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## Conference Paper

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# The Impacts of Team Management on Customer Service: The Mediating Role of Operation Flexibility

Fazli Idris and Jehad Mohammad

## Abstract

The study aims to determine the impact of team management and service operations flexibility on customer service. Service operations flexibility is divided into external flexibility and internal robustness. A mediation model is proposed that links team management to customer service via operation flexibility. Drawing on a sample of 475 of operations managers of various service sectors in Malaysia and South Africa, Structural Equation Modeling (SEM) was employed to test the relationship using SMART-PLS procedures. It was found that a significant relationship was established between team management to customer service via both operations flexibility dimensions. Theoretical and managerial implications are offered to explain the results.

**Keywords:** team management, operations flexibility, PLS, service industry.

## **1. Introduction**

The use of teams for achieving organizational performances have been recognized in the operations management literature (Pagell and LePine, 2002; Scott-Young and Samson, 2008 and Revilla and Knoppen, 2012). Furthermore, enhancing customer service through customer service initiatives are recognized in Total Quality Management (TQM) literature. When services are given in effective ways and delight the customers, organizations would be able to sustain their business. To realize these outcomes, one of the important factors in TQM is the utilization of teamwork to execute operations tasks. By the same token, the study of team effectiveness could also be traced from the human resource literature (Richards, Chillias, and Marks, 2012; Bacon et al., 2010).

What teamwork could possibly do is to enhance operations flexibility. This is true in many contexts since there is a synergy in doing work through team efforts. Organizations could effectively response to the needs of their customers and changing circumstances which will turn into a strategic competitive advantage to the organizations. And, the capability to be flexible must be aligned with the need of the customer. Customer service therefore should guide organizations to provide benefit to the customers. In the long run, customers will get more value for their money. Realizing the important of these constructs, this study assesses the relationship between these operations factors which could offer guidance to managers to make prudent decisions. Additionally, it can be said that not many studies of this nature have been conducted in a service setting. Hence, this study attempts to address these research gaps. In due course, a model depicting the link between team management, operations flexibility and customer service/service is proposed.

## 2. Theoretical Development

This model test the relationship between teamwork (TM), internal flexibility (IF), external flexibility (EF), and customer service (QF). It is conceptualized that TM will has positive and significant effect on IF, EF, and QF. Additionally, it is assumed that IF and EF will also have positive and significant effect on QF. Moreover, IF and EF will mediate the relationship between TM and QF.

Resource based view (RBV) was employed to support the relationships between the constructs of this study. This view emphasizes that firm's tangible and intangible resources as a vital element that helps organization to achieve competitive advantage (Peteraf and Bergen, 2003). This model assumes that firms can be distinct and unique with respect to the package of resources that they control. In addition, firm resources are perfectly immobile across firms, and thus heterogeneity (uniqueness) can lead to sustainable competitive advantage for firm (Barney, 1991).

As stated, RBV of the firm predicts that specific kinds of resources and capabilities owned and controlled by organizations such as team management have the potential to generate competitive advantage, which ultimately leads to organizational performance (Wernerfelt, 1984; Dierickx and Cool, 1989; Barney, 1995). Past studies have indicated for important relationships between organizational resources, capabilities, and competitive advantage (see Barney, 1991; 1995; Morgan, Kaleka and Katsikeas, 2004; King, 2007). For example, Gimenez and Ventura (2002) and Morgan et al., (2004), found that firm that characterize by high level of flexibility can achieved competitive advantage and comparatively better performance. Additionally, Datt, Guthrie and Wrigh (2005) and Rose and Kumar (2007a, 2007b) found that human resources are considered important factor in attaining a competitive advantage.

## **2.1 Hypothesis development**

### **2.1.1 Team work and Customer service**

Organization success and progress comes from forming and successfully implementing teams (Tanco, et al., 2011). When experts and professional work together, and innovate customers are likely to gain the best and most effective results (Borrill, et al., 2000). Thylefors, Persson and Hellstro (2005) argued that understanding and finding solutions for problems of external customers request gathering professional and skillful individuals in teams. Furthermore, Carter, Garside and Black (2003) contend that teamwork provides important opportunities for organization to improve the quality. In the healthcare sector Weller, et al. (2008), found positive association between the performance of healthcare teams and patient outcomes. Also Banker, Field and Sinha (1996) found that teamwork can contribute to improve the performance of manufacturing organization in term of productivity and quality.

The positive relationship between teamwork and customer service can be supported by using RBV. According to this theory, resources and capabilities possessed and controlled by firm have the potential to lead to competitive advantage (Barney, 1995). Accordingly, this study contend that skills, knowledge, and experiences that owned by group of individuals working together to accomplish certain goals have great potential to solve problems that organization can face, producing desirable outcome, and quickly and effectively responding to changes in customers' demands. These valuable human resources (teamwork) assist firm to gain competitive advantage in highly competitive environment.

On the basis of theoretical and empirical studies, there is enough support to assume that teamwork has the potential to affect customer service. However, there is a dearth of studies that address this relationship in the service sector, especially in cross culture setting. Therefore, this study aims to address this relationship in service sector in Malaysia and South Africa. It is assumed that when members of team are working in efficient, effective, and coherent way, they

are more likely to identify and satisfy the need of customer. Accordingly, it is possible to propose that teamwork can affect the performance of firm in term of customer service. Based on this proposition the below hypothesis was developed:

- H1: Teamwork will have positive effect on the firm performance in term of customer service.

### **2.1.2 Teamwork and internal and external flexibility**

Grant, Shani and Kr (1994) proposed that in order for organization to deal with flexibility, firm requires organizational arrangement such as cross functional teams. Besides, Bucki and pesqueux (2000) argued that infrastructural elements like teamwork, empowerment, and quality of leadership contribute significantly to operation flexibility in service organization. Similarly, Upton (1994) claimed that infrastructural elements can have positive effect on flexibility. In the same manner, Fazli et al. (2010) argued that flexibility of firm can be improved by a combination of structural and infrastructural elements.

The positive association between teamwork and internal and external flexibility can be justify using RBV. According to this theory, the firm's unique resources and capabilities play a major role to help firm to achieve competitive advantage (Peteraf and Bergen, 2003). This study argue that individuals who come from different discipline with various experience, talents, and capacities to form teamwork can be unique and valuable resources that have the potential to deal with and handle internal and external changes effectively and efficiently. This argument is consistent with Adler (1988) view i.e., organization ability to be flexible in uncertain environment helps to achieve advantage over other competitor in the market.

Based on above discussion there is sufficient evidences that support the hypothetical relationship between teamwork and internal and external flexibility. Based on this assumption the below hypotheses were developed:

- H2: Teamwork will have positive effect on internal flexibility
- H3: Teamwork will have positive effect on external flexibility

### **2.1.3 Internal and external flexibility and customer service**

According to Daugherty and Pittman (1995), flexibility of operations can result in better response to customer needs. Moreover, a flexible operation system can lead to better cost performances in terms of reducing customers' costs; enhance employee productivity and increasing utilization (Daugherty and Pittman, 1995). Slack (2005) claimed that flexibility in operations impacts firms' performances, whether it is manufacturing or service companies. Additionally, Morgan et al., (2004), argued that firm that characterize by high level of flexibility can achieved relatively better performance. Furthermore, Idris et al. (2010) have confirmed the importance of flexibility to performance of service firms in term of customer service and financial performance.

On the basis of previous discussion this study claims that internal and external flexibility can have positive effect on customer service. Based on this argument the below hypotheses were developed:

- H4: Internal flexibility will have positive effect on customer service
- H5: External flexibility will have positive effect on customer service

### **2.1.4 Mediating role of internal and external flexibility**

The mediating role of operation flexibility can be explained by resource based view. This view holds that organization valuable resources and capabilities are likely to assist organization to achieve competitive position in the market. Several studies (see Aranda, 2003; Slack, 2005; Swamidass and Newell, 1987) found positive relationship between team management, flexibility of operation and firm's non-financial performance. Therefore, one can assume that internal and external flexibility can mediate the relationship between teamwork and customer service. Based on this assumption the below hypotheses were developed:

- H6: Internal flexibility will mediate the relationship between teamwork and customer service
- H7: External flexibility will mediate the relationship between teamwork and customer service

### **3. Research methodology**

#### **3.1 Design of study**

The unit of analysis in this study is service organizations from two countries i.e., Malaysia and South Africa. Organizations that were surveyed incorporate hotels, hospitals, banks, private colleges and universities, retail stores, accounting and architect organizations. Since it was difficult to get a list of all elements of the population, and our objective is not generalization, non-random sampling technique such as quota sampling suitable and therefore was used to achieve the objectives of this study. In quota sampling, a population is segment into mutually exclusive sub-groups. Then judgmental sampling can be used to select the subjects or units from each segment based on a specified proportion and characteristics (Zikmund, 2003).

#### **3.2 Measurement instruments**

In this study, the completed questionnaire consisted of two sections. The First section includes 18 questions related to QF, EF, IF, and TM. The second section includes 6 questions related to the respondent's personal information. EF and IF were measured by using 10 items adapted from Idris et al. (2010) (e.g. "employees know what to do when there is a system failure such as blackout or accident"). Customer service was measured by using four items adapted from Idris (2011) (e.g. response to customer/clients' requests). Additionally TM was measured by using four items adapted from Boyer and McDermort (1999) (e.g. many problems have been effectively solved through teams' effort). Respondents were asked to indicate their level of agreement for each statement by using a 7-point Likert scale where 1 = strongly disagree and 7= strongly agree.

#### **3.3 Data collection**

Questionnaires were distributed to 600 managers from service organizations in two countries i.e., Malaysia and South Africa including hotels, hospital, bank, fast food restaurant, auto repair, colleges, accountant, and architect firms. Data



collection process starts at same time in Malaysia and South Africa. In Malaysia researcher had contacts the human resource managers of these organizations to get their permission to participate in the survey. Survey packets were hand-delivered to management executives such as operations managers in each of these service organization that accepted to participate in this study. A postage-paid envelope was included in the packet to return the survey to the researchers. Among the 300 questionnaires that were distributed to service organizations in Malaysia 240 managers returned the questionnaires, and 228 were found usable for further analysis. In South Africa, the lead researcher got help from some researchers in one of the prominent university in Cape Town. Same processes were implemented to collect data in 300 service organizations that accepted to take part in this survey. Among the 300 questionnaires that were handed to these organizations 247 were returned, and 224 were found usable (Table 1).

		Number/frequency
Malaysia	Number of questionnaires distributed	300
	Number of questionnaire returned	240
	Response rate	80%
	Number of usable questionnaire	228
	Effective Response rate	76%
South Africa	Number of Questionnaires distributed	300
	Number of questionnaire returned	247
	Response rate	82%
	Number of usable questionnaire	224
	Effective Response rate	74%

Tab. 1: Response rate

## 4. Data analysis and findings

### 4.1 Demographic background of respondents

The results of descriptive analysis (Table 2) show that majority of participants (69%) were managers. In term of respondents' tenure 83.1% of them have a 10-years work experience in the same organization. With respect to years of operations 65% of targeted service organizations have less than 15 years in the industry. The majority of participants (61%) were from local firms. Finally, the service organizations that have participated in this study contributed equally in term of number of respondents.

		Frequency (N)	Percentage (%)
Type of service	Hotel	55	12.2%
	Fast-food restaurant	51	11.3%
	Hospital	40	8.8%
	Auto repair	48	10.6%
	Retail store	47	10.4%
	Bank	54	11.9
	Private college	55	12.2%
	Architect	53	11.7%
	Accountant	49	10.8%
Profession	Manager	193	42.6%
	Middle manger	51	11.3%
	Top manger	68	15%
	Others	140	31%
Tenure	5 years and less	290	64.2%
	6 -10	86	19%
	11-15	44	9.7%
	16 years and above	32	7.1%
Years of operation	5 years and less	72	15.9%
	6 -10	128	28.3%
	11-15	94	20.7%
	16 years and above	158	35%
Firm's market	Local	279	61.7%
	Regional	53	11.7%
	Global	120	26.5%

Tab. 2: Demographic Background of Respondents

## 4.2 Descriptive analysis of the study variables

Table 3 shows the result of means, standard deviations, inter-correlations, and reliability (Cronbach's alpha) for the study variables. In this study, the correlation results among EF, IF, QF, and TM are positive and statistically significant ( $p < 0.01$ ) with values ranging from 0.456 to 0.66. In other words, the associations between the study variables were adequately robust to progress to the next stage of data analysis. Additionally, the internal consistency reliability of all constructs in terms of Cronbachs alpha exceeds the cut-off value of 0.70 (Nunnally, 1978), which means all items loaded highly on its respective construct.

	Mean	SD	Alpha	1	2	3	4
EF	5.34	1.06	0.898	1			
IF	5.13	0.92	0.730	0.660**	1		
TM	5.50	1.01	0.825	0.465**	0.488**	1	
QF	5.82	0.96	0.90	0.590**	0.553**	0.485	1

Tab. 3: Descriptive statistics, correlation among study variables, and values of alpha

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

## 4.3 Common method variance

The variables of this study are latent and data was collected using cross sectional method, hence, it was crucial to check for common method variance (CMV) (Podaskoff, et al., 2003). To address this problem, the current study used Harman 1-factor test on the four latent variables as suggested by Podaskoff et al. (2003). The results indicate that all factors in this study explain approximately equal amount of variance. Therefore, CMV was not serious problem in this study.

## **4.4 Model evaluation**

The main concern of this research is to predict the relationships between the latent constructs of this study, and to maximize the explained variance in endogenous variables. Therefore, this study has adopted SEM-PLS to achieve these research objectives.

### **4.4.1 Assessment of measurement model**

Assessment of the measurement model was determined based on two criteria i.e., reliability and validity of the model (Henseler, et al., 2009). Reliability of the measures refers to the ability of scale to produce similar results over time which is a good indicator that the scale is free from error (Cavana, Delahaye and Sekaran, 2001). In this study, reliability of constructs was examined based on values of factor loading and composite reliability as recommended by Hair et al. (2013). The widely recommended value for factor loading and composite reliability is 0.70 and above (Hair et al. 1998; Chin 2010). However, factor loadings with values greater than 0.40 is still acceptable as suggested by Hulland (1999). Table 4 demonstrates that all factors loading of all items exceed the cut off value of 0.50 and ranged between 0.61 and 0.90. Moreover, Table 4 also shows the values of composite reliability of EF, IF, QF, and TM are above the minimum threshold level of 0.70. These results provide support for the reliability of the measurement model.

The outer model validity was judged on the basis of convergent validity and discriminant validity (Henseler, et al., 2009). Chin (2010) has recommended to use average variance extracted (AVE) to assess convergent validity. The required value for AVE must be greater than 0.50, which means the construct explains more than 50% of variance in its respective construct (Henseler, et al., 2009). Table 4 illustrates that the values of AVE of EF, QF, IF, and TM are 0.71, 0.77, 0.57, and 0.657 respectively, which exceed the cut-off value of 0.50, which satisfy the convergent validity criterion (Hair, et al., 2006; Tabachnick and Fidell, 2007).

Construct	items	Factor Loading	AVE	CR
EF	EF1	0.845	0.710	0.925
	EF2	0.857		
	EF3	0.833		
	EF4	0.855		
	EF5	0.823		
QF	QF1	0.871	0.770	0.931
	QF2	0.885		
	QF3	0.900		
	QF4	0.855		
IF	IF1	0.782	0.570	0.840
	IF2	0.819		
	IF3	0.790		
	IF5	0.610		
TM	TM1	0.697	0.657	0.884
	TM2	0.847		
	TM3	0.877		
	TM4	0.809		

Tab. 4: Assessment of outer model

Note: AVE refers to average variance extracted, CR refers to composite reliability. Note2: IR4 was deleted to increase the value of AVE

Discriminant validity was assessed as well to validate outer model. It indicates that construct is more strongly related to its items rather than other constructs. In this study discriminant validity was evaluated by using Fornell and Larcker's (1981) criteria i.e., the square root of the AVE of a construct is needed to be greater than the correlations between other constructs. Table 5 demonstrates that, the square root of AVE (diagonal values) for all constructs are greater than the correlations between the construct and other constructs in the model (off-diagonal values), which satisfy the criterion of discriminant validity at the construct level (Fornell and Larcker, 1981).

	EF	IR	QF	TM
EF	<b>0.843</b>			
IF	0.728	<b>0.755</b>		
QF	0.601	0.579	<b>0.878</b>	
TM	0.469	0.480	0.489	<b>0.811</b>

Tab. 5: Discriminate validity at construct level

Note: Diagonals represent the square root of AVE while off-diagonals represent the correlations

Discriminant validity also was assessed at the items levels. Table 6 shows that the loading of each indicator on its respective latent construct is higher than all of its cross-loadings in row and column, which fulfills the criterion of discriminant validity at the item level (Chin 1998; Fornell & Larcker 1981).

	EF	QF	IR	TM
EF1	0.845	0.458	0.583	0.385
EF2	0.857	0.459	0.587	0.405
EF3	0.833	0.468	0.582	0.348
EF4	0.855	0.566	0.639	0.404
EF5	0.823	0.561	0.662	0.425
QF1	0.497	0.871	0.475	0.415
QF2	0.543	0.885	0.515	0.401
QF3	0.572	0.900	0.556	0.498
QF4	0.490	0.855	0.477	0.394
IR1	0.595	0.490	0.782	0.366
IR2	0.614	0.477	0.819	0.386
IR3	0.574	0.451	0.790	0.390
IR5	0.383	0.304	0.610	0.301
TM1	0.340	0.407	0.361	0.697
TM2	0.419	0.382	0.409	0.847
TM3	0.389	0.386	0.401	0.877
TM4	0.366	0.409	0.379	0.809

Tab. 6: Discriminant validity at item level

Based on the above discussion, it can be concluded that in this study the measurement model has demonstrated sufficient level of validity and reliability (see Figure 1).

Therefore; it is possible to move forward to examine the structural model.

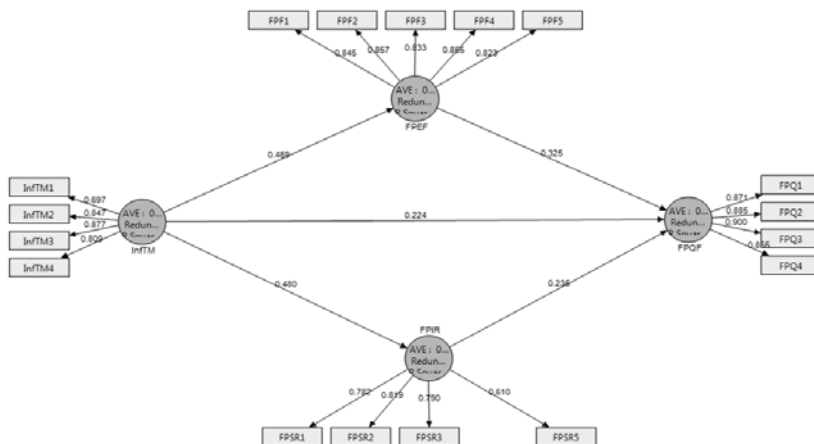


Fig. 1: Measurement model result

#### 4.4.2 Assessment of the structural model

The evaluation process of inner model incorporates several steps as recommended by Götz, et al., 2010.

First, the assessment of the amount of variance explained in the endogenous constructs (R<sup>2</sup>). According to Cohen (1988), R<sup>2</sup> values of 0.02, 0.13, and 0.26 are considered as small, medium, and large respectively. On the other hand, some researcher revealed that the acceptable value of R<sup>2</sup> depends on research context, the role of construct in the model, and the number of independent variables in the model (see Henseler et al. 2009; Ringle, Wende and Will, 2010). In this study the values of R<sup>2</sup> of QF, EF, and IF are 0.44, 0.22, and 0.23 respectively (Table 7). This indicates that the model ability to explain the variance is ranged between moderate to substantial (Cohen 1988).

Second, evaluating the effect size (*f*<sup>2</sup>). This refers to the contribution of exogenous constructs in explaining the variance in the endogenous construct. It can be calculated by using Cohen's (1988) equation i.e.  $f^2 = R^2_{incl} - R^2_{excl} / 1 - R^2_{incl}$ . *f* squares' values of 0.02, 0.15, and 0.35 represent weak, moderate and

substantial effect respectively (Cohen 1988). In the current research the values of  $f^2$  of EF, IF, and TM are 0.089, 0.071, and 0.061 respectively (Table 7). This signifies that EF was more important in explaining the variance in QF followed by IF, and TM.

Third, estimation the model ability to predict (Q2). The model's predictive ability is decided based on Stone-Geisser's Q2 (Geisser, 1975; Stone, 1974). The value of Q2 can be obtained by using a blindfolding procedure (Tenenhaus, et al., 2005). To determine the model ability to predict, cross validated redundancy was used as suggested by Hair et al (2013). Q2 value greater than zero indicate that the model has predictive ability (Fornell and Cha, 1994). In the current study the values of Q2 of EF, IF, and QF are 0.153, 0.13, and 0.336 respectively (Table 7). As these values are greater than zero, it can be concluded that the structural model has predictive relevance (Fornell and Cha, 1994).

	R2	Q2	$f^2$
EF	0.22	0.153	0.089
IF	0.23	0.13	0.071
QF	0.44	0.336	
TM			0.061

Tab. 7: Structural model evaluation

#### 4.4.3 Hypotheses testing

Testing the seven hypotheses developed in this study was based on the significant level of path coefficient ( $\beta$ ). Path coefficient represents the strength of association between the constructs in the inner model. The significance level of the regression coefficient ( $\beta$ ) was determined based on t-value, which was obtained using PLS bootstrap process with 5000 resample as suggested by Hair et al. (2013). Critical t-values are 1.65 ( $p < 0.10$ ), 1.96 ( $p < 0.05$ ), and 2.58 ( $p < 0.01$ ) (Hair et al. 2011). Overall, the results of hypotheses testing show that all path coefficients were statistically significant at 0.001 levels (Table 8).

As can be observed in Table 8, TM was positively and significantly correlated with EF ( $\beta = 0.469$ ,  $p < 0.001$ ), IF ( $\beta = 0.48$ ,  $p < 0.001$ ), and QF ( $\beta = 0.224$ ,  $p < 0.001$ ) respectively. This provides support for H1, H2, and H3. Moreover, EF and IF



were positively and significantly associated with QF ( $\beta = 0.325$ ,  $p < 0.001$ ;  $\beta = 0.235$ ,  $p < 0.001$ ) respectively. Thus H4 and H5 were supported.

Hypotheses	Suggested direction	$\beta$	t-value	95% confidence interval	support
H1: TM>EF	+	0.469	11.519	0.403-0.535	Yes
H2: TM>IF	+	0.48	11.687	0.412-0.547	Yes
H3: TM>QF	+	0.224	4.981	0.151-0.296	Yes
H4: EF>QF	+	0.325	4.891	0.241-0.433	Yes
H5: IR>QF	+	0.235	3.554	0.127-0.342	Yes

Tab. 8: Path coefficient and hypothesis testing

Hypotheses 6 and 7 stated that EF and IF will mediate the relationships between TM and QF. To examine the presence of mediation effect, PLS algorithm, and bootstrapping procedures with 1000 resample was ran on the full model to obtain the path coefficient and the significant level of these paths. A close look at Table 8 shows that all paths are statistical significant which indicates for empirical evidence of mediation effect. To examine the statistical significance of the indirect effect, bootstrapping procedures with 5000 resample was implemented (Preacher and Hayes 2008). The bootstrapping analysis (Table 9) showed that the indirect effect  $\beta_1 = 0.152$  ( $0.469 \times 0.325$ ) was significant with a t-value of 4.50,  $p < 0.001$ , 95%CI: 0.084-0.219). Thus it can conclude that the mediation effect of EF is statistically significant. Although, the bootstrapping procedures indicated that the indirect effect  $\beta_2 = 0.113$  ( $0.48 \times 0.235$ ) was significant with a t-value of 3.23,  $p < 0.001$ , 95% CI: 0.044-0.181). Which provide support to the mediation effect of IF.

Hypotheses	Indirect effect	S.E	t-value	95% confidence interval	support
H6: TM>EF>QF	$\beta_1 = 0.152$	0.033	4.423	0.084-0.219	Yes
H7: TM>IF>QF	$\beta_2 = 0.113$	0.035	3.23	0.044-0.181	Yes

Tab. 9: Hypotheses test for indirect effect

To assess the size of the indirect effect, this study employed the variance accounted for (VAF) value ( $VAF = \text{indirect effect} / \text{total effect}$ ) (Iacobucci &

Duhachek 2003). In the current study, the values of VAF of EF and IF are 0.0.404 and 33.5 respectively, which means that 40.4% and 33.5% of the total effect of TM on QF is explained by the indirect effect of EF and IF respectively. Therefore, H6 and H7 are supported.

## **5. Discussion and Conclusion**

This study found that a significant relationship was established between team management to customer service via both operations flexibility dimensions. With the increasing emphasis on high-quality, fast product innovation and improved customer satisfaction, many companies currently emphasizing the importance of forming teamwork to achieve these goals in environment characterized by high level of competition and uncertainty (Boyett and Conn, 1991).

The crucial role of teamwork stem from the idea that by identifying and solving problems related to work, teams can improve the performance of organization (Banker, et al., 1996). Therefore, in this study we found direct evidence that teamwork improve the operations flexibility of the operations. According to the literature, teamwork has received researcher attention for last few decades due to it is significant contribution in building an effective and efficient organization (Passos and Caetano, 2005). Teamwork includes the performance of individuals' outcome and the shared results of team members (Tanco, et al., 2011). Therefore, groups cannot become teams unless they develop a sense of shared commitment and work hard for synergy among members (Katzenbach and Smith, 1993).

The notion of flexibility has received researcher attention due to the crucial role that flexibility play inside organization. It motivate employees, enhance their productivity, and help organization to achieve competitive position especially in matters related to adoption and implementation of technologies (Adler, 1985; Fazli et al., 2010; Upton, 1994). Moreover, some studies found that organizations that characterized by high level of flexibility outperform other organization with less flexible operation (Merschmann and Thonemann, 2011; More and Subash

Babu, 2011). Flexibility of service organization involves the rapid introduction of newly designed service, handling changes in the service mix, handle variation in customer delivery schedules, ability to adjust operation capacity, and customization of service to targeted customer (Aranda, 2003).

The final outcome for organization having better team management and operations flexibility is enhancement of customer service, as proved in this study. Customer considers the most important part of quality process, and to understand their needs citizen of organization must work hard to enhance their knowledge about changeable needs of their customers.

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