

ABSTRACT

The aim of this study is to develop a framework of operational excellence in service sector of Pakistan during period from 2014 to 2018. The sample size is based on five companies of service sector to analyse and measure the efficiency level. The methodology is based on Data Envelopment Analysis (DEA) which is a performance measurement technique and interviews. The secondary data is collected from annual reports of service sector firms. The result of DEA approach shows that NTDC based on their average efficiency score which is 3.7160 during period from 2014 to 2018. The mean efficiency score of GEPCO and PESCO is lowest as comes on 4th as compared to other service sectors companies which is 0.6000. The mean efficiency score of MEPCO is on 2nd as compared to other service sectors companies which is 2.6740 while IESCO is on 3rd in mean efficiency score which is 0.7380. In short, the operational excellence is achieved during period from 2014-2018 because of non-zero number of mean efficiency score in almost all service sector companies. The result of interviews suggests that organizational culture, HR practices and leadership styles are strong by 18.18%, 45.45% and 36.36% respectively. While, organizational culture, HR practices and leadership styles are weak by 81.82%, 54.54% and 63.63% respectively in NTDC. Thus, NTDC is on top as compared to the rest of service sector companies in Pakistan. The result of this study will show either the efficiency level is relatively stable or not and has increased on overall. Additionally, it also breaks down the total efficiency of firms into technical and scale efficiency. The result of interviews is quite satisfactory that is service sector companies are achieving operational excellence by positively and significantly

responding to the internal and external factors because of positive or non-zero figure. This study will also find significant or insignificant link with efficiency level and ownership structure of firms. In short, the result of this study will help policy makers and manager of service sector companies to achieve efficiency and maintain the operational excellence in their internal affairs.

Keywords: *Operational Excellence, Service Sector, Efficiency Score, Data Envelopment Analysis, Internal Affair.*