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DIMENSIONS OF SERVICE QUALITY AND ITS EFFECTS ON
ACHIEVING COMPETITIVE ADVANTAGE
An Exploratory Study of Banking Organizations in Sulaimaniyah
City-Iraq

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BİNGÖL ÜNİVERSİTESİ
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İŞLETME BÖLÜMÜ

**HİZMET KALİTESİNİN BOYUTLARI VE REKABET
AVANTAJININ BAŞARI ÜZERİNDEKİ ETKİLERİ**
Süleymaniye Şehrindeki (Irak) Bankalarda Bir Araştırma Çalışması

Hazırlayan

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THESIS ACCEPTANCE AND APPROVAL

BİNGÖL UNIVERSITY
SOCIAL SCIENCES INSTITUTE DIRECTORATE

This thesis entitled “**Dimensions of Service Quality and its Effects on Achieving Competitive Advantage - An Exploratory Study of Banking Organizations in Sulaimaniyah City-Iraq.**” Prepared by Kochar Taher Said RASHID was found to be successful as a result of the thesis defense examination held on the date of [/ / 2018] and accepted by our juror as the master degree in the department of business administration.

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CONFIRMATION

This thesis accepted by the jury determined in the, / / 2018 session of the board of directors of the sciences institute of Bingöl University.

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ÖZET

HİZMET KALİTESİNİN BOYUTLARI VE REKABET AVANTAJININ

BAŞARISI ÜZERİNDEKİ ETKİLERİ

Süleymaniye Şehrindeki (Irak) Bankalarda Bir Araştırma Çalışması

Bu tez çalışmasının amacı, hizmet kalitesinin ve Onun Süleymaniye kentindeki bankaların rekabet üstünlüğü başarısı üzerindeki etkisini araştırmaktır. Çalışmada benimsenen metodoloji; bağımsız değişken olan hizmet kalitesi ile rekabet avantajını temsil eden bağımlı değişken arasındaki ilişkiye ve etkinin tabiatına odaklanarak, çeşitli soruları araştırmak suretiyle, çalışmanın proplemini çözmektir. Sonuç olarak, çalışma için tasarlanan kavramsal bir plan, daha sonra üç ana hipotez üretildi, böylece hipotezlerin doğruluğundan emin olmak için onlar keza çeşitli istatistiksel testlere tabi tutuldular.

Kullanılan açıklayıcı istatistikler, değişkenlerin önemli özelliklerini ve çalışmanın kitlesi olan Süleymaniyedeki bankaların kapsamını niceliksel olarak tanımlamak içindir. Bununla birlikte örneklem büyüklüğü , Süleymaniye'de faaliyet gösteren (12) bankanın yöneticisine verilen (40) form ve müşterilerine ise müstakil (54) form olmak üzere (94) katılımcıdır. Ayrıca ilişkinin derecesini ve rekabet üstünlüğünün tahminini belirlemek için sırasıyla, tanımlayıcı analiz, faktör analizi, Spearman korelasyonu, çoklu regresyon analizi ve ANOVA uygulanmıştır.

Bu çalışmanın ulaştığı bulgular, Süleymaniye'deki bankalarla müşterileri arasındaki en dikkate değer uzlaşmanın istenen banka hizmet kalitesi ve onun boyutlarıyla ilgili olduğudur. Keza çalışma, hizmet kalitesi ile rekabet avantajı arasındaki anlamlı pozitif ilişkiye de ulaşmıştır. Ayrıca regresyon analizinin sonuçları, bankacılık hizmet kalitesinin ve rekabet avantajının tüm boyutlarının istatistiksel olarak anlamlı olduğunu da ortaya koymaktadır.

Anahtar sözcükler: Hizmet Kalitesi, Rekabet Üstünlüğü, Bankacılık ve Banka Hizmetleri.

ABSTRACT

DIMENSIONS OF SERVICE QUALITY AND ITS EFFECTS ON ACHIEVING COMPETITIVE ADVANTAGE

An Exploratory Study of Banking Organizations in Sulaimaniyah City.

The current thesis study purpose is to explore the service quality and its impact on achieving the competitive advantage of the banking organizations in Sulaimaniyah city. The methodology adopted by the study is to classify the study's problem, through probing several questions, focused on the nature of the impact and relationships between independent variable service quality and a dependent variable that represents the competitive advantage. Consequently, a conceptual scheme designed for the study, then produced three main hypotheses, so to make sure that the hypotheses accept, they also subjected to several statistical tests.

The descriptive statistics used to quantitatively define the significant features of the variables and scopes as well as the study population which is banking organizations in Sulaimaniyah. Which represented in twelve banks operating in Sulaimaniyah, however, (40) forms separated on the twelve bank managers and (54) forms separated among their clients, so, the sample size is (94) respondents. Besides, descriptive analysis, factor analysis, Spearman correlation, multiple regression analysis and ANOVA respectively applied to determine the degree of the relationship and prediction of competitive advantage.

Findings, the study reaches some conclusions, furthest notably agreement among the managers and banking clients that banking organizations in Sulaimaniyah adopted banking service quality and its dimensions. The study also found the significant positive relationship between service quality and the competitive advantage. Furthermore, the regression analysis outcomes establish that statistically there are significant impacts of banking service quality and all its dimensions in the competitive advantage.

Keywords: Service Quality, Competitive Advantage, Banking and Banking Services.

DEDICATIONS

I dedicated this thesis to my family members, especially to my father and my dear mother your teachings and constant support always appreciated. I proudly dedicated this thesis to the spirit of my late sister, Tefura Taher, unfortunately, death not allowed her to see this achievement.

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INTRODUCTION

The current thesis study purpose is to explore the service quality and its impact on achieving the competitive advantage of the banking organizations in Sulaimaniyah city. Service is effort or experience presented by one party to the opposite party. While maybe in this process closely related to a physical product, however, this act is inherently intangible and regularly does not result in ownership any of the factors of production. Willingness to provide high-quality services plays a significant role in service industries, particularly in banking services.

Since the service quality essential to the existence and profitability of such organizations and also it is a profitable strategy for the banking organizations. However, service quality and competitive advantages essential subjects, in the most service industries that including banking organizations.

While competition in the business world is energetic and challenging thus, clients in the banking sector have become more aware of the competition that is taking place nearby them. So, the escalation of the information period has sophisticated individuals to search information from different services and banking services pacifically, which has changed the market forces in many industries. However, the relationship between clients and banks has strongly established to a direction where the clients have a dominating position in the sense of negotiating influence. With this influence, clients have become more demanding towards service providers.

However, the importance of the service sector generally and banking organizations particularly is revealed in its increasing contribution to various national economies. Hence, recent years have observed much interest in the banking sector by researchers and academics while service quality is an evolving competitive element in today's business world and recognized as one of the strategies of survival and success.

Service organizations including banking organizations, regardless the size, are progressively pursuing the unique ways of distinguishing their contribution and service quality is one such option in this regard.

Consequently, various banking organizations, today, have reacted to the strategic and financial impact of service quality, considering it as a strategic weapon

through providing unique service quality. Hence banking organizations and financial institutions are trying to face the challenge of gaining competitive advantage.

The focus of service quality dimensions has mainly based on asking clients their prospects and their views of the service they receive from different banking organizations. The benefits of providing better banking services to clients include increased profitability, customer satisfaction, and customer loyalty. Therefore, it is essential to ensure the quality of the service provided by those banking organizations and should take necessary remedies to improve the quality of low-quality services.

While, the study a positive significant relationship between service quality and the competitive advantage, whereas, empathy, reliability, and trust and affirmation achieved the highest positive correlation with a competitive advantage. However, tangibility has the weak correlation with service quality, compared to other four dimensions.

The regression analysis outcomes establish that statistically there are significant impacts of banking service quality and all its dimensions in the competitive advantage, however, the high impacts of the empathy, reliability, and trust and affirmation, while the lower one was service tangibility between dimensions of banking service quality. Then, the conclusions agree on that. Banking service quality and its dimensions play a dynamic role in achieving competitive advantage.

The banking organizations' managers would give more value on bank client satisfaction in every banking service level, and recognize that real loyalty derives from human interaction, from managers or customer service, while the bank's client relationship management strategies on crucial customers should contain factors.

The role of frontline staffs or customer service in the banking industry have to identify, as they present the banks face and they are responsible for turning the client loyal, as well as making client defect. Thus, client value is the area of dynamic abilities, and the strategies should be built around banks' human resource management to obtain the right kind of behavior out from bank staffs. However, strategic abilities should give focus on the factors, such as of responsiveness, trust and affirmation, empathy, and communication.

Besides, this study organized into four chapters. Chapter one reviews the literature relevant to the concept of service quality and banking organization's

services. Chapter two deliberate the literature connected to the competitive advantages. While, chapter three reveals the study background and its methodology, that comprises, the study background, problem statement, the study significance, purposes, conceptual model, hypotheses of the study, data collection technique, population sample selection. Although, chapter four dedicated to the analysis and findings, the conclusions of the findings presented along with recommendations, the study contributes and suggestions



CHAPTER ONE

QUALITY OF SERVICE

The theoretical context of this study requires a review of the ideas and thoughts of academic researchers and specialists in the field of business administration. To extract the simple theoretical bases and identify the variables of the study. In such a way as to maintain the researcher to formulate the clear conceptual perceptions of the subsequent treatments of the model and the study and its hypotheses. Accordingly, this chapter presents a conceptual framework for the independent study variable which includes the follows:

1.1.THE CONCEPT OF A QUALITY

The concept of quality is an intellectual and philosophical concept that pursued as gained the attention of academic researchers more than another field, as rapid changes in customer culture and sensitivities. As well as increasing global competition during the decades of the 1980s and the 1990s of the last century to make a quality competitive priority that every manager chooses the right path for the performance of production and service operations (Davis et al., 2003:214). Which led to the emergence of several definitions of the concept (Malouf, 1996:109).

While the origin of the word quality derives from the Latin word qualities and is meaning the thing realty or anything as it is really (Dale et al., 1997:2) as for the writers, their concept differed in their administrative literature. As they see quality as something 'relatively' concerned with improving the product, and different views differ according to the source of benefit. So, this confirms that trying to determine the contents and dimensions that explain the philosophy of quality is hard and complicated. However, this does not preclude some definitions presented by researchers in this field. Love defined it as the ideal value of the product but at times gave it a different concept (Love, 1991:197).

Although, Cam and Leibfrid, (1992:154) describe it as giving the customer or the next person to the organization a product that meets its own needs. In this regard, (Mark et al., 1995:269) and (Nahmias, 1997:639) considers that it conforms to specifications and this reflects what producers want to achieve in the product, which makes quality based on avoiding mistakes. However, (Ross, 1995:5) mentioned that

Juran sees it as user-friendly, as the customer must be involved in determining the quality requirements of the products he/she needs.

As, Asher, (1996:18) argue the quality traditional means that getting the original version of a high-end product. (Zeithaml and Bitner, 1996: 36) Considers it to be the product of high-quality excellence. However, (Cheng et al., 1996:134) emphasis on core processes of output as well as the flexibility of vendor processing and competency development. American Society for Quality Control (ASQC) states that it is the set of characteristics and qualities of a product/service that affect its capability to meet specific needs (Evanse, 1997: 45) and (Render and HeiZer, 1997: 90).

Kotler (1997:55) defines it as the overall features and characteristics of a product (a commodity, a service) that makes it skilled in satisfying the needs of the customer. (Goetsch and Davis, 1997:1) Argues that it to be in the eyes of the viewer as he/she can identify it in the made object. Also, quality may have seen since ancient times as hopes and aspirations in the management of operations are now described as achieving the visions (Render and Hazier, 1997: 90).

While, Waller, (1999: 82) adopts a product perspective in defining quality as a set of attributes characteristic of the product that delivered to meet the implicit needs and satisfaction. Although Krajewski and Ritzman, (1999:82) implement the customer's perspective in the definition of quality as satisfying the customer's expectations or exceeding them, however, (Chen, Brand-1993:114) and (Muhlemann et al., 1992:97) emphasized product perspective in defining the quality.

Thus, Jackson and Shocum, (1999:67) defined as an evaluation and conforming to the standard specifications of the quality standard or exceeding the expectations of customers. (Hill, 2000: 304) Has consistently recognized that customers' needs and expectations are met by meeting the product specifications they require. In the same strain, (Russell, Taylor, 1998:82) stated that it is a responsibility that must be confirmed everywhere in the organization, as revealed in a figure (1) below.

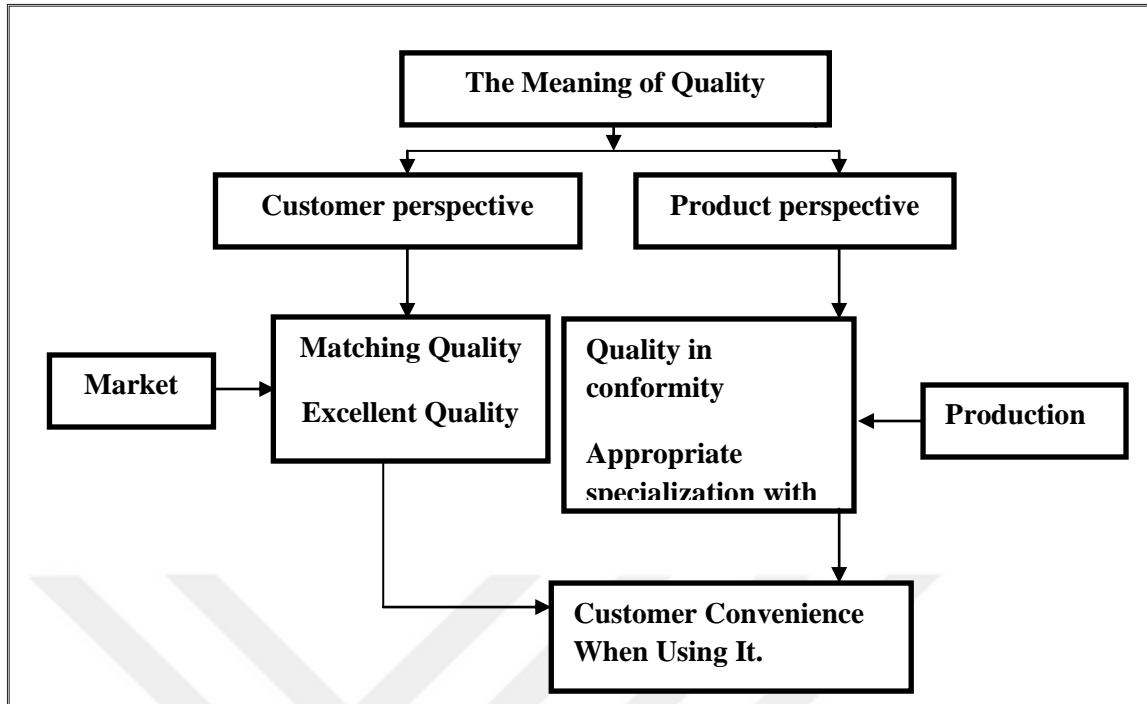


Figure 1: The Meaning of Quality
Source: Russell and Taylor (1998:82).

European Organization for Quality Control (EOQC) defined as the set of characteristics and overall characteristics that affect the ability of the service and product to meet particular needs (Al-Sawaf, 2001: 123). Nevertheless, International Standardization Organization (ISO) describes quality as the strategy that enables the productive organization to survive and grow by satisfying the needs and expectations of both latent and implicit (ISO, 2000,9000:7). Davis et al., (2003:219) comprehends quality as a way for organizations to efficiently achieve competitive advantage (Kin low, 1992:86).

According to (Kotler, 2000: 56) quality is a confirmation of the industry of the best and it is presented to the customer to win his/her loyalty to us as it is a 'strong' against competing organizations, an excellent path to rapid growth and profits. Consequently, Nickels, (2002:270) describes quality as the means of achieving customer satisfaction by establishing quality in the planning of operations from the beginning of production (purchase, sale or service) and the use that indicates customer satisfaction.

In this regard, US joint bodies for accreditation of healthcare organizations defined quality as a program designer at the level of organization and quality evaluation of how patient care systems and actor (Al-Ani et al., 2002: 8). The quality

of education has described by March as a philosophy of tools and processes of scientific application aimed at achieving the philosophy of continuous improvement culture and by all staff in the educational institution. To satisfy the satisfaction of the beneficiaries. Thus, the researcher concludes from all the previous definitions that the quality has the implications regarding health, educational institution, commercial banks.

1.1.1. The Background of Quality and its Origin

The researchers discussed the concept of quality from different angles depending on the difference of each philosophy and approach to this subject and its historical background, besides the significance of quality. As historians classify into four eras, so researcher briefly reviewed to identify quality pillars in those ages:

1.1.1.1. Quality in the Ancient Period

This era is almost unknown for two reasons: the lack of political unity which not comprising a complete unit and a stable state. The second is that in ancient period societies had lack of writing, as if most of them are illiterate, relying on the transmission of the news orally, except for the parties of the island. Such as the kingdoms of Saba and Ma'an, which were engraved to tell them about the remains that remain today.

So, the kings of Saba tried to benefit from the experts in engineering and design to establish a dam to save the rainwater, known as the famous *MARIB* dam. It is the dam mentioned in Surah Saba in the Holy Quran (verse 16). Moreover, thanks to that dam and irrigation regulation turned their lands into the gardens of the country; it is the signs of quality in that era the ability to provide high-quality materials with the capabilities of simple and limited capacity to build the dam with that quality (Hassan, 1935:9).

1.1.1.2. Quality in the Pre-Islamic Period

The concept of quality has attracted the attention of most historians and scholars. While, the investigators have able to excavate the effects and trace the news to the long centuries about three thousand years BC in the civilizations of Mesopotamia, Nile, and others. At that time, human being set standards that enable them to judge and choose the product. The Constitution promulgated in the ancient

world regulates the life of the society and the articles that focused on the concept of quality as stated in the article (229):

If an architect had built a house for a member of the community and did not improve his work, that led to the collapse of the house and the killed owner. So, this article stated the punishment that to kill the architect in front of the public.

The civilization of the Nile Valley, the ancient Egyptian pyramids built by the Pharaohs and remained elevated to this day is evidence that the ancient Egyptians were able to develop standards and criteria that ensure homogeneity of units of weight which they used to establish that civilization (Ross: 1995:105).

In Pharaonic Egypt, advanced methods adopted in the training of senior officials who better chosen for their superiority and ability to improve and gave them the material and moral incentives such as allowing them to use royal vehicles. In the era of Constantinople, Chinese civilization and Romans identified the aptitude and intellectual abilities to upgrade operations in organizations because if the employees are as efficient and intellectual and scientific as they can do business better than competitors in delivering high-quality goods and services.

1.1.1.3. Quality in the Period of Islam

In the Islamic civilization, we find a lot of Quranic verses and trustworthy hadiths that demonstrate professionalism, quality, and efficiency in manufacturing simple primitive and emphasize honesty, truthfulness, sincerity, patience and other attributes of the Prophets, guardians and the punishment prepared by Allah Almighty for the perfect works and sincere to Allah. However, we find the same determination themselves differ in their ranks and vary degrees; Allah said: In Surah Al-Baqarah, those Apostles preferred some of them to some of them spoke to Allah and raised some degrees (Verse:253).

However, it is clear from the Holy verses that every Prophet characteristic distinguish it from other prophets except Allah's messenger prophet Mohammed (PBUH) that Allah describes the prophet Mohammed in Surah Al-Qalam by saying the Almighty, and that you have a great creation (Verse: 4). In the same regard, there are some noble Prophet's hadiths that confirm the work and accuracy in the

achievement. So, this is the view of the Prophet Muhammad (PBUH): “If one of you does work, let him forgiven” (Al-Mazandarani, 1384: Vol.3: 262). However, prophet Mohammed (PBUH) said: “Allah loves a servant who does the work of his wisdom” (Almgiasi, 1983: Vol.6: 220). Based on the above, the philosophy of quality and principles of the most important contained in the verses of the Holy Quran and the prophetic traditions. That Islam has affirmed quality and attention through the consolidation of those principles prepared by the correct approach to the building of Islamic civilizations, culminating in the application of part of those principles in the era of the Caliphs. Moreover, the Holy Quran evidence of the concepts of honesty, morality, mastery, patience, justice, and sincerity.

1.1.1.4. The Quality in Modern Period

The modern historical literature demonstrated the managerial role played by the philosophy of quality in various areas of industrial and service productivity. That joined them in 1911 by Tyler who established the foundations of the study of time and movement to exploit the surplus time and increase the productivity of the individual by focusing on the productive efficiency in the well-known book called the principles of scientific management (Goetsch and Davis, 1997: 9). It is worth mentioning that the scientists of the quality field are not determined precisely by a personal concept, but instead is a set of relative concepts that have created a range of unique features of business organizations. The most prominent scientists who contributed to the development of the quality concept in general and the value of this scientists are Edward Deming, Joseph Juran, and Philip Crossey, as revealed in the figure below (2).

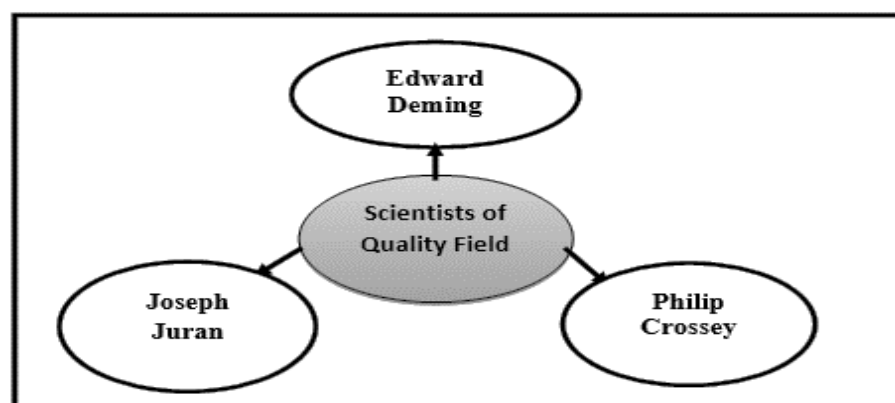


Figure 2: Scientists of Quality Field
Source: Goetsch and Davis, (1997:18)

Edward Deming is a successful statistician. The Japanese government has benefited from his theories of improving the quality of the Japanese product and has provided its core ideas, including 14 points for quality management (Waller: 1999: p.89). However, the plan, do check, and act (PDCA) cycle, also recognized as the plan, do a study, and act (PDSA) cycle which involves of steps eight over 14, flows from the process simplification segment. While, using all 14 steps of the model will increase the organization’s process awareness, expand decision-making alternatives, and enhance the likelihood of satisfactory long-term quality results, as revealed in the table (1) below.

Table 1: The (PDCA) cycle

<p>Plan</p> <ul style="list-style-type: none"> • Choice project • Describe problem and aim • Simplify/understand • Established targets/schedules • Notify and register the project • Resolve/come up with the most suitable recommendation 	<p>Do</p> <ul style="list-style-type: none"> • Record/detect/collect data. • Examine/prioritize/ analyze. • Justify/evaluate cost. • Investigate/determine most likely solutions • Test and verify/determine cost and benefits • Develop/test most likely causes
<p>Check (Study)</p> <ul style="list-style-type: none"> • Combine ideas • Choice next project • Pursue approval from management 	<p>Act</p> <ul style="list-style-type: none"> • Plan installation/implementation of the plan. • Install/implement approved project/training • Maintain/standardize.

Source: By researcher based on relevant literature.

Deming believes quality is the responsibility of senior management. So, the improvements in quality have created a sequential interaction. According to this theory, improving quality leads to lower cost and interprets higher production rate, which indicates the organization's ability to stay at work and create more jobs (Shafer and Meredith: 1997:77).

Accordingly, Deming’s continuous improvement of the quality of products or services identifies four successive steps that can be adopted by commercial banks as a basis for determining training courses to improve the performance of the service provider. Alternatively, seek to improve the quality of services provided by the (PDCA) cycle consists of four necessary steps are (Krajorski and Ritzman, 1999:219) as a figure (3) demonstrates the Deming’s (PDCA) cycle.

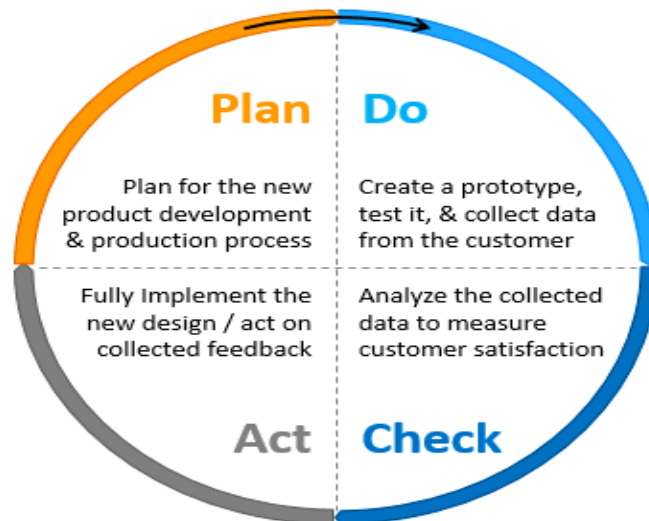


Figure 3: Deming the Continuous Improvement Cycle

Source: Krajewski and Ritzman, (1999:219)

- **Plan:** the team selects the process of activity, methodology, techniques, and policy, that needs improvement, and the team then documents the selected process.
- **Do:** the team performs the plan, monitors progress and gathers data continuously to measure improvements in the process, documents changes in the process and makes additional corrections when it is necessary.
- **Check:** the team analyzes the data collected during the work steps to find to what extent the results are similar to the objectives specified in the planning steps. So, if defects appear, it may be necessary to return to the plan or stop the plan.
- **Act:** as the results were successful, the team documented the revised process so that standard procedure could use for those who could use them, and then the team would instruct other staff to use the revised process.

Based on the literature reviewed, researcher argues that Deming emphasizes the continuous improvement of quality that management must support the environment to discover and solve problems so that quality becomes a competitive advantage.

Joseph Juran is the leading instructor of quality in the world, so his publications played a significant effect on the development and improvement of quality theories. Juran has played a successful role in Japan by coaching Japanese companies how to improve production quality. Juran summed up with the European

quality journal that the most important event of the twentieth century was the arrival Japan was ranked second as the world's economic power thanks to the quality revolution they announced in the 1950s and continued until the 1970s. Where they learned Juran's knowledge of the need to adopt the administrators explain the attitude of quality for the provider and the user by illustrating the quality standards (Waller, 1999: 90).

In 1951, published a book entitled *Quality Control*, which is a useful reference to clarify the philosophy of quality. Juran suggested the statistical input as the universal language across all levels of the organization (Shafer and Meredith, 1998:77). However, Management and training are essential to achieving excellence in quality. (Krajewski and Ritzman, 1999:214).

Philip Crosby is another writer contributed to improving the quality of organizations. His 1979 book '*Quality is Freedom*' contributed to clarifying the philosophy of quality and confirm with anyone competition through reducing costs and zero defects (Waller, 1999:90) as Crosby contributed to the development of the concepts of quality management in America. Moreover, warned the Americans that the competition coming with Japan calls for the development of administrative systems in their companies and has compatibility with customers' requirements turns out as Crosby famous quality constants.

1. Quality match with customers
2. The quality system is the prevention and abolition of not just discover errors.
3. Quality standards are zero defects

The measure of quality is the cost including the cost resulting from defects, as Crosby contributed to educating more than 1500 companies to improve the quality of its products. Moreover, suggested establishing a team to measure improving each activity trains in daily administration, this indicates to users that the organization has a right quality standard (Ivansecvic et al., 1997:11). However, Crosby suggested that zero defect was the only efficient performance criterion and, in agreement with Deming, focused on the most organizational management processes and corporate ethics and the use of statistical control of operations (Shafer and Meredith, 1998:80). Within this framework, Davis added scientists who have contributed to the development of quality philosophy.

Walther is a thinker who contributed to the development of statistical studies on bridge laboratories that studied the statistical processes and developed a system that allows the staffs to report the process change test is genuinely random or due to other factors amenable to change, and that the selection process must be the deliberate case. Moreover, non-random. While, Walther agrees with Juran and Deming in the adoption of statistical quality control and the Deming cycle to improve the quality of processes (Davis et al., 2003: 214).

Armand in 1956 proposed the concept of total quality control. The concept was that everyone in the organization recognized the responsibility for quality, and stressed the importance of effective communication and put barriers between administrative levels and property respect. Furthermore, careful control of product design and production control. Besides, security of strongly influence the cost of quality processes and counted the new path to improve quality (Davis, 2003: 218).

1.1.1.5. The Importance of Quality

According to Render and Heizer, (1997:91), some academics and researchers in operations management and marketing have pointed to the importance of the quality of goods and services. As an essential strategy for identifying the organization, product/service quality, price change, processing and manufacturing model change in influence factors determining demand. While, Heizer and Render, (2001:172) considers that it is the decisive factor in the production and service processes, as well as its international and legal influence in the organizations, consequently, the researcher reveals the importance of quality as follows:

1.1.1.5.1. Organization Reputation

The reputation of the organization depends on the products and services provided the organization itself, whether good or bad, the Japanese product has an excellent reputation because it has distinctive characteristics (Dobbin et al., 1997: 6).

Moreover, the quality will appear in the products and services of the excellent organization through the exchange of relations with the supplier and the customer and its practices in recruitment is not a substitute alternative for high-quality products (Jackson and Shocum, 1999: 68). Although, the organization gains its

reputation through the quality of the goods and services it provides to the market and determines the extent of their ability to meet the needs of current and prospective customers and their expectations.

1.1.1.5.2. Product Liability

Judicial proceedings continually brought against industrial organizations that produce inferior quality products, especially those that cause damage to toxic chemicals such as nitrous oxide and nitrate oxide because they have a health and cultural impact. The consumer product safety act of 1972 defines product labeling by preventing products that do not meet these standards (Heizer and Render, 2001:172).

1.1.1.5.3. International Influences

The trend of many organizations at the moment is to apply quality systems so that they can compete in the principle of global markets, and this will lead to positive results in improving performance and improving the quality of goods and services. While, Heizer and Render, (2001:172) believe that the achievement of products of international quality and efficient design, global price expectations are the goals of global organizations because poor products cause the organization to lose its customers as well as the balance of payments. However, Render added another point to clarify the importance of quality and its relationship to cost and market share.

1.1.1.5.4. Cost and Market Share

Quality improvement can lead to increased market share and cost savings, both of which give an impact on profitability. The adoption of continuous improvement and the skillful reduction of matching devices lead to lower product costs (Render and Heizer-1997: 91). In this regard, Jackson and Shocum, (1999: 68) illuminate the importance of quality, since non-observance of these elements leads to the loss of the organization's market share, as shown in the figure (4) below.

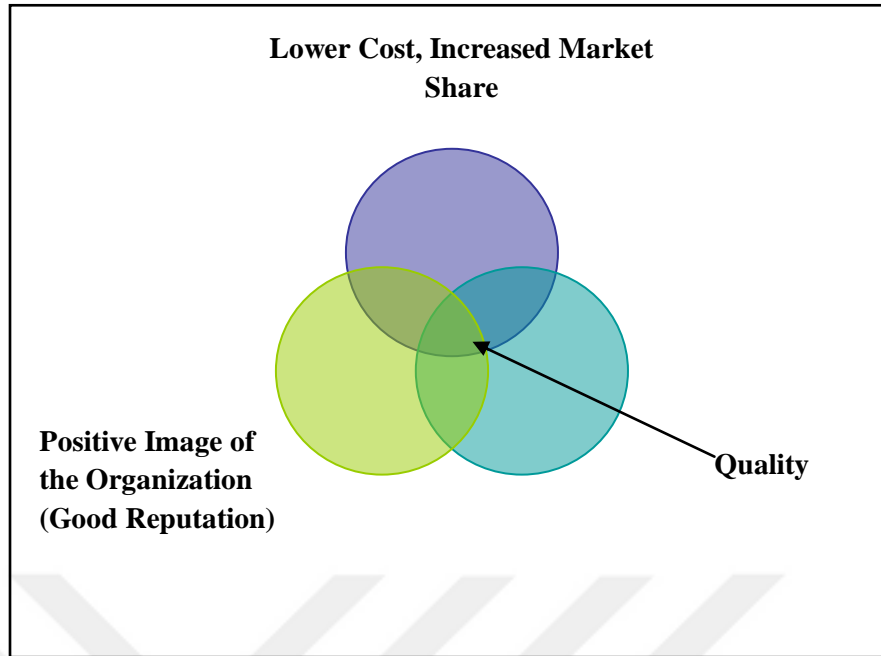


Figure 4: Illustrates the Importance of Quality
Source: Jackson & Shocum, (1999: 68)

1.1.1.6. The Study of Quality Entrances

There are different views about the entrances of quality study, which reflect the theoretical dimension of quality. Since there is no unequivocal covenant about specific entries to that thinking, as well as the difference of viewpoint of experts and academics and their attitudes, as most researchers divided the study of quality entries, according to the basis on which the philosophy of quality based. The following table (2) illustrates the views of the authors.

Table 2: The Study of Quality Entries from The Perspective of Some Writers and Researchers

S	Authors	Year of Published	The Study of Quality Entrances						
			Customer	Product	Value	Society	Manufacturing	Strategy	Ideal
1	Bared	1989: 446	*	*				*	
2	Love	1991:197	*	*	*				
3	CMA &Leif fried	1992:154	*		*				
4	Wesner et al.,	1995:154	*			*			
5	Cheng et al.,	1996: 159	*		*	*			
6	Evans	1997: 45	*	*		*			
7	Ivansecvic et al.,	1997: 45	*	*	*		*		*
8	Heizer & Render,	1997: 10	*	*	*				

9	Goetsch & Davis,	1997: 90	*		*	*			
10	Russell & Taylor,	1997: 3	*	*					
11	Waller,	1998: 80	*		*			*	
12	Krajewski & Ritzman,	1999: 81	*	*	*	*	*		
13	Kotler	1999: 215	*		*				
14	Heizer & Render,	2000: 58	*	*		*			
15	Harrison et al.,	2001:171	*	*			*		
Total			15	9	9	6	3	2	1
Percentage of compatibility			%100	60%	60%	40%	20%	13%	6.6%

Source: By researcher based on above literature

As shown in a Table above (2) that the customer input proponents in the quality study, essential to focus on delivering excellent performance to meet customer needs promptly. While, proponents of the product entrance assert that quality is a precise, measurable variable that can convert into certain qualities carried by the product (commodity and service). So, the value entrance advocates describe quality as a set of specifications in the product at an appropriate price. Moreover, in line with the change in the cost of the additional quality, while the supporters of the entrance to the society see that failure to achieve quality in the product industry (commodity, service) may cause to lose target society.

However, proponents of the manufacturing portal define quality as being aimed at product compatibility with specific characteristics (Ivansecvic et al., 1997:10). The supporters of the strategic approach emphasize quality as a strategy through which to achieve the goal of survival and growth. Though, according to (Heizer and Render, 2001:17) the proponents of the ideal approach pointed out that quality is the characteristics of the product and conforms to objective measures.

1.1.1.7. The Quality and Change Culture

The quality management carries a common culture, focusing on the development of standards and principles that define the behavior of individuals in different environments. The values and beliefs of a particular organization may not be prevalent in another society, and here it can say that the orientation towards quality in banking requires the foundations. Moreover, contexts of work derive its essence from the system of organizational values that contribute to the commercial banks in defining their features and the requirements in their application.

In this regard, Juran notes that one of the requirements for applying quality is to make changes in the organization's central culture. While, argues that staffs at different levels carry different cultures and managers must define the culture of quality and reflect it on the reality of the processes (Shafer and Meredith, 1998: 77).

Conversely, Daft, (2001: 214) argues that culture plays a prominent role in the implementation of quality management and that it is a vital part of the cultural life of the organization. Whereas, organizational culture is a set of values, beliefs, and ways of thinking among the members of the organization that transferred to their new members. (Thomas and Helen, 1990: 183) Describe it as a set of beliefs, expectations, and values shared by the members of the organization and transmitted from generation to generation. Robinson, (2000: 419) considers it to be the focus of the importance of the adoption of (abundant values) familiar to the members of the organization recognized as a culture and that the culture of organizations is representative of their personalities.

Thus, the researcher believes that it is the group of values and ideas espoused by all members of the Organization, and the senior management of the organization first expresses these values and ideas through their orientations and behavior.

While, Hill, (2003: 89) mentions that as knowledge, beliefs, literature, and custom which afforded efficient man from the community. Also, it is the method used to determine a great way to move the creed and values from one generation to another (Ivanceich, 2002:67).

Here, after identifying the concept of organizational culture, the researcher can say that quality culture is part of organizational culture. The quality culture defined as a system of organizational values of quality in an environment that helps the system to develop events and improve beliefs and values through which the system can improve quality (Goetsch and Davis, 1994: 122). Robbins promise it as a system of shared values and ideas of the organization that determines how the staffs work with precision and sincerity (Robbins, 1998:80), (Logothetis, 1997:5).

Accordingly, the sources of sustained change in organizations to interact with the surrounding factors. Also, to achieve the goal of survival and growth, when highlighting the contexts adopted in an organization that does not care about the culture of quality. In contrast to its predecessor commercial banks, in organizations moving from a position to a better one. Moreover, comparing the two methods of

work and the standards that make managers able to determine how the process of change and the creation of a positive environment helps to implement the culture of quality, as shown in the table (3) below.

Table 3: The Changing Culture

The Culture of Quality does not Implement Because:	The Culture of Quality can Implement Through:
Mysterious and incomplete examination of customer requirements	Adopt formal entrance to understanding customer needs and satisfaction
Go to unclear and short-term goals	Achieving a balance between short and long-term targets, clear and consecutive.
Comply with a certain level of errors and identify remedial action	Efforts to make continuous improvements and delivering good outcomes to meet requirements
Decision-making to solve individual problems	Develop an integrated approach to decision-making and problem solving with the participation of all
Define how management works with changing objectives	Open methods and static and objective targets

Source: Bank, (1996:1)

The implement of quality culture contributes to the achievement of the goals of service organizations in creating trust and loyalty between organizations and customers. Which makes the customer's satisfaction curve for the performance of the product in the actual increase, that is progress towards desired results including appropriate profitability and customer retention (Keith Blois, 2000: 35). Thus, the quality is the responsibility of all elements of the organization from top management at the top of the pyramid to the staffs who represent the base of the pyramid and determine each of their responsibilities and rights.

1.2. THE CONCEPT OF SERVICE

It is clear that services are the primary resource for employment as more than 80% of the non-agricultural labor force is employed in the service industry. According to the studies, the fastest growth rate of employment between 1996-2006 is in the services sector (Etzel et al., 2001:292). Moreover, the importance of services as a result of the increase in spending means increased demand for services, which prompted economists, authors, and researchers interested in this aspect. Moreover, the producers of the service in activating the work on the production of services of high quality. So, that they can compete (Skinner, 1995: 631). Here and the importance of this concept we provide some definitions that illustrate the concept of service. While, (Steven, 1990: 631) defined service as an intangible product offers

the customer benefit through use effort on specific persons or objects and cannot acquire material.

However, Dibb, (1994: 231) describes it as an intangible product that includes a working document to match the needs and effort of the service owner and does not necessarily contain something material owned by the service user.

In the same context, (Gronroos, 1994: 45) defines service as intangible products that are dealt with in specific markets aimed at satisfying the needs of the customer and desires, besides the industrial user to benefit from the service. While, Etzel et al., (2001:293) considers that these are identifiable and intangible activities that are the primary purpose of the transaction and are designed to satisfy customers' desires. However, the researcher argues that services are activities that are intangible and can provide separately or independently. Besides, satisfy the desires, needs and are not necessarily associated with the sale of a product and when the service offered, it may not require the transfer of ownership.

1.2.1. The Characteristics of Service

The authors and researchers like: (Etzel et al., 2001:295), (Armstrong and Kotler, 2000: 246), (Robert and Edywt, 1999:18), (Pride, 2000:323), (Bergman and Klefsjo, 1994:266), and (Cooper and Edgwt, 1999:18) agree on the main characteristics of the services in general, as follows:

Intangible Service: According to Etzel et al., (2001: 295) as long as the services are intangible, it is difficult for prospective customers to obtain a model, taste, hearing or smell (service) before purchasing it. Thus, most of the service has an extensive theoretical and intangible field (Robert and Edywt, 1999: 18).

Diversity (Heterogeneity): It is difficult for service organizations to find compatibility and coordination between one service and another because of the human factor in production and delivery (Etzel et al., 2001: 297). So, services change dramatically and could not provide one style except some financial services (Robert and Edywt, 1999: 18).

Demand instabilities: The demands on services are uncertainties and different.

Fading: Services are vulnerable to damage because existing energy cannot be stored for future use, such as a sailing ship and its empty rooms (Etzel et al., 2001:

298). Also, service cannot be maintained for a specific time as it is in the product because the latter can store for a specified period. As (Robert and Edywt, 1999: 18) argues that the service is produced and consumed except specific financial services. Armstrong & Kotler presented a figure (5) illustrating the correlation of service characteristics.

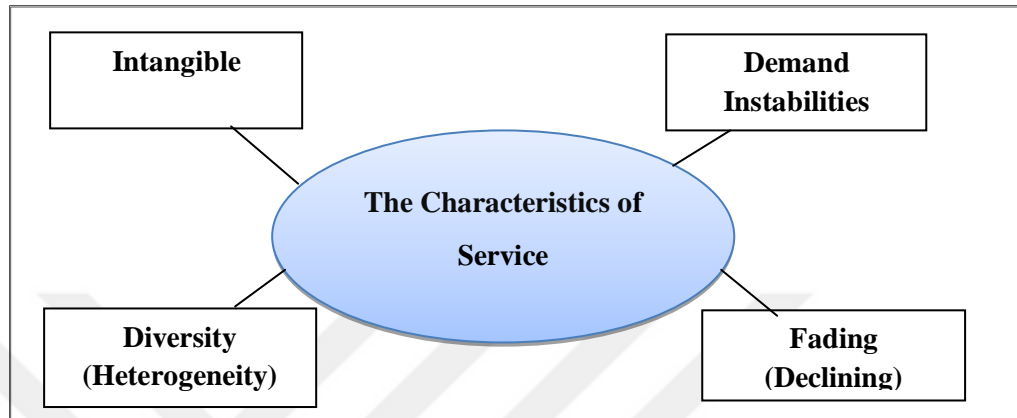


Figure 5: The Characteristics of Service
Source: Armstrong and Kotler (2000:246).

1.2.2. The Concept of Banking Service and its Characteristics

It is essential that the banking service has part of the service organizations such as commercial banks, banking organizations, financial services, insurance, transport, education, offices and communications. As Median, (1996:2) defines banking financial service as intangible activities that offered to customers in the form of financial value. Nevertheless, it considers that such services are usually performed by banks, mainly for profit purposes. In addition to the general characteristics, this banking service has several characteristics as follows:

- **Integrative:** because banking services are produced and distributed in one, the bank's interest is in creating benefit for customers.
- **A highly personalized shopping system:** the bank chooses the appropriate distribution channel for the service sector. So, the bank has no optimal but to pursue direct channels policy as the relationship between the bank and the customer is strengthened to take personal dimensions at a high level.
- **Lack of a particular identity:** banking services are almost similar and congruent, then the client deals with the bank by geographical proximity or the bank provides convenience for customers.

- **The balance between growth and risk:** when the bank expands on granting loans, it buys risks, and it is, therefore, essential to find a balance between expansion of banking activity and prudent risk avoidance.
- **Geographical distribution:** the bank has an integrated network of branches that are geographically spread to suit the customer's wishes and needs for banking services.
- **Broadening of banking products and services:** banks must have diversity in service provision which possesses an extensive range of services to meet customer needs.

1.2.3. The Importance of Banking Services

According to Etzel et al., (2001: 292) the United Kingdom has gone beyond the stage of commodity production being the primary activity to the competitive global service economy as many people are working in shops, office, transport, communication, and banking services. Studies show that between 1971 and 1981, banking and insurance services created with more than 1.8 million jobs in the United Kingdom and between 1981 and 1994 (about 15.9 million people employed in the service sector, about 73% of British users (Moynhon and Titley, 995:37).

Also, there are about 58% to 60% of workers in the services sector in Europe and Japan (Dibb, 1994: 232). Thus, services have become an essential role in the life of society and contribute to their wellbeing and stability. Therefore, recent years have witnessed a significant development in the field of providing these activities.

1.2.4. The Importance of Banking Organizations

According to Clark, (2000: 210) commercial banks and banking organizations have importance as the service provider, as follows:

1. Highlights the importance of the service provider through the importance of career and address its missions in banking organizations.
2. An essential element in the service offering responsible for developing and sustaining long-term positive relationships with the customer.
3. The direct and vital contact element in the banking service organizations and its impact on customer satisfaction.
4. Environment and community management is essential to improving quality of service (Palmer, 1991: 33).

1.2.5. The Concept of Banking Service Quality

The concept of quality of banking service defined explicitly by Teas, (1993: 18) as measuring the expectations of objective customers about banking at the level of performance based on the previous experience. William, (1995: 218) realizes the concept of banking service quality as offering the service to the banking customer and offering it to satisfy customer financial needs. While Margen (1995: 9) describes it as a procedure that depends on the agreement between the client and the bank on the level of service it wishes to receive and the possibility of meeting its needs.

In some regard, Maidan, (1996: 210) and Lovelock, (1996: 6) points out that it means that the service is free of any defect during its completion and the client issues this judgment after realizing the actual performance of the service. However, Ivansecvic et al., (1997: 455) realize it as matching the characteristics and qualities favored by the bank's client like the service he/she wishes to obtain and the realization of his expectations.

Daft, (2001: 211) sees it as being aware and cannot be measured directly, which is the opposite of the quality of the product that can be measured. In the same connection, Etzel et al., (2001: 307) noted that the quality of service is difficult to define, measure, control and communicate. However, it is crucial to the success of the commercial banks. So, the service providers should understand the two quality of service and as follows:

1. Quality of service determined by the customer and not by the service provider.
2. The customer appreciates the quality of the service by comparing the expectations with his or her observations on how the service performed.

In this context, there are no criteria to ensure that customer expectations are reasonable, and there is no guarantee that the customer observes performance based on only one experience, and therefore the efficient application of quality management in service organizations requires (Etzel et al., 2001: 308):

1. Customer assistance in the formulation of expectations.
2. Measuring the level of expectations in its target market.
3. Try to keep the service quality constant above or at the expectations level.

While, Heizer and Render, (2001:107) considers that the intangible component of services is more difficult to measure than the quality of the material component, the product user has characteristics in his or her mind that form the basis for balancing alternatives. However, the lack of knowledge of any customer's intellectual property may eliminate service in further study. Furthermore, may recognize quality as a set of attributes that have many less different attributes' over the characteristics of competitors and distinguish this approach between goods, services, and quality differences that are difficult to define in services as.

- Intangible difference between product and service.
- Customers' intangible expectations about those products (services) may not identify intangible qualities at all because they are often non-communicative images in the customer's mind.

Kotler, (1997: 62) stresses that managers have to distinguish between the quality of achievement and quality of conformity. While the quality of achievement refers to the level at which the product achieved, for example, Mercedes offers a higher quality of achievement than Volkswagen. However, more expensive and sold to specific markets with broader goals. The quality of the match indicates that it is free from defects and to the durability with which the product launched at a certain level of achievement. Therefore, Mercedes and Volkswagen can say that they offer equal quality in their markets to the extent that each market launches what the market expects.

Therefore, we can distinguish between the ideal quality and the appropriate quality, since the first means that the materials are of standard specifications and high accuracy. The second is the compatibility of procurement materials with the competencies and capabilities of the organization and the characteristics of products that depend on the course of business.

1.2.6. The Types of Banking Services

The commercial banks are organizations that provide financial services to clients, as they produce and sell professional management funds to customers as well as many roles in the economy. Moreover, their ability to provide financial services depends on the size of the demand determined by the client, which generates these services efficiently, and sell them at competitive prices (Rose, 1999: 7).

However, Ramadan believes that commercial banks are banking organizations that deal with credit and are sometimes called deposit banks. The first bank was founded in Venice in 1157, followed by the emergence of banking organizations. A bank that lasted until 1609, the Bank of England in 1694 and the Bank of France in 1800, emerged. There are two primary systems for the major banks in the world:

1. The system of banking organizations with branches spread.
2. The system of individual banking organizations or banks that are not allowed to open branches.

To explain the nature and types of banking services, some authors and researchers referred. In this regard, Rose, select services provided by public banking organizations as follows:

Currency management and exchange rates: History has shown that one of the first services provided by banking organizations was currency exchange. As the bank was willing to exchange a currency such as dollars for another form, such as the franc.

Discounting commercial credentials and providing loans for businesses: At the beginning of the history of the bankers, they began to deduct the commercial paper efficiently and provide loans to the local merchants. Who sold the debts (debit accounts) they had kept their customers in the bank to pay cash quickly to the cashier.

Acceptance of deposits: Proved that lending was very profitable as banking organizations looked for ways to raise additional funds that could lend as if one of the first sources of funds was the acceptance of savings deposits which is to leave funds with interest in the bank for weeks or more.

Protection of valuable assets such as gold: During the middle ages, banking organizations began to keep gold, securities and other valuables owned by customers in a tight basement. Interestingly, the advances that bankers have given to their clients and pro-custodianship have traded funds - modern checkers and credit cards.

Supporting government credit activities: During the middle ages and the early years of the industrial revolution, the governments of Europe and America were

interested in the ability of bankers to move large sums of money, to make loans and to cover demand.

Provision of current accounts: The industrial revolution in Europe and the United States has entered into modern banking services and practices, and the most important of the new services is the depository on demand.

Carrying out guardianship and safety work: This function of property management defined as secretarial services. Most banking organizations provide personal secretariat services to individuals, families and commercial trust services for companies and other businesses (Rose 1999:9). So, figure (6) demonstrates the nature of the services provided by the bank.

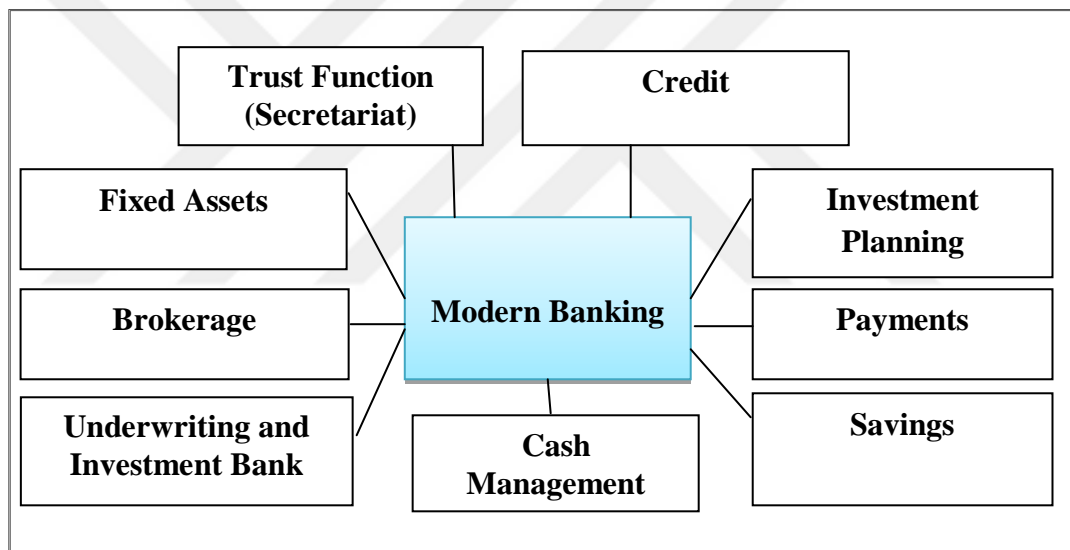


Figure 6: The Overview of the Services of the Bank
Source: Rose, (1999:7).

Rose, (1999: 12) also refers to services developed by banking organizations

- Granting consumer loans.
- Provide financial advice.
- Cash management.
- Display and lease equipment.
- Provision of capital loans for projects.
- Selling insurance.
- Selling retirement plans.

- Investment services sale and purchase of securities.
- Provide pensions and mutual funds.

However, Koch, (2000: 537) outlined some services provide by commercial banks and individual banking organizations:

- The currency conversion and processing accounts in circulation in the country where the bank located.
- Participation in aid loans.
- Portfolio analysis and investment advances.
- Trading federal funds.
- Marketable securities (buy and sell).
- Dealing with international financial transactions.
- The bank
 - invests in derivative financial services to increase returns and reduce risk through diversification of investments besides futures, options, and exchanges.

Fisher and Jordan, (1996: 474) defined futures as contracts between the seller and the buyer during which it is agreed to swap one particular asset at the end of a specified period after determining the price between the parties. While, options an agreement between the seller and the buyer that gives the holder the right to sell or buy a financial instrument or any future contract at a price agreed by the parties on a specified date or before the expiry of the contract (Rose, 1997: 339).

However, exchanges are the short-term trades that usually occur in the money market and are handled by speculators for profit from currency fluctuations and interest rates on those currencies. Consequently, Valdez, (2000: 65) provided other services such as:

- Guarding of property (gold).
- Sale of securities, shares, and bonds and purchase.

However, Ramadan, added types of modern services that the banking organizations strive to raise the level of their work and try to raise performance by creating new services to their customers are:

1. Help organizations sell new issues of their shares.

2. Create some financial investment tools.
3. Providing investment services to clients.
4. Saving events.
5. Property management on behalf of others.

Credit cards: In 1915, the first bank card issued by a group of American stores and hotels. In 1950 it appeared for cardholders to obtain goods and services from hotels and restaurants. So, in 1958-1959 for the first time, American Express and Carte Blanche appeared. In 1958 the American bank issued the American bank card. Banks then issued similar cards in 1966. That was the first time a bank card used internationally, while Interbank bought what is known as Access and then Barclay cards and Visa appeared.

1.2.7. The Islamic Banking Organizations

The services provided by Islamic banking organizations that follow the Islamic approach complete in all banking transactions on the one hand, and apply the latest banking skills on the other hand.

While, the Federation of Islamic banking organizations, established in early 1978, has already established the Islamic development bank in Jeddah, Dubai Islamic Bank and Feisal Islamic bank in Cairo. The services offered by Islamic banking organizations are:

- Accepting bank deposits (current accounts).
- Bank transfers.
- Collecting securities.
- Sell and buy stocks and bonds.
- Selling foreign currencies and buying them.
- Rental of steel boxes.

CHAPTER TWO: COMPETITIVE ADVANTAGE

2.1. THE CONCEPT AND DEFINITIONS OF COMPETITIVE ADVANTAGE

The competitive advantage as a theoretical concept can regard as a real revolution in the business world at the academic, scientific and applied levels. Management no longer viewed as a brief confrontation of immediate problems. Management realized as a dynamic process designed to address the organization's internal and external problems, to achieve its continued superiority over others.

That is, competitors, suppliers, buyers and other parties with whom the organization is dealing, such superiority will not be temporary or short-term, but is a constant attempt to maintain the balance of the organization towards the other parties in the business in which is located. So, comparative advantage is the cornerstone of international trade, specialization, and division of labor for both organizations and nations.

While this concept prevalent among economists and managers. In the mid-1970s, competitive advantage as a new concept emerged. The major challenge facing economists and management is how to transform comparative advantage into competitive advantages through the ability to create factors that based on high human skills on the one hand, and a robust scientific base on the other, so the concept of competitive advantage received full attention in the literature of business administration. The term still needs to be enriched and framed. Researchers have reversed the differences in their views on the concept of competitive advantage.

According to Pitts and Lei, (1996:98) competitive advantage is the organization's ability to deliver activities more efficiently than competitors. Though, (Kotler, 1997:53) mentioned the organization's ability to perform in one or several ways that competitors cannot follow at present or in the future. While, (Al-Magribi, 1999: 24) considers competitive advantage as the areas in which the organization can compete with others more efficiently, and thus the strength of the organization without its opponents in an activity or relation to its human resources or geographical location.

Hall & Smith, (1999:2) mentioned as a preference for competitors in attracting customers and defending against competing forces. (Thompson and

Strickland, 1999:134) argues that providing the customer with more value than the money paid to obtain excellent quality service or products.

In this regard, Alaq and Al-Tai, (1999: 126) believe that competitive advantage is the ability of the organization to distinguish itself by altering or modifying the typical characteristics of the industries in which it is to achieve competitive advantage in its favor.

However, Macmillan and Tampo, (2000:89) claim that the means by which the organization can win in its competition with others. (Prid, 2000: 29) Mentioned as a result of the synchronization of core capacities and opportunities. Also, the ability to meet the customer's needs or the value that the customer wants from that product (Ali, 2000: 40).

Therefore, competitive advantage can consider as the organization possesses capabilities, characteristics, attributes, capabilities, skills, knowledge. Moreover, information that given by a dynamic internal force to differentiate themselves from competitors by responding to the dimensions of those capabilities to customer values and needs of goods and services (Al-Barwari, 2001: 75).

However, according to Al-Qutb, (2002: 44) The unique long-term position that the organization develops by performing its activities distinctively and efficiently and exploiting its internal strengths to deliver inestimable value to its customers that its competitors cannot offer. While, (Harsch, 2003:3) argues that as competitive advantage any factor that allows the organization to vary its goods or services through its competition leads to increased market share.

According to Hill and Jones (2013:323), a company (bank) has a competitive advantage over its rivals if it can generate higher profitability than the average for all the organizations in its industry and competitive advantage if the organization can establish superior profitability for a sizable number of years.

Consequently, Thompson and Strickland, (2003:185) mentioned competitors could not threaten the advantage that obtained by creating a creative offensive strategy. (Paul, 2004:160) any efforts made by the organization towards the creation of shared values gives the organization the opportunity to have an interest and motivated workforce with a high sense of loyalty and belonging and is working towards improving organizational performance.

Nevertheless, Mohsen and Al-Najar, (2004: 52) argued as the ability of the organization to achieve excellence (Superiority) and preference over competitors in the market, and this excellence comes through the development of distinctive competencies in the organization. As (Al-Mayahi, 2004: 47) argued competitive advantage is the ability of the organization to provide distinct products capable of providing the highest satisfaction to its customers so that they do not resort to competing or alternative products. As well as the ability to outperform competitors in one or more dimensions of strategic performance such as cost, quality, flexibility, reliability, time and innovation (Najem, 2005: 282).

Hence the researcher believes that it is a characteristic of the organization's differentiation from the competing organizations because of its resources and auxiliary factors, which gives it a dynamic internal force that establishes a secure position towards the different parties of the beneficiaries to its target customers.

2.1.1. The Characteristics of Competitive Advantage

Based on the literature reviewed the characteristics of competitive advantage can summarize as follows:

1. The uniqueness of the organization in the provision of goods and services.
2. Mobility is not possible to remain silent, and the organization lives in a changing environment.
3. Relativity achieved in comparison with others, which is not absolute, as it leads to the achievement of superiority and preference to competitors, and it is achieved for a long time and does not disappear when it is developed and renewed.
4. Refers to what distinguishes the products of the organization to the advantage of customers compared to competitors, and thus the competitive advantage to influence the customers and their recognition of the superiority of the organization and what motivates them to buy them.
5. Competitive advantage can describe a dependent variable based on the availability of independent factors as a figure (7) shows this.

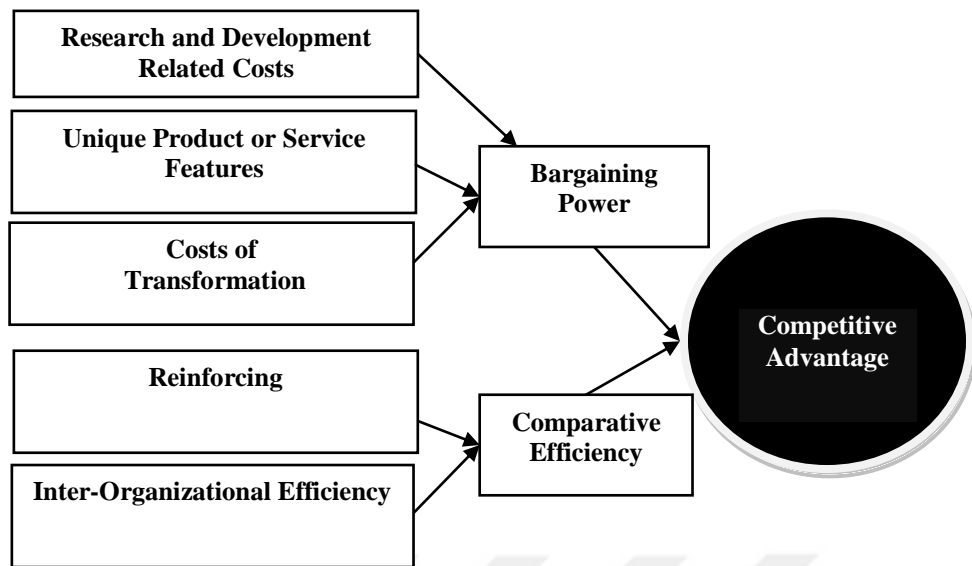


Figure 7: Factors Affecting Competitive Advantage
 Source: Researcher based on the literature related the topic

However, the above figure demonstrates that competitive advantage arises from two factors:

First, Comparative Efficiency: The organization can produce goods and services at a cost lower than the cost of production of competitors, and this is subject to two factors:

1. **Internal efficiency**, which refers to the costs incurred by the organization within it.
2. **Inter-organizational efficiency** refers to the costs incurred by the organization in its dealings with external organizations.

Second, Bargaining Power: which allows the organization to achieve bargains with its customers and processors for its benefit. The following factors influence the strength of bargaining:

1. **Costs related to R&D** that refer to the costs of marketing the organization, processors, or customers at the best prices.
2. **Unique product or service features**, which are the characteristics of the goods, or the services that make them different from the characteristics of the goods, and the services of the competitors.
3. **The costs of transformation**, which are the cost to customers and suppliers if they refrain from dealing with that organization.

4. **Reinforcing**, competitive advantage needs to strengthen and sustain the organization on the top of competitive success and leave and give way to competitors. This enhancement needs the following:
- The organization's strengths as skills, information, culture, and learning capacity.
 - The organization's innovation rate is higher and faster than competitors.
 - Adding new and renewable values to customers.
 - Competitors chasing, which can only achieve with the availability of two fundamental pillars: the strategic information system and the benchmarking system.
 - The vision, reflection, and scenarios leading to reality and not the time pacing.

2.1.2. The Sources of Competitive Advantage

The organization lives under ever-changing internal and external environmental conditions, which makes these conditions an impact in the competitive advantage-making process as illustrated in figure (8).

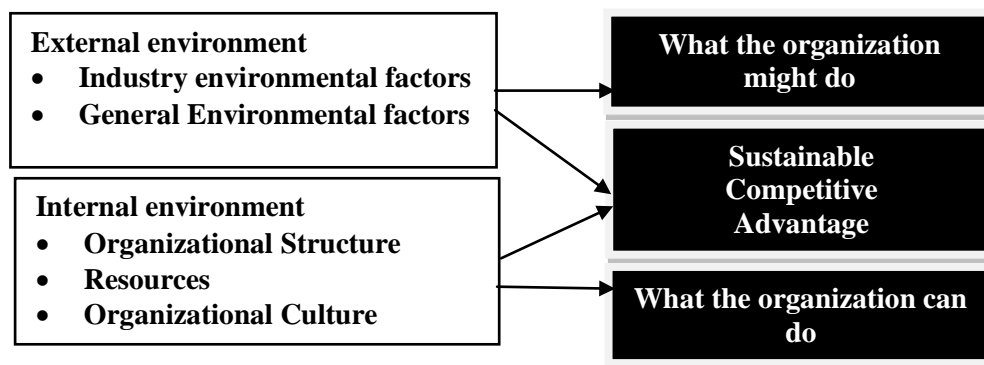


Figure 8: The Sources of Competitive Advantage
Source: Researcher based on the literature related the topic

2.1.2.1. The Internal Environment

Many researchers and specialists in the strategic areas of business organizations have identified that the variables governing the contents and frameworks of the internal environment are the identification of the organizational structure, the resources, and the organizational culture. Moreover, that the evaluation

of the strengths and weaknesses of these variables can determine in light of many actions of strategic significance that the organization required to follow:

1. The Organizational Structure which refers to the structure that defines the internal arrangement of the organization. It shows the divisions, organizing and the sub-units that perform the various activities and activities necessary to achieve the objectives of the organization. It also reflects the quality and nature of the relationship between its departments, the nature of the responsibilities and powers of each organizing. (Hill, Jones, 2001: 383) Points out that the fundamental role of the organizational structure is a dual role: Coordinate staff activities so that they work together more effectively to implement a strategy that increases competitive advantage amounts. Moreover, motivate staff to achieve excellence in efficiency, quality, creativity, and customer responsiveness.

However, Husseini, (2000: 88) argued that the organizational structure an essential and efficient means of implementing the strategy. Therefore, no organizational structure is consistently stable throughout the organization's life. When attitudes change and the degree of influence of specific factors does not take into consideration, the organization must move to another structure to effectively implement the strategy. Approved.

2. Resource, from the mid-1980s to the present, the writers within the management field began to develop an intellectual perspective on resources and its importance in achieving the competitive advantages of organizations to what now identified as the resource-based view. In this regard, Lynch (2000: 279) points out that the essence of a resource-based approach is that it focuses more on the organization's resources than on the strategies available to all organizations within the industry structure. Within the resource-based approach, researchers differed in the classification and division of resources within the organization. Johnson and Scholes, (1997: 143) believe that resources can classify into physical, human, financial and intangible resources.

However, Harrison and John, (1998: 46) believe that the primary resources of the organization are financial, material, human and organizing resources. While, Macmillan and Tampoe, (2000: 348) argue that resources within the organization include:

- Material resources: Includes fixed assets and equipment.
- Human resources include individuals and their skills.
- Financial resources include cash and availability.

As Hitt et al., (2001: 102) points out that resources for competitive advantage should be valuable, rare, irreplaceable, and expensive if imitated. Some researchers do not distinguish between organization's resources and capabilities, although the distinction gives a clearer picture of the organization in exploiting its strengths to achieve a competitive edge (Hayat, 2004: 54). Macmillan and Tampoe, (2000: 347) define capabilities as the organization's ability to create using resources, internal processes, systems, and skills.

However, according to Hitt et al., (2001: 108) capacity is the ability of the organization to deploy resources that have been deliberately integrated to achieve a desired final state, which depends on the development and transfer of information and knowledge through human capital. The organization's capabilities lie in the skills and knowledge of the staff in the organization and often their functional experience. Therefore, the knowledge possessed by human capital is among the most important of the organization's capabilities, and may ultimately be the basis of all competitive advantages.

While, Harrison and John, (1998: 45) argue that resources and capabilities are strengths that allow lasting competitive advantage to be valuable, unique and difficult to imitate. The resource-based approach and philosophy of achieving and sustaining competitive advantage are not complete without addressing the core competencies, which are the result of the uniqueness of the organization's resources, skills and the reason for its competitive advantage and sustainability.

Robson, (1997: 52) describe core competencies as abilities that support competitive advantages and are a useful skill to be acquired and support all aspects of work. The core competencies are unique resources of the organization and unique strengths of the department in formulating its strategy. They reproduce the joint learning of the organization, in particular how to coordinate its diverse operations and integrate diverse and diverse technologies.

So, according to (Krajewski and Ritzman, 1999: 25) these capacities include Workforces, Production facilities, Market and financial knowledge, and Systems and

technology. Macmillan and Tampo, (2000: 123) believe that is a combination of workers' skills with accumulated knowledge, experience, and organizational culture to achieve intrinsic competence that is different from other similar organizations as revealed in a figure (9).

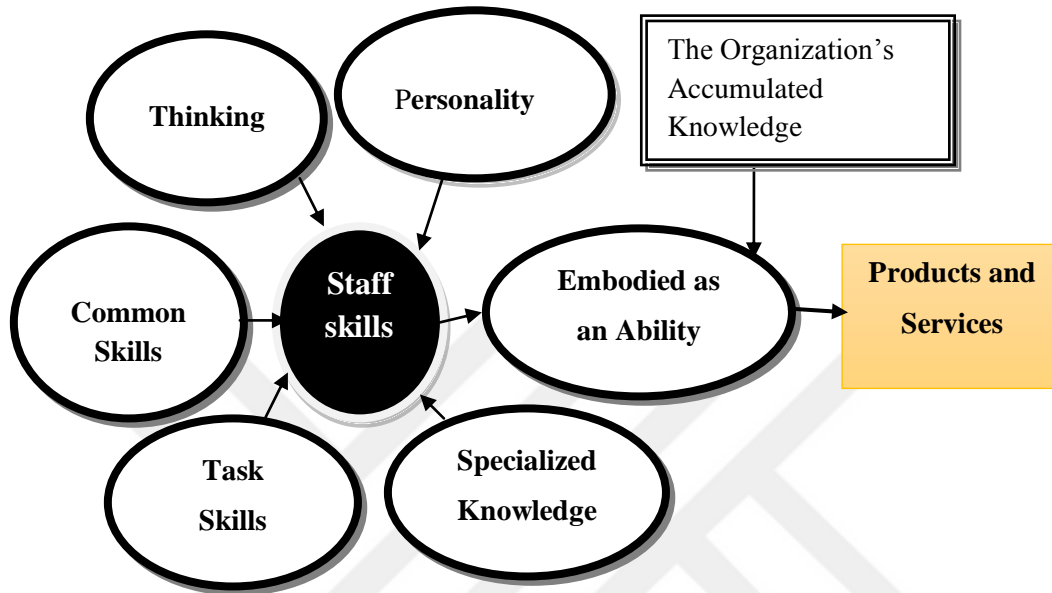


Figure 9: Core Competencies
 Source: Macmillan and Tampoe, (2000: 123).

3. Organizational culture defined as a set of spiritual characteristics and beliefs that govern a particular organization, for example, the habits and values of how individuals deal with each other and how they behave, the nature of the working relationships to develop and the orientation towards change. These customs and traditions are often profound and based on assumptions (Hall and Torrington, 1998: 101). It should note here that this culture evolves and adapts over time to respond to environmental changes so that organizational culture can have facilitated for an organizations strategy.

However, it can hinder or delay the organization's achievement of its goals. The basis for successful organizations to achieve excellent performance results, through the appropriateness of organizational culture and its role in supportive strategies, helps the organization adapt to environmental changes.

2.1.2.2. The External Environment

The strength of the organization and its weakness are evident in comparison with the surrounding environmental influences, especially the task environment, which contains the elements most relevant to the organization and its objectives. In general, the task environment includes elements that directly affect the organization and affect in turn by competitors, processors, customers, and shareholders. (Wheelen and Hunger, 2000: 54). The higher the organization's ability to positively influence its industry environment, the higher its potential for profit than the average (Hitt et al., 2001: 52).

The general environment includes a range of factors (political, economic, social, and technological) that do not directly address short-term activities of the organization but can influence their long-term decisions (Wheelen and Hunger, 2000: 54).

So, these elements different for industries and businesses. For example, changes in population numbers, such as low birth rates, affect organizations that specialize in the child food industry, while their impact is right on health care institutions and pension institutions (Boseman, 1989: 27).

It is clear from the above that the same general environmental factors may pose a threat to the industry, while the opportunity for the success of another organization is an opportunity. Porter presented a model illustrating the factors affecting the nature and degree of competition, as clarified in figure (10).

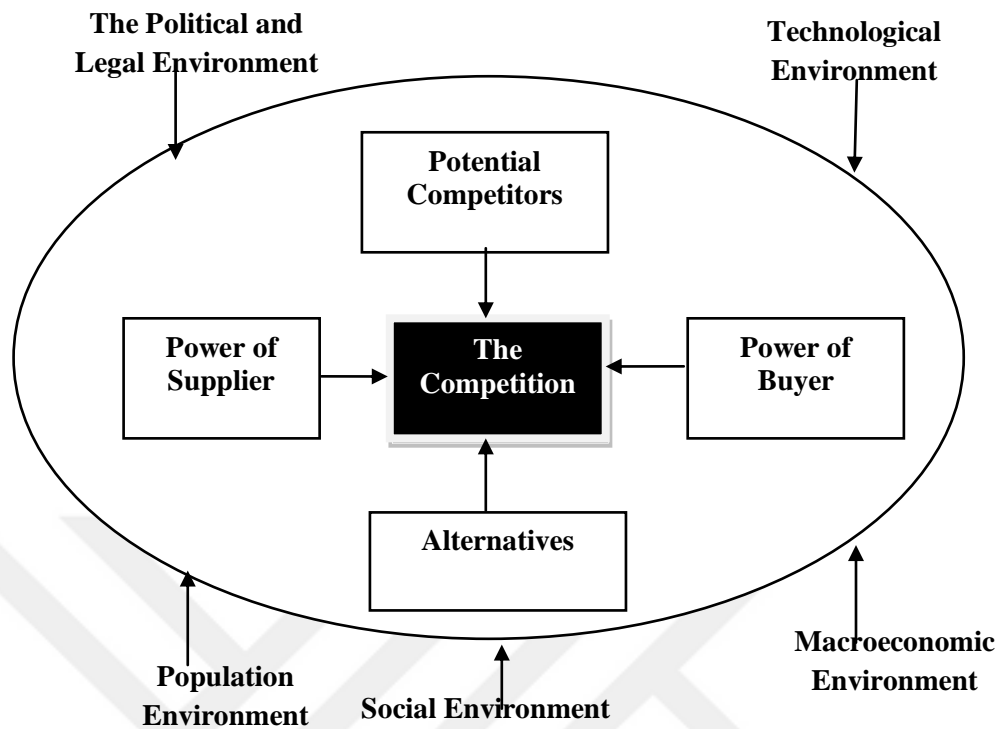


Figure 10: External Environment
 Source: Hill and Jones, (2001: 92)

2.1.3. The Competitive Advantage Building

In regard the competitive advantage Building requires the following steps:

1. Environmental Analysis:

The process of environmental analysis includes the diagnosis of internal strengths and weaknesses of the organization, external opportunities, and threats. Most of the literature in business management on environmental analysis releases the term SWOT for the results of this analysis of Strengths, Weaknesses, Opportunities, and Threats. The purpose of the SWOT analysis is to understand the real position of the organization and what general strategies can have taken in line with the organization's internal capabilities (strengths and weaknesses) and external attitudes reflected in environmental opportunities and threats.

2. Determination of Corporate Mission

The mission explains why the organization exists, what it should do and represents the context in which the strategy formulate.

3. Strategy Formulation

Building the strategy that the organization enters the market which represents its competitive advantage, and figure (11) illustrates the sequence of these steps.

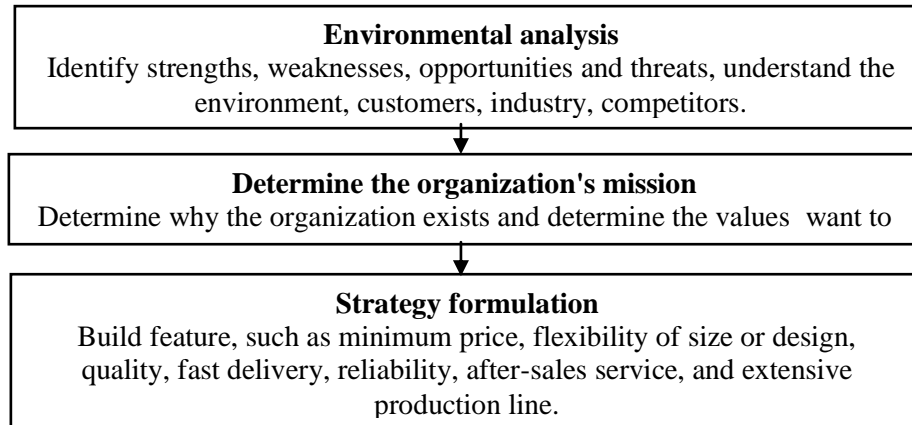


Figure 11: The Competitive Advantage Building
Source: Heizer and Rander, (2001: 34)

It does not end with the achievement of competitive advantages but requires the organizations always to strive to develop their advantages if they aim to shine in the atmosphere of the business in which they operate. The neglect of the development of competitive advantages leads after a period imitated by competing organizations. So, which makes that organization lose its competitive luster among competitors.

2.1.4. General Competitive Strategies

Competitiveness is an essential factor in strategy. Achieving this advantage depends on the ability of the management to choose the strategy that achieves this advantage by identifying and analyzing factors influencing the work environment. In competitive strategies model, Porter identified three strategies that can achieve any of the competitive advantages in the market that has selected and implemented carefully these strategies are:

2.1.4.1. Cost Leadership Strategy

The strategy aims at reducing costs and selling at lower prices than competitors through the optimal use of available resources, reducing costs and maintaining product or service quality. So, this strategy encouraged by the achievement of economies of scale of the organization, the accumulation of

experience and learning in the development of human resources skills. Moreover, access to resources at a lower cost. This strategy also provides the organization with several competitive advantages including price flexibility, expansion of market share, the possibility of confronting competitors and strengthening the competitive position of the organization.

2.1.4.2. Differentiation Strategy

This strategy used when the objective of the organization is to serve the market in a targeted manner by offering a product or service line characterized by one or more elements of competition, which includes high product quality, better design, an integrated product line and better services. Moreover, for the success of this strategy should interest in research and development to provide products that satisfy the needs of consumers and are characterized by competitors.

2.1.4.3. Focus Strategy

The purpose of this strategy is to direct marketing efforts to serve a specific sector of the market. So, this strategy takes two approaches in the first application of achieving a low-cost competitive advantage in the target market segment, and the second focuses on excellence in one or more elements of competition figure bellow (2.6) reveal these strategies.

Competitive Range	Differentiation Strategy	Cost leadership Strategy
	Focus based on Differentiation	Focus Based on Cost

Figure 12: General Competitive Strategies

Source: Harrison and John, (1998: 65)

2.1.5. The Generic Building Blocks of Competitive Advantage

The following four factors involved in building competitive advantages and represent the basis for the general construction of competitive advantages that any organization can adopt regardless of its industrial domain or the goods and services it produces and performs (Hill, Jones, 2001: 127) as shown in a figure below (13)

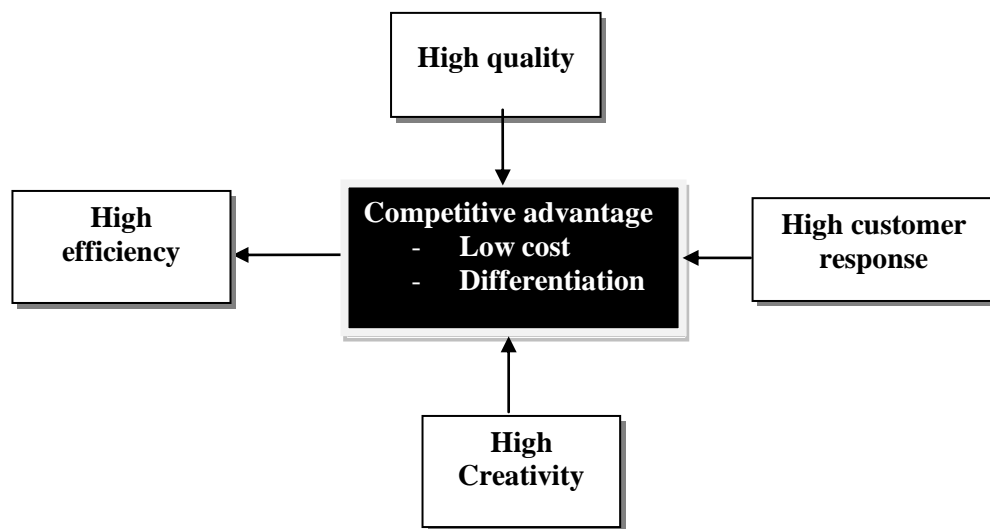


Figure 13: The Generic Building Blocks of Competitive Advantage
 Source: Hill and Jones, (2001: 127)

2.1.5.1. Efficiency

According to Robbins, (2004: 571) efficiency is the ratio of active outputs to inputs to achieve. While, Hill and Jones, (2001: 127) argue that organization is only a tool for converting inputs into outputs, inputs are key factors of production are labor, land, capital, management, and technology. Outputs are goods and services produced by the organization. Moreover, the simplest measure of efficiency is the amount of input required to produce certain outputs, which means that:

$$\text{Efficiency} = \text{Output} / \text{Input}$$

The more efficient the organization is the fewer inputs required to produce specific outputs. Thus, the efficiency factor helps to achieve low-cost advantages. One of the essential components of efficiency about many organizations is the productivity of the employee, which is usually measured by the output per employee.

The organization achieve a high level of employee productivity in a specific industry, achieving the lowest level of production costs, in other words, the organization will have cost-competitive advantages.

Moreover, then sell their products at a price lower than the price of competitors and obtain a significant number of profits. Moreover, that the cost is a collection of cash paid by the organization to obtain the factors of production necessary to achieve the goals for which it does. The cost is from the organization to produce and distribute the product with the lowest expenses or lost materials, and

thus the organization obtains the cost advantage in the market (Ston et al., 1994: 63). The cost-based competition requires operations managers to pay attention to the cost of labor, raw materials, and other costs by designing a system that reduces the cost of the product unit (Krajewski and Ritzman, 1999: 63).

The organization requires to consider appropriate ways to reduce costs, the most important of which are:

1. High intensification of capital while reducing flexibility in the provision of new products.
2. Use the machines and equipment for as long as possible while providing maintenance to suit the level of work.
3. Maintain the minimum level of storage to facilitate efficient production, with no impact on customer service.
4. Improve the work of quality control, exercise strict control to reduce the proportion of defective, damaged, internal refusals and the cost of reprocessing to the lowest possible level.
5. Maintaining the design and development of the product and not compromising quality damage to maintain or increase market share.
6. Improving the efficient flow of materials and parts within the organization through the proper internal organization of means of production.
7. Continuous work on the development of total quality.
8. Improving the production methods used and the use of advanced machines.
9. Stability of employees and the development of their skills by engaging them in continuous training courses and then increase the learning curve, leading to the development of organizational learning.
10. The organization's attention to human factors and satisfaction with work.

2.1.5.2. The Quality

Quality used to express different points of view. The customer's perception of the value of the product's service and the extent to which it achieves the intended purpose of the product he/she wishes to pay associated with the quality of the product. Quality is often a reason to prefer one product to another, and according to outstanding quality, customers are willing to pay more or wait longer to obtain better products.

However, organizations that have succeeded in the field of quality have used intensive training programs for their employees and encourage them to innovate and let them make their own decisions. The organization provides the information and techniques needed by the employees to achieve progress in their performance. Quality is the goal of every manager and a force that has a significant impact on the performance of organizations and thus in strengthening their competitive position.

Bergman and Klefjo, (1994: 17) define quality as what it takes to make a customer have a loving relationship with the product (commodity, service). While, quality described as the appropriate degree of design for the function of the product and its use and the degree of conformity of the finished product to the design specifications (Adam and Ronald, 1996: 47). However, quality means doing things correctly (Slack, et al., 1998: 52). Five points should have followed by the organization if quality adopted as a competitive tool:

1. Quality should have determined from the customer.
2. Quality must link to profitability for both market and cost.
3. Quality must see as a competitive tool.
4. Quality built into the strategic planning process.
5. Quality of the organization's commitment to the full.

However, in this regard, Krajewski, and Ritzman, (1999: 34) place quality in two areas:

High-performance design: The quality of the product design to include features that are superior in performance, greater durability, safety and security in use, economical use, convenience, convenience and easy access to service sites.

Conformance Quality: Measured by the extent to which the product satisfies quality characteristics, customers want services or goods that meet the required characteristics that they expect or see in the advertisement (Krajewski and Ritzman, 1999: 34). The quality of conformity designed to produce without errors by accepting continuous improvements. To achieve the quality of conformity, the quality of conformity determined by continuous repetition, possessing a skilled and well-trained workforce, reducing errors and then offering products to stop the specified specifications.

According to Hill and Jones, (2001: 130) the impact of quality on competitive advantage around two axes:

1. Providing high-quality products or services that increase the value of these products in the eyes of consumers, this concept is supported by value, in turn, allow the organization to impose high prices, and then high profits.
2. Improving quality requires upgrading efficiency and thus minimizing losses and saving costs associated with the process of product making, such as reducing production rates. So, this reduces the time it takes for workers to count, exclude and compensate damaged units, thereby improving efficiency and saving costs, which in turn leads to Improve profitability as the figure (14) shows this effect.

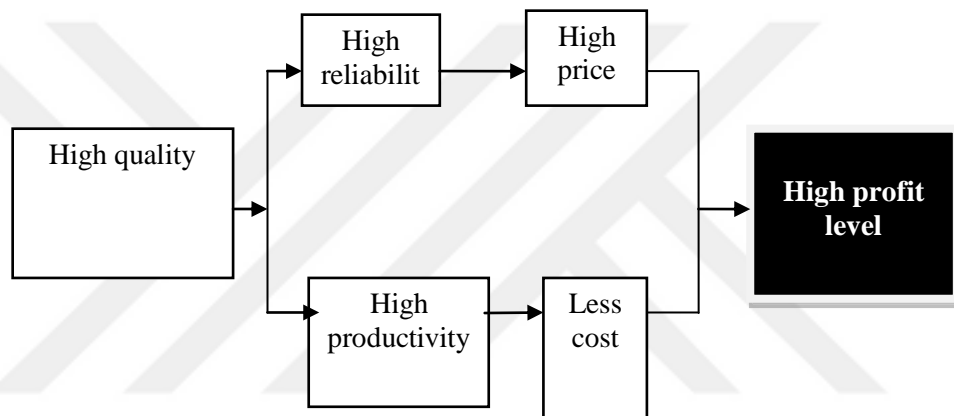


Figure 14: The Impact of Quality on the Organization's Profits
Source: Hill and Jones, (2001: 130)

The quality of the product: commodity, service, and information does not only allow the organization to impose high prices on its products but reduces costs. Moreover, the interest of many organizations in the quality of the product cannot realize by it is just a way to gain competitive advantages, since in many industrial and service areas it is necessary to survive.

2.1.5.3. Innovation

The innovation is one of the essential structural foundations of competitive advantage. In the long term, competition can realize as a process driven by innovation, and although innovation is not successful, innovative processes that can succeed and can a significant source of benefits of competitiveness, because it gives the organization something unique that its competitors lack. (Hill, Jones, 2001: 130) the uniqueness of the organization allows itself to distinguish, thus differentiated and

discriminated, as well as high prices for its products or a significant reduction in the costs of its products compared to its competitors While, Hall and Smith, (1999: 1) defined innovation as an act to produce something new.

However, Robert, Waterman. (1999: 23) distinguishes between invention and innovation. The invention has nothing to do with the market, whereas innovation is highly market-relevant, representing new products that the consumer was not aware of they need it and represent the slight change that makes the old product flow into a new life. Hill and Jones, (2001: 130) view innovation as anything new or novel about the performance of the organizations or products they produce and includes any progress in product types, production processes, management systems, and strategic organizational structures adopted by the organization.

While, Robbins, (2004: 571) believes that innovation is an idea applied to the initiative or the improvement of a process, commodity or service. It is clear from this that innovation is the process of creating, creating or modifying a new product (commodity, service) or process (productivity, service) that leads to the organization obtaining an economic or defensive return. Consequently, the innovation of organizations is usually through the following methods:

First: through the product or process technologies they provide and produce, as the innovation in products usually arises through research laboratories, and in many organizations, ideas are leading to new products can obtain from anyone who can ask the following question:

Could it have done in another way?

Moreover, that addressing such questions will lead to learning and is part of the change in the processes that push employees to find a new way of working or find different ways to get the job done.

Second: Training also stimulates innovation, especially training that drives individuals to test the hypotheses underlying the completion of the work, how it completed, how the product should be, or how it can have used.

Thirdly: innovation stimulated by the creative thinking of a section of individuals who can think widely. The only way to generate new ideas is to reward innovative individuals and then create an environment in which they feel free to develop their ideas. Ideas to focus on work skills.

2.1.5.4. Customer Responsiveness

According to Hill and Jones, (2001: 131) to achieve this factor in a superior way, the organization must be able to perform tasks better than competitors in identifying and satisfying the needs of its customers. Moreover, then clients will pay more value to their products flexibility is the real gateway to the organization's responsiveness and rapid adaptation to meet market demands and to shift from one product to another in quantity and quality according to customers' needs and needs.

In the direction of building a comprehensive conception of the concept of flexibility, we stop at the views of some writers in dealing with this concept.

According to Dilworth, (1992: 58) flexibility is the ability to respond to product changes and product mix. While, Heizer and Render, (1999: 37) define flexibility as the ability to make changes in a market location that depends on creativity in design and size. However, Chase et al., (2001: 24) argue that flexibility linked to a strategic perspective, i.e., the ability to deliver a wide range of products to customers. The essential element here is the ability to deliver new products while the organization is required to develop new products.

Another aspect that has attracted more attention is the customer response time, the time it takes for a product to deliver or serviced (Hill and Jones, 2001: 132). Competition by time or delivery includes three aspects or precedents: (Krajewski and Ritzman, 1999: 34)

- a) Fast delivery time, which measures the amount of time between the date of receipt of the customer's request and the date of delivery.
- b) On-time delivery, measured by the frequency at which the agreed delivery time is met, expressed as the percentage of requests delivered to customers at specified times (in industrial organizations) and measured in percentage of customers waiting to receive on the service for less than five minutes, for example (in service organizations).
- c) Development delivery, which relates to the speed with which new products or services, provided, which covers the time between the generation of ideas and production through the final design (Krajewski and Ritzman, 1999: 34).

2.2. QUALITY OF BANKING SERVICE

The quality of banking service will be in both the actual and expected aspects, the first level of quality in any regular service. The second is the exceptional case the customer wishes to obtain, and the banking organizations should strive to narrow the gap between the two sides by building a quality system prepared to draw (plan Bs). For less than an ideal operating condition. In other words, each process divide into parts. The operations of these parts are carried out by precise scientific foundations characterized by the quality of non-errors so that they distinguished from their competitors. According to (Render and Heizer-1997:108) managers specify ten dimensions for measuring the quality of banking service.

In the department of operations and marketing, the authors agree to integrate these dimensions into five key dimensions that the customer will use to assess the quality of banking service and the table below contain the views of the authors and researchers on the quality of banking services as shown.

Table 4: The Dimensions of Quality Service

S	Authors	Year of published	Dimensions of quality									
			Reliability	Responsiveness	Trust and Affirmation	Empathy	Tangibility	Perceived quality	The cost	Customer understanding	Communications	Meritocracy
1	Garvin	1987: 101	*	*		*	*	*		*		*
2	Zeithaml	1990 :29	*	*	*	*	*	*	*	*	*	*
3	Vonderbse & White	1991 :699	*	*	*	*	*	*		*		*
4	Bergman & Klefsjo	1994 :18	*	*	*	*	*	*		*		*
5	Muharram	1994 :343	*		*	*	*	*		*		*
6	Chase	1995 :174	*	*	*	*		*	*	*		*
7	Ivansecvich et al	1997 :450	*	*	*	*	*					
8	Kotler	1997 :478	*	*	*	*	*					
9	Render & Heizer	1997 :109	*	*	*		*	*	*	*		*
10	Nahmias	1997 :696	*	*	*	*		*	*	*		*
11	Krajewski	1996: 36	*	*	*		*		*	*		
12	Ivansecvich et al	1997: 11	*	*	*	*	*		*	*		*
13	Russell & Taylor	1998: 77	*	*	*	*	*		*	*		*
14	Hajj at	1998: 132	*	*	*	*		*	*	*		*
15	Kotler	2000: 59	*	*	*	*	*					
16	Russell & Taylor	2000: 79	*	*	*	*	*		*	*		*
17	Russell	2000: 393	*	*	*	*	*					
18	Ahmed	2001: 110	*	*	*	*	*					

19	Arnold et al	2002: 619	*	*	*	*		*	*	*		*
20	Davis et al	2003	*	*	*	*	*	*	*	*	*	*
Total			20	20	19	18	16	11	11	15	2	14
Percentage of compatibility			100%	100%	95%	90%	80%	55%	55%	75%	10%	70%

Source: By researcher based on the opinions of writers and researchers.

As summarized in a Table (4) that the main dimensions of quality service are ten dimensions, but most academics agree to integrate these dimensions into five dimensions of quality of service the reliability and responsiveness dimension is 100%, representing the ability of organizations to provide customer friendly services and willingness to deal with them.

While trust and affirmation ranked second with 95%, so, this indicates that the service completed in a time of communication and a proper and secure manner. The empathize for the third place at 90% refers to literature, respect, and affection through personal contact with the customer and emotional attire. While tangibility comes in the fourth rank, the percentage was 80%.

The researchers in the field of quality service believe that the importance of the five dimensions is the primary measure of customers in the governance of the quality of service by 100% as follows: 32% reliability, responsiveness 22%, trust and affirmation 19%, empathy 16% and tangible 11%. (Kotler, 1997: 487).

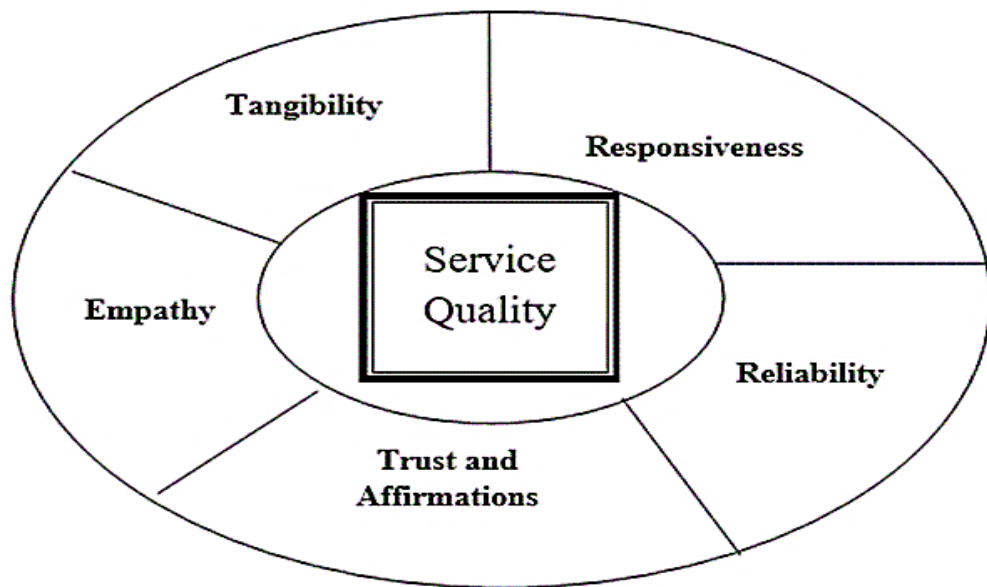


Figure 15: The dimensions of service quality

Source: Russell and Wither, (2000). *Marketing Management* " Prentice Hall, Inc, p.393

Subsequent studies have shown the participation of service organizations in the strategic sense, adherence to high-quality standards, monitoring service performance and confirming customer satisfaction. Figure (15) illustrates the dimensions of quality of service and the importance of these dimensions in the customer's judgment on the quality of service. The researcher finds it appropriate to give a brief description of each of the five dimensions, which adopted on the field side of the study.

2.2.1. Reliability

According to Render and Heizer, (1999:109) the reliability means performance dependability or consistency, i.e., the obligation to provide the service on time. It is committed to the promise. Davis et al., (2003: 220) describes it as the degree of the bank's commitment to the customer's direction. The bank that provides customers with a very well documented service. While, (Alnsour et al., 2014) argues that empathy refers to the personalized and caring attention paid by staff to bank clients.

However, Kotler (2003:220) indicates that it is a natural means of the bank and its ability to provide a reliable and accurate service as per the date, and the banks provide services. According to a specific structure to observe at the time of delivery service, problem-solving and price, all of which have an impact on customer service quality perception. As the bank is committed to the business structure, especially those that are intrinsic to the core features of the service, banks need to be aware of customer expectations for reliability.

2.2.2. Responsiveness

It is intended to provide customers with the assistance they need (Being Willing to help a prompt customer) and provide them with service (Kotler, 2000: 59). So, this reflected in the speed of completion of the service. Furthermore, how to deal with customer requirements (complaints and questions) because the excellent handling of service provision and problem-solving gives the customer a positive indicator to eliminate the state of doubt and anxiety that may be waiting for him (Russell and Tayler, 1998: 77).

According to Jain (2013:102), responsiveness refers to the staff willingness to help clients and the ability to provide prompt service. More precisely, it relates to the nature of the human interaction between a bank, staffs and its clients.

Davis et al., (2003: 221) realize responsiveness as the willingness of the bank to provide service to the customer efficiently to excel in the response dimension. Banks should reduce the gap between their contexts and the client's expectations regarding the specific objective criteria in the speed of delivery and delivery procedures in a manner that achieves the objectives of both parties.

However, Jain (2013:104) mentioned that responsiveness is crucial to enhancing customer service through four primary indicators of delivery of services to clients by staffs promptly; a willingness to support clients at all times by staffs, staffs' response to clients' queries despite being busy and the ease of obtaining service connection information from the service provider.

2.2.3. Trust and Affirmation

According to Kotler, (2000:59) all commercial banks and banking organizations pursue to win the trust of the clients to gain customer satisfaction and the ability of the service providers and their ability to inspire trust. Davis et al., (2003: 220) believes that it is the credibility and trustworthiness that the customer believes.

However, this dimension tends to be of apparent importance to the services the customer perceives as the risks or uncertainties about the ability to assess their benefits and outputs such as banking services and insurance services. Confidence or trust reflected in the way the client connects to the bank, such as securities brokers and insurance agencies.

In some banking policies, exchange seeks to build trust and loyalty among the people seeking the president and the customer. It is worth noting that the bank controls the relationship of trust between staffs and clients at different levels of management through communication and review. Thus, confidence can be the essence of their trade relations.

2.2.4. Empathy

The empathy refers to respect, and affection through personal contact with the client. The service provider (the bank) sets out general policies to strengthen the relationship with the client, staffs and interpersonal relationships. So, this is achieved by continually dealing with the service provider and the client. Particularly in banks that deal with a small number of clients (Davis et al., 2003:221). However, according to Kotler, (2000: 59) empathy means caring for the client and taking care of the problems may face in the bank and working to find solutions in a superior human way.

2.2.5. Tangibility

According to Davis et al., (2003:220) tangibility means the physical evidence service that defines by the official uniform of the bank's staff and the right place for staff to provide excellent client service promptly. Moreover, modern buildings with modern designs for banking organizations (eye banks) in various European countries. Kotler, (2000:59) argues that palpation means the material means of public utilities and staff Banks often rely on substantial distance to build good relationships with current and prospective clients.

CHAPTER THREE

PREVIOUS STUDIES AND METHODOLOGY

3.1. PREVIOUS STUDIES

Anderson, (1997) researched an aim to considerate and understood the quality of service that gives the organization the strength to succeed and progress.

As the researcher mentioned that this study applied in the banks of the United States of America While, the researcher measured the quality through the quality of service dimensions using a questionnaire for data collecting and some statistical methods suitable for analysis and testing.

The researcher also argued that the banking service performance can improve through the adoption of quality management and its principles. Besides the need for a continuous understanding of the quality measurement so that banks can apply as a competitive weapon, and managers to establish the importance of this concept with staffs. In this context, the researchers used this study to write the academic side of the current study whereas the study focused on how quality used as a competitive weapon that helps banking organizations to survive. Where our current study focuses on customer satisfaction, which is the center of profit.

However, a research conducted by Bank Austria, (2001) this research examine the effect of quality banking services on the customer satisfaction.

The study aims to focus on the customer and develop savings portfolio as the researcher mentioned that the study analyzed annual reports and reports provided by the bank (final accounts) and customer information. The bank deals with 150,000 customers investing in financial assets and savings. The study found that the customers believe that the bank is the perfect outlet for meeting their needs in this region because of its bases on an investment strategy that leads to the growth and prosperity of customer accounts.

Plumb and Zamfir, (2009) investigated the managing service quality within the knowledge-based economy: Opportunities and challenges. The researchers argued that the knowledge-based economy, along with the effect of information society technologies, offerings the service organizations and their clients with many possible opportunities as well as challenges.

The findings of this study tell that service quality management, as an essential part of the management of services, developed more critical within the knowledge-based economy as compared to the traditional (industrial) economy. Service quality management is knowledge-driven, it relies on people's continuous development, network-intense collaboration (sharing ideas and knowledge), and value co-creation to attain a sustainable competitive advantage.

Ghafari et al. (2011) conducted research that analyzed the relationship service quality dimensions and customer satisfaction in the banking industry. So, concluded that customer perception from electronic service quality has a positive effect on the rate preferred than traditional service. Furthermore, customer perception from e-service quality has more active than customer perception from traditional service quality on customer satisfaction.

While, Hall and Smith, (1999) investigated the developing of a competitive advantage using both innovation process and experience curve where the study conducted in the United States of America. The researchers argued that in this study they attempt to analyze the possibility of using both the innovation process and the curve of experience at the same time to build a competitive advantage.

Though, the study aims to create a literary review to discuss the use of the innovation process and the curve of experience in building a competitive advantage. Besides, learn that how organizations use these strategic tools in the business environment. Furthermore, the researchers mentioned that there are some materials published in the context of production creativity, improvement process, and learning curves, while the materials related to the experience curves found in the booklets of operations management and books on improvement processes industrial technology.

Consequently, a study conducted by Viv Buren, (2000), this study is about to examine the organization social capital, employment practices, and the creation of competitive advantage.

While in this study, recent work on the social capital of the organization applied to the analysis of employment practices, especially the practices that emphasize stable relationships and then the definition, importance, and elements of social capital and how to manage it through employment practices. To build and maintain social capital. Long-term relationships between employers and users that could be sources of competitive advantage in the organization.

Maurer, (2001). Investigated the possibility how to turn knowledge into a competitive advantage, so based on the researcher argues this study applied in the United States of America. In the study problem statement, the researcher clarified that the value of skilled workers became more critical and more difficult to obtain. As highlighted by a survey conducted on some of the wealthy organizations, which showed that 70% of (1000) of those organizations had identified a shortage of trained personnel which is considered an impediment to growth.

While this study purposed to enhancing the performance of employees through training as an essential means of achieving a competitive advantage, the most important conclusions that the researcher reaches: the most successful works are those that gain the maximum benefit from the knowledge. Besides, that e-learning has pushed it a step further and provided an extensive learning environment that identified individual training requirements and is more effective, more direct and immediate than any form of training previously available.

Thompson & Yujun, (2003) this study based on a perspective on the adoption of the internet and competitive advantage while this study referred to many concepts related to competitive advantage. The study aimed at explaining the impact of business technology strategy and supporting the senior management and the compatibility of technology in the levels of adoption of Internet technology on competitive advantage.

However, this study reached some results, the most important that found a positive relationship between the use of the internet and the competitive advantage. Further, the support provided by the internet as well as that the organizations used the internet can enjoy creativity, growth, low cost, and excellence.

Lynch and Baines, (2004), examine the possibility of developing a Strategy in the field of higher education services in the UK: Towards improving resource-based competitive advantage.

The study aims to explore and employ the (RBV) approach to development strategies that have not implemented by British higher education institutions. It also sought to reveal whether British universities would raise the issue of competitive advantages that could reach by relying on their resources. The study dealt with some elements that represent the competitive advantages of innovation, core competencies, reputation, knowledge, architecture. The study found that there is a disparity in the

achievement of the elements of the advantage by relying on the resources of institutions of higher education, for example, reputation is possible over time, while the quality of learning has distinct qualities limited only and may be readily replicable by other educational institutions over time.

However, a research conducted by Jelcic, (2014) this research is about to analysis the managing service quality to gain a competitive advantage in a retail environment.

The purpose of this research is to give an understanding of features of retail market of the Federation of Bosnia and Herzegovina. Also, the significance of intensifying researches on service quality in the environment mentioned above will emphasize. According to the researcher argument, dynamic changes are arising at the retail sale market. There less emphasized guiding space for differentiation. The retailers offer a similar collection of the products with similar prices and quality. However, this opens more space for differentiation based on providing excellent services.

Kenneth, (2016) this study pursued to produce the impact of service quality on the achievement of a sustainable competitive advantage by mobile telecommunication companies in the Nairobi County of Kenya. Mainly, the study pursued to examine the impact of customer service and satisfaction on the sustainable competitive advantage, and also the impact of network quality and network suitability on the sustainable competitive advantage.

Though, this study found that there is a definite relationship between service quality and sustainable competitive advantage. The also study found that there is a significantly significant impact on all the three variables of the study on competitive advantage.

While, customer service and satisfaction developed through reduced costs, multiple products provision, high levels of customer support, competent employees who are knowledgeable and friendly to the employees and creating a sense of security, empathy, and courtesy between the customers.

Wijetunge, (2016) this research is about to investigate the service quality, competitive advantage and business performance in service providing SMEs in Sri Lanka. While the mentioned that the service sector in Sri Lanka plays a significant role in the economy by backing more than 55% of the GDP, particularly in

underdeveloped countries, they are encouraging and promoting small business to provide a source of income generation, job creation and maximum utilization of resources.

The growth and the survival of this small business depend on one of the essential factors; the quality of the service offered. It helps these businesses to retain and attract customers by fulfilling their expectations. This study focuses on reviewing the service quality of service providing SMEs and how it will help to gain the competitive advantage and leads to business performance.

3.1.1. The Study Problem Statement

The administrations of banking organizations face a new era of time that requires them to deal with many problems and variables that did not take their share of care in the light of the nature of the environmental conditions. Besides the specificity in which they were active, however, these problems relate to how to explore the needs and wishes of customers and seek them to achieve their loyalty and satisfaction.

However, the study problem lies in the weakness of the banking organizations' perception of the importance of service quality dimensions and their impact on achieving competitive advantage. As the dimensions of service quality: reliability, responsiveness, trust and affirmation, empathy, and tangibility significant for banking services, despite the many transformations to improve the efficiency of banking organizations in the performance of their service to customers. However, they still suffer from a failure to keep up with the intellectual and field development taking place in this area for reasons:

1. Lack of material resources to create the high-end infrastructure to allocate active communication networks.
2. Lack of availability of competent technical staff.
3. Loss of confidence between customers and banking organizations due to strict regulations and restrictions imposed by governments on banking organizations to control the national economy.
4. People are less aware of the importance of financial institutions and the role they play in moving economic progress.

Thus, the failure to revision these reasons and analyze them, may other led to the level reached by banking organizations in their decline and weakness in front of competing banking organizations, although many studies related to the dimensions of quality of service and its impact in several variables.

However, it overlooked the depth of the relationship between the dimensions of the quality of banking services and the determinants of competitive advantage, which requires the need to provide a comprehensive framework to achieve a kind of integration between those involved in business management, and the mechanism of logical relations between the study variables.

3.1.2. Research Questions

In line with the above, the following questions may contribute to clarifying the problem of the study in the following axes:

1. Do managers in the surveyed banking organizations have a clear vision of exclusion and determinants?
2. What is the nature of service quality dimensions in banks and what services do the commercial banks provide?
3. How diverse are the actual service performance (perceived quality) and expected performance (standard quality) in the surveyed banking organizations?
4. How relevant and influential is the quality of service determinants in achieving the competitive advantage of the surveyed banks?

3.1.3. The Study Importance

The importance of the study stems from the fact that financial services have dropped and are not keeping pace with the developments in this field, which led to shedding light on the degree of the impact of the quality of service dimensions on the competitive advantage. Due to the lack of independent researchers dealing with this subject in particular in the studies, from the administrators and planners. As mentioned in the theoretical aspect, as they emphasized the importance of the dimensions of quality of service and its impact on the achievement of competitive advantage. The researcher adopted these dimensions taking into consideration five

main determinants agreed on most of the writings and western research, namely: safety, compensation, information, opinion, and education.

It is evident that the study is particularly important in trying to provide a theoretical and field framework that links the dimensions of quality of service and the determinants of competitive advantage. Furthermore, laying the scientific foundations on which the banking organizations can base on the study population consequently, as the link may be a scientific addition worthy of attention if the reference made to the scarcity of these studies. According to the researcher's knowledge of the literature in this area and therefore can be a new addition to the academic library in the field of business management.

Based on the above, it is possible to say that the importance of the study lies in its field by focusing on providing the methodological and applied foundations on which the banking organizations investigated in determining the relationship. Besides, the impact between the dimensions of service quality and the determinants of competitive advantage in the Iraqi and Kurdistan region's banking environment.

Considering that the Kurdistan region is seeking to acquire the cornerstone of science, technology and exploit the democratic process experienced by the region at the current stag. Moreover, highlighting the dimensions of quality of banking service as a pillar to raise the level of excellence and gain a competitive advantage, and taking hands to good banking and better economic life.

3.1.4. The Study Objectives

The objectives of the study based on identifying the study problem and its importance. While, the study objective is mainly to diagnose the relationship, impact and determine the quality of service in achieving competitive advantage.

In this context, the study shows the contents of the relationship limits at the level of the investigated banking organizations. Moreover, help in providing the appropriate and credible information in the process of assessment, analysis, and identification of this type of relationship and thus exercise their functions to the best possible, especially under the environmental conditions of the modern banking industry. As well as achieving the following objectives:

1. To provide general and field features for the management of banking organizations concerned with the dimensions of service quality and their effects on the determinants of competitive advantage.
2. To give behavioral impressions to banking organizations on the results of the complementary relationship between the quality of service dimensions and the elements of competitive advantage and their diagnosis in the investigated banking organizations.
3. Choose the correlation between the quality of service dimensions and the competitive advantage parameters in the surveyed banking organizations.
4. To test the impact by adopting regression models for the quality of service dimensions on the competitive advantage in the investigated banking organizations.

3.1.5. The Study Conceptual Model

Based on the theoretical framework of the variables and their applied field implications, methodological conduct requires designing a proposed model as revealed in a figure below. Which refers to the logical relationship between the variables of the study to reflect the temporary solutions proposed by the researcher to answer the research questions referred in the study problem statement, and represents the model of a set of hypotheses that were built based on:

- The possibility of measuring each variable of the study.
- The comprehensiveness of the study model and the possibility of testing it.

This conceptual model adopted within the independent and dependent variables. The service quality dimensions considered as independent variables that affect the elements of competitive advantage because they are dependent on the assumption of one direction of the one way and apply with the justification of testing the model and put it as it is:

- 1) The variables contained in the model are the agreement of most writers and researchers.
- 2) The conviction that the researcher has the importance of these variables.

However, this conceptual model is a scheme that shows a set of logical relationships that may be in the form of quantity or how and combine the main

features of the reality in which these relationships are concerned. So, the independent study variable is quality of service dimensions represented by reliability, responsiveness, trust and affirmation, empathy, and tangibility. While, the dependent variable is competitive advantage determinants are efficiency, quality, creativity, and customer response.

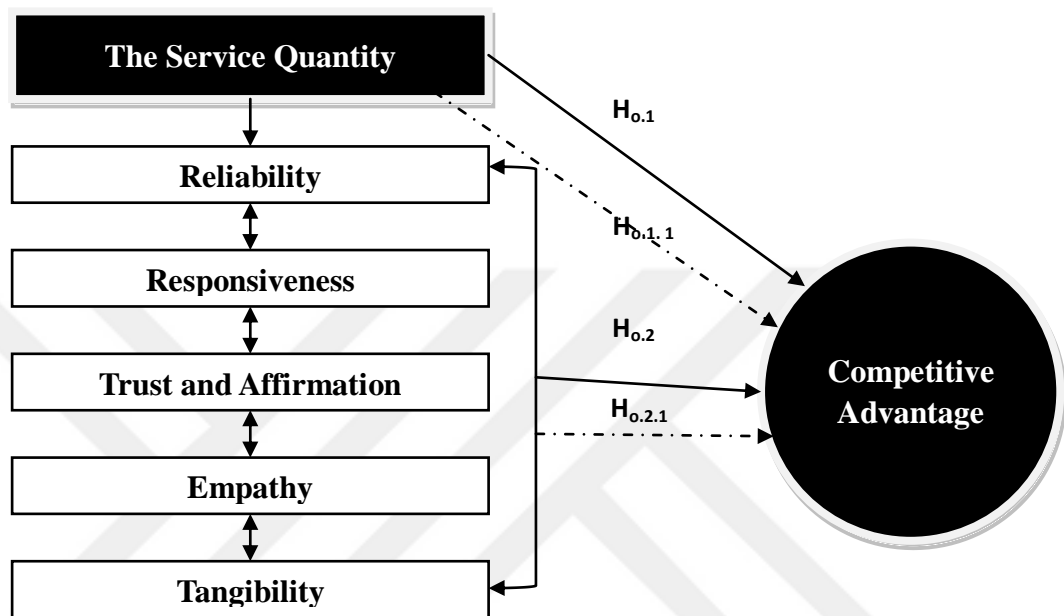


Figure 16: The Study Conceptual Model

Source: Prepared by the researcher based on the literature reviewed

3.1.6. Hypotheses of the Study

By the importance of the study and its objectives, and the model should test model. While, the study relied on a set of primary and subsidiary hypotheses and its hypotheses formulated in the form of null and alternative, as follows:

The first primary hypothesis is about surveyed banking organizations implemented the service quality and competitive advantage:

Hypothesis (Ho): There is no variance among surveyed banking organizations in the implementation of the dimensions of service quality according to demographic data.

Alternative Hypothesis (H₁): There is variance among surveyed banking organizations in the implementation of the dimensions of service quality according to demographic data.

Hypothesis (Ho.1): There is no variance among surveyed banking organizations in the implementation of the dimensions of competitive advantage according to demographic data.

Alternative Hypothesis (H_{1.1}): There is variance among surveyed banking organizations in the implementation of the dimensions of competitive advantage according to demographic data.

Ho.2: There is no positive correlation between the dimensions of service quality and achieving the competitive advantage of the bank's organizations in Sulaimaniyah city.

H₂: There is a positive correlation between the dimensions of service quality and achieving the competitive advantage of the bank's organizations in Sulaimaniyah city.

- **Ho.2.1:** There is no positive correlation between the service reliability and achieving competitive advantage.
- **H_{2.1}:** There is a positive correlation between the service reliability and achieving competitive advantage.
- **Ho.1.2:** There is no positive correlation between the responsiveness and achieving competitive advantage.
- **H_{2.2}:** There is a positive correlation between the responsiveness and achieving competitive advantage.
- **Ho.2.3:** There is no positive correlation between the service trust & affirmation and achieving competitive advantage.
- **H_{2.3}:** There is a positive correlation between the service trust & affirmation and achieving competitive advantage.
- **Ho.2.4:** There is no positive correlation between the service empathy and achieving competitive advantage.
- **H_{2.4}:** There is a positive correlation between the service empathy and achieving competitive advantage.
- **Ho.2.5:** There is no positive correlation between the service tangibility and achieving competitive advantage.
- **H_{2.5}:** There is a positive correlation between the service tangibility and achieving competitive advantage.

Ho.3: There is no the significant impact of the service quality on achieving the competitive advantage of the bank's organizations in Sulaimaniyah city.

H₃: There is a significant impact of the service quality on achieving the competitive advantage of the bank's organizations in Sulaimaniyah city.

- **H_{o.2.1}**: There is no the significant impact of the service reliability on achieving competitive advantage.
- **H_{3.1}**: There is a significant impact of the service reliability on achieving competitive advantage.
- **H_{o.3.2}**: There is no the significant impact of the responsiveness on achieving competitive advantage.
- **H_{3.2}**: There is a significant impact of the responsiveness on achieving competitive advantage.
- **H_{o.3.3}**: There is no the significant impact of the service trust & affirmation on achieving competitive advantage.
- **H_{3.3}**: There is a significant impact of the service trust & affirmation on achieving competitive advantage.
- **H_{o.3.4}**: There is no the significant impact of the service empathy on achieving competitive advantage.
- **H_{3.4}**: There is a significant impact of the service empathy on achieving competitive advantage.
- **H_{o.3.5}**: There is no the significant impact of the service tangibility on achieving competitive advantage.
- **H_{3.5}**: There is a significant impact of the service tangibility on achieving competitive advantage.

3.2. METHODOLOGY

The preparation of the field framework requires presenting the methodology adopted by the study in light of the study problem statement, its importance, and objectives, formulating its conceptual model and hypotheses. The methods used in this study is to collect data and analysis, as well as to describe the population of the study and the reasons for its selection according to the frameworks provided by the administrative thought contributions in the field of business administration. However, in the reality field of the bank's organizations which is the study population.

3.2.1. Study Method

The purpose of this study which examines the quality of service and its impact on achieving competitive advantage: an exploratory study in a sample of banking organizations in Sulaimaniyah City-Iraq, involves two sorts of methods: a quantitative method and qualitative methods. While the quantitative method used to question survey sample directly, according to this quantitative explanation, a method is more comfortable for analyzing statistical data, besides it relates a significant

amount of data. Therefore, an appropriate method for this study is quantitative. However, the reason for using this method to give a value of this study and be the more reliable result, while the survey conducted in different banking organizations, moreover data collected from different bank managers and their clients.

3.2.2. Sample Selection and Sample Size

The samples set according to the study goal and its purpose. So, the survey samples used in this study is about the quality of service and its impact on achieving competitive advantage. The banking organizations operating in Sulaimaniyah will test because their characters have a significant influence on the performance of the bank and achieving competitive advantage. In the bank's senior managers, middle managers, department managers, and administrative staff selected for answering questions of the questionnaire samples because they have general information about the quality of banking service in their bank. Also, they know the degree of their performance and usually compared with the other organizations in the area. However, (40) forms separated on the (12) bank managers and (54) forms separated among their clients. Hence, the result of the sample size will be (94) samples, appendix (3) explains the study population and sample.

3.2.3. Data Collection Method

The survey questionnaire employed in the study to obtain many perspectives and to have an accurate outcome. While for data collecting of the quantitative method the researcher used suitability survey sampling. Generally, in the quantitative method are using calculated procedures or computer programs and crafts for analyzing the data because for the reader understanding the results will be easier for understanding (Jackson, 2008). The advantage of using this survey which can get results faster than some other methods like experimental, case study method that needs a considerable amount of data that have to collect by the researcher, however collecting data is cheaper than other methods.

3.2.4. Reliability and Validity of the Scale

3.2.4.1. The Reliability

As indicated in a table (5) the questionnaire reliability tested to assure the quality of the collected data. Besides for this study, Cronbach's alpha managed to test

the stability of the scale, which stated how well the items are measuring. Accordingly, the Cronbach's Alpha values for all the service quality indicators are (0.904>0.60). Besides, values of its dimensions namely: reliability, responsiveness, trust and affirmation, empathy, and tangibility are (0.806, 0.889, 0.805, 0.732, and 0.803) respectively, where all the load values higher than 0.60.

Nevertheless, the Cronbach's alpha value of competitive advantage indicators is (0.821>0.60), while values for all its dimensions, i.e., efficiency, the quality, innovation in services, and responding to customer needs are (0.821, 0.740, 0.812, and 0.897) respectively. Which presented a high level of reliability in the entire set of items the total values (0.901>0.60), thus, the questionnaire applied for data collection could restrain highly reliable.

Table 5: Reliability Test

Variables	Cronbach's Alpha	No. of Items	N	%
Service Quality	0.904	25	94	100.0
Reliability	0.806	5	94	100.0
Responsiveness	0.889	5	94	100.0
Trust and affirmation	0.805	5	94	100.0
Empathy	0.732	5	94	100.0
Tangibility	0.803	5	94	100.0
Competitive Advantage	0.821	20	94	100.0
Efficiency	0.821	5	94	100.0
The Quality	0.740	5	94	100.0
Innovation in Services	0.812	5	94	100.0
Responding to Customer Needs	0.897	5	94	100.0
Overall	0.901	45	94	100.0

3.2.4.2. The Scale Validity

Validity refers to the ability of the questionnaire to measure what designed for it. So, this is one of the most important conditions that should meet in the construction of the scale, and the loss of this condition means the lack of validity of the scale and the inability to adopt the results and to test the validity of the scale. Therefore, the validity of the scale tested through a range of ways. So, that nearly all of the statements in the scurvy scale reformed from similar analyses that were previously validity verified. However, as some of the statements restructured the researcher tested the validity of the questionnaire scale by making it tested and evaluated by experts who are called content or face validity, appendix (2) revealed experts of questionnaire form.

3.2.5. Data Analysis

The statistical analysis applied to examine the proposed study hypotheses. Hence, the questionnaire reliability and validity have applied to check the reliability of the variables and showing the relationship between the factors also clarify the relationship between service quality variables and competitive advantage measures by observing the effect of specific variables. So, the descriptive statistics used that quantitatively define the significant features of the variables using mean, standard deviations and found out the rate of the importance of the variables. Besides the ANOVA test according to the demographic data for the variables have applied after that, correlation matrix test between the variables applied to classify the impact of the independent, dependent variables using Regression analysis coefficient tests. The tests conducted through SPSS software and the outcomes were offered using tables.

3.2.6. The Study Limitation

The study limitation distributed to the limits as follows: First, the space limitations, the study items have used on a field of banking organizations in Sulaimaniyah city to find out the effect of service quality variables on competitive advantage. Second, time boundaries: indicated by the period of the study smeared to these banking organizations in questions, which started through preliminary visits to the banks in Sulaimaniyah, to categorize the study questions and to question the bank managers and clients to deliberate their views and ideas about the study and its purposes. Moreover, distribute the questionnaires and then bring them back. Finally, the human limitations: that includes human boundaries to look at the banks' managers and their clients' perspectives.

3.2.7. Factor Analysis

Factor analysis tested to reduce components that presences at survey replies to various variables, as well as their dimensions and analyses them into complex variables. However, identify as factors that make weighing. Accordingly, service quality has a total of 25 statements under five dimensions. Moreover, the competitive advantage has a total of 20 statements or items, which is mainly compound to take and relate the results. Furthermore, to do the further valuation and examine easier the factor analysis test has used and presented in the following subcategories.

3.2.7.1. The KMO and Bartlett's Test for Service Quality

As a Table (6) summarizes the Kaiser-Meyer-Olkin (KMO) is applied to test the load of factor analysis. So, the higher load values are (between 1.000 and 0.5) which identify that the factor analysis is appropriate. Accordingly, values lower than 0.5 demonstrate that the factor analysis may not be appropriate. The KMO measure of sample adequacy is (0.733) that means offered high value and significant at ($p_{0.000} < 0.05$). Although, Bartlett's test of sphericity (Approx. Chi-Square) is (745.274) *df* (277). Therefore factor analysis is appropriate for strategic planning.

Table 6: The KMO and Bartlett's Test for the Service Quality

KMO and Bartlett's Test	
	Service Quality
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.733
Bartlett's Test of Sphericity (Approx. Chi-Square)	745.274
<i>Df</i>	277
Sig.	.000

3.2.7.2. Rotated Component Matrix for Service Quality

According to the researchers within social sciences, the factor configuration can simplify through rotating the factors in component matrix space. So, the rotated component matrix used; therefore, the rotation is essential once extraction procedure intends two or more factors. Consequently, the rotation of factors measured to give information of how the factors primarily extracted vary from each other and to deliver a precise amplification of which component loads on which factor. However, the whole variable has the factor taking values the lower value is 0.454, about the client, has the support of the staff to meet the needs. Besides, the higher value is 0.944, regard to the technologies and devices in the bank are at a level superior to other banking organizations, as revealed in a table below (7).

Table 7: Rotated Component Matrix for Service Quality

Items	Component						
	1	2	3	4	5	6	7
Q4	0.886						
Q3	0.783						
Q6	0.773						
Q2	0.633						
Q1	0.562						
Q5	0.473						
Q24		0.944					
Q20		0.717					
Q25		0.557					
Q19		0.544					

Q21			0.748				
Q22			0.581				
Q23			0.493				
Q7				0.833			
Q10				0.759			
Q8				0.672			
Q11				0.563			
Q9				0.454			
Q17					0.842		
Q16					0.738		
Q18					0.523		
Q13						0.873	
Q15						0.728	
Q14							0.698
Q12							0.675

Extraction Method: Principal Component Analysis.

3.2.7.3. Percentage of Eigenvalue and Variance Explanations for Service Quality

The percentage of eigenvalues intently connected to eigenvectors, so the researchers can comprehend that eigenvectors and eigenvalues always come in combines. Accordingly, as showed in a table (8) that the percentage of eigenvalues take as one, and as an outcome of common factor seven factors determine.

However, the total percentage of eigenvalues and variance clarifications of the service quality of the seven factors are (65.484%) of these factors. The variance clarification percentages they established are (15.95%, 13.48%, 9.53%, 9.38%, 7.35%, 4.92%, and 4.86%) respectively. Therefore, the cumulative variance obtained at the end of factor analysis while the higher rate is, the stronger the factor construction of the scale.

Table 8: Percentage of Eigenvalue and Variance Explanations of the Determined Factors for Service Quality

Factors	Eigenvalues	Variance Explanation%	Cumulative%
1	4.630	15.951	15.951
2	3.776	13.485	29.436
3	2.669	9.533	38.969
4	2.627	9.380	48.349
5	2.059	7.353	55.702
6	1.378	4.921	60.623
7	1.361	4.860	65.484

3.2.7.4. The KMO and Bartlett's Test for Competitive Advantage

In the same framework, the table (9) reveals the Kaiser-Meyer-Olkin (KMO) measure of sample adequacy applied to check the significance of factor analysis. So,

the KMO test outcome is (0.692), confirm that competitive advantage as a dependent variable deliver high load value and significant at ($p0.000 < 0.05$). While Bartlett's Test of Sphericity (Approx. Chi-Square) is (594.944) *df* (221), thus factor analysis is appropriate for competitive advantage.

Table 9: The KMO and Bartlett's Test of the Competitive Advantage

KMO and Bartlett's Test	
	Competitive Advantage
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.692
Bartlett's Test of Sphericity (Approx. Chi-Square)	594.944
<i>Df</i>	221
Sig.	.000

3.2.7.5. Rotated Component Matrix for Competitive Advantage

As summarized in a Table (10) the rotated component matrix also used for the competitive advantage as the study dependent variable. Accordingly, the rotation essential when extraction procedure recommends two or more factors. Consequently, the factors rotation considers giving information of how the factors mainly extracted vary from each other and to deliver a clear clarification of which component loads on which factor. Though, the whole variable has the factor taking values the lower value is 0.449, about the bank's services that characterized by low cost compared to the cost of competing banks. Besides, the higher value is 0.898, regards the bank staffs as a result of their training and increase their skills to complete their tasks on time.

Table 10: Rotated Component Matrix for Competitive Advantage

Items	Component						
	1	2	3	4	5	6	7
Q20	0.898						
Q19	0.678						
Q17	0.661						
Q18	0.559						
Q7		0.826					
Q6		0.659					
Q5		0.654					
Q4		0.449					
Q14			0.705				
Q13			0.629				
Q15			0.602				
Q16			0.469				
Q3				0.730			
Q2				0.728			
Q8					0.774		
Q10					0.621		

Q9					0.576		
Q1						0.900	
Q11							0.629
Q12							0.620
Extraction Method: Principal Component Analysis.							

3.2.7.6. Percentage of Eigenvalue and Variance Explanations for the Competitive Advantage

As presented in a Table (11) the eigenvalue given as one, as an outcome of constant factor analysis, seven factors determined. Accordingly, the total variance clarified by these seven factors is (63.35%). Though, the percentage of eigenvalue and variance explanations of the determined factors for the competitive advantage listed under the columns (2, 3). The variance explanation percentages they confirm are (16.37%, 13.37%, 8.99%, 7.28%, 6.55%, 5.52%, and 5.23%) respectively. Thus, the cumulative variance obtained at the end of factor analysis.

Table 11: Percentage of Eigenvalue and Variance Explanations of the Determined Factors for the competitive advantage

Factors	Eigenvalues	Variance Explanation%	Cumulative%
1	3.345	16.378	16.37
2	3.344	13.375	29.75
3	2.249	8.997	38.75
4	1.822	7.289	46.03
5	1.639	6.556	52.59
6	1.382	5.527	58.12
7	1.309	5.237	63.35

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

The study requires determining the primary variables and sub-variables adopted in the study model and its hypotheses to achieve this; these variables were coded and categorized. To begin with an initial analysis of the data related to the study variables using the frequency distributions, the relative distributions, means, and the standard deviations of each of the dimensions of the quality of service and to achieve the competitive advantage of the banking organizations. Moreover, to support, promote and analyze these variables with quantitative indicators obtained from the records and reports of the banking organizations in question.

4.1. DESCRIPTION OF THE DEMOGRAPHIC DATA

As revealed in a table (12) the 52.2% or 49 individuals of the overall survey sample who willingly contributed to this survey are female. While the male came at the rate 47.8% or (45) male contributors, consequently, the percentage and frequency of contributors age groups, 43.6% or (41) individuals aged between 21-30 years old. While 30.8% or (29) survey contributors are aged 31-40, however, 21.3% or (20) individuals of the total survey sample are aged 41-50. Lastly, 4.3% or (4) survey contributors are aged 51 years and above.

As the table (12) summaries that the percentage and frequency of the survey contributors' academic degree, 65.9% or (62) individuals or survey contributors are bachelor degree holders, where 15.9% or (15) individuals hold diploma degrees. Furthermore, the master and higher diploma degrees came at the tares of 9.6% and 8.6% respectively. Therefore, total survey sample were university certificates holders.

From the Table (12) it is clear that most survey participates' overall job experience is ten less than 15 years, at the rate of 80.8%, or (76) individuals of the total sample. Besides, 15 less than 20 years came at the rate of 10.6% or (10) contributors. Moreover, 8.6% or (8) individuals of whole study sample experienced more than 20.

Table 12: Frequencies Demographic Data

Demographic Data		Frequency	Percent
Gender Valid	Male	45	47.8
	Female	49	52.2
	Total	94	100.0
Age Groups Valid	21-30	41	43.6
	31-40	29	30.8
	41-50	20	21.3
	51 and above	4	4.3
	Total	94	100.0
Academic Degrees Valid	Diploma	15	15.9
	Bachelor	62	65.9
	Higher Diploma	8	8.6
	Master	9	9.6
	Total	94	100.0
Overall Job Experience Valid	10 Less than 15 years	76	80.8
	15 Less than 20	10	10.6
	More than 20.	8	8.6
	Total	94	100.0

4.2. THE STUDY DESCRIPTIVE STATISTICS

4.2.1. Descriptive Statistics of the Service Quality Dimensions from the Bank Management Perspective

This section presents a detailed analysis of the service quality mentioned in the theoretical aspect of the study model namely: reliability, responsiveness, trust and affirmation, empathy, tangibility. The following is a descriptive statistics and diagnosis of these dimensions according to the results of the field survey on the level of banking organizations as follows:

Analysis the Service Quality

As revealed in a Table (13) the frequency distributions, means, and standard deviations of variables (X_1 - X_{25}), which are prepared by mathematical symbols of the service quality of dimensions. At the total rate and through the minimum and the upper limit obtained by the sample agreement and the reinforcement of the answers in the content analysis method. When we look at the table below (13), we can see that the descriptive statistics results mean and standard deviation scores of the service quality as a study independent variable are (69%, and 0.15) respectively. It means 69% of the overall banking organization's managers replies quantified that banking organizations in Sulaimaniyah city adapted the service quality for their banking services at a reasonable rate of agreement.

Table 13: Frequency Distributions, Means and Standard Deviation of the Service Quality Dimensions from the Bank Management Perspective

Service Quality Dimensions	Scale (Measure) of the Relative Response											Statistical Indicators	
	Positive Response			Doubt			Negative Response					Mean	Standard d
Reliability	1	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.0		
X1	12	10	7	6	4	0	0	0	1	0	0	0.84*	0.23
X2	8	12	10	5	3	0	1	0	0	1	0	0.82	0.22
X3	7	9	5	5	5	5	2	0	0	2	0	0.73	0.19
X4	6	8	7	6	6	2	5	0	0	0	0	0.74	0.20
X5	13	6	6	5	5	2	0	0	2	1	0	0.71**	0.19
Overall												77%	0.24
Responsiveness													
X6	5	8	7	10	0	5	3	1	0	1	0	0.73**	0.20
X7	8	7	7	5	4	5	1	1	0	2	0	0.73	0.20
X8	9	7	5	10	5	3	0	0	1	0	0	0.78*	0.21
X9	7	7	6	8	6	5	0	0	1	0	0	0.75	0.20
X10	10	5	7	10	3	2	1	0	1	1	0	0.77	0.21
Overall												75%	0.23
Trust and affirmation													
X11	15	8	9	5	1	1	0	0	0	1	0	0.85*	0.22
X12	10	11	10	2	4	2	0	0	0	1	0	0.82	0.22
X13	6	11	4	10	7	1	0	0	0	1	0	0.78	0.21
X14	3	11	4	10	6	5	0	0	0	1	0	0.73**	0.20
X15	14	8	5	6	5	0	0	1	0	1	0	0.82	0.22
Overall												80%	0.24
Empathy													
X16	11	12	3	10	2	1	0	0	0	0	1	0.99*	0.27
X17	6	8	8	10	4	2	0	1	0	0	1	0.76	0.20
X18	9	7	6	4	1	4	1	5	2	0	1	0.71	0.19
X19	5	4	6	8	2	5	4	2	3	1	0	0.66**	0.18
X20	6	8	6	5	7	5	0	1	0	2	0	0.72	0.19
Overall												77%	0.23
Tangibility													
X21	8	5	8	6	4	5	3	0	0	1	0	0.73*	0.20
X22	5	8	8	7	7	1	2	0	1	1	0	0.73	0.20
X23	4	8	7	7	5	3	2	1	2	1	0	0.70	0.19
X24	4	6	4	10	6	3	2	0	1	2	2	0.65**	0.17
X25	3	6	5	10	7	4	1	0	1	3	0	0.66	0.18
Overall	8	5	8	6	4	5	3	0	0	1	0	69%	0.20
Service Quality	194	200	160	180	109	71	28	13	16	24	5	63%	0.15

Source: Prepared by the researcher based on the results of the SPSS. N=40

(*) Means the upper limit of the sample agreement for each component.

(* *) Means the minimum sample agreement for each component.

Analysis the Reliability Results

The results of Table (13) for the reliability dimension indicate that (77%) of the sample responses agree that the banks adopt this dimension and the standard deviation value is (0.24). However, the result of reliability dimension states that (X₁ and X₂) riches this dimension, which included the bank's management is keen to

complete the banking service accurately for the first time. Besides, the bank provides accurate information about the organization and clients can reference quickly, where 84% and 82% respectively of the overall sample answers agree on both. Nevertheless, the smallest frequent compared to others is X_5 “Bank services can take advantage of banking services many times.”

Analysis Responsiveness Results

The results of the statistical analysis of the responsiveness dimension and its variables showed in a table (13) the relative height or relative decrease of the mean of its variables. The overall weighted mean 75% and a standard deviation of (0.23), which supports this information in paragraph (3-5) The method of content analysis, namely the growth of the deposit index of the banking organizations surveyed and the growth of the capital and reserves indices. This information showed the availability of study variables for the response dimension in these organizations. However, the computation of the variables that represent the answer to the sample respondents based on the questions that were adopted to measure the response. Between the minimum value of the answer to question (X_7) for the bank responds quickly when ordering the service (73%) and the upper limit (78%). (X_8) for the spread of the branch of the bank in the country to meet the needs of customers, with a standard deviation value (0.20, and 0.21) respectively.

Analysis Trust and Affirmation Results

As the results summarized in a Table (13) for the trust and affirmation dimension specify that 80% of the sample answers agree that the banks adopt this dimension and the standard deviation value is (0.24). However, the result of the dimension reveals that (X_{11}) riches this dimension whereas its the upper limit, the bank is characterizing the accuracy of financial statements. Nevertheless, the minimum value of the answers compared to others is (X_{14}) “The bank is characterized by accuracy and no to make mistakes.”

Analysis Empathy Results

The results of the statistical analysis in Table (13) demonstrates the amount of the general weighted mean (77%) and a standard deviation of (0.23). So, this supports the information in paragraph (3-5) The growth of the indices of deposits and investments of the banking organizations investigated as well as the growth of the

capital index, as this information showed the availability of study variables for the dimension of Empathy. Though, the result of the dimension reveals that (X_{16}) riches this dimension while it is the upper limit, about a good relationship between clients and bank staffs, with the general weighted mean (99%). Nevertheless, the minimum value of the answers compared to others is (X_{19}) “Appropriate equipment and modern technologies to provide service.”

Analysis Tangibility Results

As the results revealed in a Table (13) for the tangibility dimension specify that 69% of the sample answers agree that the banks accept this dimension and the standard deviation value is (0.21). However, the result of the dimension tells that (X_{21}) riches this dimension whereas its the upper limit, the bank's staff is elegant and well-appointed. So, it means that the managers of the banking organizations agree that the banks seek to provide comfort to the customer. However, the minimum value of the answers compared to others is (X_{24}) “Technologies and devices in the bank are at a level superior to other banking organizations.”

4.2.1.1. Descriptive Statistics of the Service Quality Dimensions from the Perspective of Bank’s Customers

As shown in a table below (14) the frequency, mean, and standard deviation values of the variables (X_1 - X_{25}) from the perspective of the customers. The descriptive statistics results mean and standard deviation scores from the perspective of the customers of the service quality as a study independent variable are (65%, and 0.15) respectively. It means 65% of the overall answers quantified that banking organizations in Sulaimaniyah city adapted the service quality for their banking services at a reasonable rate of agreement.

Analysis Reliability Results from the Customers Perspective

As the results of the statistical analysis demonstrated in a table (14) that the amount of the general weighted mean (61%) and a standard deviation score of the banking service reliability are (0.156). While the (68%) of the weighted mean of reliability from the responses of the respondents indicated that the bank's management is keen to complete the banking service accurately for the first time; the standard deviation was (0.156). It noted that the descriptive statistics results endorse that (X_2) riches the banking service reliability “The bank provides accurate

information about the organization and clients can reference quickly” where mean is (64%), and a standard deviation score is (0.15). Also, the minimum value of the answers compared to others is (X₄) “Bank services can take advantage of banking services many times.” At the rate of agreement 49%.

Table 14: Frequency Distributions, Means and Standard Deviation of the Service Quality Dimensions from the Customers Perspective

Service Quality Dimensions	Scale (Measure) of the Relative Response											Statistical Indicators	
	Positive Response					Doubt			Negative			Mean	Standard Deviation
Reliability	1	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.0		
X1	8	6	4	10	11	7	2	3	1	0	0	.68*	0.17
X2	6	4	4	12	10	5	5	5	0	1	0	.64	0.15
X3	5	7	3	7	6	7	10	0	2	2	3	.58	0.17
X4	6	5	4	6	8	15	3	3	0	2	0	.63	0.13
X5	5	0	2	8	6	11	4	6	2	5	3	.49**	0.17
Overall												61%	0.156
Responsiveness													
X6	6	4	7	6	9	11	3	2	3	1	0	.63**	.17
X7	5	4	8	9	10	10	3	3	0	0	0	.65	.18
X8	6	5	7	11	8	10	0	2	2	1	0	.68*	.17
X9	4	3	6	13	8	9	8	1	0	0	0	.64	.17
X10	7	9	4	5	6	10	3	2	2	3	1	.63	.18
Overall												64%	0.172
Trust and affirmation													
X11	8	12	4	10	3	4	1	0	0	0	0	.79	.21
X12	13	10	15	10	2	1	0	1	0	0	0	.83*	.22
X13	6	9	8	10	5	6	4	1	2	1	0	.69**	.18
X14	5	6	10	15	6	6	2	0	1	1	0	.70	.19
X15	5	12	19	10	3	2	0	1	0	0	0	.80	.22
Overall												76%	0.21
Empathy													
X16	6	5	13	10	7	5	3	2	1	0	0	.70*	.19
X17	5	8	9	11	10	3	0	3	1	2	0	.69	.18
X18	5	8	5	6	4	5	4	5	4	5	1	.56	.14
X19	6	4	2	13	8	7	5	3	2	2	0	.62	.16
X20	4	0	6	7	6	10	3	5	6	5	0	.51**	.13
Overall												62%	0.16
Tangibility													
X21	10	6	9	15	5	3	0	3	0	1	0	.74*	.20
X22	5	5	4	6	7	8	3	7	3	2	2	.56**	.15
X23	4	6	8	14	7	7	0	2	3	0	1	.60	.16
X24	5	3	6	6	9	10	6	5	2	0	0	.60	.16
X25	8	6	7	10	5	10	2	3	1	0	0	.69	.18
Overall	8	5	8	6	4	5	3	0	0	1	0	64%	0.17
Service Quality	153	147	174	240	169	182	74	68	38	34	11	65%	0.15

Source: Prepared by the researcher based on the results of the SPSS. N=52

(*) Means the upper limit of the sample agreement for each component.

(* *) Means the minimum sample agreement for each component.

Analysis Responsiveness Results from the Customers Perspective

As showed in a table (14) that the general weighted mean of responsiveness is (64%) and a standard deviation of (0.172), which supports that banking service implemented responsiveness at the excellent rate. However, the results certify that (X₈) riches the banking service responsiveness. “The proliferation of bank branches in the country covering need of customers.” where mean is (68%), and a standard deviation score is (0.17). Also, the minimum value of the answers compared to others is (X₆) “The bank is interested in direct requests and delivery in time.” At the rate of agreement 63%.

Analysis Trust and Affirmation Results from the Customers Perspective

As the results summarized in a table (14) for the trust and affirmation dimension specify that 76% of the customers’ perspective agreed that the banks adopted this dimension and the standard deviation value is (0.21). However, the result of the dimension reveals that (X₁₂) riches this dimension whereas its the upper limit, the bank’s staffs have personal trust in their transactions. However, the minimum value of the answers compared to others is (X₁₃) “The bank's staff is skilled and efficient in providing banking services.” At the complete weighted mean and standard deviation (69%) and (0.180) respectively.

Analysis Empathy Results from the Customers Perspective

The results of the statistical analysis in the table (14) reveals the amount of the general weighted mean (60%) and a standard deviation of (0.160). So, this supports the banking service implemented empathy at the good rate. While the result of the dimension reveals that (X₁₆) riches this dimension though it is the upper limit, there is a good relationship between clients and bank staffs, with the general weighted mean (70%). However, the minimum value of the answers compared to others is (X₂₀) “Good relations with clients characterize the bank.” At the overall weighted mean and standard deviation (51%) and (0.130) respectively.

Analysis Tangibility Results from the Customers Perspective

As the results shown in a Table (14) for the tangibility dimension specify that 64% of the sample answers agree that the banks accept this dimension and the standard deviation value is (0.170). Though, the result of the dimension tells that

(X₂₁) riches this dimension whereas its the upper limit, the bank's staff is elegant and well-appointed, at the values of mean and standard deviation (74%) and (0.20) respectively. So, it means that the customers' of the banking organizations agree that the banks seek to provide comfort to the customer. Nevertheless, the minimum value of the answers compared to others is (X₂₂) "The bank seeks to provide the client with amenities while waiting for service." At the complete weighted mean and standard deviation (56%) and (0.150) respectively.

4.2.1.2. Comparing the Service Quality Dimensions Between the Perspective of Surveyed Banking Organizations Management and Customers

Table 15: Statistical Means and Standard Deviation scores of the Service Quality Questions from the Perspective of Banking Organizations Management and Customers

Service Quality Dimensions	Statistical Indicators of the Banking Organizations Management Perspective N= 40		Statistical Indicators of the Customers Perspective N= 40	
	Means	Standard Deviation	Means	Standard Deviation
Reliability				
X1	0.84	0.23	0.68*	0.17
X2	0.82	0.22	0.64	0.15
X3	0.73	0.19	0.58	0.17
X4	0.74	0.20	0.63	0.13
X5	0.71	0.19	0.49**	0.17
Responsiveness				
X6	0.73	0.20	0.63**	0.17
X7	0.73	0.20	0.65	0.18
X8	0.78	0.21	0.68*	0.17
X9	0.75	0.20	0.64	0.17
X10	0.77	.21	0.63	0.17
Trust and Affirmation				
X11	0.85	0.22	0.79	0.21
X12	0.82	0.22	0.83*	0.22
X13	0.78	0.21	0.69**	0.18
X14	0.73	0.20	0.70	0.19
X15	0.82	0.22	0.80	0.22
Empathy				
X16	0.99	0.27	0.70*	0.19
X17	0.76	0.20	0.69	0.18
X18	0.71	0.19	0.56	0.14
X19	0.66	0.18	0.62	0.16
X20	0.72	0.19	0.51**	0.13
Tangibility				
X21	0.73	0.20	0.74*	0.20
X22	0.73	0.20	0.56**	0.15
X23	0.70	0.19	0.60	0.16
X24	0.65	0.17	0.60	0.16
X25	0.66	0.18	0.69	0.18

Source: Prepared by the researcher based on the results of the SPSS.

Table 16: Overall Statistical Means and Standard Deviation scores of the Service Quality Dimensions from the Perspective of Banking Organizations Management and Customers

Service Quality Dimensions	Statistical Indicators of the Banking Organizations Management Perspective N= 40		Statistical Indicators of the Customers Perspective N= 52	
	Means	Standard Deviation	Means	Standard Deviation
Reliability	0.77	0.24	0.61	0.15
Responsiveness	0.75	0.23	0.64	0.17
Trust and Affirmation	0.80	0.24	0.76	0.21
Empathy	0.77	0.23	0.62	0.16
Tangibility	0.69	0.20	0.64	0.17
Overall	63%	0.150	65%	0.150

Source: Prepared by the researcher based on the results of the SPSS.

4.2.2. Description of the Achievement of Competitive Advantage

The present study seeks to describe the specific achievement of competitive advantage. Which referred to in the theoretical aspect adopted in the study model of efficiency, quality, innovation, and responding to customer needs. However, the results reviewed based on some statistical methods and tools for the variables of the study (Y1-Y20). Which we prepare as mathematical symbols of the dimensions of achieving competitive advantage for determining their response rate and standard deviation to measure the distribution of values from their computational computation of these elements on a level the organization surveyed under study as follows:

4.2.2.1. Descriptive Statistics of the Competitive Advantage and its Dimensions from the Perspective of Bank's Management

As presented in a Table (17) the frequency distributions, the weighted mean and the standard deviations of the competitive advantage and its dimensions from the perspective of bank's management calculated, as follows:

The descriptive statistics results the overall weighted mean and standard deviation scores of the competitive advantage as s study dependent variable are (71%, and 0.19) respectively. It means 71% of the overall replies quantified that banking organizations in Sulaimaniyah city used the competitive advantage for their banking services at a higher rate of agreement.

Table 17: Frequency Distributions, Means and Standard Deviation of the Competitive Advantage Dimensions from the Perspective of the Bank Management

Competitive Advantage Dimensions	Scale (Measure) of the Relative Response											Statistical Indicators	
	Positive Response				Doubt			Negative Response				Mean	Standard Deviation
Efficiency	1	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.0		
Y1	13	13	5	5	0	3	0	0	0	1	0	.84	0.23
Y2	16	8	7	6	1	2	0	0	0	0	0	.82	.023
Y3	6	9	6	6	5	5	0	0	0	3	0	.72**	0.19
Y4	6	10	6	8	5	0	2	0	3	0	0	.72	0.20
Y5	15	10	7	5	3	0	0	0	0	0	0	.92*	0.25
Overall												81%	0.27
Quality													
Y6	13	8	4	2	3	5	5	0	0	0	0	.74	.20
Y7	6	12	4	10	2	5	0	1	0	0	0	.78	.21
Y8	5	8	7	9	0	8	0	0	0	0	3	.80	.22
Y9	9	10	6	0	2	3	0	5	0	5	0	.69**	.18
Y10	17	8	2	3	5	4	1	0	0	0	0	.83*	.23
Overall												77%	0.24
Innovation													
Y11	9	9	1	9	5	5	1	0	1	0	0	.73	.20
Y12	9	7	5	7	0	6	0	5	1	0	0	.72**	.19
Y13	13	7	7	5	5	3	0	0	0	0	0	.86*	.23
Y14	13	10	7	5	5	0	0	0	0	0	0	.85	.23
Y15	13	9	8	5	2	2	0	1	0	0	0	.84	.23
Overall												81%	0.26
Responding to Customer Needs													
Y16	5	4	6	3	5	4	3	5	5	0	0	.61	.16
Y17	7	6	3	3	3	3	2	5	3	0	5	.58	.15
Y18	21	7	5	7	0	0	0	0	0	0	0	.90*	.25
Y19	10	4	4	4	3	5	3	5	2	0	0	.68	.18
Y20	3	4	3	7	2	8	1	1	4	5	2	.53**	.14
Overall												66%	0.180
Competitive Advantage	225	195	123	130	73	95	29	38	41	30	21	71%	0.190

Source: Prepared by the researcher based on the results of the SPSS. N=40

(*) Means the upper limit of the sample agreement for each component.

(* *) Means the minimum sample agreement for each component.

Analysis Efficiency Results

The results of the statistical analysis of the efficiency dimension and its variables showed the relatively high or relative decrease of the computational environment of its variables. The overall weighted mean (81%) and a standard deviation of (0.27). It means 81% of the overall replies quantified that banking organizations in Sulaimaniyah city practice efficiency in banking services at a higher rate of agreement. However, the result of the dimension reveals that (Y₅) riches this dimension while it is the upper limit, The bank prepares the chip continuously to raise its efficiency, with the general weighted mean (93%) and a standard deviation

of (0.25). However, the minimum value of the answers compared to others is (Y₃) “The cost of preparing and qualifying the bank's staffs is relatively small or comparable to the competing banks.” At the overall weighted mean and standard deviation (72%) and (0.190) respectively.

Analysis Quality Results

As the table (17) displays the frequency distributions, mean values, and standard deviation, besides the reality of the response to the dimension of the quality element. The sample of the study agrees at the rate of (77%) that the quality of the financial service improved through the training of staffs through enhancing their knowledge and the required skills. So, this indicator obtained a standard deviation (0.24).

Although, the result of the dimension states that (Y₁₀) riches this dimension whereas it is the upper limit; The Bank's management provides financial services consistent with customer expectations. While values of mean and standard deviation (74%) and (0.20) respectively. Accordingly, the minimum value of the answers compared to others is (Y₉) The bank's services are of high quality compared to other banks. The complete weighted mean and standard deviation (69%) and (0.18) respectively.

Analysis Innovation Results

The results of the statistical analysis in the table (17) reveals the amount of the innovation overall weighted mean (81%) and a standard deviation of (0.26). Therefore, this supports the banking service implemented innovation in banking services. However, the result of the dimension reveals that (Y₁₃) reserves this dimension, The bank seeks to expand the development and renewal of financial services to its customers, through the overall weighted mean (86%). However, the minimum value of the answers compared to others is (Y₁₂) “The bank is changing its various activities to face competitors.” With the overall weighted mean and standard deviation (72%) and (0.190) respectively.

Analysis of Response to the Client Needs

As indicated in a table (17) the results of the statistical analysis the overall weighted mean (66%) and a standard deviation of (0.18) reached. The responses to the variables representing the computational environment of the sample respondents

answered to the questions adapted to measure the specific response to the client's needs, between the minimum value of the answer to question (20) related to the results of their training and their skills to complete their tasks on time (53%). However, the higher value obtained by (Y₁₈) which related to the bank has sufficient flexibility to strengthen its competitive position. With the overall weighted mean and standard deviation (90%) and (0.250) respectively.

4.2.2.2. Descriptive Statistics of the Competitive Advantage and its Dimensions from the Customers Perspective

As presented in a table below (18) the frequency, mean, and standard deviation values of the variables (Y₁-Y₂₀) from the perspective of the customers. The overall statistical mean and standard deviation values of the efficiency are (49%, and 0.130) respectively. It means 49% of the overall bank's customers answers quantified that banking organizations in Sulaimaniyah city adapted the competitive advantage and its dimensions for their banking services at a lower rate of agreement.

Analysis of Efficiency Results from the Customers Perspective

As revealed in a table (18) the results of the statistical analysis of the efficiency dimension and its variables showed the relatively high or relative decline of the computational environment of its variables. The total weighted mean is (74%), and a standard deviation is (0.18). However, (Y₃) regarding the costs of preparing and qualifying the employees of the bank are relatively small or comparable to the competing banks, obtained minimum score (46%). Moreover, the upper limit is (99%) for the availability of the required numbers of competent staff as a result of their training ensures that the bank manages its financial services at the lowest cost.

Analysis of Quality Results from the Customers Perspective

Table (18) demonstrate the frequency distributions, mean values, standard deviation. However, reveal the reality of the answers to the questions of the quality dimension. While (58%) of the overall survey sample agrees to improve the quality of the financial service provided by trained staffs. The results indicated that (Y₇) is a riched high agreement rate of (67%), which is about providing high-quality services bank leads to an increase in the number of customers and facing competitors. So, this indicator obtained a standard deviation (0.18). However, (Y₁₀) load minimum value

among the indicators of the quality as the second dimension of competitive advantage (49%), that regarding bank's management provides financial services consistent with customer expectations.

Table 18: Frequency Distributions, Means and Standard Deviation of the Competitive Advantage Dimensions from the Customers Perspective

Competitive Advantage Dimensions	Scale (Measure) of the Relative Response											Statistical Indicators	
	Positive Response					Doubt		Negative Response				Mean	Standard Deviation
Efficiency	1	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.0		
Y1	5	3	7	8	6	9	3	5	4	2	0	0.99*	0.15
Y2	7	10	16	15	3	0	1	0	0	0	0	0.80	0.21
Y3	4	3	0	5	2	12	5	8	10	1	2	0.46**	0.12
Y4	10	3	8	8	9	4	2	3	5	0	0	0.67	0.18
Y5	10	10	11	9	5	2	2	3	0	0	0	0.77	0.20
Overall												74%	0.18
Quality													
Y6	8	1	10	5	1	4	3	8	4	3	5	0.53	0.14
Y7	8	2	8	9	5	13	7	0	0	0	0	0.67*	0.18
Y8	5	4	7	14	5	10	0	5	1	1	0	0.65	0.17
Y9	5	3	5	5	8	11	2	5	5	3	2	0.56	0.15
Y10	5	5	3	6	4	6	3	4	5	6	5	0.49**	0.13
Overall												58%	0.150
Innovation													
Y11	4	0	1	2	0	5	5	9	6	10	10	0.30**	0.8
Y12	5	1	3	5	0	7	5	6	10	5	5	0.42	0.11
Y13	6	3	5	6	8	4	10	4	2	4	0	0.57*	0.15
Y14	9	0	3	7	8	10	0	4	4	2	5	0.54	0.14
Y15	4	0	1	2	0	8	4	5	11	10	7	0.32	0.9
Overall												43%	0.110
Responding to Customer Needs													
Y16	0	4	2	0	6	5	1	6	8	8	12	0.31**	0.11
Y17	4	2	5	3	0	5	8	10	6	4	5	0.43	0.14
Y18	6	5	3	6	4	8	4	2	10	0	4	0.53*	.12
Y19	0	2	6	6	1	10	10	6	4	5	2	0.45	0.8
Y20	0	4	0	1	2	6	9	4	9	10	7	0.31	1.6
Overall												40%	0.120
Competitive Advantage	125	70	117	133	98	164	107	123	143	106	111	49%	0.13

Source: Prepared by the researcher based on the results of the SPSS. N=40

(*) Means the upper limit of the sample agreement for each component.

(* *) Means the minimum sample agreement for each component.

Analysis Innovation Results from the Customers Perspective

As the results of the statistical analysis in the table (18) reveals the amount of the innovation, the complete weighted mean is (43%) and a standard deviation of (0.110). Thus, these values do not support that the commercial banks obtained innovation in banking services from the customers' perspective. However, the result of the dimension reveals that (Y₁₃, and Y₁₄) reserves this dimension, regarding the

bank sought to expand the development and renewal of financial services to its customers. Besides, the bank continuously seeks improvements in the financial service provided. Through the overall weighted mean values (57%) and (54%), respectively, and standard deviation scores (0.150) and (0.140) respectively. Nevertheless, the minimum value of the answers compared to others is (Y₁₅) which is a negative response (32%) about bank's initiate new financial services from time to time.

Analysis of Response to the Client Needs from the Customers Perspective

As specified in a table (18) the results of the statistical analysis the overall weighted mean (40%) and a standard deviation (0.120) that negative response. While the replies to the indicators representing the computational background of the sample respondents answered to the questions adapted to measure the specific response to the client's needs. However, the minimum value of the answer is on the question (20) related to the results of staffs training and their skills to complete their tasks on time (31%) which is a contrary response. However, the positive value obtained in (Y₁₈) which related to the bank has sufficient flexibility to strengthen its competitive position. With the overall weighted mean and standard deviation (53%) and (0.120) respectively.

4.2.2.3. Comparing the Parameters of Customer Satisfaction from the Perspective of Surveyed Banking Organizations Management and Customers

Table 19: Statistical Means and Standard Deviation scores of the Competitive Advantage Indicators from the Perspective of Surveyed Banking Organizations Management and Customers

Competitive Advantage Dimensions	Statistical Indicators of the Banking Organizations Management Perspective N= 40		Statistical Indicators of the Customers Perspective N= 40	
	Means	Standard Deviation	Means	Standard Deviation
Efficiency				
C1	0.84	0.23	0.99	0.15
C2	0.84	0.23	0.80	0.21
C3	0.72	0.19	0.46	0.12
C4	0.72	0.20	0.67	0.18
C5	0.92	0.25	0.77	0.20
Quality				
C6	0.74	0.20	0.53	0.14
C7	0.78	0.21	0.67	0.18
C8	0.80	0.22	0.65	0.17
C9	0.69	0.18	0.56	0.15

C10	0.83	0.23	0.49	0.13
Innovation				
C11	0.73	0.20	0.30	0.8
C12	0.72	0.19	0.42	0.11
C13	0.86	0.23	0.57	0.15
C14	0.85	0.23	0.54	0.14
C15	0.84	0.23	0.32	0.9
Responding to Customer Needs				
C16	0.61	0.16	0.31	0.11
C17	0.58	0.15	0.43	0.14
C18	0.90	0.25	0.53	0.12
C19	0.68	0.18	0.45	0.8
C20	0.53	0.14	0.31	1.6

Source: Prepared by the researcher based on the results of the SPSS.

Table 20: Overall Statistical Means and Standard Deviation scores of the Competitive Advantage Dimensions from the Perspective of Surveyed Banking Organizations Management and Customers

Competitive Advantage Dimensions	Statistical Indicators of the Banking Organizations Management Perspective N= 40		Statistical Indicators of the Customers Perspective N= 52	
	Means	Standard Deviation	Means	Standard Deviation
Efficiency	.81	.27	.77	.18
Quality	.77	.24	.58	.15
Innovation	.81	.26	.43	.11
Responding to Customer Needs	.66	.18	.40	.12
Overall	71%	0.190	49%	0.130

Source: Prepared by the researcher based on the results of the SPSS.

4.2.3. Variance Analysis (ANOVA)

As revealed in a table (21) ANOVA test used to decide if there is a variance between survey sample responses, according to demographic data namely: gender, age, academic degree, and overall job experience. While, the ANOVA test results clarify that for all demographic data in regards the service quality as a study independent variable ($Sig > 0.05$), accordingly, there isn't variance in the values among male and female, whereas, $F(1.900; Sig 0.160 > 0.05)$.

Though, for ages $F(1.366; Sig 0.236 > 0.05)$, where academic degree $F(0.471; Sig 0.669 > 0.05)$, However, overall job experience $F(0.336; Sig 0.808 > 0.05)$ therefore, hypothesis (H_0) accepted, so, there is no variance among surveyed banking organizations in the implementation of the dimensions of service quality according to demographic data.

Table 21: ANOVA Test Results According to the Demographic Data for Service Quality

Service Quality		Sum of Squares	DF	Mean Square	F	Sig.
By Gender						
	Between Groups	0.244	1	0.245	1.900	0.160
	Within Groups	11.782	93	0.122		
	Total	12.033	94			
By Age Groups						
	Between Groups	0.550	3	0.183	1.366	0.236
	Within Groups	11.483	90	0.125		
	Total	12.033	94			
By Academic Degree						
	Between Groups	0.145	2	0.073	0.471	0.669
	Within Groups	11.888	92	0.127		
	Total	12.033	94			
By Overall Job Experience						
	Between Groups	0.129	3	0.043	0.336	0.808
	Within Groups	11.904	91	0.128		
	Total	12.033	94			

However, the ANOVA test results simplify that for all demographic data in regards the competitive advantage as a study dependent variable ($\text{Sig} > 0.05$), hence, there isn't variance in the values between male and female, whereas, F (1.701; $\text{Sig} 0.262 > 0.05$). Though, for ages F (1.266; $\text{Sig} 0.436 > 0.05$), where academic degree F (0.371; $\text{Sig} 0.776 > 0.05$), However, overall job experience F (0.236; $\text{Sig} 0.908 > 0.05$) therefore, hypothesis ($H_{0.1}$) accepted, so, there is no variance among surveyed banking organizations in the implementation of the dimensions of competitive advantage according to demographic data.

Table 22: ANOVA Test Results According to the Demographic Data for Competitive Advantage

Competitive Advantage		Sum of Squares	DF	Mean Square	F	Sig.
By Gender						
	Between Groups	0.248	1	0.149	1.701	0.262
	Within Groups	10.700	93	0.128		
	Total	11.031	94			
By Age Groups						
	Between Groups	0.555	3	0.133	1.266	0.436
	Within Groups	11.555	90	0.125		
	Total	11.031	94			
By Academic Degree						
	Between Groups	0.148	2	0.061	0.371	0.779
	Within Groups	10.800	92	0.117		
	Total	11.031	94			
By Overall Job Experience						
	Between Groups	0.131	3	0.041	0.236	0.908
	Within Groups	10.909	91	0.127		
	Total	11.031	94			

4.2.4. Correlation Analysis

As presented in a table (23) the correlation coefficient highlighted that all study variables correlated with each other. Although, the service quality significantly correlated with the competitive advantage through ($r=0.775^{**}$; $p0.000<0.05$). Also, the reliability, responsiveness, trust and affirmation, empathy, and tangibility positively correlated with the service quality of the banking organizations in Sulaimaniyah city.

Moreover, table (23) explains that empathy, reliability, and trust and affirmation, through ($r=0.870^{**}$, 0.783^{**} , and 0.671^{**}) respectively, have strong positive correlations with competitive advantage, where a p-value of (0.000, 0.000 and 0.000) respectively. While tangibility has the weak correlation with competitive advantage, compared to other four dimensions. Therefore, all the null hypotheses ($H_{0.2}$, $H_{0.2.1}$, $H_{0.2.2}$, $H_{0.2.3}$, $H_{0.2.4}$, and $H_{0.1.5}$) rejected, **and alternative hypotheses (H_2 , $H_{2.1}$, $H_{2.2}$, $H_{2.3}$, $H_{2.4}$, and $H_{2.5}$) accepted.**

Table 23: Correlation of Service Quality Dimensions and the Competitive Advantage

Independent Variables	Dependent Variable Competitive Advantage			
	Correlation Coefficient	Sig. (2-tailed)	N	Correlation's Type
Service Quality	0.775**	0.000	94	Strong
Reliability	0.783**	0.000	94	Strong
Responsiveness	0.575**	0.000	94	Medium
Trust and Affirmation	0.671**	0.000	94	Strong
Empathy	0.870**	0.000	94	Strong
Tangibility	0.474**	0.000	94	Weak

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

4.2.5. Regression Analysis

As shown in the table (24) a multiple and simple linear regression tested with a purpose to test the impact of the service quality and its dimensions on the competitive advantage. Accordingly, the service quality dimensions as the independent's variables represent (0.720) of the competitive advantage as apparent through the R Square. Therefore, this recognizes that the reliability, responsiveness, trust and affirmation, empathy, and tangibility perceives for 72% of the banking organization's service quality in Sulaimaniyah city.

However, the F-test of significance used to decide on the model's significance, while p-value is (Sig 0.000<0.05), therefore, the F-test measured is (432.267), and *DF* (1, 93), which defines that the model is significant. Accordingly, the model has statistical significance in valuing how service quality and its dimensions' impacts in the competitive advantage of the banking organizations in Sulaimaniyah city.

Table 24: Model Summary and F-test of Significance Analysis

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	
1	0.799 ^a	0.720	0.688	.39132	
Model	Sum of Squares	df	Mean Square	F-test	
				F	Sig.
Regression	4.616	1	4.616	432.267	.000b
Residual	10.009	93	.103		
Total	11.626	94			

a. Dependent Variable: Service Quality

b. Predictors: (Constant), Competitive Advantage

The regression coefficient of independent variables revealed in a table (25) identifies that there are significant impacts of service quality and its dimensions as; the reliability, responsiveness, trust and affirmation, empathy, and tangibility, on competitive advantage as specified by the coefficients (0.770, 0.703, 0.580, 0.688, 0.855, and 0.461) respectively. Whereas the p-values (0.000, 0.000, 0.000, 0.000, 0.000 and 0.000<0.05) respectively, further as revealed the t-test values are (23.001, 18.090, 8.945, 17.088, 32.101, and 6.784) respectively.

Table 25: Regression Coefficients Analysis

Model	Standardized Coefficients	T-test		Collinearity Statistics		
		Beta	t	Sig.	Tolerance	VIF
1	(Constant)		4.416	0.000		
	Service Quality	0.770	23.001	0.000	1.000	1.000
	Reliability	0.703	18.090	0.000	1.000	1.000
	Responsiveness	0.580	8.945	0.000	1.000	1.000
	Trust and Affirmation	0.688	17.088	0.000	1.000	1.000
	Empathy	0.855	32.101	0.000	1.000	1.000
	Tangibility	0.461	6.784	0.000	1.000	1.000

a. Dependent Variable: Competitive Advantage

Regards the collinearity statistics, if VIF value less than 5 and tolerance value is above 0.1, it means that it is not collinearity among independent variables. However, the tolerance and VIF values for service quality as independent study variable is (1.000 and 1.000) respectively, also the same values (1.000 and 1.000) respectively, for each of reliability, responsiveness, trust and affirmation, empathy, and tangibility. That for all the values $VIF < 5$ and tolerance value > 0.1 , therefore, the null hypotheses ($H_{0.3}$, $H_{0.3.1}$, $H_{0.3.2}$, $H_{0.3.3}$, $H_{0.3.4}$, and $H_{0.3.5}$) rejected. However, the alternative hypotheses (H_3 , $H_{3.1}$, $H_{3.2}$, $H_{3.3}$, $H_{3.4}$, and $H_{3.5}$) accepted.



CONCLUSIONS AND RECOMMENDATIONS

1. Conclusions

The current thesis study purpose is to explore the dimensions of service quality and its effects on achieving the competitive advantage of the banking organizations in Sulaimaniyah city. Hence, to explore it as the study purpose, the researcher analyzed the relationship between service quality and the competitive advantage by taking perspectives from a survey sample of the banking organizations managers and their clients in Sulaimaniyah city. Accordingly, the researcher engaged the impact of service quality in this relationship to aid achieving the competitive advantage.

Based on the finding that customer service and client satisfaction are important factors that influence achieving the competitive advantage, that it can expect the service quality and its dimensions exercise significant impacts on achieving the competitive advantage according to the survey sample's perspectives. Consequently, there are reasonable levels of banking service quality and the competitive advantage in surveyed banks in Sulaimaniyah. While the majority of the sample responses from bank's managers and clients agreed on that the banks adopt reliability, however, the responses of the bank's clients indicated that the bank's management is keen to complete the banking service accurately for the first time.

The results on responsiveness revealed the availability of clients services responsiveness in these organizations according to the manager's perspectives, although they agreed that the banks adopted responsiveness as the service quality dimension.

However, the results found that the surveyed banking organizations in Sulaimaniyah adopted trust and affirmation, empathy, and service tangibility, so, it is essential for the bank's managers and their clients agreed on the adaptations of those dimensions.

In this regard, the results of manager's perspective analysis revealed that banking organizations in Sulaimaniyah city used the competitive advantage for their banking services at a higher rate of agreement. However, bank's customers quantified that banking organizations in Sulaimaniyah city adapted the competitive advantage and its dimensions for their banking services at a lower rate of agreement.

Consequently, the results show that efficiency, quality, and innovation enriches the banking organizations competitive advantage or supports to achieve it. Nevertheless, the bank's clients disagreed or not sure the banks adopted innovation in their banking services besides they did not support customer service response to the client needs a competitive advantage. The variances analysis (ANOVA) test showed that there aren't significant variances among respondents' replies toward service quality and the competitive advantage, according to survey sample's characteristics.

The study also found the significant positive relationship between service quality and the competitive advantage, while, empathy, reliability, and trust and affirmation achieved the highest positive correlation with a competitive advantage. However, tangibility has the weak correlation with service quality, compared to other four dimensions.

Furthermore, the regression analysis outcomes establish that statistically there are significant impacts of banking service quality and all its dimensions in the competitive advantage, however the high impacts of the empathy, reliability, and trust and affirmation, while the lower one was service tangibility between dimensions of banking service quality. Then, the conclusions agree on that. Banking service quality and its dimensions play a dynamic role in achieving competitive advantage.

2. Recommendations

This study recommends that banking organizations in Sulaimaniyah city should continuously invest in banks customer service and client satisfaction to achieve a competitive advantage. Improving on customer service will require the banking organizations to respond to the requests of the customers quickly, ensure many staff development and training especially on banking services that the banks offer and to conduct customer education awareness with the aim of building confidence and a sense of security in the banks.

The researcher recommends that it is essential for banking organizations in Sulaimaniyah city to have sustainable and constant use of innovative and modifications rules which will help service reliability and responsiveness. Through the bank's management's intense to complete the banking service accurately for the

first time, as well as provides accurate information about the organization and clients can reference quickly, besides, interested in direct requests and delivery in time.

The researcher endorses that the banking organizations in Sulaimaniyah should develop training programs for their staffs, programs should purpose to improve banks management awareness of innovative culture, norms and act as a base on knowledge of the substantial effect of service quality dimensions in competitive advantage. Perhaps by using bank's staff's trust in their transactions and staff skill and efficient in providing banking services. Furthermore, building a good relationship between clients and bank staffs. Also, afford the appropriate equipment and modern technologies to provide service.

The necessity of the active involvement of all the bank's staffs in the banking services innovative environment, and different managerial levels particularly in developing efficiency, the quality, innovation in services, and responding to customer needs. By the availability of the required numbers of competent staff as a result of their training ensures that the bank manages its financial services at the lowest cost. So, the optimum utilization of the bank's staff enables it to provide its financial services at a lower cost than other banks. So, this helps in bearing the responsibility towards what is happening in the bank and building a shared culture within the banks.

3. The Study Managerial Implications

The banking organizations' managers would give more value on bank client satisfaction in every banking service level, and recognize that real loyalty derives from human interaction, from managers or customer service, while the bank's client relationship management strategies on critical customers should contain factors.

The role of frontline staffs or customer service in the banking industry have to identify, as they present the banks face and they are responsible for turning the client loyal, as well as making client defect. Thus, client value is the area of dynamic abilities, and the strategies should be built around banks' human resource management to obtain the right kind of behavior out from bank staffs. However, strategic abilities should give focus on the factors, such as of responsiveness, trust and affirmation, empathy, and communication.

4. Recommendations for Further Studies

First, the study narrow in its examination of the observation of banking organizations' managers and their clients in Sulaimaniyah city with a specific emphasis on seeking the perception of managers and bank's clients from the top twelve banking organizations operators in Sulaimaniyah.

This study recommends that future studies could reproduce this study in other cities or other industries to determine whether the study would produce similar findings using similar specific objectives. However, it would be interesting to find out whether banking organizations clients in different cities would place similar importance to participate in a survey similar to the current study.



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APPENDICES

Appendix 1: Questionnaire Form



**T.C
BİNGÖL UNIVERSITY
SOCIAL SCIENCES INSTITUTE
BUSINESS ADMINISTRATION DEPARTMENT**

Dear Respondent

The questionnaire form that you have prepared for scientific study purpose is a part of the thesis study titled **“Dimensions of Service Quality and its Effects on Achieving Competitive Advantage- An Exploratory Study of Banking Organizations in Sulaimaniyah City-Iraq.”** Accordingly, this is a part of Requirements for the degree of Masters in the Business Administration.

I kindly invited you to take the time and answer the below questions and statements that belong to several dimensions and determinants are used as a scale to measure the variables of the current study. Although, the result will use for any academic purpose only, however, all the answers will be confidential.

Thanks in advance.

Supervisor

Prof. Dr. Muammer ERDOĞAN

Researcher

Kochar Taher Said RASHID
Master Student

Please mark one choice for each of the following statements

First Section: General Information

1. **Gender:** () Male () Female
2. **Age Groups:** () 20-24, () 25-29, () 30-34, () 35-39, () 40-44, () 45-49, () 50 and above
3. **Academic Degree:** High School (), Diploma (), Bachelor (), Higher Diploma (), Master (), PH.D ().
4. **Overall Job Experience:** () 10 Years and Less than, () 11-15, () 16-20 () 21-25, () 26-30 , () 31 years and above
5. **Current position (Career Status):** _____

Second Section: The Scale of the Quality of Service Dimensions

Reliability: Emphasis on higher performance in delivering services that agreed with distinct accuracy

S	Agreed By												
	Statements	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%	
1	The bank's management is keen to complete the banking service accurately for the first time.												
2	The bank provides accurate information about the organization and clients can reference quickly.												
3	The client feels that his / her interest is an essential objective that the bank seeks to achieve.												
4	Bank management's commitment to solving the problems of access to the service.												
5	Bank services can take advantage of banking services many times.												

Responsiveness: The bank's desire to provide assistance to clients and to provide them with the service upon request.

S	Agreed By												
	Statements	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%	
6	The bank is interested in direct requests and delivery in time.												
7	The bank responds directly when ordering the service.												
8	The proliferation of bank branches in the country covering need customers.												
9	The client has the support of the staff to meet the needs.												
10	The bank's services are integrated and not thinking about moving to another bank.												

Trust and affirmation refer to the achievement of client safety and stability, away from the state of concern and risk.

S	Agreed By	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
	Statements											
11	The bank is characterizing the accuracy of financial statements.											
12	The bank's staffs have personal trust in their transactions.											
13	The bank's staff is skilled and efficient in providing banking services.											
14	The bank is characterized by accuracy and no to make mistakes.											
15	The level of security and confidentiality of the bank in its dealings with clients.											

Empathy: It means the unique attention and level of care of the bank staff to the client.

S	Agreed By	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
	Statements											
16	There is a good relationship between clients and bank staffs.											
17	Bank staff enjoys a high standard of courtesy.											
18	Clients are interested in entering the bank and requesting service.											
19	Appropriate equipment and modern technologies to provide service.											
20	Good relations with clients characterize the bank.											

Tangibility: refers to the existence of physical facilities, hardware, personnel, communication materials, unique service technologies in banking organizations.

S	Agreed By	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
	Statements											
21	The bank's staff is elegant and well-appointed.											
22	The bank seeks to provide the client with amenities while waiting for service.											
23	The overall look and furniture and decor at the bank are attractive.											
24	Technologies and devices in the bank are at a level superior to other banking organizations.											
25	The Bank has the convenience to provide service to the client.											

Third Section: The Scale of Competitive Advantage

Efficiency

S	Agreed By	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
	Statements											
1	The availability of the required numbers of competent staff as a result of their training ensures that the bank manages its financial services at the lowest cost.											
2	The optimum utilization of the Bank's staff enables it to provide its financial services at a lower cost than other banks.											
3	The cost of preparing and qualifying the bank's staffs is relatively small or comparable to the competing banks.											
4	The bank's services characterized by low cost compared to the cost of competing banks.											
5	The bank prepares the chip continuously to raise its efficiency.											

The Quality

S	Agreed By	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
	Statements											
6	The quality of the financial service improved through the training of staff, the knowledge and skills required.											
7	Providing high-quality services bank leads to an increase in the number of customers and facing competitors.											
8	The Bank attracts qualified and trained personnel to contribute to the provision of high-quality services.											
9	The bank's services are of high quality compared to other banks.											
10	The Bank's management provides financial services consistent with customer expectations.											

Innovation

S	Agreed By											
	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%	
	Statements											
11	The bank's management believes that innovation in improving financial service enhances its competitive position.											
12	The bank is changing its various activities to face competitors.											
13	The bank seeks to expand the development and renewal of financial services to its customers.											
14	The bank continuously seeks improvements in the financial service provided.											
15	The bank initiates new financial services from time to time.											

Responding to Customer Needs

S	Agreed By											
	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%	
	Statements											
16	The bank can maneuver with highly skilled staffs to carry out more than one task.											
17	The bank can respond and adapt rapidly to provide a variety of financial services to its clients to meet their needs and desires.											
18	The bank has sufficient flexibility to strengthen its competitive position.											
19	The bank keen to complete the financial service as soon as possible.											
20	The bank staffs as a result of their training and increase their skills to complete their tasks on time.											

Appendix 2: List of Questionnaire Arbitrators

S	Name	Scientific Title	Experts	Workplace
1	Dr. Kawa Hama Faraj Qaradaxi	Professor	Business Management - Marketing Management	Komar University of Science and Technology (KUST)
2	Dr. Khalid Hama-Amin Mirkan	Professor	Strategic Management	Salahaddin University The College of Administration and Economic
3	Dr. Ahlam Ibrahim Wali	Assistant Professor	Strategic Management	Salahaddin University The College of Administration and Economic
4	Dr. Luqman Mohammed Saeed	Assistant Professor	Financial Accounting	Erbil Polytechnic University
5	Dr. Naseem Yousif Hanna	Senior Lecturer	Financial Accounting	Salahaddin University The College of Administration and Economic
6	Mr. Mudafar Hamad Ali	Assistant Professor	Human Resource Management	Salahaddin University The College of Administration and Economic

Appendix 3: List of Study Population and Sample

S	Bank's Name	Distributed Forms	Obtained	The Total Valid Forms
1	North Bank	11	10	10
2	Bank of Tigris and Euphrates	10	9	9
3	Kurdistan Bank	8	8	8
4	The Iraqi Investment Bank	9	9	9
5	Islamic Al-Ailaf Bank	6	6	6
6	Islamic Investment Cooperation Bank	6	5	4
7	Cihan Bank	7	7	7
8	Promotion of Investment Bank	8	8	8
9	Erbil Bank	8	8	7
10	Bank of Beirut and Arabic Countries	9	8	8
11	Al-Awda Bank	9	8	8
12	BIBILOS Bank	11	10	10
Managers Sample				40
Clients Sample				54
The overall Sample		102	96	94



Appendix 4: Curriculum Vitae

Personal Profile				
Name and Surname		Kochar Taher Said RASHID		
Place and Date of Birth		01/01/ 1982- Sulaimaniyah, Iraq		
Email		kochartaher12@gmail.com		
Phone		+9647701397351		
Education				
Degree	College	Depart.	University	Year
Undergraduate	Technical College of Administration TCA	Technical Business & Administration	Sulaimani Polytechnic University	2010
Graduate	Business Administration	Business Administration	Bingöl University	2018
Work Experience				
Workplace		Position	Year	
Sulaimani Polytechnic University		Assistant Researcher	From 2012 ongoing	
Foreign Languages Skills				
English	Arabic		Basic of Turkish	
Publication			So far none	

Date: 24 May 2018