

# Influence of Service Quality Indicators on Financial Institution (FI) Satisfaction with Outsourced Mortgaged Valuation in Lagos, Nigeria

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**Abstract:** *The aim of the study is to determine the influence of service quality indicators; the critical predictor of satisfaction to financial institutions in Lagos State. The study has applied service quality indicators in evaluation of valuation services; it overhauls the entire valuation services, giving overall rating of the services in all ramifications. The rating reveals the extent to which valuation services provided meet expectation of FI. Primary data sourced from financial Institution were analyzed using Structural Equation Model while literature review which constitutes secondary data gives the study a footing. Reliability is found to be the most influential or the critical predictor of FI satisfaction, in other word it is the most sought out for among the service quality indicators and Assurance as next in rank; the other three are in this order: Empathy, Responsiveness and Tangible. This is evident from the highest Beta value of 0.328 recorded by Reliability among other indicators in the structural model developed. Assurance as the next in ranking recorded 0.258 Beta value, the two recorded significant contribution to customers' satisfaction. The paper is an empirical study among financial Institutions in Nigeria. Information from 78 financial institutions (FI) were analyzed using Structural Equation Model. It has developed a model that relates service quality of outsourced valuation service and user (FI) satisfaction in Lagos State and Nigeria by generalization. The model developed has contributed to body of knowledge in academics. Professionals as well are guided on what mostly influence Financial Institution satisfaction with their services for their relevance in the profession and patronage.*

**Keywords-** financial institutions, Lagos, satisfaction, service quality, valuation.

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## INTRODUCTION

Financial Institutions request valuation for mortgage; to determine mortgage values of real properties pledged as collateral. Valuation is not a core business of FI and falls within the purview of Corporate Real Estate (CRE) Management; hence the need for its outsourcing to service providers. Quality services translate to customers' and other stakeholders' satisfaction and organizational performance. Customers' expectation matching services rendered signifies receipt of quality services, satisfaction by users and performance of services provider(s). Service provision without user's satisfaction could be counterproductive or ineffective, therefore the need to know the service expectations of the Financial Institution and the critical predictor of satisfaction among service quality indicators is very important. Ha and Jang (2009) submit that when customers' perceptions do not meet expectations, there will be service failure, which leads to customers' dissatisfaction and eventual damage to the relationship between customers and the organization. Service quality is seen as a driving force for business sustainability (Calzon, 1987), a success factor for firms (Rust and Oliver, 1994), and higher profitability (Gundersen et al., 1996). Delivering high-quality services is germane to the organization's patronage and success (Tirumeh, 2017). Service companies like estate surveying and valuation firms must adopt service quality as a valuable tool to obtain and sustain competitive advantage in the marketplace and ensure FI satisfaction with its services.

## LITERATURE REVIEW

### Satisfactory Index and Service Quality

Quality means "fitness for use" (Juran, 1974). Service quality is the overall rating of services by consumers (Eshgi et al., 2008). Service quality is the extent to which a service meets users' expectations or needs (Dotchni and Oakland, 1994; Asubonteng et al., 1996; Wisniewski and Donnelly, 1996). Consumers compare quality with satisfaction; the highest quality is synonymous with satisfaction (Garvin, 1984). Service quality is positively correlated with customer satisfaction (Kaura et al., 2012; Aga and Safakli, 2007; Ismail et al., 2006).

The core value of all organizations in the manufacturing and service sectors revolves around service quality, which has been increasingly recognized as one of their mission statements (LeBlanc and Nguyen, 1988; Bitner, Burns, and Tetreault, 1990). The concept of customer satisfaction is generally based on the idea that a business must satisfy its consumers in order to survive and benefit (Farooq et al., 2018).

Glylin et al. (2008) posited that an organization's ability to deliver quality services improves customers' satisfaction and, in turn, increases patronage of its services. Quality service providers often get referrals from satisfied customers and get disapproval if otherwise. Walker (2001) affirmed that satisfied customers inform 4 to 5 people about their experience, while dissatisfied people tell 9 to 10 people. According to Wang (2011), a satisfied client may or may not give a

service provider a referral, but a dissatisfied customer will definitely speak ill of a poor-quality service provider.

Performance is measured by the ability of a system to meet set-down indicators of assessment. It is aimed at determining the effectiveness and efficiency of a programme (Burke and Hayward, 1999). Key Performance Indicators (KPIs) provide the yardstick of performance measurement. Parasuraman et al. (1988) group these KPIs under five dimensions of service quality: (i) reliability, (ii) responsiveness, (iii) assurance (iv) empathy and (v) tangibles.

In determining service quality, a comparison is made of customer's expectation of what service providers should offer with the perception of customers of the services rendered; customers' expectation matching perception signifies service providers' performance, and that was the bedrock for the development of SERVQUAL model by Parasuraman et al. (1988). The provision of quality services is considered an essential strategy for firm survival and success in today's competitive global environment (Zeithaml et al., 1985). Quality services also have a positive correlation with customer satisfaction. Arsanam and Yousapropabon (2014), Arsalan et al. (2015), and Kashif et al. (2015) submitted that the quality of services influences customers.

### Service Quality Indicators

This study has attempted to apply the five dimensions of service quality, namely Reliability, Responsiveness, Assurance, Empathy, and Tangibles, discussed below as projected in Parasuraman's Servqual model (1988), to measure the quality of outsourced mortgaged property valuation services by financial institutions in Nigeria.

**Tangible** service items are visible and touchable (Khan and Fasih, 2014). According to Parasuraman et al. (1988), tangible metrics are explained by the presence of facilities, equipment, and the appearance of the service provider. Equipment should be up to date, physical facilities should usually be appealing, and personnel should be well-dressed and neat. **Reliability** to service accuracy and defined it as the ability of service providers to deliver services dependably and accurately. Findings from past researches revealed Reliability as the major predictor of customers' satisfaction: Lianxi and Zhou, (2004); Yavas et al, (2004); Gill, Flaschner and Shachar, (2006); Kantsperger, Kunz (2010). According to Blery et al. (2009). **Responsiveness** measures the speed at which service providers resolve customers' problems or attend to customers' demands. Parasuraman et al. (1988) assert that it is reasonable for customers to expect prompt services, and service providers are not expected to be too busy to respond to customers' requests. Khan et al. (2018) perceived Responsiveness as zeal to deliver for client benefits, while Blerry et al (2009) viewed it as speed and promptness of service delivery. According to Bashir et al. (2012), Employees must be courteous and knowledgeable and gain customers' confidence and trust. Zeithaml and Bitner (2005) posit that customers must have the **Assurance** that the service provider will deliver services knowledgeably and courteously for the trust and confidence of service providers. The confidence reposed on the service provider by the customers of his ability to deliver

services ethnically and professionally, as well as the knowledge displayed by the service provider, is assuring (Khan and Fashi, 2014; Blery et al., 2009).

The existence of service provider assurance greatly influences customers' satisfaction (Ndubisi, 2006 Ndubisi and Wah, 2005). Ziethaml and Bitner (2003) explained **Empathy** as the special care and attention that must be accorded to customers. Empathy is the ability of the service provider to pay attention to customers' problems as demanded both individually and collectively and address them effectively (Khan and Fash, 2014). Parasuraman et al. (2018) posit Empathy as the caring, individualized attention a firm provides its customers. The service provider is expected to work in the best interest of the client, understand the client's needs, and be accessible when needed. Al-Mani, Ahmed, and Zairi (2007), Ganguli and Roy (2011), and Wieseke et al. (2012) reported a positive correlation between Empathy and customer satisfaction. Given Empathy, service providers receive more patronage and loyalty from customers. Although Empathy is positively correlated with customer satisfaction, Daniel and Berinyiny (2010) adjudge it as the least sensitive to customer satisfaction.

The 5 service quality indicators namely; tangible, reliability, responsiveness, assurance and empathy which are further broken down to 20 units were used where;

- TANG1 = How satisfied are you with Estate valuer equipment
- TANG2 = How satisfied are you with appearance of estate valuers physical facilities
- TANG3 = How satisfied are you with appearance of estate valuers
- RELIA1 = Estate Valuers keeping to time promised
- RELIA2 = Dependability of Estate Valuers opinion of values
- RELIA3 = Accuracy of Valuers opinion of values
- RELIA4 = When client have problems, how satisfied are you with valuers sympathy and reassuring
- RESP1 = How satisfied are you with valuation appointment given by Valuers
- RESP2 = How satisfied are you with promptness of valuation service
- RESP3 = Valuers willingness to help FI
- RESP4 = Valuers willingness to help FI even when not convenient
- ASSUR1 = Valuers ability to make FI repose trust in them
- ASSUR2 = Valuers ability to assure FI of safety of their transaction with them
- ASSUR3 = Politeness of Estate valuers with FI
- ASSUR4 = Adequate support given by Estate valuer to FI to do their job well.
- EMP1 = Personal attention given by Estate valuers to FI
- EMP2 = Individual attention given by Estate valuers to FI
- EMP3 = Ability of Estate Valuer to know what the need of FI are
- EMP4 = Estate Valuers having FI best interest at heart
- EMP5 = Estate valuers adjusting to FI inconvenient operating hours

## RESEARCH METHOD

### Study Population

The study population comprises commercial and retail banks, mortgage banks, development banks, and other finance houses. Out of over 200 financial Institutions in Lagos state only one

Hundred and (101) are duly registered with traceable contacts (Gbolade, Crested Business Directory, 2022). Their offices span across the length and breadth of Lagos State and are found within the named strata of Lagos Island, Ikeja, Surulere, Apapa, Ilupeju, and Onikan. This is as shown in Table 1.

**Table 1: Sample Frame**

| S/<br>N | FI/ LOCATIONS                            | L/ISLA<br>ND | IKEJ<br>A | S/LE<br>RE | ONIK<br>AN | ILUPE<br>JU | APA<br>PA | TOT<br>AL  |
|---------|------------------------------------------|--------------|-----------|------------|------------|-------------|-----------|------------|
|         | COMMERCIAL<br>BANKS                      | 24           | 0         | 0          | 0          | 0           | 0         | 24         |
|         | MERCHANT BANKS                           | 5            | 0         | 0          | 0          | 0           | 0         | 5          |
|         | MICROFINANCE<br>BANKS                    | 28           | 9         | 5          | 4          | 0           | 0         | 46         |
|         | MORTGAGE<br>SAVINGS/LOANS<br>BANK        | 14           | 4         | 1          | 1          | 0           | 0         | 20         |
|         | SPECIAL<br>PURPOSE/DEVELOP<br>MENT BANKS | 6            | 0         | 0          | 0          | 0           | 0         | 6          |
|         | <b>TOTAL</b>                             | <b>77</b>    | <b>13</b> | <b>6</b>   | <b>5</b>   | <b>0</b>    | <b>0</b>  | <b>101</b> |

**Source:** Author's Field survey, 2025

### Sample Size and Data Analysis

The total population of Financial Institutions was observed because of its manageable size. Questionnaires were administered to financial institutions at head offices, most of which are located within these strata. Information gathered from the administration of questionnaires was analyzed using Partial Least Square Structural Equation Model.

**DISCUSSION & RESULT**

Table 2: Normality Distributions

| Constructs             | Valid Sample | Items/Variables | Skewness | Kurtosis |
|------------------------|--------------|-----------------|----------|----------|
| Tangibles              | 78           | TANG1           | -0.1579  | -1.1384  |
|                        | 78           | TANG2           | 0.3918   | -0.8839  |
|                        | 78           | TANG3           | 0.2361   | -0.5787  |
| Reliability            | 78           | RELIA1          | -0.1970  | 1.5642   |
|                        | 78           | RELIA2          | -0.0041  | -0.5298  |
|                        | 78           | RELIA3          | -0.1083  | 0.9061   |
|                        | 78           | RELIA4          | -0.3231  | 1.2773   |
| Responsiveness         | 78           | RESP1           | -1.7459  | 6.3100   |
|                        | 78           | RESP2           | -1.7603  | 6.2719   |
|                        | 78           | RESP3           | -1.7144  | 6.4991   |
| Assurance              | 78           | ASSUR1          | -0.3071  | 0.4255   |
|                        | 78           | ASSUR2          | -0.5603  | 0.9643   |
|                        | 78           | ASSUR3          | -1.1573  | 5.3808   |
|                        | 78           | ASSUR4          | 4.1930   | -1.1515  |
| Empathy                | 78           | EMP1            | -0.9085  | 0.5086   |
|                        | 78           | EMP2            | -0.5916  | -0.0593  |
|                        | 78           | EMP3            | -0.8639  | 0.4420   |
|                        | 78           | EMP4            | -0.7007  | 0.1463   |
|                        | 78           | EMP5            | -0.3672  | 0.3926   |
| Customers Satisfaction | 78           | CUSAT1          | -1.3396  | 3.2564   |
|                        | 78           | CUSAT2          | -0.9454  | 1.3615   |
|                        | 78           | CUSAT3          | -0.8634  | 1.2755   |
|                        | 78           | CUSAT4          | -0.3323  | -0.3516  |
|                        | 78           | CUSAT5          | 0.1657   | -0.8204  |

Table 2 provides an overview of the normality distributions for multiple constructs within the study. Each construct includes 78 valid samples across its respective items. The analysis reveals varying degrees of skewness and kurtosis for different items within the constructs. For instance, under the Tangibles construct, items TANG1 and TANG3 show negative skewness and kurtosis values respectively, indicating a slight left-leaning asymmetry in their distributions. Similarly, items under the Reliability construct demonstrate a mix of negative and positive skewness and kurtosis values, with RELIA2 showing minimal skewness compared to others.

In contrast, the Responsiveness construct exhibits higher negative skewness values across all items, indicating a more pronounced left-leaning asymmetry in the distribution of responses for factors related to responsiveness. Additionally, the Assurance construct shows a mix of negative and positive skewness values, with ASSUR4 standing out due to its relatively high positive

skewness, indicating a right-leaning asymmetry in the distribution of responses. Overall, these normality distributions shed light on the distribution patterns of various constructs such as tangibles, reliability, responsiveness, assurance, empathy, and customer satisfaction within the study, highlighting the variability and characteristics of the responses within each construct.

Table 4 provides a detailed summary of the internal consistency and indicator reliability test results for various constructs within the study. The internal consistency of each construct is evaluated using Cronbach's alpha, with values exceeding 0.6 considered acceptable. The constructs of Tangibles, Reliability, Responsiveness, Assurance, Empathy, and Customer Satisfaction all exhibit Cronbach's alpha values above this threshold, ranging from 0.873 to 0.937, indicating good internal consistency and reliability of measurement within each construct.

Furthermore, the indicator reliability is assessed through composite reliability, with values exceeding 0.7 considered satisfactory. The results demonstrate that all constructs meet this criterion, with composite reliability values ranging from 0.911 to 0.951. This indicates that the indicators within each construct are highly reliable and consistent, providing a robust foundation for measuring the respective constructs effectively. Additionally, the indicator-level analysis includes outer loadings, which measure the strength of the relationship between each item and its respective construct. All items within the constructs exhibit outer loadings equal to or greater than 0.7, signifying strong correlations between the items and their constructs. This reinforces the reliability and validity of the measurement models used in the study, as indicated by the high internal consistency, composite reliability, and strong indicator loadings across the constructs.

**Table 4: Summary of Internal Consistency and Indicator Reliability Test**

| Constructs           | Cronbach's Alpha<br>>0.6 | Composite<br>reliability<br>>0.7 | Items  | Outer<br>loading<br>$s \geq 0.7$ |
|----------------------|--------------------------|----------------------------------|--------|----------------------------------|
| Tangibles            | 0.937                    | 0.91                             | TANG1  | 0.726                            |
|                      |                          |                                  | TANG2  | 0.944                            |
|                      |                          |                                  | TANG3  | 0.95                             |
| Reliability          | 0.899                    | 0.929                            | RELIA1 | 0.896                            |
|                      |                          |                                  | RELIA2 | 0.836                            |
|                      |                          |                                  | RELIA3 | 0.92                             |
|                      |                          |                                  | RELIA4 | 0.846                            |
| Responsiveness       | 0.893                    | 0.912                            | RESP1  | 0.828                            |
|                      |                          |                                  | RESP2  | 0.91                             |
|                      |                          |                                  | RESP3  | 0.869                            |
|                      |                          |                                  | RESP4  | 0.786                            |
| Assurance            | 0.873                    | 0.911                            | ASSUR1 | 0.801                            |
|                      |                          |                                  | ASSUR2 | 0.866                            |
|                      |                          |                                  | ASSUR3 | 0.842                            |
|                      |                          |                                  | ASSUR4 | 0.879                            |
| Empathy              | 0.936                    | 0.951                            | EMP1   | 0.854                            |
|                      |                          |                                  | EMP2   | 0.930                            |
|                      |                          |                                  | EMP3   | 0.952                            |
|                      |                          |                                  | EMP4   | 0.913                            |
|                      |                          |                                  | EMP5   | 0.807                            |
| CustomerSatisfaction | 0.905                    | 0.93                             | CUSAT1 | 0.848                            |
|                      |                          |                                  | CUSAT2 | 0.890                            |
|                      |                          |                                  | CUSAT3 | 0.904                            |
|                      |                          |                                  | CUSAT4 | 0.890                            |
|                      |                          |                                  | CUSAT5 | 0.720                            |

**Source:** Author's Field survey, 2025**Table 5: Convergent Validity Tests**

| Constructs | AVE >0.5 |
|------------|----------|
| ASSUR      | 0.718    |
| CUSAT      | 0.728    |
| EMP        | 0.797    |
| RELIA      | 0.766    |
| RESP       | 0.722    |
| TANG       | 0.773    |

**Source:** Author's Field survey, 2025

Table 5 presents the results of convergent validity tests for various constructs within the study. Convergent validity is assessed using the Average Variance Extracted (AVE), with a threshold of  $> 0.5$  considered desirable. The table 5 reveals that all constructs, including Assurance (ASSUR), Customer Satisfaction (CUSAT), Empathy (EMP), Reliability (RELIA), Responsiveness (RESP), and Tangibles (TANG), meet this criterion, with AVE values ranging from 0.718 to 0.797. These findings indicate that the indicators within each construct share a significant amount of variance, demonstrating the convergent validity of the measurement models used to assess these constructs.

The AVE values exceeding 0.5 for all constructs suggest that the items within each construct are highly correlated and measure the same underlying concept or dimension. This indicates that the constructs are reliable and consistent in capturing the intended variables or factors. The robust convergent validity observed across all constructs strengthens the overall validity of the measurement models and provides confidence in the interpretation of results related to these constructs in the study.

Overall, Table 5 underscores the successful validation of the constructs through convergent validity testing, as evidenced by the AVE values surpassing the recommended threshold. This validation process ensures that the measurement models accurately reflect the constructs they intend to measure, enhancing the credibility and reliability of the study's findings and conclusions related to Assurance, Customer Satisfaction, Empathy, Reliability, Responsiveness, and Tangibles.

**Table 6 Discriminant validity based on Fornell-Larcker criterion analysis**

|       | ASSUR | CUSAT  | EMP   | RELIA | RESP   | TANG  |
|-------|-------|--------|-------|-------|--------|-------|
| ASSUR | 0.847 |        |       |       |        |       |
| CUSAT | 0.294 | 0.853  |       |       |        |       |
| EMP   | 0.5   | 0.324  | 0.893 |       |        |       |
| RELIA | 0.192 | -0.274 | 0.019 | 0.875 |        |       |
| RESP  | 0.003 | 0.11   | 0.011 | 0.101 | 0.85   |       |
| TANG  | 0.047 | -0.12  | 0.082 | 0.143 | -0.119 | 0.879 |

**Source:** Author's Field survey, 2025

Table 6 presents the results of discriminant validity based on the Fornell-Larcker criterion analysis, which compares the square root of the Average Variance Extracted (AVE) for each construct with the correlations between that construct and other constructs. A construct demonstrates discriminant validity if the square root of its AVE is greater than its correlation with other constructs. In this analysis, the diagonal values represent the square root of the AVE for each construct, while the off-diagonal values show the correlations between constructs. The table 4.35 reveals that the square roots of the AVE for all constructs (ASSUR, CUSAT, EMP, RELIA, RESP, TANG) are higher than their correlations with other constructs, indicating discriminant validity. Specifically, the diagonal values for each construct (ranging from 0.847 to 0.893) are greater than the

corresponding off-diagonal values (ranging from 0.003 to 0.5), confirming that each construct is distinct from the others and measures a unique underlying concept or dimension.

These findings demonstrate that the measurement models successfully differentiate between the constructs, ensuring that each construct captures distinct and non-overlapping aspects of the phenomena under investigation. The robust discriminant validity observed in Table 6 enhances the credibility and reliability of the study's measurement models, allowing for accurate and meaningful interpretations of the relationships and associations between the constructs in the analysis.

**Table 8: Collinearity Issue Assessment**

| Constructs             | Items  | VIF<5 |
|------------------------|--------|-------|
| Assurance              | ASSUR1 | 2.437 |
|                        | ASSUR2 | 3.057 |
|                        | ASSUR3 | 2.175 |
| Customers satisfaction | ASSUR4 | 2.108 |
|                        | CUSAT1 | 2.877 |
|                        | CUSAT2 | 3.192 |
|                        | CUSAT3 | 4.088 |
|                        | CUSAT4 | 3.414 |
|                        | CUSAT5 | 1.769 |
| Empathy                | EMP1   | 2.811 |
|                        | EMP2   | 6.685 |
|                        | EMP3   | 8.746 |
|                        | EMP4   | 4.561 |
|                        | EMP5   | 2.194 |
| Reliability            | RELIA1 | 2.784 |
|                        | RELIA2 | 2.470 |
|                        | RELIA3 | 3.618 |
|                        | RELIA4 | 2.973 |
| Responsiveness         | RESP1  | 2.331 |
|                        | RESP2  | 2.270 |
|                        | RESP3  | 3.361 |
|                        | RESP4  | 3.548 |
| Tangibles              | TANG1  | 3.591 |
|                        | TANG2  | 5.170 |
|                        | TANG3  | 4.278 |

**Source:** Author's Field survey, 2025

Table 8 provides an assessment of collinearity issues within the measurement models for different constructs in the study. Collinearity refers to the degree of correlation between predictor variables

in regression analysis, and it can pose challenges in terms of interpreting the effects of individual predictors. The assessment is based on the Variance Inflation Factor (VIF), with a threshold of  $VIF < 5$  considered acceptable to avoid collinearity issues. The table 8 reveals the VIF values for items within each construct, with most items showing VIF values below the threshold of 5, indicating acceptable levels of collinearity. For example, in the Assurance construct, items ASSUR1, ASSUR3, and ASSUR4 have VIF values of 2.437, 2.175, and 2.108, respectively, all below 5, indicating no significant collinearity issues. Similarly, items within other constructs such as Customer Satisfaction, Empathy, Reliability, Responsiveness, and Tangibles also exhibit VIF values below 5 for the majority of items.

However, there are a few exceptions where some items show higher VIF values, such as EMP2 in the Empathy construct with a VIF of 6.685 and EMP3 with a VIF of 5.170. These higher VIF values may suggest potential collinearity issues that need further examination or consideration in the analysis. Overall, the assessment in Table 8 highlights the importance of evaluating collinearity to ensure the reliability and validity of the measurement models used in the study.

**Table 9: Results of the Structural Model Path Coefficient**

| Path            | Path Coefficient ( $\beta$ ) | Standard deviation | t-value statistics | p-values |
|-----------------|------------------------------|--------------------|--------------------|----------|
| ASSUR1 <- ASSUR | 0.801                        | 0.143              | 5.609              | 0.000    |
| ASSUR2 <- ASSUR | 0.866                        | 0.125              | 6.950              | 0.000    |
| ASSUR3 <- ASSUR | 0.842                        | 0.132              | 6.367              | 0.000    |
| ASSUR4 <- ASSUR | 0.879                        | 0.080              | 11.046             | 0.000    |
| CUSAT1 <- CUSAT | 0.848                        | 0.049              | 9.09               | 0.000    |
| CUSAT2 <- CUSAT | 0.890                        | 0.035              | 4.95               | 0.000    |
| CUSAT3 <- CUSAT | 0.904                        | 0.028              | 8.20               | 0.000    |
| CUSAT4 <- CUSAT | 0.890                        | 0.031              | 7.15               | 0.000    |
| CUSAT5 <- CUSAT | 0.720                        | 0.055              | 7.775              | 0.000    |
| EMP1 <- EMP     | 0.854                        | 0.110              | 7.772              | 0.000    |
| EMP2 <- EMP     | 0.930                        | 0.077              | 12.160             | 0.000    |
| EMP3 <- EMP     | 0.952                        | 0.079              | 12.058             | 0.000    |
| EMP4 <- EMP     | 0.913                        | 0.082              | 11.199             | 0.000    |
| EMP5 <- EMP     | 0.807                        | 0.110              | 7.330              | 0.000    |
| RELIA1 <- RELIA | 0.896                        | 0.162              | 5.534              | 0.000    |
| RELIA2 <- RELIA | 0.836                        | 0.162              | 5.159              | 0.000    |
| RELIA3 <- RELIA | 0.920                        | 0.162              | 5.692              | 0.000    |

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|                 |       |       |       |       |
|-----------------|-------|-------|-------|-------|
| RELIA4 <- RELIA | 0.846 | 0.186 | 4.540 | 0.000 |
| RESP1 <- RESP   | 0.828 | 0.270 | 3.065 | 0.002 |
| RESP2 <- RESP   | 0.910 | 0.266 | 3.419 | 0.001 |
| RESP3 <- RESP   | 0.869 | 0.289 | 3.010 | 0.003 |
| RESP4 <- RESP   | 0.786 | 0.291 | 2.706 | 0.007 |
| TANG1 <- TANG   | 0.726 | 0.246 | 2.945 | 0.003 |
| TANG2 <- TANG   | 0.944 | 0.237 | 3.979 | 0.000 |
| TANG3 <- TANG   | 0.950 | 0.237 | 4.004 | 0.000 |

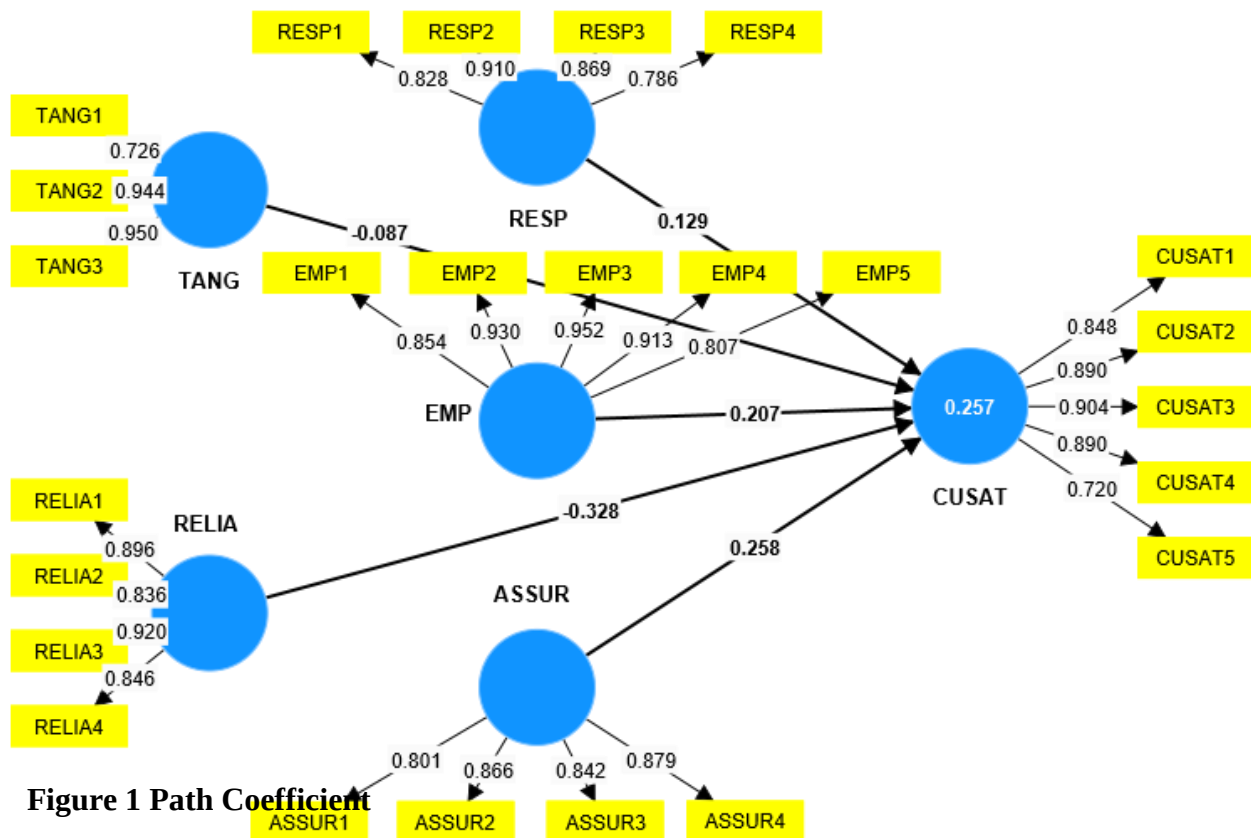
**Source:** Author's Field survey, 2025

Critical t-values for two-tailed test: \* >2.57

The path coefficients represent the strength and direction of the relationships between constructs in the structural model. A higher path coefficient indicates a stronger relationship between the constructs. The standard deviations reflect the variability or uncertainty associated with each path coefficient estimate.

The t-value statistics and p-values are used to assess the significance of the path coefficients. A t-value greater than the critical t-value (in this case, >2.57 for a two-tailed test) indicates that the path coefficient is statistically significant at a certain level of confidence. The corresponding p-value indicates the level of significance, with smaller p-values (typically <0.05) indicating higher significance.

The results show that most path coefficients have high t-values, well above the critical value, and extremely small p-values (0.000), indicating strong statistical significance. For instance, paths such as ASSUR4 <- ASSUR, CUSAT3 <- CUSAT, and EMP3 <- EMP have particularly high t-values and low p-values, demonstrating highly significant relationships between the respective constructs. Overall, the structural model path coefficient analysis in Table 9 provides robust evidence of significant relationships and contributes to a deeper understanding of the interplay between different constructs in the study.



**Figure 1 Path Coefficient**

### Service Quality and Customers Satisfaction

From Figure 1 analysis of the service quality variables (Assurance, Empathy, Reliability, Responsiveness and Tangible) contributions to FI satisfaction in Lagos State rates Reliability first (beta -0.328) followed by Assurance (beta 0.258), Empathy (0.207), Responsiveness (0.129) and Tangible (beta -0.087). This finding is consistent with previous studies (Kang, 2006; Wilson et al., 2008; Negi, 2009; Kuo et al., 2009 and Loke et al., 2011; Narteh, 2013; Mwatsika, 2016; Al-Hawary and Al-Smeran, 2017 and Tan et al., 2018) which placed Reliability as most significant and top the hierarchical table. Kang (2006) hierarchically listed Reliability, Assurance, tangible, Empathy and Responsiveness; Negi (2009) listed as follows; Reliability, tangible, Empathy and responsiveness; Kuo et al. (2009) listed Reliability, Responsiveness, Assurance, Empathy and Tangible; Loke et al. (2011) ranking involves; Reliability, Responsiveness, Assurance, Empathy and Tangible.

This is expected as organizations place a high premium on service provider reliability across the board. It is even critical to FI because the opinions of estate surveyors and valuers serve as a guide to granting mortgage loans to customers. Hence, they must be reliable to prevent impending

colossal loss in case of default. Inaccuracy of opinions and values has sent many FIs out of operation or down the drain.

**Table 10: Results of Hypothesis Testing**

| Path Coefficient ( $\beta$ ) | Standard deviation | t-value statistics | p-values | Remarks         |
|------------------------------|--------------------|--------------------|----------|-----------------|
| ASSUR -> CUSAT 0.258         | 0.099              | 2.606              | 0.009    | Significant     |
| EMP -> CUSAT 0.207           | 0.124              | 1.664              | 0.096    | Not significant |
| RELIA -> CUSAT -0.328        | 0.106              | 3.095              | 0.002    | Significant     |
| RESP -> CUSAT 0.129          | 0.125              | 1.033              | 0.302    | Not significant |
| TANG -> CUSAT -0.087         | 0.147              | 0.593              | 0.553    | Not significant |

**Source:** Author's Field survey, 2025

Table 10 presents the results of hypothesis testing, specifically examining the relationships between different constructs in the study. Each row in the table represents a specific hypothesis, with the corresponding path coefficient ( $\beta$ ), standard deviation, t-value statistics, p-values, and remarks on the significance of the hypothesis. The path coefficient indicates the strength and direction of the relationship between the predictor and outcome constructs. The hypothesis testing results reveal that some relationships are statistically significant while others are not. For instance, the hypothesis linking Assurance (ASSUR) to Customer Satisfaction (CUSAT) shows a significant positive relationship, as indicated by a path coefficient of 0.258, a t-value of 2.606, and a low p-value of 0.009. Similarly, the hypothesis linking Reliability (RELIA) to Customer Satisfaction is also significant, with a negative path coefficient (-0.328), a high t-value of 3.095, and a small p-value of 0.002, suggesting a significant inverse relationship.

However, some hypotheses, such as the relationship between Empathy (EMP) and Customer Satisfaction, do not show statistical significance, as indicated by a path coefficient of 0.207, a low t-value of 1.664, and a relatively high p-value of 0.096. Likewise, the relationships between Responsiveness (RESP) and Customer Satisfaction and between Tangibles (TANG) and Customer Satisfaction are also insignificant based on the t-value statistics and p-values. These findings provide insights into which relationships among constructs have a significant impact on customer satisfaction, contributing to a nuanced understanding of the factors influencing customer perceptions and experiences.

## CONCLUSION & RECCOMENDATION

The revelation of Financial Institutions varying degrees of satisfaction with estate surveyors and valuers' work output using service quality indicators (Tangible, Reliability, Assurance, Empathy and Responsiveness). Reliability is found to be the most influential and the critical predictor of satisfaction among others as found in most studies (Kang, 2006; Wilson et al., 2008; Negi, 2009; Kuo et al., 2009 and Loke et al., 2011; Narteh, 2013; Mwatsika, 2016; Al-Hawary and Al-Smeran, 2017 and Tan et al., 2018) and also of Financial Institutions satisfaction, in other word it is the

most sought out for among the service quality indicators and Assurance as next in rank; the other three are in this order: Empathy, Responsiveness and Tangible. Sequel to this concerted effort must be geared towards improvement in valuation Reliability which will in turn increase overall satisfaction of financial institutions.

The ultimate benefit of this study is the overall assessment of valuation services provided by estate surveying and valuation firms to Financial Institutions using service quality indicators. This assessment is all-encompassing and broad as it touches not only the widespread issue of valuation accuracy but every other indicator needed in rating performance in any organization.

## CONTRIBUTION TO KNOWLEDGE

This study has contributed to the body of knowledge by introducing service quality indicators in the assessment of valuation services rendered to Financial Institutions, which is an improvement on past studies whose assessment is centred only on the accuracy of Valuation opinion. The study has established a causal relationship between satisfaction and service quality within the context of valuation services rendered to Financial Institutions, and identify the critical predictor or most influential of Financial Institutions satisfaction and development of a model that relates service quality with Financial Institutions satisfaction. According to the researcher's knowledge, it is important to note that this is the first empirical study to confirm the pivotal role of service quality in the satisfaction of valuation services.

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