ADD INSTRATEGIC RESPONSES ADOPTED BY KENYAN STATE CORPORATIONS IN THE EDUCATION SECTOR TO MANAGE QUALITY CUSTOMER SERVICE

BY

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DECLARATION

This research project is my original work and has not been presented for an examination in any other University

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The research project has been submitted for examination with my approval as the University supervisor.

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ABSTRACT

In order to keep up with the competition and changing consumer needs and wants in the competitive business environment, Kenyan state corporations in the education sector need to use effective strategies in managing service quality among customers. Changing consumer needs and business environment has necessitated Kenyan state corporations in the education sector to adopt strategies to survive hence attracting and retaining customers. Adoption of effective strategies promotes quality service delivery in the industry hence social economic developments in Kenya. Firms should formulate and implement strategies to enable them seize strategic initiatives and maintain a competitive edge in the market. The competitive aim is to provide satisfactory customers service. The research objectives of the study were; to determine the strategies adopted by Kenyan state corporations in the education sector to manage service quality for customers and to establish the effectiveness of the strategies used by Kenyan state corporations in the education sector to manage quality customer service. The study population consisted of all Kenyan state corporations in the education sector. The descriptive study method was adopted to analyze data. The study established that there quite a number of strategies that are used by Kenyan state corporations in the education sector involve high costs that make it difficult for corporations to use them frequently. Efficiency and effectiveness is the core drive of Kenyan state corporations in the education sector. The study found out that quite a number of strategies used by Kenyan state corporations in the education sector are applied ignorantly without adequate knowledge and understanding of the target market. Therefore, Kenyan state corporations in the education sector should embrace strategic thinking practices for their survival in the dynamic and competitive business environment.

CHAPTER ONE

INTRODUCTION

1.1Background of the Study

The environment in which organizations are operating globally and locally is constantly changing with different factors influencing organization performance (Abrahamson, 2000). Since the turn of the millennium, the general business environment has become more volatile, unpredictable and very competitive that necessitates organizations to align their strategies with the changing environment (Burke, Warner, &Trahant, 2000). Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves. For organizations to survive in the dynamic business environment for quality service delivery, strategy remains the only alternative.

The Resource-Based View (RBV) argues that firms possess resources, a subset of which enables them to achieve competitive advantage, and a subset of those that lead to superior long-term performance. Resources that are valuable and rare can lead to the creation of competitive advantage. The Dynamic-Capabilities Theory has been introduced by David J. Teece as an extension of the resource-based view of the theory of the firm. Dynamic Capabilities Theory examines how firms integrate, build, and reconfigure their internal and external firm-specific competencies into new competencies that match their turbulent environment. The theory assumes that firms with greater dynamic capabilities will outperform firms with smaller dynamic capabilities. (Teece, 2007).

The Resource-Based view proposes that the ability of a firm to create and maintain a competitive advantage is based on a certain set of strategically relevant resources, which are valuable, rare, difficult (if not impossible) to imitate and non-substitutable. Teece observed that in changing environmental conditions, like for example a technological disruption, companies will have to adapt their portfolio of resources. These two theories will help to explain the strategic responses adopted to manage quality customer care by Kenyan state corporations in the education sector. (Teece, 1997).

A state corporation is a legal entity created by a government to undertake commercial activities on behalf of an owner government. Their legal status varies from being a part of government to stock companies with a state as a regular stockholder. State corporations in Kenya have been undergoing drastic changes for some time now in all sectors including the education sector (Kotler & Keller, 2005).

Some of the changes include the accelerated implementation of economic reforms, the globalization and liberalization of the economy, discontinuation of price controls, privatization and commercialization of the public sector and increased international competition. In this changing environment, state corporations have had to constantly adapt their activities and internal configurations to reflect the new external realities. Failure to do this may put the future success of the state corporations in jeopardy (Akinboboye, 2007).

1.1.1Strategic Responses

Strategic responses involve long-term direction which organizations adopt to gain competitive edge in the dynamic business environment by using resources and core competencies to fulfill stakeholder expectations (Greenstein, Shane & Stango, 2008). Reasons of adopting strategic responses include; clear direction to employees of the organization based on the vision, mission and core values of the organization hence synergy among employees.

They also include ability of the organization to adjust in the changing business environment, ability of the firm to develop new products and services and the ability of the organization to understand the sector in which they operate in terms of suppliers, buyers, new entrants, competitors thus respond effectively to challenges that may influence business activities (Kotler & Keller, 2005). Strategic responses help organizations to achieve economies of scale in manufacturing and marketing.

They also include Research and Development and distribution thus increased profits and Strategies enable organizations to expand their market share in the domestic and international markets (Greenstein, Shane & Stango, 2008). Organizations justify capital outlay through global markets. Companies will overcome the challenge of service breakdown among customers by adopting effective strategies in the turbulent business environment. Due to stiff competition from new entrants in the sector and changing customer needs, organizations should adopt effective strategies geared towards quality service delivery among customers in order to remain competitive (Aziz, 2007)

1.1.2 Management of Service Quality

Service quality involves customers' overall impressions of an organization's services in terms of relative superiority or inferiority. Further, service quality is considered to not only meet but to exceed customer expectations, and should include a continuous improvement process. (Greenstein, Shane & Stango, 2008). Customers perceive organizational performance mainly on the process of their interpersonal contacts and interactions.

Service quality arises from a comparison of the difference between service expectations developed before an encounter with firms and the performance perceptions gained from the service delivery based on the service quality dimensions. Cross (2000) indicated that service quality consisted of five dimensions which include; reliability, responsiveness, assurance, tangibles and empathy (Zeithaml & Bitner, 1996).

1.1.3 Kenyan State Corporations

State Corporations are entities that are treated by national laws and regulations to be under the guidance of the government but separate and autonomous from the government. All State Corporations are regulated and controlled by the by the Act of parliament (Cap 446) Section 11 and 12. They receive some revenue from charging customers for its services; these organizations are often partially or majorly funded by the government. State corporations are financially semi-autonomous bodies created by enabling laws called edicts or government flats in the absence of edicts.

State corporations are created in some cases because their business cannot be efficiently carried out by governments and are also unsuitable or unattractive to private sector. State Corporations focus on improving efficiency in the management and utilization of resources entrusted to them with a view to deliver services in a cost effective manner. It is emphasized that State Corporations should not enter into commitments or initiate new programs, projects or activities in excess of funds allocated to them under the national budgetary provisions or funds available to them from other sources including internally generated revenues.

1.1.4 Kenyan State Corporations in the Education Sector

A State corporation is a legal entity created by a government to undertake commercial activities on behalf of an owner government. Their legal status varies from being a part of government to stock companies with a state as a regular stockholder. The defining characteristics are that they have a distinct legal form and they are established to operate in commercial affairs. While they may also have public policy objectives, Government-owned corporations (GOCs) should be differentiated from other forms of government agencies or state entities established to pursue purely non-financial objectives (Commission for Higher Education Report, 2012). They are usually considered highly important to smooth running of society and are sometimes propped up with cash infusions in times of crisis to help surmount situations that would bankrupt a normal privately owned business.

The education sector in Kenya is regulated by different state corporations committed in providing quality education services to all Kenya citizens. Some of these state corporations in the education sector in Kenya include: Commission for Higher Education Kenya Literature Bureau, Higher Education Loans Board, The Jomo Kenyatta Foundation and Kenya Institute of Education.

1.2 Research Problem

It is important for managers to appreciate where the greatest opportunities and threats lie at any time and focus attention on those areas which are currently affecting the organization and which require strategic attention. To succeed in the long term, organizations must compete effectively and out-perform their rivals in a dynamic environment. To accomplish this they must find suitable ways for creating and adding value for their customers (Aziz, 2007). Strategic response is a highly important element of organizational success (Burnes, 2004). The need to know what the business is about, what it is trying to achieve and which way it is headed, is a very basic requirement determining the effectiveness of every member’s contribution. Every successful organization has this business self-awareness and every successful business seems to have this clarity of vision, even though it does not arise from a formal planning process (Akinboboye, 2007).

The Kenyan education sector is regulated by different state corporations committed in providing quality education services to all Kenya citizens. Despite the commitment, state corporations are experiencing environmental opposition, competition, changing customer needs and resistance to changes by employees. Related studies that have been carried out in Kenya in relation to strategic management practices clearly indicate that the extent to which organizations apply strategic responses to satisfy customer needs has not fully penetrated for competitive edge.

Research by Rivkin (2008) on strategic responses to global terrorism concluded that business has a role in confronting terrorism, both tactically and strategically. Wang (2008) carried out a study on strategic responses to domestic and foreign institutional pressures in the Chinese toy industry noted that proactive strategies played a great role in fighting the pressure. Roth (1991) study on global strategy implementation at the business unit is supportive of the contingency notion that suggests that business unit effectiveness is a function between the international strategy and the organizational design.

A study by Ayabei (2010) on challenges to strategy implementation at Teacher's Service Commission, Kenya identified political influence as the major challenge. A study by Oyoo (2002) on strategies and performance of manufacturing firms in Kenya indicated that organizations face internal and external challenges during implementation stage of the strategy. Another study carried out by Owiye (1999) on the impact of strategy on performance of pharmaceutical companies in Kenya identified that, organizations fail to achieve their objectives if the strategy is not institutionalized in the organizations. However, the literature cited above indicates that there has been no study focusing on the strategic responses adopted by Kenyan state corporations in the education sector to manage customer service quality. It is in the light of this that a research need arises to establish the strategic responses adopted to manage quality customer service by Kenyan state corporations in the education sector. The study therefore, will answer the following research question: What are the strategic responses adopted to manage quality customer service by Kenyan state corporations in the education sector?

1.3 Research objectives

i. To identify strategic responses adopted to manage quality customer service by Kenyan state corporations in the education sector.
ii. To determine environmental challenges facing Kenyan state corporations in the education sector.

1.4 Value of the study

The study will aid various stakeholders; academicians and researchers in the field of strategic management in the education sector will be able to use this study as a source of reference in forming their future research topics and studies. This study will increase the body of knowledge for comparison with other findings to be carried out by researchers and academicians. The study will give valuable information to Kenyan state corporations in the education sector.

Kenyan state corporations in the education sector will obtain details on challenges facing customer service delivery and the details of responses to the challenges. In addition the study will provide a justification to the responses adopted depending on the success obtained. The policy makers including the Government of Kenya will obtain knowledge of quality customer service dynamics and the responses that are appropriate; they will therefore obtain guidance from this study in designing appropriate policies that will regulate and standardize customer services. Policy makers will use the knowledge and information obtained from this study to improve current policies that govern operations of Kenyan State corporations in the education sector in relation to improving quality customer service therein.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter outlines literature review on; the concept of strategy, service quality and strategy and service quality. There are various theories in practice that

2.2 Theoretical Framework

Dynamic capabilities theory examines how firms integrate, build, and reconfigure their internal and external firm-specific competencies into new competencies that match their turbulent environment. The theory assumes that firms with greater dynamic capabilities will outperform firms with smaller dynamic capabilities. The aim of the theory is to understand how firms use dynamic capabilities to create and sustain a competitive advantage over other firms by responding to and creating environmental changes (Teece, 2007).

Capabilities are a collection of high-level, learned, patterned, repetitious behaviors that an organization can perform better relative to its competition (Teece, 2007). Organizational capabilities are called “zero-level” (or “zero-order”) capabilities, as they refer to how an organization earns a living by continuing to sell the same product, on the same scale, to the same customers (Teece, 2007).

Dynamic capabilities are called “first-order” capabilities because they refer to intentionally changing the product, the production process, the scale, or the markets served by a firm (Teece, 2007). An organization has dynamic capabilities when it can integrate, build, and reconfigure its internal and external firm-specific capabilities in response to its changing environment. Whereas organizational capabilities have to do with efficient exploitation of existing resources, dynamic capabilities refer to efficient exploration and implementation of new opportunities. A firm has a capability if it has some minimal ability to perform a task, regardless of whether or not that task is performed well or poorly. However, on average, firms have to use their capabilities in order to sustain their ability to use them (Teece, 2007).

According to Teece (2007), a dynamic capability is “the capacity of an organization to purposefully create, extend, and modify its resource base” (p. 4). The resource base of an organization includes its physical, human, and organizational assets (Teece, 2007). Dynamic capabilities are learned and stable patterns of behavior through which a firm systematically generates and modifies its way of doing things, so that it can become more effective.

The Resource-Based View (RBV) argues that firms possess resources, a subset of which enables them to achieve competitive advantage, and a subset of those that lead to superior long-term performance. Resources that are valuable and rare can lead to the creation of competitive advantage. That advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource imitation, transfer, or substitution (Peter & Olson, 2005).

The Resource-Based view proposes that the ability of a firm to create and maintain a competitive advantage is based on a certain set of strategically relevant resources, which are valuable, rare, difficult (if not impossible) to imitate and non-substitutable. The resource-based view (RBV) suggests that the resources possessed by a firm are the primary determinants of its performance, and these may contribute to a sustainable competitive advantage of the firm. Teece observed that in changing environmental conditions, like for example a technological disruption, companies will have to adapt their portfolio of resources. These two theories will help to explain the strategic responses adopted to manage quality customer care by Kenyan state corporations in the education sector (Teece, 1997).

Strategy is management's game plan for strengthening the organization's position, pleasing customers, and achieving performance targets (Landes, 1998). Strategy includes the goals and major policies of the organization. Strategies are grounded in the array of competitive moves, and business management of an organization depends on how to produce successful performance (Peter & Olson, 2005). Managers' device strategies to guide how the company's business will be conducted and to help them make reasoned, cohesive choices among alternative courses of action. The strategy managers decide or indicate that among all the paths and actions we could have chosen, we decided to follow this route and conduct our business in this manner (Pearce & Robinson, 1997).

Any Organization cannot operate without a strategy because “Strategy formulation” is vital to the well-being of an organization. A Strategy is the long-term direction which organizations adopt to gain competitive edge in the dynamic business environment by using resources and core competencies to fulfill stakeholder expectations (Michael, 2009).

Reasons of adopting strategies include; strategies clearly provide employees of the organization with a sense of direction based on the vision, mission and core values of the organization hence synergy among employees. Through effective strategies organization understand the industry in which they operate in terms of suppliers, buyers, new entrants, competitors thus respond effectively to challenges that may influence business activities (Kombo & Thromp, 2006).

Business definition by technology leads to a very tumultuous corporate existence, as the business enterprise turns direction every time there's a new invention. Strategies help organizations to achieve economies of scale in manufacturing, marketing, Research & Development and distribution thus increased profits and Strategies enable organizations to expand their market share in the domestic and international markets. Organizations justify capital outlay through global markets (Kotler & Keller, 2005) Companies will overcome the challenge of service breakdown among customers by adopting effective strategies in the turbulent business environment. Due to stiff competition from new entrants in the industry and changing customer needs, state corporations in the education sector in Kenya should adopt effective strategies geared towards quality service delivery among customers in order to remain competitive (Johnson, 2002).

Without strategy, a manager has no thought-out course to follow, no roadmap to manage by, no unified action program to produce the intended results (Mintzberg, 1990). Indeed, good strategy and good strategy execution are the most trustworthy signs of good management. Thompson and Strickland (2005) stated that managers must combine good strategy making with good strategy execution for company performance to approach maximum potential. Financial strategy is a combination of financial tools for the reengineering of an organization towards achieving the maximum potentials (Thompson, 2003).

The tasks that Strickland (2005) highlighted comprising strategy include; deciding what business the company will be in and forming a strategic vision of where the organization needs to be headed. In effect, this is infusing the organization with a sense of purpose, providing long-term direction, and establishing a clear mission to be accomplished, converting the strategic vision and mission into measurable objectives and performance targets, crafting a strategy to achieve the desired results, implementing and executing the chosen strategy efficiently and effectively, evaluating performance, reviewing new developments, and initiating corrective adjustments in long-term direction, objectives, strategy, or implementing in light of actual experience, changing conditions, new ideas, and new opportunities (Mulaa, 2004).

The goal of business strategy is to achieve a sustainable competitive advantage against competitors in the market. Porter (2004) identified two basic types of competitive advantage: cost advantage and differentiation advantage. When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals. A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself (Carrier, 2000).

Organizations respond strategically to external pressures in many ways ranging from outright resistance through disingenuous support, attempting to influence the environment to accept goals sought by the organization, to complying by making internal changes. The relationship between an organization and environment are reciprocal; an organization’s existence may be dependent on its environment and vice versa. There is a continuum of influence in organization/environment relations ranging from the organization’s domination of its environment to its domination in the environment (Berthoud, 2000).

Strategy lies in environmental scanning which refers to the process of monitoring and evaluating the business environment. It helps in adjusting the business tactics in case of a change in the business environment. The scope of the research is inclusive of the macro environmental forces because the macro forces are not company specific thus it allows the findings of the research to be generalized. Additionally, the macro forces have a wide scope and tend to influence the micro environment of the business; therefore, it seems advisable to focus the research on the role of macro environmental forces to reduce the accumulation of irrelevant data (Berthoud, 2000).

2.3 Service Quality

Service quality involves customers' overall impressions of an organization's services in terms of relative superiority or inferiority Further, service quality is considered to not only meet but to exceed customer expectations, and should include a continuous improvement process. Customers perceive organizational performance mainly on the process of their interpersonal contacts and interactions (Newman, 2001). Service quality arises from a comparison of the difference between service expectations developed before an encounter with firms and the performance perceptions gained from the service delivery based on the service quality dimensions.

Cross (2000) indicated that service quality consisted of five dimensions which include; reliability, responsiveness, assurance, tangibles and empathy. The relationship between service quality and its impact on education providers will be explored in terms of both qualitative and quantitative benefits. Regarding qualitative benefits, customer satisfaction and loyalty are the major concerns (Newman, 2001). Organizations face many challenges in today's dynamic marketplace.

In a global economy that has become increasingly competitive, there is need for efficient development of products that can quickly satisfy a more demanding customer base and build long-term customer trust. It must enhance risk management and address a broad range of service breakdowns and regulatory changes that require reporting with greater standardization and transparency (Porter, 1998). It must optimize both internal and external innovation, while seeking operational excellence at all levels.

Meeting these challenges requires new business and marketing strategies that boost revenues, improve operational efficiency, cut costs, and enhance the overall management of business. Today, organizations are looking beyond traditional practices to new tactics and tools that analysts and thought leaders have identified as the best for the industry (Trethowan, & Scullion, 1997). Newman (2001) discovered that perceived service quality brought about satisfaction or vice versa. In addition, Grönroos (1990) suggested that the mutual exchange and promise fulfillment between customers and service providers was a core construct to obtaining customer satisfaction and loyalty during the process of service delivery. Newman (2001) emphasized that customer satisfaction had greatly affected business, its corporate image, and obtaining new customer bases through direct recommendations.

The appearance of physical facilities, equipment, personnel and communication materials is the core of service quality. Service quality entails five dimensions which include; Reliability which involves ability to perform the promised service dependably and accurately; Responsiveness that involves the willingness to help customers and provide prompt service; Assurance refers to knowledge, competence, and courtesy of service employees and their ability to convey trust and confidence. Empathy which also refers to caring, individualized attention provided to customers (Zeithaml et al. 1990) and tangibles are appearance of physical facilities, equipment, personnel and written materials. Marketing the quality of service is central to the success and growth of business. Parasuraman et al (1985) in developing the service quality model defined service as the gap between expected service and perceived performance.

The five dimensions represent how consumers organize information about service quality in their minds and were found relevant for banking among other industries (Parasuraman et al, 1985). There are numerous strategies a service marketer can use to overcome challenges. Understanding customer expectation provides the basis for the development of new service concepts to meet targeted consumer needs (Lovelock et al, 1996). (Kotler 1999). To develop effective positioning strategies, managers need insights into how the various attributes of a service are valued by the current and prospective customers within that segment (Yunggar, 2005).

An organization's service offering is successfully positioned if it has established and maintains a distinctive place for itself in the consumer's mind. If a service is successfully positioned, the mention of the service will conjure up in the customer's mind an image that is distinct from images of similar service offerings (Ziethaml et al, 1996). A philosophy of doing business that focuses on keeping and improving current customers rather than on acquiring new ones. Service companies must see customers as their long term partners and need to make a commitment in maintaining the relationship through quality, service and innovation (Lovelock et al, 1996).

2.4 Strategy and Service Quality

Effective strategies will lead to improved quality service delivery to customers in the education industry hence improved performance of the state corporations in the education industry in terms of revenue growth and expanded market share (Porter & Kramer, 1999). Reliability, responsiveness, tangibles, assurance, and empathy encompass quality aspects of education services from customer point of view (Kotler, 2007). To develop effective positioning strategies, managers need insights into how the various attributes of a service are valued by the current and prospective customers within that segment (Porter, 2004).

An organization's service offering is successfully positioned if it has established and maintains a distinctive place for itself in the consumer's mind relative to competing organization's offerings (Porter, 2008). If a service is successfully positioned, the mention of the service will conjure up in the customer's mind an image that is distinct from images of similar service offerings (Ziethaml et al, 1996). A philosophy of doing business that focuses on improving current customers rather than on acquiring new ones. Service companies must see customers as their long term partners and need to maintain relationship through quality, service and innovation (Lovelock et al, 1996).

A service organization cannot serve an entire market for a particular service as customer needs and wants are diverse (Peter, 1990). It must identify segments of a market that it can serve most effectively. Once a company has identified a specific market segment to serve, the next phase is to position the service in the market place. How the service is designed (service blueprinting and physical evidence) will impact the image of the service in the consumers mind (Ziethmal et al, 1996). A service offering's position is the way it is perceived by consumers, particularly in relation to competing offerings. Careful recruitment, training and ongoing mentoring of employees can contribute to improvements in both productivity and service quality (Thompson, & Strickland, 2003). The company should recognize that service is a performance rather than an object; advertising should not only encourage customers to buy the service, but should also target employees as a second audience, motivating them to deliver high-quality service. Companies should also try to use their own employees rather than professional models in their print and broadcast advertisements (Ziethaml et al, 1996).

Developing a communication strategy for intangible services is quite different from advertising and promoting psychical goods (Warucu, 2001). The company should recognize that service is a performance rather than an object; advertising should not only encourage customers to buy the service, but should also target employees as a second audience, motivating them to deliver high-quality service. (Lovelock et al, 1996).

Organizations have found themselves in a position where they not only have to address environmental changes but actually anticipate them. Liberalization and globalization has opened up the markets to environmental forces. Coping with the increasingly competitive environment has called on firms to rethink their strategies responses (Pearce and Robinson, 2005). The days when firms could simply wait for clients to beat a path to their door are long gone. Organizations must realize that their services and products, regardless of how good they are need to meet customer changing needs (Porter, 2008).

Porter & Kramer (1999) noted that industries are responding to customer's demand by becoming more innovative in their new ways of approaching the changing environment. They adopt strategies such as improved customer services, credit facilities, post-paid cards and provision of convenience goods and services. Rapid technological change has created a new business environment where innovation has become a top competitive strategy. Increased competition has created a fundamental shift in the economic environment where no organization can hope to stay afloat if it fails to come up with proper strategic responses (Newman, 2001).

According to Helfat et al. (2007), a dynamic capability is "the capacity of an organization to purposefully create, extend, and modify its resource base" (p. 4). The resource base of an organization includes its physical, human, and organizational assets. Dynamic capabilities are learned and stable patterns of behavior through which a firm systematically generates and modifies its way of doing things, so that it can become more effective For example, operating routines develop from the accumulation of experience through the repeated execution of similar tasks over time (Argote, 1999).

According to Teece (2007), a firm's history and prior paths help determine its current tangible and intangible positions and asset bases, which lead to organizational processes. The firm uses its sensing capabilities to identify opportunities. Once they are identified, the firm invests in ("seizes") these opportunities to improve its organizational capabilities. Then the firm actually recombines or reconfigures its organizational capabilities into new capabilities that better fit its environment. These new capabilities can help a firm create new paths, positions, and asset bases, which can lead to a sustained competitive advantage for the firm relative to other firms. Helfat et al. (2007) identified two yardsticks for calibrating a firm's capabilities: technical (internal) fitness and evolutionary (external) fitness. Technical fitness refers to how well a capability performs its function divided by its cost. A dynamic capability is not something that a firm has or does not have. This measure can show that the dynamic capabilities of some firms may be more or less technically fit compared to other firms. Evolutionary fitness refers to how well a capability enables the firm to make a living outside the company relative to other firms by creating, extending, or modifying its resource base. Dynamic capabilities help a firm achieve evolutionary fitness (Teece, 2007).

Pavlou and El Sawy (2011) created a framework for a proposed model of dynamic capabilities. According to the framework, the firm (1) uses its sensing capabilities to spot, interpret, and pursue opportunities that it perceives from internal and external stimuli; (2) uses its learning capabilities to determine what organizational capabilities must be revamped, rebuilt, or reconfigured into new knowledge; (3) uses its integrating capabilities to collectively understand and to make the necessary changes to its operational capabilities; (4) uses its coordination capabilities to implement and use the reconfigured operational capabilities; and (5) continues to scan external and internal stimuli.(Teece, 2007).

The dynamic capabilities approach has tended to incorporate Schumpeterian rents in its explanation of sustainable competitive advantage (Teece et al., 1997). However, Parayitam and Guru (2010) have argued that dynamic capabilities can lead to both Ricardian and Schumpeterian rents for a firm. According to Schumpeter (1911/1934), an entrepreneur will make profits (rents) because of innovations (strategies) as long as other entrepreneurs are not able to copy those innovations. (Teece, 2007).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focused on the researcher's scope of methodological procedures to be employed in the study. These include; research design, target population, data collection instruments, and pilot study and data analysis techniques.

3.2 Research Design

The study adopted a cross-sectional survey design. The descriptive study method was appropriate because it explores and describes the relationship between variables in their natural setting without manipulating them. The descriptive study aims at obtaining information that can be analyzed, patterns extracted and comparison made for the purpose of clarification and provision of basis for making decisions (Mugenda, 2003). Both qualitative and quantitative data were obtained for comparison purposes. Thus, descriptive research design was selected because it enabled the researcher to collect appropriate respondent opinions analyze and interpret them in relation to the problem under investigation thus making accurate decisions.

3.3 Population of the study

The study population consisted of all Kenyan state corporations in the education sector. The study was census where all the Kenyan state corporations in the education sector, recognized by the Ministry of Higher Education were used to determine strategic responses adopted to manage quality customer service.

Respondents were selected from all the Kenyan state corporations in the education sector in Kenya and recognized by the Ministry of Higher Education. Respondents were selected randomly from each Kenyan state corporation including; top level managers, middle level managers and lower level employees of each Kenyan state corporation in the education sector.

3.4 Sampling Procedure

A sampling procedure defines the rules that specify how the system calculates the sample size and it contains information about the valuation of an inspection characteristic during results recording attributive, variable or manual. Sampling procedures are usually used at characteristic level of a task list or material specification. You can however determine the sample size, without reference to task lists. To do this, you define a sampling procedure for the inspection type in the inspection setup.

Usually, the population is too large for the researcher to attempt to survey all of its members. A small, but carefully chosen sample can be used to represent the population. The sample reflects the characteristics of the population from which it is drawn. Purposive sampling was used in this study based on the knowledge of the population and the purpose of the study. All Kenyan state corporations in education sector were used. It was considered all that Kenyan State Corporations in the education sector would give the needed information in relation to the topic of research.

3.5 Data Collection

The study relied on primary data sources. Primary data was collected using semi-structured questionnaires with both close-ended and open-ended questions. Chief Executive Officers in charge of Kenyan state corporations in the education sector were the respondents in the study. Data was collected from respondents by the use of questionnaires as the main instruments of data collection.

Questionnaires were administered to respondents by the researcher during working hours. Drop and pick later method was applied in cases where respondents had no time to respond immediately. Questionnaires have advantages over some other types of surveys in that they do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data.

However, such standardized answers may frustrate users and they might be limited by the fact that respondents must be able to read the questions and respond to them. Secondary data was gathered from library material, education journals and reports, media publications and various Internet search engines covering the business process management of Kenyan State corporations in the education sector. Permission to access office circulars, strategic plans, files and manuals and other relevant documents was initiated through the Head of operations.

3.6 Data analysis

The data collected in the research was edited, coded, classified on the basis of similarity and then tabulated. Kombo & Tromp (2006) asserts that the core function of the coding process is to create codes and scales from the responses, which can then be summarized and analyzed in various ways. To permit quantitative analysis, data was converted into numerical codes representing attributes or measurement of variables.

Descriptive statistics technique was chosen because it makes it possible to show the distribution or the count of individual scores in the population for a specific variable. The Statistical Package of Social Sciences (SPSS) was used to process and analyze the data in order to determine the relationship between the variables. Descriptive statistics such as frequency distributions, percentages and frequency tables was used to summarize and relate variables which were attained from the administered questionnaires.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis of the data collected from the respondents and discusses the research findings on the strategies adopted to manage quality customer service by Kenyan state corporations in the education sector. All completed questionnaires were edited for accuracy, uniformity, consistency and completeness. The response rate of 99% was achieved for this study.

This good response was attributed to the fact that quite a good number of the respondents were knowledgeable to fill the questionnaires. Summaries of data findings together with their possible interpretations were presented by use of mean, percentages, frequencies, variances, standard deviation and tables.

4.2 Respondents profile

This section presents the profile of the respondents and the state corporations. This is a response rate of 99%. The researcher was interested in establishing the number years the state corporations had been in operation, number of employees, position of the respondents and number of years worked in the position. The detailed finding of the respondents demographic is presented in section 4.1 as follows:

4.3 Period of Operation

The number of years in operation is crucial since State Corporation in the education sector that has been in existence for a long period is in a position to clearly illustrate strategic responses adopted to manage quality customer service. This section sought to find out the length of time the State corporations in the education sector had been in operation in Kenya. The respondents of the study were asked to indicate the period their Kenya State Corporations had operated in the education sector. The following were the findings as shown in Table 4.1

Table 4.1 Period of Operation

Period of operating Business	**Frequency**	**Percentage (%)**
Below 1 year	0	0
2-5 years	0	0
6-10 years	0	0
11-15 years	0	0
16-19 years	1	20
20 and above years	4	80
Total	**5**	**100.0**

Source: Primary data 2014

As shown in Table 4.1, 20% of the respondents said the Kenyan State Corporations they were working in had been in had been carrying out their operations between 16-19 years. Eighty percent of the Kenyan State Corporations in the education sector had been in business for more than twenty years. None of the firms had been in operation for a period less than fifteen years.

This means that a large percentage of the Kenyan State Corporations in the education sector had an ample time in planning of strategic responses geared towards of quality customer care. It also narrows down to the fact that majority of the Kenyan State corporations in the education sector have the relevant experience in implementation of strategic responses adopted to manage quality customer service.

4.4. Number of employees

The respondents were requested to indicate the number of employees they have in their State Corporations in the education sector. The results are presented in Table 4.2

Table 4.2: Number of employees

Employees	**Frequency**	**Percentage (%)**
1-25	1	20%
26-50	1	20%
101 and above	3	60%
Total	**5**	**100%**

Source: Primary data 2014

Most of the State Corporations in the education sector comprising of 20% of the total population had a range of employees from 1 to 25, another 60% of the respondents had a range of employees from 101 and above while 20% had a range of employees from 26 to 50. State corporations in the education sector that had more than 101 employees were found to have been in operation for a period of more than twenty years.

4.5 Strategies adopted to manage quality customer service

Strategic responses involve long-term direction which organizations adopt to gain competitive edge in the dynamic business environment by using resources and core competencies to fulfill stakeholder expectations. Strategic responses adopted to manage quality customer service allow management team to look at provision of quality services to customers in a broad way (Greenstein, Shane & Stango, 2008).

Reasons of adopting strategic responses include; clear direction to employees of the organization based on the vision, mission and core values of the organization hence synergy among employees, ability of the organization to adjust in the changing business environment, ability of the firm to develop new products and services and the ability of the organization to understand the sector in which they operate in terms of suppliers, buyers, new entrants, competitors thus respond effectively to challenges that may influence business activities (Kotler& Keller, 2005).The respondents from Kenyan State Corporations in the education sector were asked to indicate the strategies applied to manager quality customer service by Kenyan state corporations in the education sector. The following were the findings as shown in Table 4.3.

Table 4.3 Strategies adopted to manage quality customer service

Strategies	N	5]	[4]	[3]	[2]	[1]	Total (%)	Mean Score	S.D
Technology driven services	5	51.2	2.4	17.1	26.8	2.4	100	4.22	.154
Customer driven services	5	0.00	41.5	29.3	0.00	29.3	100	4.00	.121
Quality Services always	5	39.0	2.4	22.0	2.4	34.1	100	4.00	.148
Service differentiation	5	0.00	39.0	34.1	2.4	24.4	100	3.85	.129
On time service delivery	5	0.00	39.0	34.1	2.4	24.4	100	3.85	.110
Strategic alliances/mergers/jo int venture/acquisition	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
New product development	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Diversification	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Employment of innovative managers	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Institutionalization of innovative culture	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Review of the vision and mission of the firm	5	0.00	22.0	56.1	22.0	0.00	100	3.00	.109
Competitor analysis surveys	5	0.00	22.0	56.1	22.0	0.00	100	3.00	.109
Benchmarks with Global companies	5	0.00	22.0	56.1	22.0	0.00	100	3.00	.109
Environmental scanning	5	0.00	22.0	56.1	22.0	0.00	100	3.00	.109
Standards observed fully	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194

Relevant System in place	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Competent employees	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Advertisements	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Competitive pricing services	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Total	**5**								

Note:

1= Not at all,

2= To a small extent

3= To a moderate extent

4= To a large extent

5= To a very large extent

N=Frequency

M=Mean

SD= Standard deviation

Source: Primary data 2014

As shown in Table 4.3, respondents indicated that the most commonly used strategy was technologically driven service, which has the highest mean (4.22). It is mostly applicable due to high chances of minimizing costs hence efficiency and effectiveness. The second strategy used by the Kenyan State Corporations in education sector was customer driven strategies, which has a mean of (4.00). It is used to increase the number of customers by providing satisfactory services. The third strategy used was service differentiation and on time service delivery strategy, which has a mean (3.85). It is used to influence customer attitude towards services.

Strategic alliances/mergers/joint venture/acquisition, new product development, diversification, employment of innovative managers and institutionalization of innovative culture was ranked fourth as strategies of managing service quality among customers with a mean of (3.78). This was due to sharing of technology from strategic alliances, superior products and services, employees with a mix of skills to serve customers effectively, and employees who were flexible to changes.

Review of the vision and mission of the firm, competitor analysis surveys, benchmarks with global companies, environmental scanning were ranked fifth with a mean of (3.00). This was due to ability of to understand the long term direction of the organization, ability to understand competitor objectives and strategies, ability to compare customers' services with good performing firms and understanding the political, economic, social and technological factors that influence customer services.

Standards observed fully, relevant system in place, competent employees, and advertisements and competitive pricing services were strategies that were used by Kenyan State Corporations in education sector to maintain customer service quality with a mean of (2.80). This was due to ability of workers to provide timely solutions thus maintaining standards of services. Kenyan State Corporations in education sector continuously maintained advertising their services using appropriate media channels and fixing reasonable prices for their products.

4.5.1 Technology Driven Services

It is a fact that quality customer service is important to all organizations. The quality of that service will either enhance or degrade customer loyalty to business. Customers in the current market have more alternatives than ever. The business that proves to be responsive to customer questions, complaints, or other needs can gain a clear competitive advantage. That's why it's so important to understand how new technologies help organizations anticipate customer needs, tailor business processes to best serve customers, and ultimately improve the efficiency of business. Technology driven services include the use of websites that enable customers to get services online, email address that enhance feedback, twitter and Facebook accounts as strategy to manage quality customer service.

Table 1.4: Technology driven services

Use of technology driven services	Frequency	Percentage (%)
Very great extent	1	80%
Great extent	1	15%
Moderate	0	5%
Less extent	1	0%
Not at all	2	0%
Total	**5**	**100%**

Source: Primary data 2014

State Corporations in the education sector use various technology driven strategies to provide quality customer services. These include websites. All the state corporations in the education sector have websites where customers can ask questions or seek clarifications within a very short time.

Eighty percent (80%) of the respondents were of the view State Corporations have incorporated technology driven services such as websites, emails, Facebook and twitter accounts in order to manage quality customer service. Fifteen percent (15%) of the respondents were of the view that technology driven services were incorporated at great extent. Five (5%) percent were of the view that technology driven services were incorporated at moderate level.

4.5.2 Customer Driven Services

Becoming customer driven is to sell what your customers are buying. Because your customers do not want services but rather the value they can extract from them. Managers must make creating superior customer value the main focus of their business. Successful businesses understand the value their customers are seeking. This means making your customers the center of business and accepting that the only point of view that really matters is your customer's. Becoming customer driven, making your customers the center of business, must become the driving force. (Kotler & Keller, 2005).

Many managers dream of leading customer driven companies but few do. Mostly that is because they lack a plan, a road map that will show them how to do it. Managers need to make sure everyone understands why customer retention is important. Without this common understanding your staff will not understand why keeping your existing customers is crucial to business success. All organizations must therefore become customer driven. It is particularly important that all senior managers and team leaders understand how important it is to keep your existing customers, and are committed to the business strategy of first retaining customers, and then increasing the range of products and services that suit customers' needs. Table 4.5 presents the detailed results of the respondents' response in relation to incorporation of customer driven services.

Table 4.5: Customer driven services

Incorporation of customer driven services	**Frequency**	**Percentage (%)**
Very great extent	3	60%
Great extent	2	40%
Moderate	0	0%
Less extent	0	0%
Not at all	0	0%
Total	**5**	**100%**

Source: Primary data 2014

Sixty percent (60%) of the respondents were of the view that State Corporations in the education sector use customer driven strategies at a very great extent to manage quality customer service. Forty percent (40%) of the respondent were of the view that State Corporations in the education sector only used customer driven services as a strategy to manage quality customer service as at a great extent

4.5.3 Service Differentiation Strategy

Service differentiation is a strategy by which organizations focus on distinct differences in its offering to customers as the basis for establishing a competitive advantage. For service-oriented businesses, organizations can focus on quality differentiation as a strategy to attract and retain core customers. To succeed in this approach, managers must typically distinguish their business in a variety of service components. Service resolution is also critical to success in service quality differentiation. Any type of business, whether product- or service-oriented, can differentiate itself with elite performance in service resolution. This involves carrying out the steps necessary to resolve customer problems or fix product or service errors. Organizations that succeed in service differentiation typically have well-trained service employees who follow basic steps to listen to customer problems, work toward a satisfactory resolution and follow up to ensure the customer is happy with the outcome.(Kotler& Keller, 2005).

Table 2.6 Service differentiation strategy

Incorporation of service differentiation strategy	**Frequency**	**Percentage (%)**
Very great extent	1	20%
Great extent	1	20%
Moderate	2	40%
Less extent	1	20%
Not at all	0	0%
Total	**5**	**100%**

Source: Primary data 2014

From the results obtained, majority (40%) of the respondents felt that State Corporations in the education sector incorporated service differentiation strategy at moderate extent. Twenty percent (20%) said service differentiation was incorporated at a very great extent, great extent and less extent.

4.5.4 Strategic Alliances and Mergers

A strategic alliance is a kind of partnership between two entities in which they take advantage of each other's core strengths like proprietary processes, intellectual capital, research, market penetration, manufacturing and or distribution capabilities. They share their core strengths with each other. They will have an open door relationship with another entity and will mostly retain control. The length of agreement could have a sunset date or could be open-ended with regular performance reviews. However, they simply would want to work with the other organizations on a contractual basis, and not as a legal partnership. (Aziz, 2007).

When one company takes over another and clearly established itself as the new owner, the purchase is called an acquisition. From a legal point of view, the target company ceases to exist, the buyer "swallows" the business and the buyer's stock continues to be traded. A merger happens when two firms, often of about the same size, agree to go forward as a single new company rather than remain separately owned and operated. Detailed results pertaining to strategic alliances, mergers and acquisitions are shown in table 4.7

Table 4.7: Strategic Alliances and Mergers

Incorporation of strategic alliances and mergers	Frequency	Percentage (%)
Very great extent	0	0%
Great extent	1	20%
Moderate	1	20%
Less extent	3	60%
Not at all	0	0%
Total	**5**	**100%**

Source: Primary data 2014

According to the results, 20% of the respondents indicated that State Corporations in the education sector use strategic alliances and mergers to a great extent. Majority of the respondents (60%) felt that State Corporations in the education sector use strategic alliances and mergers to manage quality customer service to a less extent.

4.6 Benefits of adopting Quality Customer Service

The respondents of the study were asked to indicate the benefits of strategies applied by Kenyan State Corporations in education sectors to manage service quality among customers in the Kenyan industry. The following were the findings as shown in Table 4.3:

Table 4.8 Benefits of Adopting Quality Customer Service Strategies

Benefits of adopting quality customer service	N	[5]	[4]	[3]	[2]	[1]	Total (%)	Mean Score	S.D
Increased profits	5	36.6	39.0	4.9	7.3	12.2	100	3.88	.137
Increased volume of sales	5	53.7	34.1	7.3	0.00	4.9	100	3.76	.137
Increased customer satisfaction	5	53.7	34.1	7.3	0.00	4.9	100	3.76	.137
Increased Customer loyalty	5	56.1	22.0	22.0	0.00	0.00	100	3.68	.120
Improved company image	5	56.1	22.0	22.0	0.00	0.00	100	3.68	.120
Increased team spirit among workers	5	61.0	4.9	22.0	12.2	0.00	100	3.63	.080
Minimal change resistance from workers	5	61.0	4.9	22.0	12.2	0.00	100	3.63	.080
Innovative ideas generated by employees	5	61.0	4.9	22.0	12.2	0.00	100	3.63	.080
Total	**5**								

Note:

1= Do not know
2= None
3= Little
4= Moderate
5= Strongly
N=Frequency
M=Mean
SD= Standard deviation
Source: Primary data 2014

As shown in Table 4.3, majority of the respondents indicated that they applied service quality strategies to increase profits with a mean of (3.88). Some indicated that they applied service quality strategies to increase volume of sales and customer satisfaction with a mean of (3.76). Increased Customer loyalty and improved Corporation image were the reason behind service quality strategies applied by Kenyan State Corporations in education sector with a mean of (3.68). Increased team spirit among workers, minimal change resistance from workers and innovative ideas generated by employees were the reasons respondents indicated were as a result of service quality strategies applied by Kenyan State Corporations in education sector with mean of (3.63).

4.7 Measurement of Service Quality by State Corporations

The respondents of the study were asked to indicate ways by which Kenyan State Corporations in education sector measured quality customer service. The following were the findings as shown in Table 4.4

Table 4.9 Measurement of service quality among customers

Measurement of service quality	N	5]	[4]	[3]	[2]	[1]	Total (%)	Mean Score	S.E
ICT support in service delivery	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Ability to identify consumer needs	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Listening and caring workers	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Minimal complaints	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Ability of workers to adopt new changes	5	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Clear communication	5	0.00	22.0	56.1	22.0	0.00	100	3.10	.109
Simple procedures	5	0.00	22.0	56.1	22.0	0.00	100	3.10	.109
Less paperwork	5	0.00	22.0	56.1	22.0	0.00	100	3.10	.109
High flexibility	5	0.00	22.0	56.1	22.0	0.00	100	3.10	.109

Introduction of new products and services	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Flexible organizational culture	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Adequate consumers research	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Instant customer feedbacks	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Competent and trained employees	5	4.9	22.0	61.0	12.2	0.00	100	2.80	.194
Personalized customer attention	5	0.00	48.8	17.1	34.1	0.00	100	2.11	.105
Employees with customer needs at heart	5	0.00	48.8	17.1	34.1	0.00	100	2.11	.105
Employees who calls customers by names	5	0.00	48.8	17.1	34.1	0.00	100	2.11	.105
Professional Physical appearance of the staff	5	0.00	48.8	17.1	34.1	0.00	100	2.11	.105
Improved office layout	5	0.00	22.0	56.1	22.0	0.00	100	2.10	.109
Memorable adverts	5	0.00	22.0	56.1	22.0	0.00	100	2.10	.109
Proper time management by workers	5	0.00	22.0	56.1	22.0	0.00	100	2.10	.109
Shorter waiting time	5	0.00	22.0	56.1	22.0	0.00	100	2.10	.109
Trustworthy and honest workers	5	0.00	22.0	56.1	22.0	0.00	100	2.10	.109
Total	**5**								

Note:

1= Not at all,
2= To a small extent

3= To a moderate extent

4= To a large extent

5= To a very large extent

N=Frequency

M=Mean

SD= Standard deviation

Source: Primary data 2014

As shown in Table 4.4, ICT support in service delivery, ability to identify consumer needs, listening and caring workers, minimal complaints, ability of workers to adapt to new changes were methods that were used by Kenyan State Corporations in education sector to measure service quality among customers with a mean of (3.78). Clear communication, simple procedures, less paperwork and high flexibility were other methods that were used by Kenyan State Corporations in education sector to measure service quality among customers with a mean of with a mean of (3.10).

Introduction of new products and services, flexible organizational culture, adequate consumers' research, instant customer feedbacks and competent trained employees were measures that were used by Kenyan State Corporations in education sector to gauge customer satisfaction with a mean of (2.80). Personalized customer attention, employees with customer needs at heart, employees who calls customers by names and professional physical appearance of the staff were measures that were used by Kenyan State Corporations in education sector to measure customer satisfaction and ranked fourth with a mean of (2.11). Improved office layout, memorable adverts, proper time management by workers, shorter waiting time and trustworthy honest workers were measures that Kenyan State Corporations in education sectors used to measure customer satisfaction with a mean of (2.10).

4.8 Discussion

This finding corresponds positively with the literature review section of the study.

The Resource-Based View (RBV) argues that firms possess resources, a subset of which enables them to achieve competitive advantage, and a subset of those that lead to superior long-term performance (Teece, 1997). Resources that are valuable and rare can lead to the creation of competitive advantage. That advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource imitation, transfer, or substitution. This study therefore complements the Resource Based View.(Teece, 1997).

This is considering the fact that technology driven services is the key strategy that State Corporations in the education sector use various technology driven strategies to manage quality customer services. These include websites. All the state corporations in the education sector have websites where customers can ask questions or seek clarifications within a very short time. Technology driven services include the use of websites that enable customers to get services online, email address that enhance feedback, twitter and Facebook accounts as strategy to manage quality customer service. From the study results, it was clear that technology driven services as a strategy was highly utilized by State Corporations to manage service quality and had a mean score of 3.40 and standard deviation of 1.34

The Dynamic-Capabilities Theory has been introduced by David J. Teece as an extension of the resource-based view of the theory of the firm. Dynamic Capabilities Theory examines how firms integrate, build, and reconfigure their internal and external firm-specific competencies into new competencies that match their turbulent environment. The theory assumes that firms with greater dynamic capabilities will outperform firms with smaller dynamic capabilities. The aim of the theory is to understand how firms use dynamic capabilities to create and sustain a competitive advantage over other firms by responding to and creating environmental changes (Teece, 2007).

The Resource-Based view proposes that the ability of a firm to create and maintain a competitive advantage is based on a certain set of strategically relevant resources, which are valuable, rare, difficult (if not impossible) to imitate and non-substitutable. Teece observed that in changing environmental conditions, like for example a technological disruption, companies will have to adapt their portfolio of resources. (Teece, 1997

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the major findings of this study. This study sought to find out strategies adopted to manage quality customer service by Kenyan State Corporations in education sector. In addition, this chapter provides a direction for further studies and also gives some recommendations for policy making by the relevant authorities. Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher.

5.2 Summary

This study sought to establish the strategies adopted to manage quality customer service by Kenyan State Corporations in education sector. Strategies are crucial for every business for it to survive the current economic turbulent and environmental challenges. To achieve objectives like profit maximization, offsetting costs of operations, business survival and gaining competitive advantage in the market, should adopt competitive strategies to survive in the changing business environment.

It was established that integration of ICT support in service delivery by Kenyan State Corporations in education sector will promote customer satisfaction and competitive edge among the Kenyan State Corporations in education sector. It is the current competitive strategy Kenyan State Corporations in education sectors used to outsmart their competitors in the local and global market. Automated services enable Kenyan State

Corporations in education sectors to be more effective and efficient. Indeed there must be challenges faced by Kenyan State Corporations in education sector when trying to adopt strategies in managing quality customer service. The study established that quite a good number of Kenyan State Corporations in education sector use quite a number of marketing strategies to gain competitive edge in the market but on a minimal extent due to internal and external challenges and changing consumer needs and wants.

The study established that for any Kenyan State Corporation in education sector to gain competitive advantage in the market, it must embrace quality customer services and new product development. Employing knowledgeable and experience staff, integrating modern technology in service delivery, and reinforcing their services with physical evidence components including office layout and marketing materials were major strategies established to enable Kenyan State Corporations in education sector in Kenya to survive in the competitive and dynamic business environment.

The study established that quite a number of strategies that are used by Kenyan State Corporations in education sectors involve high costs that make it difficult for Kenyan State Corporations in education sector in Kenya to use them frequently. Efficiency and effectiveness is the core drive of Kenyan State Corporations in education sector in Kenya both in the domestic and international markets.

It was also evident from this study that many are the challenges faced by these Kenyan State Corporations in education sector ranging from inadequate awareness of consumers concerning their products/services and their benefits, inadequate funds to employ competent and skilled personnel to provide quality services to customers and carry out marketing programs to create demand of products, inability of Kenyan State Corporations in education sector to develop new products and services to meet consumer needs and invest in marketing research for continual improvement of customer service delivery.

The study established that Kenyan State Corporations in education sector applied quality service strategies to increase profits, volume of sales and customer satisfaction. Increased customer loyalty and improved company image were the reason behind quality service strategies applied by Kenyan State Corporations in education sector. Increased team spirit among workers, minimal change resistance from workers and innovative ideas generated by employees were the reasons of quality service strategies applied by Kenyan State Corporations in education sector.

5.3 Conclusion

The findings indicate that Kenyan State Corporations in education sector endeavor to achieve some competitive advantage over their competitors in such a stormy environment by using different strategies which included; technologically driven services, customer driven services, differentiation and on time service delivery to influence customer attitude towards their services.

It was concluded that Kenyan State Corporations in education sector developed new product and services, diversified, employed innovative managers and institutionalized innovative culture among employees. Production of superior products and services were strategies used by Kenyan State Corporations in education sector to maintain quality customer services. Review of the vision and mission of the firm, competitor analysis surveys, benchmarks with global companies, environmental scanning were strategies applied to manage service quality among customers by Kenyan State Corporations in education sector. Understanding the political, economic, social and technological factors that influenced customer services was among the areas Kenyan State Corporations in education sector identified opportunities and threats for effective positioning.

It is concluded that if a proper mechanism is put in place in regard to investment in customer service strategies by Kenyan State Corporations in education sector, they will gain competitive advantage in the local and global markets thus contributing to social economic developments. Training of Kenyan State Corporations' staff, capital advancement and in reasonable terms, good business operating environment and good business practices, the education sector will contribute to social economic developments of the Kenyans both in rural and urban settings.

5.4 Recommendations

The study found out that quite a number of strategies used by Kenyan State Corporations in education sector are applied ignorantly without adequate knowledge and understanding of the target market. Therefore, this study recommends that Kenyan State Corporations in education sector should embrace strategic thinking practices for their survival in the dynamic and competitive business environment. The study found out that little emphasis is put on promoting Kenyan State Corporations' services/products hence slow response from the target market. Therefore, this study recommends that the Kenyan government recognizes the importance of the education sector and formulate legislation that support and promote the education sector in Kenya hence social economic developments. All Kenyan State Corporations in education sector need to be regulated and monitored effectively in their activities by Kenya Bureau of Standards to deliver quality services to their customers.

The study found out that most of the Kenyan State Corporations in education sector employed untrained staff with inadequate knowledge about quality customer service. It is therefore recommended that Kenyan State Corporations in education sector to put in place legislation that enables the staff to access quality education hence creativity and new product development in the financial sector. It was found that most Kenyan State Corporations in education sector operating in Kenya promote their products and services on a little extent due to high costs associated with print media and electronic media. Therefore, this study recommends government intervention such as formulating policies that are favorable to upcoming Kenyan State Corporations in education sectors to promote their products and services at a reasonable cost.

The study found out that e-marketing concepts have not been fully utilized by Kenyan State Corporations in education sector for efficiency and effectiveness. This study therefore recommends that the Kenyan government to come up with policies that enhance communication technology especially in the advent of recent interconnectivity through the undersea cables which has enabled faster internet services through fiber optic cable among major towns in Kenya. This is perceived to be faster and could be of great benefit if connected with rural towns and markets for sufficient market information concerning the customer service of Kenyan State Corporations in education sectors.

5.5 Limitations of the Study

The research targeted the Managing Director/CEOs of the Kenyan State Corporations in education sectors to fill the questionnaire. However, the Managing Directors delegated the filling of the questionnaire to the departmental managers such as Human Resources and Administration Manager, Customer Service Officer, Operations Manager, among others. Inadequate financial resources affected the results timeliness of the study.

Accommodation and stationary costs delayed the exercise but early preparation and support from well-wishers and development partners made the study a reality. Respondents also felt the information could be used against the organizations. This challenge was minimized by assuring the respondents of confidentiality of the information they gave. The location in distance and terrain proved to be quite challenging in relation to time management.

5.6 Suggestions for further research

The study investigated the strategic responses adopted to manage quality customer service by Kenyan state corporations in the education sector. Future studies should explore the reasons behind the strategies adopted to manage quality customer service by Kenyan State Corporations in education sector.

Researchers need to explore the reasons behind the failure of Kenyan State Corporations in education sector to manage quality customer service hence establish long term solutions in education sector. This will help in ensuring quality customer delivery. Future studies will minimize the challenges experienced by the Kenyan State Corporations in education sector in managing quality customer service hence competitive edge.

Strategy implementation involves many theories including resource based view, seven–s framework, delta model, agency theory, social system theory, and social learning theory. Future research on challenges strategy implementation could move beyond these approaches and consider the use of expectancy theory, organization theory, communication theory, innovation diffusion theory, actor network theory, or the strategy as practice paradigm, to name but a few of the possible alternative paradigms for the study of implementation processes

5.7 Implication on Policy, Theory and Practice

The policy makers including the Government of Kenya will obtain knowledge of quality customer service dynamics; this will assist in designing appropriate policies that will regulate and standardize customer services. Policy makers will use the knowledge and information obtained from this study to improve current policies that govern operations of Kenyan State corporations in the education sector. The results of this study highly compliment the Resource Based View theory and the Dynamic Capabilities theory. The results of this study will make a strong reference point to learning institutions. Managers will use the information from this study to put in place workable strategies to manage quality service hence increased profits.

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APPENDICES

Appendix 1: Introduction Letter

Sharon Nanzushi

Date...............................

School of Business, University of Nairobi

P.O Box 30197-00100

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH DATA

I am a student pursuing a Masters degree in Business Administration at the University of Nairobi. In partial fulfillment of the requirements to the award of the Masters degree, I am required to carry out a study on **"Strategic Responses Adopted to Manage Quality Customer Service by Kenyan State corporations in the Education Sector".**

The choice is based on your strategic importance in the achievement of organizational goals hence improved performance of the company in terms of efficiency and effectiveness. I kindly request your assistance by availing time to respond to the questionnaire. A copy of the final report will be made available to you at your request. The information given will be treated with utmost confidentiality for the purpose of this study only. Your assistance will be highly appreciated.

Yours sincerely,

Sharon Nanzushi	Dr. Z. B. Awino, PhD
MBA Student	**Senior Lecturer (Supervisor)**
School of Business,	School of Business,
University of Nairobi	University of Nairobi

Appendix II: Questionnaire

Date________________

Introduction

Please take a few minutes to complete this questionnaire. The information you provide will remain confidential and the results will be analyzed and reported collectively.

STRATEGIC RESPONSES ADOPTED TO MANAGE QUALITY CUSTOMER SERVICE BY KENYAN STATE CORPORATIONS IN THE EDUCATION SECTOR

SECTION A: Organizational Demographics

Please supply the required data by filling in the blanks where space is provided or by ticking [√] against the most appropriate answer.

I respondents name………………………………………………………….. [Optional]

1. **Name of your Organization** (Optional) ……………………………….……..

2. **Please indicate your designation** …………………………………………………

3. **Number of years worked at your Organization**
   - ☐ Below one year
   - ☐ 1 - 5 years
   - ☐ 6 - 10 years
   - ☐ 11 years and above

4. **How long you Organization have been operating in Kenya?**
   a) Below 1year [ ]

b) 2-5 years [ ]

c) 6-10 years [ ]

d) 11-15 years [ ]

e) 16-19 years [ ]

f) 20 and above years [ ]

5. Please indicate the total number of staff in your Organization as at June 2013.

- 1-25
- 26 -75
- 76-100
- 101 and above

SECTION B

Strategic Responses to Quality Customer Care

1. **To what extent does your Organization apply the following strategic practices to manage customer service quality?**(Kindly tick the relevant box for each). A five-point Likert scale is used, where 1= Not at all, 2= Less Extent 3= Moderate, 4= Great Extent, 5= Very Great Extent.

Strategies	**Very Great Extent [5]**	**Great Extent [4]**	**Moderate Extent [3]**	**Little Extent [2]**	**No extent [1]**
Service Design is Key					
Quality Services always					
Standards observed fully					
Customer driven services					
Relevant System in place					
Competent employees					
Advertisements					
On time service delivery					
Technology driven services					
Competitive pricing services					
Service differentiation					
Strategic alliances/mergers/joint venture/acquisition					
New product development					
Diversification					
Employment of innovative managers					
Institutionalization of innovative culture					
Review of the vision and mission of the firm					

Competitor analysis surveys					
Benchmarks with Global companies					
Environmental scanning					
Others(Specify)					

1 **To what extent you find the strategies adopted by your Organization more effective?**

BENEFITS	**Very Great Extent Points [5]**	**Great Extent points [4]**	**Moderate Extent Points [3]**	**Little Extent Points [2]**	**No extent points [1]**
Increased profits					
Increased volume of sales					
Increased customer satisfaction					
Increased Customer loyalty					
Improved company image					
Increased team spirit among workers					
Minimal change resistance from workers					
Innovative ideas generated by employees					

2 How do you measure the service quality?

Measurement of service quality	**Very Great Extent [5]**	**Great Extent [4]**	**Moderate Extent [3]**	**Little Extent [2]**	**No extent [1]**
Clear communication					
Simple procedures					
Less paperwork					
High flexibility					
Introduction of new products and services					

Flexible organizational culture					
Adequate consumers research					
Instant customer feedbacks					
Competent and trained employees					
ICT support in service delivery					
Ability to identify consumer needs					
Listening and caring workers					
Minimal complaints					
Ability of workers to adopt to new changes					
Professional Physical appearance of the staff					
Improved office layout					
Memorable adverts					
Proper time management by workers					
Shorter waiting time					
Trustworthy and honest workers					
Personalized customer attention					
Employees with customer needs at heart					
Employees who calls customers by names					

3 Please provide any other comments you may have regarding the subject of this research.

……………………………………………………………………………………………

……………………………………………………………………………………………

THANK YOU.

Appendix III: List of by Kenyan State corporations in the Education Sector

1. Kenya Literature Bureau
2. Higher Education Loans Board
3. The Jomo Kenyatta Foundation
4. The Kenya Institute of Curriculum Development
5. The Commission of University Education

Source: Kenyan Ministry of Education Report (2012). *Performance Evaluation of Kenyan State corporations*