Customer Service Quality in the Utilities Sector: Sustainability Perspective

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ABSTRACT:
The article presents a study on customer service quality in Lithuanian utility companies. To survive in the long term, changes related to economic, social, and environmental requirements are necessary; the implementation of sustainability is essential. Growing expectations of stakeholders are the need for companies to move towards sustainability and become sustainable. The analysis of human resource competencies required for sustainable service provision is a field of modern scientific research. The study focuses on enhancing customer service, which is defined as a philosophy that incorporates sustainability dimensions. The analysis of research data distinguishes the key principles of sustainable customer service: cooperation, involvement, loyalty, quality of service provision, and competence. *The aim is* to investigate how organizations providing utility services serve their customers, assess the quality of customer interactions, and identify trends in the implementation of sustainability principles. The *research objectives* are as follows: to analyze the principles of sustainability and the criteria for evaluating customer service; to evaluate changes in the quality of customer service provided by utility organizations from 2015 to 2024 and explore prospects.

Keywords: *Service of customers, sustainability, service quality, quality management, human resources management.*

1. Introduction

Increasing economic competition, changes in technology, human resources (HR, employees) management and other business processes place new demands on organisations. Organisations are not closed systems, rising customer expectations are driving the need to move towards sustainability, to make sustainable decisions, to redesign business processes. The utilities sector is no exception, where organisations that are able to make sustainable decisions and strive for quality are at the forefront. The quality of customer service is determined by how day-to-day operations are managed and how quickly and courteously the organization's staff respond to customers. Important factors include how the customer is greeted, the environment in which the service is provided, how customers are treated, and whether the service is delivered effectively. In today's competitive landscape, the quality of customer service and the competence of staff are crucial. Actively involving staff in the development of an organization's customer service policy ensures that the quality of service contributes to building sustainable and effective customer relationships. Sustainable human resource management can be a source of competitive advantage for an organisation. The quality of customer service reflects a

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company's culture, values, and its engagement with customers. Customer service quality is often viewed as a key factor for sustaining competitive advantage in the service sector. Additionally, perceptions of service quality should be informed by reciprocal feedback (Tsung & Hsiu-Yueh, 2020). The quality of customer service, particularly in the context of human resource management and sustainability, is an important area of research in the social sciences. This field is constantly exploring new methods and approaches (Augutaitytė, 2020; Asis-Castro, 2018; Ehnert, 2014; Harry, 2014; Taylor & Lewis, 2014, et al.).

  Research problem. When it comes to global sustainability research, it is emphasized that there is still little empirical research in the context of sustainable human resource management (De Prins et al. 2014; Harry 2014;). Although sustainability is not a new subject of analysis in the management literature, the scientific literature emphasizes the importance of human resource management (Becker & Smith 2013; Guest 2011; Opatha & Arulrajah 2014) in the context of sustainability, because it is characterized by specificity (Pfeffer 2010), directly participating in the processes of both internal (staff) and external (customers) activities of the organization. The axis of the sustainability concept is the preservation and development of resources (Awan, & Sroufe 2022; Debroux 2014; Mariappanadar & Kramar 2014; Wagner 2014;). Ehnert (2011) emphasizes the need for research in the organizations themselves. Numerous authors have pointed out the insufficient research regarding the quality and specificity of customer service across different types of organizations. The quality of customer service is analyzed in the works of several researchers (Čolaković & Bajrić, 2017; Gonzalez, 2019; Makrinova & Lyisenko, 2014; Nawaz & Fayyaz, 2016; Roy et al., 2019; Shen, 2015; Tsung & Hsiu-Yueh, 2020). The research highlights the importance of enhancing customer service, which is viewed as a comprehensive approach that integrates and manages all customer interactions. This approach aligns with sustainable human resource management practices and stakeholder engagement to achieve organizational goals and improve customer satisfaction (De Prins et al., 2014; Guerci, Shani & Solari, 2014; Pfeffer, 2010; Piwowar-Sulej, 2021; Westerman, Rao, Vanka & Gupta, 2020, etc.). Consequently, the article analyzes the quality of customer service in organizations that provide utility services, aiming to improve this quality by implementing sustainability principles in human resource management. Operationalizing sustainability in everyday services presents the challenge of translating overarching principles into tangible actions. This necessitates training employees to identify and prioritize sustainability during customer interactions. For instance, they can offer digital receipts instead of paper ones, promote the use of reusable bags, and share information about the environmental impact of their products.

The focus of this study is on the changes in the quality of customer service from a sustainability perspective. *The aim is* to investigate how organizations providing utility services serve their customers, assess the quality of customer interactions, and identify trends in the implementation of sustainability principles. The *research objectives* are as follows: to analyze the principles of sustainability and the criteria for evaluating customer service; to evaluate changes in the quality of customer service provided by utility organizations from 2015 to 2024 and explore prospects.

2. Theoretical Background

As organizations move towards sustainability, change is necessary in three areas: scientific, new business models allow organizations to understand their role in operational processes; economic, new examples refute traditional models; managerial, new strategies related to sustainability must be implemented in organizations. Summarizing the analysis of scientific literature, sustainability at the organizational level is defined as meeting the needs of the organization's direct and indirect stakeholders (such as shareholders, employees, customers, etc.) (Dylick & Hockerts 2002; Guerci et al. 2013). When describing sustainability at the organizational level, they must conduct principled business, strengthen society, commit to leadership, report on progress; act locally. According to Van Marrewijk (2003), the conceptualization and operationalization of sustainability is related to the organization's values, level of development and awareness, and goals. As society shifts towards sustainability, organizations must reassess their performance concepts, including the systems, processes, and functions designed to achieve results. To effectively evaluate the quality of services provided by organizations, it is essential to understand the fundamental nature of services. A service can be defined as an action or a series of actions that are intangible but become evident through the interaction between the service recipient (the customer) and the provider (the staff). The goal of this interaction is to achieve mutual benefit (Hsieh, 2018). Sustainable human resource management is a system that enables an organization to achieve environmental, social, and economic objectives, significantly impacting both employees and the community (customers) (Taylor & Lewis, 2014). Customer service fundamentally involves a service culture, effective personnel management, and the promotion of high service culture standards. Customer service is typically regarded as a structured process with defined parameters that necessitates effective management and is a vital component of a company's overarching business strategy. Beitelspacher et al. (2011) characterize service culture as a customer-centric approach aimed at exceeding expectations and maximizing value through the enhancement of service and operational competencies. The customer service culture of an organization encompasses the behaviours, mindsets, and external representations that define it, including its structure and symbols. This culture is formed by employees interacting with one another and the external environment and is expressed through their attitudes, beliefs, and values (Vaitkūnaitė, 2006).

Corporate culture is vital in determining the significance of service quality dimensions and acts as a tool for customer satisfaction, influenced by the connection between these dimensions and the perceived quality of service. (Tsoukatos & Rand, 2007). High service quality can enhance customer satisfaction (Anderson et al., 1994; Berry et al., 1985; Blaikie, 2000; Lassar et al., 2000) and encourage repeat purchases. Several researchers have explored the issue of improving customer service quality in their works (Beitelspacher, Richey & Zikienė 2010; Colaković & Bajrić 2017; Gabriel et al. 2016; Igorevna & Viktorovna 2014; Kaczor & Kryvinska 2013; Kim & Choi 2013; Kueh & Voon 2007; Nawaz & Fayyaz 2016; Vanagas 2005; Shen, 2015; Roy 2018; Svensson 2006; Salkauskiene, 2018; Salkauskiene & Balvociute 2023, etc.). For service organizations, it is crucial not only to serve customers but also to provide an exceptional experience that stands out. This means engaging with customers positively, allowing them to express their

opinions, answering all questions asked and unasked, guiding them throughout the entire process, and explaining each component clearly. The most important aspect of customer service quality is having professional and dedicated staff (Tsung & Hsiu-Yueh, 2020) who pay special attention to every customer without exception. It's important to recognize that simply understanding the impact of customer service quality on performance is insufficient. Concrete efforts and targeted actions are necessary to initiate change and achieve established goals. According to J. Banytė et al. (2007), customers form their perceptions based on their direct experiences. These experiences lead to feelings of satisfaction or dissatisfaction, which are key indicators of service quality. Customer satisfaction is influenced by several factors, including emotional satisfaction, a sense of prestige, current trends, the accessibility of services (including the time taken to purchase a service), and overall service quality. Notably, 70 percent of service quality is determined by the human factor, particularly the service staff's performance. According to De Prins et al. (2014), sustainable human resource management is an additional perspective to propose corrections, which moves human resource management to another level of quality.

Customer service involves four key stages: meeting the customer, clarifying their needs, satisfying those needs, and obtaining feedback to assess satisfaction. The quality of customer service depends largely on the service employee's performance. There are two main types of factors influencing customer service quality. Subjective factors include customer affinity and trust in the staff and company; genuine attention and care from employees; respect and honesty when offering products or services; and personal qualities and competence of employees. Objective factors encompass service culture, including cleanliness, staff appearance, and attentiveness; employee qualifications, such as training and experience; accurate identification of customer needs and presenting suitable solutions; timely and willing responsiveness; sociability through effective communication and understanding customer wishes; accessibility, including convenient location and operating hours; attention to regular customers, fostering loyalty through engagement.

A deficiency in these factors can lead to customer dissatisfaction. While measuring dissatisfaction is challenging, it's essential for evaluating overall service quality and company performance. Various methods are used to measure customer service quality, including customer service quality audits that evaluate the quality of existing services. Other approaches involve identifying potential solutions and customer service levels, establishing service standards, and monitoring the process. Conducting mystery shopper research is also a common technique. Despite these methods, effective management of customer service quality often lacks a key tool: an objective assessment of service quality, which is essential for understanding the actual situation. This tool enables employees to identify which service areas need attention and where improvements should be made. Among the most effective methods for addressing this issue is mystery customer research. With the results of objective assessments, organizations can develop and implement an employee motivation system that aligns with their overall motivational framework. By evaluating customer service quality and pinpointing weaknesses, organizations can organize targeted training sessions that focus on these areas. Having clear customer service guidelines helps save both time and money when training new employees.

To deliver high-quality customer service, organizations must consider customers' needs and expectations from the creation of the service to its delivery. They should select an appropriate measurement system or begin by assessing specific aspects of their operations. Effective quality measurement requires clear and consistent criteria. Customer service standards include written guidelines that define expected employee behaviour, work procedures, and solutions for non-standard situations. The customer service standards offer guidance to all employees on how to effectively communicate with clients. Both foreign and Lithuanian experts agree that effective customer service relies on understanding the customer's expectations and perceptions of the service. By understanding customer needs and expectations, we can choose the right customer service strategy.

3. Methods

Research methods. When solving the research problem, the methodological recommendations of Saunders, Lewis and Thornhill (2009), Žydžiūnaitė and Sabaliauskas (2017) were followed, which define the research philosophy; a method, strategy, estimated time, and data collection and analysis method were selected. The deductive method was used to analyse the scientific literature to distinguish the principles of sustainability and customer service evaluation criteria. The inductive method was used to form themes and subthemes. The mystery customer research method was utilized to gather data, which provides objective insights into how well the quality of customer service meets the required standards and the aspects of sustainable service. The empirical study was conducted using a sequential longitudinal research design, periodically examining the customer service process in order to understand and convey the dynamics, assess the intensity and direction of changes, and understand its internal dynamics. The qualitative research strategy used was case analysis. Qualitative content analysis was selected for the research data analysis. The data were processed statistically and organized using the MS Excel program.

The research was conducted in one of the oldest utility service organizations in Lithuania. The primary reason for selecting this organization for the study is its mission to promote responsible activities as essential for sustainable development in Lithuania. The organization providing utility services has been operating for more than 70 years. The organization seeks to share experience; its activities are based on the principles of ethical activity, respect for human and labour rights, environmental protection, intolerance of corruption, and the creation of a civil society. The empirical basis for the study is a 10-year data assessment. The research period covers 2015 - 2024. The research sample was created using a non-probability random convenience sampling method. Employees of the organization were observed every year, from 35 to 40 cases. The number of research visits (observations) over the entire period was 380. Employees from the utility organization participated in the study voluntarily, adhering to the ethical principles of empirical social research (Bell et al., 2018).

The validity of a qualitative study is ensured by a detailed description and the possibility of changing the parameters of the study (scope, time, etc.). In order to ensure confidentiality, information about the participating organization, the number of employees and the location of the headquarters, etc. is not disclosed.

Instrument and research procedures. The study was conducted using the mystery customer method. Mystery customer research reveals objective information about the extent to which the quality of a company's customer service meets the desired level. These studies are one of the Customer Relationship Management (CRM) measures, which aim to improve the quality of customer service and establish long-term relationships with the customer, strengthen his trust in the company and foster loyalty.

The study used an observation protocol prepared by the authors of the article. The performance of customer service employees is evaluated based on specific quality criteria. This includes an objective aspect: the level of service that is provided. The research task is designed according to the written requirements for employees outlined in the customer service standards of the utility service organization; general work (customer service) environment; employee appearance and clothing; employee requirements for communication with customers (rational use of time, employee attitudes and mood, contact with the customer at various stages); feedback. *Subjective aspect*: how do mystery customers personally assess the quality of the organization's customer service? What is the overall personal satisfaction of the mystery customer? Would the mystery customer visit here as a real customer? The *utility company* and the *researcher* agreed in advance on various situations and schedules necessary for the study. The study procedure consisted of three stages. The first stage was the *development of a study scenario*: what services would be studied, etc. The service provider also initiated the interview to gain a more objective view of the employees' ability to consult clients. The second stage was the *study itself*. The entrance to the service provision premises was recorded, a consultation was registered, and communication with the consultant took place. The third stage was the *recording of data in the study protocols*. This action was performed immediately after leaving the study site, after finding a suitable place to record data. It is crucial to follow strict ethical guidelines when utilizing the mystery customer method. This study followed the mystery customer Service Providers Association's Code of Professional Standards. A rating scale from 1 to 5 was used, with 1 as "very bad" and 5 as "very good." The customer satisfaction index was determined as the average of all responses, converted into percentages.

4. Results

When analysing the level of customer service, it is important to review the customer service indicators of neighbouring countries, where it is noted that Lithuania in 2024 ranked the first in the Baltic countries with a 95.5 percent service quality indicator, ahead of Latvia (94.0 percent) and Estonia (86.8 percent). The 2024 study revealed that Lithuania stands out for its high quality of customer service, with special attention paid to individual customer needs and the provision of personalized offers (Dive Lithuania 2024) (see Figure 1).
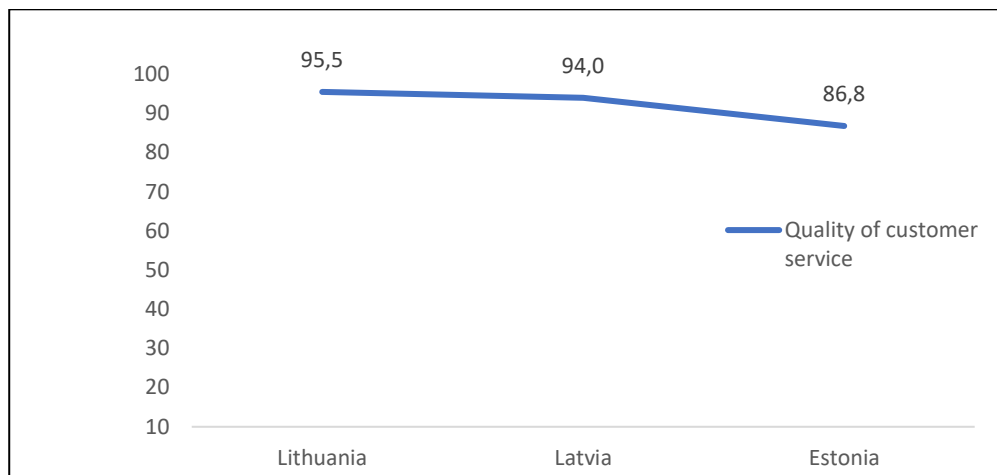
Figure 1. Comparison of customer service quality indicators in the Baltic countries (percentage) Source: Dive Lithuania 2024

When assessing the level of customer service in Lithuania in 2024 by sector, the best customer service level is observed in the telecommunications sector: 95.5 percent. The banking sector fell by just 1.4 percent (94.1 percent) in customer service and the utilities sector by 3.8 percent (91.7 percent), which came in the third place. The lowest customer service level is observed in the pharmacy sector. The study emphasized that the Lithuanian service sector is distinguished by high quality customer service, paying special attention to individual customer needs and providing personalized offers, as well as polite and professional communication with the customer (see Figure 2).
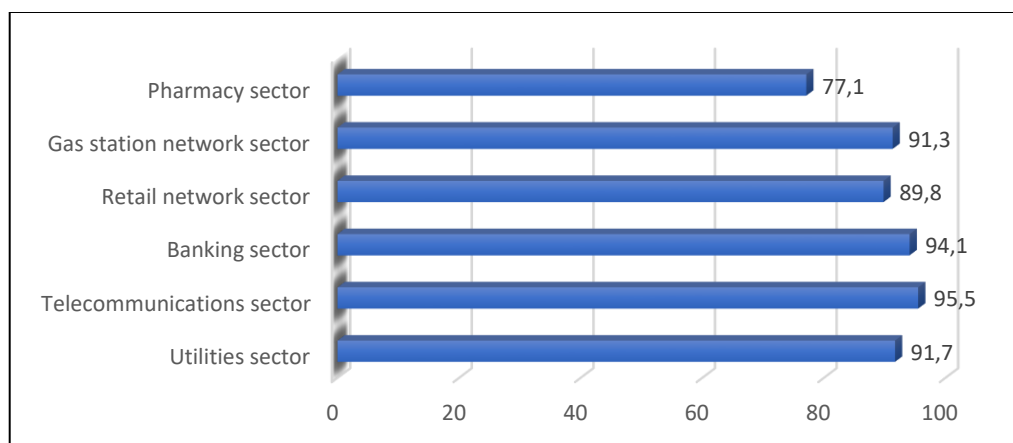

Figure 2. Comparison of customer service quality indicators by sector in Lithuania (percentage). Source: Dive Lithuania 2024

The level of customer service quality in the utility sector was assessed using three indicators: objective assessment of customer service (according to the service standard, established criteria), subjective assessment of customer service, and assessment of staff loyalty. In order to verify and evaluate the relationships between the objective evaluation of customer service quality indicators and the subjective evaluation of customer service quality indicators, structural equation modelling was performed. The performed univariate linear regression analysis showed a statistically significant positive relationship between the independent variable X_1 _objective evaluation criteria and_ the analysed dependent variable (_subjective evaluation of criteria_) (p = 0.0204). The coefficient of determination (R^2) is about 0.510, which means that approximately 51.0% of the variation in the dependent variable can be explained by the _variable of the objective evaluation criterion X_1_. The regression equation shows that with an increase in the value of the _objective evaluation criterion X_1_ by one unit, the dependent variable increases by about 0.86 on average. The overall regression model is also statistically significant (Significance F = 0.0204). The results of the verification are presented in Figure 3.

Regression Statistics						
Multiple R	0,713794					
R Square	0,509501					
Adjusted R Square	0,448189					
Standard Error	4,237596					
Observations	10					
ANOVA						
	_df_	_SS_	_MS_	_F_	_Significance F_	
Regression	1	149,2233	149,2233	8,309934	0,020427	
Residual	8	143,6577	17,95722			
Total	9	292,881				
	Coefficients	_Standard Error_	_t Stat_	_P-value_	_Lower 95%_	_Upper 95%_
Intercept	14,51771	26,72817	0,543161	0,60182	-47,1176	76,15299
X_1 objective criteria	0,862597	0,299233	2,882696	0,020427	0,172565	1,552629

Figure 3. Structural equation modelling with respect to the X_1 criterion

The performed linear regression analysis of one variable showed a statistically significant positive relationship between the independent variable X_2, employee loyalty criterion and the analysed dependent (subjective assessment of criteria) variable (p = 0.0136). The determining coefficient (R^2) is about 0.553, which means that approximately 55.3% of the variation of the dependent variable can be explained by this indicator of the employee loyalty criterion. The regression equation shows that with an increase in the value of the X_2 employee loyalty criterion by one unit, the dependent variable increases by about 1.28 on average. The overall regression model is also statistically significant (Significance F = 0.0136). The results of the verification are presented in Figure 4.

Regression Statistics					
Multiple R	0,743942				
R Square	0,553449				
Adjusted R Square	0,49763				
Standard Error	4,043301				
Observations	10				

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	162,0947	162,0947	9,915091	0,013623
Residual	8	130,7863	16,34828		
Total	9	292,881			

	Coefficients	Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	-23,3932	36,50054	-0,6409	0,539508	-107,564	60,77716308
X_2 employee assessment	1,277252	0,405628	3,148824	0,013623	0,341871	2,212631879

Figure 4. Structural equation modelling with respect to the X_2 criterion

Analysing the level of customer service in the utility sector, the results of the study for the analysed period 2015-2024 revealed that the average fulfilment of customer service criteria reached 90.2 percent. The highest rated subjective customer service level was 91.5 percent; the lowest rated objective customer service quality was 89.2 percent. Staff loyalty was rated at 89.9 percent (see Figure 5).
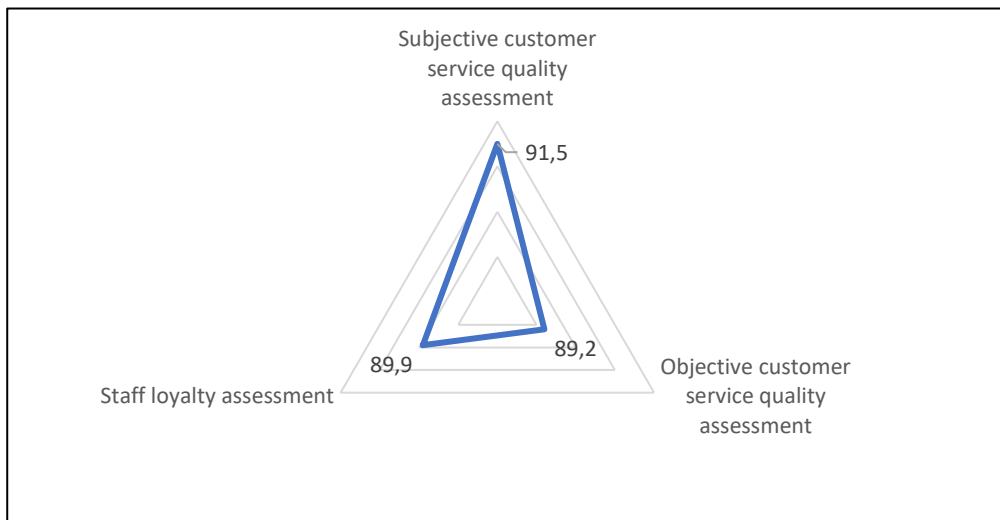

Figure 5. Customer service quality assessment in the utility sector in 2014 – 2024 (in percent)

Summarizing the research data, a significant growth of all three indicators is observed at the beginning. This indicates successful initial changes or initiatives when the customer service standard was implemented. In subsequent years, greater volatility is observed, especially in the subjective assessment of customers. This is related to various internal or external factors, staff turnover rates, lack of competence, etc. In the last year under review (2023-2024), two of the three indicators show growth again (see *Figure 6),*
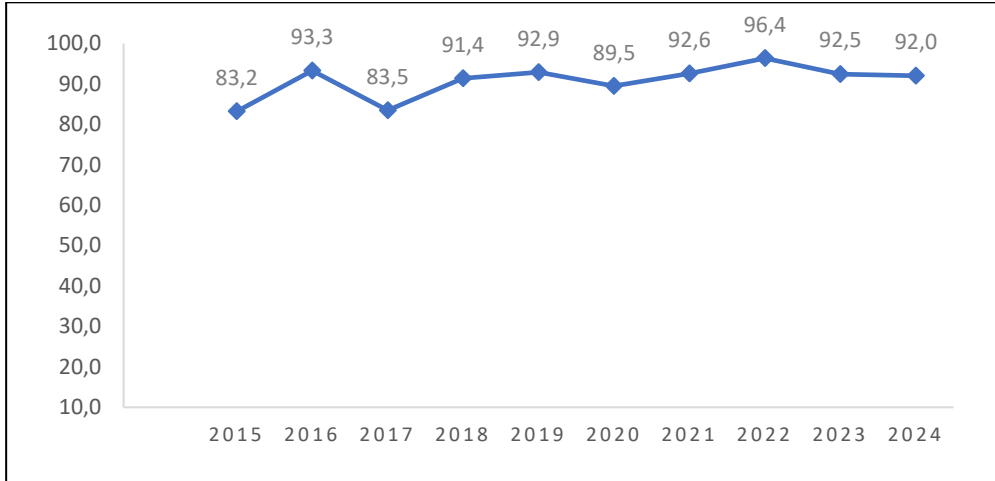
Figure 6. Average ratings of customer service quality in the utility sector according to all indicators in 2015 – 2024 (percentage)

The results of the study revealed that during the analysed period, the objective quality of customer service grew the most and amounted to 17.27 percent, while the subjective customer service indicator grew somewhat less (15.76 percent). Staff loyalty changed by 5.63 percent (see Table 1). Summarizing the annual changes presented in Table 1, several trends can be observed for each of the three assessed criteria: *the subjective indicator of customer service quality* was characterized by the largest fluctuations during the analysed period. *The objective assessment of customer service quality according to the criteria (service standard)* was more stable than the subjective assessment. The largest growth was recorded in the first year. Later, the changes were smaller. In the last year, growth was again observed. *The indicator of staff loyalty* also fluctuated, but less than the subjective customer assessment. The largest growth was recorded in the first year. Later, there were drops, but in the last year, a small growth is again observed.

Table 1. Changes in the assessment of customer service quality in the utility sector by year (in percent)

Year range	Subjective customer service quality assessment	Objective customer service quality assessment	Staff loyalty assessment
2015-2016	13,92	16,00	10,33
2016-2017	−11,78	−3,33	−9,15
2017-2018	14,59	1,38	4,45
2018-2019	1,82	4,31	1,57
2019-2020	−4,73	0,00	−2,65
2020-2021	1,32	1,63	5,67
2021-2022	6,53	0,00	1,72
2022-2023	−1,74	−6,63	−6,43
2023-2024	−2,29	4,24	1,47

Figure 7 shows the objective change in the assessment of the customer service quality indicator during the period from 2015 to 2024. The results of the study show that the values of the indicator fluctuated during the period under review, but the overall trend is growing. From 2015 (77.6) to 2016 (90.0), a significant jump upwards is observed. Later, from 2016 to 2017, a slight drop is recorded (to 87.0). From 2017 to 2022, the indicator gradually increased, with minor fluctuations, reaching its highest value in 2021 and 2022 (93.5). In 2023, a significant drop is observed (to 87.3), but in 2024 the indicator rose slightly again (to 91.0). The linear trend line shows the overall long-term trend. Its equation is $y = 0.9097x + 84.207$. A positive directional coefficient indicates an average annual increase of around 0.91 points. Although there is an overall slight upward trend in the objective customer service quality rating over the period under review (as indicated by the positive linear trend line coefficient), the annual ratings are quite volatile. The direct relationship between time and customer service quality assessment is not very strong, as the R^2 value is quite low. About 34.04 percent of the variation in the objective customer service quality assessment over the period under review can be explained by the linear time trend.
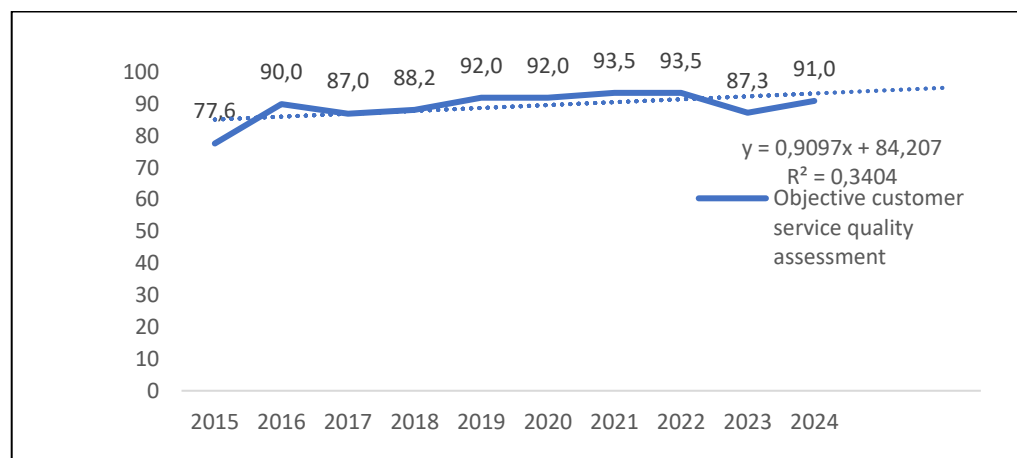

Figure 7. Forecast of objective assessment of customer service quality in the utility sector in 2025 – 2027

Although there were annual fluctuations during the period under review, the overall objective customer service quality assessment trend is growing. The jump in 2016 revealed that new training programs were implemented, service standards were improved. The decline in 2023 reflected a reduced number of staff, increased workload. The recovery in 2024 reflected an increased number of staff, updated processes. During the analyzed period, several trends emerged concerning the quality of customer service. Employees often lacked friendliness, showed little initiative in greeting customers, and did not offer sincere farewells or smiles. At times, there was an inappropriate attitude towards customers, particularly when a customer expressed dissatisfaction with a question. Employees failed to provide additional information and did not demonstrate the initiative needed to foster customer loyalty (see Figure 7).

The study aimed to assess the continuity of the current trend in the subjective quality of customer service in the utilities sector. Looking at Figure 8, in terms of forecast, we can make several assumptions. The linear trend line (y = 1.2927x - 2519.2) shows that this trend will continue in the future, and further growth in the subjective quality of customer service can be expected. The study revealed that each year, according to this model, the assessment should increase by an average of about 1.29 points. The coefficient of determination ($R^2 = 0.4707$) shows that only about 47% of the variation in subjective customer assessment is explained by a linear time trend. The significant growth in 2016 was influenced by the implementation of new customer service strategies focused on individual satisfaction of customer needs, faster problem resolution, and friendlier communication. The decline in 2017 was influenced by the cancellation of successful previous initiatives and decreased investments in customer service. The growth in 2019 was influenced by the updated or introduced new service strategies, the launched employee training programs aimed at improving customer service skills. The stabilization of the last year revealed the improvement of continuous customer service quality assurance procedures, which allowed to reach a certain stable level. If the same factors that determined the general growth trend until 2024 remain, we can expect further increase in subjective assessment.
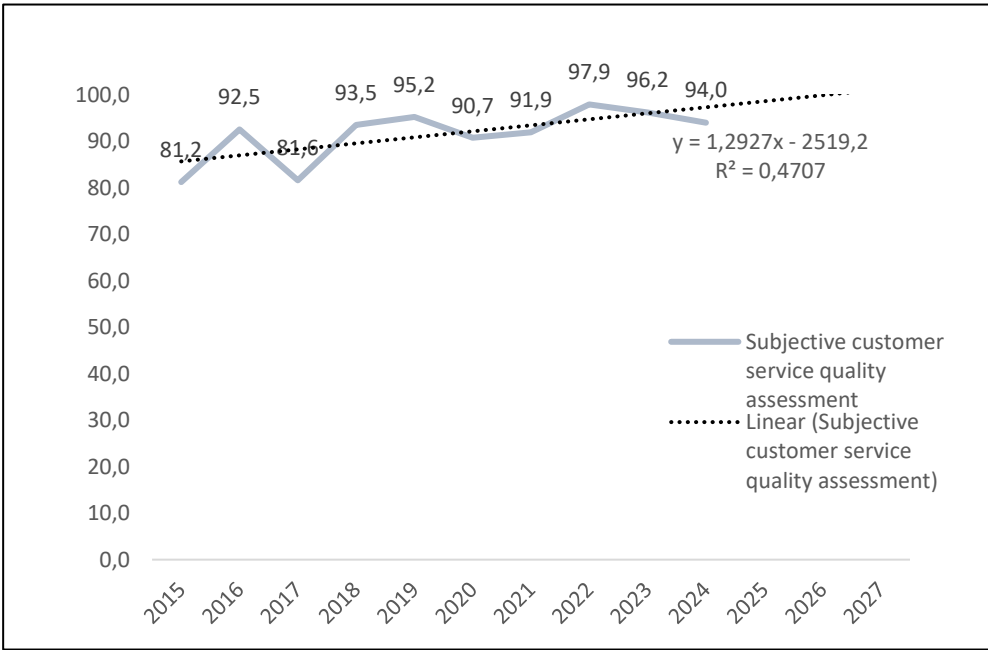

Figure 8. Forecast of subjective assessment of customer service quality in the utility sector in 2025 – 2027

Figure 9 shows that the assessment of staff loyalty fluctuated over the period under review, but the overall trend is slightly increasing but relatively stable. The dotted line shows the overall long-term trend. Direction coefficient (0.38): a positive but small direction

coefficient indicates that a small increase in the assessment of staff loyalty is observed on average per year (about 0.38 percent). The assessment of staff loyalty over the period 2015-2024 has remained largely stable, despite some annual fluctuations. A significant jump upwards in 2016 and a subsequent drop in 2017 indicate that there are factors that have a significant short-term impact on staff loyalty. The overall long-term growth is very small, as indicated by the small direction coefficient of the linear trend. Despite fluctuations, in the last years (especially in 2024), the assessment of staff loyalty is slightly higher than at the starting point (2015), but does not reach the level of 2016. After assessing internal and external factors, it can be stated that the significant jump in 2016 was influenced by the introduction of new employee incentive programs, improved working conditions, and improved organizational culture. The decline in 2017 was influenced by changes in the motivation system, increased workload, and management decisions regarding the distribution of functions that negatively affected employee morale. After the decline in 2017, the assessment of staff loyalty stabilized at a fairly high level, fluctuating within a small range. This indicates that employee satisfaction was restored in the utility sector after 2017, but there were no significant new initiatives that could lead to greater loyalty growth. The decline in 2023 and the recovery in 2024 indicate that new work organization measures were implemented in 2023, and corrective actions were taken to improve the standard of customer service in 2024. The overall level of staff loyalty (fluctuating around 85-95%) seems quite high. This indicates that the majority of employees are satisfied and tend to stay in this sector. The low long-term growth rate (0.38 percentage points per year) indicates that there is insufficient investment in strategic initiatives aimed at increasing staff loyalty in the long term. High staff loyalty is associated with better customer service and a stronger culture.
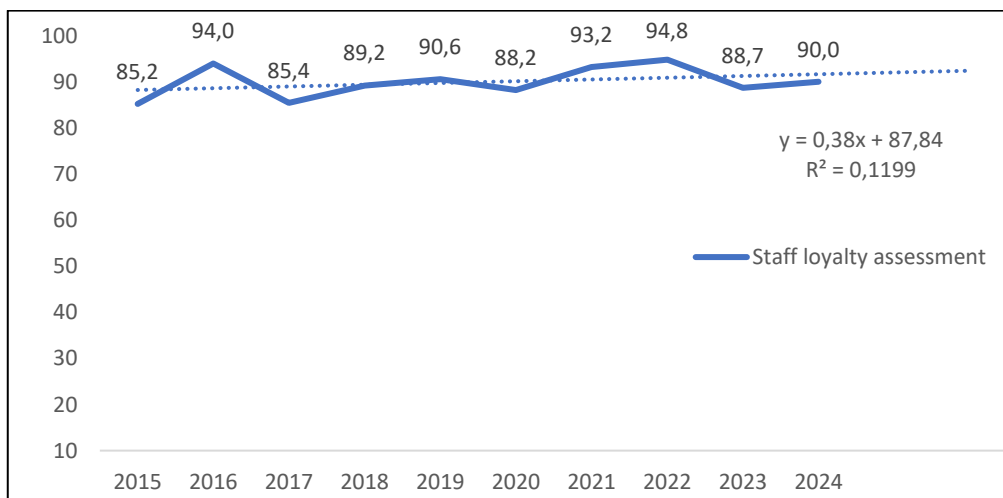

Figure 9. Forecast of staff loyalty assessment in the utilities sector in 2025 – 2027

A very low coefficient of determination indicates that only about 12% of changes in staff loyalty can be explained by direct time progression. This means that staff loyalty is

determined by many other, more significant factors. Summing up the results of the study, it can be stated that the assessment of staff loyalty in the utility sector is quite high, but annual fluctuations indicate that certain processes or events are taking place in this sector that affect employee loyalty, the level of customer service and, of course, the implementation of sustainability principles.

5. Discussion

Several scientific works have been dedicated to discuss customer service improvement from sustainability aspect, but remain scientifically unreasonable and virtually untested regarding the benefits in different types of organizations. Several researches in the sectors of telecommunications, health care, vehicle technical inspection and communal services has been conducted in Lithuania using the secret customer methodology in Lithuania. However, such research is not enough to draw significant scientific insights. It is appropriate to expand the range of organizations under study and conduct a comparative analysis, in the context of sustainable management, between organizations that are from potentially unsustainable business areas and that are subject to strict sustainability requirements. This study explores the advantages and disadvantages of customer service within companies that provide utilities services. The findings could offer valuable insights for improving customer service in various sectors, both in Lithuania and abroad. It is essential to take into account the cultural context of each country when conducting research in this area. This article may be beneficial for business leaders, practitioners, and future researchers who are looking to implement strategies focused on sustainable human resource management to enhance customer service and positively influence companies' strategic outcomes. It is relevant to pay attention to the well-being of employees in service-providing companies, as these initiatives and ethical recruitment play a very important role in promoting loyalty and improving customer interactions. Employee well-being initiatives: health support - taking care of employees' emotional and physical health reduces burnout and promotes engagement; increased motivation - programs such as health insurance and flexible working hours increase productivity, which leads to better customer service; employee loyalty - satisfied employees are less likely to leave their jobs, which ensures that - experienced employees can effectively meet customer needs. Ethical recruitment: integrity - fair assessment of candidates attracts the best talent and creates a positive image of the organization; job satisfaction - employees take pride in ethical workplaces, increasing loyalty and satisfaction; quality interactions - committed employees provide better services, directly improving the customer experience. This practice improves the experience of both employees and customers, promoting sustainable relationships.

6. Implications and further research

When reviewing research from the sustainability perspective, it can be stated that all principles of sustainable human resource management emphasize two challenges for organizations: many organizations feel external pressure to become economically, environmentally, and socially sustainable; organizations feel internal pressure to pay

attention to the problem of human sustainability. Three principles of sustainable organizational resource management are distinguished: orientation towards social responsibility, efficiency, and quality of performance. Sustainable organizational management practices contribute to increasing internal and external resources: development of human resources based on cooperation with society; assessment of work roles and activities, promoting more favourable employee results; leadership development, employee involvement, talent and change management, creation and consolidation of values, employee health and safety, competitive advantage. A review of research on customer service quality assessment in organisations found that customer service quality is assessed in terms of customer expectations, attitudes and perceptions, staff professionalism, competence, loyalty, and the organisation's technological sophistication. The results of the study revealed that during the analysed period, the objective quality of customer service grew the most and amounted to 17.27 percent, while the subjective customer service indicator grew somewhat less (15.76 percent). Staff loyalty changed by 5.63 percent. Although there were annual fluctuations during the analysed period, the overall trend of objective customer service quality assessment is growing. The linear trend shows an average annual growth of about 0.91 units. If this linear trend continues in the future, further growth in subjective customer service quality assessment can be expected. The overall level of staff loyalty fluctuates around 85-95 percent and is quite high. This indicates that the majority of employees in this sector are satisfied and tend to stay in this sector. The low long-term growth rate (0.38 percentage points per year) indicates that insufficient investment is being made in strategic initiatives aimed at increasing staff loyalty in the long term.

The assessment of customer service quality according to customer service criteria revealed areas for improvement, such as not always meeting customer service quality requirements, insufficiently clear communication of customer service principles, lack of professional knowledge and skills of employees, lack of communication skills of employees, and lack of employee loyalty.

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