

## **The Role Of Service Provider Ethics In Customer Commitment: An Analytical Study Of The Opinions Of A Sample Of Private Bank Customers In The Central Euphrates Governorates**

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### **Abstract**

The current research aims to identify the impact of the ethics of the service provider through its dimensions on the commitment of the customer through his dimensions. He developed two main hypotheses, from which several hypotheses are branched, to measure the level of correlation and influence by analyzing the relationship between these variables. The private banks in the Middle Euphrates region, represented by (bank customers) were chosen in the field to study and test their assumptions, and the questionnaire was adopted as a main tool in collecting data related to the field aspect of the research. The relationship of correlation and a significant impact on the commitment of the customer, and the study concluded with a set of recommendations and suggestions.

**Keywords:** Service Provider Ethics, Customer Commitment.

### **INTRODUCTION**

Service Provider Ethics has become a competitive weapon that all service-providing organizations seek to possess, and banks, like other companies, consider their customers one of their most important assets. This market has witnessed relatively free and open competition and the threat from new and potential entrants has become serious, customers now have more alternatives to choose from according to what suits them, as they look at the ethics of the service provider. In such a competitive market and then they decide to choose, which imposed on the departments of organizations, including banks, to understand the needs of customers in order to achieve their satisfaction and work to gain their commitment to banks, which is an important factor to face competition as a result of modern trends that focus on customers rather than relying on the product, and its importance also stems Through his scientific contribution to

identifying the nature of the relationship between the ethics of the service provider and the commitment of the customer and strengthening them in the banks of the research sample.

### **Research Methodology**

#### **First: The Research Problem**

When you look at the Iraqi banking sector at the present time, you see the expansion of the opening of private banks, as investors began to show interest in heading towards the banking sector in Iraq, represented by private banks, which began to compete with government banks by attracting customers and directing them to these banks as a result of the routine followed by the Governmental banks, the time they take to obtain the service, as well as the interest rate they pay for depositing, and facilitating the granting of loans to borrowers, and the number of banks has now begun to increase, as well as opening branches for some of them. its

customers and learn about their loyalty. When interviewing some bank departments and making sure of the rest of the other departments that they did not measure the ethics of the service provider and the commitment of its customers, most of their answers were that the ethics of the service provider provided by the bank was not evaluated from the point of view of customers, nor was a questionnaire distributed through which the customer satisfaction was known and measured. Or their loyalty, but the bank management's dependence on the scale of the increase in customers and the number of bank branches is a measure of the ethics of the service provider and the commitment of our customers. The current research came to answer the research problem through the following questions:-

1-Is the bank management aware of the importance of identifying the ethics of the service provider ?

2-Has an approved scale been adopted for the purpose of measuring customer commitment?

3- Does the bank have customers who are committed to the bank's services?

### Second, The Importance Of Research

1-The importance of the current research stems from the existence of a scientific scale to provide a base of information on the bank's customers' evaluation of the service provider's level of ethics.

2-The results that the research will reach will help the banking departments of the research sample to improve and develop its banking services in order to strengthen its competitive position.

3-The bank's keenness on the continuity of its dealings with its customers, and their not leaving them to deal with competing banks by constantly working on measuring the ethics of the service provider from their point of view and striving to develop these services in line with their needs and aspirations, with the aim of achieving their

commitment to the bank.

### Third: Research Objectives

The research aims to:

1-Determine the relative importance of the different dimensions of service provider ethics.

2-To test the correlation between the ethics of the service provider and the commitment of the customer.

3- Recognizing the impact of the service provider's ethics on the customer's commitment.

### Fourth: The Hypothetical Scheme Of The Research

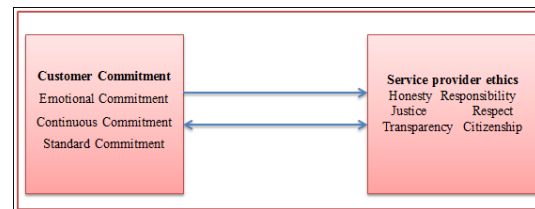


Figure (1) The hypothesis of the research

### Fifth: the hypotheses of the study:

**The first main hypothesis:** There is a statistically significant correlation between the ethics of the service provider with its dimensions and the customer's commitment to remove him.

**The second main hypothesis:** There is a statistically significant effect between the ethics of the service provider on the customer's commitment to remove him.

### Sixth: The study population and sample

The study community represented the clients of private banks in the central Euphrates governorates (Karbala, Najaf, Babylon, Diwaniyah, Muthanna), so that the study community was the sector in which the objective conditions for the success of service quality and customer commitment in private banks were met, while the study

sample was represented by a group of clients Private banks in the central Euphrates governorates, as (288) questionnaires were distributed to the clients of private banks.

## **Literature Review**

### **First: Concept Of Service Provider Ethics**

Service provider ethics represent conscious decisions and actions within a given state of responsibility, and it means a sense of commitment to the service provider's ethical principles, acting responsibly while also observing legal standards as economic, environmental and social consequences (Pohling et al., 2016:2). It is a set of moral principles that define behavior, rules, or standards governing a person or profession that explain what is good, right, or bad and what is wrong that describes what a person should do, usually in terms of duties, principles, specific virtues, or benefits to society (Hidayati & Zainurrafiqi , 2021:4). It is also the principles, beliefs, and values of right and wrong that describe the basis of organizational behavior in order to formulate the basis for leaders who influence workers in achieving organizational goals (Morales-Sánchez et al., 2020:442). It is an individual behavior that is governed or judged according to generally accepted standards of ethical behavior in a service organization (Wibowo et al., 2022:1802).

### **Eighth: The Importance Of Service Provider Ethics**

The study of ethics in marketing and management disciplines focused on how individuals acquire ethical philosophies and use them in business decisions. Historically, the goal was to explain how individuals make ethical decisions and thus be able to change the decision-making process to ensure more ethical behavior in the organization (Bush, 1997: 267). Also, service marketers can benefit through tools

that help them define ethical boundaries that define the environment of the organization. Organizations that allow working individuals to make ethical decisions in the workplace may be exposed to risks by workers who may not act in the interest of others, especially the customer, and without management Ethics for service, customers may become dissatisfied with the service (Palmer, 2013:10).

### **Ninth: Dimensions Of Service Provider Ethics**

#### **1-Honesty**

It expresses frankness and integrity, in the sense that the marketer must be frank, direct, not cheating, lying, or deceiving (Levine & Schweitzer, 2014:109). The service provider's work requires adopting the principle of honesty and avoiding deception, lying or misleading, such as showing the products as they are and not claiming that it gives advantages that are not in them, as well as not suggesting a benefit that cannot be achieved, as the principle of stating the truth in the advertisement not only affects the consumer, but all Announcer is also faithful (Moses, 2016: 13).

#### **2-Responsibility**

The inability of the service provider to take decisions would lead to ambiguity in the role he should play within the context of performing his profession, and whether he can achieve the goal set for him by the administration, which is reflected in his performance levels in providing the service, hence He must realize the limits of his responsibility in understanding and comprehending the role that the service profession requires of him (Samir, 2013: 10).

#### **3-Justice**

There must be justice in words, deeds, promises and justice in dealing with all customers, regardless of their

characteristics, as this dimension relates to the service provider being fair, open-minded, and able to admit mistakes and abide by justice (Shahriari, 2013:2).

#### **4-Respect**

The lack of mutual respect between the organization and the service provider or between customers and the service provider leads to a large extent to deep gaps in the principle of understanding and the art of managing successful service delivery and the ability to persuasive communication in addition to the inability to understand and explain the feedback processes that take place within the context of service delivery between The service provider, prospective customers, and the ability to employ them in supporting and enhancing this dialogue, leading to successful conclusions of a sense of self-esteem and increased focus on work (Shahriari, 2013:2).

#### **5-Transparency**

Transparency means the absence of any individual differences between customers and dealing with them on the principle of equality with the provision of services with the highest degree of effort and each party must trust the other party during purchasing transactions (Sharf and Kadour, 2020: 145).

#### **6-Citizenship**

Compliance with the prevailing customs and traditions by which business is conducted (Dğnc, 2010:452). The marketer must abide by laws, regulations and instructions, even if they contain unfair clauses, as the marketer must exercise political rights and privileges such as democracy, be of social conscience and participate in public service (Cochoy, 2014:540).

### **Fourth: The Concept Of Customer Commitment**

Contemporary organizations seek to build a sustainable relationship with their customers to achieve customer retention gains from

reducing marketing costs to increasing longitudinal and occasional purchases for their customers in order to achieve tangible market assets that guarantee a sustainable advantage (Bans al., 2014 4). In order for the organization to do so, it must establish a solid relationship based on trust and commitment. Knowing the customer, in a dynamic environment in which marketing relations are characterized by a large degree of uncertainty regarding the continuation of the period of dealing with the same brand or organization (Jones, 2015:157).

And (Mochammad et al., 2020: 19) indicated that commitment is a behavior adopted by the customer, expressing an individual psychological state based on feelings or beliefs related to the organization. (Ranaweera&Prabhu, 2013: 380) confirms that the customer's commitment to his relationship with the organization paves the way for building psychological and social bonds that form the basis for customer capital, and it also reduces uncertainty as a result of the existence of a continuous history of the relationship and the continuous experience or experience of the organization's continuous and constant trust in it. Dealing with him and satisfying his needs and desires. Customer commitment can be defined as a commitment to an organization or things associated with that organization, such as its brands, brand image and reputation. The concept of customer commitment also includes the idea that customers can express their feelings about the brand and their desire to remain loyal to the brand as well as make frequent purchases. for its products (Tu&Chang,2014:18). Through the foregoing, the customer's commitment can be defined as: - Customers' perceptions that relations with the service provider are very important, so special efforts must be invested to maintain them for an indefinite period, and the customer's desire and efforts to maintain a relationship with the

organization.

### **Fifth: The importance of customer commitment**

Customer commitment is critical to the profitability of the organization, as it directly translates into frequent use of the service (Wolf et al., 2018:77). And the commitment of the customer can affect future intentions, the commitment follows the premise that the current relationship with the other is important and that maximum effort should be made to maintain it, and the two committed parties believe that it is important to work on this relationship and ensure the continuity of the relationship (Bakhshi, 2020:3). (Bachria et al., 2019:13) pointed out that the importance of the customer's commitment is as follows:-

1-Commitment is assumed as a precedent for repurchase behavior, and can be used as a tool for forecasting future sales.

2-A customer who has a high commitment maintains his relationship with the organization.

3-The commitment of the customer is related to a positive and important relationship with the loyalty of customers, and the commitment of the customer is also directly related to the performance of the organization.

4-Customer commitment is a changing mediator of the influence of the organization's image on customer loyalty.

### **Sixth: Dimensions Of Customer Commitment**

#### **I-Emotional Commitment**

It is the positive emotional attachment of the customer to the organization, as this commitment can be affected by many different demographic characteristics such as age, gender and education, and these effects are neither strong nor consistent, and the problem with these characteristics is that they cannot be clearly identified while they can be seen, and emotional commitment

affects greatly On the customer's desire to maintain the relationship with the organization (Rastegari et al., 2018: 320).

#### **2-Continuous Commitment**

Continuity commitment in marketing relationships is rooted in switching costs, sacrifice, lack of choice and dependence, and continuity commitment is based on Becker (1960) theory of side bets where the consumer is linked to a relational partner because of the possibility of losing additional benefits in case of switch, and at the same time the scarcity of alternatives is also an important reason for the situation Psychological continuity of commitment (Fullerton, 2005:1374).

#### **3-Normative Commitment**

This concept is formed by the perception of the customer, which in turn can be influenced by factors such as the social environment, as customers are affected by their social environment and behave in a way that satisfies their peers, or they try to integrate greatly with the brand, and therefore the customer is associated with a brand or organization due to normative commitment, He will stay with the brand or organization to demonstrate his loyalty and sense of obligation in order to align his feelings with the need for conformity (Shukla et al., 2016:326).

### **Practical framework for research**

#### **First: Describe and diagnose the study's measures and analyze its results**

##### **I-Service Provider Ethics Variable**

The current paragraph includes a presentation to describe, analyze and interpret the responses about the service provider's ethics variable in terms of its scale and its dimensions. The coefficient of difference reached for the dimension (16.43), as most of the sample answers were

in agreement about this dimension compared to the other dimension, then citizenship came in the second rank, as the coefficient of difference was (19.77), while the responsibility came in the third rank (20.07), and in the fourth rank came after

respect (20.07). ) And in the fifth rank, it came after honesty with a coefficient of variation that amounted to (21.74), while it came in the last rank after transparency with a coefficient of variation (21.59).

Table (1) Statistical Description And Interpretation Of The Service Provider's Ethics Variable With Its Dimensions

Dimensions	Mean	S. D	C.V	Variable order
Honesty	3.84	.835	21.74	5
The responsibility	3.85	0.773	20.07	3
Justice	4.24	0.697	16.43	1
Respect	3.85	0.773	20.07	4
Transparency	3.83	0.827	21.59	6
Citizenship	3.94	0.779	19.77	2

## 2-Customer Commitment Variable

The current paragraph includes a description, analysis and interpretation of the responses to the customer's commitment variable in terms of its scale and dimensions, as follows:

In order to rank the importance of the dimensions of the customer commitment variable, the coefficient of variation was used depending on the arithmetic mean and standard deviation. Table (41) shows that

the dimension of the standard commitment came in the first order, as the coefficient of variation reached for the dimension (22.57), as most of the sample answers were in agreement about this dimension compared to the other dimensions Then comes the continuous commitment in the second place, as the coefficient of difference reached (24.35), while it came after the emotional commitment in the third rank with the coefficient of difference reached (24.91).

Table (2) Statistical Description And Interpretation Of Customer Commitment With Its Dimensions

Dimensions	Mean	S. D	C.V	Variable order
Emotional commitment	3.75	0.934	24.91	3
continuous commitment	3.88	0.945	24.35	2
normative commitment	3.92	0.885	22.57	1

### The first major correlation hypothesis:

The second main correlation hypothesis is determined by exploring the level of correlation between the service provider's ethics variable and the customer commitment variable, whose content (there is a significant correlation relationship between (service provider ethics) with its dimensions and the customer commitment variable).

The correlation coefficients shown in the table show a preliminary evidence to support the main and subsidiary correlation hypotheses, as Table (3) shows that there is a strong correlation between the availability (ethics of the service provider) with its dimensions (honesty, responsibility, justice, respect, transparency, and citizenship) and the dependent variable (commitment the customer), the correlation strength was (.90\*\*), which is a positive and significant

correlation based on the (Sig.) indicator, which was within the level of significance (1%), meaning a level of confidence in the result (99%), as this result explains The availability of the service provider’s ethics level in private banks in the central

Euphrates governorates will inevitably lead to a good percentage of customer commitment. Service) with its dimensions and variable (customer commitment) within the space of private banks in the governorates of the Middle Euphrates

Table (3) The matrix of correlation coefficients between the ethics of the service provider with its dimensions and the commitment of the customer

<b>Correlations</b>								
		Honesty	Responsibility	Justice	Respect	Transparency	Citizenhip	Customer commitment
Service Provider Ethics	Pearson Correlation	.754**	.706**	.725**	.791**	.477**	.841**	.902**
	Sig. (2-tailed)	.000						
	N	194						
<b>** . Correlation is significant at the 0.01 level (2-tailed).</b>								

**Testing the Impact path Hypotheses of the Study Model:**

Table (4) shows the set of results related to testing the direct impact of the service provider's ethics and customer commitment. The value of the coefficient of determination (interpretation) (R2) for the ethics of the service provider and customer commitment was (0.81), and this indicates that the ethics of the service provider explains (81%) of the changes Which occurs at the level of customer commitment, and the remaining percentage (19%) is due to the influence of other variables that were not studied in the statistical model of the study, while the value of the tested effect was (Beta Standardized) ( $\beta = 0.90, P < .01$ ), which is a value that indicates The marginal slope coefficient indicates a positive direct relationship between the ethics variable of the service provider and the commitment of the customer, and it indicates that a change of one unit in the ethics of the service

provider will be directly reflected by an increase in the commitment of the customer by (90%). In Table (4), which is (41.092), a significant value at ( $P < .001$ ), and this indicates acceptance of the hypothesis that suggests the existence of a significant effect relationship between the ethics of the service provider and the commitment of the customer. Based on the above results, there is support for accepting the path of the first effect hypothesis between the interactive variable and the dependent variable, and it matches the expectations of the study in its intellectual framework. Table (4) shows the details of the figure, including standard values, non-standard values, and measurement errors. It also shows the significance of the values that appeared in the structural model, which are found to be statistically acceptable according to their significant ( $P < .001$ ) and (C.R - critical ratio) value.

Table (4) Regression weights to test the hypotheses of the direct impact of the ethics service provider and the commitment of the customer

Variables	Path	Variables	Standard values	Non-normative values	Measurement error	Critical ratio	Moral values
Customer commitment	<---	Service Provider Ethics	.902	.982	.024	41.092	***

## Conclusions And Recommendations

### Conclusions

1 -There is a strong positive correlation relationship with statistical significance between the ethics of the ethics service provider to customers in the banks under study and the commitment of the customer.

2 -There is a strong positive correlation with statistical significance between the ethics of the service provider in the banks under study and the commitment of the customer.

3 -There is a strong positive correlation with statistical significance between the ethics of the ethics service provider in the banks under study and the commitment of the customer.

4 -The dimensions of ethics service provider contribute by 40% to the commitment of customers towards the private banks under study.

5- The dimensions of the ethics service provider contribute by 27% to the commitment of customers towards the private banks under study.

### Recommendations

1- The arrangement of the impact of the ethics service provider dimensions on the customer's commitment in private banks is of practical importance, so that the management of banks must take into account when improving the quality of services, focusing on the reliability dimension as it is the most influential dimension on the customer's commitment in the private banks under study, taking into account the weaknesses in other dimensions.

2-Banks should pay attention to the ethics service provider by selecting qualified

employees, especially those dealing directly with customers who are able to attract them and gain their satisfaction, through training them and developing their communication skills and emphasizing the employees' focus on the positive language because of its great impact on the commitment Customers towards the private banks under study

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