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SERVICE EXPECTATION GAP: EMPIRICAL EVIDENCE OF IRANIAN INSURANCE COMPANY

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Abstract

This paper addresses the service gap among the clients of Iranian Insurance Company. The results of this study show that there is a huge gap regarding actual level of service quality and expected level. According to such conditions the going concern of such service firms will be questionable in the near future. The top managers of these firms should take serious action for reducing such a gap.

Keywords: Service quality, Expectation gap, Iran

1. INTRODUCTION

A service has been described as “a deed, a performance, an effort..... and when a service is purchased, there is generally nothing tangible to show for it” (Berry, 1980). The principal nature here is intangibility. Shostack (1977) stated that the term intangibility in services as the physical ownership and also defined a service as experience or process. Furthermore, Gronroos (1988) claimed that “a service is

not a thing but a series of activities or process, which moreover are purchased and consumed simultaneously at least to some extent”. The common characteristics of services that many scholars have discussed widely include: intangibility, simultaneous production and consumption, and heterogeneity (Mc Dougall & Snetsinger, 1990).

Client satisfaction is defined “as an overall evaluation of a firm’s services and performances” (Anderson et al., 1997).

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In today's high competitive business environment, client perceived value has become increasingly important to practitioners and businesses as it is believed to be central to client decision-making, satisfaction and client retention while, client value has different meaning in different context (Woodruff, 1997).

Generally, clients look for quality of services which they purchased. Common indicators of quality in selection include the following three dimensions: (a) perceived experience, expertise and competence of the service provider, (b) the provider's understanding of the client's needs and client interest; and (c) the provider's relationship and communication skills (Patterson, 2000). Correspondingly, many researchers believe that the success of firms depends on good reputation, which is based on the quality and skills of the personnel providing the services (Hurmerinta-pettomaki & Nummela, 1998; Aharoni, 1993). However, due to some problems even advantages the service providers do not provide the exact services with high quality which it is needed by clients; it caused gap, between service providers and clients so called service gap. In this paper the authors try to elaborate this gap, then they will show is such a gap exists in Iranian Insurance Company? If so, which factor(s) caused this gap?

2. SERVICE EXPECTATION GAP

The definition of expectations has been a topic of some debate in the academic literature. Expectations are pre-trial beliefs about a product or service (Boulding et al., 1993) and are an important concept because they provide the frame of reference for evaluation (Oliver, 1996). In other words,

expectations represent the mental categories used by consumers in their evaluation of service performance with obvious implications for service quality. There have been significant variations in the conceptualization of expectations (Parasuraman et al., 1988), in terms of what people feel they should be offered, rather than would be offered (Boulding et al., 1993) and pre trial beliefs about a product or service and its performance at some future time (Oliver, 1996). Expectations are defined as anticipations (what people think they will get) or as preferences (what people want or desire) (Galassi et al., 1992; Tinsley, 1992; Tracey, 1992). In nut shell, there are often differences between the performance of a service and the expectations that the client has on the particular service. Further, an expectations gap is the result of differences in opinion or perceptions between two or more groups (Deegan & Rankin, 1999). An expectations gap has two elements (Porter, 1993):

- A reasonableness gap: Gap between what is expected and what can reasonably be expected to accomplish.
- A performance gap: Gap between what can reasonably be expected and perceived actual achievements.

Services are somewhat different from other types of productions, and often so are client expectation gaps (Hubbert et al., 1995). According to Ojasalo (2001), managing service expectations is important since service quality satisfaction result from how well the actual service performance, in other words the service process and outcome, matches the perceptions. Ojasalo (2001) treats three types of expectations typical in the professional service context, they are namely as follows:

1. Fuzzy expectations;

2. Implicit expectations; and
3. Unrealistic expectations.

Clients do not always have a clear understanding of what they want from the service provider. They may feel something is wrong or difficult but do not know is wrong. They wish for an improvement in their situation, but do not know what kind of improvement this should be. This kind of wish can be understood in terms Fuzzy expectations. The fuzzy expectations can be changed by focusing expectations, referring to the service provider's efforts to make the client's expectations more precise. This happens in a dialogue between the service provider and the client. Together with the service provider, clients realize and become more convinced about what they need and what will satisfy them in the long run. Thus, focusing fuzzy expectations involves a process of defining unclear problems and needs (Ojasalo, 2001).

Implicit expectations are associated with situations in which some characteristics or elements of the service are so self-evident that client do not actively or consciously even implicit expectations becomes obvious when they are not met. Implicit expectations become explicit when the client realizes he/she has to sacrifice time to give the service provider detailed information. Explicit expectations are conscious wishes about the service in the client's mind. The client pays explicit attention to whether these expectations are met and knows clearly what went wrong if they are not met. Clients sometimes have unrealistic expectations of services, expectations that may be able to be met by anyone, neither by a professional service provider, nor by the clients themselves.

When clients have expectations that are not fulfilled by the service, they will be

disappointed, and when these expectations are unrealistic, disappointment cannot be avoided. However, if the unrealistic expectations can be transformed into realistic expectations, then it is possible to provide a service that satisfies the expectations. When unrealistic expectations are made realistic before or in the beginning of the service process, future disappointment can be avoided. The more realistic expectations are the greater the possibility that they will be met in reality and good client perceived service quality is more likely (Ojasalo, 2001).

Hubbert et al. (1995) have presented a different research approach, which investigates whether the some components of a service encounter are identified as important by both sets of participants or not. They found that the clients' satisfaction is likely to be sub-optimal when the clients are unaware of service benefits of when the provider fails to provide the client with sufficient information.

3. INSURANCE HISTORY IN IRAN

One of the measures taking place in the time of world Achaemenian government was establishing a law known today as insurance. Achaemenian monarchs were the first insured their people in Iran and made it official by registering the insuring process in governmental notary offices. The insurance tradition was performed each year in Norouz (beginning of the Iranian New Year); the heads of different ethnic groups as well as others willing to take part, presented gifts to the monarch. Achaemenians are one of the Iranian dynasties used to rule in the whole world known in their times between the 6th and 3rd centuries BC. Cyrus the Great, one

of the monarchs of this dynasty, could establish the first world government in the 6th century BC after conquering the governments of Babylon, Assyria, Medes, India, and other small governments of his era. After Cyrus, his son Cambodius succeeded to join the Egyptian government to this union. So, for the first and last time in the history, all the governments of the world were ruled under the same colors; the Greek governments were under the political supremacy of Iran since the time of Achaemenian Ardeshir, and other points of the world lacked any population then, and there was no other known country in these regions. Formation of such government in the world presented the man many new positive approaches. Of all the changes, it can be mentioned that standards of weigh, money, and distance became global, and the architecture of different nations of the world were compiled in Achaemenian constructions. Takht-e Jamshid, one of the Persian capitals, was built by the architects and artists from Iran, Egypt, India, Lebanon, Assyria, Babylon, Greece, etc. Hence, the art of all these nations could be found in this great monument. Another measure taking place in the time of world Achaemenian government was establishing a law known today as insurance. Achaemenian monarchs were the first insured their people and made it official by registering the insuring process in governmental notary offices. The insurance tradition was performed each year in Norouz (beginning of the Iranian New Year); the heads of different ethnic groups as well as others willing to take part, presented gifts to the monarch. The most important gift was presented during a special ceremony and when a gift was worth more than 10,000 Derrik (Achaemenian gold coin weighing 8.35-8.42) the issue was registered in a

special office. This was advantageous to those presented such special gifts. For others, the presents were fairly assessed by the confidants of the court. Then the assessment was registered in special offices. The aim of registering was that whenever the one who presented the gift registered by the court was in trouble, the monarch and the court would help him or her. Even if a person did not offer money as the gift or the amount of his gift was insignificant, the measure would register and whenever the person faced a problem, the attendants were obliged to report the issue to the monarch. The insurance rule for the one who had presented a spear was that whenever he was in trouble, they took the offered spear with his name on it and installed it somewhere. Then they put the kingdom dresses beside it right as high as the spear. It is worth noting that such dresses were so precious and the man could solve his problem by selling the dresses. Basically, in ancient Iran, the monarchs donated their dresses when the season changed. As written in the history, Ardeshir, son of Babak (the first Sassanid monarch – 2nd century), Bahrain Gour, Anoushirvan, and other Sassanid monarchs had ordered to take out all their dresses from the dress treasury in Norouz and Mehregan ceremonies, the beginning of spring and autumn respectively, and give them to the attendants, special people of the court, and then other people regarding their social levels. The philosophy of such a measure was that the Iranian monarchs believed that they did not need any summer dresses in winter and vice versa and it is not the habit of monarchs to hide such dresses in the treasuries. It was noted in the law that whenever the one who has offered some presents in Mehregan or Norouz ceremonies to the court is in trouble, he should go to the court and remind the

monarch of his problem and compensation regulations if he has not received any. He should not neglect the rule otherwise, in case he knowingly ignores and may not inform the court of his reward, he would be deprived of his stipend. Then his opponents, if any, may be paid instead of him as he has behaved in a way unpleasant for the monarch disgracing the country. It would be concluded that the Persian monarchs supported their peoples lawfully. It can also be claimed that Iranian executed the insurance regulation for the first time. After that, Iran Insurance Company, popularly known as "Bimeh Iran" was established in the year 1935. Iran insurance Company is government of Iran owned Insurance Company and, for over six decades has played an outstanding role as a sole insurer catering to the insurance needs of the private business and Government sectors. In another countries such as in the united Arab Emirates, Iran Insurance company's branch was inaugurated by the late his Highness Shaikh Rashid Bin Saeed Al Maktoum in April 1970 first in Dubai and has completed more than 38 years in the region. Soon its popularity spread due to its prompt services and with upsurge in business during the 1970's boom period, branches in Abu Dhabi, Al Ain Sharjah and Ras Al Khaimah were established. Also a Regional Office of Iran Insurance Company has been established at Dubai, which acts as the administration and control center for the offices located in United Arab Emirates, Sultanate of Oman and Dmmam. The Company underwrites all classes of general insurance Fire and Allied Perlis, Burglary, Cash in Safe, Cash in Transit, Marine Cargo, Marine Hull, Engineering Insurance i.e. Contractors All Risks, Machinery Erection All Risk, Machinery Breakdown, Workmen's

Compensation, Personal Accident, Public Liability Motor Insurance etc. In addition to above conventional classes of insurance our team of insurance experts are always at your services to provide innovative insurance products tailored to suit distinctive requirements of our valued customer as and when needed. In view of its over quarter century presence in the region, Iran Insurance Company has developed strong connections and is renowned for providing "on the spot" service as their in and office of the Company in all major cities.

The Company's foreign branches and agencies are operating in various lines of insurance such as Fire and Allied Perils, Marine Cargo and Hull, Motor, General Accidents, Engineering, Third Party, Public Liability, Loss of Profit and in other insurance branches. Everywhere the Company has a good name and reputation based upon their policy to provide best services by charging a reasonable premium and prompt settlement of claims. The motto of the Company is speed, accuracy and customer satisfaction. This custom driven attitude and prompt and fair settlement of claims has enabled the Company to assume a commanding position amongst other competitors. The management and the staff of Iran Insurance Company are providing best possible service to their customers by using innovative methods and are looking forward to provide still better services to their insured's in future.

4. RESEARCH OBJECTIVE AND RESEARCH QUESTIONS

Service rendering have increased substantially in the last few decades (Raymond & Mittelstaedt, 2001), yet it

seemed so that the guidelines to practitioners are in short in supply. Hence it caused to the service expectation gap. The overall question which the study sought to address is whether there is any evidence that showing any difference and perceptions regarding service which renders by Iranian Insurance Company. This study is illustrated whether there is any service expectations gap among the Iranian Insurance Company clients'; if so, in which areas this gap is high.

So, according to this main objective the research questions as below:

Q1: Are clients having the same perceptions on the nature of services which is rendered by Iranian Insurance Company?

Q2: If any difference is there between actual level and expected level, in which area of services they have different perceptions?

5. RESEARCH METHODOLOGY

The research methodology used in this study is based on both survey and description methods. So far accurate answer to the research questions, the authors design and developed a questionnaire which it is the most suitable for this study. A survey questionnaire was completed by the clients of Iranian Insurance Company at the end of 2008. The questionnaire contains two parts namely (A) bio-data and (B) this section includes several questions regarding to the quality of services which rendering in Iran. Five-Point Likert Scale questionnaire was employed in this research. The Five-Point Likert's scale having the ratings of "strongly disagree" (1) and "strongly agree" (5) were used. Keeping in view the hypotheses of the study, the questionnaire was prepared with 27 questions.

Questionnaire was drawn for the clients –

it aimed at bringing general and professional information and data relating to existing variables, announcements, the time service done, work procedures, work's motivation, necessary equipment, and orderly arrangement at the level of selected clients.

In order to measure the qualitative clients such as opinion, attitude, perception and etc, the qualitative scale was converted to quantitative one, If any of clients (respondents) ranked on attribute in place of The Five-Point Likert's scale having the ratings of "strongly disagree" (1) and "strongly agree" (5) were used. Further the questionnaire is sub-divided into two parts in this section, part one the actual quality of services which renders by clerks to the clients and second part show the expected level of service quality which renders by the clerks. The statistical tools used in the study included mean value, standard deviation, and wilcoxon Test for the purpose of analysis and interpretation. The sample for this study has been selected from the people those who using the services of Iranian Insurance Company. The simple random techniques have been used for selecting people as a sample which 100 clients of insurance organization were the final samples for this research. The universe in this research is all of the clients of insurance organization in Iran.

6. HYPOTHESES OF THE STUDY

There are six hypotheses as follows:

1. There is a gap between actual and expected situations in case of announcement, in Iranian insurance Company.

2. There is a gap between actual and expected situations in case of the time service done in Iranian insurance Company.

3. There is a gap between actual and expected situations in case of works procedures in Iranian insurance Company.

4. There is a gap between actual and expected situations in case of work motivation, in Iranian insurance Company.

5. There is a gap between actual and expected situations in case of required equipments in Iranian insurance Company.

6. There is a gap between actual and expected situations in case of an orderly arrangement in Iranian insurance Company.

26 of the respondents chose the point of fair in case of satisfactory. Out of 13 were males, 4 diplomas, 7 bachelors and 3 masters; out of 13 females, 2 under diplomas, 6 diplomas, 3 bachelors and 2 masters. 28 of the respondents chose the point of good in case of satisfactory. Out of 13 females, 1 under diploma, 8 diplomas, 2 bachelors and 1 master. Out of 15 were female, 3 under diplomas, 4 diplomas, 6 bachelors and 2 masters.

19 of the respondents chose the point of very much in case of satisfactory, out of 10 males, 2 under diplomas, 4 diplomas, and 4 bachelors.

5 of the respondents chose the point of excellent in case of satisfactory.

Test of hypotheses:

Keeping in view that respondents' opinion in question evaluated through two sales which showing both of actual and expected situations (100 samples).

The kinds of gathered information were no mind and dependent to each other. The researchers have considered both situations in each hypothesis.

Therefore, mean of responses in both actual and expected situations have been obtained and through the Wilcoxon test, all hypotheses have been tested as following.

Table 2. shows the mean of two situations for each hypothesis.

Testing of first hypothesis:

There are gaps between actual and expected situations in case of announcement in insurance companies of Iran.

In the first hypothesis observed that the sample mean in existed situation is 2.9 (Table 2.) while the sample mean in expected situation is 4.59 (Table 3.), that these two digits indicates the existence of gaps between two mentioned situations.

As illustrated in Table 4, result of

7. DATA ANALYSES

To analyze the data gathered by the researchers, simple statistic tools like frequency, percentage, mean, test of significance have been used to analyze data. These are as follows:

Weighted mean score:

Weighted mean score has been used to measure the level of the attributes, opinions, which were scored by individual respondents on the Five-Point Likert's scale.

Wilcoxon Rank Test:

Keeping in view the types of data were ordinal and the aim was compared of two dependent groups, to recognize gap between them (mentioned above) the Wilcoxon Rank test have been used for the researchers.

Description analysis of the data:

The general information is described which includes gender, education, enter, and satisfactions cross tabulation in Table 1 as follows:

Out of 100 participants, 23 of the respondents chose the point of poor in case of satisfactory, out of 6 males, 2 diploma holders, 2 bachelors, and 2 masters, out of 17 females 4 under diplomas, 7 diplomas, 6 bachelors and no master.

Table 1. General information of participants

| Satisfactory enter | | | | diploma | bachelor | master | Total |
|--------------------|--------|--------|---------------|---------|----------|--------|-------|
| | | | Under diploma | | | | |
| Poor | Gender | male | 0 | 1 | | | 1 |
| | | Female | 1 | 2 | | | 3 |
| | Total | | 1 | 3 | | | 4 |
| Fair | Gender | male | 0 | | | 1 | 1 |
| | | Female | 1 | | | 0 | 1 |
| | Total | | 1 | | | 1 | 2 |
| Much | Gender | male | 0 | | 1 | | 1 |
| | | Female | 1 | | 2 | | 3 |
| | Total | | 1 | | 3 | | 4 |
| Very much | Gender | male | | 0 | 1 | 1 | 2 |
| | | Female | | 3 | 1 | 0 | 4 |
| | Total | | | 3 | 2 | 1 | 6 |
| Excellent | Gender | male | 0 | 1 | 0 | | 1 |
| | | Female | 1 | 2 | 3 | | 6 |
| | Total | | 1 | 3 | 3 | | 7 |
| Fair fair | Gender | male | | 1 | 1 | | 2 |
| | | Female | | 0 | 1 | | 1 |
| | Total | | | 1 | 2 | | 3 |
| Much | Gender | male | | 1 | | 0 | 1 |
| | | Female | | 4 | | 1 | 5 |
| | Total | | | 5 | | 1 | 6 |
| Very much | Gender | male | 0 | 1 | 4 | 2 | 7 |
| | | Female | 1 | 2 | 0 | 1 | 4 |
| | Total | | 1 | 3 | 4 | 3 | 11 |
| Excellent | Gender | male | 0 | 1 | 2 | | 3 |
| | | Female | 1 | 0 | 2 | | 3 |
| | Total | | 1 | 1 | 4 | | 6 |
| Good poor | Gender | male | | 1 | | | 1 |
| | Total | | | 1 | | | 1 |
| Fair Much | Gender | male | | 1 | | | 1 |
| | | Female | | 2 | | | 2 |
| | Total | | 1 | | 3 | 0 | 3 |
| | | | 0 | | 3 | 1 | 4 |
| | | | 1 | | 0 | 1 | 1 |
| | | | 3 | | | 5 | |
| Very much | | male | 0 | 3 | 1 | 1 | 5 |
| | | Female | 1 | 2 | 4 | 2 | 9 |
| | | | 1 | 5 | 5 | 3 | 14 |
| Excellent | | Female | 2 | | 1 | | 3 |
| | | | 2 | | 1 | | 3 |
| Very much fair | | male | | | 1 | | 1 |
| | | | | | 1 | | 1 |
| Much | | male | 2 | 0 | 3 | 0 | 5 |
| | | Female | 0 | 1 | 0 | 2 | 3 |
| | | | 2 | 1 | 3 | 2 | 8 |
| Very much | | male | | 3 | 1 | | 4 |
| | | Female | | 2 | 3 | | 5 |
| | | | | 5 | 4 | | 9 |
| Excellent | | male | | 1 | 0 | | 1 |
| | | Female | | 0 | 1 | | 1 |
| | | | | 1 | 1 | | 2 |
| Excellent poor | | Female | 1 | | | | 1 |
| | | | 1 | | | | 1 |
| Much | | Female | 1 | | | | 1 |
| | | | 1 | | | | 1 |
| Very much | | male | 1 | 1 | | | 2 |
| | | | 1 | 1 | | | 2 |
| Excellent | | Female | | 1 | | | 1 |
| | | | | 1 | | | 1 |

wilcoxon test, that $Z=-8.69$ and P-value stood at 0.05 indicates that in the significance level (P-value = 0.05) of 95 percent, there is largely considerable gap between both actual and expected situations in terms of announcement in Iranian Insurance Company.

Therefore, the researcher assumption (H1) is confirmed, while the opposite assumption (H0) is rejected.

Testing of second hypothesis:

There are gaps between actual and expected situations in case of time of offered services in Iranian Insurance Company.

In the second hypothesis observed that the sample mean in actual situation is 2.97 while the sample mean in expected situation is 4.68, that these two digits indicates the existence of gaps between two mentioned situations.

Table 2. Descriptive statistics for actual situations

| Descriptive Statistics / Hypotheses | N | Mean | Std Deviation | Minimum | Maximum |
|-------------------------------------|-----|--------|---------------|---------|---------|
| Hypothesis 1 | 100 | 2.9033 | 0.52608 | 1.50 | 4.17 |
| Hypothesis 2 | 98 | 2.9714 | 0.69222 | 1.40 | 4.60 |
| Hypothesis 3 | 100 | 2.9425 | 0.70876 | 1.25 | 4.25 |
| Hypothesis 4 | 95 | 2.3763 | 0.78709 | 1.00 | 4.75 |
| Hypothesis 5 | 97 | 3.1546 | 0.88069 | 1.00 | 4.67 |
| Hypothesis 6 | 97 | 3.2948 | 0.84562 | 1.40 | 4.80 |

Table 3. Descriptive statistics for expected situations

| Descriptive Statistics / Hypotheses | N | Mean | Std Deviation | Minimum | Maximum |
|-------------------------------------|-----|--------|---------------|---------|---------|
| Hypothesis 1 | 100 | 4.5914 | .47341 | 3.50 | 5.00 |
| Hypothesis 2 | 100 | 4.6780 | .37701 | 3.60 | 5.00 |
| Hypothesis 3 | 100 | 4.6575 | .36524 | 3.75 | 5.00 |
| Hypothesis 4 | 97 | 4.5928 | .45260 | 3.50 | 5.00 |
| Hypothesis 5 | 97 | 4.7285 | .40061 | 3.67 | 5.00 |
| Hypothesis 6 | 97 | 4.6825 | .38161 | 3.80 | 5.00 |

Table 4. Wilcoxon Test significance level

| Hypotheses Results | Hyp.1 | Hyp.2 | Hyp.3 | Hyp.4 | Hyp.5 | Hyp.6 |
|--------------------|-------|-------|-------|-------|-------|-------|
| Z | -8.69 | -8.61 | -8.70 | -8.47 | -8.58 | -8.54 |
| P - value | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |

Z = Statistic test
 Significance level = P-value
 Ho: The opposite assumption.
 H 1: The researchers' assumption.

As illustrated in Table 4, the result of Wilcoxon test, shows $Z = -8.61$ and $P\text{-value} = 0.05$ in the level of 95 per cent, there is largely considerable gap between both actual and expected situation in terms of time of offered services in Iranian Insurance Company. Therefore, the researcher assumption (H1) is confirmed, while the opposite assumption (H0) is rejected.

Testing of third hypothesis:

There are gaps between actual and expected situations in case of works' procedures in Iranian Insurance Company.

In the third hypothesis observed that the sample mean in actual situation is, 2.94 while the sample mean in expected situation is 4.66, which means the existence of gaps between two mentioned situations.

As illustrated in Table 4, the result of Wilcoxon test, that $Z = -8.70$, $P\text{-value} = 0.05$ indicates that in the significance level of 95 per cent, there is largely considerable gap between both actual and expected situations in terms of works' procedures in Iranian Insurance Company. Therefore, the researcher assumption (H1) is confirmed, while the opposite assumption (H0) is rejected.

Testing of fourth hypothesis:

There are gaps between existed and expected situations in case of employees' motivation Iranian Insurance Company.

In the fourth hypothesis observed that the sample mean in actual situation is 2.36 while the sample mean in expected situation is 4.59, that these two digits indicates the existence of gaps between two mentioned situations.

As illustrated in Table 4, the result of Wilcoxon Test, shows that $Z = -8.47$, $P\text{-value} = 0.05$. That is indicates that in the significance level of 95 per cent, there is largely considerable gap between both

existed and expected situations in terms of work motivation in Iran.

Therefore, the researcher assumption (H1) is confirmed, while the opposite assumption (H0) is rejected.

Testing of fifth hypothesis:

There are gaps between actual and expected situations in case of required equipments in Iranian Insurance Company.

In the fifth hypothesis observed that the sample mean in existed situation is 3.15 (Table 2) while the sample mean in expected situation is 4.72 (Table 3), that these two digits indicates the existence of gaps between two mentioned situations.

As illustrated in Table 4, the result of Wilcoxon test, shows that $Z = -8.58$, $P\text{-Value} = 0.05$. That is indicates that in the significance level of 95 per cent, there is largely considerable gap between both actual and expected situations in terms of required equipments in Iranian Insurance Company.

Therefore, the researcher assumption (H1) is confirmed, while the opposite assumption (H0) is rejected.

Testing of sixth hypothesis:

There are gap between existed and expected situations in case of an orderly arrangement in Iranian Insurance Company.

In the sixth hypothesis observed that the sample mean in actual situation stood at 3.29 (Table 2), while the sample mean in expected situation is 4.68 (Table 3) that these two digits indicates the existence of gaps between two mentioned situations.

As illustrated in Table 4, the result of Wilcoxon test, shows that $Z = -8.54$, $P\text{-value} = 0.05$ which shows significance level of 95 per cent, there is largely considerable gap between both actual and expected situations in terms of an orderly arrangement in Iranian Insurance Company.

Therefore, the researcher assumption

Table 5. Ranking Test

| Hypotheses | Results | Z | P -value |
|------------|---------|-------|----------|
| H3 | | -8.70 | 0.05 |
| H1 | | -8.69 | 0.05 |
| H2 | | -8.61 | 0.05 |
| H5 | | -8.58 | 0.05 |
| H6 | | -8.54 | 0.05 |
| H4 | | -8.47 | 0.05 |

(H1) is confirmed, while the opposite assumption (H0) is rejected.

Ranking test:

According to the results of Wilcoxon test of hypotheses in this survey the largest amount of Z which achieved from the data analyses are illustrated in Table 5. as follows:

This table ranks all hypotheses according to the highest gap to the least gap. The first rank is related to Hypothesis No.3, which tested the gap between two situations in case with work procedures at Iranian Insurance Company.

The second rank is related to Hypothesis No.1, which tested the gap between two situations in case with announcement at insurance organizations in Iran.

The third rank is related to hypothesis No.2, which tested the gap between two situations in case with time of offered services at Iranian Insurance Company.

The fourth rank is related to hypothesis No.5, which tested the gap between two situations in case with required equipments at Iranian Insurance Company.

The fifth rank is related to hypothesis No.6, which tested the gap between two situations in case with an orderly arrangement at Iranian Insurance Company.

The sixth or least rank is related to hypothesis No.4, which tested the gap between two situations in case with

employees' motivation at Iranian Insurance Company.

8. CONCLUSION

The results of foundation hypotheses support that the existence of hug gap in Iranian Insurance Company. Many scholars in the service field have stated that the success of service firm depends on the quality and skills of the service provider (Berry et al., 1990; Lovelock et al., 2001). However, the results of this study showed the great service gap between actual level and expected level from the view point of clients in Iran. Taking into account that all six hypotheses were rejected which the results of this study gives great alarm to these kinds of service firms in Iran. So far, the Iranian Insurance Company does not bother about this problem. In the view points of the authors because of lack of foreign insurance company in Iran such a problem were born. Therefore, to solve such problems the Iranian Insurance company should tale serious action, otherwise time it loss its clients at short and it loss going concern in the long time.

ЈАЗ У ОЧЕКИВАНОМ КВАЛИТЕТУ УСЛУГА: ЕМПИРИЈСКИ ПРИМЕР ОСИГУРАВАЈУЋЕГ ДРУШТВА У ИРАНУ

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Извод

Овај рад се односи на јаз у услугама међу клијентима иранске осигуравајуће компаније. Резултати ове студије показују да постоји велики јаз између стварног нивоа квалитета услуге и очекиваног нивоа. На основу таквих услова питање опстанка таквих фирми у будућности постаје неизвесно. Врхунски менаџери оваквих фирми морају подузети озбиљне мере за смањење наведеног јаза.

Кључне речи: Квалитет услуге, Јаз очекивања, Иран

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