INFLUENCE OF CUSTOMER SERVICE SYSTEM ON RETAIL SHOP PRODUCTIVITY: A CASE OF SAFARICOM LIMITED SHOPS, UASIN GISHU COUNTY, KENYA.

\mathbf{BY}

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DECLARATION

I the undersigned, declare that this research project is my original work and that it has
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DEDICATION

I dedicate this work to my late parents Mr. and Mrs. Ochola for their forever undying love and upbringing.

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ABSTRACT

In the contemporary society Service systems are highly relied upon by many businesses probably because they are deemed to provide timely and sustainable services as well as increase the productivity of employees in any organization. This study sought to examine the influence of customer service system on retail shop productivity in Uasin Gishu County. Specifically, the study sought to establish the effects of training of employees, access to information, use of customer feedback and service tracking on retail shop productivity. The study targeted Safaricom Limited employees who comprised of; customer service agents, sales agents, data agents, Mpesa Champions and store operation agents as the main respondents basically drawn from the Uasin Gishu County Safaricom shops. The study used Krejcie and Morgan table (1970) to calculate the sample size. The sample size was found to be 205 respondents. The data from the tools was coded and entered into Statistical Package for Social Sciences. This computer aided software for research assisted the researcher to present the data. Open-ended questions were analyzed through reporting themes and quotas emerging. The data was analyzed and presented in frequency tables and graphs to present the findings of the study. The study findings included that training of employees is very critical in quality service delivery at all levels in an organization. It was also found out that access to information empowers employees to serve customers well. Safaricom Limited uses customer feedback and service tracking to manage their system hence improved retail shop productivity. The study recommends that organizations should design necessary training programmes based on the research on which areas cause service failures; installations that are meant to track services should be done carefully so as not to be seen as to infringe the privacy of employees and accessibility to information needs to be grouped into levels so as to ensure the most crucial information can only be accessed by the top management so as to ensure no kind of misuse can occur.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Service industry has been on steady growth in today's business environment. It has been discovered that service offerings on the market are made of several other auxiliary services to ensure satisfaction. Services are interconnected to the core offering. The service interconnection form service system which if well understood by managers can be source of competitive advantage. A service system is defined as a value-coproduction configuration of people, technology, other internal and external service systems, and shared information such as language, processes, metrics, prices, policies, and laws (Spohrer et al. 2008).

Prior to understanding service system it is important to understand the concept of a service. A service is the result of such activities, which facilitate that the condition of a person, object, and information maintained, forwarded, stored, supplemented, improved or transformed, without changing its basic character. Fitzsimmons and Fitzsimmons (2004) posit that a service is a time-perishable, intangible experience performed for a customer acting in the role of co-producer. Emphasizing the importance of a service, Grönroos (2007) asserts that human beings nowadays live in a service economy and services have become the cornerstone of postindustrial societies, and now represent the majority of the gross domestic product of developed countries.

Service systems are highly relied upon by many businesses in the contemporary society because they are deemed to provide timely and sustainable services as well as

increase the productivity of employees in any organization. Service system can be defined as consisting of 'tangible products and intangible services designed and combined so that they jointly are capable of fulfilling specific customer needs' (Tischner*et al.*, 2002). The concept of the service system was proposed from the economic or value point of view. Rigby and Cáceres (2001) classifies a system into three categories; agricultural systems, manufacturing systems (Smith 2003) and service systems (Spohrer et al. 2007), which are further relevant to agricultural economy, manufacturing economy and service economy, respectively. Pinhanez (2009) defines service system as "a voluntary and human usable system, that is, a usable system which contains a significant level of people or organizations as components during operation and needs voluntary engagement of an external person/organization to produce value."

A service system or organization or firm consists of three subsystems: (i) an infrastructure, (ii) a substance, and (iii) a management to directly meet the demands of humans. The infrastructure is of a network, and substance "flows" over an infrastructure. The management plays roles such as coordinating, leading, planning and controlling, which are applied to both the infrastructure and substance systems (Wang, 2013). A service system business model allows firms to create new sources of added value and competitiveness, since they; fulfill client needs in an integrated and customized way, hence allowing clients to concentrate on core activities; can build unique relationships with clients, enhancing customer loyalty, and can probably innovate faster since they follow their client needs better (Tukker, 2004).

Tukker and van Halen, (2003) developed a typology of the service systems including Product-oriented services and Advice and consultancy. They believe that the

provider not only sells a product, but also offers services that are needed during the use phase of the product. This can imply, for example, a maintenance contract, a financing scheme or the supply of consumables, but also a take-back agreement when the product reaches its end of life. Tukker and van Halen, (2003) further allude that a service provider gives advice on its most efficient use. This can include, for example, advice on the organizational structure of the team using the product, or optimizing the logistics in a factory where the product is used as a production unit.

This study looks at the service system activities that will have an effect on the productivity of the employees' in this case sales agents. Wang (2013) defines a resource as a physical or cognitive entity with limited availability and accessibility that needs to be consumed to obtain a benefit from it. In the context of the service system as defined, a resource could refer to both the infrastructure and substance; that is to say, there may be an infrastructure resource or a substance resource. The study is out to assess service system resources that include; training, customer feedback, access to information and service tracking as the core determinants of the productivity. These are deemed to be the resources that a business can leverage on to get high productivity.

The telecommunication service industry just like others has adopted the use of personal selling as a method to push their sales hence deployment of the sales agents. In the USA personal selling is one of the most important elements of the marketing mix. An estimated 20 million people work as salespersons in the United States (Albers et al. 2008). Sales force costs average about 10% of sales revenues and as much as 40% of sales revenues for certain industries. In the aggregate, U.S. firms spent over \$800 billion

on sales forces in 2006, a number that is three times larger than advertising spending (Zoltners, Sinha and Lorimer 2008). This statistics explain the telecommunication service providers Safaricom, deployment of sales agents in their countrywide retail shops. They are meant to work as frontline employees who deal directly with the customers on behalf of the company.

In New Zealand, Nzier (2004) emphasizes the fact that productivity should be a considered over the long run. And this they attribute to the fact that, in the short run, productivity is strongly influenced by cyclical factors. Customer service system effectiveness is an important means for organizations to gain a competitive advantage in today's service economy (Berry, 1995). Customers who are satisfied tend to return for future business and sometimes assist in marketing a service organization through word-of-mouth (Rucci, Kirn, & Quinn, 1998).

In Malaysian case, (Loke et al. 2011) alludes that telecommunication service providers are projected to contribute greatly to the national goal of achieving status as a developed nation by the year 2020. With stiff competition between three service providers customer satisfaction is a necessity for survival in the market. At the same time, Malaysians are becoming equipped with necessary knowledge about quality service delivery. Many telecommunications service providers in Malaysia offer various products and services in the market. Telecommunication service providers have to compete with each other to ensure optimal customer satisfaction in terms of products or services (Loke et al. 2011). To provide improved quality service, telecommunication companies need to investigate degree of customers' sensitivity and expectations toward service quality. Armed with such information, telecommunication outfits are then able to strategically

focus service systems' objectives and procedures to fit the Malaysian market (Loke et al. 2011).

The growth of mobile telephones is one of a tectonic and unexpected change in communications technology in Africa. From virtually unconnected in the 1990's, over 60 percent of Africans now have mobile phone coverage, and there are now over ten times as many mobile phones as landline phones in use (Aker and Mbiti, 2010). The telecommunication service industry in the world has become a vital component for efficiency and effectiveness of performing different tasks. This is evidenced in Kenya which is has seen transformational technological advancement by the mobile service providers. Safaricom and Airtel companies which are among the leading companies have been involved in dramatic competition involving the price wars as well as display of the latest innovations. The employees of these companies are expected to perform exceptionally well in order to enhance customer satisfaction. This kind of emphasis agrees with McTague (2002) who alludes that productivity is a source of competitive advantage. Increasing productivity will increase output or the quality of output and if at a faster rate than competition, benefits will be achieved through the value-added through the products

According to Hartline et al. (2000) frontline employees are the first and only representation of the service organization and have a large impact on both customer satisfaction and the service quality delivered (Schneider & Bowen 1995). Despite the well-known importance of managing the customer contact point, service organizations continue to lose customers due to dissatisfactory interactions with frontline employees

(Schultz 2002). Thus, more research is needed on how organizations can develop frontline employees that deliver superior service quality (Elmadağ et al. 2008).

The study will be carried out in Safaricom Limited. Safaricom is among the leading telecommunication company in Kenya which has been associated with much innovation. Part of the transformational innovations includes; M-PESA- a money transfer platform, M-SHWARI- A banking platform among other. The company has over the years transformed people's lives by coming up with products and services that touches on the masses way of life. One of these includes the Corporate Support System of boosting young talents, building schools, hospitals and promoting self-help groups.

The productivity of any sales agents in an organization depends on the service systems that are deployed in that organization. According to Stanicek and Winkler (2010) a service system is a composite of agents, technology, environment, and organization units of agents and technology, functioning in space-time and cyberspace for a given period of time. This is the basis of the current study which aims to assess the determinants of effective customer service system management on retail agent productivity in Safaricom Limited North Rift.

1.2 Statement of the problem

Grönroos (2006) states that services have become the cornerstone of postindustrial societies, and now represent the majority of the gross domestic product of developed countries. This view depicts the pivotal role that service systems play in the modern days. One such system is the telecommunication industry service systems which offer varied services that are essential for individuals as well as corporate. Service system

management is a concern of many business managers. The managers engage in day to day activities that aim to make their service systems more competitive. Superior and well-designed service system is among the most preferred tools for creating competitive advantage. The productivity of the retail shop will be determined by business service system success which can be attributed to high profits and increased sales.

There are several activities that the manager undertakes to ensure sustainable service system. The managers have to adopt several strategies including; training of employees, customer feedback use, employee access to right information and service tracking. This has proved in some cases not to be fruitful as far as achievement of high productivity is concerned. The company can take their retail traders for training but still the output remains dismal. It is also alluded that some customer feedback are not genuine hence leading to biased decisions. Some agents have been found to have access right to the right information but still cannot deliver the services to the satisfaction level of the customers. These scenarios pose prompts a research to be carried out to establish the effect of customer service system change on the productivity of the retail centre agents in Safaricom.

1.3 Purpose of the study

The purpose of the study was to assess how customer service system influences retail shop productivity; a case of Safaricom Limited Shops, Uasin Gishu County, Kenya

1.4 Objectives

The study was guided by the following objectives;

- 1. To establish how training of employee influence a retail shop productivity
- 2. To establish how the use of Customer Feedback influence a retail shop Productivity
- 3. To establish how employee access to information influence retail shop productivity
- 4. To assess how employee service tracking influence the retail shop productivity.

1.5 Research Question

The study was guided by the following research questions;

- 1. How does training of employee influence retail shop productivity?
- 2. How does the use of Customer Feedback influence a retail shop Productivity?
- 3. In what ways does employee access to information influence retail shop productivity?
- 4. In what ways does employee service tracking influence the retail shop productivity?

1.6 Significance of the Study

The main aim of this study was to establish how customer service system influences retail shop productivity and this was deemed to give cues that are likely ensure growth in the telecommunication industry. Moreover productive retail centres are able to enhance new and/or innovative approaches to handling the issues in the industry following the findings of the study.

The study was deemed to provide beneficial information to government bodies, policy makers, development partners, and telecommunication industry players for planning and formulation of policy. In addition, findings of this research were deemed to give insights for researchers and students interested in similar research themes for further investigation in other aspects of customer service system. The study was also deemed to unearth the underlying issues why some service systems do not lead to productivity by the retail centres in some of the Safaricom outlets hence gave recommendations on how to solve it. It was also to benefit other business service providers to make informed decisions as far as service systems are concerned.

1.7 Limitations of the study

The findings may not be able to be generalized to all the telecommunication industry or all the Safaricom outlets because every locality or company faces unique service system challenges. The study used questionnaires, which though appropriate, have their own limitations. A few respondents were not likely to complete answering the questions, while others failed to give genuine responses. The researcher made an appeal to the respondents individually for their utmost cooperation.

Another limitation that was anticipated was that questions were likely to draw different meaning to different respondents hence the study carried out a pilot study and ensured validity and reliability. General apathy culture among some employees towards research work which might hinder accessibility to prospective respondents who were to provide the needed data.

1.8 Delimitations of the study

The study was delimited to the main aim which was to establish how customer service system influences productivity of retail shops. The study was limited to a specific firm, Safaricom Limited in Uasin Gishu County. The study will focus on customer service agents, sales agents, data agents, Mpesa Champions and store operation agents as the main respondents basically drawn from the Safaricom Limited Uasin Gishu County.

1.9 Assumptions of the study

The study assumed that there existed a relationship between customer service system and retail shops productivity. It was further assumed that respondents were going to be cooperative and give honest responses to the questions in the research tools.

The study also assumed that all the sampled respondents had a common understanding on the issues in the tools of data collection. It was further assumed that the respondents were acquainted to the customer service system concepts.

1.10Definitions of significant terms as used in the study

Customer-consumer of goods and services

Service System-the process of providing and delivering relevant/requested assistance spontaneously or with minimal delays

Productivity-Refers to as the negative or positive output of an agent

Training-Acquisition of knowledge, skill and competence as a result of being taught

Customer feedback- Information coming directly from customers about the satisfaction

or dissatisfactions they feel with a product services

Information facts or details about a subject

1.11 Organization of the Study

This project report is organized into five chapters. Chapter one consists of the background of the study, statement of the problem, purpose of the study, research objectives, research questions, significance of the study, delimitations of the study, limitations of the study, and basic assumptions of the study. Chapter two covers literature review which is divided into various topics in accordance with the objectives. The theoretical and conceptual framework is provided at the end of the chapter linking the independent and the dependent variables of the study. Chapter three constitutes the research methodology which is divided into eleven subthemes: research design, study area, target population, sample size and sampling technique, research instruments, data collection procedure, validity of instruments, reliability of instruments, data analysis, presentation, and interpretation. The sections are organized as per the objectives of the study. Finally chapter five constitutes of the discussion, conclusions drawn, recommendations and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains literature review that concerns how training of employee affects retail center productivity, influence of customer feedback on retail center productivity, access to right information on retail center productivity and impact of tracking procedures on retail center productivity.

2.2 Training of Employee and retail shop productivity

Schneider and Bowen, (2009), states that employees are major assets of any organization. The active role they play towards a company's success cannot be underestimated. They further state that equipping these employees through effective training is imperative in order to maximize the job performance. Also position them to take on the challenges of the today's competitive business climate. Although extensive research has been conducted in the area of Human Research Management, the same cannot be said on employee training especially as it concerns developing countries, (Silpakit and Fisk, 2007).

According to Tharenou, Alan and Celia (2007) the goal of training is to enhance the organization effectiveness. It also demands an influence on employee's performance, as well as in relation to organizational performance which is mediated by means of employee's performance. Aguinis and Kraiger (2009) said that training improves the overall organization profitability, effectiveness, productivity, and other outcomes that are directly related to the training in improving the quality of services.

According to Saleem and Mehwish (2011) training is an organized increase from the know-how skills and sensations needed for staff members to execute efficiently in the offered process, as well as, to operate in underling situation. Moreover, it also enhances the capabilities of panel of employees in very effective way by motivating them and transforming them in to well organize and well-mannered, that ultimately affects the performance of organization. Khanfar (2011) argued that training is an active means to enable individual to make use of his capability and his potential capability. Training is only considered when people of an organization are looking for promotion of rank. Some employees prefer training to improve professional skills that help them to work more efficiently. Professional training enhances knowledge than otherwise (Kennedy, 2009).

In the real world, organizational growth and development is affected by a number of factors. In light with the present research during the development of organizations, employee training plays a vital role in improving performance as well as increasing productivity, Mills, Chase and Margulies, (2004). This in turn leads to placing organizations in a better position to face competition and stay at the top. This therefore implies an existence of a significant difference between the organizations that train their employees and organizations that do not. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. Some studies have proceeded by looking at performance in terms of employee performance in particular (Ostrom and Iacobucci, 2001).

According to Larsson, and Bowen, (2010), in one way or another, the two are related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance.

It therefore not only improves the overall performance of the employees to effectively perform their current jobs but also enhances the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance, (Mills, and Morris, 2006).

According to Wright &Geroy (2001), employee competencies change through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner.

2.3 Customer Feedback Use and Retail Shop Productivity

Customers are constantly judging companies for service failures large and small, from a glitch-ridden business-software program to a hamburger served cold. They judge the company first on how it handles the problem, then on its willingness to make sure similar problems don't happen in the future. And they are far less forgiving when it comes to the latter. According to Arnold, and Price, (2005), fixing breakdowns in service has enormous impact on customer satisfaction, repeat business, and, ultimately, profits and growth. But unfortunately, most companies limit service recovery to the staff who deals directly with customers. All too often, companies have customer service sort out the immediate problem, offer an apology or some compensation, and then assume all is well.

This approach is particularly damaging because it does nothing to address the underlying problem, practically guaranteeing similar failures and complaints, (Faranda, 2013).

In some cases, the more negative feedback a customer-service department collects, the more isolated that department becomes, because it doesn't want to be seen by the company at large as a source of friction, Bateson, (2001). Some companies even create specialist units that can soak up customer complaints and problems with no expectation of feeding this information back to the organization. Others actually impede service recovery by rewarding low complaint rates, and then assuming that a decline in the number of reports indicates customer satisfaction is improving, (Folkes, 2002).

According to Faranda, (2013) what businesses should be doing is looking at service recovery as a mission that involves three stakeholders: customers who want their complaints resolved; managers in charge of the process of addressing those concerns; and the frontline employees who deal with the customers. As Chase, (2008) puts it all three need to be integrated into addressing and fixing service problems.

In reference to Bateson, (2001) tensions naturally arise in and among the groups. For example, customers can be left feeling that their problem wasn't addressed seriously, even when they've received some form of compensation. According to Dabholkar, (2010) service representatives canstart seeing complaining customers as the enemy, even though they point out flaws that need fixing. Managers in charge of service recovery, meanwhile, can feel pressure to limit flows of critical customer comments, even though acting on the information will improve efficiency and profits. However, successfully integrating these

three perspectives is something that fewer than 8% of the 60 organizations in our study did well.

Fairness is typically the biggest concern of customers who have lodged a service complaint. Because a service failure implies unfair treatment of the customer, service recovery has to re-establish justice from the customer's perspective, Goodwin and Radford, (2001). Say a bank customer requests a deposit receipt from an ATM but the machine fails to print one. The customer becomes worried and goes to one of the bank tellers. The teller checks the account, and assures the customer that there is no problem, that the deposit was made. But if the teller only focuses on the fact that the account was credited, he or she has ignored what in the customer's view was the most severe and critical aspect of the service failure: the worry initially felt, and the extra time it took to verify the deposit, (Bateson, 2001).

Customers often want to know, within a reasonable time, not only that their problem has been resolved, but how the failure occurred and what the company is doing to make sure it doesn't happen again. A customer's faith can be restored using this kind of approach once. We have even noted something referred to as a "recovery paradox," in which customers can be more delighted by a skillful service recovery than they are by service that was failure-free to start with. But there is a flip side to this as well: Customers have more tolerance for poor service than for poor service recovery, Lusch, (2005). And if a customer experiences a second failure of the same service, there is no recovery strategy that can work well. In all likelihood, that customer will be lost forever.

they weren't satisfied, but that they believe the system remains unchanged and likely to fail again, (Brunswick, 2005).

According to Lovelock, (2009), the chief aim of managers in service recovery is to help the company learn from service failures so it doesn't repeat them. Learning from failures is more important than simply fixing problems for individual customers, because process improvements increase overall customer satisfaction and thus have a direct impact on the bottom line. But companies generally obtain and study only a fraction of the service-failure data that could be gathered from customers, employees and managers. In reference to Kelley, (2000), even when managers agree that customer feedback is essential, there is often poor information flow between the division that collects and deals with customer problems and the rest of the organization. In any kind of business, there comes a point at which a service recovery can become excessive in the company's eyes, and be seen as giving away the store. However, many customers don't want a payoff. They simply want to have their problem fixed and to be reassured that it won't happen to other people in the future.

Hubbert, (2005), states that frontline service employees have the greatest job satisfaction when they believe they can give customers what they expect. These workers have the difficult task of dealing with customers who hold them responsible even when the failures in question are completely out of their control. The attitudes of customer-service workers, positive and negative, spill over onto customers. As Mills, and Morris, (2006) alludes, companies do surprisingly little to support them. To be successful, these workers need to feel that management is providing the means to deliver successful

service recovery on a continuing basis. Alternatively, when employees believe management doesn't support them, they tend to feel they are being unfairly treated and so treat customers unfairly. They display passive, maladaptive behaviours and can even sabotage service.

Kelley, Skinner, and Donnelly, (2002) posits that this alienation is compounded when the workers believe that management is not improving the service-delivery process, which keeps employees in recurring failure situations. Mills, Chase, and Margulies, (2004), says that even though complaining customers represent an opportunity to fix problems and improve satisfaction, alienated employees often see them as the enemy. In a study of a major European bank, employees in Switzerland consistently indicated that they did not consider reports of missing account statements to be complaints. At companies that reward low complaint rates, frontline employees become tempted to send dissatisfied customers away instead of admitting a failure has occurred.

In reference to Keaveney, (2009), experience with managers interested in improving service recovery indicates that most hope for a quick fix of some specific tensions. But quick fixes only treat the symptoms of underlying problems. As Silpakit, and Fisk, (2007), stresses, real resolutions should involve closer integration among the three stakeholders, such as gathering more information from customers and sharing it throughout the company, and adopting new structures and practices that make it easier to spot problems and fix them.

According to Hubbert, (2007), it should be easy for customers to file complaints.

One way to achieve this is by offering many communication channels. A regional airline

in Asia, for example, uses annual passenger surveys, interviews with frequent fliers, focus-group discussions, customer hot lines, critical-incident surveys, onboard suggestion leaflets and even live call-in radio shows. Software should be used that serves as a database for both positive and negative communications with customers. In reference to Schneider, (2009), employees and managers should be trained to mine the data and put it to use easily and quickly.

Use meaningful measures of employee performance rewards and demerits. Positive reinforcement and incentives should be offered for solving problems and pleasing customers. A system for measuring customer satisfaction should be devised to help rate employee performance,Ostrom, (2001). Salary increases and promotions then should be linked to an employee's achieving certain levels. There also should be disincentives or demerits for poor handling of customer complaints. Performance reviews thus may include a balanced scorecard -- one that recognizes the need for both productivity and customer satisfaction, (Hubbert, 2005).

2.4: Employee Accessibility to Information and Retail shop productivity

The value of an individual's knowledge base is assumed to be non-decreasing in the addition of new information, since procedures represent options that are only exercised when conditions are favorable (Van Alstyne 2007). Existing procedures can also be used in the creation of new procedures. It follows that sharing procedural information increases individual productivity by increasing the range of functions a person can perform. Examples of procedural information sharing include informal knowhow trading in which non-proprietary information is routinely exchanged based on norms

of reciprocity (Von Hippel 2008); sharing through the networks of informal, professional or industry associations (Crane 2004); and diffusion when the information is offered at little or no cost as a complement that enhances the sale of a product.

Cellular telephone is the technology of choice in terms of bridging the information gap between rich and poor; becoming one of the most likely access devices for agricultural market information, creating economic opportunities and strengthening social networks in rural areas around the world (Pralahad, 2005). According to DIRSI (Regional Dialogue on the Information Society) 2007 report about mobile phones and poverty in Latin America and the Caribbean, mobile adoption for the poor has long become the most cost effective and accessible alternative to improve their livelihoods. Presenting an economic impact expressed mainly in terms of improved social capital variables such as the strengthening of trust networks and better coordination of informal job markets. Given their limited access to traditional fixed telephony, the poor attribute a significant improvement in quality of life to mobile access. Because of rapid improvements in ICT in developing countries, especially mobile phones, there is a growing interest in its impacts on agricultural markets, Langeard, (2009). There is vast evidence about the positive effects that cell phone have had around the world. The widespread, voluntary adoption of ICTs for marketing by producers and traders observed in many developing countries suggests that similar gains are likely to be found elsewhere.

Aker (2008), for example, studied the impact of the staggered introduction of cell phones on grain market performance in Niger between 2001 and 2006. The primary

mechanism by which cell phones affects market-level outcomes appears to be a reduction in search costs for markets. The results provide evidence that cell phones reduce grain price dispersion across markets by a minimum of 6.4% and reduce intra-annual price variation by 10%. Cell phones have a greater impact on price dispersion for market pairs that are farther away, and for those with lower road quality. This effect becomes larger as a higher percentage of markets have cell phone coverage, suggesting that this improved consumer and trader welfare in Niger.

Goyal (2008) identified that internet kiosks that provide wholesale price information and alternative market channels to soybean agents in India has led to an increase in the monthly market price by 1-5%. In addition the area under soybean production has increased significantly.

2.5 Employee service tracking and Retail Shop Productivity

Bhatt (2001) describes employee monitoring and knowledge management by pointing out that many organizations "believe that by focusing exclusively on people, technologies, or techniques, they can manage knowledge." Such a strategy will not allow a firm to maintain a competitive advantage. Organizations must create an environment of accountability and transparency to operate effectively (Bhatt, 2001). Organizations must monitor employees to protect both the company as well as the employee, but organizations must also give diligent attention to the ethical treatment of employees (Bezek, Britton, 2001).

In 2001, 60.7% of employees surveyed said they visit Web sites or surf for personal use at work (WebSense, 2001). Every minute spent booking a flight or checking

stock price is a minute not spent increasing revenue. The computer has usurped gossiping in the coffee room or talking on the telephone as the leading waste of corporate time.

However, opponents to employee monitoring make the opposite argument. Surveillance can have a negative impact on productivity. Studies have demonstrated a link between monitoring and psychological and physical health problems, increased boredom, high tension, extreme anxiety, depression, anger, sever fatigue, and musculoskeletal problems (Hartman, 1998). Invasive surveillance and monitoring has also been found to lead to higher levels of stress and greater incidence of other physical disorders such as carpal tunnel syndrome.

Employers feel increasingly susceptible to security concerns. Disloyal employees are able to e-mail trade secrets and confidential documents quickly and easily to a large audience. Infact, most security breaches come from knowledgeable insiders – not random hackers from the outside (Schulman, 2001). By monitoring Internet usage and content, corporations argue that they are able to detect and halt security breaches. Plus, the mere knowledge of increased surveillance may deter potential employee theft.

The privacy of employees does more than protect information; privacy is so integral to our identity and autonomy, that it has been argued to be a greater good. Johnson (2001) describes privacy as a social good fundamental to our society. As such, privacy is good for its own sake and not merely as a means to protect an individual or to increase productivity.

It is in this capacity that employee privacy and, therefore, monitoring garners the concern of society in general. Surveillance not only stifles creativity, it can actually change the way one thinks and acts. Opponents maintain that the observed begins to think

and act in terms of the observer. Every action, thought, and word is analyzed before being acted upon for potential scrutiny by future or current observers. Further, the observer does not even have to exist. The mere possibility of surveillance can cause people's actions, thoughts, and eventually, minds to change.

Employers can create complex problems when they monitor employees. Should employers be able to monitor their employers? If so, what should they be restricted to monitoring, and do the employees have the right to know that employers are monitoring them. Each of these questions creates a multifaceted response from both the employer's side, as well as the viewpoint of the employee. As Frayer (2002) notes, increased employee use of the Internet created opportunities for several companies to produce sophisticated monitoring software, which enables employers to peer into literally everything employees do online. According to Frayer, organization created employee monitoring because there was a substantial need for organizations to monitor their workforce.

If a business owner does nothing to stop these counter-productive activities, then it is not likely the owner could stay in business. Workplace monitoring can be beneficial for an organization to obtain productivity and efficiency from its employees (Bezek, Britton, 2001). The enormity of potential productivity loses, as reported by Court (2004), is approximately one million dollars annually for a company with 500 employees surfing the Internet for just a half hour a day. Using these facts, if an employee spends two hours per day on the Internet, and the organization has500 unmonitored employees, the potential annual loss could be nearly \$4 million.

2.6 Theoretical Framework

This study will adopt the Actor-Network Theory. This theory will be relevant to the current study because it emphasizes the need for an organization to have knowledge of the key actors that is both the human and non-human that drive their systems. According to The Actor-Network Theory (ANT) society is regarded as a socio-technical web where technical objects participate in building heterogeneous networks that bring together actors of all types (Braa and Hedberg 2002). ANT claims that any actor, whether it is a person, an object or an organization, is equally important to a social network. As such, societal order is an effect caused by a smooth-running actor network (Actor-Network Theory Encyclopedia 2006).

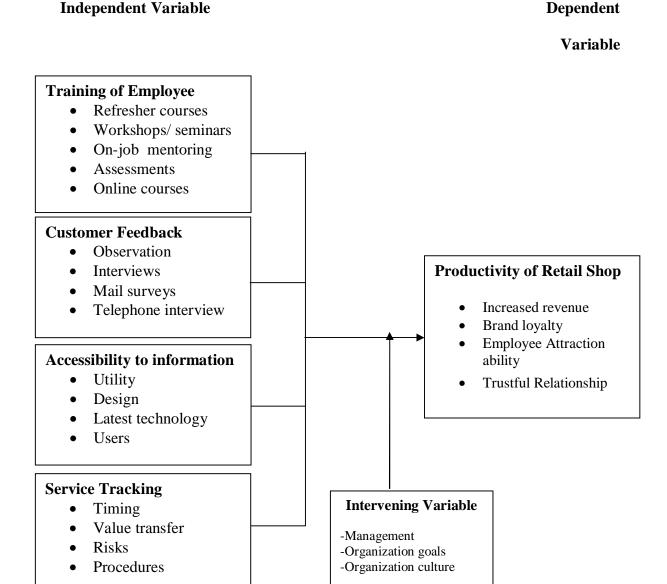
Monteiro (as cited in Hedberg (2002) sees it as heterogeneous in that there is an open-ended array of "things" that need to be aligned, including work routines, structures, training and societal roles. This is important because it provides a theoretical base to consider: when drawing up the information flow of a system, the institutional structure of the sector should also be identified (Braa and Hedberg 2002).

Critics fault this theory due to its lack of distinction between people and objects; a commonly held view is that people are fundamentally different from animals and also fundamentally different from objects (Actor-Network Theory Encyclopedia 2006). In addressing this controversy, people were considered very important for the design of any business system. In mapping the business information systems structure, it is important to note that people are the active, skilled agents who produce, sustain and transform social life (Okello-Obura, 2007). The theory is relevant because any service system adopted by

Safaricom Limited needs to be user friendly and the sales agents should be comfortable with the nature of the systems.

2.8 Conceptual Framework

Figure 1: Conceptual framework



Source: Author 2014

The model in figure 1 shows a relationship between the independent variable (training, customer feedback, accessibility to information and service tracking) and the dependent variable (productivity of the retail agent).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter will present the methodology and procedures that will be adopted while carrying out the study. This chapter presents; research design, study area, target population, sample size and sampling techniques, data collection instruments, data collection procedures and data analysis and presentation. Each of the sub-headings mentioned above is separately explained below.

3.2 Research Design

The study adopted a survey design a sub type of descriptive research design based on a sample drawn from across the Safaricom Retail Shops in Uasin Gishu County. According to Saunders et al. (2009), survey design enables large amount of data to be collected from an ideal population and in a highly economical way. Often, questionnaires are used and data are standardized, it is easily understood and easy to compare.

This method tends to gain a deeper understanding for the problems investigated through different sources of information, as well as to be able to describe a general picture of the reliability in which the problem is involved (Walliman, 2005). It is often characterized by the selection of random samples from large populations to obtain empirical knowledge of a contemporary nature (Saunders, Lewis and Thorn hill, 2009).

3.3 Target Population

A target population is a complete set of individuals, cases or objects with some common observable characteristics (Mugenda and Mugenda, 2003). The study targeted Safaricom Limited employees who comprised of; customer service agents, sales agents, data agents, Mpesa Champions and store operation agents as the main respondents basically drawn from the Uasin Gishu County Safaricom shops. The territory account managers, area sales manager, Retail centre managers and Regional Mpesa managers in Uasin Gishu County were also targeted.

Table 3.1 Target Population

	Respondents	Target Population	Percent
1	Customer service employees	228	51
2	Sales agents	76	17
3	Data agents	31	7
4	Mpesa Champions	82	19
5	Store operation	17	4
6	Management	10	2
		444	100%

Source: Safaricom Limited, 2014

3.4 Sample size and Sampling Technique

The study used Krejcie and Morgan table (1970) to calculate the sample size. A sample is the segment of the population that is selected for investigation (Bryman and Bell, 2003). In quantitative research, the need to sample is one that is almost invariably encountered. Sampling constitutes a key step in the research process in social survey research. The sample size was found to be 205 respondents. The distribution of the respondents was as shown in the Table 3.2.

Table 3.2 Sample size

	Respondents	Target Population	Sample size
1	Customer service employees	228	104
2	Sales agents	76	36
3	Data agents	31	14
4	Mpesa Champions	82	39
5	Store operation	17	8
6	Management	10	4
		444	205

Source: Study 2014

3.5 Data collection Instruments

A researcher can opt for collecting data from secondary sources or from primary sources. Primary data is used for this specific study whereas; secondary data is data collected by others for the use of their specific purpose (Saunders et al. 2009).

The data collection instruments are tools to collect information from the intended target population (sample size). The data collection instrument that were used in this study were questionnaire and interview schedule. A total of 205 questionnaires were issued to the respondents. The study interviewed 2 regional managers. The questionnaire was used because it was deemed to be the method that collects a lot of information over a short period of time while interview schedules were used because they provide intense information.

3.5.1 Pilot Study

In order to ascertain validity of the research instruments, the researcher pilot tested the instruments by distributing twenty (15) questionnaires to respondents in Kisumu City Safaricom employees, which was not part of the areas sampled. The results of the piloted questionnaires enabled the researcher to determine the consistency of responses and adjusted the items accordingly by revising the document.

3.5.2 Validity

The research purposed to ensure validity of research instruments by using simple language free from jargon to make it easily understood by the respondents. The researcher also sought the opinion of individuals who rendered intelligent judgment about their adequacy (Fraenkel, 1993, best and Kahn, 1989). The researcher gave to the supervisor and other research experts to ensure that the questions tested or measured what they were supposed to measure.

3.5.3 Reliability

Creswell (2000) poses a question to researchers that if you administer a test to a subject twice, do you get the same score on the second administration as you did on the first? The reliability of test is the answer to this question (Kombo and Tromp, 2006). The reliability of data collection instruments was determined from the pilot study where the researcher administered the research instruments in Kisumu City. The study administered questionnaires to the same respondents twice. The Cronbach's coefficient alpha was applied on the results obtained to determine how items correlate among themselves in the same instrument. The cut off level was set at 0.7. Cronbach's coefficient Alpha of 0.754

was obtained and this indicated that the tool was reliable hence was adopted for collection of data.

3.6. Data Collection Procedure

After seeking the consent of the University of Nairobi and the supervisors, the researcher sought the consent of Safaricom Limited. The researcher also obtained a research permit from the National Commission for Science Technology and Innovation. In collecting data, the researcher visited the respondents within a span of one to two weeks to allow time for the respondents to fill in the questionnaires. The researcher explained the purpose of the visit to the respondents. This assured the respondents of their confidentiality of any information they gave.

3.7 Data Analysis procedure

Collected data was analyzed using both quantitative and qualitative data analysis procedures. The data from the tools was coded and entered into Statistical Package for Social Sciences. This computer aided software for research assisted the researcher to present the data. Open-ended questions were analyzed through reporting themes and quotas emerging. The data was analyzed and presented in frequency tables and graphs to present the findings of the study. Themes in the secondary data were analyzed using content analysis.

3.8 Ethical Considerations

Kombo and Tromp (2006) note that researchers whose subjects are people or animals must consider the conduct of their research, and give attention to the ethical issues associated with carrying out their research. This study dealt with people as respondents hence the researcher assured the respondents of confidentiality. The researcher considered the fact that participation in research is voluntary. This is why the researcher took time to explain to the respondents the importance of the study and therefore request the respondents to participate in the study by giving information relevant for the study. To establish good working relationship with the participants, the researcher endeavoured to develop a rapport with them.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS 4.0 Introduction

This chapter presents the findings of the study on the influence of customer service system on retail shop productivity in a case of Safaricom limited shops, Uasin Gishu County, Kenya. The participants for the study comprised of 205 employees of Safaricom Limited. The responses rate for the study was rated at 97% where among the 205 respondents 197 successfully participated in the study. The instruments used for the study were questionnaires and interview schedules. The presentation and discussions follows the objectives of the study which were:

- 1. To establish how training of employee influence a retail shop productivity
- To establish how the use of Customer Feedback influence a retail shop Productivity
- 3. To establish how employee access to information influence retail shop productivity
- 4. To assess how employee service tracking influence the retail shop productivity.

4.1 Demographic Characteristics of Respondents

In order to know the background characteristics of the respondents who participated in the study, their demographic profiles were sought and are presented in Table 4.1

Table 4.1 Demographic Characteristics

Gender	Frequency	Percent
Male	104	52.8
Female	93	47.2
Total	197	100.0
Age		
Below 20 years	9	4.6
20-30 years	84	42.6
31-50 years	90	45.7
Above 50 years	14	7.1
Total	197	100.0
Education level		
Secondary	12	6.1
College	99	50.3
University	86	43.7
Total	197	100.0
Working experience		
Less than a year	44	22.3
1-2 years	28	14.2
3-4 years	48	24.4
5 years and above	77	39.1
Total	197	100.0
Work Position		
Service agent	103	52.3
sales agent	36	18.3
Data agent	14	7.1
M-PESA agent	36	18.3
Store operations Agents	8	4.1
Total	197	100.0

Source: Study data (2014)

From Table 4.1 it is evident that about 53% of the respondents were male while the female respondents represented 47%. The majority of the respondents, who accounted for about 43%, were in the age bracket of 20 to 30 years. Only 5% were below 20 years.

Those between the age of 31 and 50 years accounted for 46% while those above 50 years were 7%. The results also showed that 23% of the respondents engage had less than a year of working experience. Those with experience of between 1-2 years were 14% while those with 3-4 years were only 24% of the respondents.39% of the respondents represented those with experience of above 5 years. The results showed that 52% of the respondents had worked as service agents. 18% of respondents were sales agents, while 7% were data agents. 18% were Mpesa agents while only 4% represented store operations agents. The background information of the respondents was sufficient in carrying out the study.

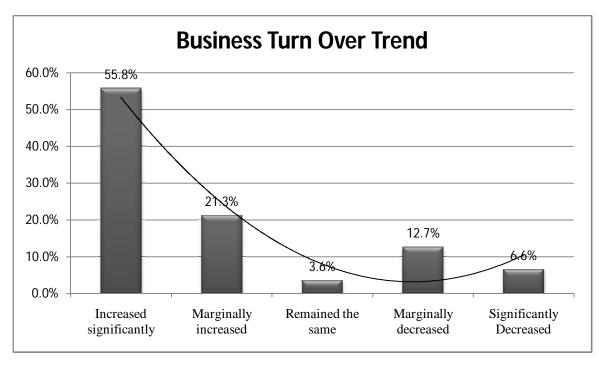


Figure 4.1 Business turnover trends

Source: Study data (2014)

In figure 4.1 it is evident that there is a generally a gradual increase in business turnover. The trend line shows a gradual slope which confirms the trend of the turnover. Majority of the respondents accounting for about 76% acknowledge an increase in the business while only 19% are of a contrary opinion.

4.2 Training of Employees and Retail Shop Productivity

The first objective of the study was to investigate how training of employee influences retail shop productivity. The respondents were asked to give their opinion on how training has influenced the productivity of their respective business units and the results were as follows. The responses were to a Likert scale of agreement. The results are as shown in table 4.2.

Table 4.2 Training of Employees and Retail Shop Productivity

	Frequency of Employee training	
	Frequency	Percent
Regularly	101	51.3
Occasionally	54	27.4
Sometimes	25	12.7
Irregularly	15	7.6
Never	2	1.0
Total	197	100.0

Source: Study data (2014)

In table 4.2, frequency of employee training, 51% agreed that they were regularly trained; on the other hand, 27% asserted that employees were occasionally trained. 13% of the respondents were for the idea that employees sometimes underwent training while 8% said that they underwent irregular training. Only 1% of the respondents were for the idea that training was never conducted for employees. The results above therefore indicate that employees were regularly trained. This therefore enhanced retail shop productivity since training is a fundamental component in enhancing work efficiency and productivity.

Table 4.3 Training Seminars or Workshops Participation

Do all the em	all the employees participate in training seminars or workshops?				
	Frequency	Percent			
Yes	144	73.1			
Some	43	21.8			
Very few	8	4.1			
None	2	1.0			
Total	197	100.0			

Source: Study data (2014)

In table 4.3 above shows that 73% of the respondents were for the idea that employees participate in training seminars or workshops. On the other hand, 22% said some participated. Only 4% were for the idea that very few participated while only 1% said none participated. It is therefore clears that training and workshops for employees are prevalent in Safaricom Limited. Safaricom Limited seems to have realised the importance of training. For example, Schneider and Bowen, (2009), states that employees are major assets of any organization. The active role they play towards a company's success cannot be underestimated. The further state that equipping these employees through effective training is imperative in order to maximize the job performance. Also position them to take on the challenges of the today's competitive business climate.

Table 4.4 Training and shop productivity

statement	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
1. All employees get regular training thereby improving service delivery	60.9%(120)			10%(20)	11.2%(22)
2. Attendance of training has enabled agent outlets to sustain competition	49.2%(97)	41.6%(82)	3%(6)	4.1%(8)	2 %(4%)
3. Training has led to business growth and expansion	50.8%(100)	34%(67)	1.5%(3)	5.6%(11)	8.1%(16)
4. Employee performance has been boosted after attendance of training	61.4%(121)	33(65)	0.5%(1)	3%(6)	2%(4)
5. Training has enabled employees to change their attitude towards customer service	71.6%(141)	20.3%(40)	3.6%(7)	3.6%(7)	1%(2)
6. Employees skills and knowledge has improved as a result of attendance of training programmes	62.4%(123)	20.3%(40)	2%(4)	6.6%(13)	8.6%(17)

Source: Study data (2014)

In table 4.4 above all employees get regular training thereby improving service delivery; this idea is supported by 76% of the respondents that supported this idea. On the other hand, 90% agreed that Attendance of training has enabled agent outlets to sustain competition and only 6% disagreed with this idea. It was clear from the research that Training has led to business growth and expansion as supported by 84%. A mere 13% disagreed. Furthermore, 93% agreed that Employee performance has been boosted after attendance of training, 3.6% remained mum while 4.6% disagreed.

Finally, Employees skills and knowledge has improved as a result of attendance of training programs as supported by 82% of the respondents. 2% were undecided while 15% disagreed. It is clear from the study above that Attendance of training has enabled

agent outlets to sustain competition as hugely supported by 90%. From the study, majority of employers have realized the importance of training through multiple employee production that was manifested through shop productivity. This training offer diverse skills and job knowledge that help shape employees attitude and desire to be even more productive. Training is a form of motivation geared towards employees.

Table 4.5 Experience and Training has led to business growth and expansion Cross tabulation

		Trainin	Training has led to business growth and expansion					
		Strongly agree	Agree	Undecided	Disagree	Strongly Disagree		
Experience	Less	56.8%	34.1%	2.3% (1)	0.0% (0)	6.8% (3)	100.0%	
	than a	(25)	(15)				(44)	
	year							
	1-2	39.3%	39.3%	0.0% (0)	3.6% (1)	17.9%	100.0%	
	years	(11)	(11)			(5)	(28)	
	3-4	47.9%	37.5%	2.1% (1)	2.1% (1)	10.4%	100.0%	
	years	(23)	(18)			(5)	(48)	
	5	53.2%	29.9%	1.3% (1)	11.7%	3.9% (3)	100.0%	
	years	(41)	(23)		(9)		(77)	
	and							
	above							
Total		50.8%	34.0%	1.5% (3)	5.6%	8.1%	100.0%	
		(100)	(67)	, ,	(11)	(16)	(197)	

Source: Study data (2014)

In table 4.5 training has led to business growth and expansion. Results indicates that; respondents with work experience of less than a year agreed to the idea that training has led to business growth and expansion as supported by 90%. On the other hand, respondents with work experience of between 1-2 years agreed as well to this idea. The case is the same to employees with experience of 3 to 4 years and 5 years and above. It is therefore clear that Training has led to business growth and expansion. Training of employees enhances growth of skills and expertise of employees. This is done through

seminars and workshops and refresher courses that can be carried both internally and externally. As Mills, Chase and Margulies, (2004) puts it, training places organizations in the better positions to face competition and stay at the top.

Table 4.6: Position and effect of training on employees skills and knowledge

		Trai	ning has i	mproved emp knowledge		s and	Total
		Strongl y agree	Agree	Undecide d	Disagre e	Strongly Disagre e	
Positio n	Service agent	64 62.1%	23 22.3	4 3.9%	8 7.8%	4 3.9%	103 100.0
11	agent	02.170	%	3.970	7.070	3.970	%
	sales	16	5	0	3	12	36
	agent	44.4%	13.9	0.0%	8.3%	33.3%	100.0
	Data	11	3	0	0	0	14
	agent	78.6%	21.4	0.0%	0.0%	0.0%	100.0
	M-PESA	27	7	0	2	0	36
	agent	75.0%	19.4 %	0.0%	5.6%	0.0%	100.0
	Store	5	2	0	0	1	8
	operation s Agents	62.5%	25.0 %	0.0%	0.0%	12.5%	100.0
Total	0	123	40	4	13	17	197
		62.4%	20.3	2.0%	6.6%	8.6%	100.0

Source: Study data (2014)

In table 4.6 the results indicates that service agents agreed to the idea that employees skills and knowledge has improved as a result of attendance of training programmes as supported by 84%. The same idea is echoed by sales agents who supported it by 57%. Data agents supported the idea by 99%. 94% represented M-pesa agents while 87% of store operations agents supported this idea. It is there apparent that

employees' skills and knowledge has improved as a result of attendance of training programmes. These programs equip employs with special skills to tackle job challenges and to specifically become productive on certain levels. The trainings are custom tailored to meet individual challenges and skills rather on personal level. Through the trainings, employees get to interact freely and express their feelings, share their challenges and seek answers to their questions without fear of prejudice thus enhancing their production.

4.3 Customer Feedback use and Retail Shop Productivity

Table 4.7 Customer feedback use and shop productivity

	Strongly				Strongly
	agree	Agree	Undecided	Disagree	Disagree
We receive constant feedback from customers on our services	44.7%(88)	32.5%(64)	5.6%(11)	8.6%(17)	8.6%(17)
we respond to customer complaints and issues promptly thereby increasing their confidence	41.6%(82)	42.1%(83)	5.6%(11)	3.6%(7)	7.1%(14)
We normally conduct customer satisfaction surveys to determine their level of satisfaction with the service we are providing to them	49.2%(97)	38.1%(75)	1%(2)	3%(6)	8.6%(17)
We do have suggestions boxes and suggestions notes in agent branches	48.2%(95)	31.5%(62)	5.6%(11)	10.7%(21)	4.1%(8)
Every employee in our business has the capacity of responding to customers complaints	52.8%(104)	32.5%(64)	4.1%(8)	6.1%(12)	4.6%(9)
We believe that the customer is always right and we make prompt action to address his/her pleas	66.5%(131)	22.8(45)	2.5%(5)	4.6%(9)	3.6%(7)

Source: Study data (2014)

Table 4.7 above indicates that 76% of the respondents agreed to the idea that they receive constant feedback from customers on our services. On the other hand, only 16% of the same respondents disagreed. However, 83% agreed that they respond to customer

complaints and issues promptly thereby increasing their confidence. This is very important in winning customers' trust. In reference to Arnold, and Price, (2005), Customers are constantly judging companies for service failures large and small, from a glitch-ridden business-software program to a hamburger served cold. They judge the company first on how it handles the problem, then on its willingness to make sure similar problems don't happen in the future. And they are far less forgiving when it comes to the latter. Fixing breakdowns in service has enormous impact on customer satisfaction, repeat business, and, ultimately, profits and growth. But unfortunately, most companies limit service recovery to the staff who deals directly with customers.

All too often, companies have customer service sort out the immediate problem, offer an apology or some compensation, and then assume all is well. This approach is particularly damaging because it does nothing to address the underlying problem, practically guaranteeing similar failures and complaints. The research further suggests that the respondents normally conduct customer satisfaction surveys to determine their level of satisfaction with the service we are providing to them as supported by 87% of the respondents. 79% confirmed that heir organizations had suggestions boxes and suggestions notes in agent branches. This method allows information and feedback conveyance between the organization and the management to flow freely and timely since less bureaucracy is involved.

Table 4.8 Experience versus Employee Capacity to Respond To Customers Complaints

		Every employee in our business has the capacity of							
			responding to customers complaints						
		Strongly	Agree	Undecided	Disagree	Strongly			
		agree				Disagree			
Experience	Less	24	14	1	3	2	44		
	than a	54.5%	31.8%	2.3%	6.8%	4.5%	100.0%		
	year								
	1-2	16	8	1	3	0	28		
	years	57.1%	28.6%	3.6%	10.7%	0.0%	100.0%		
	3-4	26	16	0	3	3	48		
	years	54.2%	33.3%	0.0%	6.2%	6.2%	100.0%		
	5	38	26	6	3	4	77		
	years	49.4%	33.8%	7.8%	3.9%	5.2%	100.0%		
	and								
	above								
Total		104	64	8	12	9	197		
		52.8%	32.5%	4.1%	6.1%	4.6%	100.0%		

Source: Study data (2014)

From the table 4.8, respondents with less than a year of experience concluded that every employee in their business has the capacity of responding to customers as supported by 85%. On the other hand, 11% disagreed while 2% remained undecided. Those with experience of between 1-2 years followed suit by 83% response rate. However, the case was the same for employees with work experience of between 3-4 years and above 5 years with 87% and 86% response rate respectively. Employees from different levels in an organization and with capacity of handling customer complain offers a clear picture of what the organization looks like. This shows that there is cooperation in all levels and freedom to information.

Table 4.9 Working Position versus Capacity of Responding to Customers Complaints

			Every employee in our business has the capacity of responding to customers complaints					
		Strongl	Agree	Undecide	Disagre	Strongly		
		y agree	C	d	e	Disagre		
		•				e		
Positio	Service	49	31	5	10	8	103	
n	agent	47.6%	30.1	4.9%	9.7%	7.8%	100.0	
			%				%	
	sales	22	14	0	0	0	36	
	agent	61.1%	38.9	0.0%	0.0%	0.0%	100.0	
	o .		%				%	
	Data	7	3	3	1	0	14	
	agent	50.0%	21.4	21.4%	7.1%	0.0%	100.0	
			%				%	
	M-PESA	23	12	0	1	0	36	
	agent	63.9%	33.3	0.0%	2.8%	0.0%	100.0	
			%				%	
	Store	3	4	0	0	1	8	
	operation	37.5%	50.0	0.0%	0.0%	12.5%	100.0	
	s Agents		%				%	
Total		104	64	8	12	9	197	
		52.8%	32.5	4.1%	6.1%	4.6%	100.0	
			%				%	

Source: Study data (2014)

The cross tabulation above indicates that service agents agreed to the idea that every employee in our business has the capacity of responding to customers complaints as supported by 77%. On the other hand, 17% disagreed while 4% remained undecided. 99% of sales agents agreed while none disagreed to the same.

Moreover, data agents followed suit by 71%. M-pesa agents had 96% of the respondents who agreed while 87% of store operations agents agreed to the idea that

every employee in their business has the capacity of responding to customers complaints. However, in reference to Bateson, (2001), companies even create specialist units that can soak up customer complaints and problems with no expectation of feeding this information back to the organization. Others actually impede service recovery by rewarding low complaint rates, and then assuming that a decline in the number of reports indicates customer satisfaction is improving.

4.4 Access to Information and Retail Shop Productivity

Table 4.10 Access to information and shop productivity

	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
Accessibility to information about the products and services is very easy	58.8%(110)	29.4%(58)	5.6%(11)	3.6%(7)	5.6%(11)
Employees access basic customer information instantly	39.1%(77)	40.1%(79)	9.1%(18)	6.1%(12)	5.6%(11)
We are updated on every information on services and products offered by Safaricom	32.5%(64)	48.2%(95)	3%(6)	9.1%(18)	7.1%(14)
Employees access information over customer complaints	20.3%(40)	50.3%(99)	8.6%(17)	14.7%(29)	6.1%(12)
Information given to employees is somehow reliable and free from errors	49.2%(97)	15.7%(31)	23.9%(47)	10.2%(20)	1%(2)
We have secure information delivery channel through which we communicate within	37.6%(74)	46.2%(91)	7.6%(15)	1.5%(3)	7.1%(14)
Shop employees access most information online	53.3%(105)	25.4%(50)	18.8%(37)	1.5%(3)	1%(2)
Latest technological systems in communication and management of businesses is an advantage	68%(134)	17.8%(35)	8.6%(17)	1%(2)	4.6%(9)
We have an efficient information accessibility policy in the company	41.1(81)	45.7%(90)	1.5%(3)	10.7%(21)	1%(2)

Source: Study data (2014)

In table 4.10 it is indicated that, accessibility to information about the products and services is very easy as supported by 87% of the respondents. On the other hand, only 8% disagreed with this idea while 5.6% were undecided. Furthermore, 79% agreed that employees access basic customer information instantly. As Von Hippel (2008) argues, sharing information through the networks of informal, professional or industry associations and diffusion when the information is offered at little or no cost as a complement that enhances the sale of a product. 64% agreed that Information given to employees is somehow reliable and free from errors.

From the table, 73% of the respondents agreed that they have secure information delivery channel through which are communicated within. On the other hand, 78% agreed that Shop employees access most information online. In reference to Cellular telephone is the technology of choice in terms of bridging the information gap between the rich and poor; becoming one of the most likely access devices for agricultural market information, creating economic opportunities and strengthening social networks in rural areas around the world (Pralahad, 2005). According to DIRSI (Regional Dialogue on the Information Society) 2007 report about mobile phones and poverty in Latin America and the Caribbean, mobile adoption for the poor has long become the most cost effective and accessible alternative to improve their livelihoods.

Table 4.11 Working position versus instant access to information

		Employees access to information instantly						
		Strongl	Agree	Undecide	Disagre	Strongly		
		y agree		d	e	Disagre		
						e		
Positio	Service	41	37	10	6	9	103	
n	agent	39.8%	35.9%	9.7%	5.8%	8.7%	100.0%	
	sales	17	16	3	0	0	36	
	agent	47.2%	44.4%	8.3%	0.0%	0.0%	100.0%	
	Data	5	8	1	0	0	14	
	agent	35.7%	57.1%	7.1%	0.0%	0.0%	100.0%	
	M-PESA	12	13	4	5	2	36	
	agent	33.3%	36.1%	11.1%	13.9%	5.6%	100.0%	
	Store	2	5	0	1	0	8	
	operation	25.0%	62.5%	0.0%	12.5%	0.0%	100.0%	
	s Agents							
Total		77	79	18	12	11	197	
		39.1%	40.1 %	9.1%	6.1%	5.6%	100.0 %	

Source: Study data (2014)

In the Table 4.11the results indicate that service agents agreed that employee's get access to information instantly as supported by 74% of the respondents. On the other hand, 91% of sales agents agreed while none disagreed. 92% of data agents agreed while 9% were undecided. In reference to (Crane 2004): Existing procedures can also be used in the creation of new procedures. It follows that sharing procedural information increases individual productivity by increasing the range of functions a person can perform. Examples of procedural information sharing include informal know-how trading in which non-proprietary information is routinely exchanged based on norms of reciprocity; sharing through the networks of informal, professional or industry associations and diffusion when the information is offered at little or no cost as a complement that enhances the sale of a product.

4.5 Service Tracking and Retail Shop Productivity

Table 4.12 Service tracking and shop productivity

	Strongly				Strongly
	agree	Agree	Undecided	Disagree	Disagree
We do track our business operations easily due to appropriate technology	49.7%(98)	31%(61)	16.8%(33)	1.5%(3)	1%(2)
Service tracking in Safaricom reduces operational risks	44.7%(88)	32%(63)	18.3%(36)	3%(6)	2%(4)
Effective service monitoring improves performance and productivity	20.3%(40)	38.1%(75)	12.2%(24)	15.7%(31)	13.7%(27)
We have employee call monitoring where we listen to live phone calls and record observations	35.5%(70)	18.8%(37)	12.7%(25)	9.6%(19)	23.3%(46)
We have Video surveillance which uses of video cameras placed throughout the facility	46.2%(91)	23.9%(47)	21.8%(43)	1.5%(3)	6.6%(13)
Concealed video surveillance is often the quickest and most cost-effective method of service tracking	29.9%(59)	26.9%(53)	35%(69)	8.1%(16)	0
Our electronic mail monitoring tracks the errors made, length of time, internet access, and view the e-mail accounts	25.4%(50)	33.5%(66)	39.1%(77)	0.5%(1)	1.5%(3)

Source: Survey data (2013)

In table 4.12, the results indicate that 80% of the respondents agreed that they do track their business operations easily due to appropriate technology. However, 2% disagreed while 16% were undecided. Moreover, 76% agreed that Service tracking in Safaricom reduces operational risks. On the other hand, 58% agreed that effective service monitoring improves performance and productivity. In reference to Eigler, (2009), Companies need to install an ongoing service research process that provides timely, relevant trend data that managers become accustomed to using in decision making,.

Companies need to build a service quality information system, not just do a study.

Conducting a service quality study is analogous to taking a snapshot. Deeper insight and

a sense for the pattern of change come from a continuing series of snapshots taken from many angles. However, 53% of the respondents agreed that they have employee call monitoring where they listen to live phone calls and record observations. 69% agreed that they have Video surveillance which uses of video cameras placed throughout the facility. 55% agreed that Concealed video surveillance which is often the quickest and most cost-effective method of service tracking; on the other hand, 35% were undecided while 18% disagreed. 58% agreed that their electronic mail monitoring tracks the errors made, length of time, internet access, and view the e-mail accounts, 39% were undecided while 1% disagreed.

Table 4.13Employee Monitoring

	YES	NO
Does employee monitoring lead to greater organizational security?	66%(130)	34%(67)
Does employee monitoring lessen employer liability for employee actions?	70.6%(139)	29.4%(58)
Does employee monitoring respect employee privacy?	62.9%(124)	37.1%(73)
Does employee monitoring lead to greater creativity?	53.3%(105)	46.7%(92)
Does employee monitoring lead to an increase in social control?	68.5%(135)	31.5%(62)

In table 4.13 above reveals that employee monitoring lead to greater organizational security as supported by 66% of the responded against 34% who said no. on the other hand, employee monitoring lessen employer liability for employee actions as supported by 70%. Furthermore, 62% agreed that employee monitoring respect employee privacy. Nevertheless, 53% against 46% agreed that employee monitoring lead to greater creativity. Finally, 68% agreed that employee monitoring lead to an increase in social control.

Table 4.14Position versus Effective service monitoring improves performance and productivity

		Effective service monitoring improves performance and productivity					
		Strongly agree	Agree	Undecided	Disagree	Strongly Disagree	
Position	Service	25	35	14	15	14	103
	agent	24.3%	34.0%	13.6%	14.6%	13.6%	100.0%
	sales agent	6	13	4	7	6	36
		16.7%	36.1%	11.1%	19.4%	16.7%	100.0%
	Data agent	2	8	1	2	1	14
	C .	14.3%	57.1%	7.1%	14.3%	7.1%	100.0%
	M-PESA	6	14	4	6	6	36
	agent	16.7%	38.9%	11.1%	16.7%	16.7%	100.0%
	Store	1	5	1	1	0	8
	operations	12.5%	62.5%	12.5%	12.5%	0.0%	100.0%
	Agents						
Total		40	75	24	31	27	197
		20.3%	38.1%	12.2%	15.7%	13.7%	100.0%

The results in table 4.14 indicate that 58% of service agents agreed that effective service monitoring improves performance and productivity. On the other hand, 52% of sales agents agreed while 32% disagreed to the same idea. Moreover, 71% of data agents agreed while 26% disagreed to the same idea. It is therefore clear that Effective service monitoring improves performance and productivity. Service monitoring ensures effectiveness and job efficiency thus reducing operational costs.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Chapter five will focus on the summary of the study findings, conclusions and recommendations. Suggestions for further research are also enumerated. The study set out to investigate on the influence of customer service system on retail shop productivity taking a case of Safaricom Limited Shops, Uasin Gishu County, Kenya.

5.2 Summary of Findings.

In this section a summary of the findings is presented. The results show that the respondents were fairly distributed in terms of gender. Majority of the respondents were aged between 20 and 50 years. It was also apparent that most of respondents had 2-5 years of working experience. These made them more competent to participate in the current study because with such experience it is expected that they have knowledge of the service systems in their shops. The background information of the respondents was sufficient in carrying out the study.

5.2.1 Training of Employees and Retail Shop Productivity

The study sought to establish the relationship between training and retail shop productivity. Majority of respondents agreed that employees were occasionally trained while others pointed out that they were usually trained. This implies that Safaricom Limited appreciates the role training plays in the service system. This trend can be attributed to the huge acceptance that training is a fundamental component in enhancing

work efficiency and productivity. Schneider and Bowen, (2009), states that employees are major assets of any organization. The active role they play towards a company's success cannot be underestimated. The further state that equipping these employees through effective training is imperative in order to maximize the job performance. Training also positioned them to take on the challenges of the today's competitive business climate.

It was also apparent that at Safaricom limited all employees get regular training thereby improving service delivery. It was further apparent that attendance of training has enabled outlets to sustain competition. It was clear from the research findings that training has led to business growth and expansion as supported by most of the respondents.

Employees' skills and knowledge had improved as a result of attendance of training programs as supported by majority of the respondents. From the study, majority of employers have realized the importance of training through multiple employee production that was manifested through shop productivity. This training offer diverse skills and job knowledge that help shape employees attitude and desire to be even more productive. Training is a form of motivation geared towards employees.

It is therefore apparent that employees' skills and knowledge has improved as a result of attendance of training programs. These programs equip employs with special skills to tackle job challenges and to specifically become productive on certain levels. The trainings are custom tailored to meet individual challenges and skills rather on personal level. Through the trainings, employees get to interact freely and express their

feelings, share their challenges and seek answers to their questions without fear of prejudice thus enhancing their production.

5.2.2 Use of Customer Feedback and Retail Shop Productivity

Majority of the respondents receive constant feedback about the services from customers. It was further noted that majority of the respondents agreed that they respond to customer complaints and issues promptly thereby increasing customer confidence in their services. This is very important in winning customers' trust. In reference to Arnold, and Price, (2005), Customers are constantly judging companies for service failures large and small, from a glitch-ridden business-software program to a hamburger served cold. They judge the company first on how it handles the problem, then on its willingness to make sure similar problems don't happen in the future. And they are far less forgiving when it comes to the latter. Fixing breakdowns in service has enormous impact on customer satisfaction, repeat business, and, ultimately, profits and growth. Unfortunately, most companies limit service recovery to the staff who deals directly with customers. Some companies have customer service personnel sort out the immediate problem, offer an apology or some compensation, and then assume all is well. This approach is particularly damaging because it does nothing to address the underlying problem, practically guaranteeing similar failures and complaints.

The research results revealed that Safaricom Limited normally conduct customer satisfaction surveys to determine their level of satisfaction. This is very important in terms of ensuring that the company improves their services as well as ensuring the needs and wants of the customers which are then given a first priority. Most of the respondents

confirmed that their shops had suggestions boxes and suggestions notes. This method allows information and feedback conveyance between the organization and the management to flow freely and timely since less bureaucracy is involved.

The results also revealed that respondents with less than a year of working experience at Safaricom concluded that every employee in their business has the capacity of responding to customers. Those with experience of between 1-2 years followed suit. Employees from different levels in an organization and with capacity of handling customer complain offers a clear picture of what the organization looks like. This shows that there is cooperation in all levels and freedom to information. The abilities of most of the employees seem to be above threshold to facilitate such skills. However, this model of service system contradicts what Bateson, (2001), proposes that companies need to create specialist units that can soak up customer complaints and problems with no expectation of feeding this information back to the organization.

5.2.3 Employee Access to Information and Retail Shop Productivity

Access to information is very crucial for the performance of employees in any organization. The results indicate that accessibility to information about the products and services is very easy by the employees in Safaricom Limited. Furthermore, it was apparent that most of the respondents agreed that employees access basic customer information instantly. This is a necessary support mechanism to ensure that there is little unnecessary wastage of time during service delivery. This agrees with what Von Hippel (2008) who proposes that sharing information through the networks of informal,

professional or industry associations and diffusion when the information is offered at little or no cost is a complement that enhances the sale of a product. Majority of the respondents also agreed that Information given to employees was reliable and free from errors.

It was clear from the results that there was secure information delivery channel through which the employees communicate within. It was further noted that Shop employees access most information online. In reference to Cellular telephone which is the technology of choice in terms of bridging the information gap between rich and poor; becoming one of the most likely access devices for agricultural market information, creating economic opportunities and strengthening social networks in rural areas around the world (Pralahad, 2005). According to DIRSI (Regional Dialogue on the Information Society) 2007 report about mobile phones and poverty in Latin America and the Caribbean, mobile adoption for the poor has long become the most cost effective and accessible alternative to improve their livelihoods.

5.2.4 Employee Service Tracking and Retail Shop Productivity

The results show that there were many respondents who felt that service tracking was easily done due to appropriate technology that Safaricom had deployed. Moreover, majority agreed that Service tracking in Safaricom reduced operational risks that would otherwise pose more uncertainty in the security of the goods or services.

The results show that not so many of the respondents agreed that effective service monitoring improves performance and productivity. This contradicts Eigler, (2009), who alludes that companies need to install an ongoing service research process that provides

timely, relevant trend data that managers become accustomed to using in decision making and in turn improve performance. Companies need to build a service quality information system, not just do a study. Conducting a service quality study is analogous to taking a snapshot. Deeper insight and a sense for the pattern of change come from a continuing series of snapshots taken from many angles.

There was some uncertainty on whether employee call monitoring was being practiced in Safaricom. Nevertheless, there was certainty on the issue of video surveillance which uses video cameras placed throughout the facility. Some uncertainty was evident on the issue of concealed video surveillance being the quickest and most cost-effective method of service tracking.

5.3 Conclusion of the Study

The study concludes that effective service systems are a precursor for productive retail shops in any industry. The study concludes that training of employees impart necessary skills that will ensure productivity. The training programs that incorporate all employees in accordance with their tasks is preferred to that of training only the top management. The study further concluded that effective use of customer feedback is necessary for the organization to identify the service failures. This is also necessary to design the best service recovery mechanisms.

The study also concluded that the employees' accessibility to the right information will spur the necessary skill development in terms of knowledge base of the company offerings. The instant accessibility to information is key in this era of impatient clients who need instant solutions to their challenges. The study further discovered that

service tracking is not a guarantee for productivity. The employees seem not to agree that when they are monitored is when the results are better.

5.4 Recommendations

The current study recommends that;

- 1.Organizations should design necessary training programmes based on the research on which areas cause service failures.
- 2. The installations that are meant to track services should be done carefully so as not to be seen as to infringe the privacy of employees.
- 3.The accessibility to information needs to be grouped into levels so as to ensure the most crucial information can only be accessed by the top management so as to ensure no kind of misuse can occur.

5.5 Suggestion for Further Research

This study recommends that further research should be done to establish the impact of service systems on productivity of the retail shops in the telecommunication industries.

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APPENDICES

Appendix I: Introduction Letter

Jackline Ochola

University of Nairobi

School of Continuing and Distance Education

Dear Respondents,

RE: ACADEMIC RESEARCH

I am a student at the University of Nairobi pursuing a Master of Arts degree in Project

Planning and Management. I am conducting an academic research on Influence of

Customer Service System on Retail Shop Productivity: A Case of Safaricom Limited

Shops, UasinGishu County, Kenya". You have been selected to provide information on

customer service system on retail shop productivity and I seek your consent. May I also

take this opportunity to guarantee you of full confidentially of the data you provide which

will only be used for academic purposes.

Yours faithfully,

Advis

Jackline Ochola

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Appendix II: Questionnaire

RE: INTRODUCTION

Dear Respondent,

Your questionnaire is aimed at gathering primary data on 'Influence of Customer Service System on Retail Shop Productivity. You are kindly requested to fill in the answers on the space provided. The information you provide will be treated with confidentiality and will be used for the purpose of accomplishing academic goals. Please do not include your name anywhere in the questionnaire. Note that there are no wrong or right answers.

SECTION A: GENERAL INFORMATION

Tick appropriately

1. What is your gender?
Male [] Female []
2. What is your age bracket?
Below 20 [] 20–30 [] 31 – 50 [] above 50 []
3. What is your highest level of education ?
Basic [] Secondary [] College [] University []
4. How long have you worked as Safaricom Company?
Less than 1 year [] 1-2 years [] 3-4 years [] 5 years and above []
5. Which department do you work for in Safaricom?
6. Which of these positions do you hold?
Service Agents []
Sales Agents []
Data Agents []
M-Pesa Champions []
Store Operation Agents[]
7. From the time you started engaging with Safaricom as an employee, how can you
describe your business turnover?
Increased significantly [] Marginally increased []
Remained the same [] Marginally decreased []

Significantly	decreased	[1
		L	

customer service as a result of attending training

f. Agent employees skills and knowledge has improved as a result of attendance of training

seminars

programmes

SECTION B: TRAINING OF EMPLOYEE AND RETAIL SHOP PRODUCTIVITY

8. What is the frequency to which your receive training	ng on fr	om Safa	aricom		
Regularly [] Occasionally [] Sometim	nes []	I	rregular	:ly[]	
Never []					
9. Do all Safaricom employees in your shop pa	ırticipat	te in tr	aining	semina	ars and
workshops?					
Yes [] Some [] Very few [] N	None []			
10. On the following table, rate your responses	on th	e exter	nt to w	hich t	raining
opportunities from Safaricom influence your business	ses per	formanc	e on a l	Likert s	scale of
five: SA-Strongly agree, A-agree, U-Undecided, D-dis	sagree a	and SD-	Strongl	y disag	gree.
Influence of training of employee on retail shop productivity	SA	A	U	D	SD
a. All employees in agent outlets receive regular training from Safaricom thereby improving service delivery					
b. Attendance of training has enabled agent outlets to sustain competition					
c. Training opportunities provided by Safaricom has led to agent business growth and expansion					
d. Employee performance has been boosted after attendance of training seminars organised by Safaricom					

SECTION C: CUSTOMER FEEDBACK USE AND RETAIL SHOP PRODUCTIVITY

11. On the following table, rate your responses on the extent to which customer feedback influence your businesses performance on a Likert scale of five: SA-Strongly agree, Aagree, U-Undecided, D-disagree and SD-Strongly disagree.

Influence of customer feedback use on retail shop productivity	SA	A	U	D	SD
a. We receive constant feedback from customers on our services					
b. we respond to customer complaints and issues promptly thereby increasing their confidence					
c. We normally conduct customer satisfaction surveys to determine their level of satisfaction with the service we are providing to them					
d. We do have suggestions boxes and suggestions notes in agent branches					
e. every employee in our business has the capacity of responding to customers complaints					
f. We believe that the customer is always right and we make prompt action to address his/her pleas					

SECTION D: ACCESSIBILITY TO INFORMATION AND RETAIL SHOP PRODUCTIVITY

12. On the following table, rate your responses on the extent to which access to information influence your businesses performance on a Likert scale of five: SA-Strongly agree, A-agree, U-Undecided, D-disagree and SD-Strongly disagree.

	nce of access to information on retail shop ctivity	SA	A	U	D	SD
a.	The accessibility to information about the					
	products and services is very easy.					
b.	Employees access basic customer information					
	instantly					
c.	We are updated on every information on services					
	and products offered by Safaricom					
d.	Employees access information over customer					
	complaints					
e.	Information given to employees is somehow					
	reliable and free from errors					
f.	We have secure information delivery channel					
	through which we communicate within					
g.	Shop employees access most information online					
h.	Latest technological systems in communication					

	and management of businesses is an advantage			
i.	We have an efficient information accessibility			
	policy in the company			

SECTION E: SERVICE TRACKING AND RETAIL SHOP PRODUCTIVITY

13. On the following table, rate your responses on the extent to which service tracking information influence your businesses performance on a Likert scale of five: SA-Strongly agree, A-agree, U-Undecided, D-disagree and SD-Strongly disagree.

Influen	ce of service on retail shop productivity	SA	A	U	D	SD
a.	We do track our business operations easily due					
	to appropriate technology					
b.	Service tracking in Safaricom reduces					
	operational risks					
c.	Effective service monitoring improves					
	performance and productivity					
d.	We have employee call monitoring where we					
	listen to live phone calls and record observations					
e.	We have Video surveillance which uses of video					
	cameras placed throughout the facility					
f.	Concealed video surveillance is often the					
	quickest and most cost-effective method of					
	service tracking					
g.	Our electronic mail monitoring tracks the errors					
	made, length of time, internet access, and view					
	the e-mail accounts					

14 On the following table, rate your responses on the extent to which service tracking information influence your businesses performance on YES or NO basis

		YES	NO
a.	Does employee monitoring lead to greater organizational security?		
b.	Does employee monitoring lessen employer liability for employee actions?		
c.	Does employee monitoring respect employee privacy?		
d.	Does employee monitoring lead to greater creativity?		
e.	Does employee monitoring lead to an increase in social control?		

The End Thank You