to catastrophic consequences for many businesses (Ricks, 1993 cited in steenkamp 2001). Some of these consequences highlighted by Pheng and Yuquan (2002) saying "Ignoring or mishandling differences can mean an inability to retain and motivate employees, misreading the potential of cross-border alliance, marketing and advertising blunders, and failure to build sustainable sources of competitive advantage". Contrary, if differences in culture successfully managed that may lead to breakthrough business practices, increase the knowledge management of the

organization, better learning, and sustainable sources of comparative advantage (Hoecklin, 1996). According to Steenkamp (2001) culture would be too difficult phenomenon to be understood grasped in a few dimensions. However, Evans et al (1996) suggest that a researches of cross - culture should include the differences in facet of educational background, believes, laws, customs, arts, morals, economic and political framework. Pagell et al. (2005) suggest that each individual country has its own as language, religion, customs, borders, beliefs, rules, and ethnic heritage which is considered as a unique set of characteristics by which decisions made within the firm could be effected. This supports Hofstede (1980) as stated that cross- culture and national culture studies are gathered from discipline of psychology, sociology, anthropology, political science, economics, geography, history, comparative law, comparative medicine, and international market research. Hofstede (1991) defines culture as "collective programming takes place at the national and at the organizational level" Lagrosen (2003) stated that "companies cannot develop an organizational culture that differs substantially from the prevailing Cultural factors of the country in which it operates". There is a distinction between national cultures and organizational culture as the former related to the beliefs, values, and practices that are shared by the group of people pertaining to a certain nation whereas, the later means the corporate values, beliefs and practices that are shared by most members of an organization (Van Oudenhoven, 2001). Culture was defined as a collective memory that becomes a symbol system which will not be understood only for a group of people who share the same memory (Assmann, 1992, cited in Kutter, 2007). This shares the same view of Hofstede and Hofstede (2005) who argued that culture is seen as a collective phenomenon because "it is at least partly shared with people who live or lived in the same social environment". Hofstede (2003) stressed on the validity of studying culture at national culture level provided that some differences must be identified. He stated that" nations are not the best units for studying culture, but they are usually the only kind of units available for comparison and better than nothing. Schwartz (1994) and Trompenaars (1993) concurred with Hofstede as they constructed a conceptual framework measuring culture from the national culture perspective. Those made most of the management researches study the effects of culture from national or ethnic point of view (Laroche et al., 2004; Lorenzoni and Lewis, 2004). The following section describes how national culture

is measured; the different models of national culture and review of literature is linking national culture to service quality.

### **3.8 National Culture Theory**

The term national culture is driven by believe that each country has people with shared history and experiences would be considers a country of homogeneous culture which is the seed for the national culture (Bhaskaran and Gligorovska, 2009). Hofstede (1980) differentiates between organizational culture and national culture assuming that "unique" values is specific to national culture whereas, the organizational culture is identified by "shared" values within the organization. He stated that the values of the nation are acquired from childhood and passed on to generations with difficulties to be changed; Hofstede stated that "national culture is programmed into us first, that is, right from day we are born first. Thus, they form the most profound level of our mental programs, which are our values. By the time we are adults, our values are usually well settled and difficult to change." According to Mathews et al. (2001) there are many researchers who have studied the differences between national cultures among whom Hall and Hall (1990) Hofestede (1991), Schwartz (1994) and Trompenaars (1993) and House et al. (1999) who studied differences in national cultures identified from people in multinational companies or organizations gathering huge databases followed by constructing conceptual frameworks where countries where classified and ranked as per their national culture based on different cultural dimensions.

The next section discusses the theoretical frameworks developed based on categorization and classification of countries into different cultural dimensions developed to identify the differences that exist across countries.

### **3.9 National culture dimensions**

Many Scholars have studied the differences between national cultures based on different dimensions. The widely cited dimensions that became authority to cross cultural studies were found in Hall and Hall (1990) Hofestede (1991), Schwartz (1994), Trompenaars (1993) and House et al. (1999) are discussed below.

In his theoretical model, Hall and Hall (1990) classified countries based on low and high context communication culture as how individuals of a country gather their knowledge and information. He theorized this as a distinct dimension of national culture, where people categorized in high context culture seek their information from personal information networks. On the other hand, he suggests that individuals from low context communication culture seek their information from reliable sources like research based information, besides what they receive of information from peers would be confirmed by means of published research or supported studies, whereas, individuals from high context culture tend to base their decisions on the information they discuss with friends, colleges, relatives and rumours. The model of Hall and Hall (1990) classified more than 30 countries in a ranking basis from high to low context scale in an attempt to emphasize the differences between national cultures between those countries. Fig 3.8 shows Hall and Hall (1990) high and low communication context countries.

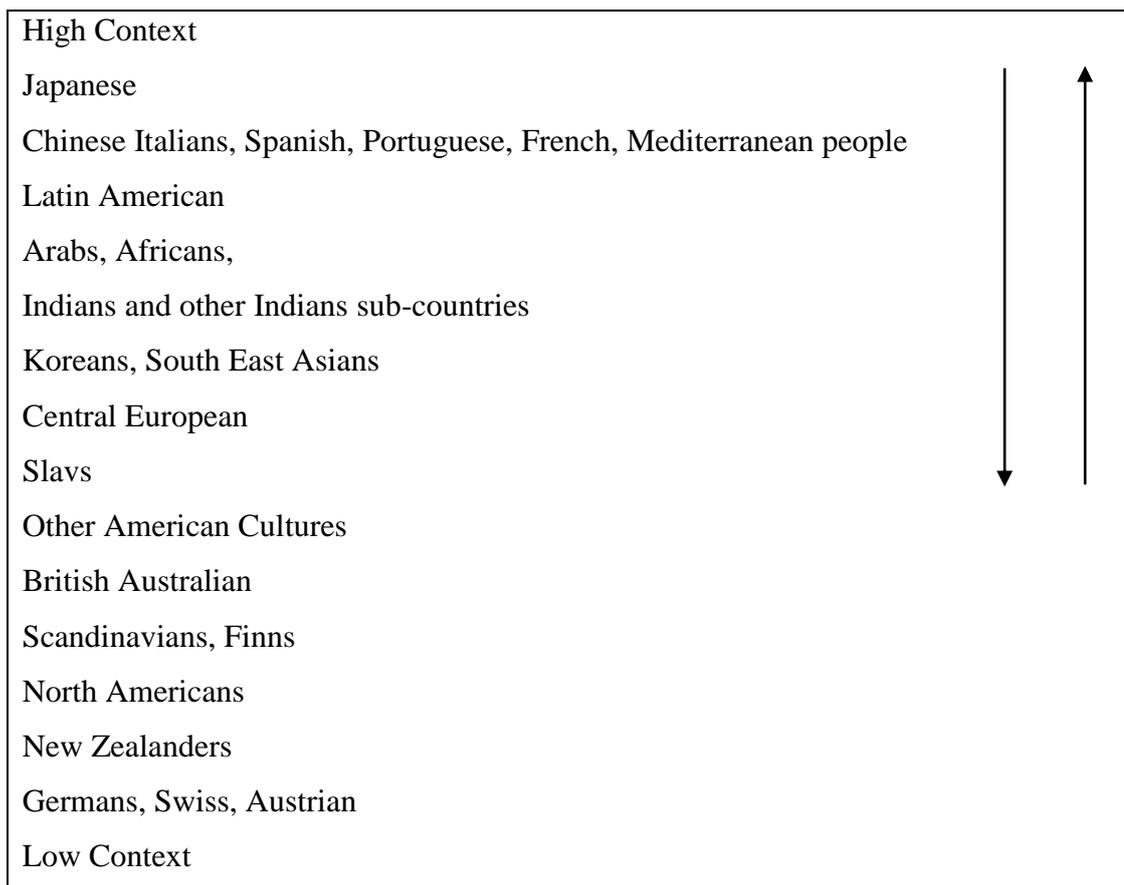


Fig (3.6) Suggested High Low Context Ranking  
Source: Hall and Hall (1990)

**i. Trompenaars cultural dimension (1993)**

Trompenaars (1993) developed five dimensions of national cultures in an attempt to examine the replicability of the results drawn from Hofstede (1980) and Swartz (1992) and to test the clarity of their dimensions. The data was collected based on a survey from 15,000 managers from of 50 countries to identified seven relationships that relate differences between national cultures to differences on how people relate in the workplace. The first five dimensions describe the relationships with other people, whereas the remaining two dimensions are the orientation in time and attitude towards the environment. He adopted a similar research approach to the one implemented by Hofstede (1980). The dimensional framework is depicted in Table 3.4 below.

Dimension	Purpose of the dimensions	Dimension's Definition
Universalism Vs Particularism	Measures whether obedience to rules or relationships are more important.	Universalism: means the applicable Relevant rules with no consideration for the Unique situation. Particularism: the uniqueness of factors derive the evaluation of situations
Individualism Vs communitarianism	Coherent with Hofstede model	Whether culture leant toward individual and self -interest or towards group and Collective work.
Neutral vs. emotionalism	Looks at how appropriate it is to show emotion	A Neutral culture: supposes that Showing emotion is inappropriate.  Emotional culture: believes it as natural to show strong emotions.
Specific vs. diffuse	to measure whether work and personal life is detach or connected	Specific culture: interactions are not connected as work and private life is separate.  Diffuse culture: Professional and non-professional relationships are influencing each other
Achievement vs. ascription	To show how status is accorded	Achievement: the status judged based on the accomplishment Ascription: age, connections, educational record are the attributes to accord status
Attitudes to time	Measures which is most important of past, present or future	Assumes the time as straight line and interact with past, present or future
Attitude to environment	To measure whether values and motivations are influenced by external or internal factors	culture with an external focus: Assumes that external factors are the reason for things happening and beyond control. Culture with internal focus :things are under control as it is someone's doing

**TABLE (3.4): TROMPENAARS CULTURAL DIMENSION (1993)**  
**SOURCE: TROMPENAARS (1993)**

Trompenaars' (1993) framework was criticized by Hofstede (1996) in a very aggressive way stating that only two dimensions can be clearly confirmed where others raise concern due to the methodology implemented by Trompenaars. He argues that results are not summarized into country scores which increase confusion on where a country must be positioned in a dimension. Hofstede also criticized him for poor data collection that lack representation, empirical model was a very simple model and lacks content validity. Hofstede concluded his criticism on Trompenaars by saying "the result is a fast food approach to intercultural diversity and communication".

In a response to this criticism, Hampden-Turner & Trompenaars (1997) clarified the differences between their approach and Hofstede's approach by stating that culture is neither linear nor exclusive. They summarized the differences of their approach and his approach by contrasting lists of assumptions suggesting eight differences with Hofstede's model. They presented their views regarding Hofstede's criticism in four points:

- 1- Hofstede misapprehended their data base
- 2- Claiming that they used weighted combination not just individual questions
- 3- Using nonparametric scaling more appropriate than parametric
- 4- Hofstede looking for a "perfect model" rather than a model to learn with

They concluded their defence by advising to use both approaches and "entertain both sets of hypothesis" by which one can make his own decision which approach is useful to his research. Trompenaars (1993) have developed index to show the difference in national cultures shown in Table 3.5 below.

Country	Index
Canada	0.10
UK	0.11
Japan	2.31
Kuwait	4.89
Egypt	6.32

TABLE (3.5) OWN ELABORATION BASED ON TROMPENAARS (1993)  
SOURCE: TROMPENAARS (1993)

## ii. House et al., cultural Framework (GLOBE Research) (2004)

House et al. (2004) developed global leadership organizational behaviour effectiveness cultural frameworks based on practices and values. Their intention is to explore the cultural values in various countries and to find the extent of the impact of national cultural values on organizational practices and characteristics of leadership. Globe is a research program in 62 countries based on 17,000 managers from 951 different organizations throughout the world. They have identified nine cultural dimensions as the following:

- 1-Power distance: the extent and acceptance of unequal distribution of power,
- 2-Uncertainty avoidance: the extent uncertainty is avoided by relying on established social norms,
- 3-Institutional Collectivism: the degree collective distribution of

resources is rewarded, 4-in group Collectivism: the degree individuals express pride, loyalty, and cohesiveness in society, 5-Gender: the degree the society minimizes gender role differences, 6-Assertiveness: the degree individuals are assertive, confrontational, and aggressive in social relationships, 7-Future orientation: the degree the society engages in future planning, investing, and delaying gratification, 8-Performance orientation: the degree individuals are rewarded for performance improvements, 9-Human Orientation: the degree individuals are rewarded for being fair, altruistic, friendly, and kind. The first six dimensions were driven from Hofstede (1980). The dimensions identified are used quantitatively to measure cultural values and practices at the organizational and societal level as can be seen below in Table 3.6 and 3.7 below.

Country	Score
France	4.11
UK	4.08
Egypt	3.95
Kuwait	4.27

**TABLE (3.6) PERFORMANCE ORIENTATION OF SOCIETY PRACTICES  
SOURCE: GLOBE CULTURAL RANK (2004)**

Whereas, the Globe index for countries cultural differs based on performance orientation of society values is shown in Table 3.7 below.

Country	Score
France	5.65
UK	5.90
Egypt	5.90
Kuwait	6.03

**TABLE (3.7) PERFORMANCE ORIENTATION OF SOCIETY  
SOURCE: GLOBE CULTURAL RANK (2004)**

Global competitive index ranking (World Economic Forum, 2008) illustrates the differences between countries in terms of competitiveness.

Country/Economy	GCI 2008-2009 rank	GCI 2008-2009 score	GCI 2008-2009 Rank (among 2007 countries)	GCI 2007-2008 rank
United States	1	5.74	1	1
Switzerland	2	5.61	2	2
Qatar	26	4.83	26	31
Saudi Arabia	27	4.72	27	35
Chile	28	4.72	28	26
Thailand	34	4.60	34	28
Kuwait	35	4.58	35	30
Uruguay	75	4.04	74	75
Egypt	81	3.98	80	77
Zimbabwe	133	2.88	129	129
Chad	134	2.85	130	131

**TABLE (3.8) GLOBAL COMPETITIVE INDEX RANKING**  
**SOURCE: GLOBE CULTURAL RANK (2004) - GCI : GLOBAL COMPETITIVE INDEX**

The Globe is considered a "newer and more theoretically sound" cultural frameworks, it is clear that other viable value-based cultural frameworks are available to aid researchers. However, GLOBE is a unique value of framework that is trying to confine a society's current practices. Hofstede (2006) suggests that it is flawed to assume that realistically respondents would not be able to compare their own society's practices with those of other countries. Also he criticizes them for being centred on US culture. Javidan et al.,(2006) defended the globe methodology by saying it is a very exhaustive model involving 160 scholars from 62 cultures to develop the Globe index for countries cultural differences based on performance orientation society practice. They claim that it is a valid scale, theoretically sound and empirically verifiable.

### **iii. Schwartz cultural model (1994)**

Schwartz (1994) has proposed an alternative framework based on human values (Stenkamp, 2001). He surveyed value preferences of individual of 38 countries collected from a large group of people, mostly from students and teachers, based on a questionnaire that consists of 56 values. Schwartz model is more related to the new era as data collected more recent relatively (1988-1992) than the one collected by Hofstede (1980) and also considered an exhaustive framework as the data of communist countries have been included in the sample (chui et al., 2002), however Schwartz's framework is less used in the international marketing and has yet to be

applied widely (Steenkamp, 2001). Schwartz's (1994) model was developed as an alternative model to Hofstede (1983) cultural model (Gouveia and Ros, 2000). However, Schwartz survey was based on two facets: firstly, is the theoretical reasoning, secondly, is the past experience. Schwartz has found based on empirical and theoretical studies significant levels of matching in the value structure of inter - country cultural variation which reduced the 56 values to 45 values after eliminating the equivalent values across countries (Schwartz, 1994). Consequently, between the years of 1988 – 1992 he conducted a survey from a sample of teachers and students in 38 countries. Using the smallest space analysis, the results revealed seven dimensions. According to Schwartz (1994) Cultures can be related to seven cultural values.

Cultural Dimension	definition
Conservation	Interests of individuals are viewed as group
Affective Autonomy	The right of Individual to peruse their own feelings and emotions
Intellectual Autonomy	The right of Individuals to peruse their intellectual direction
Hierarchy	emphasizes the legitimacy of fixed roles and resource allocation
Mastery	To get ahead through Self-assertion
Harmony	Harmony with nature to preserve it
Egalitarian Commitment	Emphasizes transcendence of selfish interests.

**TABLE( 3.9) SCHWARTZ SEVEN VALUE TYPES**  
**SOURCE: SCHWARTZ CULTURAL DIMENSIONS (1994)**

The first three dimensions constitute conservatism versus openness to change, whereas the last four dimensions correspond to self-enhancement versus self-transcendence. Schwartz (1994) linked his value type with Hofstede (1980) country score dimensions revealing that the Hofstede dimensions of individualism/collectivism and power distance are the most correlated to Schwartz's first three dimensions. Gouveia and Ros (2000) found a correlation between Hofstede's dimensions and Schwartz's dimensions based on a group of macro-social and macroeconomic. The results revealed that the individualism of Hofstede's negatively correlated with conservation of Schwartz dimension, whereas autonomy negatively correlates with power distance also found positive

coloration between individualism and autonomy and positive but not significant coloration between conservation of Schwartz with power distance of Hofstede dimension. The study gave advantage for Hofstede model when macro-economic variables are used, whereas Schwartz model is better in terms of macro social variables.

#### a) Support for Schwartz Model

Steenkamp (2001) believes that Schwartz dimensions have strong theoretical foundations. This view was supported by Brett and Okumura (1998) who suggest that Schwartz model is superior to Hofstede due to:

- 1) logical sampling
- 2) systematic measurement
- 3) unique analysis technique

He argues that the additional dimensions of Schwartz's (egalitarianism, hierarchy) model provide more explanation on countries cross-cultural. This lend support to Spini (2003) who in an empirical study confirmed the legitimacy of using Schwartz value survey as an instrument for cross cultural studies. However as any theoretical framework, Schwartz model has been criticized by some scholars for different reasons.

#### b) Critique to Schwartz Model:

Lan et al. (2008) argue that even though the Schwartz model has shown empirically and statistically the existence of dissimilar motivational aims coupled with a different set of values, however it lack the explanation on how people prioritize among values for achievement decisions. Parboteeah et al. (2005) believes that Schwartz's cultural framework thought to be very limited in comparison with the GLOPE framework. Finally, Ng et al. (2007) argued that Schwartz's framework might be considered as obsolete due to the outdated data which has been collected 14 years ago after which a significant shift in cultural values can be easily noticed in many countries, for instance in China where there is

a new trend of cultural values at the young managers level in contrast with their predecessors (Ralston et al., 1999).

#### **iv. Hofstede's cultural dimensions**

Hofstede measures culture in multiple dimensions through the IBM Attitude Survey (Hofstede, 1981) which was initially constructed as an employee satisfaction survey but during the analysis he found that the questionnaire had some national attributes that could be correlated to cultural values. Hofstede used 116,000 questionnaires of employees in 66 different countries before further expansion to more than 53 cultures (Hofstede, 1983) receiving more than 60,000 responses. Hofstede used the eclectic approach relying on theoretical reasoning followed by statistical factor analysis to categorize the cultural dimensions (Magnusson et al., 2008). Hofstede's model started initially by identifying four key cultural values dimensions that are to be "scored" using the IBM company attitude questionnaire (Donthu and Yoo, 1998). The four central dimensions could be given comparative scores for each one of the four dimensions. He defines the dimensions as the following:

1- Power distance: the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally". (Hofstede, 1991)

That means high power distance indicates a high level of inequality in terms of power and wealth. On the contrary, low power distance indicates more equality and cooperation between levels.

2- Individualism versus Collectivism: "Pertains to societies in which the ties between individuals are loose" collectivism is the opposite. (Hofstede, 1991)

High Individualism indicates that the individuals of a culture concerned with their own self-interest conversely, low individualism implies the strong bond of groups.

3- Masculinity and femininity: "the dominant sex role pattern in the vast majority of both traditional and modern society" (Hofstede, 1991)

High Masculinity indicates that males dominating significantly the society. Low Masculinity indicates a low level of discrimination between genders

4-Uncertainty Avoidance: the extent to which members of cultural feel threatened by uncertain or unknown situations". (Hofstede, 1991). High Uncertainty Avoidance indicates that there is a low acceptance of ambiguity. A Low Uncertainty Avoidance indicates less concern for ambiguity which means the society is more open for risks. Hofstede (1991) positioned 50 different countries with a given score for each dimension.

country	Power Distance	Uncertainty Avoidance	Individualism/collectivism	Masculinity/Femininity
USA	40	46	91	62
Arabs	80	68	38	53
Germany	35	65	67	66
Malaysia	104	36	26	50
Australia	36	51	90	61
UK	35	35	89	66
France	68	86	71	43

**TABLE (3.10) NATIONAL CULTURE DIFFERENCES**  
**SOURCE: HOFSTEDE (1991)**

Hofstede has added a fifth dimension after a study accusing him of being biased to the western culture (Johns et al., 2007). The fifth dimension that had been added was the Long term versus Short term orientation: which means the extent to which an individual can delay his satisfaction of his physical, emotional and societal needs and wants. Although these dimensions were invented and tested for IBM employee only, it has been found it is representative and generalizable outside IBM (Furrer, 2000).

**a. Critics of Hofstede's model**

Some have criticize Hofstede's model for being non- comprehensive (Schwartz 1994) and as based on one corporation (Schwartz, 1994; smith et al., 1996). The validity of Hofstede's dimensions has been questioned as they were collected from a single company using a survey based questionnaire lacking the academic foundation (McSweeney, 2002). Another criticism came from them directly as they tried to accommodate the Asian culture by adding the fifth dimension. According to Hofstede and Bond (1988) the validity of uncertainty avoidance has been

questioned in some Asian cultures which led to adding the fifth dimension and called it long term orientation, also Hofstede (1981) acknowledged that lack of samples from the communist countries. Another criticism was raised against the relevance of the data as it has been collected between the years of 1969-1973 which made it outdated (McSweeney, 2002).

Hill (1998) criticized Hofstede approach by saying: "First, the research itself may have been culturally bound, because the research team was composed of Europeans and Americans. The analysis may well have been shaped by their own cultural biases and concerns. Second, Hofstede's informants worked not only within a single industry, but also within a single company. At the time IBM was renowned for its own strong corporate culture and employee selection procedures. It is possible, that the values of IBM employees are different in important respects from the values that underlie the cultures from which those employees came. A third caution is that Hofstede's work is now beginning to look dated. Cultures do not stand still, they evolve over time, albeit slowly. What was a reasonable characterization in the 1960s and 1970s may not be so reasonable today". This view was supported by Smith et al. (1996) as they believe the values sampled were not very broad which prevented the dimensions from being exhaustive.

Donthu and Yoo (2002) criticized Hofstede's (1991) cultural indices for the four dimension as they have pooled 22 Arab countries together without being analyzed individually, assuming the societal differences among these countries are similar and have no differences. There is a big question on whether Hofstede's assumption for clustering countries in one group is valid and to what extent if it is applicable in his national cultural difference. However Hofstede did not study each country at a time nor divide the 22 Arabic countries to smaller regions where IBM exist as there are no IBM offices in most of these countries.

#### **b. Support for Hofstede framework**

Despite many critics, the national cultural framework of Hofstede is the most widely used in many fields such as psychology, sociology, marketing, or management studies (Sondergaard, 1994; Steenkamp, 2001). Because until now it is the most comprehensive and robust in terms of the number of national culture samples (Smith et al., 2006). Hofstede's framework is an Integratable cultural

framework that can fit into studies in a simple, practical, and usable way for cultural studies (Soares et al., 2007). In spite of some criticisms to his dimensions, Hofstede's work has been considered as the most important national cultural framework that could provide "the beginnings of the foundation that could help scientific theory building in cross-cultural research" (Sekaran, 1983). According to Kutter (2007) the correlation between Swartz dimensions conservatism versus autonomy and the hierarchy versus egalitarianism with individualism versus collectivism and the power distance dimensions is an evidence of the generic characteristic of Hofstede's approach as the optimum national culture dimensions. Over and above, Hofstede model is the most used model in the marketing literature as it has been incorporated in more than 25 studies from customer perspective (Zhang et al., 2005).

### **3.10 Culture and Service Quality gaps**

#### **3.10.1 Link between culture and Service quality from the Customer Perspective**

Many studies have investigated the link between culture and service quality. Winsted (1997) has constructed service encounter dimensions based on the consumer behaviour of Japan and USA and found cultural differences between western and Asian customers. She developed empirical measurement for the service quality based on customer perception in different cultures. Donthu and Yoo (1998) used Hofstede's dimensions of culture and the dimensions of service quality using the SERVQUAL scale to develop and test hypotheses relating the five dimensions of culture with overall service expectation dimensions assuming that the collectivist cultures have lower expectation of assurance in the service quality provided to them which will lead to less confidence in the service quality they are receiving; whereas in the western countries which deemed individualism cultures have higher expectation of assurance. They also believe that individualistic customer would expect the service provider to show more empathy and give more attention. That shows explicitly how cultures have an effect on the service delivery, for which any shortfall in service quality would not be tolerated which

then puts stress on service providers to provide state of the art services to accommodate the western customer's satisfaction.

Espinoza (1999) conducted a survey to investigate the cross-cultural differences in perceived service quality between Quebec and Peru aiming to assess the psychometric properties of the measures applied internationally between North America and Latin America. Furrer et al. (2000) mapped the relationship between the five dimensions of SERVQUAL and the five dimensions of culture developed by Hofstede (1991). They conducted a survey among US students, international students studying in US, and Swiss students. They identified several relationships between national culture and service quality. Their study also considered contingency variables such as powerful or weak customers, male or female employees, and frequent or infrequent service situations. They also developed a Cultural Service Quality Index (CSQI) that evaluated the relative importance of each SERVQUAL dimension as a function of the five cultural dimensions and that could be used to segment multicultural markets and allocate resources across cultural segments. He tested the five dimension of Hofstede against the five dimension of Servqual which has shown that 21 out of 25 hypotheses are supported. Yavas and Benkenstein (2007) studied the service quality perceptions between Turkish and Germany bank customers to examine the cross-cultural similarities. Results showed strong congruence of service quality between both consumers of Germany and Turkish banks.

### **3.10.2 Link between culture and Service quality gaps from the service Provider Perspective**

Altayab (2007) conducted a research studying the effects of national culture on the delivery of service quality on the hotel industry and developed an explanatory model that is believed to be the only model based on an empirical study linking national culture- service quality relations. However, the model needs to be operationalized and tested quantitatively as it has never been tested. Altayab model can be seen in Fig 3.7 below.

Service Quality	Information	Specificatio	Performanc	Communicatio
-----------------	-------------	--------------	------------	--------------



	Information Gathering	?		
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**FIG (3.7): FINAL MODEL OF NATIONAL CULTURE-SERVICE QUALITY RELATIONS**  
**SOURCE: ALTAYAB (2007)**

There is a bulk of research on measuring the service quality, as well as some models testing the cultural differences, however there are very few researches linking national culture to service quality or in another word investigating the effect of national culture on service quality on the provider side. Reviewing the literature revealed the existence of a conceptual framework of Altayab (2007) which was the only model that qualitatively has proven the link between service quality and national culture and the mechanism of linkage between them. However, the model need to be built on empirical ground and statically tested and to prove the theory to achieve the research objective stated above.

Based on all above models, the researcher has found that there is an existing gap in the literature addressing the effect of national culture on service provision as most of service delivery analysis is totally focusing on the financing of services, while provision, particularly issues related to institutions, incentives, and provider behaviour, has received much less attention( Reinikka and Svensson, 2002). Therefore, this research will develop conceptual framework based on the existing literature to test the effect of national culture on service provision

### **3.11 Summary:**

Based on the reviewed literature for various model for measuring service quality it appears that service quality is not culture-free (Altayab, 2007), the need for a research studying the effect of national culture on the service delivery from the provider's side is still at infancy level and has yet to be anchored in different service settings. Zeithaml and Bitner (2003) argue that national culture is a very essential element to be considered as it has an influence on closing the internal gaps of the delivered services between the service providers and employees. The bulk of research has shown that service quality models are not culture free models

(Armstrong et al., 1997, Mattlia, 1997, Winsted, 1997, Donthu & Yoo 1998, Furrer et al. 2000), for which they conducted research based on the influence of culture on customer perceived service delivery. However the influence of culture on the delivery of service quality has not yet gained similar momentum which was the main driver for this research. Hence, the existing gap in the literature in terms of the development of a conceptual framework that links national culture to service quality from the service provider's perspective need to be built. As a result, in the next chapter the researcher will develop a conceptual framework that links national culture dimensions to service quality gaps. The researcher will utilize Hofstede's model for the national culture dimensions and Zeithaml extended service quality gaps due to many reasons. Firstly, reviewing the literature revealed that the combination of the models have been used widely yielding satisfactory results even though most of the studies were conducted based on customer side. Secondly, both models are considered the most researched models which mean they have high reliability and validity. Thirdly, since the above models have a strong linkage to certain dimensions only as inferred from Altayab model (2007), whereas other links were found weak and not supported, the researcher will utilize the strongest link of mechanisms between national cultures on service quality as a base for designing the conceptual framework. This research will focus on two dimensions (power distance, uncertainty avoidance) to be empirically tested against service quality gaps information gap (gap1), specification gap (gap2), performance gap (gap3). In the next chapter a conceptual framework that links national culture dimensions to service quality gaps will be designed. Also, next chapter will offer a clear representation about concepts of national culture differences between countries share some common attributes and how these differences in national culture may affect the delivery of service quality within Takaful industry.

## **4 Conceptual framework**

### **4.1 Introduction**

In chapter 1, the aim of the research was clearly stated as to what extent differences in national culture effects the services provision; followed by the research objectives to test the effect of national culture differences in terms of power distance and uncertainty avoidance between two countries and whether the differences in national culture are associated with service provision. In addition, the contribution to knowledge of the research has been highlighted emphasizing the gap in the literature for which this researcher intends to put one of the blocks towards enriching the knowledge of the subject matter. In chapter 2, the literature was reviewed to demonstrate the existing gap in knowledge with respect to the effect of national culture on service provision from the provider's side and the linkage of national culture to service delivery as reviewed in different studies highlighted the gap in the knowledge for which the researcher conducted this research. Different models have been demonstrated and critically reviewed arriving at the dimensions of national cultures and the dimensions of service delivery used in this research.

In this chapter (chapter three) a conceptual framework is developed by which the research hypothesis can be derived through detailed discussion on the assumptions and preconditions of the differences between the two countries to subsequently investigate the effect of the variables of national culture dimensions which are power, distance, and uncertainty avoidance on service delivery gaps (information gap, specification gap and performance gap) and how this effect might be associated with service provision. Finally, the researcher drew the conceptual framework that is considered the building block for the final model.

### **4.2 Defining the conceptual framework**

According to Miles and Huberman (1994) the conceptual framework is a graphical illustration developed in a sequence of events by which the main elements of the

study, key factors, relationships, constructs or variables will be explained. The design of the conceptual framework varies based on the complexity of the research; it can be designed on a high level basis or detailed framework, theory driven or rational, descriptive or casual. Popper (1996) believes that the framework is “a set of basic assumption or fundamental principles that is to say an intellectual framework”. Popper argues that it is difficult to agree on a common framework as the “ the doctrine that truth is relative to our intellectual background which is supposed to determine somehow the framework within which we are able to think that truth may change from one framework to another”. On the other hand, he believes that different interpretative frameworks can be fruitful in bringing a colourful dialogue. For this research the intention is to develop a conceptual framework taking into consideration the relevant concepts of the research subject and models related to service quality and national culture; the link between the two theories which recall the importance of explaining the assumptions of how national cultures effects the delivery of service quality and how the difference in national cultures would have an impact on service provision through which a conceptual research framework can be developed.

## **4.3 Approach in developing Framework**

### **4.3.1 Theoretical Driver**

The theoretical driver for this research stems from an ambiguity of the existence of differences in national cultures between any two countries and whether these differences are coupled with differences in service provision from a service provider perspective. The researcher theorizes whether there are differences in national cultures between countries belong to the same cluster that share similar cultures attributes like language, religion or geographical locations which have been classified in previous researches as homogenous cultures and whether these differences have an effect on service provision.

The context of this research has been chosen for multiple reasons: 1- high growth of the industry 2- being related to the cluster of the research as Takaful industry, an Islamic product that has been created as an alternative to conventional insurance. According to Hartigan (1975) the principle function of clustering is centered on

five purposes. One of the main purposes is the preface information that can be obtained about groups which is in our case group of countries that share similar language, religion or geographic location by providing name to the cluster. Also, to display the differences between the countries clearly, summary of data that allow manipulating of data, prediction of work values if no established information is available, finally, requiring explanations that promote theory development. The cluster with which Arab countries were grouped by Hofstede (1981) was mainly due to the religion and language which Arabs share but the approach was more problematic when Hofstede assumed all Arabs have the same scoring and ranking as if they were completely identical omitting the cultural differences between any two different countries.

This argument was supported by Williamson (2002) who believes that it is very risky to assume the homogeneity of any culture especially when believing all members of one culture have the same cultural attributes. He also warned of seeing individual's values or behaviour totally influenced by their own cultural background omitting other cultures or variables that might have an impact on individual's values or behaviour which means that he believes in the cultural differences between any two different countries regardless of any commonality they share. Hofstede's clustered many countries in groups depending on the commonality between them. For example, Asian, Latin, Arabs and Anglo were grouped and clustered mainly based on language and religion, however Hofstede provided specific scoring for each individual countries within the cluster although they share the same cluster like the Anglo cluster which consist of (USA, Canada, UK, Australia, South Africa, New Zealand and Ireland). For example, in power distance USA scored 91 whereas, Ireland scored only 70 which indicate the cultural variation despite the commonality they share of language, religion and clustered in same group that decided by Hofstede (1980). The Arabic countries were the exception in Hofstede's ranking as all Arab countries were given similar scores for all dimensions of Hofstede model.

Grouping Arab countries within one cluster leads to inaccurate measurements by overlooking the micro differences between the countries despite the same commonality shared in religion and language which does not justify the assumption of clustering them in one group without being dissected and studied

carefully (Ronen and Shankar 1985; Hickson and Pugh 1995). According to Kalliny and Gentry (2007) there are even similarities between Islam and Christianity as they share many similar values but does not mean the American culture and Arabs are similar. On the other hand, it is misleading to think that all Arabs have the same cultural attitude, communication, and behaviour since some members favour their African Heritage such as Sudan, Mauritania, and Somalia; also not all Arabs are Muslim as there are many Arab Christians (Harris et al., 2004). According to Becker (2000) differences always exist between any two countries in terms of culture as “everyone has a culture”. He argued that studying culture has encountered with two major problems:

1- Culture is a relative sense as being used only to differentiate between countries without favouring one country over another as there is no right or wrong culture.

2- Cultural researchers are influenced by the cultural background of the researcher who cannot separate themselves from their own cultural.

Manrai and Manrai (1995) studied the effect of cultural context on perceptions of work versus time usage orientation using Hall's cultural context; they found differences between the cluster of low context cultures as they were grouped together and considered monochromic orientation to time in contrast to the high context cultures (Asia, Arabs and Latin countries) which called polychromic time oriented countries. They found that even though USA belongs to the low context culture they are a higher context than other Western countries as they adopt the polychromic time orientation in some events like spending time doing lunch with potential clients which is not accepted by the Irish as they do not mix social events with work. They suggested more research be conducted at the level of individual countries which would give more insights rather than the groping or clustering of countries for better understanding of the time orientation of individual countries.

#### **4.3.2 Impact of national Culture differences on service delivery**

Culture has been identified as playing a role in service quality delivery from the customer perspective as found by (Winsted, 1997, Matilla, 1999; Furrer et al., 2000, Malhotra et al., 2005), and from the provider side (Mwaura et al, 1998, Lorenzoni and Lewis, 2004 Altayab, 2007, Johns et al., 2007).

Matilla (1999) found higher power distance countries have lower customer evaluation of services, whereas low power distance countries have higher customer evaluation of the same service. Donthu and Yoo (1998) found a strong evidence of linkage between culture and customers expectations of service quality. They found that consumers in low power distance countries had higher service quality expectations. Furrer et al., (2000), found that service quality importance of dimensions changes across cultures for which he developed an index of culture and service quality to segment international markets and optimize allocation of resources. Lorenzoni and Lewis (2004) examined the attitudes of airline front-line employees in Italy and Britain during service failure and recovery for which he found attitudes varies based on nationality which plays a major role in attitudes toward service recovery. Altayab (2007) found a model that links national culture to service quality gaps through some mechanism based on empirical evidences and grounded theory approach. Johns et al., (2007) studied the service delivery in hospitality schools in Switzerland and Scotland to investigate the effect of culture on service delivery. The results revealed that national culture effects individual predisposition to provide a good service. From that basis the researcher is intending to focus on the effect of national cultural differences between Kuwait and Egypt on the service provision since very few researches tackled this issue. The main contribution to the knowledge is how cultural differences would impact the service provision of any two countries have commonality of any kind like religion, language, geography. Kuwait and Egypt as Arab countries have some commonality exactly like other groups in Anglo, Europe, Asia or Latin which had been researched intensively for instance, Anglo (Danthu and Yoo, 1998) European countries (Mathews et al., 2001; Smith et al., 2001, Sánchez-Franco, 2009), Asian countries (Jangho Lee et al., 2000), Latin America (Espionza, 1999), North America (Herbig and Genestre, 1996). On the contrary, the Arab countries had very few researches investigating their national culture differences and none of the existing exhibits how these differences would influence service provision (Al-khatib et al., 2005).

## 4.4 Developing the conceptual Framework

The below framework depicted in Fig 4.1 below represent the framework by which the research approach is summarized as to the effect of relations need to be tested to reach the objective of the research. According to Bertrand and Fransoo (2002) conceptualization assist the researcher to make decision about the variables contained in the conceptual model and the boundary of the model before building the quantitative model and finding the casual relationships between the variables.

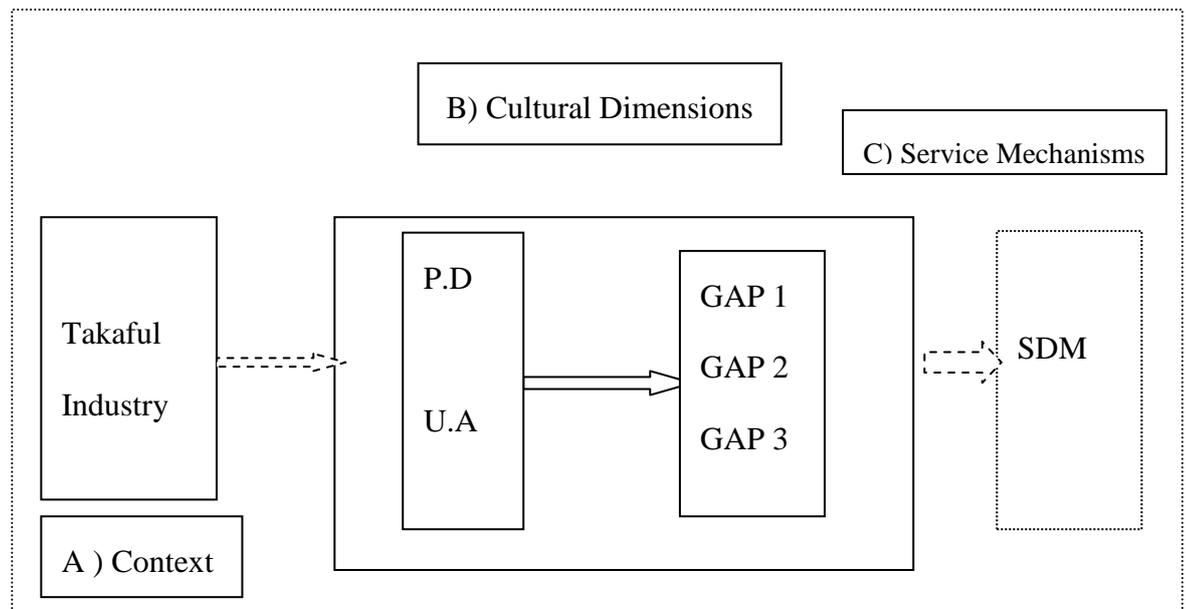


Fig. 4.1 Research Framework  
Source: Own Development

PD: Power Distance , U.A: Uncertainty Avoidance, Gap 1: information gap, Gap2: specification gap, Gap3: Performance gap, SDM: Service delivery mechanism

The research framework consists of three parts:

A) Empirical field within Takaful context

B) Testing Hypothesis of the effect of national culture of two different countries on service quality gaps within Takaful industry and how this affects the service provision

C) The mechanism by which national culture differences of any two countries effects service provision

Despite the existence of similarity between any two countries regard to religion and language like the Arab cluster which consist of 22 countries share the same

language and religion on which little studies have been conducted to find the level of differences in their national culture. Some Western scholars like Hofstede claim the homogeneity of culture of all 22 Arab countries, whereas, Some other studies indicates that there are differences in national culture between Arab countries but failed to provide insights regarding the extent of those differences in effecting service provision. Hence, the researcher based on two cultural dimensions of Hofstede (1980) Power distance and uncertainty avoidance on Zeithaml et al., (1990) service delivery gaps intends to investigate the effect of national culture of two countries belong to similar cluster on service provision.

## **4.5 Assumptions and preconditions**

### **4.5.1 National culture differences**

The assumed differences in national culture between Kuwait and Egypt can be confirmed by checking the attributes of each culture as suggested by Hofstede (2005) who stated that national culture consist of many different attributes by which the cultural differences between any two countries can be detected. He summarized the attributes as the following:

1- Nation, 2- Region, 3- Gender, 4-Generations, 5-Special Class, 6- Corporate or Organization

The differences between Kuwait and Egypt based on the above factors will be discussed in the next sections.

### **4.5.2 National culture of Kuwait and Egypt**

According to Hammond (2007) “Today’s Moroccan Arab culture is informed by Berber culture, Egypt’s culture is informed by ancient Egyptian culture, Iraq is informed by number of influences, including Bedouin Arab, non Arabic Semitic, Persian, Kurd and even Sumerian culture”. Egypt for example, is considered one of the richest Arab countries by knowledgeable experts, for whom all Arab countries especially oil-rich countries, import to fill the gap in expertise required in various fields (Goodman and Green, 1992). Another cultural difference seen by Badri (1992) between oil rich Arab countries and non oil rich Arab countries are the

ethics which he believes represent another potential cultural variation. This was confirmed by Al-khatib et.al. (2005) who found significant differences between consumer ethical beliefs and ideologies in four countries, (Kuwait, Saudi Arabia, Egypt, and Oman), where he found significant differences between Kuwaitis and Egyptians in six dimensions actively benefiting from illegal actions, passively benefiting from others mistakes, no harm no foul, Machiavellianism, idealism, relativism where the results revealed significant difference in favour of Egyptians in all dimensions except the last two which was idealism and relativism in favour of Kuwaitis.

In terms of language differences, Brustad (2000) found variations in spoken Arabic language comparing four countries representing four distinct dialect groups (Kuwait, Syria, Egypt and Morocco). The large geographic size of the Arabic region which consists of Gulf Peninsula, the Levant, the Eastern part of the Mediterranean, and North Africa contributes to the language diversity associated with local dialect For example an individual from Kuwait might have difficulty understanding another individual from Morocco even though they speak the same Arabic language (Elbeheri et. al.,2009).

Torki (1988) found differences between Kuwait and Egypt based on the femininity scale of CPI (California psychological inventory) though the differences between Kuwait and Egypt were less significant than found between Egypt and the American sample, however there are cultural differences that exist between the two countries. Another study conducted by Alostath and Khalfan (2007) intended to evaluate the mapping between website design elements and cultural attributes of three countries (UK, Egypt, and Kuwait). Within the context of e-banking websites, they found that there is a significant relation between national culture and design usability where by certain web site designs found to be more usable to Kuwaitis than Egyptians and British. Whereas some web site designs are usable to Egyptians more than Kuwaitis and British, and some are usable to British more than others. The variation was attributed to the user's preferences, which confirms the cultural differences between the three countries, despite the similarities between Kuwait and Egypt for which the results was less significant than what was found between Egypt and UK; the cultural differences between Kuwait and Egypt was found and supported by the result they found.

Kalliny and Gentry (2007) found cultural differences between Kuwait and Egypt when researching cultural values reflected in Arab and American Television advertising. They found significant difference between Egypt and each of the other Arab countries (Kuwait, UAE, Saudi Arabia and Lebanon) which indicates the cultural variation among Arab countries confirming the impossibility to generalize the culture of Arabs across the Arab world (Lamb,1987). Riddle (2007) argues that westerners are not aware of the multiple definitions of the Middle East as there are large cultural distinction between Arabs separating the Mediterranean (Lebanon, Syria, Egypt, Jordan, Palestine) from the Gulf Countries (Saudi Arabia, Kuwait, UAE, Qatar, Bahrain and Oman). The separation of Arab culture is supporting what the NFO world group (2002) found of dramatic cultural change in Arabian Gulf Countries (GCC) with rising in individualism and increase of nuclear families against what was perceived for many years about the region of strong family bond (cited in Al-khatib et al. 2005).

According to Raven et. al., (2004) the Gulf countries ( Kuwait, Saudi, UAE, Qatar, Bahrain and Oman) are becoming much less homogeneous in terms of ethnicity due to their global exposure, also noting that Kuwaiti customers were more similar in their expectations of service quality to North American and European customer than to other Arab customers. Another support to this argument was found by Al-khatib et al. (2005) that "members of a culturally, economically or geographically based cluster are fairly heterogeneous". This ultimately encourages the researcher to study the differences between Kuwait and Egyptian culture as it is valuable for the literature to investigate the differences between Arab cultures which are absent from the abundance of the recent cross-cultural researches of different parts of the world. In order to investigate the differences between Kuwait and Egypt the profile of each country is discussed in more detail

#### **4.5.3 Kuwait national culture characteristic**

Kuwait modern history started in the 18<sup>th</sup> century followed by the discovery of Kuwait by a group of immigrants called Alotob who are subsections of Anaiza tribe that had travelled from Qatar to settle in Kuwait. At that time Kuwait consist of several Bedouins trips depending on pastoralism and sea trading for their daily livings (Barbara Ibrahim et al., 2009). To avoid the risk of being invaded by Turks

Abdullah II signed an affiliation treaty with the Ottoman Empire (1866-1892) until his successor Mubarak signed a treaty with the British Government for protection over the Turkish control in 1899 (Tetreault, 1995). In 1961 Kuwait gained its full independence after both governments of Kuwait and UK agreed mutually to terminate the treaty (Kabasakal and Bodur, 2002). During the rulership of Abdullah Alsalem the country is entertaining economical prosperity with which the revenues come out of the flow of oil directed to increase the Kuwaiti citizen standard of living. Free education, Free Housing, Fee Medical care and Jobs were made possible by the vast quantity of oil produced and reserved in Kuwait (Tetreault, 1995).

Kuwait is a unique nation setting an example for other countries in the region for its societal change in the last two centuries with respect to democracy, liberalization and women Rights (Casey, 2007, Tetreault, 1995). Casey (2007) claims that the attention to Kuwait must be increased as the country stands on top of the most valuable land attributed to the pivotal geographical location and glut of oil reserves. Kuwait demographics are different than any other country in the region as 70% of Kuwaiti nationals are Sunni Muslims and an estimated 30% are Shia't Muslims both constitute half the population as the Expatriates are exactly twice the Kuwaitis as Kuwaiti's are less than a million while the Expatriate are 2 million. Below Table 4.1 illustrates the Kuwaiti society profile.

	2003	2008	2013
Population (m)			
Total	2.5	3.4	4.1
Male	1.6	2.2	2.6
Female	1.0	1.3	1.5
Age profile (% of total population)			
0-14	27.9	26.6	25.6
15-64	69.5	70.6	71.2
65+	2.6	2.9	3.2
Labour force (m)	1.4	2.1	2.5
Period averages			
Population growth (%)		6.2	3.7
Working-age population growth (%)		6.5	3.9
Labour force growth (%)		7.9	4.0

**TABLE (4.1): KUWAIT DEMOGRAPHIC PROFILE**  
**SOURCE: OWN ELABORATION BASED ON THE ECONOMIST INTELLIGENCE UNIT (2009)**

The high growth rate percentage are attributed to the quality of Kuwaiti healthcare as infant mortality rate was nine out of 1,000 in 2005, according to the Human Development Indicators (UNDP) the life expectancy in Kuwait was 77.4 years in 2006 which is considered relatively high compared to other countries in the region.

#### **4.5.4 Egypt National culture characteristic**

##### 1) History of Egypt

Unlike Kuwait, Egypt is known for its deep rooted history for more than 6000 years. Egypt experienced several civilizations more than any country in the world. However, its Arabic affiliation was started in the modern era of 639 after the Arab conquest (Marsot 1985). Russell (1833) described Egypt by saying that "Egypt has long appeared to the scholar, the Antiquary and the philosopher, the most interesting country on the face of the earth."

According to Bureau of Near Eastern Affairs (2008) Egypt in 3100 B.C., was integrated by King Mena into one country from previously division of 30 Pharaonic regions. Egypt's ancient history was divided into three eras of which the Old kingdom, the Middle Kingdoms and the New Empire. However the climax of Ancient Egypt civilization expansion occurred during the new Empire era between the periods 1567 to 1085 B.C. The Pyramids was one of the main evidences of the tremendous power, determination and strength that the ancient Egyptians had by which they built the Pyramids which became one of the wonders of the world. After the period of ancient Egyptian Egypt was exposed to many other nations and cultures like Persian, Roman, Turkish and Arabs which all had great influence on Egypt culture.

##### 2) Demographic profile:

Egypt is the most populous country in the Arab world with 76 million people living on the soil of Egypt and 3 million living outside the country. The majority of the people which constitute 69 million of the country's 76 million people live either in Cairo, Alexandria or on the banks of the Nile River for employment and higher standard of living which makes these regions amongst the highest populated regions in the world with an average of 3820 persons per square mile in comparison to 181 persons per square miles to the rest of the country.

The rise of Egyptian population has threatened the education system, the labour market and social services as nearly 55% of the population are under 24 years old and that contributes to the high unemployment rate of more than 9%. According to the World Bank's World Development Indicators 2009, the percentage of Egyptians living below the national poverty line in year 2000 is 16.7% which represents nearly one fifth the population.

The difficult standard of living in Egypt makes foreign employment abroad one of the aims for most Egyptians, especially work permits in the oil-rich Arab states (Saudi Arabia, Kuwait, Emirates, Libya, Qatar and Oman) for higher income and better life as there is a higher demand for skilled labor in the Gulf region. Table 4.2 shows the distribution of the Egyptian demographic profile:

	2003	2008	2013
Population (m)			
Total	74.3	81.5	90.0
Male	37.5	41.1	45.4
Female	36.8	40.4	44.6
Age profile (% of total population)			
0-14	33.9	31.8	29.6
15-64	61.9	63.5	65.0
65+	4.2	4.7	5.4
Labour force (m)	20.4	24.6	29.9
Period averages		2004-08	2009-13
Population growth (%)		1.9	2.0
Working-age population growth (%)		2.4	2.5
Labour force growth (%)		3.8	4.0

**TABLE (4.2): EGYPT DEMOGRAPHIC PROFILE**  
**SOURCE: OWN ELABORATION BASED ON THE ECONOMIST INTELLIGENCE UNIT (2009)**

## 4.6 Cultural Differences between Kuwait and Egypt

The basic assumption which has been conducted by Hofstede (2005) measuring the cultural dimensions of seven Arab countries (Kuwait, Egypt, Saudi Arabia, Lebanon, Libya, United Arab Emirates and Iraq) was based on the clustering approach assuming all Arab cultures are homogenous with no differences exists between them. As a result he ranked all Arabs in one cluster giving them the same scores for all dimensions of power distance, uncertainty avoidance, individualism

and masculinity without giving a specific scoring for each individual country. Hofstede (2005) has found all Arab clusters are high power distance countries and moderate uncertainty avoidance as shown in Table 4.3 below.

Country	Power Distance index	Uncertainty Avoidance Index	Individualism	Masculinity
Kuwait	80	68	38	53
Egypt				
Saudi Arabia				
Libya				
Lebanon				
Iraq				

**TABLE 4.3 CLUSTER OF ARABIC INDEX**  
**SOURCE: HOFSTEDE (2005)**

In contrast to Hofstede's assumptions of Arab culture homogeneity, Neal et al. (2005) discovered contrary findings in a comparative study of Arab women's attitudes towards leadership authority in three Arab countries (United Arab Emirates, Lebanon and Oman) contradicting Hofstede's cluster as two countries of the sample (United Arab Emirates and Lebanon) were among the countries of Hofstede sample. The research revealed significant differences between United Arab Emirates and Lebanon in leadership authority values. Another contrary finding to Hofstede's assumptions, cultural differences were seen by Elsayed-Elkhouly & Buda (1997) who found cultural differences between USA, Egypt and Gulf States (Kuwait, Saudi and United Arab Emirates). The results revealed that Egypt is a less collectivist country than Kuwait as Egypt has been in exposure to the west for a much longer period than any other gulf country. Alkhatib et al. (2005) challenged the assumption of clustering Arabs in one group as a homogenous culture. Their argument was supported by empirical findings of five ethical dimensions which revealed that differences between Arab countries in general and Kuwait and Egypt in particular do significantly exist as can be seen in Table 4.4 below.

Factor	Kuwait	Egypt	difference	Significance in favour of
Actively benefiting from illegal actions	1.27	1.51	Significant	Kuwait < Egypt
Passively benefiting from others mistake	1.24	1.53	Significant	Kuwait < Egypt

No harm/no foul	3.5	3.35	Significant	Kuwait > Egypt
Machiavellianism	2.58	2.59	Not Significant	N/A
Idealism	4.44	4.31	Significant	Kuwait > Egypt
Relativism	3.12	2.75	Significant	Kuwait > Egypt

**TABLE (4.4) DIFFERENCE IN CONSUMER ETHICAL BELIEVES AND ORIENTATION  
SOURCE: ELABORATED FROM ALKHATEB (2005)**

The Empirical findings from Globe research program have contributed to comprehend the effect of societal culture on leadership, organizational culture, economical competitiveness of countries and human condition. The results obtained from a survey based questionnaire of 17,000 managers from 62 countries from three industries food processing, telecommunications and financial services (House et al., 2004). The Globe research questionnaire consists of nine cultural dimensions; some of them were derived from Hofstede (1980) and was divided into two categories:

1- Practices (AS IS): Means what is really happening

2- Value (should be): reflects the respondent beliefs

Different scores of power distance and uncertainty avoidance were found for Kuwait and Egypt according to Globe research program as can be seen below in Table 4.5 and Table 4.6 respectively, which indicated the cultural differences between the two countries.

As Is	Egypt	Kuwait
Power Distance	4.92	5.12
Uncertainty Avoidance	4.06	4.21

**TABLE (4.5) INDICATED THE CULTURAL DIFFERENCES BETWEEN THE KUWAIT AND EGYPT**

**SOURCE: TRONMPENAARS (1994)**

Should Be	Egypt	Kuwait
Power Distance	3.24	3.17
Uncertainty Avoidance	5.36	4.77

**TABLE (4.6) INDICATED THE CULTURAL DIFFERENCES BETWEEN KUWAIT AND EGYPT  
SOURCE: TRONMPENAARS (1994)**

Another source of challenge for the differences between Kuwait and Egypt is indicated within The Global Competitiveness report issued by the global economical forum (2009) which shows the differences between Kuwait and Egypt in terms of competitiveness which shows a huge gap between the two countries in favour of Kuwait which came in 39<sup>th</sup> place globally and Egypt 70<sup>th</sup> progressing from the previous year. The Global competitiveness ranking of the two countries is shown in Table 4.7 below.

country	2009–2010	2008–2009
Kuwait	39	35
Egypt	70	81

**TABLE (4.7): THE GLOBAL COMPETITIVENESS INDEX RANKINGS**  
**SOURCE: 2009 WORLD ECONOMIC FORUM REPORT**

On the other hand, Magnusson et al. (2008) research of comparative assessment of multiple cultural frameworks that has been conducted by Hofstede, Schwartz, Tromperans, and Globe to find the validity of different operationalization of cultural and institutional distance. The assessment was based on cultural distance (CD) and institutional distance (ID) between each framework of countries surveyed by Hofstede, Schwartz, Tromperans and Globe research program with USA as base country. Results revealed that the cultural distance between Kuwait and USA is less than the cultural distance between Egypt and USA based on Tromperans constructs. Table 4.8 below shows the relative scores of Kuwait and Egypt CD/ID rank with respect to USA.

Country	CD/ID Based on Tromperans
Kuwait	4.89
Egypt	6.32

**TABLE (4.8) RESEARCH OF COMPARATIVE ASSESSMENT OF MULTIPLE CULTURAL FRAMEWORKS**  
**SOURCE: MAGNUSSON ET AL. (2008)**

The score indicates that cultural distance between Egypt and USA is wider than the distance between Kuwait and USA which indirectly supports the assumption of the cultural difference between Kuwait and Egypt. Differences between Kuwait and Egypt national culture were also conceptualized by Tromppenaars (1998)

framework that consists of two dimensions: 1- Affective- neutral and 2- diffuse-specific by which he classified countries accordingly. Affective – neutral axis measures the strength of a nation that requires hard approaches toward method and vice versa for nations closer to the neutral end of the axis. On the other hand, diffuse means ambiguous management styles and specific means perfect approaches in management style. Based on his framework he classified Kuwait among Arab countries that were plotted in high affective and high diffuse management style, whereas Egypt’s high neutral and high diffuse management style which indicates the differences between the two countries as Trompenaars classified Egypt among the East African countries not as an Arabic country as Hofstede suggested. The below Figure shows the location of both countries as Trompenaars (1998) suggested

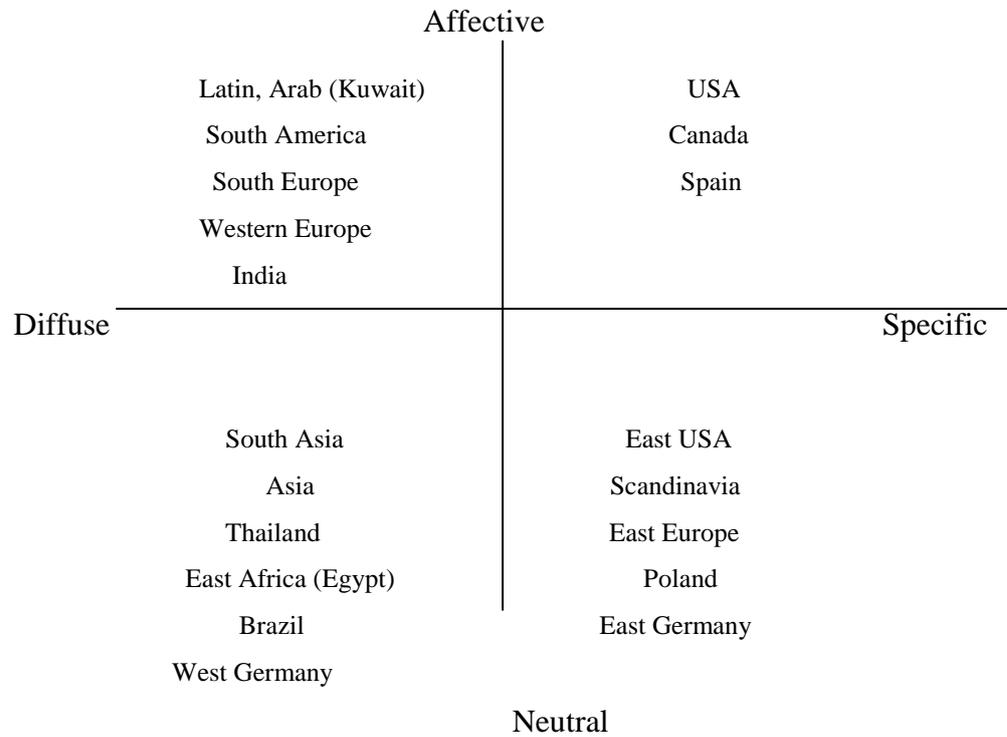


Fig. 4.2 Regional culture difference  
 Source: Adopted from Trompenaars (1998)

Another study by Kalliny and Gentry (2007) found differences between Egypt and all Arab countries including Kuwait in terms of cultural values regarding TV advertising content and appeal as some of the differences were significant which supports the findings of Elsayed-Elkhouly and Buda (1997) that compared the value system of executives in Egypt, American, African and Arab countries. Based on cross cultural empirical evaluation of the four regions the results revealed significant differences between Arabs (Kuwait, Saudi Arabia and United Arab Emirates) and Egyptians in both terminal and instrumental values based on Rokeach value survey. The questionnaire consisted of two measurements of values each with 18 dimensions in two segments instrumental and terminal. Instrumental means what type of ideals a culture has, whereas terminal is the performance of that culture towards achieving these ideals. Table 4.9 shows the similarity and disparity of the four regions based on Rokeach value survey and how Egyptian culture and Arabic culture, which includes Kuwait, are found to be the least similar to each other contradicting Hofstede's value ranking for Kuwait and Egypt which found no differences between the two countries.

Terminal Values (End)	Instrumental Values (Means)	
African and Arabian	African and Arabian	Most similar
African and Arabian	African and Arabian	
Egyptian and American	Egyptian and American	Least similar
Egyptian and African	Egyptian and African	
Egyptian and Arabian	Egyptian and Arabian	

**TABLE 4.9 ROKEACH VALUE SURVEY RESULTS**  
**SOURCE: ELSAYED-ELKHOULY AND BUDA (1997)**

Based on all above evidences the assumption of differences between Kuwait and Egypt has supportive evidences by various researchers who found either directly or indirectly evidences of the differences between the two countries, however these evidences have yet to be confirmed based on empirical field from both countries directly to answer the following hypothesis that generated based on the literature.

H1: There is a significance difference in culture between Kuwait and Egypt

H1a: Egypt is higher power distance than Kuwait

H1b: Kuwait is lower uncertainty avoidance than Egypt

Answering the above hypothesis will provide a concrete knowledge about the existence of the differences between Kuwait and Egypt and up to what level these differences might affect the national culture dimensions of power distance and uncertainty avoidance. The reason for choosing these cultural dimensions of Power Distance and Uncertainty Avoidance was due to different reasons:

1- Mainly to the strong linkage found by Altayab (2007) between Power Distance and Uncertainty Avoidance with service quality gaps as no link was found between other cultural dimensions like individualism/collectivism or masculinity/femininity to the service quality gaps.

2- The extent of influence they pose on managerial behaviour which was documented in different studies (Shane, 1995; Merkin, 2006; Wennekers et. al., 2007; Cardon and Marshall, 2008 and Khatri, 2009).

## 4.7 Link of National Culture on Service quality Gaps

Zeithaml et al. (1988) defined the service quality gap as "the outcome of an evolution process, where the service customers judge the overall excellence or superiority of actual delivered services." Their model consist of 5 gaps that divided service quality into 1) perceived service quality gap (5) which deals with customer perception regarding the service and this is not the intention of this research and 2) delivered service quality (gap 1 to gap 4) which meant to be part of this research as it measures the quality of service delivery from the provider side. Zeithaml et al. (1988) identified 16 managerial antecedents for Gap 1 to gap 4 that need to be fulfilled in order to close the gaps of the delivered service by the service provider.

Gap (1) information gap consist of three antecedents:
1) Marketing research orientation
2) Upward communication
3) Levels of Management

**TABLE (4.10): INFORMATION GAP ANTECEDENTS**  
**SOURCE: ZEITHAML ET AL.(1988)**

Whereas, the antecedent of specification gap consist of four antecedent that can operationalize the specification gap as shown in below Table.

Gap (2) Specification Gap consists of 4 antecedents:
1) Management commitment to quality
2) Goal settings
3) Task standardization
4) Perception of feasibility

**TABLE (4.11): SPECIFICATION GAP ANTECEDENTS**  
**SOURCE: ZEITHAML ET AL.(1988)**

The antecedent of the performance gap are listed in the below Table:

Gap (3) Performance Gap consists of 7 antecedents:
1) Teamwork
2) Employees job fit
3) Technology job fit
4) Perceived control
5) Supervisory control system
6) Role conflict
7) Role ambiguity

**TABLE (4.12): PERFORMANCE GAP ANTECEDENTS**  
**SOURCE: ZEITHAML ET AL.(1988)**

The forth service quality gap (4) communication gap consist of 2 antecedents identified by Zeithaml et al (1988) as:

- 1) Horizontal communication
- 2) Propensity over promise

However, the fourth gap is not part of the scope of this research.

On the other hand, national culture dimensions were specified in previous chapters by different scholars as part of the literature review chapter, however this research intends to use Hofstede’s cultural dimensions to study the effect of national culture on service provision. Hofstede (2005) defines national culture as the difference between members of one society to another due to the collective programming of the mind of those people which in turn makes consumers requirements vary cross-culturally especially in services sector where interaction between service providers and consumers for services greater than tangible goods (Mattila, 1999). Hofstede’s cultural dimensions were specified as:

Dimension 1	Power distance
Dimension 2	Uncertainty avoidance
Dimension 3	Collectivism/Individualism
Dimension 4	Masculinity/Femininity
Dimension 5	Future orientation

**TABLE (4.13): NATIONAL CULTURAL DIMENSIONS**  
**SOURCE: HOFSTEDE (1981)**

Although there is much research discussing the importance on national culture on service quality (Winsted, 1997, Matilla, 1999; Furrer et al., 2000, Malhotra et al., 2005, Mwaura et al, 1998, Lorenzoni and Lewis, 2004, Johns et al., 2007), very few acknowledge linking the national culture to service quality gaps from the provider

side. During a substantial review of the literature, the researcher came across a model that links cultural dimensions with service quality gaps through certain provision.

The model was developed by Yasser Altayab (2007) that link cultural dimensions of Hofstede (2005) to the service quality gaps of Zeithaml et al. (1988) based on thirteen (13) Mechanisms which were considered as provision through which national culture effects the service quality gaps. Altayab model was driven from qualitative research using a case study of hotel industry in two countries, the Netherlands and Egypt. The coding analysis methodology he used revealed strong linkage of only two of Hofstede's five dimensions of national cultures on the first three service delivery gaps out of Zeithaml five service delivery gaps. The strong linkage found in national culture dimensions; power distance and uncertainty avoidance ,on the first three gaps of service delivery; gap1 (information gap), gap 2 (specification gap) and gap 3 (performance gap); through 11 mechanisms out of 13 mechanisms that have been empirically identified in grounded theory approach. Therefore, the researcher intended to test the power distance and uncertainty avoidance against the service delivery gaps of Zeithaml et al., (1988, 1991); information gap (Gap1), specification gap (Gap 2) and the performance gap (Gap 3) than to use the 11 provision that link national cultures to service delivery gaps as identified by Alatyab's model (2007) to understand the mechanism of the effect of national culture on the service provision. The next section will discuss the linkage of national cultures to service delivery gaps and the development of the hypothesis.

#### **4.8 Mechanisms of service delivery**

In the context of Service provision, organizations ability to deliver services that satisfy customers and meet or exceed their perception depends heavily on the way that inputs are combined to allow the delivery of a series of actions. Therefore, the trend in evaluating service delivery draw attention as it is deals with daily management and has an immediate impact that can be shown easily (Khan and Matlay, 2009). Based on an empirical investigation Altayab (2007) has found an underlying 12 mechanisms through which national culture linked to service quality, as each national culture dimension is linked to service quality gap through a certain mechanism. These mechanisms reflect the behaviour of the internal

employees from all level within an organization in closing or minimizing the service quality gap driven by their national culture background. These 12 mechanisms are as follows:

Mechanism 1	Hierarchical Driven Information Gathering and sharing
Mechanism 2	Functional Driven Information gathering and sharing
Mechanism 3	Non Participative leadership Driven in Setting Service Quality Specification
Mechanism 4	Participative leadership driven in Setting Service Quality Specification
Mechanism 5	Delivering Services Quality regulated by centralized Performance control
Mechanism 6	Empowering to Perform Delivering Service Quality
Mechanism 7	Close and Formal Driven Communication
Mechanism 8	Open and Informal Driven Communication
Mechanism 9	Money Driven Specifying Service Quality
Mechanism 10	Customer Satisfaction Driven Specifying Service Quality
Mechanism 11	System Boarder driven Performing
Mechanism 12	Customer Satisfaction Driven Performing

**TABLE (4.14): SERVICE DELIVERY MECHANISM**  
**SOURCE: ALTAYAB (2007)**

Voluntarily two different meetings with experts have identified and labelled the twelve mechanisms into six main aspects of service provision under which the above mechanisms where clustered, the six dimensions of service delivery are stated as the following:

Service Delivery Mechanism	Factors
Information Flow	Hierarchical Driven Information Gathering and sharing
	Functional Driven Information gathering and sharing
Style of management	Non-Participative leadership Driven in Setting Service Quality Specification
	Participative leadership driven in Setting Service Quality Specification
Control	Delivering Services Quality regulated by centralized Performance control
	Empowering to Perform Delivering Service Quality
Communication policy	Close and Formal Driven Communication
	Open and Informal Driven Communication
Specification driver	Money Driven Specifying Service Quality
	Customer Satisfaction Driven Specifying Service Quality
Boundary System	System Boarder driven Performing
	Customer Satisfaction Driven Performing

**TABLE (4.15): CONSTRUCT OF SERVICE QUALITY MECHANISMS AND ITS CORRESPONDING FACTOR**  
**SOURCE: OWN ELABORATION BASED ON ALTAYAB (2007)**

The definition of the new mechanisms have been identified with the aid of the experts practitioners and academic. The definitions are:

Information flow – The way information being disseminated and collected. Information flow is divided in two different streams:

Style of management – The style of management in involving employees in setting service quality specification

Control – The level of freedom the organization is providing to their fellow employees in delivering service quality

Communication policy - The way communication is being driven within organization

Specification driver – The driver of organization in specifying service quality

Boundary System – The acceptable domain of activity when providing services.

Choosing the appropriate level for delivering service quality differs from one culture to another (Altayab, 2007), hence the researcher is intended to investigate to what level national culture has an effect on those mechanisms and how this might differ from one country to another. The hypotheses that will be developed to

test the effect of power distance and uncertainty avoidance on the way services being provided is proposed in the next section.

#### **4.8.1 Effect of high power distance on information flow with Information Gap**

According to House et al. (2004) in their Globe research they found low power distance encourages information gathering and sharing which touches the finding of Altayab (2007) who found a link between the high power distances with information gap (gap 1) in a mechanism identified as "hierarchical – driven information gathering and sharing" which means that the flow of information in an organization moves through hierarchical behaviours and practices. Khatri (2009) argued that high power distance synonyms with the lack of contribution from lower level employees over and above inefficient communication and information sharing which made the quality of decisions very poor and inefficient.

High power distance cultures foster the vertical downwards information sharing and distribution where horizontal and informal information sharing very rarely exists since some of the subordinates fear expressing their views to their superiors. This view was supported by the empirical findings of Meeuwesen et al., (2009) which revealed that patients from larger power distance countries has less tendency to exchange and share information. The reflection of these empirical findings help explain how a high power distance organization acquires information and not disseminate or disclose to lower management as seniors in top management believe that information is the source of power reflecting their position and seniority (Rivera-Vazquez, 2009). Sagiv and Schwartz (2000) found hierarchical cultures described by unequal distribution of power, roles, and resources; have people in organizations that signify the importance of higher level of authority to centralize the rules and obligations in a hierarchical structure system. Contrary to these findings, Kanousi (2005) has studied empirically the role of culture on service recovery expectation of MBA students and found that power distance has no effect on service recovery expectation as power distance is not associated with service recovery expectation.

Therefore the following hypothesize is proposing as:

H2a: In Egypt, there is a positive effect of high power distance on hierarchical – Driven information gathering and sharing through higher information gap

#### **4.8.2 Effect of low power distance on information flow with Information Gap**

According to Khatri (2009) low power distance cultures attempting to eliminate the information gap in all directions such as informal, horizontal, top and bottom information sharing and gathering strengthen the quality of decisions they make. The low power distance with information gap (Gap1) was linked through the mechanism of "functional driven information gathering and sharing". This means all levels of the organization have equal opportunity to gather information and share in all directions as well as the flow of information can be shared and disclosed to all departments of the organization regardless of the position of the employee. Low power distance cultures were found to be the cultural dimensions that encourage organization culture to share knowledge (Hauke, 2004). Rivera-Vazquez (2009) stated that "the small power distance which brings down the gap between the superior and the employees has a positive effect on knowledge sharing process and production in the enterprise" as he suggested that minimal layers of an organization has a positive impact on the flow of information in different direction. Another empirical study by Kanousi (2005) revealed that the role of culture on service recovery expectation has no effect in terms of uncertainty avoidance as this cultural dimension is not associated with service recovery expectation.

In order to test this effect of national culture on service provision, the researcher proposes the next hypothesis:

H2b: in Kuwait, there is positive effect of Low power distance on functional – Driven information gathering and sharing through lower information gap

#### **4.8.3 Effect of high power distance on style of management**

According to Horii (2005) management style strongly influenced by difference in national cultures as national culture shapes the management style of individuals. The management style has a major role in delivering service quality as it decides the way in which services are delivered when setting the specification. Brockner et al. (2001) found out that employee from large power distance cultures have less

participation in their work processes than employees from low power distance. Seniors use their larger power to set specification without involving their subordinates in the process. In some occasions, subordinates are involved in meetings but their opinion is not heard nor discussed due to the high power distance between them and their supervisors (Khatri, 2009). Previous studies indicate that services are very hard to be standardized as the production and consumption of services occur simultaneously. However, scholars like Parasuraman et al., (1985) and Gronroos, (1990) and many others have developed some determinants for measuring service quality. Parasuraman et al., (1985) suggested that setting specification for services must incorporate customer's expectation which comes from many sources of which front –line employees or contact personnel. Hensel (1990) suggested that the link between specification and daily operations gives the best outcome in delivering service quality. He stressed that employee's participation in setting specification boost their commitment to specification and increases the chances of delivering quality of services. Therefore, the researcher on that basis hypothesized that:

H2c: In Egypt, power distance has positive effect on Non Participative leadership Driven in Setting Service Quality Specification through Specification gap

#### **4.8.4 Effect of Low power distance on style of management**

Despite the fact that Kanousi (2005) has not found an effect of power distance on service recovery expectation from customer prospective, Altayab (2007) found a relation of power distance on service delivery gaps from the provider prospective. He found that Low power distance is linked to specification gap in a mechanism of "Participative leadership-driven in setting service quality specification" based on empirical research findings. This linkage was supported by the findings of Denison and Denison and Mishra (1995) that conducted a study on US firms and found that organizations in low power distance cultures are more efficient and grow faster due to their involvement and participation of all employees in the organization. Also, another research conducted by Karen and Stanley (1996) suggests that employees in work units in low power distance cultures were higher performing if they were given the chance for more participative roles. Brockner et al. (2001) points out, employees from low power distance cultures prefer higher levels of participation

regarding their work processes than employees from high power distance cultures. Therefore, the following hypothesis is formulated as the following:

H2d: In Kuwait, low power distance has a positive effect on participative leadership driven in setting service quality specification through specification gap

#### **4.8.5 Effect of High power distance on control**

According to Tsoukatos and Rand (2007) the relationship between power distance and service quality was empirically proven as an inverse relationship between power distance and importance of reliability and responsiveness for weak insurance customers, however from the service provider side a relationship was found to link large power distance with performance (Gap 3) in a mechanism that conceptualized as "Delivering service quality regulated by centralized performance" (Altayab, 2007). This mechanism indicates the limited control that employees of an organization have to respond to customer's queries in large power distance culture and centralized environment which provide frontline employees with a minimal authority to resolve customer's issues. This linkage was supported by Morris and Pavett (1992) who found that the performance of an organization in large power distance cultures is negatively related with participative management practices. They found in their research of US and Mexico that large power distance cultures are driven by centralized management practices which was found very effective in Mexico as a large power distance culture but was not effective in low power distance cultures like US. Hofstede (2001) believes that in high power distance cultures few hands control the decision-making process as centralization is very high and superiors control and lead the organization. McKenna (1998) indicated that in high power distance cultures managers of organizations stress on subordinates to perform their jobs the way they are told leaving any other issues for managers to resolve. Therefore, the researcher hypothesized that:

H2e: In Egypt, High Power distance has a positive effect on delivering service quality regulated by centralized performance through performance gap

#### **4.8.6 Effect of Low power distance on control**

The link between small power distance cultures with performance gap was established in a strong relationship through the mechanism of "empowering to perform in delivering service quality". In other words, the small power distance culture provides employees with all support and decentralized processes to achieve the goal congruent of the organization and reward employees for best performance. According to Den Hartog et al. (1999) low power distance cultures encourage innovative behaviour driven by the positive attitude of empowering employees to generate new ideas without the fear of expressing their opinion. Brockner et al. (2001) suggests that employees in low power distance cultures resist implementing orders or accepting tasks if they have not been consulted, therefore the following hypothesis will be tested:

H2f: In Kuwait, Low power distance has a positive effect on empowering to perform in delivering service quality through performance gap

#### **4.8.7 Effect of high Uncertainty Avoidance on communication policy**

Although high uncertainty avoidance cultures intensively search for information, it prevents the use of the information especially the negative one's (Nakata and Sivakumar, 2001). Cultures with strong uncertainty avoidance (UA) are susceptible to ambiguity as employees tend to be strict and need clear systems and policies in a formal way as they are very concerned with taking a risk (Bowman et al., 2000)

According to Altayab Model (2007) the mechanism that links strong uncertainty avoidance with information gaps was conceptualized as "close and formal driven communication" which means that senior management from strong uncertainty avoidance cultures tend to adopt a formal channel of communication to avoid any risk taking. According to Hofstede (1980) people from high uncertainty avoidance cultures are more protective as they tend to obtain approvals from their superiors before implementing innovative ideas which made these cultures less innovative. Since the management in the strong uncertainty avoidance cultures are very protective by having written and formal procedures to eliminate ambiguity that might occur in the delivery process and based on all the above, the researcher hypothesis the following:

H2g: In Egypt, High uncertainty avoidance has a positive effect on close and formal driven communication through information gap.

#### **4.8.8 Effect of low Uncertainty Avoidance on communication policy**

Many researchers believe that low uncertainty avoidance has an impact on information gap, one of which Hauke (2006) who stated that "When those who work in a company are willing to take risks, they also feel responsible for their decisions which results in higher self-esteem and better satisfaction of achieved success. In consequence they build informal networks, which enable knowledge sharing across people" this informal way of transferring information will help minimize the information gap. According to Shane (1995), in weak uncertainty avoidance cultures people do not require supportive documents to support their decisions as they can be easily convinced to make such decisions. Also, they are easier in making quick decisions with few available data and information than people from high uncertainty avoidance (Abramson et al., 1993). Bowman et al., (2000) suggests that people in weak uncertainty avoidance are less worried about taking the risk as well as having unwritten and less clear rules. Weak uncertainty avoidance based on Hofstede cultural model (2005) linked to information gaps based on Zeithaml et al. (1988) though a mechanism identified in Altayab Model (2007) as " Open and informal-driven communication". This mechanism was developed based on coding analysis procedure through which the linkage of national culture to service quality was identified. The mechanism explains how weak uncertainty avoidance cultures use informal communication behaviours when the management of an organization attempts to bridge the information gap. To test this linkage the next hypothesis was stated:

H2h: In Kuwait, low uncertainty avoidance has a positive effect on Open and informal-driven communication through information gap.

#### **4.8.9 Effect of high uncertainty Avoidance on specification driver**

The strong uncertainty avoidance linked to specification gaps through a mechanism "Money- driven specifying service quality" developed by Altayab (2007) using coding analysis. This mechanism explains how strong uncertainty avoidance cultures set the organization specifications based on controllable

measures of their internal objective like financial efficiency rather than ambiguous or uncontrollable measures like customer satisfaction which, is beyond the control of the management as it deals with external factors. Karen and Stanley (1996) found that employees from high uncertainty avoidance cultures who have comprehensible guidelines and procedures have better financial performance, whereas the same results were not found in low uncertainty avoidance cultures. Another study by Wennekers et al. (2007), suggests that strong uncertainty avoidance cultures have played a role in influencing the GDP per capita. In other words, in strong uncertainty avoidance the increase of GDP will result in a decrease in business ownership as there is an indirect role of uncertainty avoidance through an influence on the relationship between GDP per capita and business ownership. For testing the above linkage, the hypothesis to test the impact of strong uncertainty avoidance on specification gaps is indicated as the following:

H2i: In Egypt, high uncertainty avoidance has a positive effect on money- driven specifying service quality through specification gaps

#### **4.8.10 The Effect of low uncertainty Avoidance on specification driver**

The uncertainty Avoidance with specification gap was linked through the mechanism of "Customer satisfaction-Driven specifying service quality". This means cultures of weaker uncertainty Avoidance Bridge the specification gap by focusing on customer expectation and needs which is an external factor of the organization to deal with but this reflects the challenging spirit and innovative approach to satisfy the customers within the weak uncertainty avoidance cultures. Todeva (1999), cultures with low uncertainty avoidance could be interpreted as a well-built stimulus for organizations to provide customer activities.

Since the researcher assumes that Kuwait is weaker in uncertainty avoidance than Egypt, the hypothesis can be draw as the following:

H2k: In Kuwait, low uncertainty avoidance has a positive effect on customer satisfaction-Driven specifying service quality through specification gap

#### **4.8.11 Effect of high Uncertainty Avoidance on boundary system**

Cultures with strong uncertainty avoidance encourage managers to use detailed instructions and limited authority to have close control on subordinate (Hofstede, 1980). The link between strong uncertainty avoidance against performance gaps was identified in a mechanism of "system border-driven performing" which means, in other words, the extent of emphasis on rules and regulations by the service provider to avoid any conflict with customers during service delivery processes. The strong uncertainty culture derives the employees to follow the system precisely in their attempt to eliminate the performance gap, however this is not always working as it intends as the nature of services needs to satisfy customers which require flexibility in dealing with customers. Schneider and De Meyer (1991) studied the cultural differences of strong uncertainty avoidance cultures represented by Latin European managers against managers from lower uncertainty avoidance cultures in which they found managers from strong uncertainty cultures were very sensitive to threats and uncertainty for which they react strongly to reduce the uncertainty by revamping the system and conducting training programs for all employees in order to avoid uncertainty. Therefore the next hypothesis is to test the effect of strong uncertainty avoidance culture on performance gap.

H2L: In Egypt, high uncertainty avoidance has a positive effect on system border-driven performing through performance gaps

#### **4.8.12 Effect of low uncertainty avoidance on boundary system**

The mechanism of "Customer satisfaction - driven performing" was identified to be the linkage between weak uncertainty avoidance with performance gaps according to Altayab model (2007). This means that customer satisfaction is the most important element with which the performance gap could be closed within the low uncertainty avoidance culture as managers from low uncertainty avoidance cultures can easily detect the most important customer (Lagrosen, 2003). Many scholars suggest that Customer satisfaction directs the organization towards service quality as one of the key pillars in any organization strategy is to satisfy customers (Bitner 1990, Gronroos 1990, Bolton and Drew 1991b). An empirical study conducted by Yavas and Rezayat (2003) revealed results that show managers from low uncertainty avoidance countries believe that quality is measured by performance more than those from higher uncertainty avoidance peers. Based on

the above the researcher hypothesized the linkage of the low uncertainty avoidance cultures with performance gap as the following:

H2m: In Kuwait, low uncertainty avoidance has a positive effect on customer satisfaction - driven performing mechanism through performance gap

## **4.9 Summery**

At the end of this chapter the researcher can conclude that the conceptual framework is constructed based on previous research which provide theoretical background for the linkage of national culture dimensions on service provision mechanism through service quality gaps. The development of the hypothesis were discussed for which the researcher intends to test the effect of national culture on service provision. The assumptions and preconditions of the theoretical background have been discussed and differences between Kuwait and Egypt characteristics were tacked about. Based on the literature, the link of national culture to service gaps have been discussed and finally, the researcher have demonstrated the twelve service delivery mechanism and how they were clustered into six mechanisms and defined each mechanism. The conceptual framework will be tested in the empirical field in the two countries Kuwait and Egypt in order to capture tangible evidences about the role of national culture on service provision. Testing the hypothesis will provide insights on the effect of national culture on service delivery within Takaful industry that can be leveraged to other service industries. Another important aspect is the operationalization of the proposed framework and its ability to answer the research questions and achieve the objective of the research as discussed in the previous chapters.

In the next chapter will discuss in detail the research methodology that will be implemented in this research and how the proposed hypothesis will be tested, explaining the method of collecting the data ,basis on which the questionnaire was constructed and the tools used for analyzing the data.

## **Chapter 5 Methodology**

### **5.1 Introduction**

The aim of this research is to investigate the effect of national culture on the delivery of service quality from the provider's side as service quality has cultural related attributes and has been proven that it is not cultural free (Parasuraman et al., 1985), however there is a scarcity in the literature explaining the extent of the effect of national culture on service quality on the service providers side, whereas many research have studied the same from customer perspective. In this chapter, the researcher intends to investigate the best research methods and methodology to be employed in answering the research hypothesis. The researcher begins by identifying the best research methodology and approach for this research, pursued by the hypothesis, aims and objectives, sample details, issues relating to questionnaire design, the measurement variables employed involving both service quality dimensions and cultural dimensions. The pilot study was aimed at appropriately developing the questionnaires, and language mistakes, items to be added or deleted, identification of items to be changed and suitability for Kuwaiti and Egyptians context are investigated, as well as complexity encountered during this study and the data analysis techniques used in the research.

### **5.2 Research Methodology**

An enduring debate in research methodology between quantitative and qualitative methodologies has been always represented as an academic front for scholars to prove what they believe an appropriate in conducting their research (Galeo et al., 2008). Hence, the researcher has encountered a challenge deciding on the methodology of this research. However, reviewing the literature than linking the research question to what outcome intended for this research made the researcher decide on the quantitative methods. According to (Dodd, 2008) Quantitative approaches includes tests, questionnaire and secondary data have a tendency to enlighten the relationships between a practical phenomena and a predicted theory

through mathematical calculations to confirm the findings made by the theory without any influence from the researcher, unlike the Qualitative approaches that includes interviews, focus groups and observations which tend to understand personal perceptions as the observation is the first block in theory building. The research methodology was based on the research 'onion' process which was used in order to design the research philosophy, research approach, and research strategy, time horizon and data collection method. The path followed by the research onion process is depicted in figure 5.1 below.

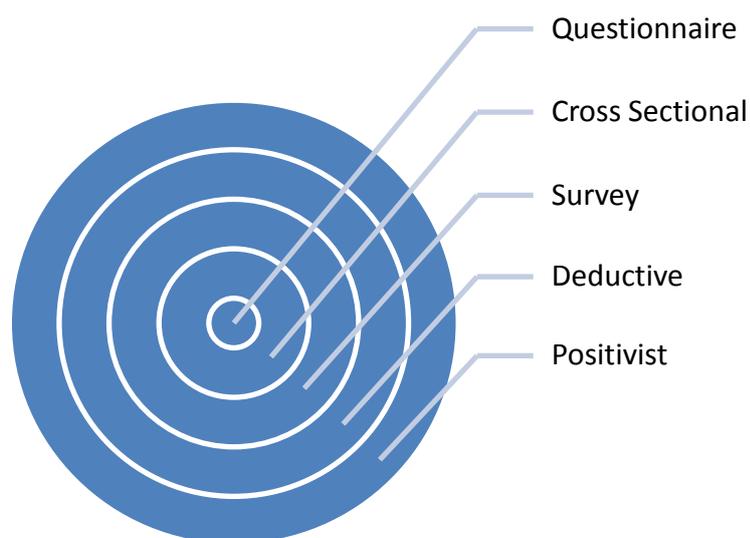


Fig (5.1) Research Onion Process  
Source: Own elaboration based on (Mark Saunders et al., 2003).

### 5.3 Research Philosophy

Following the use of the research onion process, the selected philosophy of this research was the positivism philosophy that to be adopted in conducting this study. According to Easterby-Smith et al., (2002) stated “The key idea of positivism is that the social world exist externally, and that its properties should be measured through objective methods, rather than being inferred subjectively through sensation, reflection, or intuition” which is exactly resembles what Saunders et al. (2006) believes relating to the usefulness of positivism when stated "The social world of business and management is too complex to lend itself to theorizing by definite laws in the same way as physical science". Another facet of positivism

research that it aims to generate casual relationships that enable management to become more scientific associated with quantitative methods (Johnson and Duberley, 2000). Also, it allows Operationalization of concepts enabling information to be measured quantitatively (Easterby-Smith, 2002).

For all these reasons, positivism was chosen for this research instead of Interpretivism since major differences exist between positivists and Interpretivist revolve around different assumptions of ontological, epistemological, and axiological that derive the philosophical difference between the two designs with which the aim of the research can be achieved (Bryman,1984). Onwuegbuzie and Leech (2005) summarized the differences between Interpretivism and positivism based on ontology, epistemology and axiology as shown in Table 5.1 below.

Theory	Interpretivism	Positivism
Ontology	believe in multiple constructed realities that generate different meanings for different individuals, and whose interpretations depend on the researcher's lens	Whereas positivists believe in a single reality that can be measured reliably and validly using scientific principles
Epistemology	Argue that qualitative researchers should take advantage of this relationship better to understand phenomena	Whereas positivists assert that researchers should separate themselves from the object of study
Axiology	posit that research is influenced to a great extent by the values of the researcher	Positivists maintain that research should be value-free

**TABLE (5.1) THE DIFFERENCE BETWEEN INTERPRETIVIST AND POSITIVES  
SOURCE: DEVELOPED BASED ON ONWUEGBUZIE AND LEECH (2005)**

As this research is studying a socially related subject where people's behaviour is changing over time and where "circumstances of today may not apply in three months time" and the researcher is secluded from the aim of the research, On the other hand, Interpretivist rejects to study humans using the same philosophical base used in Studying physical objects or other animals and they don't believe in taking things as granted (Mark Saunders et .al, 2003). Another rationale behind adopting positivisms over Interpretivism, is the power of positivism in seeking existence of constant relationship between variables in quantitative methodology,

whereas Interpretivism and qualitative research mainly synonyms with meaning rather than quantification (Robson, 2002), as positivism and Interpretivism are known for a major dissimilarity between them that they are identified as quantitative and qualitative respectively (Bryman, 2004). Since this research posits hypothesis to be tested and answered quantitatively, the use of quantitative research is also associated with formulating and testing hypothesis as to reduce phenomena to simplest elements (Remenyi et al., 1998). As positivism philosophy mostly associated with Quantitative methodology, hence the rational sequence is to adopt the deductive approach as it is always coupled with the quantitative methodology (Bryman et al., 2008). Therefore, the researcher intends to use positivism philosophy for this research. Research approach is explained in the next section.

## **5.4 Research Approach**

Deductive research associated with hypothesis testing when start from reviewing an existing theory that can be tested to conclude either modification or support to the existing theory by measuring the variables variation in sort of counting and numbers that allow for clear observation by which a confirmation of the theory can be drawn, while inductive research “intends to investigate a field looking for exploring Specific observation in a data by which generalization can be made than generation of new theory emerged which does not require the establishment of preset of measures and method of counting” (David and Sutton, 2004). According to Gray (2009) Inductive and deductive approaches are not mutually exclusive they can be combined starting from selecting of facts to generating a theory which is an inductive approach that becomes deductive after testing the theory.

Starting from specific theory to broader generalizations or confirming the theory this research is built on a deductive approach which is the theory that “represent the commonest view of the nature of the relationship between the theory and social research” (Bryman, 2004). Selecting the deductive approach in this research goes back to the association between deductive approaches with Quantitative research as they are usually coupled together, whereas qualitative research is coupled with inductive approach (Bryman, 2004; David and Sutton, 2004). Also, since this research is adopting the quantitative approach which is usually deductive and

theory-driven by which to main objective can be met firstly, confirm the theory, secondly to generalize the findings in a broader sense. On other hand, qualitative approach are inductive and triggered by an observation of a particular phenomena from which theories can be built around that studied phenomena (Gelo et al., 2008). Hence, the inductive approach is not intended in this research as the researcher is detached from the research. However the researcher might help inductive researches in the future in building theory for new findings. Deductive approach intended for this research was based on a theory from which the hypothesis was derived in order to be tested in the empirical field to answer the research question.

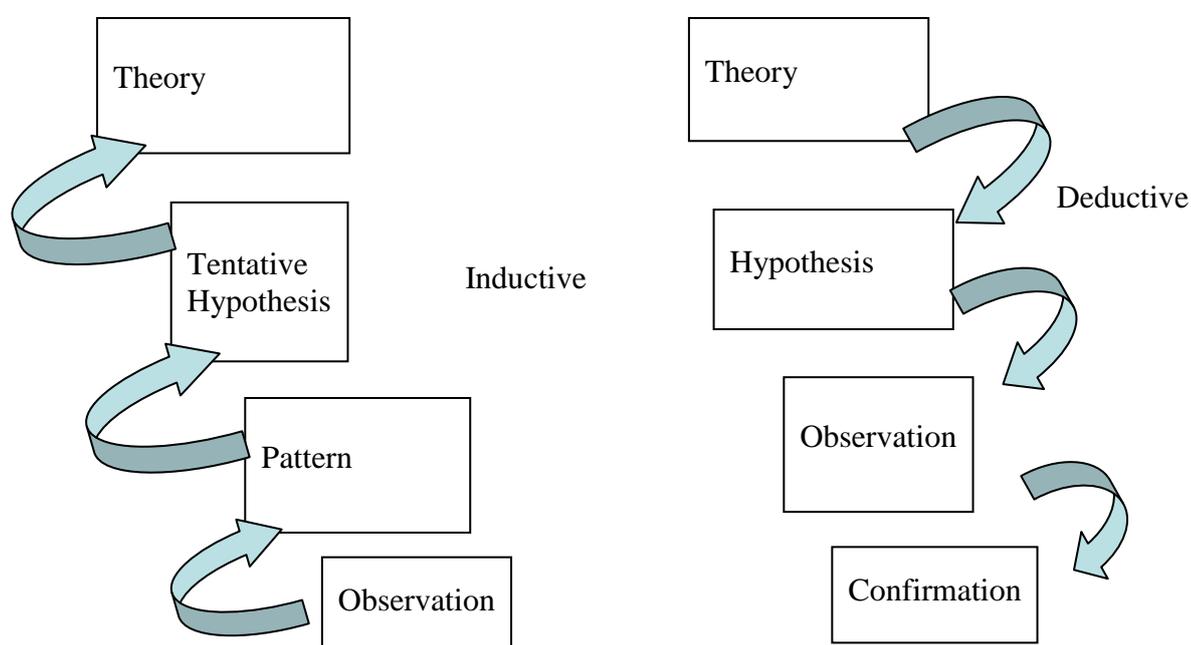


Fig (5.2): Difference between inductive and deductive approach  
Source: Own elaboration based on Remenyi et al., (1998).

Based on the above, the researcher intends to adopt the quantitative research following the steps of deductive approach to achieve the research objectives (Bryman and Bell, 2007). The deductive steps illustrated in fig 5.3 below shows the sequence of deductive approach starting from the theory until reaching the findings in which confirming or rejecting the hypothesis which entails either supporting the theory or proposing revision on that basis.

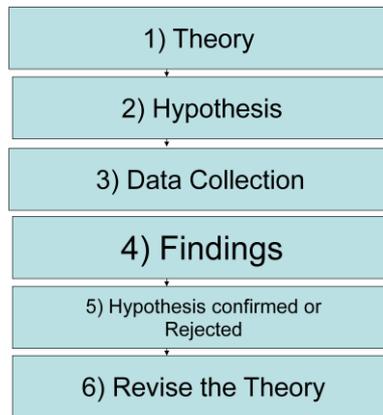


Fig (5.3) Deductive Steps  
Source: Own Elaboration

In view of the above deduction approach, social since researches need mechanisms to operationalize the hypothesis in relation to the concept for which the hypothesis was formulated. According to Bryman and Bell (2007) suggest that researchers must identify the data collection methodology of the research, Therefore next section is explaining the research strategy implemented in this research.

## 5.5 Research strategy

According to Gable (2009), stated that “The survey approach refers to a group of methods which emphasize quantitative analysis, where data for a large number of organizations are collected through methods such as mail questionnaires, telephone interviews, or from published statistics, and these data are analyzed using statistical techniques.” The research strategy that based on survey strategy has been proven as to provide a good mechanism of collecting large amount of data from a sizable population efficiently in economical way and give more control over the research process (Mark Saunders et .al, 2003) Also, the survey strategy allows for generalizable findings since the drawn sample is representative sample of organizations (Gable, 2009). According to Remenyi et al., (1998) Survey based questionnaires are used as measuring instruments in business and management researches for the easiness of collecting large data and test various types of questions. It allows obtaining facts for one or more purposes such as explanatory, descriptive or hypothesis testing. However, the reason for chosen the survey strategy was due to the association of this strategy with the deductive approach as

suggested by (Mark Saunders et. al, 2003). Surveys strategy differs in time horizon as the longitudinal survey is a strategy for researches conducted over period of time, whereas cross sectional survey is meant to study snap shot phenomena at a particular time. Next section explains the time horizon chosen for this research.

## **5.6 Time Horizon**

The time horizon is a cross- sectional study due to the time constraints this research must be completed within. The research was performed over a very short period of time, began in October, 2007, and must be handed over at the end of October, 2010. However, despite the time and effort allocated to this research it has not been completed before February, 2011. Much time was spent on designing the strategy, formulating the ways and means in conducting the research, designing, constructing and piloting the questionnaire and analyzing the results, even with the aid of an appropriate computer package will consume long time as well. Fink (2002) defines the cross sectional time horizon as “A cross sectional design provides a portrait of a group during one time period now or in the past”, however cross sectional researches might take long time to be completed from weeks to months depending on the research and the sample size. On the other hand, the longitudinal research need to be conducted over long time period and which require premeasured and post measures (Mark sanders et. al., 2003). Therefore, the longitudinal research is not intended to be used in this research as it composes repetitive measurement in different occasions (Fitzmaurice et. al, 2004) which is out of the scope of this research.

## **5.7 Questionnaire development**

According to Remenyi (2002) even though questionnaire is a product of quantitative research, the draft questionnaire is a product of qualitative research stemmed from literature review, the academic search or focus groups in order to produce and purify the questionnaire items. Questionnaire is One of the popular method allows obtaining information that is not accessible in any form then evidences obtained from the questionnaire applied for different purposes depending on the research question of which- description, explanation, hypothesis testing . This supports black (1999) who argue that the design for quantitative

research in the social sciences tends to operationalize concepts, instruments, perceptions, views and opinions. On that basis the questionnaire was developed around two elements for each model in which the questionnaire items were derived:

- a. Conceptualization of each dimension
- b. Operationalize the dimensions

Hence, the questionnaire was used and constructed for its significance as a traditional instrument that can operationalize the concept of social research objectively and separating the researcher from the findings of the research (Bryman, 1984). Many researchers believe that developing high-quality research is associated with a questionnaire design that addresses the needs of the research and collecting a precise data that is required to answer the research questions and achieve the research objective (Burgess, 2001; Saunders et al., 2003). As a result, the researcher designed the questionnaire based on two methods 1- Literature Review 2- Expert Knowledge. The items considered both the conceptualization and Operationalization of service quality gaps and national cultures dimensions to furnish a reliable data collection instrument that can answer the research questions.

### **5.7.1 Conceptualization**

According to (Ghauri and Gronhaugh, 2005) researchers need to review the literature in a very careful way, ideas to be disused intelligently that allow conceptualizing the research before designing the questionnaire. In this research, the questionnaire development has undertaken two main concepts; firstly, the theory of service quality gaps as the first concept; secondly, national culture dimensions for which the literature was reviewed intensively and the concepts were formalized based on both theories. The Concept of Service quality gaps was derived from Zeithaml et al., (1990) and consists of three gaps;

- A) Information gap,
- B) Specification gap and
- C) Performance gap

Whereas, the second concept was derived from Hofstede (1980) National culture dimensions of

Power distance and Uncertainty Avoidance despite the fact there are five cultural dimensions of Hofstede's typologies. The two cultural dimensions out of Hofstede's five national cultural dimensions were used in this research for the concept of national culture model due to strong linkage found by Altayab (2007) between these two dimensions with the three service quality gaps of information gap, specification gap and performance gap. Therefore, the conceptualization of national culture dimensions for the questionnaire is using the concept of:

A) Power distance

B) Uncertainty avoidance

For both concepts of service quality gaps and national cultural dimensions, the questionnaire items were designed to operationalize the concept of each dimension to construct the questionnaire in the best structure that would allow for answering the research hypothesis.

#### **i. Conceptualization and Operationalization of Service quality gaps**

Part one of the questionnaire is designed based on the conceptualization of the three service quality gaps derived from Zeithaml et al (1988) and how to operationalize each concept for appropriate questionnaire construction that may lead to an answer to the research question as an intermediary to test national culture on service provision. The three service quality concepts are:

A) Information gap

b) Specification gap and

C) Performance gap:

Each of which has conceptualization that to be Operationalized for obtaining an effective data collection instrument.

#### **A – Information Gap**

For information gap, the questionnaire was designed based on conceptualization of information gap and secondly Operationalization of that concept.

1- Concept of Information gap: “the difference between consumer expectations and management perceptions of consumer expectations” (Zeithaml et al., 1988)

2- Operationalization of information gap was based on 3 antecedents

Antecedents for GAP 1 Operationalization	Focus
Marketing research orientation	<ul style="list-style-type: none"> <li>- Amount of Marketing Research</li> <li>- Usage of Marketing Research</li> <li>- Degree to which marketing research focuses on service quality issues</li> <li>- Extent of direct interaction between managers and customers</li> </ul>
Upward communication	<ul style="list-style-type: none"> <li>- Extent of Employee to Manager communication</li> <li>- Extent to which inputs from contact personal are sought</li> <li>- Quality of Contact between top managers and control personnel</li> </ul>
Levels of Management	<ul style="list-style-type: none"> <li>- Number of layers between customer contact personnel and top managers</li> </ul>

**TABLE (5.2): SERVICE QUALITY MANAGEMENT GAP 1**

**SOURCE: DEVELOPED BASED ON ZEITHAML ET AL (1988); PARASURAMAN ET AL., 1991)**

## **B) Specification Gap**

1- Conceptualization of specification gap

“The Difference between management perception of consumer expectations and service quality expectations” Zeithaml et al., (1988)

2- Operationalization of specification gap depends on four antecedents that have been used to construct the questionnaire items. Table 5.3 lists the four antecedents and their variables that operationalize specification gap (Gap 2).

Antecedents of GAP Operationalization	Variables of each antecedent
Management Commitment to service quality	<ul style="list-style-type: none"> <li>- Resource commitment to quality</li> <li>- Existence of internal quality programs</li> <li>- Management perception of recognition for quality commitment</li> </ul>
Goal setting	<ul style="list-style-type: none"> <li>- Existence of a formal process for setting quality of service goals</li> </ul>
Task Standardization	<ul style="list-style-type: none"> <li>- Use of hard technology to standardize operations</li> <li>- Use of soft technology to standardize operations</li> </ul>
Perception of feasibility	<ul style="list-style-type: none"> <li>- Capabilities for meeting specifications</li> <li>- Systems for meeting specifications</li> <li>- Extent to which managers believe consumer expectations can be met</li> </ul>

**TABLE (5.3): SERVICE QUALITY MANAGEMENT GAP 2 – SPECIFICATION GAP**

**SOURCE: DEVELOPED BASED ON ZEITHAML ET AL (1988)**

### C) Performance Gap

1- Concept of Performance gap: “Difference between service quality specification and the service actually delivered” Zeithaml et al., (1988)

2- Operationalization of Performance gap: consist of seven (7) antecedents that used in this research to construct the questionnaire items for the dimension of service quality gap number 3 which is called performance gap. Below Table 5.4 lists all the seven antecedents and their relevant variables.

Antecedents of GAP 3	Variables of each antecedent
Teamwork	-Extent to which employees view other employees as customers -Extent to which contact personnel feel upper level managers genuinely care for them -Extent to which contact personnel feel they cooperating rather than competing with others in the organization -Extent to which employees feel personally involved and committed
Employee-Job fit	- Ability of employees to perform a job - Importance and effectiveness of selection processes
Technology-job fit	-Appropriateness of tools and technology for performing job
Perceived control	-Extent to which employees perceive they are in control of their job -Extent to which customer contact personnel feel they have flexibility in dealing with customers -Predictability of demand
Supervisory control system	- Extent to which employees are evaluated on what they do ( Behaviours) rather than solely on output quantity
Role conflict	- Perceived conflict between expectation of customers and expectation of organizations - Existence of management policy that conflicts with specification
Role ambiguity	-Perceived clarity of goals and expectations - Perceived level of competence and confidence

**TABLE (5.4): SERVICE QUALITY MANAGEMENT GAP 3 – PERFORMANCE GAP**  
SOURCE: DEVELOPED BASED ON ZEITHAML ET AL (1988)

#### ii. Conceptualization and Operationalization of National Culture Dimensions

National culture questionnaire items were constructed based on Hofstede’s (2005) cultural dimensions of power distance and uncertainty avoidance.

## **A) Power distance**

### 1) Power distance Conceptualization:

The less powerful member of institutions and organizations within a country expect and accept that power is distributed unequally (Hofstede, 1991).

### 2) Operationalization of power distance dimension:

The Power Distance dimensions were operationalized based on various resources of survey questionnaires (Hofstede, 1980, 1991, 2001; Altayab, 2007), the questions related to this dimension were hovering around:

- (a) Preference for one style of decision-making by one's boss over other styles;
- (b) Perception of the boss's actual decision making style; and
- (c) For non-managerial employees only the feeling those employees were afraid to disagree

On other words, the Operationalization of Power Distance dimension was based on two levels that are:

1- Subordinate level

2- Management level

On subordinate level the Operationalization of the power distance stemmed from their social interaction with management, their freedom in resolving issues without consulting their boss, the equality of subordinate rights with their boss, finally intention of subordinate to express their disagreement with their boss. On management level, the extension of delegation of authority to subordinate, equality of rights between management and lower tier employee, finally the control of decision making by management level employees.

## **B) Uncertainty Avoidance**

1- Conceptualization: Hofstede's (1991) definition of uncertainty avoidance (UAI) stated "The extent to which people feel threatened by ambiguous situation and have created believes and institutions that try to avoid these" in another words means to assess the degree to which members of a society feel either unsecure or secure in unstructured situations.

2- Operationalization of uncertainty avoidance dimensions based on the feeling that company rules should not be broken even though when an employee thinks It is in favor of the company to do so; also discover the respondent's intention to work with the company for long period ; finally the respondent's feelings of stress at work.

Hofstede (2001) “interpreted the resulting Uncertainty Avoidance Index as revealing part of the respondents' collective anxiety level in view of the unknown and the unfamiliar, expressed for example in the feeling that 'what is different, is dangerous'. The UAI is correlated across countries with measures of anxiety symptoms, neuroticism, and lower subjective well-being”. These were the basis for a expert gathering to develop the questionnaire items for which the Operationalization of the concept can be met before running a factor analysis technique for purifying the data collection instrument.

### iii. The conceptualization of service provision

The conceptualization of service provision in this research is driven from Altayab (2007) theory who found a strong linkage between national culture and service quality in 12 mechanisms that referred to in this research as service provision. He developed in his qualitative research a model that link four dimensions of national culture to 4 dimensions of service quality gaps through 12 mechanism that explains how service provision is being related to national culture. However, these mechanisms have never been statistically tested. Hence, this research intends to build on the findings of Altayab (2007) that linked national culture to service gaps through service mechanisms to find the effect of the national culture on service provision. The researcher intends to test the research hypotheses and find out whether the proposed hypothesis answers the research question and achieve the research objective. Confirming / disconfirming the theory rely on the ability of the tested hypotheses in answering the research question. His theory conceptualized the service provision depending on the characteristics of national culture, for instance high power distance cultures has a relationship with service provision in terms of information gap through hierarchical driven gathering and sharing, whereas low power distance is linked to information gap through functional driven

information gathering and sharing. However, these mechanisms have yet to be operationalized in order to allow for testing the service provision. The researcher has conducted a experts gathering confirm the relevance of these mechanisms to both countries of Kuwait and Egypt. Also the researcher conducted the same gathering with academic and professional experts in order to attain an appropriate operationalization of service provision.

1- Hierarchical Driven Information Gathering and sharing
2- Functional Driven Information gathering and Sharing
3- Non-Participative leadership Driven in Setting Service Quality Specification
4- Participative leadership Driven in Setting Service Quality Specification
5- Delivering Services Quality regulated by centralized Performance control
6- Empowering to Performing Delivering Service Quality
7- Close and Formal Driven Communication
8- Open and Informal Driven Communication
9- Money Driven Specifying Service Quality
10- Gust Satisfaction Driven Specifying Service Quality
11- System Boarder driven Performing
12- Customer Satisfaction Driven Performing

**TABLE (5.5): THE SERVICE PROVISION**  
**SOURCE: DEVELOPED BASED ON ALTAYAB (2007)**

## 5.8 Experts Knowledge

Although, Focus group is a proven methodology to collect data when little information is known about specific topic and considers more effective in some researches than many traditional approaches (Greenbaum, 1993). The researcher has used expert gathering instead of the focus group as it can similarly help collecting information for the subject researched. Volunteers in direct service roles within Takaful industry were selected because of our interest in actual service delivery to customers. Three levels have been selected top management, middle management and front- line employees in order to cover a wider realm of services from different layers of organization that have contribution to the service provision. Experts in the Takaful industry have also been selected to have services to enable the researcher to solicit insight and perspectives spanning the issues across Takaful industry. The focus groups were designed and executed for groups

comprise of participants belongs to the same type. Due to logistics barriers two different groups have been conducted in both environments (Kuwait and Egypt). The main purpose of the focus groups was to refine the items of the questionnaire, as well as generating additional ones. Thus, a subsequent pilot survey was conducted to further refine the items comprising the questionnaire.

#### **iv. The Operationalization of service provision**

the researcher used the expert insights within the Takaful context and academic experts from Kuwait and Egypt to bridge the gap in the literature in order to Operationalize the service provision that can tally for an objective answer to the research questions. According to Mark Saunders et al., (2003) researches involving cross cultures studies must be first understand countries in which the research taking place in order to avoid making mistakes. Also, researchers must have clear understanding of the organization that subject of the research to comprehend the different terminologies used in different languages. As a result, the meetings with the two groups were conducted in both countries to overcome the different cultural terminologies or collecting useless data. The expert gathering conducted in Kuwait and Egypt approved the relevancy of the items and its accuracy to answer the purpose it was designed. Finally, they have approved and finalized the questionnaire items readiness to address the issue of the effect of national culture on service provision between any two different countries. The expert that participated in the gathering that conducted in Kuwait consist of 3 academic (Dr. Hasan Elsady, Kuwait University and Dr. Abdulla Alhyan Kuwait University and Dr. Ahmed Hajawi, Gulf University) and 2 experts within Takaful industry (Dr. Rayadh AlKholifi, Sharia board member of First Takful company and Mr. Khalil Alshami, CEO – first Takaful Company), whereas in Egypt the focus group consist of 2 practitioners (Dr. Adel Rabeh, Chairman of Egyptian insurance supervisory Authority and Dr. Ali El-Ashry, Deputy chairman) and two academic ( Dr. Yasser Altayab – Ain Shams University and Dr. ELSayad ALKholy – University of Cairo). The items were found suitable by both groups with which Operationalization of service provision would be undertaken as the mechanisms found by Altayab (2007) can be used with slight modification to test the effect on

national culture on service provision in both contexts. Experts in Kuwait and Egypt found no major discrepancies in the proposed items as they believe the content will answer the intention of the research. The outcome of the focus group has reached an agreement that service provision is more people oriented. Therefore, the mechanisms of Altayab can be used after having them under subheading reflects what they intends to measure.

The items of service provision were found to be as the following:

Information flow:

1- The organization structure is hierarchical driven information gathering and sharing

2- Functional Driven Information gathering and sharing

Style of Management:

1- Non-Participative leadership Driven in Setting Service Quality Specification

2- Participative leadership Driven in Setting Service Quality Specification

Control:

1- Delivering Services Quality regulated by centralized Performance control

2- Empowering to Performing Delivering Service Quality

Communication policy:

1- Close and Formal Driven Communication

2- Open and Informal Driven Communication

Specification driver:

1- Money Driven Specifying Service Quality

2- Customer Satisfaction Driven Specifying Service Quality

Boundary system:

1- System Boarder driven Performing

2- Customer Satisfaction Driven Performing

The items were finalized and accepted by the focus group than included in the questionnaire and consolidated in one form listing 50 questions as can be seen in

Appendix A1. Experts inspected the suitability of the questionnaire in Kuwaiti and Egyptian context as part of the content validity, as well as the correct interpretation of terminologies used in the questionnaire. A pre-test of the instrument has been conducted as a pilot study to check the readiness of the questionnaire to collect the desirable data that may answer the research questions. The pilot study allowed for testing the reliability and validity of the questionnaire items before entering to the empirical field in Kuwait and Egypt.

Information flow	1- Hierarchical Driven Information Gathering and sharing
	2- Functional Driven Information gathering and Sharing
Style of management	1- Non-Participative leadership Driven in Setting Service Quality Specification
	2- Participative leadership Driven in Setting Service Quality Specification
Control	1- Delivering Services Quality regulated by centralized Performance control
	2- Empowering to Performing Delivering Service Quality
Communication policy	1- Close and Formal Driven Communication
	2- Open and Informal Driven Communication
Specification driver	1- Money Driven Specifying Service Quality
	2- Gust Satisfaction Driven Specifying Service Quality
Boundary system	1- System Boarder driven Performing
	2- Customer Satisfaction Driven Performing

**TABLE (5.6): DIMENSIONS OF SERVICE PROVISION**  
**SOURCE: DEVELOPED BASED ON ALTAYAB (2007)**

Next section detail the results of the pilot study as summarized in the following section.

## **5.9 Pilot study**

In order to refine the questionnaire prior to collecting the data from respondents a pilot study has been conducted in Kuwait and Egypt. The main purpose of the pilot study is to assure that the respondents have answered the questionnaire without problem and the collected data can be recorded in a way that answers the investigative questions (Presser et al., 2004; Burgess, 2001; Lenth, 2001). The analysis of the pilot study enables the researcher to know the drawbacks of the questionnaire items allowing proper development of the questionnaire items since

there is no historical data for the same subject (Lenth,2001), suggesting which items to be kept, added or deleted based on the respondents answers. As the pilot study was conducted in both countries Kuwait and Egypt, a random sample of 30 participants from each country was chosen within Takaful context. Sample of pilot study are often drawn unsystematically from a random small sample that allow for generalizability of the total sample (Presser et al., 2004). The pilot also used to provide a face validity through which the questionnaire appears logical to respondents. Testing reliability of the questionnaire, explanatory factor analysis and confirmatory factor analysis was also resulted from the pilot as can be seen in the next section.

### 5.9.1 Reliability Test of the Questionnaire's Items

According to Cronbach (1951), researches associated with measurements must take in consideration the accuracy or reliability of the measurements. Reliability test allows a questionnaire designer to gauge the level of correctness of the items of the instrument in yielding interpretable answers. Eastby-Smith et al. (2002) argues that reliability is the stability of respondents' consistency of answers to a questionnaire items yielding the same results from the same respondent in different circumstance. They believe that criteria must be identified to assess the reliability coefficient depending on the type of the research. For exploratory researches accepted values of reliability coefficients was recognized as 0.6 Cronbach's alpha to assess the reliability of the questionnaire's items. Table 4.6 clarifies that alpha coefficient of the 6 variables vary between 0.811 and 0.957, therefore, they are well above the accepted level.

Construct	Cronbach's Alpha Kuwait	Cronbach's Alpha Egypt	Cronbach's Alpha All	# of Items
Information Gap 1	0.850	0.787	0.819	9
Specification Gap 2	0.825	0.788	0.811	12
Performance Gap 3	0.910	0.869	0.895	10
Power Distance	0.886	0.781	0.845	6
Uncertainty Avoidance	0.919	0.743	0.850	7
Dimensions of Service provision	0.895	0.879	0.886	6
Overall reliability index	0.966	0.945	0.957	50

**TABLE (5.7): CRONBACH'S ALPHAS OF THE QUESTIONNAIRE'S ITEMS  
SOURCE: OWN FINDINGS FROM PILOT STUDY**

### **5.9.2 Exploratory factor analysis**

Factor analysis is a way to purify the questionnaire items and decide on the added or deleted questions based on the response from the sample in very subjective way which is called loading of the question on the underlying factors, in other word how much each item fit into each of the factors (Bernard, 2006). The exploratory factor analysis is used conventionally to explore the unknown relationships between latent and observed variables. According to Decoster (1998) exploratory factor analysis which called in this research EFA is intended to achieve some objectives as the following:

To decide on the common factors that influencing a set of measures.

Highlight the strength of the relationship between each factor and each observed measure.

Find out what sets of items in a questionnaire that are coherent with each other in this research, The test of exploratory factor analysis has been performed using SPSS program revealing that the Loading of each question on each factor was 0.3 which means acceptable loading since it is above the minimum acceptable loading of 0.25 (Raubenheimer, 2007). In this research the factors are identified already as it has been driven from the existing literature with its pertaining items. According to Hair et al (2010) factor loadings have no arbitrary cut-off levels, however some researchers consider loading above 0.6 as high loading, whereas loading less than 0.4 is low loading but accepted since it has theory relevance.

As far communalities, it was found 0.3 which is higher than 0.25 the minimum acceptable communalities level (Raubenheimer, 2007). Communalities depend on the interpretability of the factors as communality of 0.75 considered high unless the variable contributes inadequately to the factor on which it is loaded. On the other hand, communalities of 0.25 considered low but significant if the variable is strongly contributing to the factor where it is loaded (Hair, 2010).

Detailed results of EFA are listed in appendix (A-2).

### **5.9.3 Confirmatory factor analysis**

According to Janssens et al., (2009) using confirmatory factor analysis allow certain variables correctly measure a certain factor then used to find out to which degree the different assumed variables correctly measure that certain factor. On that basis confirmatory factor analysis was conducted by specifying the items of the questionnaire that define each construct or factor using Amos statistical software. Table 5.7 shows the paths coefficient of the questionnaire items.

PATHS			Estimate	S. Estimate	S.E.	C.R.	P
Q01	<---	GAP1	1.000	0.627			
Q02	<---	GAP1	0.590	0.428	0.201	2.929	0.003
Q03	<---	GAP1	0.902	0.590	0.233	3.871	0.000
Q04	<---	GAP1	0.968	0.571	0.257	3.762	0.000
Q05	<---	GAP1	0.853	0.557	0.231	3.685	0.000
Q06	<---	GAP1	1.210	0.717	0.268	4.510	0.000
Q07	<---	GAP1	0.946	0.564	0.254	3.724	0.000
Q08	<---	GAP1	0.784	0.543	0.217	3.612	0.000
Q09	<---	GAP1	0.944	0.640	0.229	4.129	0.000
Q10	<---	GAP2	1.000	0.546			
Q11	<---	GAP2	0.638	0.368	0.259	2.467	0.014
Q12	<---	GAP2	0.663	0.425	0.240	2.770	0.006
Q13	<---	GAP2	0.888	0.472	0.294	3.016	0.003
Q14	<---	GAP2	0.762	0.322	0.346	2.204	0.028
Q15	<---	GAP2	1.167	0.564	0.340	3.431	0.000
Q16	<---	GAP2	1.336	0.625	0.363	3.678	0.000
Q17	<---	GAP2	1.460	0.630	0.395	3.696	0.000
Q18	<---	GAP2	1.374	0.621	0.375	3.662	0.000
Q19	<---	GAP2	1.411	0.507	0.445	3.173	0.002
Q20	<---	GAP2	1.503	0.592	0.424	3.547	0.000
Q21	<---	GAP2	1.521	0.583	0.433	3.513	0.000
Q22	<---	GAP3	0.762	0.491	0.257	2.968	0.003
Q23	<---	GAP3	1.000	0.495			
Q24	<---	GAP3	0.930	0.634	0.268	3.465	0.000
Q25	<---	GAP3	1.002	0.640	0.288	3.482	0.000
Q26	<---	GAP3	1.097	0.655	0.311	3.525	0.000
Q27	<---	GAP3	1.112	0.619	0.325	3.418	0.000
Q28	<---	GAP3	1.476	0.816	0.378	3.908	0.000
Q29	<---	GAP3	1.576	0.786	0.410	3.845	0.000
Q30	<---	GAP3	1.529	0.755	0.405	3.778	0.000
Q31	<---	GAP3	1.661	0.845	0.419	3.962	0.000
Q32	<---	PD	1.214	0.863	0.208	5.853	0.000
Q33	<---	PD	1.000	0.678			
Q34	<---	PD	0.595	0.483	0.172	3.456	0.000
Q35	<---	PD	0.714	0.601	0.166	4.301	0.000
Q36	<---	PD	0.681	0.630	0.153	4.437	0.000
Q37	<---	PD	0.887	0.726	0.176	5.051	0.000
Q38	<---	UA	1.000	0.562			

Q39	<---	UA	1.483	0.748	0.348	4.259	0.000
Q40	<---	UA	1.286	0.655	0.329	3.913	0.000
Q41	<---	UA	1.421	0.675	0.356	3.991	0.000
Q42	<---	UA	1.170	0.628	0.308	3.803	0.000
Q43	<---	UA	1.130	0.648	0.291	3.884	0.000
Q44	<---	UA	1.579	0.792	0.359	4.403	0.000
Q45	<---	SDM	1.000	0.744			
Q46	<---	SDM	0.726	0.658	0.144	5.054	0.000
Q47	<---	SDM	1.108	0.874	0.161	6.900	0.000
Q48	<---	SDM	1.123	0.910	0.156	7.186	0.000
Q49	<---	SDM	0.531	0.500	0.140	3.784	0.000
Q50	<---	SDM	0.965	0.843	0.146	6.634	0.000

TABLE (5.8) SUMMARY OF PATH COEFFICIENT - AMOS OUTPUT FOR TECHNICAL QUALITY CFA (I)  
SOURCE: AMOS OUTPUT

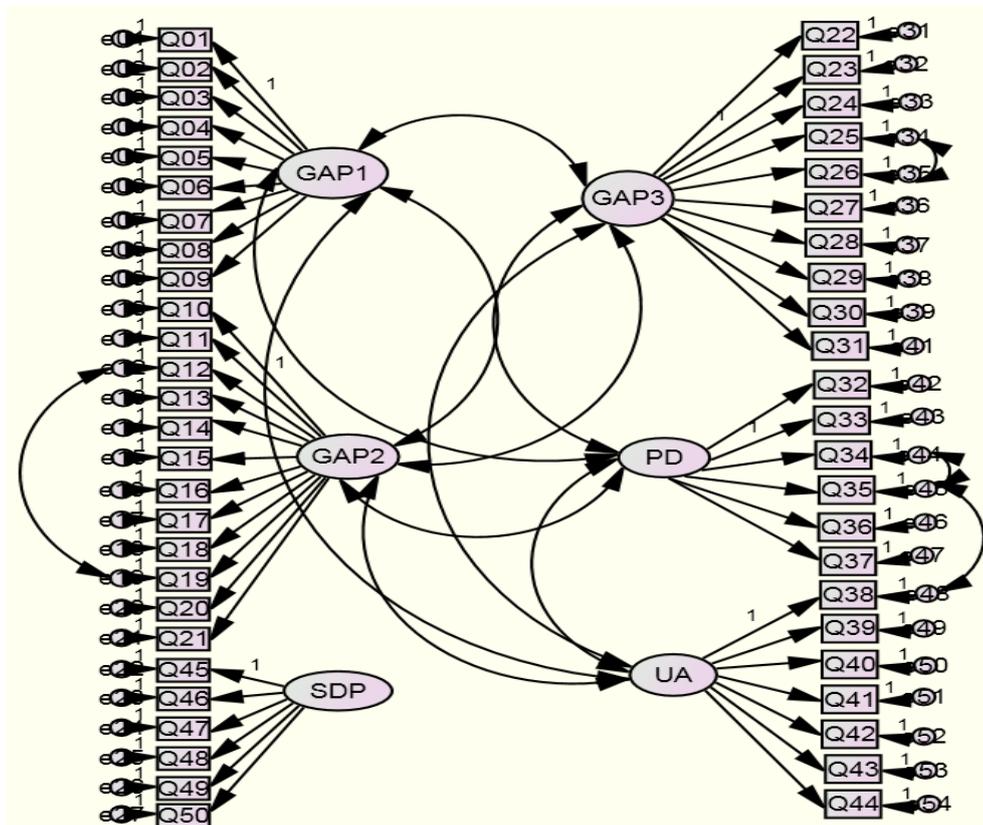


Fig (5.4): Confirmatory factor analysis  
Source: Own Drawing by AMOS

The above results obtained from confirmatory factor analysis (CFA), confirmed that some items were found to be deleted from some dimensions based on the proven paths (Sureshchandar et al., 2002) as shown in SEM Fig (5.4), hence the

instrument is modified in order to be concise and ready for data collection from the empirical field.

Detailed results of CFA obtained from AMOS can be found in appendix A-3.

#### 5.9.4 Hypothesis and relevant questionnaire items

The development of the instrument has emerged from various sources. The main source in constructing the questionnaire was the thorough review of the literature that was then fine tuned based on contribution from 6 experts (Academic and Practitioners) as to address all aspects of the national culture on service provision. Items derived from theories have been retained and 6 more items have been added to the service provision as a factor of 6 items. The additional items have been added during the content validity checking. Table (5.8) list all the research hypothesis and relevant question items with which hypothesis can be answered ; A sample of the Questionnaire is included in appendix A-1. Also the source of the question items is summarized in below Table which obviously show that all hypotheses have related questions items derived from either the literature or developed from the focus group. The focus group were conducted in Kuwait and Egypt for content validity and found the items for service provision from questions 45 – 50 are applicable for both contexts. The face validity also were checked to see if the questionnaire will answer the intent of the study as respondents believe that the questionnaire make sense to them. The questionnaire is ready for data collection based on identified hypothesis that need to be answered. Data collection method can be seen in the next section.

Hypothesis	Items	source
H1: There is a significance difference in culture between Kuwait and Egypt	From Item 32 - 44	Developed based on Hofstede (1980)
H1a: Egypt is higher power distance than Kuwait	From Item 32 - 37	Developed based on Hofstede (1980)
H1b: Kuwait is lower uncertainty avoidance than Egypt	From Item 38 - 44	Developed based on Hofstede (1980)
H2a: In Egypt, there is an effect of high power distance on information flow in terms of hierarchical – Driven information gathering and sharing through information gap	Items 32-37 on 1-9 on 45 For Egypt sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991) , Altayab (2007)

H2b: in Kuwait, there is an effect of Low power distance on information flow in terms of functional – Driven information gathering and sharing through information gap	Items 32-37 on 1-9 on 45 for Kuwait Sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991), Altayab (2007)
H2c: In Egypt, there is an effect of high power distance on Non-Participative leadership Driven in Setting Service Quality Specification through Specification gap	Items 32-37 on 10-21 on 46 for Egypt Sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991), Altayab (2007)
H2d: In Kuwait, there is an effect of low power distance on participative leadership driven in setting service quality specification through specification gap	Items 32-37 on 10-21 on 46 for Kuwait Sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991), Altayab (2007)
H2e: In Egypt, there is an effect of high Power distance on delivering service quality regulated by centralized performance through performance gap	Items 32-37 on 22-31 on 47 for Kuwait Sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991), Altayab (2007)
H2f: In Kuwait, there is an effect of low power distance on empowering to perform in delivering service quality through performance gap	Items 32-37 on 22-31 on 47 for Kuwait Sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991), Altayab (2007)
H2g: In Egypt, there is an effect of high uncertainty avoidance on close and formal driven communication through information gap	38-44 on 1-9 on 48 for Egypt sample	Hofstede (1980), Zeithaml et al., (1990) + Parasuraman et al (1991), Altayab (2007)
H2h: In Kuwait, low uncertainty avoidance has an effect on Open and informal-driven communication through information gap	38-44 on 1-9 on 48 for Kuwait sample	Hofstede (1980), Zeithaml et al. (1990) Parasuraman et al (1991), Altayab (2007)
H2i: In Egypt, high uncertainty avoidance has an effect on Money- driven specifying service quality through specification gap in	38-44 on 10-21 on 49 for Egypt sample	Hofstede (1980), Zeithaml et al, (1990) +Parasuraman et al (1991), Altayab (2007)
H2k: In Kuwait, Low uncertainty avoidance has an effect on Customer satisfaction-Driven specifying service quality through specification gap	38-44 through 10-21 on 49 for Kuwait sample	Hofstede (1980), Zeithaml et al (1990) + Parasuraman et al (1991), Altayab (2007)
H2L: In Egypt, high uncertainty avoidance has an effect on of system border-Driven Performing through performance gap	38-44 through 22-31 on 50 for Egypt sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991), Altayab (2007)
H2m: In Kuwait, low uncertainty avoidance has an effect on Customer satisfaction - driven performing through performance gap	38-44 through 22-31 on 50 for Kuwait sample	Hofstede (1980), Zeithaml (1990) + Parasuraman et al (1991), Altayab (2007)

**TABLE (5.9) HYPOTHESIS AND RELEVANT QUESTIONER  
SOURCE: OWN ELABORATION**

## 5.10 Data Collection Method

For this research the data collection method was depending on survey based questionnaire. Sampling was very important aspect in data collection method which eliminates bias by knowing how the research units being selected and how many units needed to make the research successful (Thomas, 2004).

### 5.10.1 Sampling

According to De Vaus (2002), a fundamental goal of any researcher is to be able to generalize research findings. He added “There are two basic types of generalization”:

Statistical generalization; when a probability theory used to assume that the finding from a small sample will yield the same results in larger population. It depends on survey research on a representative sample that allow for generalization. Whereas, the other sampling type is Replication; Experimental method that is not based on statistically representative sample uses different participants in different circumstances until the findings are replicated. In any event, the goal of the sample is to mirror the population it is intended to represents. In This research the statistical generalization will depend on the sampling frame as can be seen below:

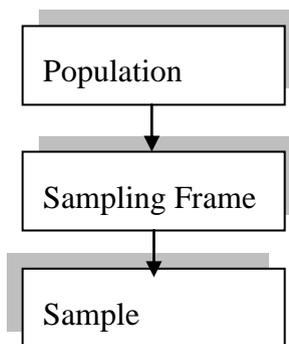


Fig 5.5: Moving from Population to sample  
Source: De Vaus (2002)

In this research the population is drawn from a sampling frame of all Takaful operators in Kuwait and Egypt for all including management levels within the organization. As the research objective is to test the national differences between any two countries, the researcher is not interested to stratify the sample as systematic sampling allow estimate close to the true population (De Vaus, 2002). According to Mark Sanders et al (2003) sample would provide an alternative to census if meet some requirements such as:

Impracticability to survey the whole population

Budget constraints to survey entire population

Time constraints Survey entier population

Urgency of obtaining the results

In addition to the above, higher quality of results could be produced with sample than using entire population as it is easier to manage smaller numbers and allow for more accuracy (Henry,1990).

### **5.10.2 Sampling Procedure**

According to David and Sutton (2004) sampling techniques divided into types:

1- Probability samples, which means the representative sampling based on equal chance for each case in the population being selected. Probability samples technique defined as “simple random sample, stratified random sample, cluster sampling (divided into systematic sample and area sample)”

2- Non-probability samples, means judgmental sampling which is used when it is complicated to construct a sampling frame (Saunders et al., 2003). Non probability samplings consist of a number of sampling techniques such as: “convenience sample, judgment samples, and quota sample”. For this research a probability technique was used due to the ability of probability technique in providing a reliable means in inferring findings about a population without investigating every member in the population. Also for the accuracy that a probability sample provide over a census of the entire population.

The type of probability sample used for this research was two-step as combination of stratified and systematic sampling Due to many reasons, of which

1 – Easiness of Systematic samples to be drawn and executed.

2- Eliminate bias

3 Even spread of cases selected for measurement across the entire population than simple random sample

4- Suitable for geographically dispersed area

Stratified sampling guarantees that key subpopulation are incorporated in the sample (Bernard, 2006) by dividing the sample into Kuwait and Egypt, than systematic sampling followed to make sure that sample may be more representative of the population and more precise (Champ, 2003). As a result, the researcher constructed the sample frame in alphabetical ordered from which the

first organization was randomly chosen than at a regular interval based on a sampling friction the subsequent cases would be drawn. The sampling friction equation is as the following: Sampling Friction = actual Sample size / Population

$$\text{Sampling Friction} = 500 / 2070 \Rightarrow \text{Sampling Friction} = 1/4$$

Based on the sampling frame, using the sampling friction yield that Kuwaiti sample will be drawn from 3 companies, whereas 3 companies will be drawn from Egypt as well. The targeted sample totals 500 participants from both countries as the calculated minimum sample was found to be 385 participants from Kuwait and Egypt as can be seen in next section. The sampling frame was constructed to assist identifying the population from which the sample was drawn. Table 5.9 shows the sampling frame of this research.

Country	Organization	Random number	Number of cases
Kuwait	Ain Takaful Insurance	0	60
	Al Muthanna Takaful.	1	100
	Al Safat Takaful Company.	2	100
	First Takaful Insurance	3	120
	Gulf Takaful Insurance Company.	4	90
	National Takaful	5	70
	Takaful International	6	80
	Takaful Islamic Insurance	7	70
	T`azur	8	110
	Wethaq Takaful	9	120
<b>Total</b>			<b>900</b>
Egypt	Organization	Random number	number of cases
	Arab Orient Takaful Insurance	0	160
	Egyptian Banks for Takaful Insurance	1	100
	Egyptian Saudi Home Insurance	2	180
	Wethaq Takaful Insurance	3	120
	Nile Family Takaful Company	4	150
	Nile General Takaful Company	5	150
	Solidarity Takaful Company	6	130
	Co-Operative Insurance Society	7	120
	Egyptian Takaful	8	60
<b>Total</b>			<b>1170</b>

**TABLE (5.10): SAMPLING FRAME**  
**SOURCE: OWN ELABORATION**

### 5.10.3 Sample Size

According to Bryman (2004) a large sample cannot guarantee precision. Similarly, Lenth (2001) argued that Sample-size problems are context-dependent and always reflect the quality of a study design as well as the good planning. Therefore, the sample size for this research would depend on the sampling frame for the context of Takaful companies in Kuwait and Egypt in order to achieve the research objective. Mark Sanders et al (2003) suggests that sample size depends on research objectives and must be representative to the total population for which the sampling frame was selected. According to (De Vaus, 2002) the minimum sample size can be calculated using the following formula:

$$n = p\% * q\% [z / e\%]^2$$

Where, n = minimum sample size required

P% the proportion of the specified category

q% proportion not belonging to specified category

Z the level of confidence

e % = margin of error

Based on assumption of 50% of p% and 50% of q% and z value based on 95% confidence and 5% margin of error, the minimum sample size is shown below

$$n = 50 * 50 * (0.154)$$

$$n = 385$$

From the above equation, the minimum sample required for this research is 385 participants that to be drawn from both national cultures of the two countries of Kuwait and Egypt. However, as the total population of Egypt is 20% higher than Kuwait, sample from Egypt to Kuwait will be in a ratio of 1 to 1.5 to achieve an objective generalization.

## 5.11 Measurement Scaling

All of the items service quality gaps, national cultural factors and service provision in this research have been measured by using the five- point Likert scale. The

reason for using the five-point Likert scale was to avoid the risk of bias when respondents choose "undecided" as a response to the degree of sensitivity of the question. The Likert Scale in this study ranging from 5 = strongly agree, 4 = agree, 3 = neither agree Nor disagree, 2 = disagree, 1 = strongly disagree. For the provision the Likert scale is also ranging from 1 – 5 starting from 5 = very strong, 4= strong, 3= moderate, 2= weak, 1= very weak.

## **5.12 Translating the questionnaire**

According to Mark Saunders et al., (2003) stated that "translating a questionnaire and associated instructions into another language requires care if your translated or target questionnaire is to be decoded and answered by respondents in the way you intended. For international research this is extremely important if the questionnaires are to have the same meaning to all respondents". As this research concern two different national cultures of Kuwait and Egypt, the technique used for translation was the parallel translation that when source questionnaire translated to target questionnaire by two translator from Kuwait and Egypt, than was given to the focus group to check the differences of Arabic terminologies used in both countries in order to avoid the misinterpretation of readers. The final version was created after comparing both target questionnaires and confirmed the readiness of the language as to function as required in both cultures. This technique was suggested by many researchers as it provides a an appropriate wording of good target questionnaires (Presser et al., 2004)

## **5.13 Mediating Effect Using Structural equation modelling**

In the last decade, structural equation modelling is gaining wide acceptance among researchers in social sciences (Kline, 2005; Janssens et al., 2009; Elabassi, 2002; Blunch, 2008), and is used in this study to test the hypotheses of the effect of national culture on service provision. Structural equation modelling is a statistical methodology that allows a set of hypothesized relationships between one or more variables to be examined (Byrne, 2001). Kline (2005) indicated that Structural equation modelling is a theory driven statistical technique with preliminary facts of the subject matter to verify the extent to which the hypothesized model consistent

with the data obtained from the sample. If the model fit is an adequate means the model fits the data. However, the researcher intends to test the effect of national culture on service provision through service quality gaps using structural equation modelling since this research is a theory driven. There are many reasons for testing mediation using structural equation modelling. The first reason is to understand how the initial variables affect the outcome and in what mechanism. In other words, how power distance and uncertainty avoidance effect the service delivery mechanisms within Takaful organisation. The second reason is the powerful methodology of the mediation effect in providing process analysis in which testing the theory can be objectively confirmed or disconfirmed. Thirdly, the mediation effect is an excellent approach for casualty testing. There is a strong relationship between casualty testing and mediation especially when structural equation modelling is adopted.

## **5.14 Summery**

In view of all of the above, the methodology implemented in this research was carefully followed to answer the research question in an objective way. The methodology identified as to best suit the design of the research starting from the research philosophy, research approach, research strategy, and time horizon and data collection method. The data collection instrument has been pre-tested using a pilot study for a sample of 60 participant randomly selected from both context. Exploratory and confirmatory factor analysis confirmed the readiness of the instrument with which the data can be empirically collected. Sampling framework was identified for the whole population in which the sample was drawn from Takaful operators in two different countries Kuwait and Egypt. Finally, the method by which the research hypotheses to be tested and research question to be answered is discussed and explained. Results and analysis stems from collected data is detailed in chapter six. However, next chapter emphasize the origin of Takaful, Takaful mechanism, Takaful concept and overview of Takaful business in both Kuwait and Egypt before discussing in detail the results of the data in chapter six.

## **6 Data Analysis and discussion**

### **6.1 Introduction**

In this chapter the results of the data is analyzed, reviewed and disused involving the analysis of the quantitative data which is often called social statistics that is usually associated with a wide range of statistical and analytical terminologies (David and Sutton, 2004). The data analysis employs number of stages starting from Collecting data, coding data, data entry, and analyzing data. All those stages were achieved by utilizing various applications used for different purposes in different phases of the analysis in order to support the analysis of the quantitative data yielding the intended statistical inference. All specialist software applications employed for this research are operating in compliance with windows operating system. These include Statistical Package for the social sciences (SPSS) and the Analysis of Moment Structures (AMOS). The SPSS used in this research was version 17 with which different statistical techniques were employed and analyzed like; reliability analysis, frequencies and percentages, mean score, factor analysis, Pearson correlation, One-way ANOVA, MANOVA, T-test and discriminant analysis. Those techniques were used to answer the first part of the hypotheses to test the national cultural differences between Kuwait and Egypt. As far the second set of the research hypotheses, this research adopted the structural equation modelling for the model testing that can confirm/disconfirm the theory behind this research. The researcher used the structural equation modelling (SEM) as a statistical methodology that permits a set of hypothesized relationships between variables to be examined (Byrne, 2001). Although several software can be employed to empirically test a model using structural equation modelling, like LISREL, EQS, AMOS, etc., this research has adopted the Analysis of Moment Structures (or the analysis of mean and covariance structures) AMOS due to many reasons. One of the main reasons is the user-friendliness and easiness in gaining knowledge of the software especially for the beginner (Blunch, 2008). Also it was used for the purpose that the hypothesis were developed based on prior knowledge about the potential relationships among the variables as (Kline, 2005). Hence, the

proposed hypothesis was tested using AMOS with which the research questions were answered and the research objectives were achieved. The findings of this research validate the theoretical background that derive this research and led to build the final conceptual framework reflecting the effect of national culture on service provision. In addition, results revealed new relations that need to be supported in a theoretical background.

### **6.1.1 Structural Equation over Regression**

One of the main success factor in research study is selecting the proper methodology that answer the research question (Stevens, 2002, Iacobucci et al. 2007). For this research the adopted methodology was the structural question modelling as this research is a confirmatory research that aims to test an existing theory. Structural equation modelling is considered as the second generation statistical technique as regression analysis is the first generation statistical technique. When a problem involves single independent variable then this is called a simple regression statistical analysis technique, whereas if it involves more than one independent variables then it is called multiple regression(Hair,2010). On the other hand, Structural equation modelling is a method of multivariate statistical analysis that able to assess the underlying latent constructs identified by factor analysis and assessing the all pathways of a relationship simultaneously unlike(Klem, 2000). regression analysis that analyze the relation between the dependent and independent variables in separate regression runs. Human issues is more complex than testing the relationships between the dependant and independent variables (Cheng, 2001) which give structural equation modelling the advantage over regression analysis. He found that compared the structure equation modelling to multiple regression and found the former is more efficient in finding the best model fit. Although SEM and Multiple regression are sharing the same mathematic basis they depend on the context of their usage and rely on the research question.. When research questions are raised to address relationships between latent variables in a research that would make SEM a good choice. On the other hand, when time-series are involved or research questions are related to probability than Multiple regression is likely preferred. Other advantages of SEM is to use the confirmatory factor analysis is to reduce measurement error by having

multiple indicators per latent variable. Confirmatory factor analysis is a theory supported model that tested statistically to replicate the sampled data (Hair, 2010). Another advantage of structural equation modelling is the ability to model mediating variables and examine the appropriateness of a model that links predictor to an outcome variable through an intervening variable (Hayes, 2009). Due to the above reasons, the researcher intended to use the structural equation modelling instead of the regression analysis to test for the mediation effect will.

## 6.2 Data Analysis and test hypothesis

The research consists of six factors as latent variables each of which consist of set of indicators or sometimes called items as shown in Table 6.1 below. The first part of the items are related to the national cultural dimensions that are power distance and uncertainty avoidance.

Construct	Number of Items
PD	six Items
Item 32	Supervisors should make most decisions without consulting subordinates.
Item 33	Supervisors should avoid social interaction with subordinates.
Item 34	Supervisors should not delegate important tasks to subordinates.
Item 35	The rights of superiors and subordinates are equal
Item 36	Senior employees exclusively control the decisions making
Item 37	Subordinates are afraid to express disagreement with boss
UA	Seven Items
Item 38	Having detailed instructions helps to know what is expected to do.
Item 39	Following instructions and procedures closely is important.
Item 40	Rules and regulations should not be broken
Item 41	Standardized work procedures are important
Item 42	You always feel tens and nervous working in this organization
Item 43	You would accept working in another organization but in different job
Item 44	You will continue working in this organization

TABLE: (6.1): CONSTRUCT AND NUMBER OF ITEMS FOR CULTURAL DIMENSIONS  
SOURCE: OWN DEVELOPMENT

As service quality gaps items are listed in below Table.

Information	Nine Items
Item 1	Collecting information regarding customer needs and expectation is useful
Item 2	Information is not available if not related to the employees task
Item 3	The methodology of Gathering information is known to me
Item 4	The assigned person/department is known to me
Item 5	The kind of information collected (formal/informal) is clear
Item 6	The information collected is shared and communicated with all employees
Item 7	There is a channel of communication between front line employees and top
Item 8	The organizational structure of your organization is flat structure
Item 9	The managerial structure levels separate senior managers from frontline
Specification	Twelve Items
Item 10	In your company There is a formal process in setting goals related to
Item 11	Quality improvement is a team's responsibility.
Item 12	Programs of improving service quality provided to all level of employees
Item 13	The company stresses teamwork
Item 14	The company recognizes employees' efforts and rewards accordingly
Item 15	The company's services are subjected to high degree of standardization
Item 16	The management motivates employees and fully develops their potential.
Item 17	The company designs products and services using customer-focused
Item 18	The company takes its customers' suggestions seriously
Item 19	Customer expectation is the main criteria for setting service quality goals of
Item 20	The available capabilities in your company can meet customer expectation
Item 21	Service quality standards are critical part of the company's systems
Performance	Ten Items
Item 22	The provided information is sufficient to complete the employee's task
Item 23	There is a freedom to resolve any complain without consulting your boss
Item 23	I spend a lot of time in my job trying to resolve problems over which I have
Item 24	Everyone in my organization contributes to a team effort in servicing
Item 25	The tools and equipments are sufficient to support the employee's task
Item 26	There is no differences between management policy and quality
Item 27	The company has an effective system to select high experienced employees
Item 28	The management encourages employees to work together.
Item 29	The organization foster cooperation among employees
Item 30	The management provides employees with different training programs

**TABLE: (6.2): CONSTRUCT AND NUMBER OF ITEMS FOR SERVICE QUALITY GAPS  
SOURCE: OWN DEVELOPMENT**

The last part of the measurement instrument pertains to 6 items of pertains service delivery mechanism that follow different scale the above items as respondent are asked to select to closest mechanism that prevails in their organization than based on 1-5 scale they evaluate the selected mechanism. The items of the service delivery mechanisms are listed below.

Item number
45)
A. Hierarchical Driven Information Gathering and sharing
B. Functional Driven Information gathering and Sharing
46)
A. Non-Participative leadership Driven in Setting Service Quality Specification
B. Participative leadership Driven in Setting Service Quality Specification
47)
A. Delivering Services Quality regulated by centralized Performance control
B. Empowering to Performing Delivering Service Quality
48)
A. Close and Formal Driven Communication
B. Open and Informal Driven Communication
49)
A. Money Driven Specifying Service Quality
B. Guest Satisfaction Driven Specifying Service Quality
50)
A. System Boarder driven Performing
B. Guest Satisfaction Driven Performing

**TABLE: (6.3): CONSTRUCT AND NUMBER OF ITEMS FOR SERVICE DELIVERY MECHANISMS**  
**SOURCE: OWN DEVELOPMENT**

The concise items are included within the Questionnaire in appendix A-1.

### **6.2.1 Reliability**

According to Cronbach, (1951) “Any research based on measurement must be concerned with the accuracy or dependability or, as we usually call it, reliability of measurement”. A reliability coefficient demonstrates whether the test designer was correct in expecting a certain collection of items to yield interpretable statements about individual differences”. Reliability is often measured by Cronbach’s coefficient which is considered as one of the most used indicator for the internal consistency (Fayers and Machin, 2007). The differences of a calculated alpha coefficient are between the minimum of 0, which indicates no internal reliability, and 1, which indicates perfect internal reliability. However, Eastby-Smith et al. (2002) recommended that the coefficient of 0.60 regarded as accepted values of reliability coefficients to assess the reliability which is now became as standard of 0.70 . This research will employ Cronbach’s Alpha to test the reliability of all

factors of the research instrument which are the national culture factors, service quality factors and service provision factor for each country and as a total of the two countries. Summary of all Cronbach's alpha of the factors in Kuwait and Egypt is tabulated below.

Construct	Cronbach's Alpha Kuwait	Cronbach's Alpha Egypt	Cronbach's Alpha All	#of Items
Information Gap 1	0.974	0.965	0.946	9
Specification Gap 2	0.988	0.982	0.989	12
Performance Gap 3	0.979	0.975	0.969	10
Power Distance	0.944	0.964	0.924	6
Uncertainty Avoidance	0.965	0.960	0.947	7
Mechanisms of Service Provision	0.951	0.976	0.981	6
Overall reliability index	0.991	0.987	0.982	50

**TABLE (6.4): CRONBACH'S ALPHAS OF THE QUESTIONNAIRE'S FACTORS**  
SOURCE: OWN FINDINGS

However the researcher has modified the model based on the highest loadings which unveil four indicators only for each construct. Detailed results of Reliability are listed in appendix A-2.

### 6.2.2 Explanatory factor analysis

Similar to what had been conducted in this research for the pilot study, Factor analysis is again conducted for the whole sample to purify the questionnaire items by which adding or deleting questions items can systematically be decided based on the loading of the question on the underlying factors, in other word how much each item fit in to each of the factors (Bernard, 2006). According to Raubenheimer (2007) suggested that in order to explore unidentified relationships between latent and observed variables, explanatory factor analysis is often considered by exploring the loading of each item on the observed factor. Using SPSS program the test has been performed revealing that the Loading of each question on its predefined factors as shown in the following Tables.

Loading		Communalities		Loading		Communalities	
Information Gap	Kuwait	Information Gap1	Kuwait	Information Gap	Egypt	Information Gap	Egypt
Q07	.962	Q01	.825	Q01	.938	Q01	.879
Q08	.952	Q02	.679	Q03	.919	Q02	.745
Q06	.948	Q03	.849	Q06	.917	Q03	.845

Q04	.947	Q04	.898	Q05	.914	Q04	.810
Q05	.930	Q05	.864	Q04	.900	Q05	.836
Q03	.922	Q06	.899	Q07	.890	Q06	.841
Q01	.908	Q07	.925	Q08	.879	Q07	.791
Q02	.824	Q08	.906	Q02	.863	Q08	.773
Q09	.789	Q09	.623	Q09	.764	Q09	.584

**TABLE (6.5): LOADING AND COMMUNALITIES OF ITEMS ON INFORMATION GAP (GAP 1)  
SOURCE: RESULTS FROM SPSS**

Based on above Table, the loading was found much more than 0.25 for both context Kuwait and Egypt which means acceptable since it is above the minimum acceptable loading of 0.25 (Raubenheimer, 2007). In other words, this means all question items of information gap factor are strongly loaded into that factor of information gap in both countries Kuwait and Egypt. As far communalities, it was found also higher than 0.25 which is the minimum acceptable communalities level (Raubenheimer, 2007). This findings mean the items of the information factor are highly interpretable and strongly contributing to the factor where it is loaded (Hair, 2010). Total variance explained for information gap in Kuwait and Egypt is 82.9% and 78.9% respectively, which means that variables in Kuwait sample are stronger explaining the factors than Egypt sample. However, in both cases it has a high explanation percentage. As far specification gap (Gap 2), the loading of the items on this factor were found to have an acceptable range between 0.913 – 0.966 for Kuwait and 0.947 – 0.824 that is higher than 0.25 the minimum acceptable loading. Communalities were also high for all items on the specification factor as shown in Table 6.6 below.

Loading		Communalities		Loading		Communalities	
Specification Gap	Kuwait	Specification Gap	Kuwait	Specification Gap	Egypt	Specification Gap	Egypt
Q10	.966	Q10	.933	Q15	.947	Q10	.827
Q11	.965	Q11	.932	Q16	.943	Q11	.844
Q21	.953	Q12	.890	Q18	.933	Q12	.870
Q13	.953	Q13	.909	Q12	.933	Q13	.849
Q16	.950	Q14	.833	Q20	.929	Q14	.820
Q17	.944	Q15	.872	Q13	.922	Q15	.896
Q12	.943	Q16	.903	Q11	.919	Q16	.889
Q15	.934	Q17	.891	Q17	.916	Q17	.839
Q20	.932	Q18	.841	Q10	.910	Q18	.871
Q19	.925	Q19	.855	Q14	.906	Q19	.678
Q18	.917	Q20	.869	Q21	.859	Q20	.863
Q14	.913	Q21	.909	Q19	.824	Q21	.738

**TABLE (6.6): LOADING AND COMMUNALITIES OF ITEMS ON SPECIFICATION GAP  
SOURCE: RESULTS FROM SPSS**

The Total variance explained for specification gap (Gap 2) was found in favour of Kuwait 88.6% as against 83.2% in Egypt. In other words, this means that the items of this factor are explained in a stronger term in Kuwait than it was among Egypt sample. Performance gap loading and communalities can be seen in Table 6.7 below. The loading and communalities are high and acceptable. Total variance explained was in favour of Kuwait sample as 85% against 82% was explained for Egypt sample.

Loading		Communalities		Loading		Communalities	
Performance Gap	Kuwait	Performance Gap	Kuwait	Performance Gap	Egypt	Performance Gap	Egypt
Q25	.962	Q22	.863	Q28	.955	Q22	.785
Q26	.953	Q23	.835	Q31	.927	Q23	.777
Q30	.951	Q24	.537	Q25	.925	Q24	.716
Q28	.950	Q25	.925	Q29	.923	Q25	.855
Q29	.945	Q26	.908	Q27	.922	Q26	.810

Q31	.934	Q27	.857	Q30	.911	Q27	.850
Q22	.929	Q28	.902	Q26	.900	Q28	.912
Q27	.926	Q29	.892	Q22	.886	Q29	.853
Q23	.914	Q30	.904	Q23	.881	Q30	.829
Q24	.733	Q31	.872	Q24	.846	Q31	.858

**TABLE (6.7): LOADING AND COMMUNALITIES OF ITEMS ON PERFORMANCE GAP  
SOURCE: RESULTS FROM SPSS**

As far the fourth factor as per the sequence of the questionnaire, power distance variables were found to have high loading on power distance factor in both context as well as high communalities. Table 6.6 below indicates the results obtained from SPSS for this factor. Total variance explained was in favour of Egypt as results shows 85% for Egypt against 78% of Kuwait for the factor of power distance which means both have high explanation.

Loading		Communalities		Loading		Communalities	
Power Distance	Kuwait	Power Distance	Kuwait	Power Distance	Egypt	Power Distance	Egypt
Q36	.937	Q32	.840	Q32	.949	Q32	.901
Q33	.922	Q33	.850	Q36	.946	Q33	.874
Q32	.917	Q34	.837	Q33	.935	Q34	.865
Q34	.915	Q35	.533	Q34	.930	Q35	.730
Q37	.885	Q36	.878	Q37	.921	Q36	.896
Q35	.730	Q37	.783	Q35	.854	Q37	.849

**TABLE (6.8): LOADING AND COMMUNALITIES OF ITEMS ON POWER DISTANCE FACTOR  
SOURCE: RESULTS FROM SPSS**

As far Uncertainty Avoidance factor analysis, both loading and communalities of all variables in this factor found acceptable as they have scored very high loading and communalities in both context as shown in Table 6.9 below. The total variance explained was in favour of Kuwait 83% against 81% of Egypt.

Loading		Communalities		Loading		Communalities	
UAV	Kuwait	UAV	Kuwait	UAV	Egypt	UAV	Egypt
Q44	.944	Q38	.860	Q44	.948	Q38	.777
Q39	.940	Q39	.884	Q42	.936	Q39	.841
Q38	.927	Q40	.781	Q39	.917	Q40	.827
Q42	.907	Q41	.790	Q40	.909	Q41	.818
Q43	.891	Q42	.822	Q41	.904	Q42	.877
Q41	.889	Q43	.793	Q38	.881	Q43	.625
Q40	.884	Q44	.891	Q43	.790	Q44	.899

**TABLE (6.9): LOADING AND COMMUNALITIES OF UNCERTAINTY AVOIDANCE  
SOURCE: RESULTS FROM SPSS**

The variables of service provision loading and communalities are found acceptable as it has high loading ranging from 0.866 – 0.924 for Kuwait and 0.914-0.958 for Egypt, whereas communalities are ranging from 0.750 - 0.853 for Kuwait and 0.835 -0.917 for Egypt which are considered acceptable loadings and communalities.

Loading		Communalities		Loading		Communalities	
SDM	Kuwait	SDM	Kuwait	SDM	Egypt	SDM	Egypt
SP2	.924	SP1	.843	SP6	.958	SP1	.904
SP1	.918	SP2	.853	SP3	.957	SP2	.886
SP4	.899	SP3	.792	SP1	.951	SP3	.916
SP3	.890	SP4	.808	SP4	.950	SP4	.903
SP5	.884	SP5	.782	SP2	.941	SP5	.835
SP6	.866	SP6	.750	SP5	.914	SP6	.917

**TABLE (6.10): LOADING AND COMMUNALITIES OF ITEMS ON SERVICE PROVISION  
FACTOR  
SOURCE: RESULTS FROM SPSS**

Explained Variance in favor of Egypt as it explains 89% of the variance against 80% in Kuwait. Detailed results of EFA are listed in appendix A-2.

### 6.2.3 Correlations

According to Hair et al., (2010) the main objective of correlations is to simultaneously correlate the independent variables to the dependent variables based on different nominal scales. Hence, the results were found varies from weak,

moderate and strong depending on the correlation, for instance, the coloration between all dependant variables

Information gap

Specification gap and

Performance gap

That was found significant, positive and strong, whereas information gap against each dimension of the independent variables of national cultures dimensions of the following:

Power distance and Uncertainty avoidance , Respectively, were found significantly correlated, positive but have moderate correlation since it has fallen between 0.6 and 0.8. In other words the results indicated that if same factors tested in Kuwait and Egypt will reveal the same results. Correlations between performance gap and each of national cultures dimensions of power distance and uncertainty avoidance has shown a weak correlation as it indicated a range between 0.4 – 0.6 which means a weak coloration. Finally, Performance gap have a weak correlation with power distance and uncertainty avoidance respectively, however the correlation is significant and positive. The results of correlations between the factors are shown in Table (6.11) below.

Correlations						
		INFO-GAP	SPEC-GAP	PERF-GAP	PD	UAV
INFO-GAP 1	Pearson Correlation	1	.941**	.947**	.633**	.691**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	463	463	463	463	463
SPEC-GAP 2	Pearson Correlation	.941**	1	.975**	.405**	.472**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	463	463	463	463	463
PERF-GAP 3	Pearson Correlation	.947**	.975**	1	.480**	.540**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	463	463	463	463	463
PD	Pearson Correlation	.633**	.405**	.480**	1	.960**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	463	463	463	463	463
UAV	Pearson Correlation	.691**	.472**	.540**	.960**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	463	463	463	463	463
**. Correlation is significant at the 0.01 level (2-tailed).						

**TABLE (6.11): CORRELATIONS BETWEEN DEPENDENT AND INDEPENDENT VARIABLES  
SOURCE: SPSS COMPUTATION**

#### 6.2.4 T-test

Table (6.12) shows the group statistics of Kuwait and Egypt national cultures of power distance and their service delivery gaps using t-test.

Group Statistics							
	N	N	Mean	Std. Deviation	Std. Error Mean	Sig. (2-tailed)	Mean Difference
INFO-GAP 1	Kuwaiti	231	3.3	.99604	.06553	.000	0.61046
	Egyptian	232	2.7	.89960	.05906		
SPEC-GAP 2	Kuwaiti	231	3.6	1.00484	.06611	.000	1.16422
	Egyptian	232	2.4	.88965	.05841		
PERF-GAP 3	Kuwaiti	231	3.3	.98616	.06488	.000	1.00619
	Egyptian	232	2.4	.91399	.06001		
PD	Kuwaiti	231	2.5	.91519	.06021	.000	-.82767
	Egyptian	232	3.3	1.03423	.06790		
UAV	Kuwaiti	231	2.6	.96343	.06339	.000	-.72902
	Egyptian	232	3.3	1.04146	.06838		

TABLE (6.12): T-TEST BETWEEN KUWAIT AND EGYPT  
SOURCE: SPSS COMPUTATION

As far T-test, the group statistics shows significant differences between Kuwait and Egypt in all factors of service quality gaps and national culture dimensions. The mean differences between Kuwait and Egypt sample was in favour of Kuwait for all service delivery gaps of information gap, specification gap and performance gap which indicates that Kuwait service delivery gaps is less than Egypt since the mean differences is positive in favour of Kuwait. Whereas, the mean differences of national culture dimensions of power distance and uncertainty avoidance have been found in favour of Egypt over Kuwait which indicates that Egypt national culture tends to be higher power distance and higher uncertainty avoidance. All five factors were found significant which support the findings of the analysis.

### 6.2.5 Discriminant Analysis

According to Klecka (1980) “discriminant analysis is used to allow the researcher to study the differences between two or more groups of objects with respect to several variables simultaneously”. Therefore, This analysis have been conducted in order to reveal which of all 11 variables that treated as independent variables can differentiate between national culture of Kuwait and Egypt. Discriminant analysis is the appropriate statistical technique for testing the hypothesis that the group means of a set of independent variables for two or more groups are equal. By

comparing the distribution of the Discriminant scores for Kuwait and Egypt national culture, a large overlap between the two means that the function is poor

Discriminator between the two groups, whereas the function deemed perfect if the overlap is very small between the groups indicating that the Discriminant function separates the group very well (Hair et al., 2010).

Results shown in Table 6.13 indicate that the Eigenvalue of 3.046 was high Eigenvalue that is contributing largely to the explanation of variances in the variables and cannot be ignored. And the canonical correlation which is measuring the linear relationship between two multidimensional variables has a correlation of 0.868. According to Rupnik and Fortuna (2008) “canonical correlation is dimensionality reduction technique similar to Principal Component Analysis (PCA), with an additional assumption that the data consists of feature vectors that arose from two sources (two views) that share same information. The canonical correlation indicates high coloration of .868 as can be seen in below Table of 6.13.

Eigenvalue						
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation	Wilks' Lambda	Sig
1	3.046a	100.0	100.0	.868	0.247	.000

**TABLE (6.13): DISCRIMINANT INDICATORS OF EIGENVALUE AND CANONICAL CORRELATION**  
**SOURCE: AMOS OUTPUT**

Results from the standardized canonical correlation that have impact on nationality based on discrimination of a coefficient of 0.4 and larger for perfect discrimination indicates that not all dimensions were found significant with 0.4 and more as shown in Table 6.14 below. Inference from the results indicates that only control and communication policy have high discriminant coefficient with national culture of power distance and uncertainty avoidance. In terms of national culture results indicate that uncertainty avoidance constitutes the largest differentiation between Kuwait and Egypt in favor of Kuwait as Kuwait lower uncertainty avoidance and also lower power distance than Egypt. On the other hand, in terms of service delivery gaps results indicate that performance gap represents the largest differentiation between Kuwait and Egypt in favor of Egypt as it has larger performance gap and specification gap than Kuwait. Also results show that control

and communication policy have high discrimination between the two national cultures

Variables Function	Coefficient
control	0.528
communication policy	0.624
SPEC-GAP 2	0.755
PERF-GAP 3	0.999
PD	0.404
UAV	1.29

**TABLE (6.14): CANONICAL DISCRIMINANT FUNCTION COEFFICIENTS**  
SOURCE: AMOS OUTPUT

The efficiency of the model classification shows that 96% of Kuwaitis and 90% of Egyptians were classified correctly. The results revealed that 93% of all sample were classified correctly. Results can be seen in Table 6.15 below.

			Kuwaiti	Egyptian	
Original	Count	Kuwaiti	221	10	231
		Egyptian	24	208	232
	%	Kuwaiti	95.7	4.3	100.0
		Egyptian	10.3	89.7	100.0

**TABLE: (6.15): CLASSIFICATION RESULTS**  
SOURCE: SPSS OUTPUT

## 6.3 Crosstabs

### 6.3.1 Information flow Vs National Culture

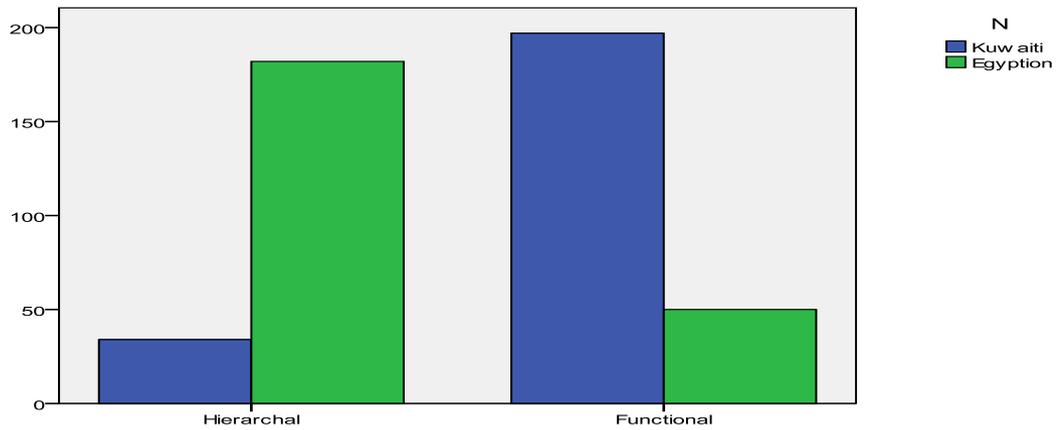
The mechanism of service provision in terms of information flow in two different national culture whether it is hierarchical or functional driven information gathering and sharing is explained using crosstabs. The results tabulated in Table 6.16 shows that 78% of Egypt sample subscribed to the hierarchical-driven information gathering and sharing against 14.7 % of Kuwait sample. Whereas, 85% of Kuwait sample believe that the information gathering and sharing is

functional against 21% of Egypt Sample. The total sample scores 47% towards hierarchical and 53% functional.

Crosstab					
			NC		Total
			Kuwaiti	Egyptian	
Information flow	Hierarchical	Count	34	182	216
		% within N	14.7%	78.4%	46.7%
	Functional	Count	197	50	247
		% within N	85.3%	21.6%	53.3%
Total		Count	231	232	463
		% within N	100.0%	100.0%	100.0%
(X <sup>2</sup> ) = 188		df= 1	Lambda = .611	Sig = 0.000	
NC = National Culture					

**TABLE: (6.16): NATIONAL CULTURE DIFFERENCES IN INFORMATION FLOW**  
**SOURCE: SPSS COMPUTATION**

Results show there is statistically significant relationships between national culture and service provision. In Kuwait 80% believe that their organization depend on functional driven information gathering and sharing against 20% for Egyptians who is favouring functional driven information gathering and sharing, whereas, 84% of Egyptians believes that information flow favouring the hierarchical driven information gathering and sharing against 16% of Kuwaitis. chi square ( $X^2$ ) was found = 188, The use of the chi square is to investigate whether the distributions of the nominal variables which are the national culture of Kuwait and Egypt against of information flow in terms of hierarchical or functional driven information gathering and sharing differ from one another. On other words, Chi square shows whether the service provision of information gathering and sharing differs based on national culture. Chi square test confirmed the significance relation between the variables with a Lambda of 0.611 which indicates a high association between



**FIG 6.1: NATIONAL CULTURE ON INFORMATION FLOW**

Source: SPSS Computation

national culture as independent variable and information flow of hierarchical and functional driven information gathering and sharing as dependent variable. Lambda is used when two nominal variables have two or more categories to be tested

### 6.3.2 Style of Management Vs National Culture

The relationship between national culture of Kuwait and Egypt with the style of management in terms of participative or non-participative leadership driven in setting service quality specification has been found that 79% of Egypt sample believe that style of management in terms of setting service quality specification within their organization depends on non-participative leadership driven in setting service quality specification against 21 % believes that the style of management towards participative leadership driven in setting service quality specification. On the other hand, 84% of Kuwait sample believe that setting service quality specification in their organization depends on Participative leadership in contrast to 16% believe it is non-participative leadership driven in setting service quality.

Crosstab					
			NC		Total
			Kuwaitis	Egyptians	
Style of Management	Non Participative	Count	37	183	220
		% within N	16.0%	78.9%	47.5%
	Participative	Count	194	49	243
		% within N	84.0%	21.1%	52.5%
Total		Count	231	232	463
		% within N	100.0%	100.0%	100.0%
(X <sup>2</sup> ) = 183			df= 1	Lambda = .609	Sig = 0.000
NC = National Culture					

**TABLE: (6.17): NATIONAL CULTURE STYLE OF MANAGEMENT IN SETTING SERVICE QUALITY  
SOURCE: SPSS COMPUTATION**

Figure 6.2 shows clearly the difference between national culture represented by Kuwait and Egypt on style of management as Kuwait more towards participative and Egypt non-participative style of management. The difference between the two countries national culture in terms of style of management has been found significant and chi square was found 183.

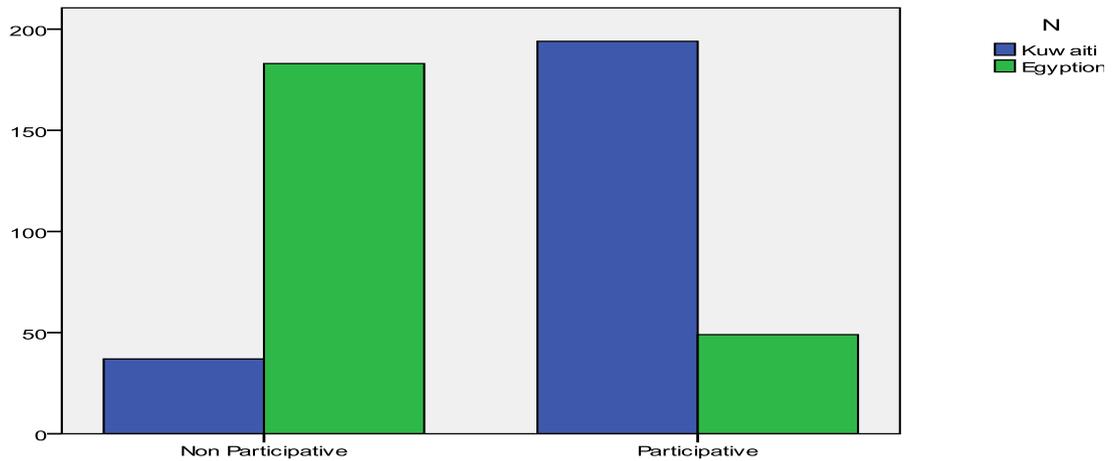


Fig 6.2: National culture style of management in setting service quality specification  
Source: SPSS Computation

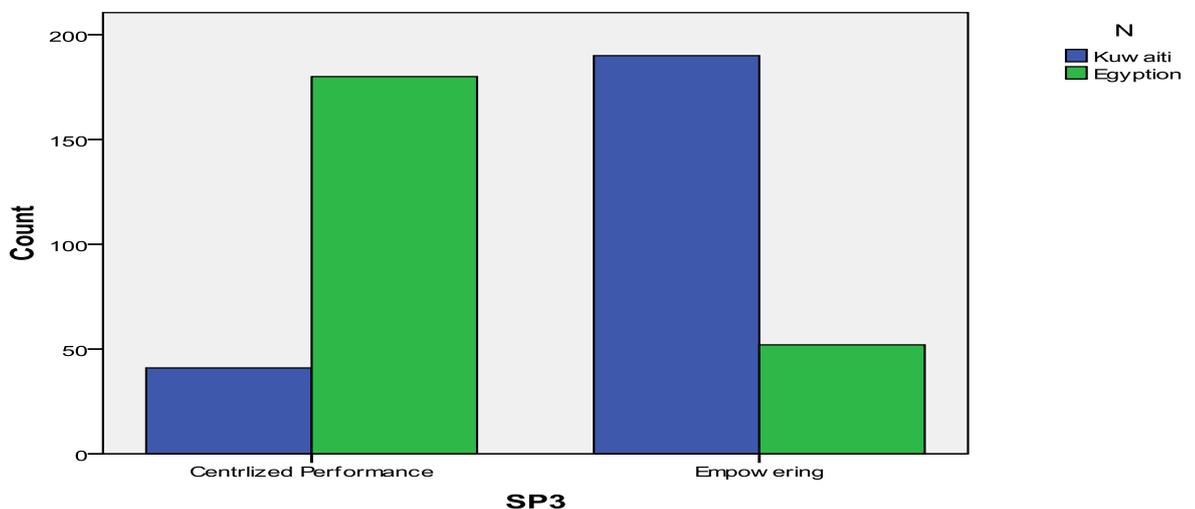
### 6.3.3 Relationship between National culture and Control

The relationship between national culture with control in terms of centralized performance or empowering performance as tabulated below in Table (6.18) show that 78% of Egypt sample believe that control in delivering service quality is regulated by centralized performance against 22 % believe delivering service quality is being controlled by empowering to perform. Whereas, 82% of Kuwait sample indicating empowering to perform in delivering service quality is the prevailing trend being implemented in Kuwait, in contrast to 18% believe that Kuwait culture is associated with delivering service quality regulated by centralized performance.

Crosstab					
			NC		Total
			Kuwaiti	Egyptian	
control	Centralized Performance	Count	41	180	221
		% within N	17.7%	77.6%	47.7%
	Empowering	Count	190	52	242
		% within N	82.3%	22.4%	52.3%
Total		Count	231	232	463
		% within N	100.0%	100.0%	100.0%
(X2) = 183		df = 1	Lambda = .609		Sig = 0.000

**TABLE: (6.18): NATIONAL CULTURE DIFFERENCES IN CONTROL IN DELIVERING SERVICE QUALITY**  
**SOURCE: SPSS COMPUTATION**  
**NC = NATIONAL CULTURE**

Fig 6.3 below shows the difference between Kuwait and Egypt on setting service delivery performance shows that Kuwait is tend to be more towards empowering to perform in delivering service quality, whereas Egypt delivering service quality regulated by centralized performance.



**Fig 6.3: Differences of national culture control in delivering service quality**  
**Source: SPSS Computation , SP3: Control**

### 6.3.4 Relationship between National culture and Communication Policy

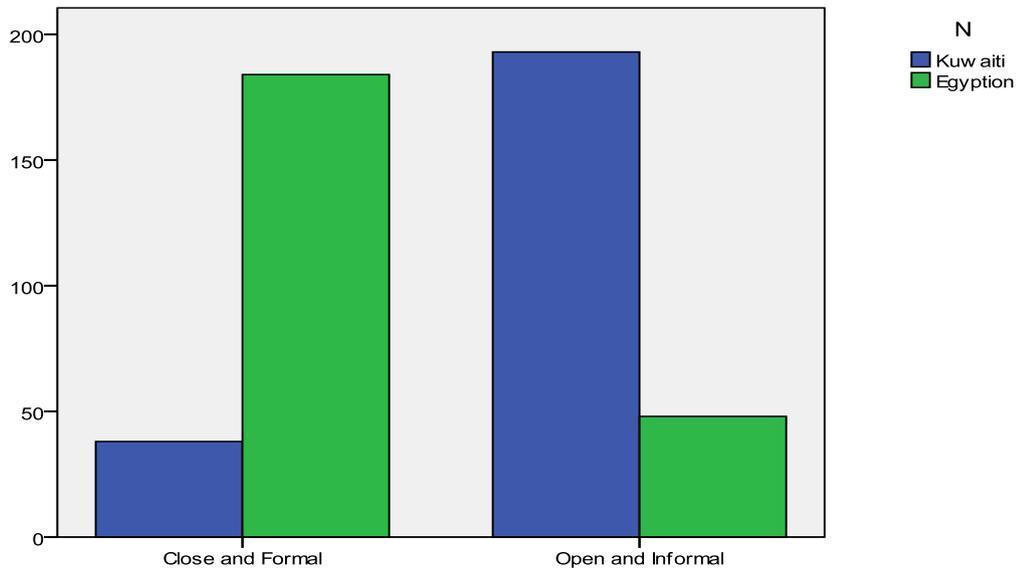
The relationships between national culture and two dependent variables of communication policy in terms of close and formal driven communication or open

and informal driven communication is shown in Table 6.19 below. Results show 79% of Egypt sample believe that the communication policy is driven by close and formal policy against a minority of 21% agreeing on the opposite as being open and informal driven communication. On the other hand, in Kuwait 83% agree on open and informal driven communication, whereas 17% believe that the close and formal driven communication is the driver.

Crosstab					
			NC		Total
			Kuwaitis	Egyptian	
Control	Close and Formal	Count	38	184	222
		% within N	16.5%	79.3%	47.9%
	Open and Informal	Count	193	48	241
		% within N	83.5%	20.7%	52.1%
Total		Count	231	232	463
		% within N	100.0%	100.0%	100.0%
(X <sup>2</sup> ) = 183      df = 1      Lambda = .613      Sig = 0.000					

**TABLE: (6.19): DIFFERENCES OF NATIONAL CULTURE IN COMMUNICATION POLICY  
SOURCE: SPSS COMPUTATION**

The difference between national cultures represented by Kuwait and Egypt on communication policy shows that Kuwait is far more towards open and formal, whereas Egypt towards close and informal as depicted in Fig 6.4 below.



**FIG 6.4: DIFFERENCES OF NATIONAL CULTURE IN COMMUNICATION POLICY**  
**SOURCE: SPSS COMPUTATION**

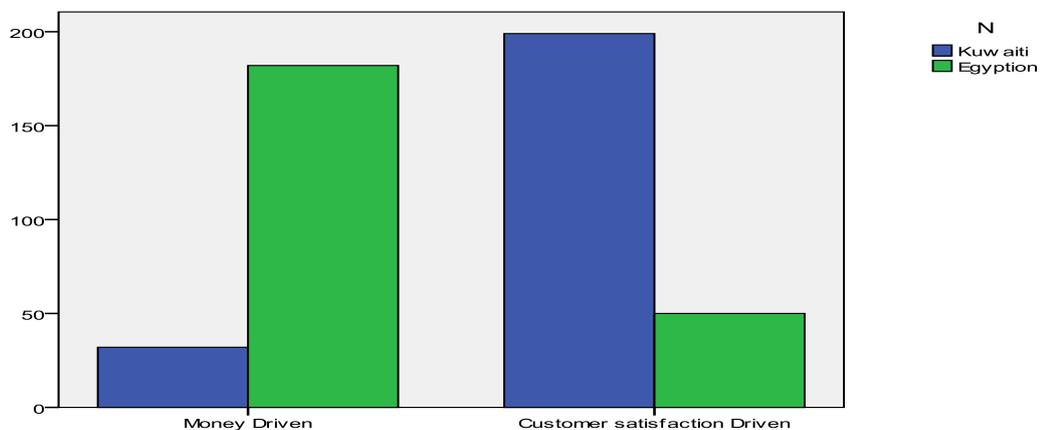
### **6.3.5 Relationships between national culture and specification driver**

Results show that 78% of Egyptian specifies service quality based on money driven, whereas 22% specify service quality based on customer satisfaction driven. In contrast, the majority of Kuwaiti sample constitute 86% specify service quality based on customer satisfaction against 14% of Kuwaiti believe that service is specified based on money driven. Based on the chi square and lambda as seen in below Table, there is significant difference between Kuwait and Egypt in specification driver

Crosstab					
			N		Total
			Kuwaitis	Egyptians	
Specification driver	Money Driven	Count	32	182	214
		% within N	13.9%	78.4%	46.2%
	Customer satisfaction Driven	Count	199	50	249
		% within N	86.1%	21.6%	53.8%
Total		Count	231	232	463
		% within N	100.0%	100.0%	100.0%
$(X^2) = 194$		df = 1	Lambda = .617		Sig = 0.000

**TABLE: (6.20): DIFFERENCES OF NATIONAL CULTURE IN SPECIFICATION DRIVER**  
**SOURCE: SPSS COMPUTATION**

The differences are significant based on Chi square that Kuwait is customer satisfaction driven in specifying service quality, whereas Egypt national culture is more than Kuwait towards money driven.



**Fig 6.5: differences of national culture in specification driver**  
**Source: SPSS Computation**

### 6.3.6 Relationship between national culture and boundary system

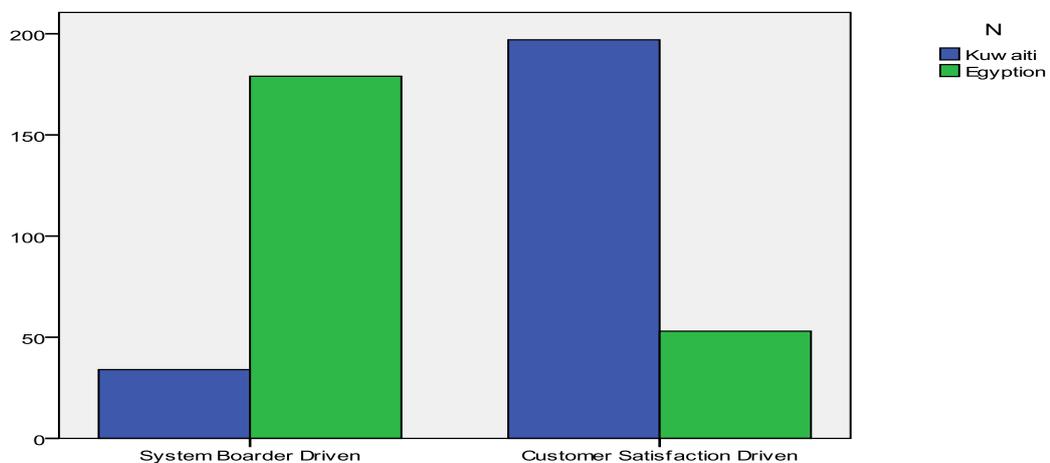
The below cross tabulation in Table 6.21 below show results of differences between Kuwait and Egypt national culture in terms of boundary system whether it is system border-Driven Performing or customer satisfaction driven performing. Results indicate that there is significant differences between the two countries even though they share some similar attributes of language and religion.

National culture * Boundary System Cross tabulation					
			National culture		Total
			Kuwaitis	Egyptians	
Boundary systems	System Boarder Driven	Count	34	179	213
		% within N	14.7%	77.2%	46.0%
	Customer Satisfaction Driven	Count	197	53	250
		% within N	85.3%	22.8%	54.0%
Total		Count	231	232	463
		% within N	100.0%	100.0%	100.0%

(X2) = 181      df = 1      Lambda = .592      Sig = 0.000

**TABLE: (6.21): DIFFERENCES OF NATIONAL CULTURE BOUNDARY SYSTEM SOURCE: SPSS COMPUTATION**

Based on the analysis, there is significant statistical difference in favour of Kuwait as 79% agree that Kuwait service delivery performance stems from customer satisfaction driven against 21% of Egyptian sample. Whereas, a statistical difference on system border driven performing in favour of Egypt shows 84% against 16% for Kuwait.



**SP6**

**FIG 6.6: DIFFERENCES BETWEEN NATIONAL CULTURE BOUNDARY SYSTEMS**  
**SOURCE: SPSS COMPUTATION**

Lambda results shows clearly the relationships between national culture dimensions that have stronger relationships with service provision as they are independent variables by which service provision variables significantly depend. The dependence of service provision on national culture varies as shown in Table 6.22 below.

Service Provision	lambda
Information flow	.611
Style of management control	.609
Communication Policy	.613
Specification Driver	.617
Boundary System	.592

**TABLE 6.22: LAMBDA VALUES ACCORDING TO SP**  
**SOURCE: SPSS**

Based on above Table, specification driver has the strongest relationship with national culture as it has a lambda of 62%, whereas boundary system is relatively has the weakest relationship with national culture scoring 59%. The other service provision have a very close differences in relationships, however all service provision have high relationships with national culture.

## **6.4 General Linear Model**

To test the first hypothesis that posits significant differences between national culture of Kuwait and Egypt as stated in the following:

H1: There is a significance difference in culture between Kuwait and Egypt

Two another hypothesis derived from the first hypotheses that to test the differences of power distance and uncertainty avoidance between Kuwait and Egypt as sated below:

H1a: Egypt is higher power distance than Kuwait

H1b: Kuwait is lower uncertainty avoidance than Egypt

To test the first hypothesis and its two derivatives a statistical method of multivariate analysis of variance – MANOVA was used to study the differences in national culture between Kuwait and Egypt.

Multivariate Tests							
Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Intercept	Pillai's Trace	.899	2058.164 <sup>a</sup>	2.000	460.000	.000	.899
NC	Pillai's Trace	.167	46.097 <sup>a</sup>	2.000	460.000	.000	.167

**TABLE 6.23 MULTIVARIATE TESTS OF DIFFERENCE IN NATIONAL CULTURE BETWEEN KUWAIT AND EGYPT**  
SOURCE: SPSS COMPUTATION

Results as shown in Table 6.24 show that there is significant difference between national culture of Kuwait and Egypt that explains 89.9% of the variance and the national culture explains 16.7%. The result means that the first hypothesis is supported as the differences between Kuwait and Egypt national culture is significant. The second hypothesis also found significant difference between Kuwait and Egypt power distances in favour of Egypt as it found to be higher power distance. The third Hypothesis has also been tested using MANOVA test with which results of uncertainty avoidance indicates Kuwait significantly lower uncertainty avoidance than Egypt. Results of power distance and uncertainty avoidance differences are shown in Table 6.24 below.

Descriptive Statistics				
	National culture	Mean	Std. Deviation	Sample
PD	Kuwaiti	2.4812	.91519	231
	Egypt	3.3089	1.03423	232
	Total	2.8960	1.05991	463
UAV	Kuwaiti	2.5813	.96343	231
	Egypt	3.3103	1.04146	232
	Total	2.9466	1.06657	463
PD = Power Distance UA = Uncertainty Avoidance				

**TABLE 6.24 DESCRIPTIVE STATISTICS OF DIFFERENCE IN NATIONAL CULTURE BETWEEN KUWAIT AND EGYPT**  
SOURCE: SPSS COMPUTATION

The estimated marginal mean between Kuwait and Egypt power distance shows clearly that Egypt power distance is higher than Kuwait power distance which means that Egyptian tend to accept unfairness in distribution of power much higher than Kuwaitis as depicted in Fig 6.7 below.

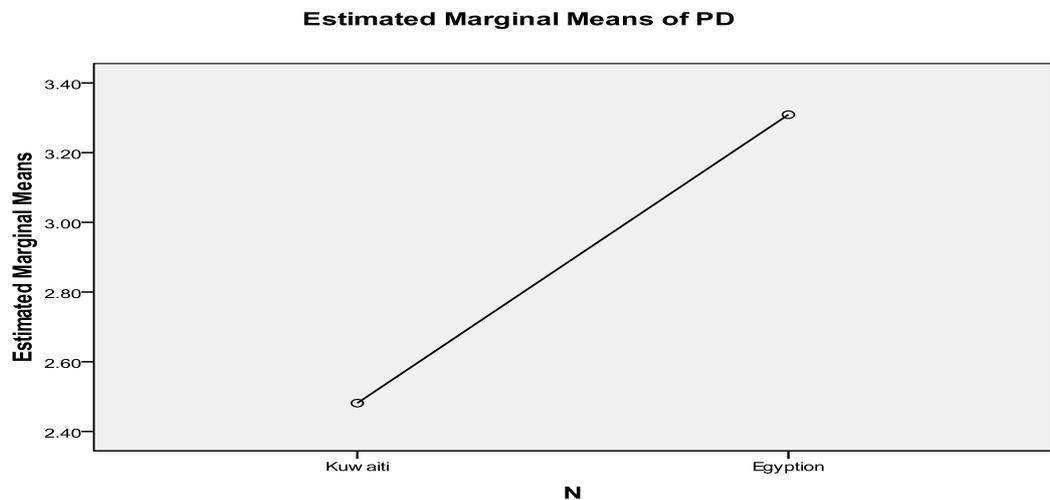


Fig 6.7: Estimated Marginal Mean of power distance  
Source: SPSS Computation

Also, Egypt uncertainty avoidance show higher mean than Kuwait which depicted in Fig 6.8 below, proves that Egypt uncertainty avoidance is higher than Kuwait.

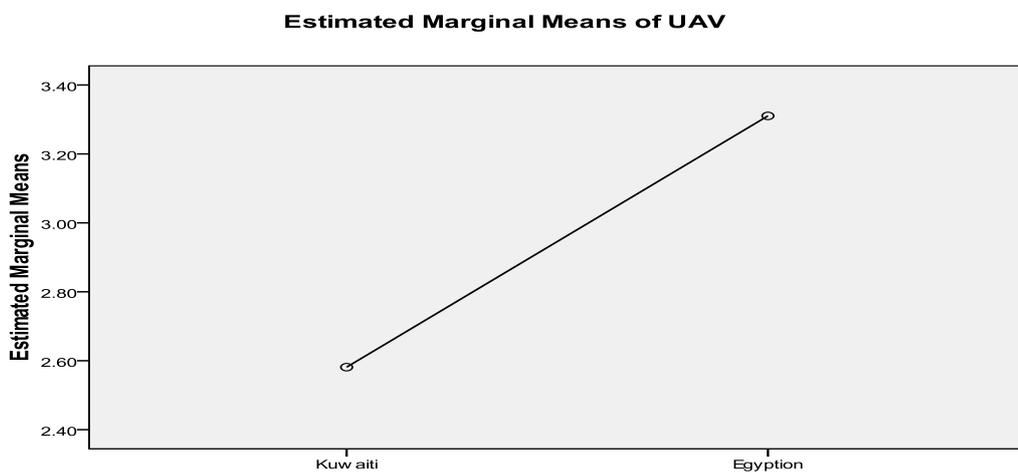


Fig 6.8: Estimated Marginal Mean between Kuwait and Egypt uncertainty avoidance  
Source: SPSS Computation

Test of between subject effects Table shows that there is a significant difference between Kuwait and Egypt as significance level is  $< 0.05$ . The results are described in below Table.

Tests of Between-Subjects Effects							
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Squared Eta
Corrected Model	PD	79.292a	1	79.292	83.129	.000	.153
	UAV	61.518b	1	61.518	61.115	.000	.117
Intercept	PD	3880.596	1	3880.596	4068.352	.000	.898
	UAV	4017.867	1	4017.867	3991.539	.000	.896
N	PD	79.292	1	79.292	83.129	.000	.153
	UAV	61.518	1	61.518	61.115	.000	.117
Error	PD	439.725	461	.954			
	UAV	464.041	461	1.007			
Total	PD	4402.028	463				
	UAV	4545.592	463				
Corrected Total	PD	519.017	462				
	UAV	525.558	462				
PD = Power Distance UA = Uncertainty Avoidance							

**TABLE 6.25: SIGNIFICANT DIFFERENCE BETWEEN NATIONAL CULTURE OF KUWAIT AND EGYPT**  
**SOURCE: SPSS COMPUTATION**

The mean of power distance and uncertainty avoidance is evidently in favour of Egypt, as the mean value is higher in Egypt than Kuwait which means that the second and third hypotheses are accepted. This means that Egyptian tend to accept unfair distribution of power and also avoid ambiguity significantly higher than Kuwait. This significant difference between Kuwait and Egypt national cultures is explained in Table 6.26 as

Descriptive Statistics				
	N	Mean	Std. Deviation	N

PD	Kuwait	2.4812	.91519	231
	Egypt	3.3089	1.03423	232
	Total	2.8960	1.05991	463
UAV	Kuwait	2.5813	.96343	231
	Egypt	3.3103	1.04146	232
	Total	2.9466	1.06657	463

**TABLE 6.26: MEAN DIFFERENCES BETWEEN KUWAIT AND EGYPT**  
**SOURCE: SPSS COMPUTATION**

Based on all the above,

H1: is supported and accepted as there is significant difference in national culture between Kuwait and Egypt.

Also, H1a and H1b can be concluded as the following:

H1a: hypothesis is supported as Egypt power distance is higher than Kuwait

H1b: hypothesis is supported as Kuwait is less uncertainty avoidance than Egypt

## 6.5 Confirmatory factor analysis

Based on Figure 6.9 using confirmatory factor analysis allow certain variables correctly measure a certain factor then used to find out to which degree the different assumed variables correctly measure that certain factor ( Janssens et al., 2009). The researcher has conducted the confirmatory factor analysis as the sample is more than 200 participants which is the minimum that confirmatory factor analysis requires (Haire, 2010). The model has not shown good indicators of goodness of fit were high and acceptable high goodness of fit would be found. The CFA model can be seen in Fig 6.9 below.

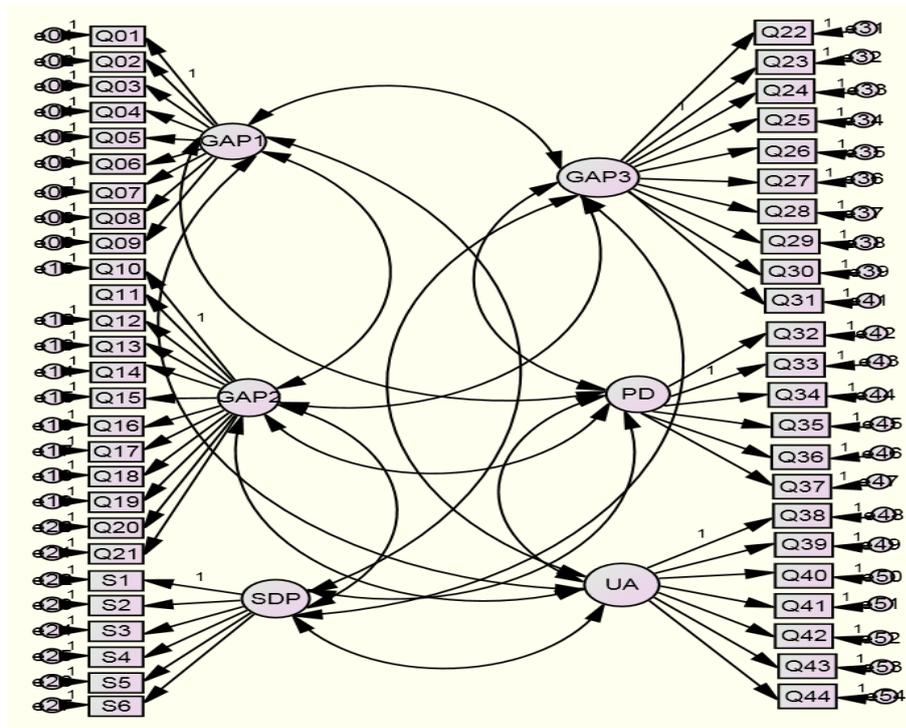


Fig (6.9) confirmatory factor analysis  
Source: Amos output

All indicators of model fit as shown in below Tables indicate that the model do not have a supportive CFA model which made the researcher to modify construct as to delete some items in order to improve the Low goodness of fit as shown in GFI, AGFI and CFI which indicates fits for the default model. Marsh et al., (2004) stated that

*“An important reason for the popularity of goodness-of-fit (GOF) indexes is to assess the fit of models in covariance structure analyses is their elusive promise of golden rules—absolute cutoff values that allow researchers to decide whether or not a model adequately fits the data—that have broad generality across different conditions and sample sizes”. p321.*

however Hu and Bentler (1999) argues that “it is difficult to designate a specific cutoff value for each fit index because it does not work equally well with various types of fit indices, sample sizes, estimators, or distributions”. Byrne (2001) also believe that the harmonization of fit indices relies on researcher judgment to decide the appropriateness of the model fit. Therefore the researcher will use the criteria for assessing the model fit as suggested by Hair, (2010) that the normed chi-square

(CMIN/ DF) is a ratio less than 5 for adequate fit and equals or less than 2 for excellent fit. The goodness of fit or GFI is one of other major indicators that prove the fit of a model. As far Goodness of fit; GFI, the most supported recommendations is a value larger than 0.9 as an adequate fit and larger than 0.93 is an excellent fit. However Enns et al (1998) quoted some scholars that GFI is an adequate fit starting from  $> 0.85$ ; whereas the adjusted GFI (AGFI) is adequate from  $> 0.80$ . for the Root mean square error of approximation (RMSEA) most authorities recommends a value larger than 0.08 as adequate fit and less than 0.05 as excellent Fit. As far the comparative fit index , a value larger than 0.9 for excellent fit (Haire, 2010).

Model	RMR	GFI	AGFI	PGFI
Default model	.196	.684	.653	.623
Saturated model	.000	1.000		
Independence model	.359	.177	.143	.170

**TABLE 6.27 : MODEL FIT SUMMARY – GOODNESS OF FIT**  
**SOURCE: AMOS OUTPUT**

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.707	.690	.780	.766	.779
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Table: (6.28) Model fit summary - CFI

Complete results are included in appendix A-3.

The researcher has modified the confirmatory factor analysis to improve the model fit. The confirmatory factor analysis with the highest 4 loadings on each construct have been considered in which the confirmatory factor analysis have been modified to keep only the highest 4 items based on their loadings and delete all others as shown below:

Information gap five Items have been deleted (Item 2, 3, 6, 7 and 9)

Item number	Item content
2	Information is not available if not related to the employees task
3	The methodology of Gathering information is known to me
6	The information collected is shared and communicated with all employees at lower level
7	There is a channel of communication between front line employees and top management
9	The managerial structure levels separate senior managers from frontline employees

**TABLE 6.29: DELETED ITEMS FROM INFORMATION GAP CONSTRUCT**

Specification gap eight Items have been deleted (Item 10, 11, 12, 14, 15, 16, 19 and 20)

Item number	Item content
10	In your company There is a formal process in setting goals related to service quality
11	Quality improvement is a team's responsibility.
12	Programs of improving service quality provided to all level of employees.
14	The company recognizes employees' efforts and rewards accordingly.
15	The managerial structure levels separate senior managers from frontline employees
16	The management motivates employees and fully develops their potential.
19	Customer expectation is the main criteria for setting service quality goals of the organization

**TABLE 6.30: DELETED ITEMS FROM SPECIFICATION GAP CONSTRUCT**

The item that have been deleted from performance gap are six Items (Item 22, 24, 25, 26, 27and 31)

Item number	Item content
22	The provided information is sufficient to complete the employee's task
24	I spend a lot of time in my job trying to resolve problems over which I have a little control
25	Everyone in my organization contributes to a team effort in servicing customers
26	The company recognizes employees' efforts and rewards accordingly.
27	The managerial structure levels separate senior managers from frontline employees
31	The management motivates employees and fully develops their potential.

**TABLE 6.31: DELETED ITEMS FROM PERFORMANCE GAP**

Power distance two Items have been deleted (Item 34 and 35)

Item number	Item content
34	Supervisors should not delegate important tasks to subordinates.
35	The rights of superiors and subordinate are equal

**TABLE 6.32: DELETED ITEMS FROM POWER DISTANCE CONSTRUCT**

As far uncertainty avoidance three Items have been deleted (Item 39, 41, 43).

Item number	Item content
39	Following instructions and procedures closely is important.
41	Standardized work procedures are important
43	You would accept working in another organization but in different job

TABLE 6.33: DELETED ITEMS FROM UNCERTAINTY AVOIDANCE CONSTRUCT

The modified confirmatory factor analysis is shown in Fig 6.10 below.

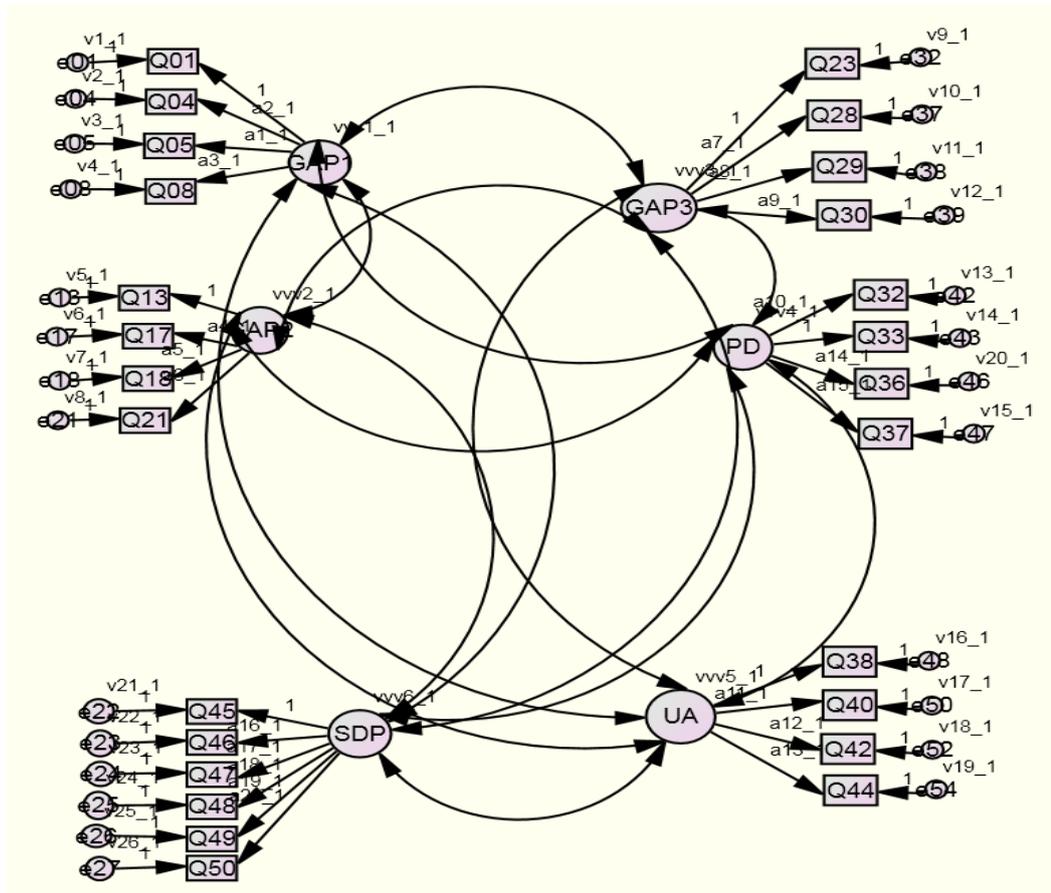


Fig (6.10) Modified confirmatory factor analysis

Source: Amos output

The new Cronbach's alpha for the 26 items only after deleting the other variables can be seen in Table 6.34 below.

Construct	Cronbach's Alpha All	# of Items
Information Gap 1	0.965	4
Specification Gap 2	0.966	4
Performance Gap 3	0.973	4
Power Distance	0.972	4
Uncertainty Avoidance	0.970	4
Mechanisms of Service delivery	0.957	6

**TABLE (6.34): CRONBACH'S ALPHAS OF THE ITEMS**  
SOURCE: SPSS OUTPUT

CMIN/DF (normed Chi-Square) below 2 is preferred but between 2 and 5 is considered acceptable. From the below Table Cmin/df is less than 5 which is considered an acceptable.

Model	NPAR	CMIN	DF	P	CMIN/DF
Unconstrained	85	1234.939	266	.000	4.643
Saturated model	351	.000	0		
Independence model	26	24220.116	325	.000	74.523

**TABLE (6.35): MODEL FIT SUMMARY - CMIN**  
SOURCE: AMOS OUTPUT

The goodness of fit is 85% as indicated in Table 6.36 is an acceptable fit as suggested by (Enns et al.,1988)

Model	RMR	GFI	AGFI	PGFI
Unconstrained	.055	.841	.790	.637
Saturated model	.000	1.000		
Independence model	.942	.083	.010	.077

**TABLE (6.36): MODEL FIT SUMMARY – GFI**  
SOURCE: AMOS OUTPUT

As far the Baseline Comparisons CFI indicates acceptable as it indicates more than the minimum acceptable level of 0.90 as it shown in Table 6.37 below.

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Unconstrained	.949	.938	.960	.950	.959
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

**TABLE (6.37): MODEL FIT SUMMARY - BASELINE COMPARISONS**  
SOURCE: AMOS OUTPUT

RMSEA which indicates the badness of fit is less than 1 and according to Hair et al., (2010) a rule of thumb suggest that together the RMSEA and the CFI allow for the badness-of-fit index and a goodness-of-fit index evaluation. In addition, other index values are supportive.

Model	RMSEA	LO 90	HI 90	PCLOSE
Unconstrained	.089	.084	.094	.000
Independence model	.399	.395	.403	.000

**TABLE 6.38: MODEL FIT SUMMARY - RMSEA**  
SOURCE: AMOS OUTPUT

## 6.6 Construct validity

After evaluating the Chi-Square and other Goodness-Of-Fit measures, the researcher then examined the construct validity of the model. The Construct validity is defined as the “extent to which a set of measured variables actually represent the theoretical latent construct they are designed to measure” (Hair et al., 2010). The Construct validity consists of four gears: convergent validity, discriminant validity, nomological validity and face validity.

### 6.6.1 Convergent validity

The CFA model demonstrate convergent validity as all average variance extracted (AVE) estimates above 0.5 and the construct reliability estimates all exceed 0.7 as shown in Table 6.39 below.

	PD	UAV	IG	SG	PG	SDM	Item	
PD1	0.969						0.939	
PD2	0.944						0.891	
PD3	0.937						0.878	
PD4	0.922						0.850	3.558
UAV1		0.913					0.834	
UAV2		0.905					0.819	
UAV3		0.945					0.893	
UAV4		0.936					0.876	3.422
IG1			0.94				0.884	
IG2			0.931				0.867	
IG3			0.932				0.869	
IG4			0.942				0.887	3.506
SG1				0.947			0.897	
SG2				0.948			0.899	
SG3				0.949			0.901	
SG4				0.938			0.880	3.576
PG1					0.943		0.889	
PG2					0.973		0.947	
PG3					0.959		0.920	
PG4					0.943		0.889	3.645
SDM1						0.491	0.241	
SDM2						0.982	0.964	
SDM3						0.977	0.955	
SDM4						0.975	0.951	
SDM5						0.974	0.949	
SDM6						0.938	0.880	4.939
AVE	89%	86%	88%	89%	91%	82%		
Construct Reliability	97%	96%	97%	97%	98%	96%		

**TABLE 6.39: AVERAGE VARIANCE EXTRACTED ESTIMATES AND CONSTRUCT RELIABILITY ESTIMATES**  
**SOURCE: OWN CALCULATION**

Therefore, all the items are kept with no changes at this point as adequate evidence from the above Table suggest retaining all items.

### 6.6.2 Discriminant validity

The interconstruct correlations have been obtained correlations Table on the AMOS output as can be seen in Table 6.40 below.

Matrix						
Interconstruct Correlations	PD	UAV	IG	SG	PG	SPM
PD	1					
UAV	0.981	1				
IG	0.255	0.29	1			
SG	0.184	0.224	1.009	1		
PG	0.21	0.241	0.982	0.99	1	
SPM	0.451	0.501	0.97	0.929	0.916	1

**TABLE 6.40: THE INTERCONSTRUCT CORRELATIONS**  
SOURCE: AMOS OUTPUT

The Squared Interconstruct have been calculated by excel using the data for the Interconstruct Correlations obtained from AMOS.

matrix squared						
Squared interconstruct Correlations	PD	UAV	IG	SG	PG	SPM
PD	1					
UAV	0.96	1				
IG	0.07	0.08	1			
SG	0.03	0.05	0.99	1		
PG	0.04	0.06	0.96	0.98	1	
SPM	0.20	0.25	0.94	0.86	0.84	1

**TABLE 6.41: THE SQUARED INTERCONSTRUCT CORRELATIONS**  
SOURCE: OWN CALCULATION

The average variance extracted (AVE) has been compared for each factor with the squared interconstruct correlations (SIC) associated with that factor.

	Construct	AVE	CR						
	PD construct	0.89	97%	0.88	0.07	0.03	0.05	0.20	0.21
	UA construct	0.86	96%	0.11	0.06	0.07	0.27	0.96	0.88
	IG construct	0.88	97%	0.99	0.95	0.96	0.07	0.08	0.11
	SG construct	0.89	97%	0.96	0.87	0.03	0.06	0	0.99
	PG construct	0.91	98%	0.85	0.05	0.07	0.95	0.04	0.96
	SPM	0.82	96%	0.2	0.27	0.96	0.87	0.84	0.85
AVE for PD construct is larger than all corresponding SIC									
AVE for UAV construct is larger than all corresponding SIC									
AVE for IG construct is larger than all corresponding SIC except for PG, SG and									
AVE for SG construct is larger than all corresponding SIC except for PD and SDM									
AVE for PG construct is larger than all corresponding SIC except for SG and SDM									
AVE for SDM construct is larger than all corresponding SIC except for IG ,SG and PG									

**TABLE 6.42: AVERAGE VARIANCE EXTRACTED (AVE) AGAINST (SIC)**  
**SOURCE: OWN ELABORATION**

Based on above results, most of average variance extracted (AVE) estimates in the above Table are larger than the corresponding squared interconstruct correlation estimates (SIC). However, they are some construct that does not demonstrate discriminant validity. Therefore, the research intends to adopt common method bias in order to control for the factor that causing the potential bias resulted in the high correlation.

### **6.6.3 Nomological Validity**

Nomological Validity is tested by examining the correlations between the constructs in the measurement model if it makes sense in line with the theory driving this research. The construct correlations do not demonstrate nomological validity since the constructs are found of high correlation even they were positively related for the six construct model. Common method bias may provide better results.

			Estimate	S.E.	C.R.	P	Label
GAP3	<-->	PD	.314	.069	4.555	***	par_53
PD	<-->	UA	1.143	.084	13.644	***	par_54
UA	<-->	SDM	.285	.038	7.555	***	par_55
GAP2	<-->	SDM	.591	.064	9.219	***	par_56
GAP1	<-->	GAP2	1.385	.097	14.313	***	par_57
GAP1	<-->	GAP3	1.370	.097	14.152	***	par_58
PD	<-->	SDM	.284	.040	7.079	***	par_59
GAP3	<-->	SDM	.591	.064	9.193	***	par_60
GAP1	<-->	SDM	.602	.065	9.304	***	par_61
GAP1	<-->	PD	.367	.068	5.419	***	par_62
GAP2	<-->	PD	.260	.068	3.803	***	par_63
GAP3	<-->	UA	.335	.061	5.455	***	par_64
GAP1	<-->	UA	.405	.061	6.653	***	par_65
GAP2	<-->	UA	.309	.061	5.067	***	par_66
GAP2	<-->	GAP3	1.420	.100	14.233	***	par_69

**TABLE 6.43: THE SIX CONSTRUCT MODEL CORRELATIONS**  
**SOURCE: OWN CALCULATION**

Gap 1: Information gap, Gap 2: Specification gap, Gap3: Performance gap  
 PD: Power Distance, UA: Uncertainty Avoidance, SDM: Service provision

#### 6.6.4 Common method bias

According to Podsakoff and Podsakoff (2003) common method bias influence behavioral research and need to be controlled. Hence, the researcher has evaluated

the procedural common method bias and found the reasons that caused this issue. The researcher found that the common rater effects could be the potential source of bias as the respondent providing the measure of the variables is the same individual. Therefore, the researcher intends to use the statistical remedies to control for bias as this method has been widely used in the literature (Podsakoff and Podsakoff, 2003). Harman's single factor test has been conducted to address the issue of common method variance as suggested by Podsakoff and Podsakoff (2003). The discriminant validity, nomological validity, convergent validity and construct reliability has been recalculated after controlling for the common method bias.

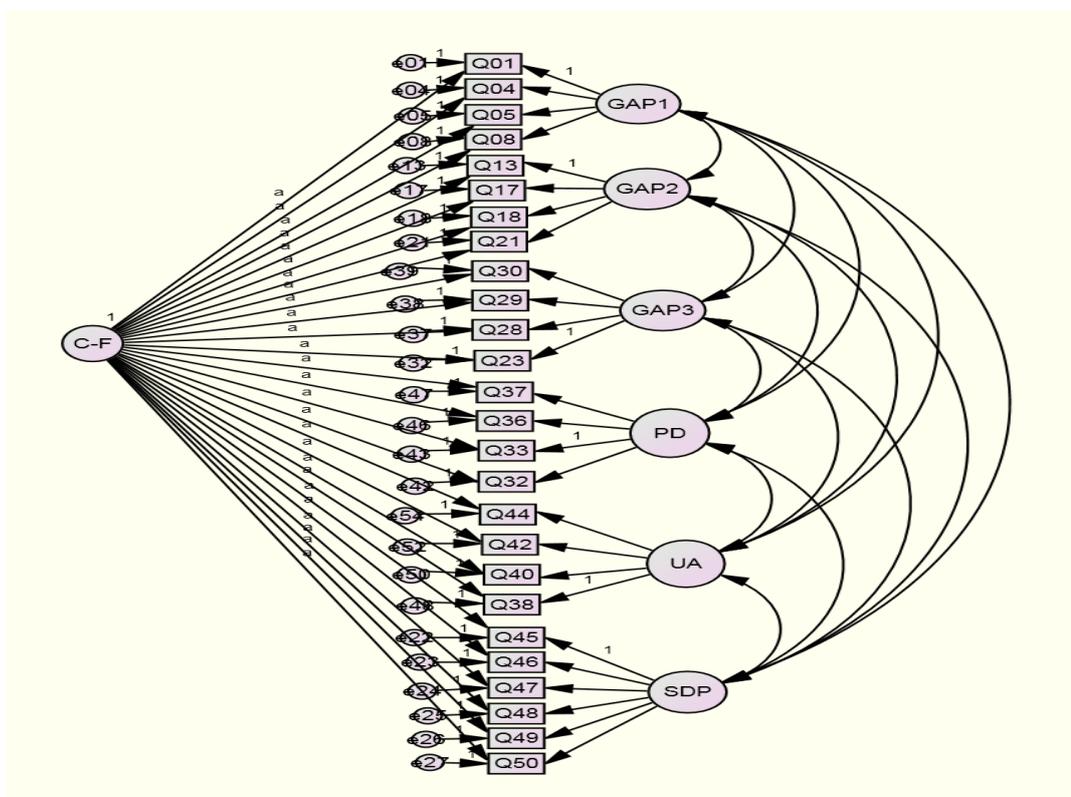


Fig (6.11) Model with Common Method Bias control  
Source: Amos output

As far the model fit after introducing a general factor to control for the common method bias, the CMIN/DF (normed Chi-Square) has been found acceptable as less than 5 as suggested by Hair (2010). Results of model fit is shown below.

Model	NPAR	CMIN	DF	P	CMIN/DF
Unconstrained	94	1229.743	257	.000	4.785
Saturated model	351	.000	0		
Independence model	26	25540.388	325	.000	78.586

**TABLE (6.44): MODEL FIT SUMMARY - CMIN**  
**SOURCE: AMOS OUTPUT**

The goodness of fit is 84% as indicated in Table 6.45 is an acceptable fit as suggested by (Enns et al.,1988)

Model	RMR	GFI	AGFI	PGFI
Unconstrained	.482	.842	.784	.616
Saturated model	.000	1.000		
Independence model	.969	.078	.004	.072

**TABLE (6.45): MODEL FIT SUMMARY – GFI**  
**SOURCE: AMOS OUTPUT**

As far the Baseline Comparisons CFI indicates acceptable as it indicates more than the minimum acceptable level of 0.90 as it shown in Table 6.46 below.

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Unconstrained	.952	.939	.962	.951	.961
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

**TABLE (6.46): MODEL FIT SUMMARY - BASELINE COMPARISONS**  
**SOURCE: AMOS OUTPUT**

RMSEA which indicates the badness of fit is less than 1 as shown in below Table.

Model	RMSEA	LO 90	HI 90	PCLOSE
Unconstrained	.091	.085	.096	.000
Independence model	.410	.406	.414	.000

TABLE (6.47): MODEL FIT SUMMARY - RMSEA  
SOURCE: AMOS OUTPUT

Based on all of the above results, the common factor has worsen the model fit but within the acceptable limits as per hair (2010) and thereby the researcher accept the model. Detailed results can be seen within A-4 in the Appendices.

### 6.6.5 convergent validity

After controlling for the common factor, The CFA model demonstrate convergent validity as all average variance extracted (AVE) estimates above 0.5 and the construct reliability estimates all exceed 0.7 as shown in below Table.

	PD	UAV	IG	SG	PG	SPM	Item Reliabilities	
PD1	0.94							0.884
PD2	0.93							0.861
PD3	0.92							0.852
PD4	0.85							0.716
UAV1		0.93						0.865
UAV2		0.947						0.897
UAV3		0.885						0.783
UAV4		0.88						0.774
IG1			0.876					0.767
IG2			0.861					0.741
IG3			0.844					0.712
IG4			0.877					0.769
SG1				0.882				0.778
SG2				0.919				0.845
SG3				0.913				0.834
SG4				0.875				0.766
PG1					0.857			0.734
PG2					0.907			0.823
PG3					0.893			0.797
PG4					0.882			0.778
SDP1						0.975		0.951
SDP2						0.932		0.869
SDP3						0.966		0.933
SDP4						0.95		0.903

SDP5						0.945		0.893
SDP6						0.976		0.953
AVE	83%	75%	75%	81%	78%	92%		
Construct Reliability	95%	95%	92%	94%	94%	98%		

**TABLE 6.48: AVERAGE VARIANCE EXTRACTED ESTIMATES AND CONSTRUCT RELIABILITY ESTIMATES**  
**SOURCE: EXCEL CALCULATION**

### 6.6.6 Discriminant validity

The interconstruct correlations have been obtained correlations Table on the AMOS output as can be seen in Table 6.49 below.

$\phi$ matrix						
Interconstruct Correlations	PD	UAV	IG	SG	PG	SPM
PD	1					
UAV	0.62	1				
IG	-0.6	0.62	1			
SG	-0.62	-0.651	0.77	1		
PG	-0.614	-0.649	0.44	0.61	1	
SPD	0.427	0.93	-0.479	-0.299	-0.315	

**TABLE 6.49: THE MODIFIED INTERCONSTRUCT CORRELATIONS**  
**SOURCE: AMOS OUTPUT**

The interconstruct correlations have been then squared to get squared interconstruct correlations.

$\phi$ matrix squared						
Squared interconstruct Correlations	PD	UAV	IG	SG	PG	SPM
PD	1					
UAV	0.38	1				
IG	0.36	0.38	1			
SG	0.38	0.42	0.59	1		
PG	0.38	0.42	0.19	0.37	1	
SDP	0.18	0.86	0.23	0.09	0.10	1

**TABLE 6.50: THE MODIFIED SQUARED INTERCONSTRUCT CORRELATIONS**  
**SOURCE: AMOS OUTPUT**

Each squared interconstruct was compared to the average variance extracted (AVE) to check the discriminant validity. Results indicate that all construct average variance extracted are larger than its corresponding squared

interconstruct correlation and thereby discriminant validity is confirmed as shown in Table 6.51 below.

	AVE	CR					
PD construct	83%	95%	0.38	0.36	0.38	0.38	0.18
UA construct	75%	95%	0.38	0.42	0.42	0.86	0.38
IG construct	75%	92%	0.59	0.19	0.23	0.38	0.36
SG construct	81%	94%	0.37	0.09	0.59	0.42	0.38
PG construct	78%	94%	0.1	0.37	0.19	0.42	0.38
SDP	92%	98%	0.18	0.86	0.23	0.09	0.1
AVE for PD construct is larger than all corresponding SIC							
AVE for UAV construct is larger than all corresponding SIC							
AVE for IG construct is larger than all corresponding SIC							
AVE for SG construct is larger than all corresponding SIC							
AVE for PG construct is larger than all corresponding SIC							
AVE for SDM construct is larger than all corresponding SIC							

**TABLE 6.51: AVERAGE VARIANCE EXTRACTED (AVE) AGAINST SQUARED INTERCONSTRUCT**  
SOURCE: OWN ELABORATION

### 6.6.7 Nomological Validity

The nomological validity has been checked and found valid as the covariance are significant and meaningful. The covariance significance can be seen in below Table.

Covariance: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
GAP1	<-->	GAP2	0.114	0.015	7.688	***
GAP1	<-->	GAP3	0.125	0.017	7.473	***
GAP1	<-->	PD	-0.277	0.031	-8.964	***
GAP1	<-->	UA	-0.226	0.025	-8.925	***
GAP1	<-->	SDP	-0.031	0.007	-4.352	***
GAP2	<-->	GAP3	0.192	0.021	9.032	***
GAP2	<-->	PD	-0.296	0.034	-8.736	***
GAP2	<-->	UA	-0.249	0.028	-8.806	***
GAP2	<-->	SDP	-0.032	0.008	-4.191	***
PD	<-->	GAP3	-0.349	0.04	-8.705	***
GAP3	<-->	UA	-0.296	0.033	-8.88	***
GAP3	<-->	SDP	-0.041	0.009	-4.316	***
PD	<-->	UA	1.112	0.089	12.473	***
PD	<-->	SDP	0.135	0.032	4.273	***
UA	<-->	SDP	0.11	0.026	4.188	***

**TABLE 6.52: THE SIX CONSTRUCT MODEL CORRELATIONS**  
SOURCE: OWN CALCULATION

### 6.6.8 Face validity

According to Haire (2010) face validity can be assessed based on the researcher judgment to check whether the content of the items of each construct is consistent with the construct definition. To the researcher best judgment this criteria has been met and found all items are consistent with their corresponding construct definition. In addition, the researcher has used experts from the field of academic and practice to confirm the face validity

### **6.6.9 Sobel Test for Mediation**

Reviewing the literature revealed that they are different methods for testing mediation one of which is Sobel test (Hayes, 2009). Sobel (1982) provide approximate significance test for the independent variable on the dependent variable through mediator which he Calles the indirect effect. His method also known as the product of coefficient approach (Hays, 2009). Sobel test can be used for more complicated model ( Baron and Kenny, 1986) and assumes the sampling distribution of the indirect effect is normal. Sobel (1982) assumed that the product of large sample size would be normally distributed and thereby he used Taylor series approach to drive for an approximate expressions for that standard error. Sobel (1982) assumes that the standard error estimates are regularly used to test whether the indirect effect is different from zero. (Shrout and Niall Bolger, 2002). According to Hayes (2009) sobel (1982) test is often used as to supplement the Baron and Kenny (1986) approach of casual steps that requires all path to be significant first then Sobel test can be used. Therefore, the researcher is adopting sobel (1982) test as a supplement to Baron and Kenny (1986) approach for testing the intervening variables in this research.

### **6.7 Testing Hypothesis by Structural Equation Modelling**

Structural equation modelling (SEM) is a statistical methodology that facilitates a set of hypothesized relationships between one or more variables to be examined (Byrne, 2001). SEM is known as a collection of statistical techniques including multiple regression, path analysis, and confirmatory factor analysis. The main driver for using SEM in this research was attributed to the nature of SEM as a theory driven technique that used in reference to hypothesis about potential relationships among variables (Kline, 2005).

The impact of national culture of power distance and uncertainty avoidance on service delivery through service quality gaps between Kuwait and Egypt is tested using AMOS software package version 17 to test the following 12 Hypotheses as explained below.

### **6.7.1 Effect of high Power distance on information flow**

This hypothesis was tested using AMOS to study the effect of power distance of national culture on service delivery mechanism in terms of information flow through information gap as the hypothesis posit the following:

H2a: In Egypt, high power distance has a positive effect on hierarchical – driven information gathering and sharing through information gap.

In order to answer the hypothesis, the researcher proposed mediation model as shown in Fig (6.11) below. The model first start to find significance of the individual relationships between all three constructs as the following:

- 1- Low power distance is directly related to the Hierarchical – driven information gathering and collecting
- 2- The information gap (mediator construct) is related to the input construct (Low power distance, Egypt)
- 3- The mediator (information gap) is related to the outcome construct (Egypt as low power distance)

Using Amos, the results is summarized in Table 6.53 for both the indirect model and after introducing the direct model.

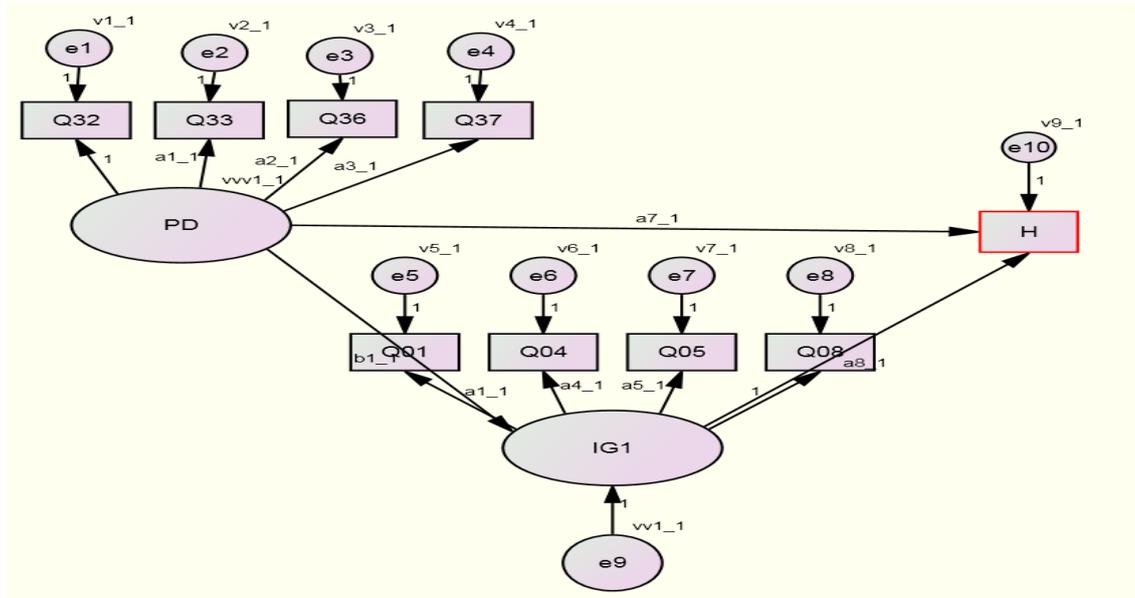


Fig 6.12 effect of Egypt Power distance on hierarchical driven information gathering and sharing  
 Source: AMOS Computation

According to Hair et al., (2010) the model fit shows that CMIN/DF (normed Chi-Square) below 2 is preferred but between 2 and 5 is considered acceptable. The goodness of fit (GFI) is indicating 87% is an acceptable fit. The Baseline Comparisons (CFI) indicates acceptable as it indicates more than the minimum acceptable level of 0.90. RMSEA which indicates the badness of fit is less than 1 as shown in Table 6.52 below, which means according to Hair et al., (2010) a rule of thumb suggest that together the RMSEA and the (CFI) allow for the badness-of-fit index and a goodness-of-fit index evaluation. However, The model fit has not changed significantly when the direct parameter has been introduced as the change in  $\chi^2$  (chi square) is only 33.3 which even though not very high difference but at least has slightly worsen the Chi square which support mediation.

Model Elements	Initial model (indirect model )	Revised Model (after adding the direct effect)
Model fit		
CMIN	303.2	336.5
CMIN/DF	5.7	6.9
GIF	0.86	0.85
CFI	0.948	0.941
RMSEA	0.10	0.108
Standardized parameter estimate Kuwait	Initial Model	Revised Model with
IG <---PD	0.743 sig	0.743 Sig

WH <--- IG	0.054			
WH <--- PD	Not Estimated		-0.016	Not Sig
Egypt	0.745	sig	0.746	Sig
WH <--- IG	0.523	sig	0.638	Sig
WH <--- PD	Not Estimated		-0.150	Sig at 0.1

**TABLE (6.53): MODEL FIT AND PARAMETERS ESTIMATES OF HIGH POWER DISTANCE ON HIERARCHICAL INFORMATION GATHERING AND SHARING**  
**SOURCE: AMOS OUTPUT**

The magnitude of the mediation effect of high power distance (Egypt) on hierarchical driven information gathering and sharing is broken to direct and indirect effect than compiled as a total effect as shown in Table 6.53 below. When the indirect effect,  $X \rightarrow M \rightarrow Y =$  the total effect of  $X \rightarrow Y$  this means complete mediation, but when the indirect effect  $X \rightarrow M \rightarrow Y$  is less than the total effect  $X \rightarrow Y$  with the same sign this means partial mediation (Shrout and Bolger, 2002).

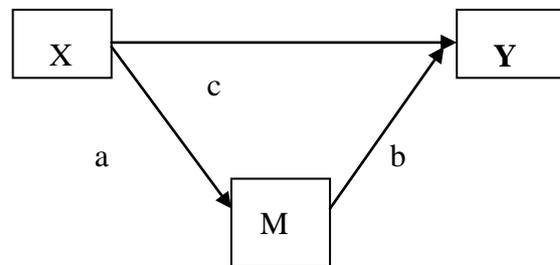


Fig (6.13) : Mediation Effect

For the tested model, when the indirect effect of  $a \times b$  equals the total effect then the effect of high power distance on hierarchical information gathering and sharing is completely mediated completely by information gap. In this case, there is no direct effect of high power distance on hierarchical information gathering and sharing as the direct path is equal to zero. When the indirect effect of high power distance on hierarchical information gathering and sharing is smaller than the total effect and of the same sign then the effect of X on Y is partially mediated by information gap. In this case, the direct effect of high power distance on hierarchical information gathering and sharing is a value other than zero.

Effect of HPD ---> Hierarchical	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.390	0.326
S. Direct effect	00.0	-0.150
S. indirect Effect	0.390	0.476

**TABLE (6.54): TOTAL EFFECT OF EGYPT HIGH POWER DISTANCE ON HIERARCHICAL DRIVEN INFORMATION GATHERING**  
**SOURCE: AMOS OUTPUT**

The results indicate that total effect inclusive of direct and indirect effect of high power distance national culture on information flow in terms of hierarchical – driven information gathering and sharing in the revised model is smaller than the total effect of the original model supporting partial mediation. This finding supports the hypothesis of high power distance; Egypt in this case, has a positive effect on hierarchal driven information gathering and sharing through information gap.

H2a: is supported

### 6.7.2 Effect of Low Power distance on information flow

In order to test this effect of national culture of low power distance on service delivery mechanism of information flow, the researcher posits the following hypothesis: H2b: in Kuwait, Low power distance has a positive effect on functional – Driven information gathering and sharing through information gap. Fig 6.14 shows the direct and indirect effect of low power distance on service delivery mechanism of Functional - driven information gathering and sharing as resulted from Amos.

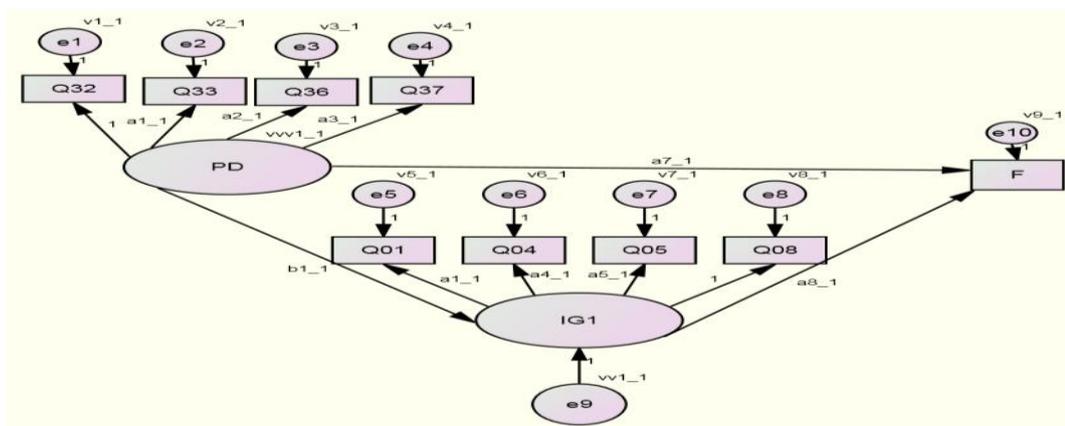


Fig 6.14 Effect of Kuwait low power distance on functional driven information  
 Source: AMOS Computation

The results from the model as shown in Table 6.54 below indicate that CMIN has decreased after introducing the direct effect which supports the mediation. The goodness of fit (GFI) is indicating 88% is an acceptable fit. The Baseline Comparisons (CFI) indicates acceptable as it indicates more than the minimum acceptable level of 0.956. RMSEA which indicates the badness of fit is less than 0.09 which means according to Hair et al., (2010) an acceptable model fit.

Model Elements	Initial model (indirect model )	Revised Model ( after adding the direct effect)		
Model fit				
CMIN	390	267		
CMIN/DF	7.3	5.2		
GIF	0.829	0.880		
CFI	0.932	0.956		
RMSEA	0.12	0.09		
Standardized parameter estimate	Initial Model		Revised Model with Direct	
IG <---PD	0.747	sig	0.745	Sig
WF <--- IG	0.425	Sig	0.233	Sig
WF <--- PD	Not Estimated		0.251	Sig
Egypt				
IG <---PD	0.731	sig	0.713	Sig
WF <--- IG	0.513	sig	-0.103	Not Sig
WF <--- PD	Not Estimated		0.826	Sig

**TABLE (6.55): MODEL FIT AND PARAMETERS ESTIMATES OF KUWAIT LOW POWER DISTANCE ON FUNCTIONAL INFORMATION GATHERING AND SHARING**  
SOURCE: AMOS OUTPUT

The magnitude of the effect of low power distance on functional information gathering and sharing is depicted in Table 6.56 below. The results indicate that total effect inclusive of direct and indirect effect of low power distance national culture on information flow in terms of functional – driven information gathering and sharing in the revised model is larger than the total effect of the original model. This means that there is some direct effect as well as indirect effect which support that information gap is partially mediating the effect on low power distance on functional – driven information gathering and sharing. This finding supports the hypothesis that low power distance has a positive effect on functional driven information gathering and sharing through low information gap.

Effect of Low Power Distance ---> Functional-driven information gathering and sharing	Original Model (Only indirect effect)	Revised model with direct effect

S. Total Effect	0.375	0.425
S. Direct effect	0.00	0.251
S. indirect Effect	0.375	0.173

**TABLE (6.56): TOTAL EFFECT OF KUWAIT LOW POWER DISTANCE ON FUNCTIONAL DRIVEN INFORMATION GATHERING AND SHARING**  
SOURCE: AMOS OUTPUT

Therefore, based on all of the above results:

H2b: is supported

### 6.7.3 Effect of High power distance on Style of Management

Structure equation model by Amos has been used to test the following Hypothesis:

H2c: In Egypt, high power distance has an effect on Non Participative leadership Driven in Setting Service Quality Specification through specification gap.

The results from the model as shown in Table 6.56 below indicate that CMIN has decreased after introducing the direct effect which supports the mediation. The goodness of fit (GFI) is indicating 88% is an acceptable fit. The Baseline Comparisons (CFI) indicates acceptable as it indicates more than the minimum acceptable level of 0.956. RMSEA which indicates the badness of fit is less than 0.09 which means according to Hair et al., (2010) an acceptable model fit.

Model Elements	Initial model (indirect model )	Revised Model ( after adding the direct effect)	
<b>Model fit</b>			
CMIN	299.7	291	
CMIN/DF	5.6	5.7	
GIF	0.879	0.882	
CFI	0.952	0.953	
RMSEA	0.10	0.10	
Standardized parameter estimate (Kuwait)	Initial Model		Revised Model with Direct
SG <---PD	0.675	sig	0.672 Sig
WNP <--- SG	0.657	Sig	0.580 Sig
WNP <--- PD	Not Estimated		0.110 Not Sig
<b>Egypt</b>			
SG <---PD	0.772	sig	0.776 Sig
WNP <--- SG	0.740	sig	0.886 Sig
WNP <--- PD	Not Estimated		-0.183 Sig

**TABLE (6.57): MODEL FIT AND PARAMETERS ESTIMATES OF EGYPT HIGH POWER DISTANCE ON NON PARTICIPATIVE LEADERSHIP DRIVEN IN SETTING SERVICE QUALITY**  
SOURCE: AMOS OUTPUT

However, the magnitude of the effect of high power distance on non participative leadership driven in setting service quality is depicted in Table 6.58 below. Results indicate that the total effect of high power distance national culture, which is Egypt in this case, on style of management in terms of non participative leadership Driven in Setting Service Quality in the revised model is larger than the total effect of the original model. This means that there is small direct effect of high power distance in setting service Quality in non participative leadership - driven setting service quality. However, the indirect effect has been found larger as specification gap counts for this effect. High power distance effects specification gap results in high specification gap, which leads the organisation to specify their specification in a management style in terms of non-participative leadership driven in setting service quality. This result support that specification gap is partially mediating the effect of high power distance on Non Participative leadership driven in Setting Service Quality.

Effect of high power distance ---> Non-Participative leadership driven in setting service quality	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.444	0.505
S. Direct effect	0.00	-0.183
S. indirect Effect	0.444	0.688

**TABLE (6.58): TOTAL EFFECT OF EGYPT HIGH POWER DISTANCE ON NON PARTICIPATIVE LEADERSHIP**  
**SOURCE: AMOS OUTPUT**

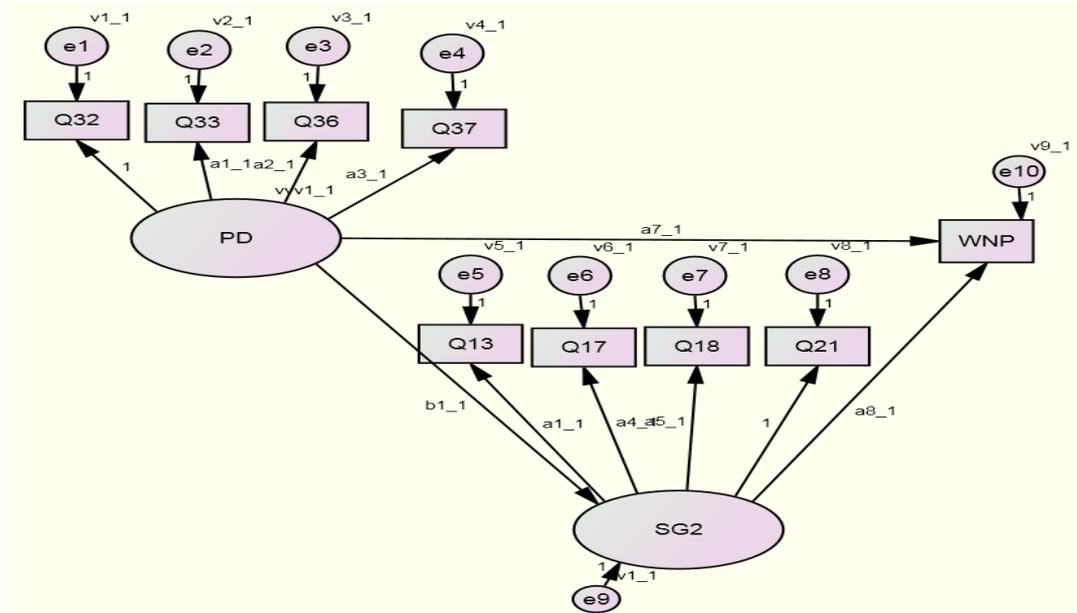


Fig 6.15 Effect of Egypt high power distance on non participative leadership driven in Setting Service Quality  
 Source: AMOS Computation

Based on all of the above results, Therefore,

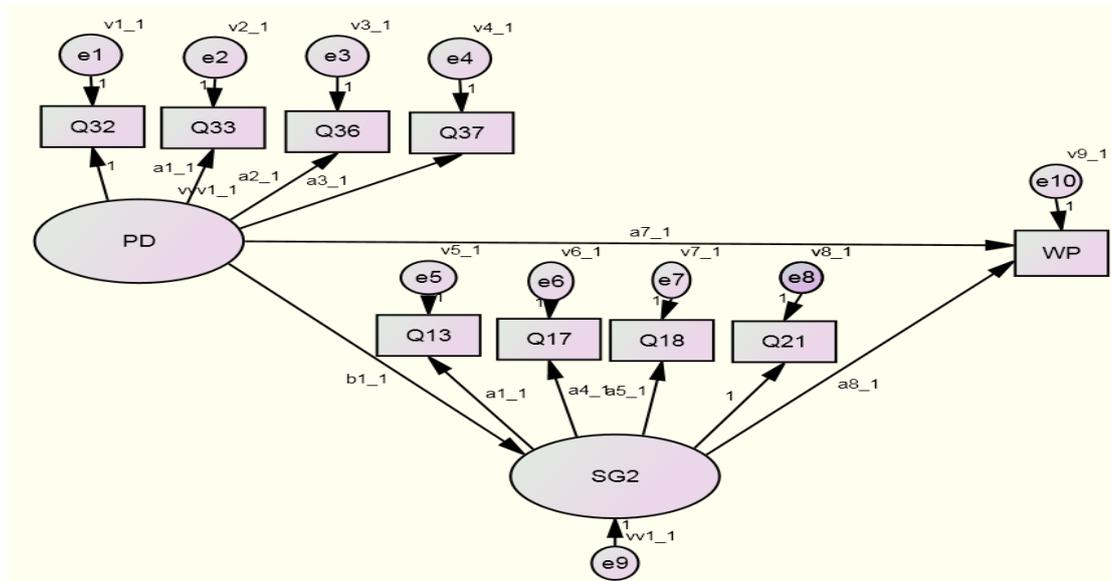
H2c: is Supported

**6.7.4 Effect of Low power distance on Style of Management**

In order to test the effect of national culture of low power distance on style of management the researcher posits the next hypothesis as the following:

H2d: in Kuwait, Low power distance has an effect on participative leadership driven in setting service quality through specification gap.

Fig 6.16 shows the revised model after adding the direct path.



**FIG 6.16: THE EFFECT OF KUWAIT LOW POWER DISTANCE ON PARTICIPATIVE LEADERSHIP DRIVEN IN SETTING SERVICE QUALITY**  
**SOURCE: AMOS OUTPUT**

Based on the model fit indices, the revised model with direct effect has worsened the chi square which supports the mediation as can be seen in Table 6.59 below.

Model Elements	Initial model (indirect model )		Revised Model ( after adding the direct effect)	
<b>Model fit</b>				
CMIN	445		295.2	
CMIN/D	8.4		5.8	
GIF	0.833		.883	
CFI	0.923		0.952	
RMSEA	0.127		0.102	
Standardized parameter	Initial Model		Revised Model with Direct effect	
SG <---PD	0.693	sig	0.668	Sig
WP <--- SG	0.697	sig	0.217	sig
WP <--- PD	Not Estimated		0.690	Sig
<b>Egypt</b>				
SG <---PD	0.778	sig	0.775	sig
WP <--- SG	0.327	sig	0.005	Not sig
WP <--- PD	Not Estimated		.403	sig

**TABLE (6.59): MODEL FIT AND PARAMETERS ESTIMATES OF EGYPT LOW POWER DISTANCE ON PARTICIPATIVE LEADERSHIP DRIVEN IN SETTING SERVICE QUALITY**  
**SOURCE: AMOS OUTPUT**

The magnitude of the effect of Kuwait low power distance on style of management in terms of participative leadership driven in setting service quality is depicted in

Table 6.60 below. Results indicate that the total effect of low power distance national culture, which is Kuwait in this case, on style of management in terms of participative leadership driven in Setting Service Quality in the revised model is larger than the total effect of the original model. This means that there is some direct effect of high power distance in setting service Quality in participative leadership as well as indirect effect. This result support that specification gap is partially mediating the effect of low power distance on participative leadership driven in setting service quality.

Effect of Kuwait low power distance --->Participative leadership Driven	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.254	0.835
S. Direct effect	0.00	0.690
S. indirect Effect	0.254	0.145

**TABLE (6.60): TOTAL EFFECT OF KUWAIT LOW POWER DISTANCE ON PARTICIPATIVE LEADERSHIP**  
**SOURCE: AMOS OUTPUT**

Therefore, Based on all above results,

H2d: is supported

### **6.7.5 Effect of High power distance on Control**

To test the effect of high power distance on control, the researcher posited the following hypothesis:H2e: Egypt high power distance has a positive effect on delivering services quality regulated by centralized performance control through performance gap. Same as previous hypothesis testing, researcher used AMOS for building structure equation modelling. First was the initial model without the direct effect. Then the second model after adding the direct effect. Results revealed that the model fit is within the acceptable ranges after adding the direct effect. Regression estimates show that only Egypt has significant direct effect, whereas Kuwait found insignificant after adding the direct effect.

Model Elements	Initial model (indirect model )	Revised Model ( after adding the direct effect)	
Model fit			
CMIN	235	211	
CMIN/DF	4.4	4.1	
GIF	0.896	.907	
CFI	0.964	0.969	
RMSEA	0.087	0.083	
Standardized parameter estimate Kuwait	Initial Model		Revised Model with Direct effect
PG <--- PD	0.775	sig	0.776
WCP <--- PG	0.582	sig	0.635
WCP <--- PD	Not Estimated		-0.067
Egypt			
PG <--- PD	0.704	sig	0.691
WCP <--- PG	0.767	sig	0.548
WCP <--- PD	Not Estimated		.305

**TABLE (6.61): MODEL FIT AND PARAMETERS ESTIMATES OF EGYPT HIGH POWER DISTANCE ON CENTRALIZED PERFORMANCE CONTROL**  
SOURCE: AMOS OUTPUT

Based on the model fit indices, the revised model with direct effect has worsened the chi square, which supports the mediation. Fig 6.17 shows the indirect effect model that built using Amos.

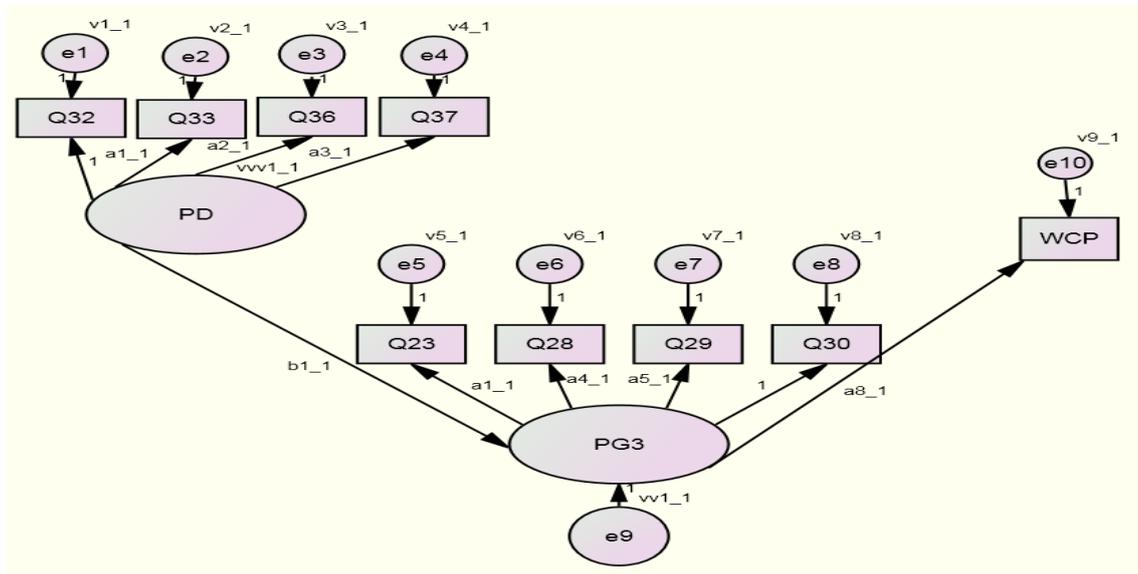


Fig 6.17 Effect of Egypt high power distance on centralized performance control  
Source: AMOS Computation

The magnitude of the total effect of Egypt high power distance on control in terms of delivering services quality regulated by centralized performance control is

depicted in Table 6.62 below. Results indicate that the total effect of high power distance national culture, which is Egypt in this case, on Control in terms of participative leadership driven in setting service quality in the revised model is larger than the total effect of the original model. This means that there is some significant direct effect of high power distance in setting service quality in participative leadership as well as indirect effect. This result support that specification gap is partially mediating the effect of low power distance on participative leadership driven in setting service quality.

Effect of Egypt high power distance---> centralized Performance control	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.451	0.684
S. Direct effect	0.00	0.305
S. indirect Effect	0.451	0.379

**TABLE (6.62): TOTAL EFFECT OF EGYPT HIGH POWER DISTANCE ON CENTRALIZED PERFORMANCE CONTROL**  
**SOURCE: AMOS OUTPUT**

From all the above results, the researcher concludes that:

Hypothesis 2e is supported

### **6.7.6 The Effect of low power distance on Control**

In order to test the effect of national culture of low power distance on the third service delivery mechanism, which is control, the researcher posited the following hypothesis: H2f: In Kuwait, Low power distance has an effect on empowering to perform in delivering service quality associated with performance gap. AMOS Output shows regression weights of paths are significant as shown in Table 6.63 below.

Model Elements	Initial model (indirect model )	Revised Model ( after adding the direct effect)		
Model fit				
CMIN	322	214		
CMIN/D	6.1	4.19		
GFI	0.866	.906		
CFI	0.948	0.969		
RMSEA	0.10	0.083		
Standardized estimate	parameter	Initial Model		Revised Model with Direct effect
PG <---PD		0.729	sig	0.708 Sig
WE <--- PG		0.668	sig	0.157 sig
WE <--- PD		Not Estimated		0.692 Sig
Egypt				
PG <---PD		0.777	sig	0.777 sig
WE <--- PG		0.657	sig	0.548 sig
WE <--- PD		Not Estimated		0.137 Not sig

**TABLE (6.63): MODEL FIT AND PARAMETERS ESTIMATES OF KUWAIT LOW POWER DISTANCE ON EMPOWERMENT**  
**SOURCE: AMOS OUTPUT**

Results from the initial and revised as shown in Table 6.64 indicate that CMIN has decreased after introducing the direct effect, which supports the mediation. The goodness of fit (GFI) is indicating 91% is an acceptable fit. The Comparative fit index (CFI) indicates acceptable as it indicates more than the minimum acceptable level of 96% RMSEA that indicates the badness of fit is 0.08 which means according to Hair et al., (2010) an acceptable model fit.

The magnitude of the total effect of Kuwait low power distance on control in terms of empowering to perform in delivering service quality through performance gap is shown in Table 6.64 below. Results indicate that the total effect of low power distance national culture in the revised model is larger than the total effect of the original model. This means that there is some significant direct effect of low power distance on empowering to perform in delivering service quality as well as the existence of an indirect effect. However, the direct effect is larger which indicates that performance gap is partially mediating the effect of low power distance national culture on empowering. This result support the hypothesis that performance gap is partially mediating the effect of low power distance on control in terms of empowering to perform in delivering service quality.

Effect of Kuwait	Original Model	Revised model with
------------------	----------------	--------------------

LPD---> empowerment	(Only indirect effect)	direct effect
S. Total Effect	0.487	0.803
S. Direct effect	0.00	0.692
S. indirect Effect	0.487	0.111

TABLE (6.64): TOTAL EFFECT OF KUWAIT LOW POWER DISTANCE ON EMPOWERMENT  
SOURCE: AMOS OUTPUT

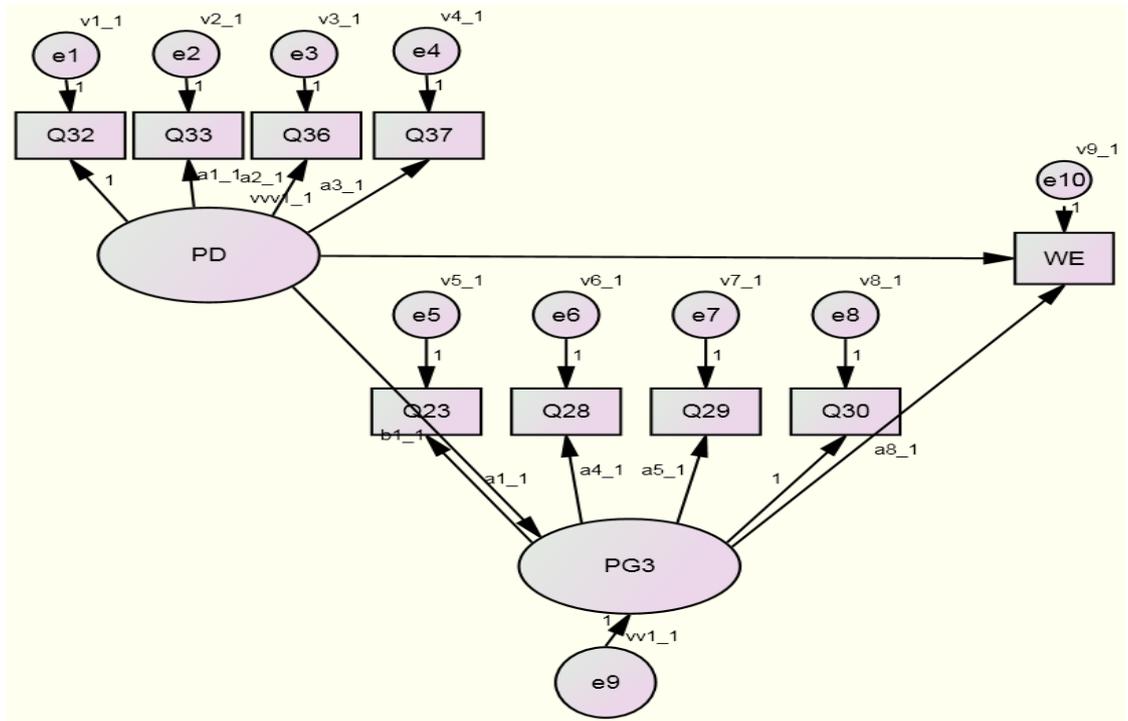


Fig 6.18: Effect of Kuwait low power distance on empowerment  
Source: AMOS Computation

Based on all the above results, the researcher concludes that:

Hypothesis 2f is supported

### 6.7.7 Effect of high uncertainty avoidance on communication policy

The hypothesis that posits the effect of high uncertainty avoidance national culture on communication as stated in the following hypothesis:

H2g: In Egypt, high uncertainty avoidance has an effect on close and formal driven communication through information gap.

There was statistical significance of paths regression for Egypt only, whereas Kuwait estimates were insignificant. The chi square ( $\chi^2$ ) has reduced significantly when adding the direct effect to the initial model. This reduction of ( $\Delta \chi^2 = 21$ ) supports the existence of mediation. However, the improvement of the model fit is an evident that there is no complete mediation. However, partial mediation found supported, as direct and indirect effect exists. The indirect effect is substantively significant. Results based on comparing parameters and model fit for both models before and after introducing the direct effect as shown in Table 6.65 below.

Model Element	Initial model (indirect model )		Revised Model ( after adding the direct effect)	
Model fit				
CMIN	307		286	
CMIN/	5.8		5.6	
GFI	0.877		.89	
CFI	0.949		0.953	
RMSEA	0.10		0.10	
Standardized parameter	Initial Model		Revised Model with Direct effect	
IG <---UA	0.888	sig	0.889	Sig
WCF <--- IG	0.770	sig	0.838	sig
WCF <--- UA	Not Estimated		-0.075	Not Sig
Egypt				
IG <---UA	0.719	sig	0.703	sig
WCF <--- IG	0.798	sig	0.588	sig
WCF <--- UA	Not Estimated		0.283	sig

**TABLE (6.65): MODEL FIT AND PARAMETERS ESTIMATES OF EGYPT HIGH UNCERTAINTY AVOIDANCE ON CLOSE AND FORMAL DRIVEN COMMUNICATION**  
**SOURCE: AMOS OUTPUT**

The magnitude of the total effect of Egypt high uncertainty avoidance on communication policy in terms of close and formal driven communication through information gap is depicted in Table 6.66 below. Results indicate that the total effect of high uncertainty avoidance national culture on communication of the revised model is larger than the total effect of the original model. This means that there is some significant direct effect of high uncertainty avoidance on formal and close driven communication as well as the existence of an indirect effect. However, the indirect effect has decreased after adding the direct effect, which means that some of its effect been taken by the direct effect from high uncertainty avoidance to close and formal driven communication. Hence, this is an evidence that information gap is partially mediating the effect of high uncertainty avoidance

national culture towards close and formal driven communication. In other words, high uncertainty avoidance has positive relationship with information gap, which in turn leads to close and formal driven communication.

Effect of Egypt high uncertainty avoidance---> close and formal driven communication	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.684	0.696
S. Direct effect	0.00	0.283
S. indirect Effect	0.684	0.414

TABLE (6.66): TOTAL EFFECT OF EGYPT HIGH UNCERTAINTY AVOIDANCE ON CLOSE AND FORMAL DRIVEN COMMUNICATION  
SOURCE: AMOS OUTPUT

On that basis the below model has been depicted in SEM using AMOS to find the effect of above stated hypothesis. Results shown in Fig 6.17 indicates that high uncertainty avoidance cultures, Egypt in this case, has direct, indirect and total effect on communication policy.

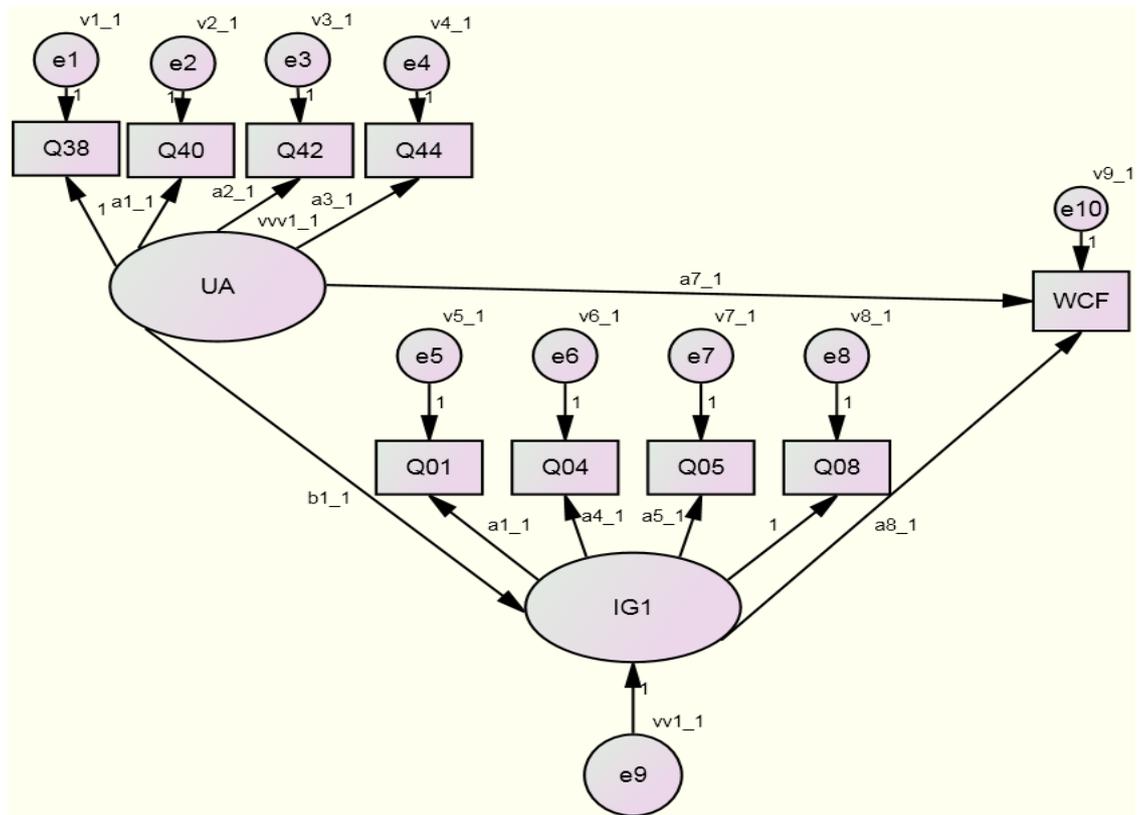


Fig 6.19: The Effect of Egypt high uncertainty avoidance on close and formal driven communication  
Source: AMOS Computation

Based on all the above results, the researcher concludes that:

H2g: is supported

### 6.7.8 Effect of low uncertainty avoidance on communication policy

The hypothesis that posits the effect of low uncertainty avoidance national culture on communication policy as stated in the following:

H2h: In Kuwait, Low uncertainty avoidance has an effect on open and informal driven communication through information gap.

To test this hypothesis, the mediation effect of information gap between low uncertainty avoidance and communication policy in terms of open and informal communication was tested. Results from AMOS indicate that the model regression weights of paths found statistically significant for Kuwait group, whereas Egypt has not been significant. The initial model and revised model estimates are shown in Table 6.67 below.

Model Elements	Initial model (indirect model )		Revised Model ( after adding the direct effect)	
Model fit				
CMIN	369.2		282.4	
CMIN/DF	6.9		5.5	
GFI	0.853		.89	
CFI	0.937		0.954	
RMSEA	0.11		0.09	
Standardized parameter estimate	Initial Model		Revised Model with Direct	
IG <---UA	0.741	sig	0.717	Sig
WOI <--- IG	.731	sig	0.272	sig
WOI <--- UA	Not Estimated		0.606	Sig
Egypt				
IG <---UA	0.887	sig	0.888	sig
WOI <--- IG	0.771	sig	0.844	sig
WOI <--- UA	Not Estimated		-0.079	Not sig

**TABLE (6.67): MODEL FIT AND PARAMETERS ESTIMATES OF KUWAIT LOW UNCERTAINTY AVOIDANCE ON OPEN AND INFORMAL DRIVEN COMMUNICATION**  
SOURCE: AMOS OUTPUT

The chi square has shown reduction after introducing the direct effect of ( $\Delta x^2=87.2$ ) which supports the mediation effect. On the other hand, results indicate that the direct effect has significant path estimate as well as substantive improvement

of the model fit after adding the direct effect indicates that there is no complete mediation. The revised model exhibits partial mediation as the entire indirect paths exhibit positive and significant estimates through the mediating variable, which is information gap. Below Fig 6.20 depict the model for the direct and indirect effect of uncertainty avoidance on open and informal communication policy.

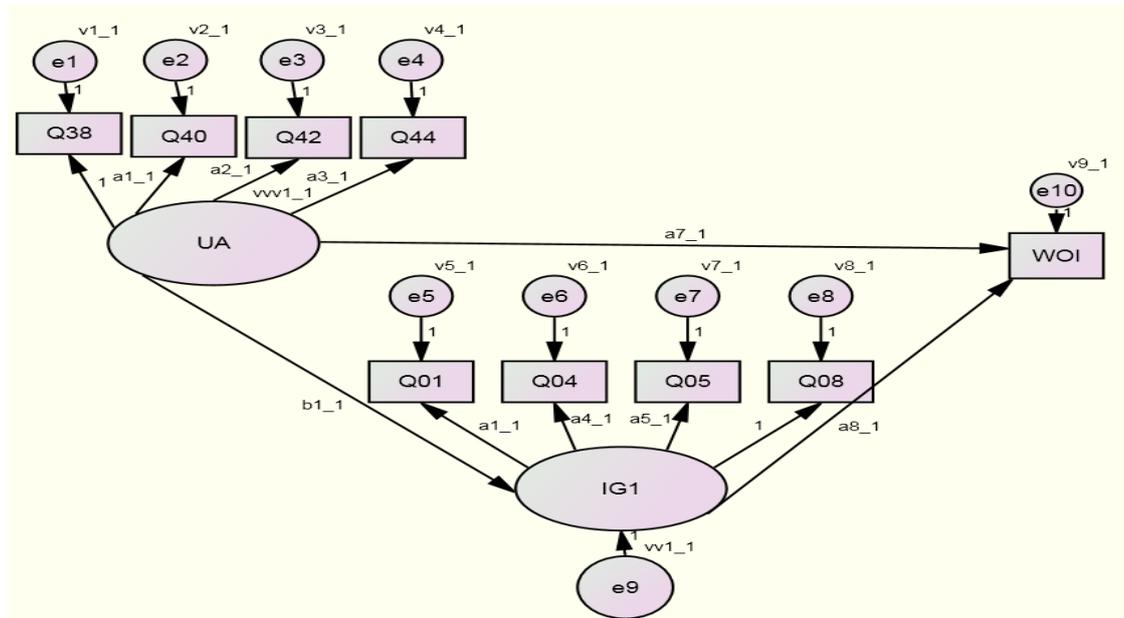


Fig 6.20: The Effect of Kuwait low uncertainty avoidance on open and informal driven communication  
Source: AMOS Computation

The magnitude of the total effect of Kuwait low power distance on communication policy in terms of open and informal communication through the information gap as depicted in Table 6.68 below, indicate that the total effect of low power distance national culture in the revised model is larger than the total effect of the original model. This means that there is some significant direct effect of low power distance on open and informal communication as well as the existence of an indirect effect. However, the direct effect is larger than the indirect effect, which indicates that information gap is partially mediating the effect of low power distance national culture on open and informal communication. This result support the hypothesis that low power distance has positive effect on communication policy in terms of open and informal communication through information gap.

Effect of Kuwait	Original Model	Revised model
Low uncertainty avoidance---> WOI	(Only indirect effect)	with direct effect

S. Total Effect	0.542	0.801
S. Direct effect	0.00	0.606
S. indirect Effect	0.542	0.195

TABLE (6.68): TOTAL EFFECT OF KUWAIT LOW UNCERTAINTY AVOIDANCE ON OPEN AND INFORMAL DRIVEN COMMUNICATION  
SOURCE: AMOS OUTPUT

Based on all the above results, therefore:

H2h: is supported

### 6.7.9 Effect of high uncertainty avoidance on specification driver

The researcher tested the hypothesis that investigating the effect of high uncertainty avoidance on specification driver of an organization as stated in the following: H2i: In Egypt, high uncertainty avoidance has a positive effect on money- driven specifying service quality through specification gap.

In order to answer the above stated hypothesis, the researcher used AMOS to find the effect of high uncertainty avoidance on service delivery mechanisms in terms of money – driven specifying service. The model was initially delineated without the direct effect then second model; the revised model, in which the direct effect was drawn after adding the direct effect of uncertainty avoidance on money driven specifying service quality. Fig 6.21 shows the revised model for the direct and indirect effect of uncertainty avoidance on money driven specification setting.

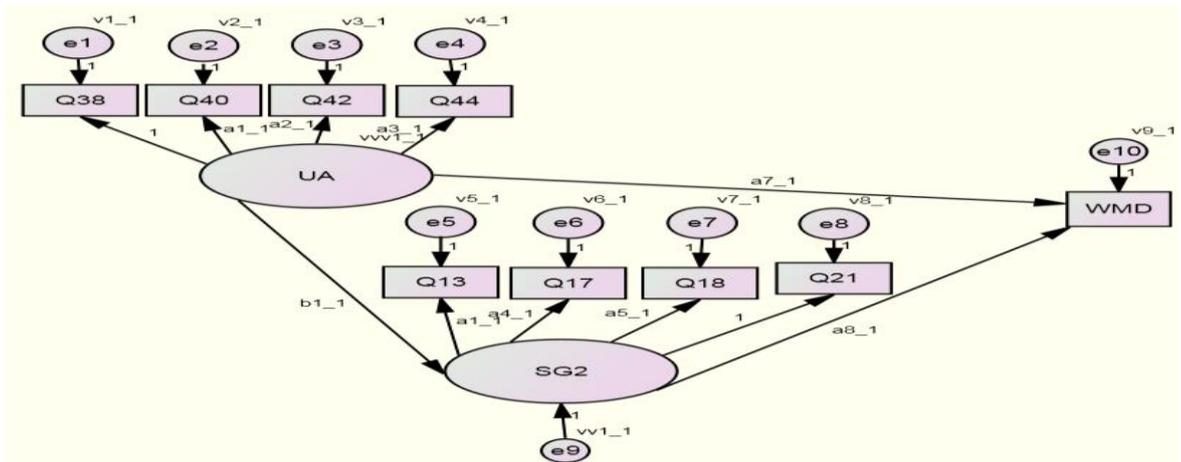


Fig 6.21: The Effect of Egypt high uncertainty avoidance on money driven in specifying quality  
Source: AMOS Computation

The mediation effect of specification gap between high uncertainty avoidance on specification driver in terms of money driven in specifying service quality needs to be analysed. The researcher delineated two models to compare the differences in chi square and model fit for the initial model and revised model for mediation. Results indicate that the model regression weights of paths were statistically significant for Egypt group as high uncertainty avoidance country, whereas Kuwait found statistically insignificant. Table 6.69 below shows model fit and estimates for both the initial and revised model.

Model Element	Initial model (indirect model )		Revised Model ( after adding the direct effect)	
Model fit				
CMIN	262.3		239.5	
CMIN/	4.9		4.7	
GFI	0.89		.90	
CFI	0.956		0.960	
RMSE	0.093		0.090	
Standardized parameter	Initial Model		Revised Model with Direct	
SG <---UA	0.896	sig	0.896	Sig
WMD <--- SG	.466	sig	0.455	sig
WMD <--- UA	Not Estimated		0.011	Not Sig
Egypt				
SG <---UA	0.611	sig	0.606	sig
WMD <--- SG	0.469	sig	0.243	sig
WMD <--- UA	Not Estimated		0.361	sig

**TABLE (6.69): MODEL FIT AND PARAMETERS ESTIMATES OF KUWAIT LOW UNCERTAINTY AVOIDANCE ON OPEN AND INFORMAL DRIVEN COMMUNICATION SOURCE: AMOS OUTPUT**

The mediation effect of specification gap is supported as chi square reduced significantly after introducing the direct effect of ( $\Delta x^2 = 22.8$ ) which supports the mediation effect. However, the revised model indicates significant path estimate as well as substantive improvement of the model fit after adding the direct effect, which means there is no complete mediation as there are some direct effect between uncertainty avoidance and money driven specifying service quality.

The magnitude of the total effect of Egypt high uncertainty avoidance on specification driver in terms of money driven specifying service quality through the specification gap as depicted in Table 6.70 below, indicate that the total effect of high uncertainty avoidance national culture in the revised model is larger than the total effect of the original model. This means there is a significant direct effect

of high uncertainty avoidance on money driven specifying service quality as well as indirect effect through specification gap. However, the direct effect is larger than the indirect effect, which indicates that specification gap is partially mediating the effect of high uncertainty avoidance national culture on money driven specifying service quality. The results support the hypothesis that high uncertainty avoidance has a positive effect on specification driver in terms of money driven specifying service quality through specification gap.

Effect of Egypt high uncertainty avoidance---> WMD	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.287	0.509
S. Direct effect	0.00	0.361
S. indirect Effect	0.287	0.147

**TABLE (6.70): TOTAL EFFECT OF EGYPT HIGH UNCERTAINTY AVOIDANCE ON MONEY DRIVEN SPECIFYING SERVICE QUALITY**  
SOURCE: AMOS OUTPUT

Based on all above results, therefore:

H2i: is supported
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#### **6.7.10 Effect of Low uncertainty avoidance on specification driver**

In order to test the effect of Low uncertainty avoidance on specification driver in terms of customer- driven specifying service quality, the following hypothesis has stated: H2j: In Kuwait, Low uncertainty avoidance has an effect on customer-driven specifying service quality through specification gap. Fig 6.20 illustrates the revised model after adding the direct effect.

In order to answer the hypothesis the mediation effect of specification gap between low uncertainty avoidance on specification driver in terms of customer driven in specifying service quality has to be found. The researcher delineated two models to find the mediation effect. Results indicate that the model regression weights of paths were statistically significant for Kuwait group only as Kuwait is representing a low uncertainty avoidance national culture, whereas Egypt were statistically insignificant since it is a high uncertainty avoidance national culture. The reduction in chi square of ( $\Delta\chi^2= 92.8$ ) from the original model that was depicted without the direct effect compared to the revised model after adding the direct effect is an

evidence for mediation, however the model fit improvement after adding the direct effect indicates there is no complete mediation. Also significant estimates for direct effect of the revised model indicate partial mediation as there are significant direct effect between uncertainty avoidance and customer driven specification.

**TABLE (6.71): MODEL FIT AND PARAMETERS ESTIMATES OF KUWAIT LOW**

Model Element	Initial model (indirect model )	Revised Model ( after adding the direct effect)	
<b>Model fit</b>			
CMIN	350.4	257.6	
CMIN/	6.6	5.0	
GFI	0.865	.897	
CFI	0.939	0.958	
RMSE	0.110	0.094	
Standardized parameter	Initial Model		Revised Model with Direct effect
SG <---UA	0.635	sig	0.617 sig
WCD <--- SG	.664	sig	0.285 sig
WCD <--- UA	Not Estimated		0.590 sig
<b>Egypt</b>			
SG <---UA	0.897	sig	0.897 sig
WCD <--- SG	0.493	sig	0.519 sig
WCD <--- UA	Not Estimated		-0.028 Not sig

**UNCERTAINTY AVOIDANCE ON OPEN AND INFORMAL DRIVEN COMMUNICATION**  
SOURCE: AMOS OUTPUT

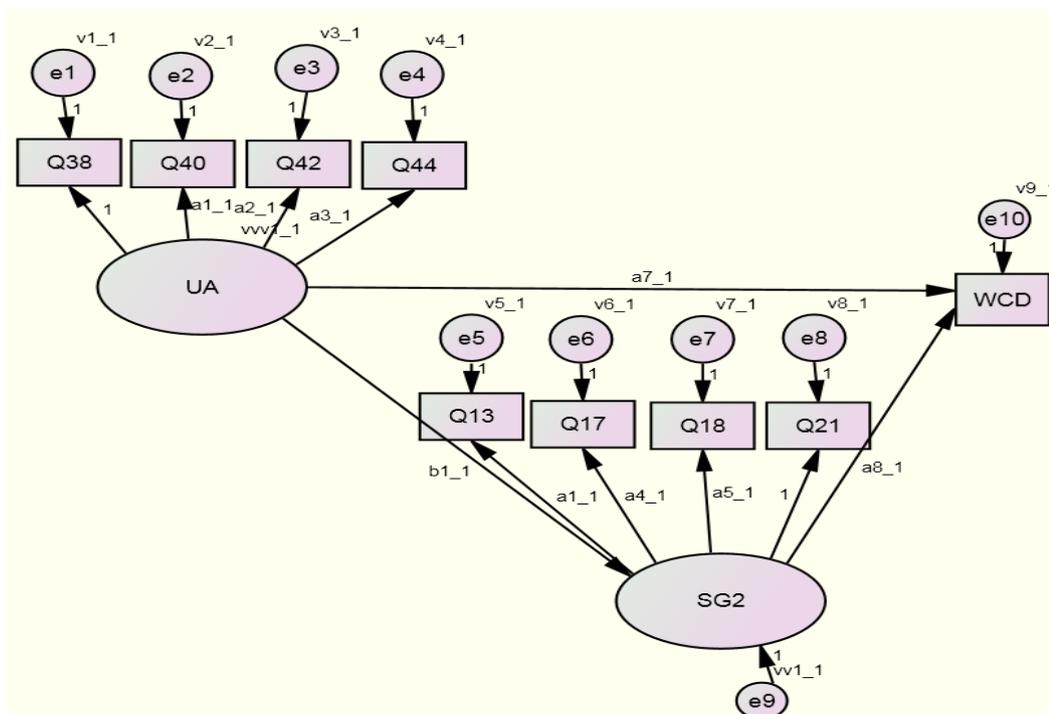


Fig 6.22: The Effect of Kuwait low uncertainty avoidance on customer driven in specifying service quality

Source: AMOS Computation

The magnitude of the total effect of Kuwait low uncertainty avoidance on specification driver in terms of customer driven specifying service quality through specification gap as depicted in Table 6.72 indicate that the total effect of low uncertainty avoidance national culture in the revised model is larger than the total effect of the original model. This means there is a significant direct effect of low uncertainty avoidance on customer driven specifying service quality as well as indirect effect through specification gap. However, the direct effect is larger than the indirect effect, which indicates that specification gap is partially mediating the effect of low uncertainty avoidance national culture on customer driven specifying service quality. The results support the hypothesis that low uncertainty avoidance has a positive effect on specification driver in terms of customer driven specifying service quality through specification gap.

Effect of Kuwait low uncertainty avoidance---> WCD	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.421	0.766
S. Direct effect	0.00	0.590
S. indirect Effect	0.421	0.176

TABLE (6.72): TOTAL EFFECT OF KUWAIT LOW UNCERTAINTY AVOIDANCE ON CUSTOMER DRIVEN SPECIFYING SERVICE QUALITY  
SOURCE: AMOS OUTPUT

Based on all above results, therefore:

H2j: is supported

### 6.7.11 The Effect of High Uncertainty Avoidance on Boundary system

For testing the effect of high uncertainty, avoidance on Takaful boundary system the researcher hypothesized the following hypothesis:

H2j: In Egypt, High uncertainty avoidance has an effect on system boarder driven performing through performance gap. Structure equation modelling has been depicted using AMOS software to find the results as shown in Fig 6.23.

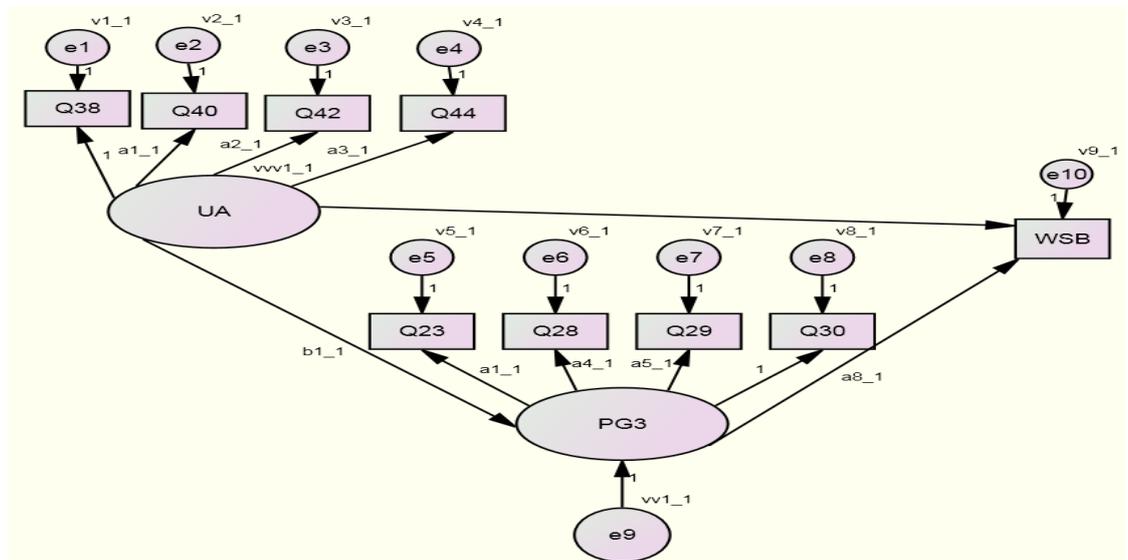


Fig 6.23: The effect of Egypt high uncertainty avoidance on system boarder driven through performance gap  
Source: AMOS Output

The researcher started with the initial model which is the indirect path only, then added the direct effect to the model to check for the mediation effect of

performance gap. The intention is to check the Chi square before and after the direct effect with which an indication of the mediation effect can be supported or rejected. The Chi Square has decreases after adding the direct effect to the model means that there is mediation effect as the model fit improved. However, significant path estimate for the direct effect as well as an improvement of the model fit indicates that there is no complete mediation. The revised model exhibits partial mediation since the entire indirect paths exhibit significant indirect effect through performance gap, which act as a mediating variable between high uncertainty avoidance and system boarder driven. The model regression weights of paths were statistically significant for all paths of the initial model, however the revised model indicates that Kuwait uncertainty avoidance is not significant related to the system driven mechanism in contrary to Egypt where all path estimate were significant. The Chi square has shown reduction of ( $\Delta x^2 = 44$ ) which supports the mediation effect of high uncertainty avoidance of national culture on system driven performing. The model fit indicates all parameters within the acceptable limit as suggested by (Hair, 2010). Table 6.73 shows all Model fit for the initial model and the revised model.

Model Elements	Initial model (indirect model )		Revised Model ( after adding the direct effect)	
Model fit				
CMIN	245		201	
CMIN/DF	4.63		3.9	
GFI	0.90		0.912	
CFI	0.961		0.970	
RMSEA	0.09		0.08	
Standardized parameter estimate	Initial Model		Revised Model with Direct	
PG <---UA	0.888	sig	0.903	Sig
SD <--- PG	0.770	sig	0.620	sig
SD <--- UA	Not Estimated		0.067	Not Sig
Egypt				
PG <---UA	0.719	sig	0.641	sig
SD <--- PG	0.798	sig	0.314	sig
SD <--- UA	Not Estimated		0.453	sig

**TABLE (6.73): MODEL FIT AND PARAMETERS ESTIMATES OF EGYPT HIGH UNCERTAINTY AVOIDANCE ON SYSTEM BOARDER DRIVEN PERFORMING**  
**SOURCE: AMOS OUTPUT**

Based on AMOS output, Results indicates that high uncertainty avoidance cultures has indirect, direct and total effect of the direct and indirect effect of high

uncertainty avoidance on boundary system in terms of system boarder driven performing in a direct way or through performance gap as can be seen in Table 6.74 below.

Effect of Egypt high uncertainty avoidance---> SD	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.400	0.654
S. Direct effect	0.00	0.453
S. indirect Effect	0.400	0.201

**TABLE (6.74): TOTAL EFFECT OF EGYPT HIGH UNCERTAINTY AVOIDANCE ON SYSTEM BOARDER DRIVEN PERFORMING**  
**SOURCE: AMOS OUTPUT**

Based on all the above results, the hypothesis is accepted despite the fact that the effect was through partial mediation. Therefore,

H2k: is accepted

### **6.7.12 The effect of low uncertainty avoidance on boundary system**

In order to test the effect of low uncertainty avoidance on boundary system through performance gap the following hypotheses has been posited:

H2L: In Kuwait, Low uncertainty avoidance has a positive effect on customer satisfaction driven performing through specification gap. Two models have been depicted using AMOS to find the results of the mediation effect. The original model consists of only indirect path, whereas the revised model includes the direct effect of uncertainty avoidance on customer satisfaction driven performing. The revised model evidently shows that Kuwait as low uncertainty avoidance has significant individual paths with customer satisfaction driven performing, whereas Egypt was found insignificant.

Model Elements	Initial model (indirect model )	Revised Model ( after adding the direct effect)		
Model fit				
CMIN	222.8	217.8		
CMIN/DF	4.20	4.27		
GFI	0.908	0.910		
CFI	0.965	0.965		
RMSEA	0.083	0.084		
Standardized parameter	Initial Model		Revised Model with Direct	
PG <---UA	0.683	sig	0.641	sig
WCS <--- PG	0.481	sig	0.581	sig
WCS <--- UA	Not Estimated		-0.151	sig
Egypt				
PG <---UA	0.885	sig	0.884	sig
WCS <--- PG	0.639	sig	0.510	sig

**TABLE (6.75): MODEL FIT AND PARAMETERS ESTIMATES OF KUWAIT LOW UNCERTAINTY AVOIDANCE ON CUSTOMER SATISFACTION DRIVEN PERFORMING SOURCE: AMOS OUTPUT**

The researcher started with the initial model which is the indirect path only, then added the direct effect to the model to check for the mediation effect of performance gap. If Chi square of the original model decreased after adding the direct effect for the revised model then a mediation effect is supported. However, the revised model shows a significant path estimate for the direct effect as well as an improvement of the model fit after introducing the direct effect, which indicate that there is mediation, but not full mediation. The revised model exhibits partial mediation since the entire indirect paths exhibit significant indirect effect through the mediating variable, which is performance gap, as well as significant direct effect.

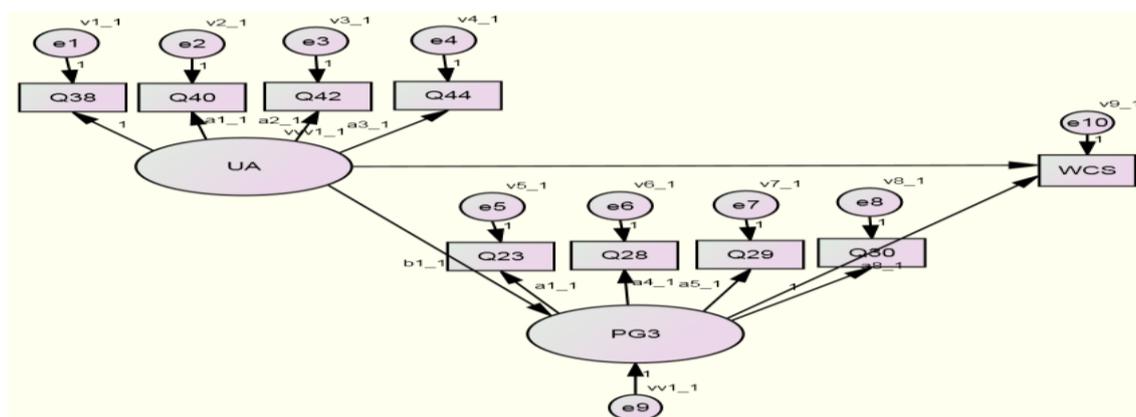
The model regression weights of paths were found statistically significant for the all paths for the initial model, however the revised model indicates that Egypt uncertainty avoidance is not significant related to the customer satisfaction driven performing in contrary to Kuwait uncertainty avoidance where all path estimate were significant. The Chi square has shown reduction of ( $\Delta x^2 = 5$ ) which supports the mediation effect of low uncertainty avoidance of national culture on customer satisfaction driven performing. In addition, the model fit indicates all parameters within the acceptable limit as suggested by (Hair, 2010). Table 6.76 shows the magnitude of the total effect of Kuwait low uncertainty avoidance on system

boundary in terms of customer satisfaction driven specifying service quality through specification gap. Results indicate that the total effect of low uncertainty avoidance national culture in the revised model is smaller than the total effect of the original model. This means that there is no full mediation as it indicates to partial mediation since low uncertainty avoidance national cultures has significant indirect and significant direct effect of low uncertainty avoidance on boundary system in terms of customer satisfaction driven performing in a direct way or through performance gap.

Effect of Kuwait low uncertainty avoidance---> WCS	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.566	0.221
S. Direct effect	0.00	- 0.151
S. indirect Effect	0.566	0.372

**TABLE (6.76): TOTAL EFFECT OF KUWAIT LOW UNCERTAINTY AVOIDANCE ON CUSTOMER SATISFACTION DRIVEN PERFORMING**  
**SOURCE: AMOS OUTPUT**

Fig 6.24 shows the revised model after adding the direct effect of uncertainty avoidance on service provision in terms of customer satisfaction driven performing.



**Fig 6.24: The Effect of Kuwait low uncertainty avoidance on customer satisfaction driven performing**  
**Source: AMOS Computation**

Based on all the above results, the following hypothesis is accepted.

H2L: is supported

The results of the data have indicated that the theory driving this research has confirmed that all hypotheses found supported. The conceptual framework was found statistically valid, as there is an effect of national cultures of power distance and uncertainty avoidance on service provision of information flow, management style, control, through service delivery gaps of information gap, specification gap and performance gap.

	Kuwait	Egypt
H2a	Not supported	Partial mediation is supported
H2b	Partial mediation is supported	Not supported
H2c	Not supported	Partial mediation is supported
H2d	Partial mediation is supported	Not supported
H2e	Not supported	Partial mediation is supported
H2f	Partial mediation is supported	Not supported
H2g	Not supported	Partial mediation is supported
H2h	Partial mediation is supported	Not supported
H2i	Not supported	Partial mediation is supported
H2j	Partial mediation is supported	Not supported
H2k	Not supported	Partial mediation is supported
H2l	Partial mediation is supported	Not supported

**TABLE 6.77: SUMMERY OF ALL TESTED HYPOTHESIS  
SOURCE: OWN FINDINGS**

However, the researcher based on the data has found relations of national culture of power distance and uncertainty avoidance on information gap, specification gap and performance that stems from the data of the research. In other words, considering the data collected for this research revealed new relations that have no theoretical background as it has been driven by data. Next section shows the new relations between national culture and service provision through the quality gaps driven by the data collected and for the purpose of the testing the hypotheses. However, the researcher arrives to these proposed relations for further study.

## 6.8 Tests for Moderation

Culture has always been a moderator for any other attributes as found in many studies such as Reimann (2008); Jung and Kellaris (2004), however is this research moderation is not appropriate. The researcher tried to test for moderation as culture is a key variable in this research, however the results from the moderation model are particularly lacking a good model fit. When testing the first hypothesis : H2a that posits the following: In Egypt, high power distance has a positive effect on hierarchical – driven information gathering and sharing through information gap. The model fit was found not acceptable and the estimates between national culture and service provision variables are not significant for both Kuwait and Egypt. Table 6.78 shows the estimates for Kuwait and Egypt.

Kuwait					Egypt								
		Es	S.E.	C.R	P	Labe			Es	S.E.	C.R	P	
W	< P	-	2.02	-.02	.97	a7_1	WH	<	PD	1.24	6.0	.20	.83
W	< I	1.0	1.7	.61	.53	a8_1	WH	<	IG	-1.14	8.1	-	.88
H	G	8	5									.14	

**TABLE 6.78: SUMMERY OF KUWAIT AND EGYPT INSIGNIFICANCE REGRESSION WEIGHTS SOURCE: OWN FINDINGS**

The model fit as shown in Table 6.79 below, was found inappropriate fit as  $\chi^2/df$  exceeds the acceptable limit that as per Byrne (2001) “it seems clear that a ratio of  $\chi^2/df > 2.00$  represents an inadequate fit.” Other indicators are also low such as GFI 0.793, CFI drops at 0.881, while RMSEA increases at 0.148 which is also more than 0.10. Hence, the researcher rejected the moderation model for this research since all indicators are reflecting inappropriate fit. Therefore, the researcher continued to examine the research hypotheses using the mediation models for the indirect and direct models that originally tested. The researcher concludes that the moderation effect of national culture on service provision was not an appropriate method for this research. A sample moderation testing for the first two hypothesis are shown in Fig 6.25 below.

Model	NPAR	CMIN	DF	P	CMIN/DF	GFI	CFI	RMSA
Unconstraine	39	563.4	51	.000	11.048	.793	.881	.148

d								
Partial Metric Invariance	37	589.3	53	.000	11.120	.787	.875	.148
Moderation	36	605.8	54	.000	11.220	.789	.872	.149
Saturated model	90	.000	0			1.00	1.000	
Independence model	18	4368.6	72	.000	60.676	.242	.000	.360

TABLE 6.79: SUMMARY OF THE MODEL FIT  
SOURCE: OWN FINDINGS

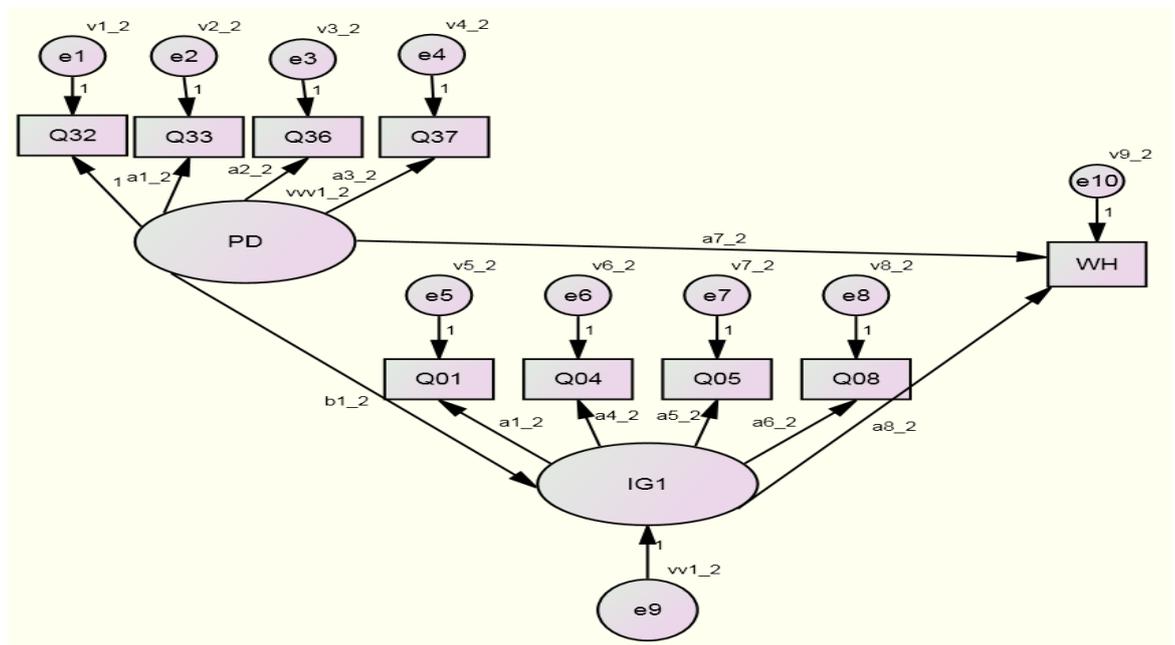


Fig 6.25: Moderation effect of power distance on hierarchal driven information gathering and sharing  
Source: Own findings

All hypothesis testing details are included in A-5 in the appendices.

## 6.9 Data Driven Model

saturated model has been drawn linking all power distance and uncertainty avoidance with all service provision variables through service quality gaps driven by data. The intention is to test the effect of national culture on service provision without the restriction of the existing theory. Therefore, the researcher used the

collocated data from both countries to test how the national culture effects service provision through service delivery gaps without the constraints of the existing theory. The model was delineated using AMOS as continuation of the previous hypotheses testing but without the limitation of the theory which explored new direction and strength of national culture dimensions on service provision mechanisms through service gaps. Results as shown in Fig 6.24 below explain the effect of the national culture dimensions of power distance and uncertainty avoidance on service provision through service delivery gaps; information gap, specification gap and performance gap, The saturated model is the most general model possible. It is a blank model in the sense that it is guaranteed to fit any set of data perfectly than using some indicators that test the fitness of the model than suggest how to be modified accordingly.

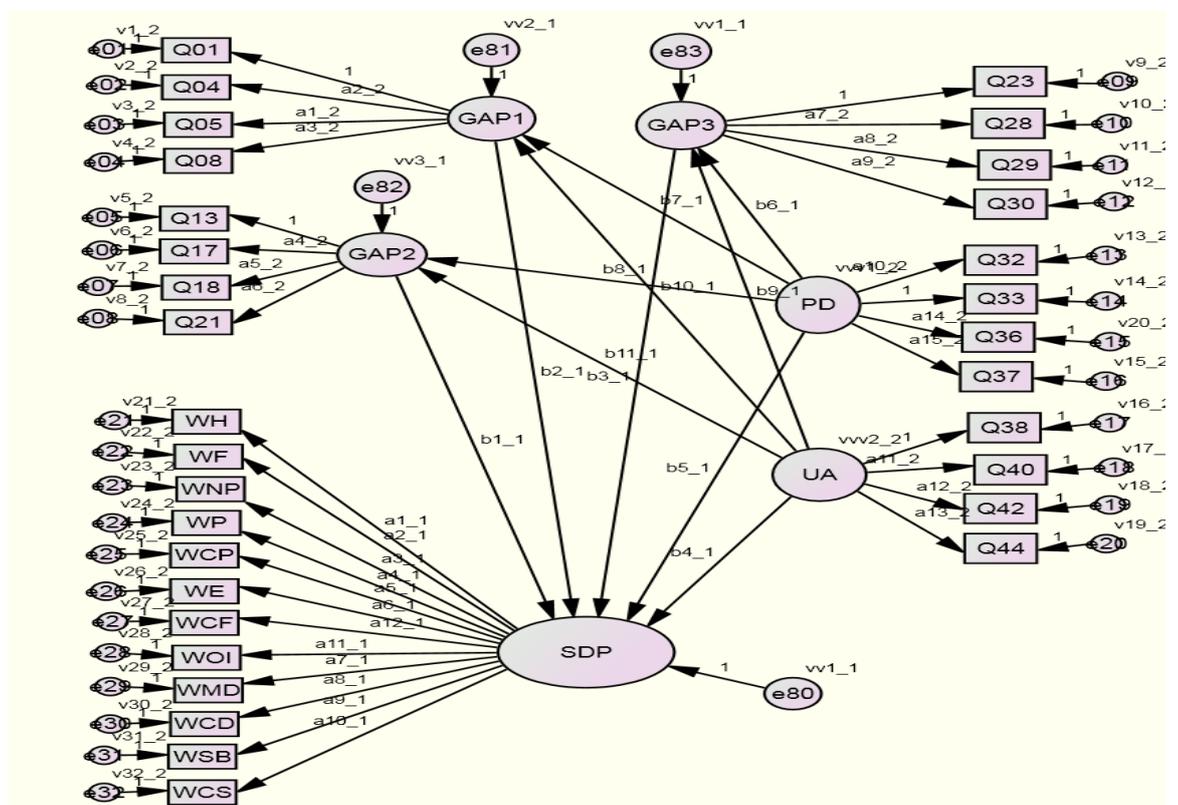


Fig 6.26: Saturated Model of data driven model  
Source: AMOS output

According to Hair et al., (2010), structural equation modelling does not use a single goodness-of-fit criterion to assess model fit between the hypothesized model and the sample data, hence the researcher has used the absolute fit indicators of indicators shown in Table 6.80 below.

In order to test the measure of fit, the ratio of CMIN/DF which indicates the minimum discrepancies divided by the degree of freedom shows the differences between the real sample data and hypothetical conceptual model. This difference has to be as minimum as possible close to 1 to reflect reasonable model fit. The model fit has shown that this model is significant since the ratio of CMIN/DF found 4.642 complying with what has been recommended by different researchers to accept the ratio if being between 2 to 5. According to Marsh and Hocevar, (1985) " using ratios as low as 2 or as high as 5 to indicate a reasonable fit".

Model	NPAR	CMIN	DF	P	CMIN/DF
Unconstrained	89	4488.516	967	.000	4.642
Measurement weights	77	4578.538	979	.000	4.677
Structural weights	66	4741.400	990	.000	4.789
Structural residuals	63	4678.529	993	.000	4.712
Saturated model	1056	.000	0		
Independence model	64	18944.219	992	.000	19.097

**TABLE 6.80: MODEL FIT**  
**SOURCE: AMOS OUTPUT**

Other key indicators such as GFI, CFI and RMSEA as seen in Table 6.81 show clearly this model needs to be modified as suggested by the modification indices stems from the results revealed from the model. Not all indicators are meeting the reasonable model fit as shown in below Table.

Model	GFI	AGFI	CFI	RMSEA
Unconstrained	.594	.556	.804	.089
Measurement weights	.587	.554	.799	.089
Structural weights	.581	.553	.791	.091
Structural residuals	.582	.556	0.795	.090
Saturated model	1.000		1.000	
Independence model	.184	.131	.000	.198

**TABLE 6.81: MODEL FIT INDICATORS**  
**SOURCE: AMOS OUTPUT**

GFI less than or equal to 1 is an acceptable fit but not less than 0.85 (Enns et al.,1998). He suggested that 0.9 is a acceptable fit but also 0.85 is an adequate fit and a value of 1 indicates a perfect fit, whereas RMSEA according to Browne and

Cudeck, (1993) suggest that "Practical experience has made us feel that a value of the RMSEA of about .05 or less would indicate a close fit of the model in relation to the degrees of freedom. This figure is based on subjective judgment. It cannot be regarded as correct, but it is more reasonable than the requirement of exact fit with the RMSEA = 0.0. They also support the opinion that a value of about 0.08 or less RMSEA would indicate a reasonable error of approximation and would not want to employ a model with a RMSEA greater than 0.1."

Based on all above best criterion, the model must be modified as all indicators shows the unacceptability of this model. Paths between the variables shows that the regression weight for some of the variables in the prediction of others is not significantly different from zero at the 0.05 level (two-tailed) which means that the researcher needs to follow the proposed solution by AMOS to delete some of the insignificant paths in both countries. The researcher will leave the path that significant in at least one country.

The initial model has shown insignificant paths and unreasonable model fit which means that it needs to be modified as suggested in the modification indices obtained from AMOS. The researcher will modify the model to reduce the unexplained variance based on the suggestion of deleting or adding paths that may enhance the saturated model. According to Kline (2005), most of the initial results from most applications of structural equation modelling do not support the model, so most of the researchers prefer to modify and re-test their initial (casual) model rather than abandon the entire model, hence, the suggestion has been taken adopted as trial and error methodology until arriving to the best model.

Full detail of the paths and AMOS output is shown in Appendix A-6

### **6.9.1 Modified Data Driven Mode**

Adopting the suggestion of the saturated model, the model has been modified as depicted in Fig 6.27 below. The modified model shows better model fit and enhanced paths due to deleting some insignificant path and proposing new relations and paths.

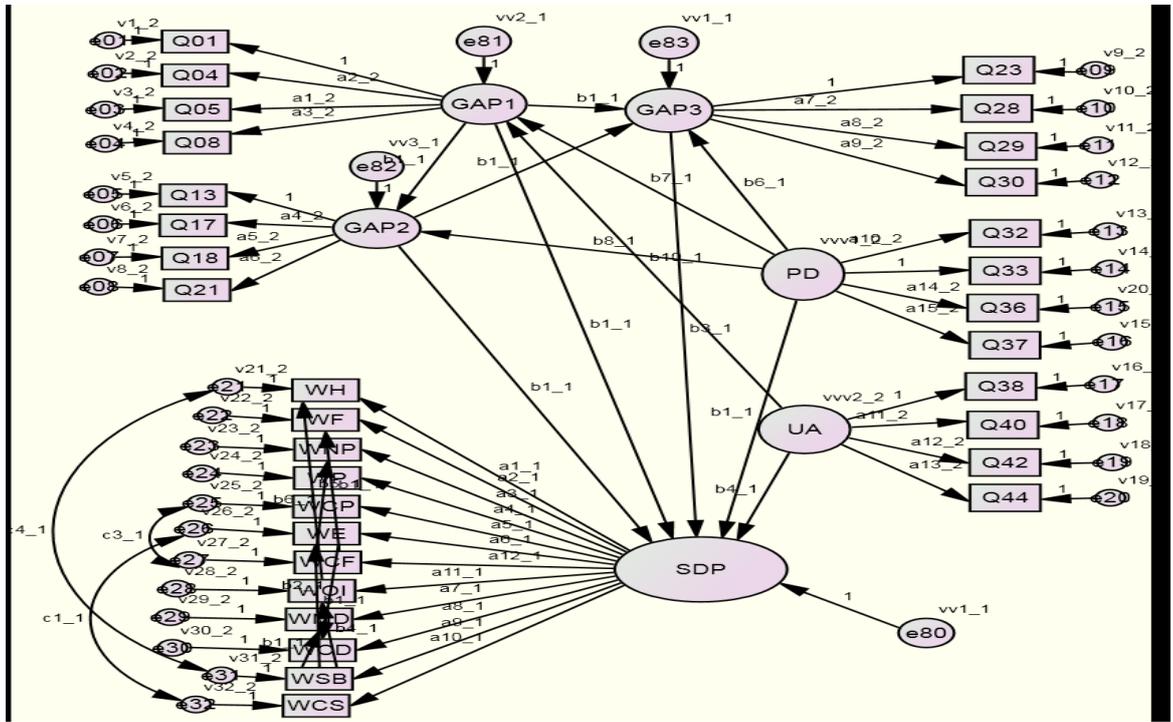


Fig 6.27: Modified model  
 Source: AMOS output

Results revealed that new paths are identified and found significant. These significant paths are new to the literature and have yet to be theoretically supported. On the other hand, some paths were found significant in one country and the opposite in other. For instance, Regression weight estimates for Kuwait has shown insignificant path of UA-----> GAP 1 with as shown in Table 6.82, however it has not been deleted as it showed significance with the Egyptian high uncertainty avoidance.

			Estimate	S.E.	C.R.	P	Label
GAP1	<-----	UA	-.075	.144	-.518	.605	b10_1

TABLE 6.82: INSIGNIFICANT PATH OF KUWAIT LOW UNCERTAINTY AVOIDANCE WITH INFORMATION GAP  
 SOURCE: AMOS OUTPUT

All other regression weight estimates for Kuwait was significant. Whereas for Egypt, all maximum likelihood estimates were found significant except for PD-----> GAP2 which was not significant as shown in blow Table. However, this path has not been deleted since the same was significant in Kuwaiti low power distance national culture.

			Estimate	S.E.	C.R.	P	Label
GAP2	<---	PD	-.007	.048	-.147	.883	b8_2

**TABLE 6.83: EGYPT INSIGNIFICANT PATH**  
SOURCE: AMOS OUTPUT

The model fit indices has shown adequacy of fit for all major indicators except for the GIF which was 0.727 to the judgment of the researcher is an adequate fit for such complex model. According to Byrne (2001) suggests that the fit indices relies on researcher judgment to decide the appropriateness of the model fit.

Model	NPAR	CMIN	DF	P	CMIN/DF
Unconstrained	91	2823.702	965	.000	2.926
Measurement weights	79	2887.729	977	.000	2.956
Structural weights	70	2941.690	986	.000	2.983
Structural residuals	67	3033.449	989	.000	3.067
Measurement residuals	64	3044.055	992	.000	3.069
Saturated model	1056	.000	0		

Table 6.84: Model fit  
Source: AMOS output

Major model fit indices are shown in Table 6.85 below.

Model	GFI	AGFI	CFI	RMSEA
Unconstrained	.727	.701	.896	.065
Measurement weights	.721	.699	.894	.065
Structural weights	.718	.698	.891	.066
Structural residuals	.707	.688	.886	.067
Measurement residuals	.706	.687	.886	.067
Saturated model	1.000		1.000	

**TABLE 6.85: MODEL FIT INDICATORS FOR THE MODIFIED DATA DRIVEN MODEL**  
SOURCE: AMOS OUTPUT

Results reveal that there is direct and indirect effect of Kuwait low power distance and low uncertainty avoidance on service provision. The indirect effect is mediated through service gaps of information gap, specification gap, and performance gap.

Kuwait low power distance and low uncertainty avoidance direct effect of national culture of power distance and uncertainty avoidance is shown below in Table 6.86 below. Low uncertainty avoidance and low power distance of Kuwait indicates that the direct effect on service provision and service gaps of information gap, specification gap and performance gap. Low uncertainty avoidance has a direct effect on information gap and service provision only but shows no direct effect on specification gap and performance gap.

	UA	PD	GAP1	GAP2	GAP3
GAP1	-.045	-.391	.000	.000	.000
GAP2	.000	-.338	.585	.000	.000
GAP3	.000	.319	.241	.159	.000
SDM	.277	.177	.235	.155	-.191

**TABLE 6.86: STANDARDIZED DIRECT EFFECTS**  
**SOURCE: AMOS OUTPUT**

Kuwait low power distance and low uncertainty avoidance indirect effect of national culture of power distance and uncertainty avoidance is shown below in Table 6.87. Results reveal that there is no indirect effect of power distance and uncertainty avoidance on information gap. whereas, there are some indirect effect of national culture on specification gap and performance gap through information gap. Also results, indicate that low power distance and low uncertainty avoidance has indirect effect on all service delivery mechanism of service provision through service gaps.

	UA	PD	GAP1	GAP2	GAP3	SDM	WSB
GAP1	.000	.000	.000	.000	.000	.000	.000
GAP2	-.026	-.229	.000	.000	.000	.000	.000
GAP3	-.015	-.184	.093	.000	.000	.000	.000
SDM	-.012	-.205	.027	-.030	.000	.000	.000
WSB	.241	-.025	.237	.113	-.173	.000	.000
WOI	.257	-.027	.253	.120	-.185	.369	.000
WCF	.257	-.027	.254	.121	-.185	.000	.000
WE	.257	-.027	.253	.120	-.185	.237	.000
WCS	.247	-.026	.243	.116	-.178	.000	.000
WCD	.259	-.027	.256	.122	-.187	.557	.150
WMD	.256	-.027	.252	.120	-.184	.380	.000
WCP	.259	-.027	.255	.122	-.187	.000	.000
WP	.257	-.027	.254	.121	-.186	.000	.000
WNP	.259	-.027	.255	.122	-.187	.654	.000

WF	.258	-.027	.255	.121	-.186	.188	.000
WH	.238	-.025	.235	.112	-.172	.160	.067

**TABLE 6.87: KUWAIT STANDARDIZED INDIRECT EFFECTS OF LOW UNCERTAINTY AVOIDANCE AND POWER DISTANCE**  
**SOURCE: AMOS OUTPUT**

Total effect for Kuwait low power distance and low uncertainty avoidance have been found as the aggregate results of the direct effects and indirect effects. Hence, low uncertainty avoidance has a positive total effect on all service delivery mechanisms, whereas power distance has negative effect on all service provision. On the other hand, it has been proven that low power distance has negative effect on service delivery gaps of Info gap 1, spec gap 2 but positive effect on performance gap. Whereas, low Uncertainty avoidance has negative effect on all service delivery gaps of Information gap, specification gap and performance gap. This means the higher the uncertainty avoidance is the lower the service delivery gaps. Finally, results show that the effect of low power distance and low uncertainty avoidance is partially mediated by service gaps of information gap, specification gap, and performance gap. However in the case of low power distance the indirect is higher than the direct effect which is very minimal path. Whereas, low uncertainty avoidance direct effect on service provision is much higher than the indirect effect.

	UA	PD	GAP1	GAP2	GAP3	SDM	WSB	WOI	WCF	WE
GAP1	-.045	-.391	.000	.000	.000	.000	.000	.000	.000	.000
GAP2	-.026	-.567	.585	.000	.000	.000	.000	.000	.000	.000
GAP3	-.015	.134	.334	.159	.000	.000	.000	.000	.000	.000
SDM	.265	-.028	.261	.124	-.191	.000	.000	.000	.000	.000
WSB	.241	-.025	.237	.113	-.173	.908	.000	.000	.000	.000
WOI	.257	-.027	.253	.120	-.185	.968	.406	.000	.000	.000
WCF	.257	-.027	.254	.121	-.185	.970	.000	.000	.000	.000
WE	.257	-.027	.253	.120	-.185	.968	.261	.000	.000	.000
WCS	.247	-.026	.243	.116	-.178	.930	.000	.000	.000	.000
WCD	.259	-.027	.256	.122	-.187	.977	.150	.000	.000	.575
WMD	.256	-.027	.252	.120	-.184	.965	.419	.000	.000	.000
WCP	.259	-.027	.255	.122	-.187	.976	.000	.000	.000	.000

WP	.257	-.027	.254	.121	-.186	.971	.000	.000	.000	.000
WNP	.259	-.027	.255	.122	-.187	.977	.000	.000	.674	.000
WF	.258	-.027	.255	.121	-.186	.974	.207	.000	.000	.000
WH	.238	-.025	.235	.112	-.172	.897	.067	.165	.000	.000

**TABLE 6.88: STANDARDIZED TOTAL EFFECT OF THE KUWAIT LOW POWER DISTANCE AND UNCERTAINTY AVOIDANCE**  
**SOURCE: AMOS OUTPUT**

The detail output of the analysis is included in Appendix A-6.

On the other hand, Egypt high power distance national culture has a direct effect on service provision and all service gaps of information gap, specification gap and performance gap, whereas Egypt high uncertainty avoidance has direct effect on service provision and information gap only. Egypt high uncertainty avoidance has no direct effect on specification gap and performance gap. Egypt standardized direct effect is shown in Table 6.89.

	UA	PD	GAP1	GAP2	GAP3
GAP1	-.298	.488	.000	.000	.000
GAP2	.000	-.021	.563	.000	.000
GAP3	.000	.267	.087	.048	.000
SDM	.256	.140	.082	.046	-.390

**TABLE 6.89: STANDARDIZED DIRECT EFFECTS OF EGYPT HIGH POWER DISTANCE AND UNCERTAINTY AVOIDANCE ON SERVICE PROVISION**  
**SOURCE: AMOS OUTPUT**

Egypt indirect effect of high power distance and high uncertainty avoidance national culture on service provision and service delivery gaps reveal that there is no indirect effect of power distance and uncertainty avoidance on information gap. whereas, there are some indirect effect of high power distance and high uncertainty avoidance on specification gap and performance gap through information gap. Also results, indicate that high power distance and high uncertainty avoidance has indirect effect on service provision. Indirect effect of Egypt national culture on service provision and service delivery gaps are shown in Table 6.90 below.

	UA	PD	GAP1	GAP2	GAP3	SDM	WSB
GAP1	.000	.000	.000	.000	.000	.000	.000
GAP2	-.168	.275	.000	.000	.000	.000	.000
GAP3	-.034	.055	.027	.000	.000	.000	.000
SDM	-.019	-.074	-.018	-.019	.000	.000	.000
WSB	.203	.057	.055	.023	-.335	.000	.000
WOI	.228	.064	.062	.026	-.376	.297	.000
WCF	.229	.065	.062	.026	-.377	.000	.000
WE	.229	.065	.062	.026	-.378	.155	.000
WCS	.219	.062	.059	.025	-.361	.000	.000
WCD	.230	.065	.062	.026	-.379	.676	.126
WMD	.228	.064	.062	.026	-.376	.260	.000
WCP	.231	.065	.062	.027	-.381	.000	.000

**TABLE 6.90: STANDARDIZED INDIRECT EFFECTS OF EGYPT POWER DISTANCE AND HIGH UNCERTAINTY AVOIDANCE**  
**SOURCE: AMOS OUTPUT**

The Total effect of Egypt high uncertainty avoidance has a positive total effect on all service delivery mechanisms and negative effect on service delivery gaps of information gap, specification gap and performance gap. whereas Egypt high power distance has positive effect on service provision as well as positive effect on service delivery gaps of Info gap 1, spec gap 2 and performance gap. This means the higher the uncertainty avoidance is the lower the service delivery gaps and vice versa. Also, the higher the power distance means to a higher service delivery gaps. New relations have also been found between the service mechanisms that need to be theoretically supported. These findings will be discussed further in the next chapter.

	UA	PD	GAP1	GAP2	GAP3	SDM	WSB	WOI	WCF	WE
GAP1	-.298	.488	.000	.000	.000	.000	.000	.000	.000	.000
GAP2	-.168	.253	.563	.000	.000	.000	.000	.000	.000	.000
GAP3	-.034	.322	.114	.048	.000	.000	.000	.000	.000	.000
SDM	.237	.067	.064	.027	-.390	.000	.000	.000	.000	.000
WSB	.203	.057	.055	.023	-.335	.858	.000	.000	.000	.000
WOI	.228	.064	.062	.026	-.376	.963	.345	.000	.000	.000
WCF	.229	.065	.062	.026	-.377	.967	.000	.000	.000	.000
WE	.229	.065	.062	.026	-.378	.968	.180	.000	.000	.000
WCS	.219	.062	.059	.025	-.361	.925	.000	.000	.000	.000
WCD	.230	.065	.062	.026	-.379	.972	.126	.000	.000	.699
WMD	.228	.064	.062	.026	-.376	.964	.303	.000	.000	.000
WCP	.231	.065	.062	.027	-.381	.976	.000	.000	.000	.000
WP	.230	.065	.062	.026	-.379	.972	.000	.000	.000	.000
WNP	.232	.065	.063	.027	-.382	.980	.000	.000	.561	.000
WF	.230	.065	.062	.026	-.378	.970	.151	.000	.000	.000
WH	.200	.056	.054	.023	-.329	.844	.105	.303	.000	.000

**TABLE 6.91: STANDARDIZED TOTAL EFFECT OF THE EGYPT HIGH POWER DISTANCE AND HIGH UNCERTAINTY AVOIDANCE ON SERVICE PROVISION**  
**SOURCE: AMOS OUTPUT**

Results indicate that in Kuwait as low power distance and uncertainty avoidance national culture the effect of information gap on specification gap and performance gap is higher than the effect of the same in Egypt. Also the specification gap in Kuwait was found having more effect on performance gap then the specification gap on performance gap in Egypt. Performance gap has no effect on information gap nor specification gap in both countries. However, these relations need to be further developed in a theoretical basis before it renders validation. The complete analysis and results of this section can be found in Appendix A-6 Including the saturated model and modified model.

## **6.10 Summary**

This chapter presented the analysis conducted by the researcher using the statistical packages of SPSS and AMOS. These statistical software assisted the researcher to test the research hypotheses and obtain results with which the researcher answered the research question and achieve the research objectives. The first part of the findings proved the differences between Kuwait and Egypt despite the fact that they share similar attributes of religion and language . Second part of the findings was the validation of the theory deriving this research as it has added to the literature a quantitative confirmation of the theory of the effect of national culture on service provision. Results proved that the effect of national culture on service provision is partially mediated by service delivery gaps, which evidently confirm the existing theory in a quantitative research which fill the gap in the literature. In addition, the researcher has proposed a data driven model which has no theoretical basis. The data driven model has found new relations between the variables that different than what the theory suggest. However, the newly found relations between the national culture dimensions and service provision have to be supported based on theoretical ground stems from the literature. Hence, the theory of the data driven model has to be further developed to support the findings of the model. This new relations are an excellent step for future research.

## **7 conclusion and further research**

### **7.1 Introduction**

In previous chapters, the researcher has identified the gap in the literature in terms of the effect of national culture on service provision and proves how literature would benefit from conducting such research to confirm an existing theory. Then a conceptual framework has been developed based on a previous research to test the impact of national culture of two dimensions of Hofstede dimension; Power distance and Uncertainty avoidance, on service provision. The context has been selected based on settings that have the minimum differences between two different countries in order to validate the theory driving this research. The methodology has been developed to suit the nature of the research quantitatively. Results have been analyzed and discussed based on data collected from Kuwait and Egypt within Takaful industry using AMOS statistical software. In this Chapter the researcher aims to outline findings and arguments mentioned in the previous chapters, and link them to the objectives of this study. It further considers the implications of the research findings, contributions, limitations and the researcher recommendations and finally proposed further research.

### **7.2 National culture differences**

The first research objective was to investigate the cultural differences between countries belong to similar cluster that share common language, religion or geographic location. The findings of the current study revealed strong evidences of the differences between national cultures of Kuwait and Egypt as two different countries belong to similar cluster in which they share similar language, religion or geographic location. These findings are in contrary to Hofstede (1991) findings of IBM study. He assumed that all Arab countries have homogeneous culture dominated by Islamic religion. The findings of this research provide evidence that homogeneity of Arab cluster is not valid and Hofstede cultural index regarding

Arab countries need to be further investigated by him The findings of this research with regard the differences between Arabic countries have been supported by many researchers like (Elbeheri et al., 2009; Al-khatib et.al. 2005; Alostath and Khalfan, 2007).

Research findings indicate that Kuwait is less power distance and less uncertainty avoidance than Egypt which has been found high power distance and high uncertainty avoidance. Hofstede did not find differences between the two countries as he assumed they are identical in terms of national culture driven by religion; however this research proved that his assumption is not reliable as data collected from Takaful sector for this research led to unique findings that reject Hofstede's claims regarding Arab cluster for the first time. These findings support the assumption of heterogeneity of any two different countries even if they share similar attributes. Kuwait national culture was found totally different than Egyptian culture as Kuwait culture was found closer to the west European due to the high exposure of Kuwaitis at young ages and openness of the country. Level of management, distribution of power and risk avoidance of Kuwaiti Takaful insurance companies were found totally different than Egyptians in a way of strength of management that require hard approaches toward method, whereas Egypt was found on an ambiguity management style and not effective management in their approach towards method. Finally, this research provided empirical evidences confirming the differences in national culture between Kuwait and Egypt; therefore, the first part of the research hypotheses is supported.

Hypotheses	Results
H1: There is significant difference between Kuwait and Egypt national Culture	Supported
H1a: Egypt is higher power distance than Kuwait	Supported
H1b: Kuwait is lower uncertainty avoidance than Egypt	Supported

**TABLE (7.1): HYPOTHESES OF CULTURAL DIFFERENCES BETWEEN KUWAIT AND EGYPT**  
SOURCE: OWN FINDINGS

These findings provide strong evidence of the differences of national cultures between Kuwait and Egypt despite the communality of religion, geographic location and language. One can predict that if there is such differences exist

between two countries that believed to have similar language, religion and relatively close geographic location then a strong indication of the validity of cultural differences between any two countries regardless of any attribute they share of language, religion or geographic location may be considered.

### **7.3 The effect of national culture on service delivery gaps**

The second research objective was to examine the effect of national culture on service provision within Takaful industry. The analysis of the data revealed that there is an effect of national culture on service delivery gaps of information gap, specification gap and performance gap from the provider side which was defined as the following:

Service provider gap 1 (Information Gap) is the difference between service customer's expectations of service and service providers' understanding of those expectations. Service provider gap 2 (Specifications Gap) is the difference between the provider understanding of customers' expectations and development of customer-driven service designs and standards. Service provider gap 3 (Performance Gap) is the difference between development of service standards and actual service performance.

The findings indicated that the national culture has a strong effect on service delivery gaps depending on the characteristics of the national culture more than the characteristics of the organizational culture. For instance, the researcher found that Kuwait as lower power distance and lower uncertainty avoidance has less service quality gaps than Egypt which was found high in power distance and uncertainty avoidance. These findings supported by Pizam et al., (1997) found that the national culture has a greater effect on service providers than the culture of a particular industry. In line of this argument and based on the above service provider's gaps, the results have shown that the mean differences between Kuwait and Egypt indicates significant difference in service delivery gaps according to the national culture, for instance, Kuwait as low power distance and low uncertainty avoidance national culture has lower service delivery gaps of information gap 1, specification gap 2 and performance gap 3 than Egypt national culture of high power distance

and high uncertainty avoidance which was found associated with high information gap 1, high specification gap 2 and high performance gap 3. The results revealed that performance gap 3 was found to be the major effected dimension by national culture attributes of power distance and uncertainty avoidance followed by specification gap 2 and the least effected was found on information gap 1 as it was the least effected by different national cultures. These results indicate that high power distance and high uncertainty avoidance have positive relationship with service delivery gaps. High power distance and high uncertainty national culture mainly effect performance gap 3 in higher degree followed by specification gap 2 than in lesser degree the information gap, whereas low power distance and low uncertainty avoidance was found positively related to low performance gap 3 to a major extent followed by specification gap 2 than information gap 1 has the lowest variance with national culture attributes. These findings means, national culture of high power distance and uncertainty avoidance such as Egypt in this study is associated with higher service delivery gaps of information gap 1, specification gap 2 and performance gap 3, whereas, national culture of low power distance; Kuwait, associated with low information gap 1, specification gap 2 and performance gap 3. These results have been supported by different researchers such as Espinoza (1999) who found that cultural differences accounts for differences in service quality assessment as he found that service quality dimensions varies in different cultural contexts and significance of service quality dimensions differ from one cultural to another.

#### **7.4 The effect of national cultures on service delivery mechanisms**

The third research objective was to identify any differences between the cultures of two countries and how those differences might be associated with differences in service provision. A summary of these are listed below.

##### **7.4.1 Effect of power distance on information flow**

Results of this research has found that Egypt high power distance has an effect on information flow in terms of hierarchical information gathering and sharing

through high information gap as a partial mediator. These findings have never been found before, however the concept of the findings is supported in other researches such as (Khatri, 2009; Rivera-Vazquez, 2009; Meeuwesen et al., 2009; Altayab, 2007; House et al., 2004; Lorenzoni and Lewis, 2004; Marcus and Gould 2000; Sagiv and Schwartz, 2000). They support that low power distance encourages information gathering and sharing and high power distance curb the collection and gathering of information which touches the finding of this research. Also, This view was supported by Meeuwesen et al., (2009) empirical findings in which results revealed that patients from larger power distance countries has less tendency to exchange and share information. The reflection of these empirical findings help explaining how high power distance organization acquires information and not to disseminate to lower management as seniors in top management attempts to hold the information believing that information is source of power reflecting their position and seniority (Rivera-Vazquez, 2009). Sagiv and Schwartz (2000) found hierarchical cultures described by unequal distribution of power, roles, and resources, people in organizations signify the importance of higher level of authority that centralize the rules and obligations in a hierarchical structure system.

Whereas, Kuwait low power distance national culture was found to have an effect on information flow in terms of functional – driven information gathering and sharing associated with information gap. These results support the findings of Altayab who linked Low power distance with information gap (Gap1) through the provision of "functional driven information gathering and sharing" which means all levels of an organization have an equal opportunity to gather and share information in all direction as well as the flow of information can be shared and disclosed to all department of the organization regardless of the position of the employee. Results have shown that low power distance has a positive relationship with low information gap, in other words, it means that the lower the power distance is the lower the information gap. This was also supported by Rivera-Vazquez (2009) who found that small power distance national cultures contribute in reducing the gap between the superior and the employees as he suggested that minimal layers of an organization has a positive impact on the flow of information in different direction, which was in line with what House et al., (2004) found in

their globe research that low power distance national culture encourages information gathering and sharing. Finally, Khatri (2009) found that low power distance cultures have lower information gap as the information shared and gathered in all directions such as informal, horizontal, top and bottom which strengthen the quality of decision making process.

#### **7.4.2 Effect of power distance on management style**

Results had revealed that Egypt high power distance national culture has an effect on management style in terms of non participative leadership driven in setting service quality specification. This effect is partially mediated by specification gap as there is direct effect between power distance and non participative leadership driven in setting service quality specification as well as the indirect effect through specification gap. In other words, Takaful organization in Egypt as high power distance culture affects Specification gap which in turn effects the management style towards non participative leadership driven in setting the organisation service quality specification. Results indicate that the higher the power distance is the higher the Specification gap leaving the organization with a wider specification gap which in turn has a positive effect on non participative leadership driven in setting service quality. Employees will be left with a little contribution in setting the service quality in this type of environment which increase the waste in time and resources and develop loos service quality specification. These findings have been supported by some researchers such as Khatri (2009) who suggested that large power distance has a relation with high specification gap due to the lack of conformity to specification of large power distance organization. He stressed on the link between high power distance and specification gap increases due to the lack of conformity as the higher position employee cannot be questioned the reason for not being adhered to specification. Another support to the findings found by Brockner et al. (2001) who found out that employee from large power distance cultures have less participation in their work processes than employees from low power distance.

Whereas, the effect of Kuwait low power distance on management style has been found as strong support for the hypothesis H2d which posits that low power distance has an effect on management style in terms of participative leadership

driven in setting service quality specification through low specification gap. Results showed that the effect of low power distance on participative leadership driven in setting service quality specification has large indirect effect through specification gap and small direct effect from low power distance to participative leadership driven in setting service quality specification meaning that the lower the power distance is the lower the Specification gap which in turn leads to participative leadership driven in setting service quality that provide lower tier employees with a great chance to contribute in setting service quality specification. Engaging employees in developing service quality specification will maximize the organization chances to cover all areas of services within the organization in all levels which will enhance the organisation service provision.

#### **7.4.3 The effect of power distance on service quality control**

Results have shown that Egypt high power distance has an effect on control in terms of Delivering Services Quality regulated by centralized Performance control through performance gap.

This means that the increase in power distance leads to an increase in centralized performance control in an association with performance gap 3. These results have been found in line with Altayab (2007) findings of the link between large power distance and performance (Gap 3) in a mechanism that conceptualized as "Delivering service quality regulated by centralized performance". This linkage was also found by Morris and Pavett (1992) when researching performance of organizations in large power distance cultures. They found positive relation of high power distance national cultures with centralized management practices in USA and Mexico. The later was found as the large power distance national culture and driven by centralized management practices, whereas USA as low power distance national culture was found not effective in centralized management practices which supports the findings of this research.

Whereas, the effect of Low power distance on service quality Performance control was found supporting the hypothesis H2f which was stating the following:

H2f: In Kuwait, Low power distance has an effect on control in terms of empowering to perform in delivering service quality through performance gap. The mediation was partially supported as there was direct and indirect effect, however the total effect of low power distance on control have indicated that there is positive relationship between power distance and control as lower the power distance culture means substantive empowering to perform in delivering service quality through low performance gap. These findings had theoretical background supported by Altayab (2007) who linked low power distance cultures with performance gap through a mechanism of "empowering to perform in delivering service quality". Another study support the findings was found in Den Hartog et al., (1999) who suggest that low power distance cultures encourages innovative behavior driven by positive attitude of empowerment. These above researches have been found strongly support the research findings.

#### **7.4.4 Effect of Uncertainty avoidance on communication policy**

The hypothesis H2g that posits the effect of high uncertainty avoidance national culture on communication as stated in following:

H2g: In Egypt, High uncertainty avoidance has a positive effect on service provision in terms of close and formal driven communication through information gap. The hypothesis has been found valid and supported based on the results that was analyzed in the previous chapter. Results have shown that high uncertainty avoidance national cultures has an positive effect on service provision in terms of close and formal communication, which means that high uncertainty avoidance national culture tends to communicate in a formal way to prevent any ambiguous consequences. Employees from high uncertainty avoidance tend to protect one's position. High uncertainty avoidance national culture tends to have high information gap which in turn leads to the provide their services in close and formal communication. However, result show that information gap is partially mediating the effect of uncertainty avoidance on close and formal driven communication. This finding was supported by Altayab (2007) who found link between high uncertainty avoidance and information gap in close and formal driven communication which also has a theoretical background by Hofstede and Hofstede (2005) who found people from high uncertainty avoidance cultures are

more protective as they tend to obtain approvals from their superiors before implementing innovative ideas which made these cultures less innovative. Another research conducted by Shane et al., (1995) has been found to support the findings of this research when they surveyed employees from thirty different countries; results revealed that high uncertainty avoidance national cultures constrain employees with formalities and existing regulation. Nakata and Sivakumar (2001) has stated that *“higher uncertainty avoidance triggers more intensive information search, it also paradoxically inhibits the transmission of those data”* this findings another support to the research findings as close and formal communication as a facet of high uncertainty culture.

Whereas, the effect of low uncertainty avoidance on communication have been found supporting the research hypothesis H2h which posits that low uncertainty avoidance has an effect on service provision in terms of open and informal driven communication associated with information gap. The findings indicate that Low uncertainty avoidance national culture has an effect on communication in terms of open and informal driven communication through information gap. However, the mediation effect of information gap has been found partial mediation. These findings were supported by other researchers such as (Hauke, 2006; Hofstede and Hofstede, 2005; Bowman et al., 2000; Shane, 1995). Hauke (2006) support the fact that low uncertainty avoidance build informal networks and foster informal driven communication service provision which in turn will help minimizing the information gap. He stated that an important factors promoting knowledge sharing is *“Informal and partnership focus culture. Good relations inside and outside a company and well-developed social networks have a considerable impact on the willingness to share knowledge with other co-workers”*. In addition, Hofstede and Hofstede (2005) support the provision of open and informal driven communication in low uncertainty avoidance national cultures as they argue that low uncertainty avoidance national culture tend to be informal in communication between organizations layers. Bowman et al., (2000) suggests that people in weak uncertainty avoidance tend to be having unwritten and less clear rules. Shane et al., (1995) found that weak uncertainty avoidance cultures are lenient in collecting supportive documents to support their decisions as they are satisfied with informal

data to make decision. Finally, it is evident that all of the above researches have supported the findings of this research.

#### **7.4.5 Effect of UAV on specification driver**

As far hypothesis H2i that posits the following:

H2i: In Egypt, high uncertainty avoidance has a positive effect on service provision in terms of Money- driven specifying service quality through specification gap.

The results revealed that high uncertainty avoidance has a moderate effect on specification driver in terms of money-driven specifying service quality through high specification gap. These findings mean that high uncertainty avoidance has a high positive effect on specification gap 2 which in turn have moderate effect on service provision 5 in terms of money-driven specifying service quality. Previous research have shown evidences about these findings such as the findings of Altayab (2007) which empirically proves that high uncertainty avoidance is linked to specification gap in terms of money- driven specifying service quality which means that high uncertainty avoidance cultures set the organization specifications based on controllable measures of their internal objective like financial efficiency since it can be within their sphere of influence. Also, Newman & Nollen (1996) found similar results as employees from high uncertainty avoidance cultures who have comprehensible guidelines and procedures have better financial performance, whereas the same results were not found in low uncertainty avoidance cultures. Another support to the research findings was found by Zeithaml et al., (1988) who defined Specification gap of Service quality as “the difference between service provider’s perception of customer’s expectation of written standard and specification against the actual service standard to be performed”, this means high power distance and high uncertainty avoidance national culture have large difference between provider’s perception of customer’s expectation against the actual service standard to be performed attributed to the short term profit orientation that may account for the discrepancy between providers’ perception of consumer expectation and the actual specification designed for services.

Whereas, the effect of Low UAV on Specifying Service Quality have been found supporting hypothesis H2j which posits that low uncertainty avoidance has an effect on service provision in terms of customer satisfaction-driven specifying service quality associated with specification gap. In other words, low uncertainty avoidance has an effect on specification gap in terms of customer-driven specifying service quality through high gap of specification gap 2. These findings lead to a conclusion that low uncertainty avoidance affects high specification gap which mediate the effect of low uncertainty avoidance on customer satisfaction-driven specifying service quality. These findings have been supported in other researches such as Todeva (1999) who found that national cultures with low uncertainty avoidance could be interpreted as a well-built stimulus for organizations to provide customer activities as the focus of their strategy hovers around customer satisfaction. Similar findings by Altayab (2007) revealed that cultures of low uncertainty Avoidance Bridge the specification gap by focusing on customers expectation and needs which are external factor to the organization to deal with, however this reflect the challenging spirit and innovative approach to satisfy the customers within the low uncertainty avoidance cultures. Riemann et al., (2008) have found that customers from high uncertainty avoidance cultures are less tolerant with respect to delivered services as they have high set of expectation make the their perception vulnerable to any defect in the delivered services. On other hand they found customers from low uncertainty avoidance cultures have wide tolerance zone with respect to delivered service quality.

#### **7.4.6 Effect of uncertainty avoidance on boundary system**

Results have been found supporting H2k which was stated as the following:

H2k: In Egypt, high uncertainty avoidance has positive effect on system border-driven performing through performance gap. Results have shown that the total effect of high uncertainty avoidance national culture has low effect on service provision in terms of system boarder driven performing through specification gap. This means that high uncertainty avoidance increases the system boarder driven performing associated with high performance, in a relation explained as the higher the uncertainty avoidance is associated with high performance gap in terms of system boarder driven performing. The employees adhere strictly to system in a

precise way trying to eliminate the performance gap, however this is not always working as it intends. The nature of services needs to satisfy customers which require flexibility in dealing with customers. This finding is an evident to findings of Altayab (2007) which have linked strong uncertainty avoidance with performance gap in a mechanism of "system border-driven performing" which means in other words the extent of emphasis on rules and regulations by the service provider to avoid any conflict with customers during service delivery processes. The strong uncertainty culture derives the employees to follow the system precisely in their attempt to eliminate the performance gap. However, this research has added to his findings by studying the magnitude of the effect and found high uncertainty avoidance is associated with high performance gap. Schramm-Nielsen (2000) have found similar results in high uncertainty avoidance national cultures such as the French organizations are usually described by a steep pyramidal structure in which managers have little or no delegation of authority, but strong management and tight control of subordinates' activities, as well as tight control of the functions of management. Schneider and De Meyer (1991) studied the cultural differences of strong uncertainty avoidance cultures represented by Latin European managers against managers from lower uncertainty avoidance cultures in which they found managers from high uncertainty avoidance cultures were very sensitive to threat and uncertainty for which they react strongly to reduce the uncertainty by revamp the system and conduct training programs to all employees in order to avoid uncertainty.

Whereas, the Effect of Low UAV on performance have been found supporting hypothesis H2L: In Kuwait, low uncertainty avoidance has positive effect on customer satisfaction - driven performing through performance gap. Altayb (2007) found linkage between low uncertainty avoidance with performance gap in a mechanism called " customer satisfaction - driven performing". However, he did not provide any magnitude of that linkage. Hence, this research built on his findings to provide evidences on the linkage found in his research. Results indicated that there is an effect of low uncertainty avoidance national culture on service provision in terms of customer satisfaction driven performing through low performance gap. This means the increase in low uncertainty avoidance increases the focus on customer satisfaction driven performing associated with low

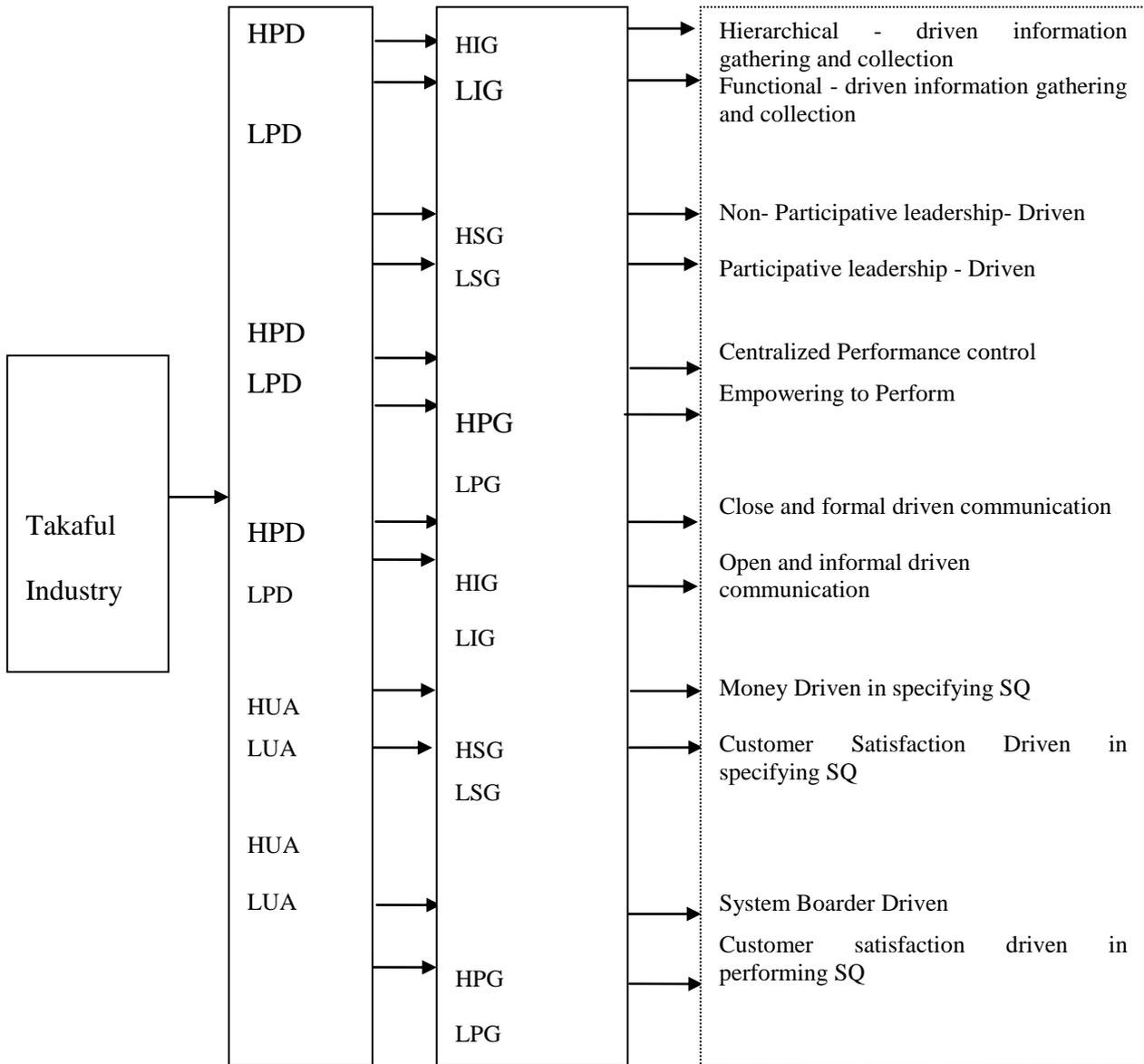
performance gap. These results contribute to the small body of empirical evidence such as Hauke (2006) stated,

*“Low level of uncertainty avoidance is correlated with lack of rules and regulations in a company. That is why people working in an enterprise do not encounter formal barriers, like regulations, while communicating to other co-workers. When those who work in a company are willing to take risk, they also feel responsible for their decisions which results in higher self- esteem and better satisfaction of achieved success”.*

Karen and Stanley (1996) found that work units in low power distance cultures were higher performing if they were more participative, these findings have been supported in other researches such as an empirical study conducted by Yavas and Rezayat (2003) which revealed that managers from low uncertainty avoidance countries believe that quality is measured by performance more than those from higher uncertainty avoidance peers.

## 7.5 Final proposed Modified Model

The fourth research objective was to build a conceptual framework for Takaful as to what extent national culture differences of two countries effect service provision in association with service quality gaps as illustrated in fig 7.1 below. These findings have been drawn from Takaful industry but may be replicated to other services settings in order to generalize the findings.



**TABLE 7.2 THE FINAL PROPOSED CONCEPTUAL FRAMEWORK**  
SOURCE: OWN FINDINGS

The above final conceptual framework has been revealed from the tested hypothesis using AMOS which provides findings pertains the effect of national

culture on service provision associated with service delivery gaps. However, the researcher has found additional findings stems from the data when tested the model without the limitation of the theory to find the effect of national culture on service provision associated with all service delivery gaps. These findings tested with no limitation as have been posited in the tested hypotheses. The new relations are discussed in the next section.

## **7.6 The Data Driven Model**

In addition to research findings, the researcher has found new relations stems from the collected data from Kuwait and Egypt than analyzed as which national culture has an effect on service provision without abiding by the limitation of the theory followed in this research. These new relations need to be studied thoroughly to which a theoretical background develop to confirm the validate the new relations from previous research within the literature. The new relations summarized as the following:

1. Power distance and Uncertainty avoidance affect service provision mediated by service delivery gaps. However, the mediation has been found partial mediation as there were significant direct effect. This support the findings of the hypothesis testing in previous section.
2. Kuwait low power distance has no significant effect on information gap, whereas Egypt high power distance national culture has no effect on specification gap.
3. Service delivery gaps of information gap, specification gap and performance gap has effect on each other.
4. New relations between the mechanisms of service provision have been found significant. These relations are as the flowing:
  - a) System boarder driven has significant effect on open and informal communication, empowerment, money driven,, functional information gathering and sharing

WSB > WOI >, WSB> WE, WSB > WMD, WSB>WF.

- b) Open and informal significantly related to hierarchical information gathering and sharing

WOL> WH.

- c) Mechanism of closed and formal communication is significantly related to non-participative management

WCF>WNP.

- d) Empowerment is related to closed and formal communication

WE> WCD.

However, These new relations need further support in a theoretical background before it gets developed.

New relations between some of the unexplained error between service provision mechanisms are found. For instance, information gathering and sharing in terms of hierarchical is linked with system border-driven, which makes very sense as the conservative organisations disseminate information in hierarchical to avoid any uncertainty. In addition, Customer satisfaction was found related to empowerment, which also justified by the positive rule of empowerment in freeing the employees hand to act faster with customers' complaints which in turn contribute to customer satisfaction. Finally, Closed and formal communication was found related to centralized performance control. This relation is meaningful as the organisation tend to close its communication policy in a formal way that increase the centralization control of the organization. The new relations are summarized in Fig 7.1 below.

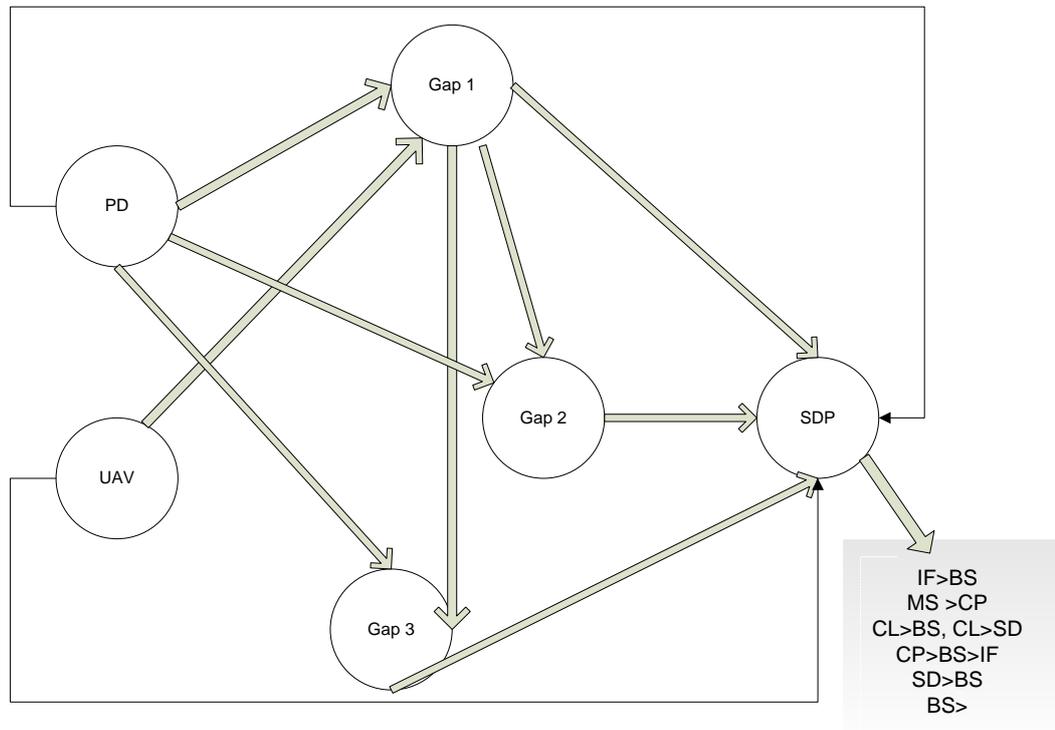


Fig 7.1: Data driven model relations  
Source: Own elaboration

PD: Power distance, UAV: uncertainty avoidance, GAP1: information gap, GAP2: specification gap, GAP3: performance gap, SDM: Service provision, IF: information flow, MS: management style, CL: control, CP: communication policy, SD: specification driver, BS: boundary system

The model indicates that there are relations among the mechanisms of service provision, for instance, information flow is related boundary system, which means the strategic direction of the organization dictates the dissemination of information. If the organisation is system driven and procedural company will differ than being customer satisfaction driven and follow the flexible approach that aim to satisfy customers first. Another relation found between management style of being non participative driven with communication policy in terms of closed and formal which also reflect the conservativeness of the organisation. Specification driver has a relation with boundary system which may delineate the direction of the specification. However, the above new found relations have yet to be theoretically supported in further studies to find theoretical background for the newly found relations after which the model can be generalized.

## **7.7 Recommendations**

The results of this research contribute to both academic and practice. The academic contribution stems from the confirmation of the research to an existing theory that theoretically linked national culture to service provision. In addition, this research builds on previous studies that have identified the relation between national culture and service quality gaps and is the first quantitative study that investigates the impact of national culture on service provision in Takaful context. However, the research has suggested some further researches that might enrich the body of knowledge after a long journey conducting this study. As far the managerial implication, the researcher highlights some recommendations for practitioner's stems from the research findings that to be taken into consideration for eliminating the service delivery gaps and design service processes match the culture where it operates.

### **7.7.1 Implications and Recommendations for Practitioners**

As services industry are becoming more essential to the global economy to which it accounts for more than 70% the world output and is expected to grow, hence the findings of this research assist service providers of Takaful in particular and services sector providers in general to improve their service quality as it identify and explain some key insights that might help in dealing with various service delivery gaps. Therefore, it is very important for Takaful marketers to understand the effect of national culture differences on service delivery gaps and how this might effects the service provision associated with these service delivery gaps especially with the steady expansion of Islamic finance industry . The findings of the research has evidently shown that different countries differ in terms of service provision depending on the criticality of service delivery gaps.

The findings has substantive implications for service development strategy. Firstly, providers serving customers from high power distance and high uncertainty avoidance national cultures should put extra effort on trying to bridge the gaps of information, specification and performance by introducing some creative and innovative solutions in information collection and gathering transparently from reliable sources. They should avoid assuming the level of customer expectation without having tangible evidences around which the marketing information can be

gathered. One of major criticism to Takaful organisations that lack of technological advancement in operating their activities. Researched Takaful organisations from the context of this research found heavily depending on human to collect and disseminate information, while the use technology still behind the pace of Takaful growth.

Takaful organisations should put more emphasize on Automation, training, benchmarking marketing research through which their prediction of consumer expectation could be reasonably estimated and make sure that there is consistency between management and consumer expectation. Secondly, management of Takaful in high power distance and high uncertainty avoidance national cultures should have stronger commitment to quality in delivering services focusing on customer needs and demand. Thirdly, Most of the work on segmentation of international markets assumes homogeneity of national segments. However, this research is an evidence to prove segmentation should consider micro differences in national cultures of clustered countries based on shared common attributes such as language, religion or geographic location. Knowing these differences would help service providers to deal with their customers proactively and efficiently. For example, a study conducted by Lee et al., (2007) suggested that introducing new product in low UA countries first would be more successful than in high uncertainty avoidance since the consumers will be more likely to try it and more chances to exhibit its quality and benefits after which provider may consider rolling out the product to high uncertainty avoidance markets.

Fourthly, the findings of this study suggest that service delivery gaps of information gap<sup>1</sup>, specification gap<sup>2</sup> and performance gap<sup>3</sup> are related to different cultural dimensions. The comprehension of the influence of cultural effect on service delivery gaps may improve both efficiency and effectiveness of service quality delivery of various cultural groups in services sector. Therefore, destination marketers should take this into consideration when formulating their strategy and programs the reflection of local national culture on service delivery gaps and develop strategy for the relevant culture in line with the dominating service provision of that particular culture. Providers should deal with all service quality gaps together to improve service quality gaps as dealing with one or more will not be adequate to sustain the service quality improvements if there is a draw

back in one of the gaps based on the understanding of the effect of national culture on service provision.

Fifthly, the model proves that the effect of national culture on service provision depends heavily on all Takaful members collectively as the success can only be achieved based on the involvement and participation of all employees to improve the provided service quality. Result has shown that the service gap can happen in various stages during the service encounter. Hence, service provider treat all gaps equally important and exert maximum effort eliminating the service gaps. Service providers may take advantage of this research by knowing the characteristics of the context they perform within. Knowing your environment in terms of national culture attributes will assist service providers to allocate resources effectively.

Sixthly, service providers should classify their national background before attempting to improve the service quality to which they can identify the applicability of potential service provision with their national culture background. Thus, they would match the service delivery actions with the national culture. Therefore, the researcher recommends that service providers might gain from providing cultural training to their employees that move their own culture to another in order to build cultural awareness and receptivity.

Finally, service providers from high power distance cultures should encourage open and informal communication as number of layers in high power distance cultures make the flow of information between top management and contact personnel inefficient and widen the information gap which in turn make management unaware of consumer expectation as there is lack of upward communication. Khatri (2009) found that communication takes place vertically downwards; informal and horizontal communication is quite limited in high power distance cultures. Moreover, effective communication should be considered by service providers to eliminate discrepancy between customer and service provider expectations as it is a very essential antecedent in inter-cultural service encounters with respect of how the service delivery should be provided.

Also as the model identifies that high power distance and high uncertainty avoidance national culture are less encouraging employees empowerment, the researcher recommend that high power distance national culture should foster

Empowerment to involve their employees in more participation in decision making as findings of this research found senior managers from high power distance has unlimited power and control over subordinates giving employees little discretion in making a quick response to customer complaint and any service deliver failure which in turn widen the specification gap. Similar findings were found by Khatri (2009) as he believes that quality of decisions is very poor in high power distance cultures. Power distance culture found to have lack of participation of employees in decision making as decisions are made by a few at the top autocratically which make team work, employees job fit and employees perceived control very little , therefore performance gap may get widen. This is very dangerous as high uncertainty avoidance customers had higher service quality expectations and expected empathy and assurance from the service provider which mean that they are venerable to low perception if providers fail to meet their expectation due to large performance gap they do not tolerate low service quality as found by Donthu and Yoo (1998). They suggest that consumer's expectation varies according to culture, and providers can not treat all consumers the same. Hence, this research builds on this fact and provides Takaful provider's preliminary insights of the effect of national culture on service provision. Also, Takaful in particular and insurance companies in general need to be vigilant of the inverse effect of power distance on service quality as the higher the power distance the higher the service quality gaps which lead the organization service delivery in a mechanism that caused by the gap.

### **7.7.2 Recommendations for Academics and Further Research**

Based on the research limitations the researcher has proposed list of recommendations regarding future research that if conducted will enrich the body of the literature. The summery of further research is summarized as the following:

- a) In relation to the generalization, future research should be replicated for this study. It can be on more service sectors such as banking, telecommunication etc.

- b) The review of the literature in this study revealed that there has been a lack of attention among researchers to study the effect of national culture on service provision between countries belong to similar cluster in particular and between any two distinct countries in general
- c) This study have employed Hofstede's model in finding national cultural differences between Kuwait and Egypt. Future research could use other dimensions different from Hofstede's typologies to find other cultural dimensions typologies such as Trompenaars and (1993) or Schwartz (1994) cultural dimensions if they have an influence on service provision between any two different countries.
- d) The need to test the relations of other dimensions of national culture such as individualism, feminism and long term orientation on the service provision
- e) The need to study the holistic impact of the Hofstede's five national culture dimensions (power distance, uncertainty avoidance, individualism, feminism and long term orientation) on service provision
- f) Academic can use triangulation method to replicate this research and confirm the findings.

From the final model the most apparent research implication is the need to develop theoretical explorations that validate the new found relations between national culture and service provision associated with service delivery gaps. Hence the researcher suggest the following for the purpose of the proposed model:

- a) the theoretical background behind these relationships needs to be studied and developed.
- b) The final model should be studied in other national cultures to provide more validity of the model.
- c) The final model need to be replicated in other service sectors after developing the theoretical background.
- d) Finally, this research was not difficulties free, exactly like any research conducted in three years in two different environment coupled with many

travelling and challenges. However, these limitations have been overcome due to many reasons as can be seen in next section.

## **7.8 Limitation**

The study only addresses the effect of national culture from the provider side and has not included customers in the research, which has been studied intensively in the literature. Also, drawing from a single industry was a major limitation of the study, despite that fact that services industries have much in common, each industry has its own special characteristics. However, drawing from Takaful industry in two countries belongs to the same cluster assuming minimum differences do not limit the generalizability of findings. In contrast, it answers Hofstede claims of the dominance of Islam in Arab world that leading to an assumption of homogenous national cultures to which the Takaful industry in both Kuwait and Egypt overcome the shortcoming and reject the assumption supported by clear findings to overcome this drawback. Another limitation to this research was the limited number of existing typologies for service quality and national culture. The study was based on existing typologies of dimensions of service quality (Parasuraman et al., 1985, 1988) and the dimensions of culture (Hofstede, 1980, 1991), although both typologies are testable. However, these typologies have been found researched extensively.

Considering national culture as two-dimensional construct, certain researchers consider the construct in terms of a number of dimensions would unveil more viable results. Having treated service provision in terms of more dimensions, would make the effects of national culture on service delivery have been different.. Limiting the research to Hofstede (1981) national cultures dimensions of power distance and uncertainty avoidance without including the remaining cultures such as individualism, feminism or long-term orientation, was due to the theory that being tested in this research. Power distance and uncertainty avoidance have been proven the strongest national culture dimensions linked to service provision within the theory. In addition, the same applies for service delivery gaps, as the research has only addressed service quality gaps of information gap1, specification gap 2 and performance gap 3 but has not included communication gap 4 and perception

gap 1. The reason was attributed to the theory constrains also. However, the methodology of this study would still be valid as it has shown evident results of the cultural differences between Kuwait and Egypt in service provision

This research boundary was in two countries only (Kuwait and Egypt). Having conducted cross cultural study with more than two countries would allow generalizability, however results indicates that differences between Kuwait and Egypt is evidently contradicting Hofstede's findings which claims all Arab countries have the same cultures as they are driven by Islamic religion. On the other hand, cultural heterogeneity within each country of Kuwait and Egypt is negligible which make it proper to use the term national culture, which was assumed to dominate the organizational culture on workplace.

The researcher has overlooked the differences in organizational culture and the micro differences among countries that share same language, religion and geographic location with which was the basis for this research. Another important assumption that was the similarity of the context of the research, which is Takaful in Kuwait and Egypt, found representative for the national culture of both countries as a special product to the Islamic countries. The uniqueness of the Takaful to the Arab cluster would strengthen the findings as differences in service provision within similar industry can be generalized for other more distinct sectors.

Another limitation of the research is using the same scale which may result in a self report bias as the measure is provided by the same respondents for all these variables.

The research time horizon was built on cross sectional research, however being social science research this has not influenced the results as the research objectives have been achieved.

## **7.9 Contribution of the research**

The research contributes to the literature in various episodes as the following:

### **7.9.1 Contribution to theory**

This research confirmed the findings of previous researches as to what extent national culture effect service provision associated with service delivery gaps. It

confirmed previous research findings on the underlying relationships between national culture and service provision and how this might be associated with service delivery gaps. An important contribution to theory is the ability of power distance and uncertainty avoidance in predicting national culture differences in service provision between any two countries. Further, the study found that national culture dimensions do not equally influence service provision as it varies cross culturally. The research contributes to theory in providing a conceptual framework that can cultivate the seed in the body of knowledge to enrich the soil for researchers to study the effect of national culture on service provision. Also, the research contributes to the theory as the first study to reject Hofstede's index of national culture pertaining to the Arab cluster. The final contribution was the data driven model that needs to be further studied and develop theoretical background for the new relations.

### **7.9.2 Contribution to practice**

the findings of this research assist service providers of Takaful in particular and services sector providers in general to improve their service quality as it identifies and explains some key insights that might help in dealing with various service delivery gaps. For example, Takaful organisation may use the findings of this research to design their processes of information flow, management style, control, communication policy, specification driver and system boundary to suit the national culture it operates within. The research fills the gap that practitioners need to understand how national cultures contribute to their internal gaps. Therefore, it is very important for marketers to understand the effect of national culture differences on service delivery gaps and how this might affect the service provision associated with these service delivery gaps.

### **7.9.3 Contribution to policy**

The contribution to policy in this research particularly to Takaful providers and generally to all services providers, helps policy makers to understand as to what level of gaps may emerge in different cultural settings influenced by power distance and uncertainty avoidance. However, this research has added to the literature empirical evidences that explain the effect of national culture on service

quality gaps that may affect the service provision. Results revealed that policies of Takaful companies need to consider cultural effect on service delivery especially when home organisation operate in different environment. This research have proven that language and religion is not a critical factor for culture homogeneity, which means that national cultural difference between countries exist even between countries share common attributes. Therefore, policy makers of Takaful in particular and services providers in general may emphasize specific policies pertains to the national culture they work within considering the effect on power distance and uncertainty avoidance. Policy considering the level of power distance and uncertainty avoidance in the culture of operation may increase the chances of organisational success to eliminate the effect of information gap, specification gap and performance gap which in turn will impact the mechanisms of service delivery of information flow, management style, control, communication policy, specification driver and system boundary. The policy understand its national culture work well in dealing with service quality gaps. Takaful industry is booming globally for which the need to understand the cultural effect on service provision as indicated in this research and use the findings to design a robust policies suitable for different environments which is an essential move for their success and sustainability.

#### **7.9.4 Contribution to method**

As this research aims at testing and extending the existing knowledge about the effect of culture on service provision, the relationships between national culture dimensions of Hofsted's (1981, 1991) and service quality gaps of Parasuraman et al., (1991) have been adopted to find the cultural influences to the service provision associated with service quality gaps. The research begins with a broad review of the literature to take into account the existing state of knowledge on the constructs and relationships under examination. On the foundation of these facts the researcher sets hypotheses then through empirical fieldwork it has searched for evidence that will confirm or disconfirm the hypotheses. This research mainly employs quantitative techniques employed by positivist methods (Easterby-Smith et al., 2002), which involves the systematic scientific investigation of quantitative properties and phenomena and their relationships. The research objectives

achieved by: a) generating theories and hypotheses, b) developing instruments and methods for measurement, c) collecting empirical data, d) constructing models to analyze data and e) evaluating results (Fielding and Schreier, 2001). An important contribution to method was the adoption of national culture of countries belong to same cluster as suggested by Hofstede and study their differences/similarities of these national culture with a unique context that related to the dimension to which they were clustered like religion and language. Results revealed that the method of mediation was successful in highlighting the effect of national culture drawn from similar cluster countries on service provision mediated by service quality gaps with which a new addition has been added to the body of the literature. In most of the cross cultural studies moderation is the common way in testing the effect of culture; however this research has found that meditation effect is more appropriate in answering the research question and achieve the research objective. It shows the direct, indirect and total effect of national culture on service provision mediated by service quality gaps.

## **7.10 Summery**

This research was epistemologically adopted positivism methodology as to confirm an existing theory. An extensive review of the literature has been conducted on the basis of which hypotheses about the constructs and relationships under examination were set out. Based on the literature review, an appropriate data was collected from the field. The study employed all appropriate quantitative techniques leading to the analysis of results. The research employed a survey strategy that used especially designed questionnaires to collect evidence from the context of Takaful service industry. Findings with respect the effect of national culture on service provision are of particular research interest regarding the generality and universality of findings. In this respect, this research is significant in drawing support from cultures which is different from Anglo cultures (Hofstede, 1980) which in most researches provide evidence to the management literature. This research confirmed the findings of previous researches as to what extent national culture effect service provision associated with service delivery gaps.

The research confirmed previous research findings on the underlying relationships between national culture and service provision and how this might be associated

with service delivery gaps. Further, the study found that national culture dimensions do not equally influence service delivery provision as it varies cross culturally. It was found that in the setting from which this research drew evidence, service delivery gaps of information gap 1, specification gap 2 and performance gap 3 depends on power distance and uncertainty avoidance national culture dimensions to which service provision of information flow in terms of information gathering and sharing, management style in terms of leadership driven in setting service quality specification, control in terms of service quality performance control, communication policy in terms of driven communication, specification driver in terms of driver in specifying service quality and system boarder in terms of the Driver in Performing are influenced based on different national culture. and how this influence is associated with service delivery gaps of information gap 1, specification gap 2 and performance gap3. Service providers play an important role in influencing the customer's perceptions (Zeithaml, Parasuraman, and Berry, 1990). The cultural differences influence the interaction processes between a service provider and a visitor during service delivery (Wei, Crompton, and Reid 1989). Previous study by Danthu and You, (1998) argued that in high power distance national culture customers respect service providers and believe they offer services beyond their expectation. As a result of their acceptance of inequalities in power, customers are likely to set a low level of overall service quality expectation which is an engorgement to service providers to easily close any service quality gap in high power distance national culture than those in low power distance culture to whom customers have higher exception of service quality gaps and hardly accept any draw back in provided services as they have high expectation of delivered services. On the wards, providers knowing which service provision that may have an effect on service delivery gaps than accordingly deal with may lead to bridge service quality gaps which in turn assist in exceeding customer's expectation from high power distance national culture as they have been found having lower service quality expectation than customers from low power distance national culture.

They also have found that customer expectation would varies with cultural differences as customers from high uncertainty avoidance has higher service quality expectation which justify the findings of this research as high uncertainty

avoidance national culture has an effect on service quality gap in term of information gap, specification gap and performance gap. These findings may encourage service providers to take into account in their strategy formulation to provide service provision that lead to close or eliminate their internal gap to meet high expectation of customers from high uncertainty avoidance, whereas customers from low uncertainty avoidance has low service quality expectation which is an opportunity for providers to build on this low acceptance of customers in providing service as per Islam Sharia teachings that may close their service quality gaps which may contribute in exceeding customer expectation. Therefore, the researcher may conclude that service provision have an effect on service delivery gaps which may contribute in forming customer perception regarding delivered service. Raven et al., (2004) found Kuwaiti customers have lower service quality perceptions than non- Kuwaitis attributed to their international exposure describing them as similar to Western customers which means service providers of Kuwaiti Takaful providers as low power distance and low uncertainty avoidance have to strive to close their service quality gaps in order to increase customer perception by eliminating their service provision that associated with service delivery gaps. In contrary, Egyptian Takaful providers need to strive in redesigning their service provision which is associated with high service delivery gaps to meet the high expectation of their customers. The findings of this research provide a road map for providers of Takaful to assess their service provision that associated with service delivery gaps.

The objective of the research has been achieved as the research confirm the that viability on national culture that not to be overlooked as a critical factor in delivering service quality from the perspective of the provider side which has a great impact on the level of service provision. According to Lovelock and Yip (1996), the influence of culture on the delivery of services stems from the high degree of involvement of interaction between customers and service personnel, which in turn make cultural elements, have the greatest influence. Therefore, the findings of this research is significantly contributing to the literature in studying the effect of national culture on service provision between any two different countries as there is micro differences has to be taken in consideration that have influence service delivery provided process. It is the first study that reported such

findings and hence adds to the literature the first block that can be built upon, however wide variety of industries may advantage from replications of this study.

In addition, this research has proven the cultural differences between clustered countries based on common attributes such as language, religion or demographic location as there is cultural differences exist between any two different countries. This difference in national culture has an effect on service provision to which the assumption of homogeneity of national culture for these clustered countries is inappropriate and might backlash on organisations.

Further, the research has provided the literature data driven proposed relations of the effect of national culture on service provision that stems from the studied context where this research drew its findings. The newly found relationships has yet to be theoretically studied and supported in a theoretical background in order to address the appropriateness of the proposed model before being qualified to a new model.

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