

**UNIVERSITY OF NAIROBI**  
**DEPARTMENT OF SOCIOLOGY AND SOCIAL WORK**

**BARRIERS TO EFFECTIVE SERVICE DELIVERY IN THE TELECOMMUNICATION  
SECTOR: A STUDY OF KENYA'S SAFARICOM M-PESA SECTION**

**BY**  
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**A RESEARCH REPORT SUBMITTED TO THE DEPARTMENT OF SOCIOLOGY AND  
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**OCTOBER 2015**

**DECLARATION**

I, **Emily AmondiAgoro**, hereby declare that this research report is my original work and has not been presented for a degree award to any college or university.

**Signature**.....

**Date**.....

**Emily Amondi Agoro**

This research project has been submitted with my approval as the university supervisor.

**Signature**.....

**Date**.....

**Prof. E.K Mburugu**

## **DEDICATION**

This study is dedicated to the M-Pesa employees who give their best to ensure the customers they serve are satisfied and happy with their services despite the challenges they face.

## ACKNOWLEDGEMENTS

This study has been done with the support of several persons who are worth mentioning. It is however not possible to mention all by names but the following have been of great assistance towards my success in this work.

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Lastly, to the Employees of Safaricom who were my respondents, I say you are all great and may the almighty God grant you His favor and blessings. To all again I say God bless you abundantly.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

ICT-	Information communication Technology
IPC-	International Post Communication
ITU-	International Telecommunication union
MTN-	Mobile Telecommunication Network
QoE-	Quality of Experience
QoS-	Quality of Service
SPSS-	Special Package for Social Science
UN-	United Nations

## ABSTRACT

The study investigated the problem of effective service delivery in the telecommunication sector with specific focus on Safaricom and its subsidiary service of M-Pesa. It examined the challenges faced by M-Pesa Section employees of Safaricom limited in their endeavor to effectively deliver services to their clients. It further assessed the effect of professional staff training at Safaricom, how Safaricom M-Pesa Section employees coped with the challenges that they faced and the impact of rapid customer growth and employee expectations. Although the literature review demonstrated that some research on the effectiveness of service delivery in the telecommunication sector had been undertaken by a number of scholars most of them had focused more on the customers and therefore there was little evidence to show that research on barriers to effective service delivery in Safaricom had been given scholarly attention. This hiatus made the proposed study abundantly significant and justified.

Methodologically, the study employed an elaborate scheme of oral interviews, questionnaires and library research to collect data. The data collected was subjected to a number of theoretical perspectives.

The study demonstrated that there were training programs available but the programs were unable to meet the customer challenges and neither did they improve the skills and abilities of the M-Pesa customer representatives. The lack of career growth, poor remuneration and job security followed in that order in terms of their hindrance to effectiveness of service delivery with many of the M-Pesa representatives claiming they were a major hindrance to service delivery. The study also argued that rapid customer growth had become a major barrier to effective service delivery since the M-Pesa representatives were overwhelmed thus compromising quality of service. Similarly, employee expectations had become a barrier to effective service delivery due to the fact that most of the expectations the M-Pesa representatives had regarding their employer had waned thus leading to an I don't care attitude thus a major barrier to service delivery.

The study thus concluded that lack of proper training programs, unfriendly job environment, rapid customer growth and thwarted employee expectations were major barriers to effective service delivery in the M-Pesa section of Safaricom. The study was useful since it helped gather insights on barriers to effective service delivery. However further studies should be carried out in order to gather more information about service delivery in different business setups.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background to the study

The story of mobile phones in Africa began in 1987, when the first mobile call was made in Zaire, now the Democratic Republic of Congo (DRC). Market liberalization in a few key countries in the late 1990s and early 2000s contributed to the rapid growth in mobile phone subscribers. The increase since 2003 has defied all predictions according to Sami Al Basheer Al Morshid, Director of the Telecommunication Development Bureau at the UN's International Telecommunication Union. Business leaders and investors did not anticipate that a continent invariably labeled as poor and corrupt would be able to provide the infrastructure and customer base required for considerable market growth (Etzo and Collender, 2010).

Fixated on mobile phone business models popular in developed countries (based on contracts, sending data, and high-end phones), few observers realized the potential for growth in Africa along different lines (based on pre-pay phone cards, voice, and low-end phones). In particular, the demand from rural and low-income areas exceeded all expectations. The Sudanese-born businessman Mo Ibrahim – the founder of Celtel (now Airtel), one of Africa's largest mobile operators – was one of the first to invest in mobile telecommunications in 1998, but he never predicted its exponential rise (Tayo, 2009)

Etzo and Collender (2010) state that the –mobile revolution continues– and growth is expected to remain –robust– with the African operator MTN anticipating an average mobile penetration of 80 percent by 2012 in 15 African countries, But as of 31 March 2014, MTN recorded 9.5 million

subscribers across Uganda only. Moreover, these figures under-estimate the true number of Africans using mobile phone services as handsets and mobile phone subscriptions are frequently shared. Mobile telephony has been rapidly adopted by millions of Africans. Mobile phones are relatively affordable, portable, multi-functional, and easier to use than other technological tools. Their versatility and cost ensure they meet the requirements of a successful technology, which has been defined as matching the context, affordability and environment in which it exists.

Mobile telecommunication services are also increasing faster than fixed line networks. There were less than 200 mobile operators around the world in 1992, yet by the end of 2001, there were over 600 operators. By the end of 2011, there were over 940 million mobile cellular subscribers around the world compared to just over one billion fixed telephone lines. China overtook the United States of America in becoming the largest mobile telephone market in the world. Growth has also been robust in Africa where more than half the countries now have more line as compared to fixed lines. A notable feature in the Kenya market since sector reforms in 1999 is the fast expansion and uptake of cellular services. Cellular has grown from under 15,000 customers in 1999 to over 2.8 million in 2004. This growth is remarkable and far exceeds the operators projections. This fast growth has occasionally caused congestion in the network, a factor that irritated customers and calls for the attention of the regulator (Government of Kenya, 2008)

The pressure of global competition and privatization in the telecommunication industry are driving the service providers to improve their products and services. Earlier in the monopolistic environment, quality and services were not the priority for the incumbent service provider and

customers had no choice but to accept whatever was delivered to them. With the introduction of full competition in cellular mobile service, quality improvement has become vital to telecommunication companies trying to thrive in an increasing competitive environment. In the Kenyan situation for example, a number of telecommunication companies such as Safaricom, Airtel, Orange and Yu have to compete for the same customers. In this emerging scenario of stiff competition, cellular mobile service providers are forced to deliver enhanced customer services in order to build customer loyalty and gain competitive advantage. But also, service quality has become an important competitive tool in the telecommunication service industry (Anita, 2005). In today's scenario, where quality is oriented toward fulfilling the customer needs, IT has a key role in providing faster response to customer queries and complaints thus improving the service quality.

## **1.2 Problem statement**

The importance of the telecommunication sector cannot be underrated. The telecommunication sector provides employment opportunities through its marketing and distribution networks such as M-Pesa agents, scratch card vendors and customer care personnel among others. The sector also contributes to the gross domestic product of the country. However, there are some challenges (for example, complex business processes, how to deal with abusive and VIP customers, lack of job security, embracing new technological inventions in the industry within a short period of time, and overwhelming number of customers) affecting employees in the telecommunication sector and more specifically Safaricom limited as far as effective service delivery is concerned. Competition in this sector from other stakeholders like Airtel, Yu and

Orange has meant that companies in the telecommunication sector reorganize their personnel and management in regard to service delivery.

However, despite Safaricom's Performance Development Program, which is an appraisal kind of program meant to help employees achieve certain goals and expectations, some pressing challenges have suppressed the realization of these goals. For instance, it is evident that there has been a decrease in Safaricom's profits. On May 18, 2011 the Standard Newspaper reported the dipping of profits of the telecommunication giant by 12.4 percent (Standard Newspapers) and this was also reported by Nairobi Reuters on May 10, 2012 where they reported on fall of Safaricom's profits by 5.4 percent. This was more so because of the calling rates underpricing pressure posed by their competitors and with this, due to the decline in profits, there was reorganization of the human resource department that saw the exit of a number of employees. This study therefore intends examine some of the challenges alongside a few others mentioned above with a view to coming up with a deeper understanding of the ups and downs of a dominant telecoms player in an emerging economy.

A few studies have been done on the issues and challenges of service delivery in Kenya's telecommunication sector, but most of these studies have been customer -oriented in terms of the services that the telecommunication sector offers to the populace. For instance, Olga Morawczynski (2011) on the case of M-Pesa in Kenya wrote on customer adoption and usage of M-Pesa service in both rural and urban Kenya. Munyoki (2011) looked at the perception of the customers toward the services offered to them by Safaricom in terms of quality, affordability, conveniences and accessibility of the M-Pesa services, as well as, the challenges the afore-

mentioned customers face while using the service. Similarly, Maina's (2000) study focused on the perceived quality and value proposition in the provision of mobile telephone services, but failed to study the challenges that employees offering these services undergo in the course of discharging their duties.

Odhiambo (2003) focused on factors that influenced customer satisfaction and services offered by mobile telephone firms. Gitari (2006) examined the challenges organizations face in meeting consumer expectations. Omotayo (2007) looked at the relationship between customer service and the retention of mobile phone users in the telecommunication industry in Nigeria. He argued that if retention is not managed, customers' loyalty may be lost due to the fact that customers will not get prompt resolution of their queries due to an inadequate number of staff to attend to them. However, all these studies fall short in terms of interrogating the challenges that employees in the telecommunication sector in Kenya, and more so Safaricom, face in the effort to provide effective and quality services to the clients of their employers. This gap in scholarship needs some serious scholarly attention. As Williams (1997) observes, employees just like customers also face many challenges while discharging their duties. These challenges include but are not limited to service failures, rude, uncooperative and abusive customers and technological innovations which require constant training, among others.

Organizations need to focus on employee satisfaction because qualified employees are becoming scarce and the turnover rate high among employees. The company's wealth depends on employees' common shared values and how well the employees are treated by the company's activities to ensure loyalty, low employee turnover and productivity gains (Dotchin and Oakland,



1994). Employees could be protected in order to retain customer in the increasing competitive market through leadership development for guidance and support of strong leaders, so as to be effective and motivated (Fletcher, 1999). Employee satisfaction is considered as the function of service quality by the management, as employees feel more respected, resulting in positive impact on the consumer confidence and low hiring and training costs (Cannon, 2002).

Hammer and Champy (1993) define reengineering as the fundamental rethink and redesign of business processes to generate dramatic improvement in critical performance measures, they further add that in today's global economy, corporations must have organizational structures and business processes that are fast, deliver high quality consistently, and are flexible and low cost. Thus the Business Process reengineering is required by an organization since they need to start over with a clean sheet of paper and rebuild the business better in terms of empowering the employees, simplifying business processes, ensuring creative use of new information technology, improve quality of products in order to survive the competition in the market.

Not much evidence has been paid by scholars to the challenges faced by employees in the telecommunication sector as far as service delivery is concerned in Kenya and more so in Safaricom company. The challenges that employees face play a critical role in hampering their effort to efficient service delivery. This challenges may not only be detrimental to the employees in the sense that they can end up losing their job but also the company may end up running into losses due to customers apathy to seek their services. This is the gap that this study intends to fill.

The growth of M-Pesa has also surpassed most other technologies in the country. This even includes the mobile phone, which has been hailed as the fastest growing ICT in Africa. In the case of Kenya, the current subscriber base is just over 16 million. The frequency and value of transactions has also increased rapidly (Morawczynski, 2011). Such rates of growth raise interesting questions, which need to be problematized. With this increase in growth of M-Pesa, has not been directly proportional to the human resource and facilities to tackle the challenges of the growth. This problem needs to be addressed because M-Pesa provides a rare case of an ICT ðfailingö in the North and growing rapidly in the South.

The case of M-Pesa also challenges some of the assumptions that have been pervasive within the literature for decades. The first is that Africans are deficient in regards to their technological capabilities. The second is that a variety of interventions are required to facilitate ICT growth and foster ðdevelopmentö. It is against this backdrop that this study examines the internal challenges that impedes on effective service delivery among M-Pesa agents of Safaricom limited. If not addressed, some of these internal challenges could pose some structural problems within Safaricom in general and M-Pesa department in particular with a disastrous impact on the customers that are already used to the services. This could also expose a number of Kenyans to high transfer charges that the banks normally charge on customers. This study is therefore necessary since it will address the challenges that M-Pesa agents are exposed to which hinder them from providing effective service delivery to M-Pesa customers

### **1.3 Research questions**

The study answered the following research questions

- a) What role did training play in relation to effective service delivery in the M-Pesa section.
- b) What challenges barred effective service delivery in the M-Pesa section and how did employees cope with them.
- c) What is the role played by rapid customer growth in relation to effective service delivery in the M-Pesa section.
- d) What expectations did M-Pesa section employees have that hindered service delivery in relation to reality on the job.

### **1.4 Objectives of the Study**

#### **1.4.1 Broad objective**

The main objective of this study was to examine barriers and coping mechanisms faced by M-Pesa Section employees of Safaricom limited in their endeavor to effectively deliver services to their clients.

#### **1.4.2 Specific objectives**

The following were the specific objectives of the study

- a) To assess the effect of professional staff training on M-Pesa service delivery.
- b) To examine how Safaricom M-Pesa Section employees coped with the challenges that they faced.

- c) To assess the impact of rapid customer growth on M-Pesa service and how it affected service delivery.
- d) To determine whether employee job expectations were fulfilled through M-Pesa service delivery

### **1.5 Justification of the study**

In this global world communication is very important especially in the telecommunication sector. The significance of the telecommunication sector cannot therefore be whisked away considering that other services such as banking through the telecommunication has provided a good platform not only for the elite within the society to bank and transfer money but also for the lowly within the society to receive and bank their money. This service (s) requires good skills and professional ethics to execute. Due to the expansion and liberalization of the telecommunication sector in Kenya, a number of service providers have come up which has encouraged competition among the competitors. This competition has either affected service delivery both positively and negatively. However, in the course of coping up with the competition within the telecommunication sector, a number of challenges have been experienced which has provided certain barriers to effective service delivery by the employees. Despite these challenges, no scholarly attention has been given to this sector.

Much of the research to date has been customer -oriented in terms of the services that the telecommunication sector offers to the populace. (See for instance, Olga Morawczynski (2011), Munyoki (2011), Maina (2000), Odhiambo (2003). Similarly, no scholarly documentation has been produced in regards to this challenge. This gap in scholarship therefore made the proposed

study not only necessary but also urgent. The choice of Safaricom was significant since it had a significant number of subscribers compared to other service providers such as Orange, Airtel and Yu. In addition, the area of study which was Nairobi was also central while it also harbored the biggest Safaricom Contact Centre. This justified the importance of the study locale.

### **1.6 Scope and limitations of the study**

Although there are a number of telecommunication organizations within Kenya, this study specifically focused on Safaricom Limited. It looked at the challenges of service delivery specifically within the M-Pesa Section of Safaricom. The study concentrated on a specific area of study which was at the Jambo Contact Centre which had a large number of call centre agents who offer M-Pesa service to the customers on a daily basis. It therefore laid a better foundation for the interrogation of the challenges experienced by Safaricom employees within the M-Pesa section in their role of delivering services to their customers.

Due to the fact that most Safaricom staff worked on shifts, reaching other staff working on night shift posed a challenge to the study. Although the researcher concentrated on staff working on morning shift. However, mechanisms were put in place to ensure that even those staffs working during night shift were reached. This was achieved through leaving behind questionnaires as the researcher conducted face to face interviews with the employees working on the morning shift.

Some key informants in Safaricom management circles proved difficult to access due to bureaucratic channels or requirements. Although, a number of limitations were pointed out, the researcher tried and followed some bureaucratic procedures in order to access certain key

informants especially among members of the management team. But also, by looking at the trend of responses, the researcher was able to make some generalization on the findings since certain common trends as far as responses are concerned intended to justify or qualify certain hypotheses in a research.

## **CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### **2.1 Introduction**

Mobile telecommunications industry has grown exponentially over the last two decades according to an essay by (Kenny and Keremane, 2007). In a country, mobile sector has become a critical indicator of economic development. Mobile technology provides a unique opportunity for the developing countries where telephone diffusion has been very low. Specifically, due to its comparatively low investment requirements, mobile telecommunications allows these countries to take advantage of technology innovations to provide communications services in the areas with limited or no communication (Noll, 2000). However, the potential of mobile telecommunications has not been fully utilized in many parts of the world. This is evident from its uneven pattern of diffusion, over 94% penetration rate in Europe in contrast to that of 22% in Africa according to International Telecommunications Union (ITU, 2007). Today mobile telecommunications industry has become a more and more important part of the world economy. According to IT News Africa published on July 11<sup>th</sup>, 2012, Kenya now has a total of 29.2 million mobile subscriptions, compared to only 28.08-million in December 2011.

African countries are actively involved in the establishment of mobile services and specifically Kenya, which is the focus of this study. Since the 1990s, the telecommunications sector has become an important factor in the development of the economy of developing countries. This results from the saturated markets, de-regulation of telecommunications industry (removal of monopoly rights, especially enjoyed by state owned telecoms networks in developing countries), and increasing number of mobile service providers, enormous technical development and intense

market competition (Gerpott et al 2001). Enterprise surveys from Kenya, Tanzania and Uganda show that large percentage of firms had already adopted mobile phones in 2003 ranging from 83 to 93 percent. This high level of adoption appears to correlate with the poor quality of landline services. For example, Kenya firms reported an average of 36 days of interrupted landline service per year with interruptions lasting an average of 37 hours (Aker and Mbiti, 2010). This was also the case in Tanzania and Uganda. Many firms also faced challenges in even obtaining landline service (Aker and Mbiti, 2010) The above foregoing will lay the foundation of examining Safaricom as a private service provider in the telecommunication sector and also help in examining the nature of service delivery it offers to the public and the barriers associated with effective service delivery.

Mobile telephone has brought new possibilities to the continent. Across urban-rural and rich ó poor divides, mobile phones connect individuals to individuals, information, markets and services. Citizens in countries as diverse as Kenya, Uganda and Mozambique are able to report violent confrontations via text messages to a centralized server that is viewable in real time by the entire world. As telecommunication markets mature, mobile phones in Africa are evolving from simple communication tools into service delivery platform. This has shifted the development paradigm surrounding mobile phones from one that simply reduces communication and coordination cost to one that could transform lives through innovative applications and services (Aker and Mbiti, 2010).



The rapid adoption of mobile phones has generated a great deal of speculation and optimism regarding its effects on economic development in Africa. The rapid adoption of mobile phones in some of the poorest countries in the world has far exceeded expectations. In 1999, for example, the Kenyan based service provider Safaricom projected that the mobile phone market in Kenya would reach three million subscribers in 2020. Safaricom alone currently has over 17 million subscribers as is evident in their homepage website 2013. Coinciding with the growth in mobile phone coverage and adoption in developing countries over the past decade, a rich body of literature has emerged examining the determinants of mobile phone adoption usage and other related services offered within the telecommunication sector. Lazuta (2013) observes that according to the World Bank, Sub-Saharan Africa is now home to approximately 650 million mobile phone subscribers, a number that surpasses the United States and European Union, and represents an explosion of new communication technologies that are being tailored to the developing world. (See for example, Morawczynski, 2011, Mbiti, 2011, Omotayo 2008).

Indeed, technological advances in the recent times have dramatically changed the dynamics of players involved in the telecommunications industry. Perhaps the biggest question is how relevant and significant are these changes in the Zimbabwean context. Extremely important we believe. What we are seeing are potential "game" changers. New infrastructure and technology has unveiled incredible platforms on which telecommunication companies can ride to become more relevant to their customers. For starters, the new technology and infrastructure can help to incredibly improve quality of service (QoS) and quality of experience (QoE) but more importantly, it is the products and services that companies can now provide that will make lasting impacts on customer engagement (IPC, 2012).

Today Kenya has more mobile subscribers than adult citizens and more than 80 percent of these use mobile money. Over US\$ 10 billion is transacted as mobile money annually ó thrice the size of Zimbabwe's annual budget. óThe resultant social and economic impact is impressive. Businesses can operate more effectively: shop owners do not need to incur risk/loss of carrying large sums of money or waiting long times in bank queues to transfer money to suppliers; urban dwellers no-longer need to make long trips to their rural homes to pay their children's school fees (or give money to relatives);ó11 and the economic impact of money moving from mattresses to the formal market is phenomenal. This is real impact; relevant innovations that will drive customer engagement across your customer segments (IPC, 2012).

A few studies have been done on the issues and challenges of service delivery in Kenya's telecommunication sector, but most of these studies have been customer -oriented in terms of the services that the telecommunication sector offers to the populace. For instance, Olga Morawczynski on her PhD thesis (2009) talked on customer adoption and usage of M-Pesa services in both rural and urban Kenya. Munyoki (2011) looked at the perception of the customers toward the services offered to them by Safaricom in terms of quality, affordability, conveniences and accessibility of the M-Pesa services, as well as, the challenges the aforementioned customers face while using the service. Similarly, Maina's (2000) study focused on the perceived quality and value proposition in the provision of mobile telephone services, Odhiambo (2003) focused on factors that influenced customer satisfaction and services offered by mobile telephone firms. Similarly, Munyoki and Mutua (2010) examined the perception of customers on M-Pesa services provided by small and medium businesses in Kitengela and Athi River in Kenya. Nevertheless, Omotayo (2007) looked at the relationship between customer

service and the retention of mobile phone users in the telecommunication industry in Nigeria. He argued that if retention is not managed, customers' loyalty may be lost due to the fact that customers will not get prompt resolution of their queries due to lack of enough staff to attend to them.

All these studies that have been done have mostly revolved around customers in terms of their adoption to the services offered, their perception towards services offered and the challenges the customers face while using these services but none of these studies have been able to interrogate the challenges faced by the employees who offer these services and the challenges that they undergo in the course of discharging their duties. Thus this study is important and justifiable due to the fact that it will bring to light the barriers that hinder effective service delivery in the telecommunication sector in Kenya's Safaricom in their effort to provide effective and quality services to the clients of their employees. Thus need for serious scholarly attention.

As Williams (1997) observes, employees just like customers also face many challenges while discharging their duties. These challenges include but are not limited to service failures, rude, uncooperative and abusive customers and technological innovations which require constant training, among others. The above observations indicate a gap in scholarship that requires attention.

### **2.1.1 Issues in customer satisfaction**

Szyperski and Loebbecke (1999) argue that the increasing economic importance and benefits of telecommunications firms motivated many management scholars (especially marketing experts) to devote attention to this sector. Marketing strategies are very important in telecommunications

services because once customers have subscribed to a particular telecommunications service provider, their long-term link with this provider is of greater importance to the success of the company than they are in other industry sectors. Hence, service providers need to form a continuous lasting relationship with their customers to know them better and satisfy their needs adequately. Research has revealed that fully engaged customers spend more, stay with you longer, and are more profitable than average customers. It is not surprising to know that organizations that have placed customer engagement at the foundation of their marketing strategy tend to win in the marketplace. These organizations understand a simple fact: organizations that engage their customers outperform those that do not (IPC, 2012).

This paradigm shift has undauntedly led to the growing interest in customer relationship management initiatives that aim at ensuring customer identification and interactions, customization and personalization that unreservedly lead to customer satisfaction, retention and profitability, among other things (Nimako, 2009). The above arguments and observations will be useful to this study since they will help in shedding more light on the difficulties and challenges that employees at Safaricom encounter which bars them from offering effective service delivery to their customers and the effect of this on customer retention and satisfaction.

Jessy (2011) argues that there exists a direct connection between satisfaction and loyalty; satisfied customers become loyal and dissatisfied customers move to another vendor. Loyalty is a desire to retain a valuable or important relationship. The significance of customer loyalty is that it is closely interrelated to the company's continued existence and future development. Customer

loyalty is the key characteristic that has to be developed if the companies want to mature and to improve its profitability in a saturated environment.

Organizations are therefore increasingly being more customer-centric and are much interested not just in acquiring new customers, but more importantly, retaining existing customers. This is perhaps because customer's satisfaction holds the potential for increasing an organization's customer base, increase the use of more volatile customer mix and increase the firm's reputation (Jessy 2011). One path to achieving customer's satisfaction is through customer's service. Zeithaml and Bitner (2003 as quoted in Shekhar 2013) defined customer's service as a series of activities designed to enhance the level of customer's satisfaction that is, the feeling that a product or service has met customer's expectation.

Customer's service varies by product, industry and customer. It however, assumes important dimension in service delivery and sales of product. Nevertheless, it is a demand for corporation survival; profitability and growth that service firm hold their own in competition. The shift to devoting considerable attention and resources to customer acquisition and retention through customer satisfaction is not different with four of the mobile telecommunication networks in Kenya namely Safaricom, Orange, Yu and Airtel. It is, therefore, on the basis of customer acquisition and retention that this study would examine whether a large customer base is or could be a variable in determining effective services delivery among employees of Safaricom. The study therefore questions the relationship between the number of customers that Safaricom has in relationship to service delivery and supposes that large customer base affects effective and quality service delivery.

### **2.1.2 Forms of service delivery in the communication industry**

Undoubtedly, one of the biggest challenges facing our telecommunications companies is a changing market. There are pressures from changing technology that require that service providers keep abreast in-order to remain relevant. There are changes in customer expectations themselves. The world is increasingly becoming more globalized, and through this, increasing awareness on the part of the customers. Customers can now know and demand services they would have learnt/experienced elsewhere well before the service provider is even aware of such a service. Perhaps the biggest challenge for all telecommunications companies is choosing where and how to participate in evolving markets, or ecosystems, while ensuring that their core businesses are operating at full potential. Here targeted innovation and relevance will be of utmost importance in maintaining and driving customer engagement (IPC, 2012)

Retaining customers becomes a priority for most enterprises and there are compelling arguments for the managers to carefully consider the factors that might increase customers' retention rate. In any case, the cost of creating a new customer has been estimated to be five times the cost of retaining an existing customer (Omotayo and Joachim, 2008). If retention criteria are not well managed, customers may leave their service provider irrespective of retention efforts. Some of the concepts that have been used to explain why customers leave or stay with an organization is customer service which all depend on the employees who interact with the customers. All successful companies must learn how to retain customers even when the customers appear satisfied (Omotayo and Joachim 2008)

Although competition has been key in the industry, each of the mobile networks, Safaricom included, has been growing in customer acquisition. Each of the telecom network companies is continually improving upon its forms of quality service delivery in order to survive the high competition in the industry. Since Survival and growth or financial outcome is driven by customer loyalty and retention which in turn is driven by customer satisfaction and value (Nimako, 2009), delivering quality service and customer satisfaction have been important goals and pursuit for each of telecommunication companies as well as the regulators of the industry such as the Communication Commission of Kenya.

Commenting on the Ethiopian telecommunication customer satisfaction, Potluri (2010) avers that there is no service which is ideal all of the time. He observes that during the service encounter, there are a variety of things that can go wrong. Since the service provisions need real time performance, customer involvement and people as part of the product greatly increase the chance of service failures. Service failures can be due to unprompted employee actions (e.g rudeness), failure to respond to specific customer needs or preferences, or core service failure, for example and unavailability or unreasonably slow service (Bitner, 1990). These service failures can vary in severity, frequency, and timing resulting in dissatisfied customers. Many companies have recognized that their customers are valuable assets and take steps to ensure that when service failures do occur, there are processes in place to respond quickly. This study has appropriated Potluri's arguments by subjecting his conclusions to Kenya's telecommunication theatre. Using Potluri's arguments as the basis, the current study explores the extent to which the Kenyan experience is similar or probably different from that of Ethiopia. But also, Potluri's study will be

useful in exploring whether service failure could be attributed to employees' level of skill, training and personal conduct.

Most of the activities of many service providers are automated so that there is less contact with front desk personnel (employees). However, in those companies which do not automate their service provision, there is high chance of interaction between service personnel and customers. Service encounter is an interpersonal association between the firm's staff and customers. Some service encounters are very brief while others may extend over a longer time frame and involve multiple steps either with the service employee or impersonal interaction with machine or computer (Potluri, 2010).

Service delivery process are the architecture of services, describing the method and sequence in which service operating systems work and how they link together to create the service experiences and outcomes that customers will value. Badly designed processes, often result in slow, frustrating and poor quality service delivery and are likely to annoy customers. Similarly, poor processes make it difficult for frontline staff to do their jobs well, resulting in low productivity and increase the risk of service failures (Lovelock and Wirtz 2004).

The current study will utilize Potluri's work to explore the dynamics of automated forms of service delivery and interaction between service personnel and customer(s) in Safaricom limited, with a view to examining which service process is ideal for effective service delivery in the telecommunication sector and more so within Safaricom. This will help in identifying the various levels of skills (service knowledge) that the frontline employees of Safaricom have in



handling customers' needs especially in areas such as bill payment, complaint handling procedures, problem solving abilities, and after sale services among other

Looking at the service quality of cellular mobile telephone operators in Pakistan, Khan (2010) observes that measuring service quality enables organization to know its position in the market and provides a strategic advantage to enhance its competitiveness. Measurement of service quality present areas of strength and weaknesses that offer opportunities to the organization to initiate appropriate response to focus and improve salient attributes of customer perceived service quality. He continues to observe that the salient dimensions of quality of service accorded priority by mobile phone users include courteous and facilitating role of frontline personnel, ease of availability for cards and recharge services, availability of products and services at the company outlets, accurate information and facts about services, affordable prices of the packages and customized services.

It is important to note that employees play a leading role in the telecommunication service. The role of frontline staff becomes extremely important in making the interaction with customers pleasing. The staffs, therefore, needs to know the importance of their role in service delivery. The management should therefore ensure that human resources dimensions are addressed to optimize the service delivery by staff. Although Khan studied service quality and delivery in the Pakistan context, his work provides the parameters upon which the current study interrogates the measures which need to be put in place by Safaricom in order to improve on effective service delivery especially in areas where it has serious shortcomings like customer care section.

### **2.1.3 Work environment and service delivery**

The quality of staff and its impact on the quality of customer service are vital in gaining a competitive advantage. Thus employees should be viewed as the organization's most valuable asset and treated as internal customers. Thus, treating employees as customers could give the organization a competitive edge. Pappasolomou (2002) argues that the quality of staff and its impact on the quality of customer service are very vital. Service delivery and process could be improved if each department in an organization treats the people who receive the outputs from their work as customers (See Bowen and Johnstone, 1998). The issue of quality of staff here will help the study in examining whether training of the employees results in effective service delivery in Safaricom.

Therefore, the basic principle of internal customer service stipulates that every department in an organization exists to serve the external customer (or another department). Each department either receives work from or process work for another department (Zemke and Zemke 1994). Thus, individual units or departments need to view themselves as both customers and suppliers as they receive inputs from another department (their supplier), and value and send the output of their work to another department. The notion of internal customers thus creates a service quality in their internal service encounter (Dhurup, 2012). This will impact positively on both the company and the customers that the company serves.

Training is the formal and systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience (Armstrong, 2001). The training objectives of any organization are to develop skills and competencies of employees to

improve their performance, improve high quality employees by offering higher levels of service to customers among others (Mugambi, 2008). Mugambi (2008) further observes that the most important obligation owed by an employer to an employee is to pay him or her wages. The principal purpose of a payment policy in an organization is to attract sufficient and suitable employees, to retain employees who are satisfactory and to reward employees for effort, loyalty, experience and achievement. In order for organizations to get adequate returns from the employees, they should pay them competitive salaries. By doing this, the organizations will improve their services and they will have a competitive edge over the others that do not take care of their employees. Service delivery is all about reliability, responsiveness, empathy and assurance. This is essential in understanding and meeting what the customer wants and needs with their abilities to deliver (Wilson et al, 2008).

Service employees often face interpersonal and inter-organizational conflict on the job. A more common type of conflict and challenge for frontline service employees is the conflict between their two bosses, that is, the organization and the individual customers. Service employees are appreciated and rewarded for following certain standards, rules and procedures. Ideally, these rules and standards are customer based. But actually, sometimes the customer makes excessive demands which are beyond the organization's rule. The service employees not only need to follow the rules, but also need to accommodate the client requirements. The conflict and challenge is thus greatest when the employee believes that the policy of the organization is wrong and must decide whether to satisfy the customer and risk losing a job or to follow the policy. Companies which offer superior internal service quality to their employees and which treat their employees as customers can achieve high employees' satisfaction. By enhancing

employees' satisfaction, good employees and improved employees productivity can be obtained which would also make the customers satisfied and minimize challenges that employees encounter in their work (Wilson et al 2008).

#### **2.1.4 Managerial factors in service delivery**

Managing performance is at the heart of many of the issues customers usually raise, be it call center numbers that do not work or congested networks and routine suspension of services due to technological hitches. Effectively solving these challenges will require that customer engagement be a top priority for management. Typically, very few company leaders can coherently define the customer service goals of the company if they are present. In other companies, customer service goals are present but they are so inconsistently defined to the extent that they are ineffective if the call center has its own definition and goals for customer service, so does marketing, sales, and networks. This will not yield any positive results (IPC, 2012).

Central to the issue of customer engagement is the customer data management and tying key measures to the performance scorecard of managers and heads of departments. Unlike many other industries, telecommunications companies are in a unique position, they have huge amount of customer data at their disposal that can be used to drive customer engagement. Information pertaining to effectiveness of marketing campaigns, consumer preferences, customer segmentation, network challenges, usage patterns, customer care process, critical products and problem solving and repeated challenges amongst others can be easily deciphered to help assess and design measures aimed at improving customer experience (Ibid: 22). The above arguments will be useful to this study since they will help in providing some insights into the causes of

ineffective service delivery in the telecommunication sector and provide some light on how such challenges can be overcome.

It is the individual manager who creates, or fails to create, fulfillment. Understanding the connection between business performance, leadership, and employee fulfillment can measurably impact the future competitiveness of a company. Employee satisfaction impacts the bottom line and is largely determined by employee day-to-day interactions with managers. Of all the factors, an organization can improve to impact employee satisfaction; improving individual leadership is the most effective. Those leaders who see their role as a developer of people, and who are skilled in the new leadership practices, will have high-performing employees. Managers who do not are well advised to reconsider how they lead. If a company is prepared to invest in new equipment and new processes, then why not in the company's human assets who drive those initiatives and the people who lead them.

## **2.2 Theoretical Literature Framework**

The study will be guided by three theories namely: Herzberg's Theory, Exchange Theory and Expectancy Theory

### **2.2.1 Herzberg's two-factor Theory**

Whereas the theory of Maslow applied the hierarchy of needs approach to explain motivation (Neher, 1991), Herzberg (1959) applied this theory to the workplace and job-design. In the 1950's Frederick Herzberg on the basis of his research developed the two-factor model of motivation. In the research, Herzberg (1959) primarily asked his respondents to think of a time

when they especially felt good about their jobs and a time when they felt especially bad about their job and also to describe the conditions that led to those particular feelings. The research found that employees named different types of conditions that produced good and bad feelings and what led to those feelings. These feelings and their contributing factors like service failures, rude and abusive customers, technological innovations which require constant training among others are some of the barriers to effective service delivery at Safaricom that this study intends to interrogate. The results of Herzberg's research and investigation concluded that all these variables that made people feel good or bad about their job can be grouped into one or two categories, thus the theory later became known as the two-factor theory of motivation (Warren 2008). These two sets of factors that influenced motivation and job-satisfaction are referred to as hygiene factors and the other motivators.

Motivators identified by Herzberg et al, (1959) are: *Work itself* refers to the type of work either being creative or repetitive. *Opportunity to achieve in the job* refers to opportunities in the environment to complete a job to the best of one's ability. *Recognition of achievement* can include formal recognition programs and reward system or the acknowledgement for work well done. *Challenging work and growth* refers to opportunities given to individuals to grow in their existing jobs. *Responsibility of the job* is giving a person accountability and responsibility associated with the job itself. *Advancement* refers to career prospects and promotion opportunities.

It is therefore, evident that Herzberg's theory has revealed that certain feelings led to employees feeling a sense of job satisfaction and other factors led to a feeling of job dissatisfaction. Nelson and Quick (2003) support this notion in stating that "a job in high motivation factors and low in hygiene factors leads to high employee motivation to perform, coupled with complaints about aspects of the work environment." Discontented and disgruntled employees may still be able to do an exceptional job if they take pride in the product or service.

Based on this theory, we see M-Pesa customer representatives being satisfied in other areas and dissatisfied in others. We see factors that lead to their motivation to perform but this is coupled with complaints about aspects of the work environment. Example: Their annual bonus is performance based thus this enables them to work hard to be eligible for the bonuses. But even as they work hard, they still show dislike and lack of fulfillment from the job they do. Herzberg's theory will therefore help in laying the foundation upon which barriers to effective service delivery in Safaricom would be based. The study would attempt to examine whether these barriers are internally or externally caused.

### **2.2.2 Exchange Theory**

The argument that employee satisfaction improves service quality is grounded on the theory of equity in social exchanges. Although there are different views on social exchange theory, theorists agree that social exchange which involves a series of interactions to generate obligations is unspecified. These interactions are usually seen as independent of the actions of another person. The underlying reason is that an exchange requires a bidirectional transaction (something is given and something is returned). The transaction also has the potential of

generating high-quality relationships among the parties involved. The underlying assumption of equity in social exchanges is that most people expect social justice or equity to prevail in interpersonal transactions. An individual accorded some manner of social gift that is inequitably in excess of what is anticipated will experience gratitude and feel an obligation to reciprocate the benefactor such positive reciprocal relationships evolve over time into trusting, loyal, and mutual commitments (Yee, 2008).

Exchange theory has been one of the major theoretical perspectives in the field of social psychology since the early writings of Homans (1961), Blau (1964) and Emerson (1962). This theoretical orientation is based on earlier philosophical and psychological orientations deriving from utilitarianism on the one hand and behaviorism on the other. The vestiges of these theoretical foundations remain evident in the versions of exchange theory that are current today (Cook and Rice, 2006).

Homans (1961) defined social exchange as the exchange activity, tangible or intangible and more or less rewarding or costly, between at least two persons. Cost was viewed primarily in terms of attractive activities or opportunities foregone by the actors involved. Reinforcement principles derived from the kind of behaviorism popular in the early sixties (e.g the work of B.F. Skinner) were used by Homans to explain the persistence of exchange relations. Behaviour is a function of payoffs, whether the payoff are provided by the non-human environment or by other humans. Homans explained social behavior and the forms of social organs produced social interaction by showing how A's behavior reinforced B's (in a two party relation between actors A and B) and how B's behavior reinforced A's behavior in return (Cook and Rice, 2006).



In the context of social exchange theory, when an employer offers favorable working conditions that make its service employees satisfied, the latter will in return tend to be committed to making an extra effort to the organization as a means of reciprocity for their employer, leading to a higher level of service quality. Based on the theory of equity in social exchanges, we see that employee satisfaction leads to higher service quality (Yee, 2008).

In the context of the social exchange theory, the employer is devoted to building a relationship of long-term employment with his employees by fulfilling their needs through offering them favourable working conditions; in return, employees will be loyal to their employer by being committed to making extra efforts to offer services with a high level of quality as a means of reciprocity to their employing organizations (Yee et al., 2008). The employer's willingness to build a relationship with his employees and the employee's commitment to delivering high-quality services are key characteristics of a social exchange (Blau, 1964).

Drawing on the norms of reciprocity and equity of social exchange theory, we argue that employees who are loyal to their employing organizations are prone to delivering services of a higher level of quality. Therefore, we theorize that employee loyalty has a positive impact on service quality. Hence, Service quality in the management and marketing literature is the extent to which customers' perceptions of service meet and/or exceed their expectations. M-Pesa Customer representatives form interactions with the customers they serve overtime and also with Safaricom as their employer. But in as much as they form interactions it does not always translate to quality service due to the fact that they get resistance from other customers and also from their employer thus creating barriers to service delivery. Thus this study will be useful to

our study by giving insights into the working environment at Safaricom in terms of the tools of trade, relationships at work etc and how employees of Safaricom can overcome barriers to effective service delivery in the company.

### **2.2.3 Expectancy Theory**

For this research, expectancy theory provided the best foundation upon which to study management behavior. Because expectancy beliefs can be measured against the behavior of multiple fields of influence, both individually and collectively, expectancy theory provides a foundation for determining the impact of those fields on the object of their influence.

Expectancy theory whose main proponent is Vroom is based on four assumptions (Lunenburg, 2011). One assumption is that people join organizations with expectations about their needs, motivations, and past experiences. These influence how individuals react to the organization. A second assumption is that an individual's behavior is a result of conscious choice. That is, people are free to choose those behaviors suggested by their own expectancy calculations. A third assumption is that people want different things from the organization (e.g., good salary, job security, advancement, and challenge). A fourth assumption is that people will choose among alternatives so as to optimize outcomes for them personally. According to Lunenburg, (2011), the Expectancy Theory is founded on the basis that "intensity of work effort depends on the perception that an individual's effort will result in a desired outcome". Vroom suggests that "for a person to be motivated, effort, performance and motivation must be linked" (Droar, 2006, Vroom, 1964, Lovelace-elmore, 2001).

The expectancy theory based on these assumptions has three key elements: expectancy, instrumentality, and valence (Luvenburg, 2011). A person is motivated to the degree that he or she believes that (a) effort will lead to acceptable performance (expectancy), (b) performance will be rewarded (instrumentality), and (c) the value of the rewards is highly positive (valence). This theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients. Expectancy theory predicts that employees will be more motivated to support a change when they believe that: They can successfully perform the change behavior (Expectancy beliefs); they will obtain certain outcomes as a result of changing their behavior (instrumentality beliefs) and that those outcomes are desirable (valence beliefs) (Cochrane, 1978).

All identified research on instrumentality beliefs was based on individual employee reactions to change initiatives. For example, researchers found that instrumentality beliefs may be improved by using management tactics that signal a high quality management/employee relationship. Instrumentality beliefs are enhanced when fairness is improved by management offers of inducements for work contributions, increasing employee confidence in the outcomes expected from their work efforts. Managers can influence employee beliefs regarding the likelihood of obtaining desirable outcomes over time (Cochran, 1978).

Nevertheless, Expectancy theory has faced some criticism based upon the expectancy model being too simplistic in nature. For instance, Edward Lawler (1971) claims that the simplicity of expectancy theory is deceptive because it assumes that if an employer makes a reward, such as a financial bonus or promotion, enticing enough, employees will increase their productivity to

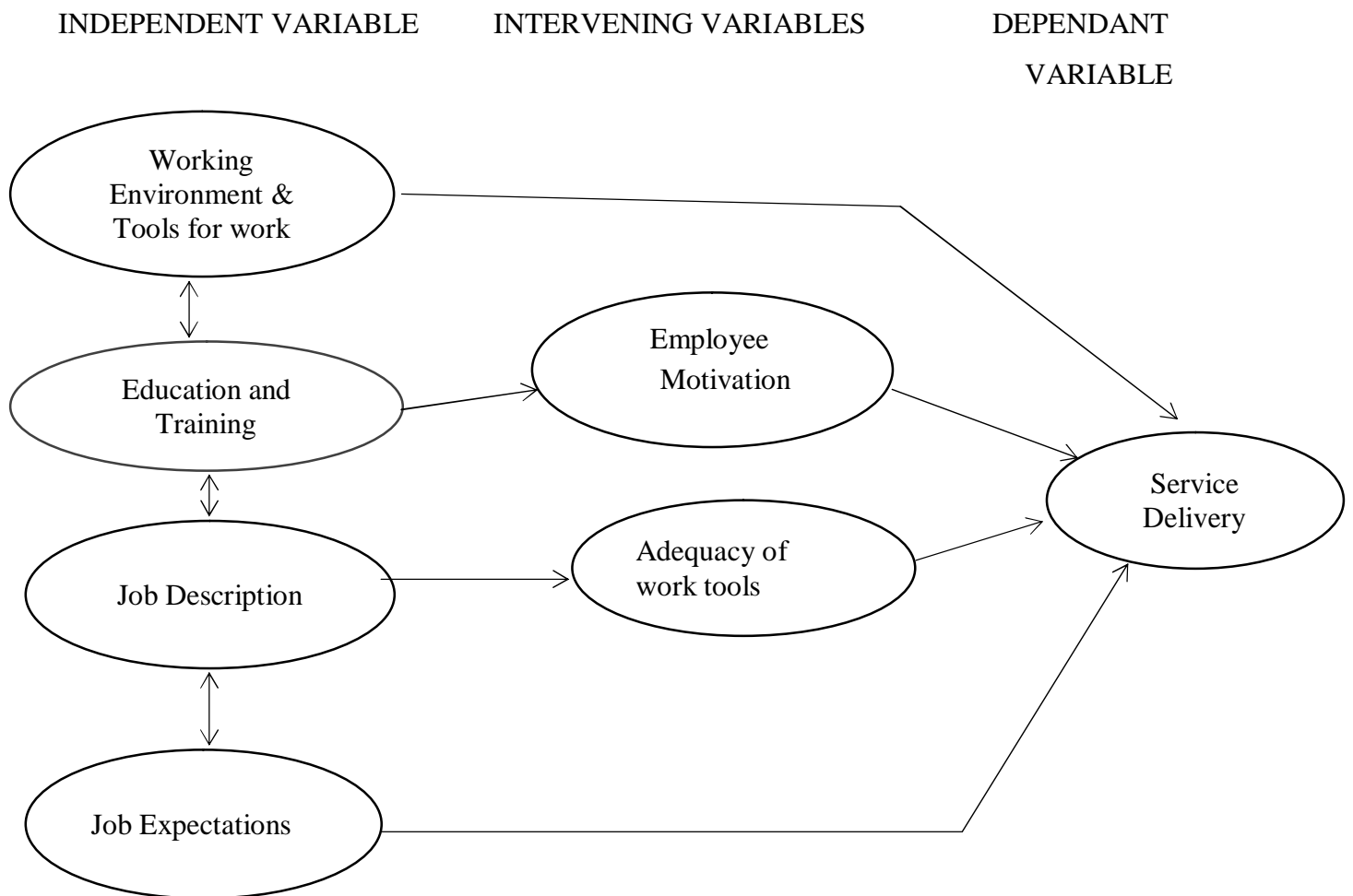
obtain the reward. However, he argues, this only works if the employees believe the reward is beneficial to their immediate needs. Although each theory has its strengths and weakness, the expectancy theory together with the social exchange theory will be relevant to this study as they address some of the realities that the study intends to investigate.

Based on this theory, most M-Pesa representatives have worked at Safaricom for more than 3 years. Most of them have had expectations to climb the corporate ladder when they joined Safaricom but since this has not happened as was expected, it has led to lack of motivation in their work thus creating barriers to service delivery. But in as much as staffs lack motivation, they have come up with coping mechanisms of doing only what is expected of them and not going an extra mile just to keep their job or get a raise when the time comes.

This review identified no research addressing barriers to effective service delivery especially within the telecommunication sector in Kenya with special reference to Safaricom and its M-Pesa services. The theoretical review therefore makes this study justifiable and urgent.

### 2.3 Conceptual framework

**Figure 2.1: A conceptual framework showing the relationship between barriers (IV) and service delivery (DV) among Safaricom M-Pesa representatives.**



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.0 Introduction**

This chapter discusses the research design and methodology of the study; it provides full description of the research design and a detailed description of the methods used in the selection of the population. The sampling procedures, the research tools, data collection techniques and data analysis procedures have also been highlighted. The procedures to be adopted to attain acceptable validity and reliability of the research tools have been explained. A design has been used to structure the research, to show how all the major parts of the research study, the samples or groups and methods of assignment working together so as to address the central research questions.

### **3.1 Site Description**

Safaricom Limited is Kenya's largest telecommunication firm whose head office is based in Nairobi. Safaricom has over 18 million subscribers who depend on them for service. It employs about 3,000 employees on permanent basis who work across its major departments all over Kenya. Within these 3,000 employees are 200 M-Pesa customer representatives based at the Jambo Contact Centre who offer M-Pesa related service to their customers. These are staff trained specifically to answer questions related to the M-Pesa services.

Offering effective service delivery among M-Pesa customer representatives has been greatly hampered by several factors that hinder them from performing their duties effectively thus creating barriers to effective service delivery.

### **3.2 Research Design**

According to Mcmillan and Schumaker (2001). A research design is a plan for selecting subjects, research sites and data collection procedures to answer the research questions. It is the conceptual structure within which research is conducted. It constitutes the blue print for the collection and data analysis. All these do assist the researcher in answering the research questions formulated (Mwari, 1999:42).

The study was both qualitative and quantitative. The qualitative aspect was used while analyzing the open ended questions and In-depth interviews. Quantitative method was used to generate information from secondary data obtained from the Contact centre. Qualitative research refers to any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification (Strauss and Corbin 1990) Whereas quantitative research seeks to explore causal determination, prediction and a generalization of finding, qualitative researchers seek the illumination and understanding of those innate and unique individuals or group experiences and the forces which shape them. The study therefore employed both methods of data collection.

### **3.3 Unit of Analysis**

The units of analysis in this study were the employees of Safaricom M-Pesa section who offer service to the M-Pesa users and how in them offering service they face barriers to effective service delivery. The analysis was done at an individual level and conclusions generalized.

### **3.4 Units of Observation**

The unit of observation involved observing and interviewing M-Pesa customer representatives at the Contact Centre as well as carrying Key Informant interviews.

### **3.5 Target Population**

The study targeted 100 M-Pesa Customer Representatives drawn from the M-Pesa Section at the Contact Center of Safaricom Limited. These are employees who handle M-Pesa queries on a day to day basis and are also familiar with the challenges they face on a day to day basis as they offer M-Pesa services thus they are in a better position to identify both external and internal challenges that the M-Pesa agents face that could be a hindrance to effective service delivery

### **3.6 Sample Size and Sampling Procedure**

A research sample can be defined as the people who actually participate in a study. According to MwituriawaMaina (2012:40) sampling is the process of selecting units from a population of interest so that by studying the sample we may fairly generalize results back to the population from which they were chosen.

The researcher used both probability and Non probability sampling method. Probability sample was used to ensure that each unit in the population had an equal chance of being selected. Both Purposive Sampling and Simple Random Sampling were used in this study. Purposive Sampling was used to target specifically the M-Pesa customer representatives involved in service delivery since they were able to provide required information with respect to objectives of the study. The researcher avoided biasness in the selection of M-Pesa representatives who participated in the



study by using Simple Random Sampling to select both male and female who participated in the study. Since Safaricom limited had a list of 200 staff working on the M-Pesa section of which 120 are female and 80 are male, every 3<sup>rd</sup> male and female in the list of the 200 M-Pesa staff was picked. So I picked the 3<sup>rd</sup> name from list ,counted to 3 then picked the 6<sup>th</sup> name and that continued until I got 60 females and 40 males to interview and this gave me the number of respondents from each category .

### **3.7 Sources of Data**

The study collected mainly primary data which was obtained through questionnaires and in-depth interviews with M-Pesa employees and a few employees from the management team.

### **3.8 Methods of Data Collection**

The study adopted both quantitative method and qualitative method of data collection. The quantitative data collection method was used to generate quantitative data and this was in form of a semi structured questionnaire. The questionnaire had several sections organized thematically. Qualitative data relied heavily on interactive interviews where key informants were interviewed several times to follow up on particular issues, clarify concepts and check reliability of data. The research techniques used to generate data in this study were interview schedule/face to face discussions and observations.

### **3.9 Ethical Considerations Guiding the Study**

In these study ethical issues was about being objective, honest and careful during the data collection. It was about assuring the participants of their confidentiality and how the results of

the study would be reported (Cohen, *et al.*, 2007). The study endeavored to extend adequate confidentiality to the participants due to the sensitivity of the topic and the fear of being victimized. According to Kvale(1996), confidentiality implies that private data identifying the subject will not be reported.

In accordance to this, the respondents at Safaricom M-Pesa section were informed about the purpose of the study, where results would be published and that their participation would be absolutely voluntarily (*ibid.*). They were advised not to answer a question if they did not want to, and the researcher would not question them about their decision. The respondent would not be coerced into completing a questionnaire as they are subjects and not objects according to Cohen, *et al.*( 2007).

### **3.10 Data Analysis**

Analysis of data requires a number of closely related operations such as establishment of categories, the application of these categories to raw data through coding and tabulation. After collection of the questionnaire, the researcher read through to ascertain their numbers and to see how all the items were responded to. Descriptive statistics using frequencies and percentages were used to analyze the data. (Mugenda and Mugenda, 1999)

Qualitative data in form of words from the interview schedule and items in the open ended questionnaires were subjected to content analysis. The results were then tabulated. Responses on similar themes or objectives, emanating from different respondents were compared to find out if the various respondents concurred on various issues and if not, the possible reasons for the

observed discrepancies. Consequently Statistical Packaging for Social Sciences (SPSS) facilitated data analysis. The analyzed data was presented using frequencies, tables and charts.

## CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

### 4.1 Introduction

This chapter covers analysis, findings and discussions of the data collected during the study. The data was collected from the M-Pesa employees at Safaricom Limited. The researcher targeted 100 respondents from the M-Pesa staff. 75 of the targeted employees were able to respond to the study. This number includes the interviewed respondents and those that responded to the questionnaires. This represented approximately 75 % overall response rate. The questionnaire responses were broken down into manageable categories, coded and thereafter quantitatively analyzed to get insights and make inferences.

### 4.2 Social and Demographic Characteristics

#### 4.2.1 Age Distribution

The study sought to establish the age of the respondents. In the questionnaire, the respondents were requested to state their age. The ages of the respondents were grouped into different categories and analyzed. From the research findings, it was established that 52 percent of the respondents were between 21 to 30 years, 40 percent were between 31 to 40 years and 8 percent were between 41-50 years. No respondent was found to be above 50 years in age. Table 4.1 show the age distribution among the studied sample of the population.

**Table 4.1 Age Distribution**

Age Distribution (Years)	Frequency (N)	%
21-30	39	52
31-40	30	40
41 and Above	6	8
Total	75	100

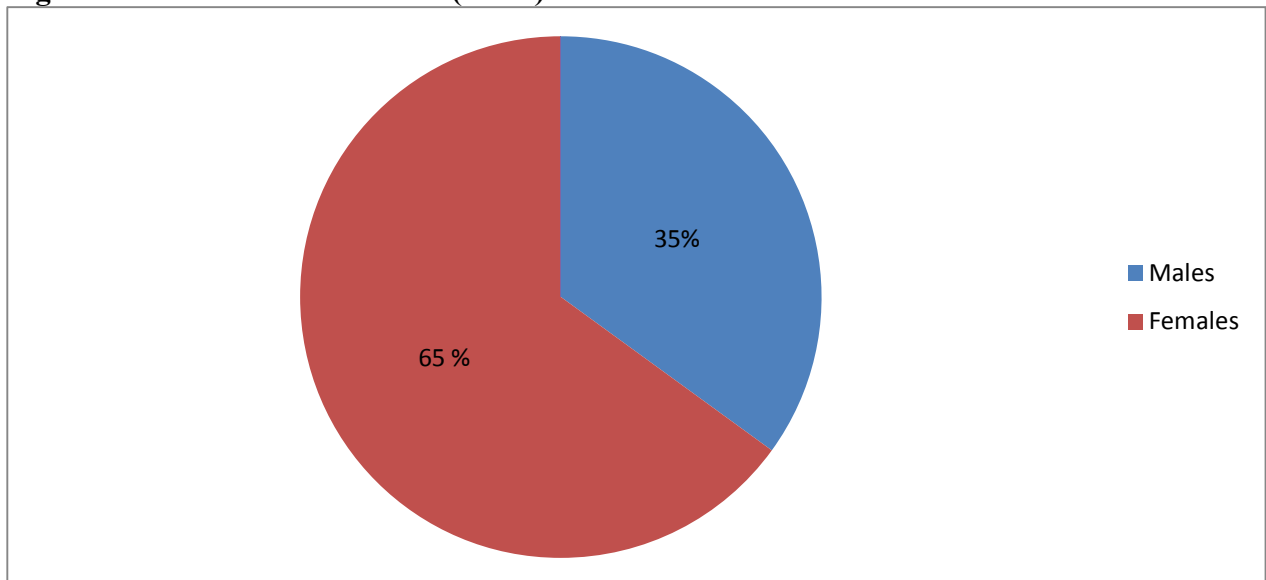
The age group between 21-30 years was the group with the highest number of employees this is so because Safaricom mostly employs young people from college. This age group was found to be energetic and very vibrant. According to most respondents, this group might be disengaged from their work due to the fact that they are still young and do not take their work seriously in terms of adhering to the laid down procedures at the call Centre, this group worked it cannot be refuted, but they did it in a way not to compromise their jobs thus they did not go an extra mile to give their employer the best in going an extra mile to serve customers thus being a barrier to effective service delivery. This was seconded by a few managers who indicated that they had a challenge when dealing with this group due to their lack of seriousness when it comes to giving effective service to their customers, they further explained that most employees in this age bracket tend to have a mentality that this is their time to enjoy life and that they still have a number of years to work. This was however objected by a few Managers who indicated that being young should not be used to judge the effectiveness of the employees and argued that some of the young people are very productive and give quality service.

#### **4.2.2 Gender Distribution**

The research sought to understand the gender of the respondents. This information was essential for the analysis of the results because it was useful in linking gender to some of the barriers to effective service delivery at Safaricom. Through observation it was evident that the workforce comprised mostly of female employees. Out of the 75 responses received, 49 were female while 26 were male, an indication that 65 % of the workforce at Safaricom were females while 35 % were males.

This gender disparity with due advantage to females contributed and acted as a barrier to effective service delivery, This is so because most of the workers were mothers and would frequently take time off from work to take their children for routine clinics thus being absent from work. This led to poor service due to the fact that performance is always pegged on the number of customers served, thus when a number of employees are absent quality, is compromised because they are not able to serve as many customers as should be the case resulting into a drop in the service level for the day. key informants interviewed indicated that even though absenteeism was rampant and it compromised quality of service, it could not be avoided because an employee gives quality service if they are in their right frame of mind and thus employees who are motherø should be allowed to take their children to hospital when they are not well but they further indicated that this privilege should not be abused.

**Figure 4.1: Gender Distribution (N=75)**



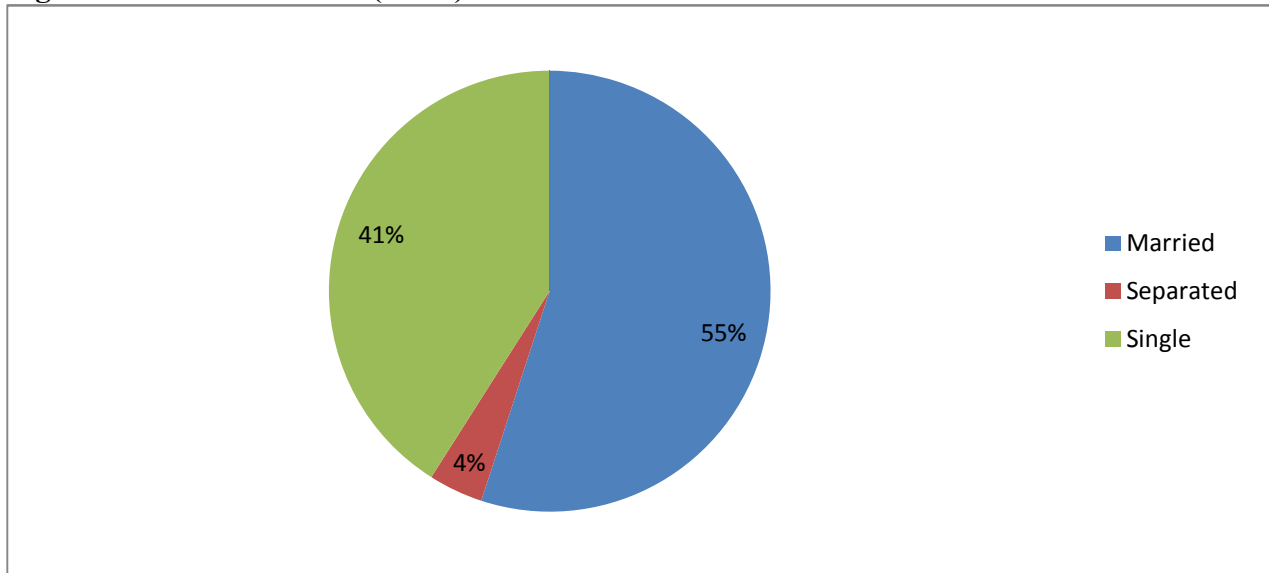
### **4.2.3 Marital Status**

It is essential to understand the marital statuses of the respondents when studying organization behavior, culture and performance. This study intended to understand the marital statuses of the respondents. Three categories were given in the questionnaire. They included Single, Married and Separated. Among the respondents, 41 were married, 3 were separated while 31 were single. The percentage composition was 55 %, 4 % and 41 % respectively. This demonstrated that most employees comprised of family men and women who worked to take care of their family. Although some of the employees may not have had some issues at their work place i.e career growth, they had no choice but to work for the betterment of their families. It was observed that family responsibilities forced a number of employees to remain in employment in order to provide for their families. According to one of the respondents (Ochieng, O.I 2015) who worked at the M-Pesa section, it was evident according to his reasoning that he kept on working because he did not have a choice since he was the breadwinner and had to ensure that his family was well taken care of.

It was observed in this study that those employees who were married unlike unmarried employees demonstrated high levels of work efficiency. This was due to the fact that their employment was informed by the fact that they had some extra responsibilities of supporting their children as well as other dependants. I was able to see their commitment to work was not based on the love of what they do but rather on lack of an alternative.

These values are visually represented in Figure 4.2.

**Figure 4.2: Marital Status (N=75)**



#### **4.2.4 Level of Education**

Similarly, the education level of the respondents was tested in the questionnaire. The respondents were requested to indicate the highest level of education they attained. Five categories were availed; these included informal level of education, primary school education, secondary level, college level and university level. In the responses, only respondents with college and university level of education scored points. 35 respondents stated that they had attained a college diploma. This represented 47 % of the respondents. 40 respondents stated that they had attained a university degree representing 53 % of the respondents.

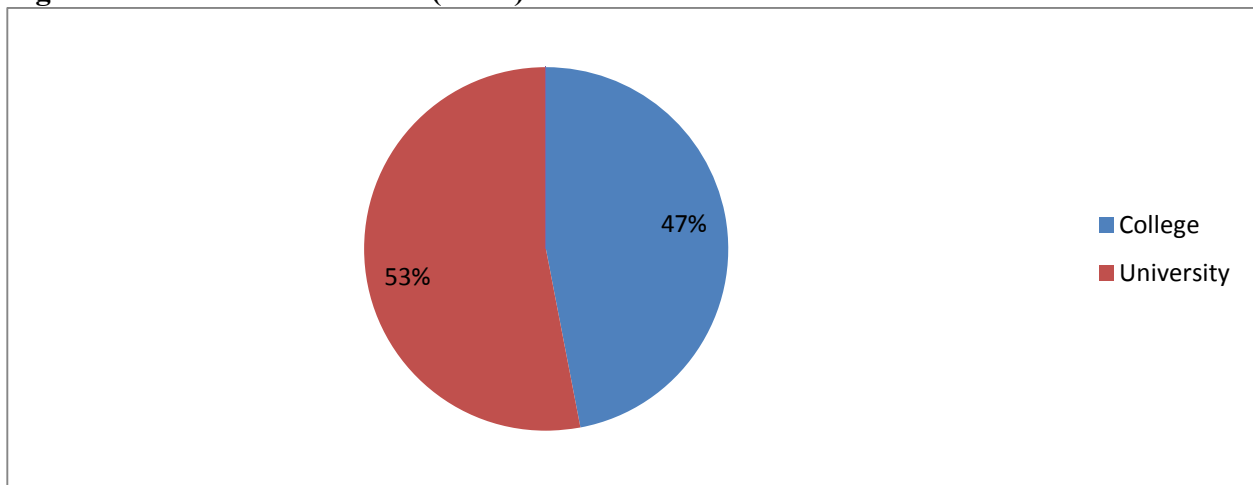
From the above foregoing, it is evident that Safaricom M-Pesa section has a higher number of employees with university level of education. Furthermore, it was demonstrated that there was a big difference on how the two categories of people (college and university graduates) viewed their employer and working in the M-Pesa section, the ones who had university education sounded confident that they could always get better jobs if they left Safaricom M-Pesa section



unlike their counterparts with college/diploma certificates who perceived their jobs as the ultimate employment that they had ever got and did not contemplate leaving their job anytime soon. On further probing of the two groups to know why Safaricom M-Pesa section started employing college graduates, the respondents explained that Safaricom used to employ university graduates in M-Pesa section but with time, it realized that university graduates would get discontented with the job after a period of time ending up leaving the company for greener pastures. This brought about a lock down in service delivery due to the fact that after they left a void would be created prompting the company to recruit afresh thus compromising on the services of the company. A number of key informants further explained that the company saw it fit to start employing college graduates because graduates from colleges were more loyal and were not easily swayed. This cadre of people from the college also saw it as a great opportunity to be employed by Safaricom despite having not attained a university degree thus I was able to observe that this group strived to give quality service in order to keep their jobs unlike their counterparts who were University graduates .

Figure 4.3 shows the results.

**Figure 4.3: Level of Education (N=75)**



#### 4.2.5 Number of Years Worked in M-PesaSection

During the study, the respondents were asked to indicate the years of work experience at the M-Pesa department. This question was important because it helped the researcher understand the employee retention levels at the M-Pesa department. The answers were grouped into different categories and analyzed. It was ascertained that 16 % of the respondents had worked at the M-Pesa department for a period between 1 and 3 years. 46.7 % of the respondents had worked at the M-Pesa department for a period between 3 and 5 years. 37.3 % had been working at M-Pesa for between 5 and 7 years.

Number of years worked did not have much variation among the Key informants most of them had worked in the management level of M-Pesa section for a period of between 3 and 5 years which was an indicator that employee retention levels and their years of experience even among the managers was quite high. Table 4.2 illustrates the results obtained from the analysis of the years of experience of the respondents.

**Table 4.2: Years of service in Safaricom M-Pesa Section**

<b>Years of Experience</b>	<b>Frequency (N)</b>	<b>Percentage</b>
1 to 3	12	16.0
3 to 5	35	46.7
5 to 7	28	37.3
<b>Total</b>	<b>75</b>	<b>100</b>

Most respondents who had worked for over 3 years compared to their counterparts who had worked for less years seemed to show disgruntlement in terms of how their life at the M-Pesa section was, they felt that they had been in the M-Pesa section for a longer time but had nothing

to show for it in terms of promotion, pay among other benefits. This group showed disengagement from their work and suggested that they would leave if a better opportunity in terms of a better job were to present itself.

The study indicates that those employees who had served for a period of three years developed an I don't care attitude which was mainly brought about by lack of progression. Thus, they did not give their best in terms of performance in their daily interaction with customer. They instead did only what was expected of them and did not go an extra mile to achieve excellence. Thus in as much as M-Pesa section retained its employees, it should do more to ensure this group of employees are kept happy and comfortable. This is so because of their wealth of experience in the operations of the M-Pesa section as well as being knowledgeable about the products and services offered. It is therefore, important for the employer to ensure that this category of employees are motivated and retained through better pay in order for them to continue giving quality service.

#### **4.2.6 Whether Safaricom was an Employer of choice**

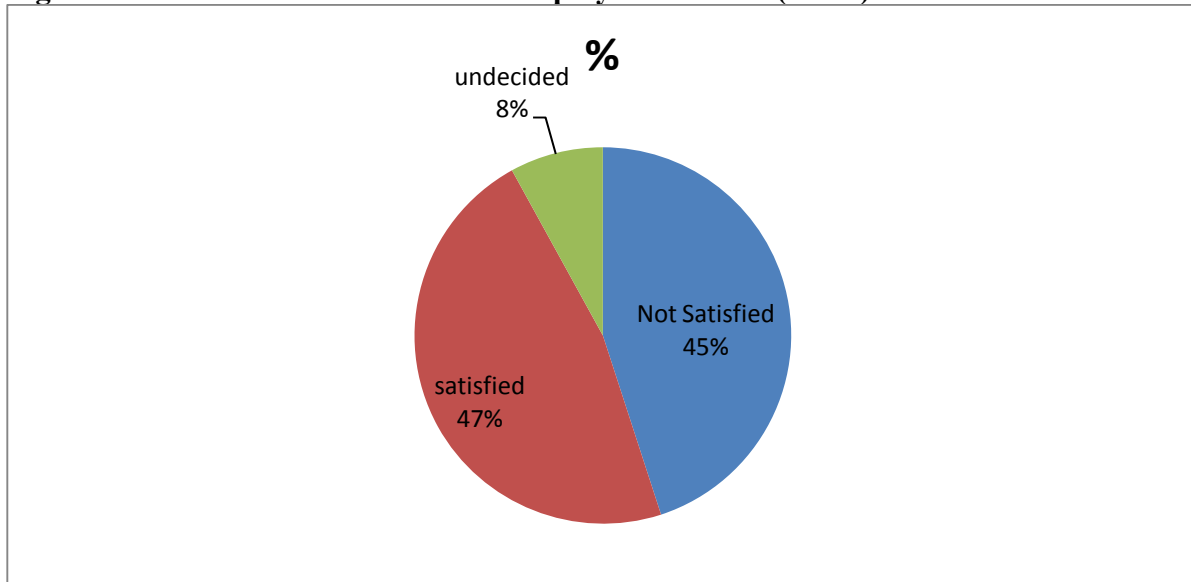
The perception of employees towards their employer and their work is important in understanding their productivity. The questionnaires intended to test the perception of the employees towards their employer, specifically the M-Pesa section of Safaricom L.t.d. The employees were asked if Safaricom was their employer of choice. In this question, respondents were given an option to select a yes or a no response. This question was posed to all the respondents, regardless of their job level. In their response, it was observed that slightly more than 46% of the respondents stated that Safaricom was their employer of choice and 45% stated

otherwise. Eight percent of the respondents did not respond to this question. This could be an indicator of ambivalence among some of the employees of Safaricom. This 8 % of the employees could be meeting their obligations at their work place but may easily leave if they found a chance. Likewise, 45% of the respondents who had no feelings about Safaricom being their employer of choice indicated that they were actively disengaged from their work and were thus not able to give quality service. They also felt that Safaricom has let them down as an employer. These employees in return did not see the need of going an extra mile to serve the customers of their employer. When asked why they felt let down by their employer, most of the respondents argued that since Safaricom had expanded tremendously overtime, the company no longer treated their M-Pesa section employees as assets and useful members of the company. This was evident with certain instances where some employees were dismissed from work on flimsy grounds.

The above arguments were supported by an oral informant, Ochieng (O.I 2014) along time Safaricom employee with over 5 years working experience. He argued that employees of Safaricom working in the M-Pesa section were denied upward mobility in terms of promotion and if it was there, it came after several years of stagnation in one position. These employees, therefore, felt let down by their employer and no longer considered Safaricom as an employer of choice. Most of the employees further indicated that they were busy looking for employment elsewhere. This is an indication that most of the workers serving under the M-Pesa section were not fully committed to their work and were thus compromising on the quality of services that they gave to their clients. It is on this background that a number of customers complained of delays in responses especially while trying to seek for assistance in case of mistakes committed

during M-Pesa transactions. Sometimes, customers' calls have been neglected and even when they are picked, customers' problems are not always sorted fully in an amicable way

**Figure 4.4: Whether Safaricom is an employer of choice (N=75)**



#### **4.2.7 Salary Levels of the Employees**

The salary categories of the respondents were also tested. Six categories were tested. The first category was the payments under 30 000 shillings while the last category was over 50 000 shillings salary. Here, all the employees stated that their salary was over 50 000 shillings. Pay rises are vital in the employee motivation science. The study tested whether the employees got good salary increments for the jobs they do or not. However, only 10 % of the respondents agreed that they got good pay for the job that they do. Ninety percent stated that they did not get good increments. The respondents who indicated that they were not satisfied with the increments were given a chance to explain why they thought those increments were not satisfactory. Most of the respondents indicated that there were discrepancies between the profits that the company makes and the salary increments that the employees get. They further explained that the minimal

increments that they got was a morale killer thus most of them felt that the company did not value them as should be the case, hence leading to underperformance which is a barrier to effective service delivery.

Other M-Pesa section employees faulted the methodology and the criteria used in arriving at the percentages for awarding salary increment. One particular respondent Valery not her real name stated that there was lack of objectivity and transparency while carrying out this exercise of salary increment. This approach and methodology as well as the entire exercise demoralized employees working in this section of Safaricom. Most of the M-Pesa section employees, therefore, argued that they were entitled to better salary increments due to the fact that they are the first point of contact of Safaricom with the external customers. However, the role that the M-Pesa section employees are playing has been underestimated leading to a situation where other departments are rewarded in terms of a pay rise compared to the M-Pesa Section which is always forgotten. This scenario has always impacted negatively on the company with serious negative impact on service delivery and staff attitude not only to the customers but also on the company.

This issue has also created departmental rivalries with the M-Pesa section having a strong feeling that other departments are being favoured, this rivalry may also compromise on team work and team building within a company thereby compromising on performance and the quality of service delivery.

**Table 4.3 Satisfaction with salary increments**

<b>Do you get good salary increments</b>	<b>Frequency (N)</b>	<b>Percentage</b>
Yes	8	10.0
No	67	90.0
Total	75	100.0

### **4.3 Professional Staff Training and M-Pesa Service Delivery**

Professional training of employees is considered as one of the activities that can help improve effective service delivery in an organization. The questionnaire tested the professional training of employees and sought to associate it with factors that might improve service delivery in Safaricom. To achieve this objective, three questions were asked. The responses to these questions were analyzed quantitatively and qualitatively.

#### **4.3.1 Facilitation of Adequate Training that can Help Employees Handle Queries**

The first question asked the respondents whether or not they received enough training to help them handle M-Pesa customer queries in an effective way. They were given the option of yes or no answer. As well, in the same question, they were given a provision to state some of the training that they undergo. In the responses, 70.67 % of the respondents agreed that they had enough training that was meant to help them deal with the queries from the M-Pesa customers. However, twenty nine point three percent (29.3%) of the respondents stated that they did not receive enough training that would help them deal with queries from M-Pesa customers. They supported this argument by saying that they did not deny the fact that they got training, however, they felt that the training that they underwent was not really necessary and was also not relevant to the changing dynamics of the market. Thus even though these employees went through much

training annually, these trainings did not capture and could not address the realities and challenges that they incurred on their day to day work. The respondents who indicated that they had enough training listed several areas of training that they went through as: customer handling skills, training on new products, troubleshooting skills and training on the handling of new information management systems. Although these areas of training are useful, they are not useful in the daily encounter of customers which the M-Pesa section employees are subjected to on a daily basis. There is therefore a need to diversify training in order to help M-Pesa section employees to meet and address the new and emerging challenges that they experience in the course of discharging their duties

#### **4.3.2 Ability of the Training to Meet Evolving Customer Challenges**

The second question sought to link the training received by the respondents to its ability to meeting the evolving customer generated challenges. The respondents were asked if the training they received was structured in a way that it touched on the evolving customer generated challenges. Again, the respondents were given options of selecting yes or no. Still, they were given an option to give improvement suggestions on the structure and the pattern of training. The responses were analyzed and presented. In the responses, only 47 % of the respondents agreed that the training was structured in a way to meet the challenges generated by the evolving customer needs. Fifty three percent (53%) thought that the training was not enough to meet the challenges generated by the evolving needs of the customers. The suggestions given varied in content but they all revolved around the participation of the employees in drafting of the training programs. All the employees indicated that since they were the ones who dealt with customers on a one on one basis and understood the issues that affected customers on a daily basis, they were



better placed in assisting the training department to draft training manuals. One of the respondents categorically stated that they should be consulted by the management whenever they wanted to develop the training programs. They also averred that it would be vital for the management to tailor the training programs to the changing trends in the telecommunication markets in order to ensure effectiveness of service is upheld.

#### **4.3.3 The Adequacy of Training in Equipping Employees with Requisite Skills and Abilities**

The third question under this variable was intended to analyze the relationship between the training provided by the management and the acquisition of the skills and abilities relevant to tackling the daily activities involving M-Pesa customers. The respondents were asked if they thought the training they underwent improved their skills and abilities. Here, they were given an option of yes or no. Thirty six percent (36%) of the respondents agreed that the training they received helped in improving their skills and abilities. However, sixty four percent (64%) of the respondents did not think that the training they received helped in improving their skills and abilities. Similarly, the respondents were also given an opportunity to suggest some of the ways which they thought the management could incorporate in their training manual in order to enhance employees' skills and abilities. The answers given in this question were similar to the ones given in the second question. Most of the responses centered on the need for the management to involve the trainees in the development of the content. The relevance of the content was also emphasized upon. The respondents thought that it would be prudent for the training to be relevant to the day to day activities that the employees undertake at Safaricom.

A summary of scores obtained in this variable is shown in Table 4.3.

**Table 4.4: Responses on Availability and Adequacy of Training Programs**

<b>Availability and Adequacy of Programs</b>	<b>Yes (%)</b>	<b>No (%)</b>	<b>Total (N)</b>	<b>Total %</b>
Training Programs Available	70.67	29.33	75	100
Programs can Meet Customer Challenges	47.00	53.00	75	100
Programs can Improve Skills and Abilities	36.00	64.00	75	100

From Table 4.3, it can be seen that 70.67 % of the employees agree that the company has adequate training programs. However, they indicated that the adequacy was only in terms of quantity and not quality. Fewer respondents thought that the training was enough, in terms of quality to help them tackle evolving challenges that come from customers. Fifty three percent (53%) of the respondents indicated that the training did not provide adequate skills for the employees necessary in helping them to deal with customers' challenges well.

Most of these respondents observed that the telecommunication industry was evolving and customers were becoming more aware of what they wanted thus the need for the M-Pesa employees to keep up with the industrial innovations and inventions. On further testing, only 36 % thought that the training helped them to improve on their skills and abilities. Most respondents indicated that the training did not have relevant content that could help improve on service delivery by the M-Pesa employees thus it was a barrier to effective service delivery.

Other key informants such as the M-Pesa Customer representatives supported the idea that there was a need to customize training in order to suit the evolving challenges and market dynamics in order to reduce barriers to effective service delivery. The study further observed that the training

process and content should be enriched with enough content that will improve the skills and abilities of the M-Pesa section employees. This will go towards ensuring that they acquired necessary skills and knowledge which will help them to know the needs and wants of their customer and how to respond to these needs and wants. When this happens, there will be fewer cases of customer complaints thereby increasing work efficiency and productivity. Such levels of skills and knowledge will also help in reducing and eliminating certain barriers to service delivery within the organization.

#### **4.4 Challenges Experienced by M-Pesa Employees and Coping Mechanisms**

This study postulated that the challenges faced by the employees and their coping mechanisms could inform some of the barriers to service delivery at the M-Pesa section of Safaricom. As a result, the questionnaires tested some of the factors that could have contributed to the challenges faced by the employees.

##### **4.4.1 Prevalence of Challenges Faced on a Day to Day Basis**

The first question intended to know if the employees came face to face with any form of challenge on their day to day activities at work. Eighty two point seven percent (82.7%) of the respondents agreed that they faced challenges at work on a day to day basis. Seventeen point three percent (17.3%) stated that they did not face challenges at work on a day to day basis. The respondents listed some of the challenges they faced and which also acted as a major hindrance to effective service delivery as; low wages, poor work life balance, poor relationships between the management and the employees and inadequate support for the personal development of the employees. The respondents were of the opinion that if their grievances were heard and given the

importance it deserved, then effective service delivery would be achieved. It was further demonstrated by the respondents that due to the fact that such issues above were most of the times ignored by the employer, the employees in the M-Pesa section developed a feeling and a mindset that they were less relevant and less important as members of Safaricom. This attitude would thus lead to apathy as far as effective service delivery to customers is concerned.

#### **4.4.2 Perception of Employees about the Responsiveness of Managers to their Challenges**

The perceptions of employees about the management response to the challenges they faced were also captured in the study. The respondents were asked to state whether they thought something could be done to address manager's responsiveness to their plight. Sixty nine point three percent (69.3%) stated that they believed something could be done to change their manager's responsiveness to their challenges. However, thirty point seven percent (30.7%) of the respondents argued that there was nothing much that could be done to influence the responsiveness of the managers in relation to the challenges facing M-Pesa centre employees.

Nevertheless, the respondents came up with some suggestions that could be adopted to solve some of their challenges irrespective of whatever input from the managers. It was observed that in order to alleviate some of the challenges, there was a need to effect changes in the management style of the organization. This change should move from transactional to transformational, where all employees would participate in decision making on issues affecting their job activities at M-Pesa section of Safaricom. This approach would be useful in minimizing or reducing barriers to effective service delivery within the organization. This is because the working environment will be conducive and most of the employees will feel that they are part

and parcel of the organization since their views shall have been incorporated in the running and management of the organization.

As far as the management was concerned, most of the managers did not find their management style wanting since most of them stated that they understood their role to be supportive in nature and that they have been helpful in resolving some of the problems that were occasioned by the grey areas of the work flow procedures in the call centres. Additionally, the managers argued that they always raised human resource related issues from the employees to the senior management in Safaricom alongside acting as career guides and counselors to the employees. But in as much as they did all this, the managers continued to argue that they also experienced challenges with their employees and that they always had to deal with cases of employees missing job for reasons that were sometimes genuine and other times not very genuine. Such situations posed very difficult situations to the managers. However, in order to overcome such difficulties and challenges, the managers would be compelled to overload the employees present on duty with a lot of work to cover up for the other absent employee. Under such circumstances it becomes too difficult for the overworked employee to discharge or perform his/her duties effectively. Such conditions may not be conducive to effective service delivery leading to poor service delivery.

#### **4.4.3 Perception of Employees about their Career Growth**

The study hypothesized that career growth could be one of the barriers to effective service delivery in M-Pesa section of Safaricom. The questionnaire thus tested if the respondents were happy with their career growth at M-Pesa. Forty six point seven percent (46.7%) were happy

with their career growth at M-Pesa. Fifty three point three percent (53.3%) indicated that they were not happy with their career growth, most of them had worked in the M-Pesa section for over 5 years without any upward mobility, they further argued that it had nothing to do with performance since they always got an increment and bonuses on a yearly basis, they went further to explain that they felt that promotions were not purely on merit but was based on how one interacted with the others as well as knowing the relevant personalities within the section. This scenario thus created bitterness among members of staff. But also, lack of motivation within work station also compromised on the quality of services.

The key informants interviewed however were of the opinion that, in as much as a large percentage of the M-Pesa section employees performed, not all could be promoted due to the limited positions. Some of the managers argued that although they were aware that the issue of growth and promotions brought disgruntlement and compromised on effective service delivery, they, however, saw it fit for the management to come up with various ways that could be put in place to help solve the problem.

#### **4.4.4 Respondents' Views about Job Security**

Job security is one of the employment factors that make employees deliver services effectively in an organization. In this study, job security of employees at Safaricom was examined with an intention of knowing whether the employees had job security at Safaricom M-Pesa section. It was established that. Only 32 % of the respondents had a job security in the M-Pesa section. However, sixty eight percent of the respondents were not sure of their job security. This issue of job security was thus considered as one of the major challenges hindering effective service

delivery at M-Pesa section of Safaricom. It was further observed that out of the respondents who considered themselves to have job security, very few were able to explain the provisions and what job security meant for them. This category of people took good performance of the company in terms of profit making as a guarantee to, their job security. This was an indication that these employees only looked at job security in terms of lack of redundancy on the employees. Comparatively, respondents who stated that they lacked job security or were not sure about their job security argued that the volatile and sensitive nature of dealing with customers were major contributory factors to job insecurity. Here, most of the respondents averred that the company would listen to the complaints of the customer, without considering whether the customer was right or wrong in case of any dispute pitying an employee and a customer as guided by the principle that the customer is always right.

The above argument was supported by Wambui (O.I, 2014) a long time employee of Safaricom M-Pesa section based at Buruburu branch. According to Wambui (O.I, 2014), the company's policy of a customer always being right, has had some serious implications on the employees as demonstrated by the fact that some of her colleagues had to be fired on very flimsy grounds arising from disagreements with the customer. Due to the fact that the employer would always side with the customer, the level of allegiance and patriotism of most of the employees to the company has gone down in the company. This minimal commitment and lack of total allegiance to the company has effectively played against service delivery in Safaricom.

#### 4.4.5 Support from Management

Support from the management is essential in helping employees deliver quality services to the customers. In this study, the support that they employees get from the management was also tested. The employees were asked if they get any support from the management both at a personal and professional level. This factor again scored poorly, with 82.7% of the respondents stating that they did not receive any support from the management. Only 17.3 % of the respondents argued in favour of management support to the employees.. For those who indicated that the management indeed provided some support to the employees, the following were some of the support they cited: Coaching, counseling and training. Most of the respondents who decried lack of support from the management stated that there were inadequate structures that explicitly addressed the issue of support for the employees in M-Pesa section of Safaricom. In their explanation, it was found that most of them sought their own ways out when dealing with a problem that needed the assistance of the managers. This was akin to gambling because some of the solutions offered to customers may have not been appropriate. The outcomes of the challenges faced by the employees were computed and presented as shown below.

**Table 4.5: Challenges faced by Employees**

<b>Factor</b>	<b>Yes (%)</b>	<b>No (%)</b>	<b>Total N</b>	<b>Total (%)</b>
Do you experience Challenges	82.7	17.3	75	100.0
Do you think this Challenges could be solved	69.3	30.7	75	100.0
Are you happy you're your Career Growth	46.7	53.3	75	100.0
Do you have Job Security	32.0	68.0	75	100.0
Good Pay Increment Available	9.3	90.7	75	100.0
Do you get Support from Management	17.3	82.7	75	100.0



From the results, it is evident that there are challenges affecting the employees in execution of their duties. The four factors that positively contribute to enhancement of service have had their yes answer scoring less than 50 %. Still, the factor meant to test the presence of challenges has scored more than 50 % yes answer. The study has therefore demonstrated that, difficulties in career growth, job (in) security, good pay and pay increment, as well as lack of enough support from the management have been the major challenges faced by employees in Safaricom.

#### **4.5 The Relationship between Customers and Employees and M-Pesa Service Delivery**

The work environment is an essential contributor to effective service delivery. The research went out to test the relationship between this variable and effective service delivery. Three factors were tested.

##### **4.5.1 The Number of Customers Handled Daily**

The first factor tested the number of customers that the employees handle on a daily basis. This was then linked to the issue of strenuous work environment by asking the respondents if they felt overwhelmed by the number of respondents they handled daily. The linking of the two was in the second question of the questionnaire. Five categories were tested to understand the number of customers served daily. They were less than 20, 20-49, 50-79, 80-99 and over 100 customers. Sixty five percent of the respondents handled more than 100 customers daily. Eleven percent handled between 80-99 customers daily. Sixteen percent handled between 50-79 customers daily. Eight percent stated that they handled between 20-49 customers daily.

This indicates that most M-Pesa section employees should answer over 100 calls and ensure that customer issues are sorted at the end of each day. While examining the number of customers that each employee handled per day, it was observed that the inflow of calls inquiring about M-Pesa related issues was very high. For instance, the M-Pesa agents could receive calls after every 30 seconds for about nine hours within a day with very minimal breaks in between. This is demonstrated in the table below: Table 4.5 demonstrates the results from the studies.

**Table 4.6: Number of Customers Handled Daily**

Number of Customers Handled Daily	Frequency N	% of the Respondents
20-49	6	8
50-79	12	16
80-99	8	11
100 and over	49	65
Total	75	100

From the above foregoing it is obvious that the flow of calls inquiring about M-Pesa related issues is very high and this could have serious medical implications on the ears of the employees working in the M-Pesa Centres at Safaricom. It was observed also that a number of employees have been retired while some left their jobs due to ear related complications.

#### **4.5.2 Strenuous Nature of the Work**

The respondents were further asked whether the number of customers they handled overwhelmed them. They were given an option to explain their answer. The respondents were asked to state, in their opinion, if the number of customers they served was overwhelming. In the responses, the 77.3 % of the sampled employees said that they had an overwhelming number of customers to deal with. Only 22.7 % of the employees stated that they were not overwhelmed by the number of customers they handle on a daily basis. Those who felt that the overwhelming

number of customers affected service delivery noted that many customers called in and were assisted by the M-Pesa section employees thus leaving the employees with no time to rest. Fatigue therefore, compromised on quality service. This category of people thus felt that in order to address the problem of fatigue and overwhelming number of customers, there was a need for the company to employ more people to help reduce the high number of customers handled by few employees. From these results, it is clear that the high number of customers handled daily by the employees at the M-Pesa centres was a barrier to effective service delivery.

This argument was further supported by a number of managers who stated that the high number of customers had put a strain on the employees working in the M-Pesa section and that it had negatively affected the ability of these employees to offer quality services. However, few of the respondents argued that the increase in the number of inquiries emanating from customers queries did not affect the quality of service delivery by the M-Pesa customer service agents. However, comparatively, is evident that the number of customers handled at Safaricom M-Pesa section is very overwhelming and there is need to come with ways of resolving this issue.

**Table 4.7: Perception on the nature of work**

Are you overwhelmed by the number of customers	Frequency N	% of the Respondents
Yes	58	77.3
No	17	22.7
Total	75	100.0

### **4.5.3 Equipped with Enough Skills to Handle Different Customers**

Customers call the M-Pesa call centre agents with different problems. This study sought to understand if the agents had been offered enough skills and tools meant to handle different customers with different problems. While examining the issue of employees' skills in handling different customers, about 52 % of the respondents agreed that the company had provided enough tools for them to solve different problems coming from the M-Pesa customers. However, 48 % did not agree with this assertion.

The respondents were asked to list some of the tools and skills they were given to help them carry out their task and they mentioned escalation tools and access rights to systems and audio communication tools as some of the tools. Conversely, those M-Pesa customer representatives who did not agree with the existence of such provisions indicated that they did not have adequate facilities to give first call resolutions to customers. They further argued that sometimes they were forced to escalate issues to the support team, while such issues could have been easily handled by themselves should there have been allowed access to the communication tools. From the scores on the above factor, it is clear that lack of skills and tools may not be necessarily a barrier to effective delivery of services in M-Pesa section of Safaricom.

Moreover most of the interviewed managers expressed reservations at the adequacy of the tools that were availed to the employees. They cited conflicting interest between the security of the customer's account and the agility of service provision. They stated that even though availing search tools would quicken service delivery, there were many security implications which forced them to confine some tools in the hands of a few support staff.

**Table 4.8: Showing if employees have been equipped with enough Skills to Handle Different Customers**

If employees are equipped with enough Skills to Handle Different Customers	Frequency N	% of the Respondents
Yes	39	52.0
No	36	48.0
Total	75	100.0

#### **4.6 Employees' Expectations Versus Reality on the Job**

The expectation of the employees against the reality at the work was further postulated to be one of the factors that could contribute to the effectiveness of the services offered by the agents at the M-Pesa section of Safaricom. The interviewees were asked to list some of their expectations when they joined the company. Most of the employees indicated that they expected a good salary, speedy career growth, employee friendly policies and less strenuous work.

##### **4.6.1 Realization of Expectations**

In an organization, it is not always true that the expectations of the employees will be satisfied. If the employee expectations are not satisfied, it is possible for them to be de-motivated. The research used this reasoning to test whether the management had met some of the expectations of the employees working at the M-Pesa section of Safaricom. The respondents were asked to state whether the management had met their expectations or not. Only 40 % of the respondents agreed that the management had indeed met their expectations when they joined the company. 60 % stated that the management had failed to meet their expectations. The respondents indicated that there was a high level of disillusionment among the employees at M-Pesa section with

respondents having largely unmet expectations, this disillusionment was thus considered as a barrier to the delivery of services in the organization. The issue of the expectations of the employees was revisited in the interview with the managers who gave varied responses to the question but majority believed that employees had genuine expectations of their workplace because Safaricom is a well performing company and employees should expect good rewards in terms of promotion, salary increment and good management whereas other managers felt that employee expectations waned as one accumulated many years in the M-Pesa section and that it could be as a result of frustrations.

The M-Pesa section employees who had been in Safaricom M-Pesa section for over 5 years also gave their disgruntlement stating that their efforts had gone unnoticed for a long time and that the expectations they harbored while joining Safaricom had since waned.

**Table 4.9: Showing responses on whether management has met the employees’ expectations**

Has management met your expectations	Frequency N	% of the Respondents
Yes	30	40.0
No	45	60.0
Total	75	100.0

#### **4.6.2 Specification of Failed Expectations**

The respondents claimed that they had stagnated in their job positions since they joined the organization. Others thought that the salary increment was not commensurate with the work that they carried out at the organization. However, 65 % of the respondents agreed that they had harbored unrealistic expectations when they joined the organization. 35 % of the respondents thought that their expectations were valid and that the organization was obliged to meet them.

Conclusively, it is important to state that most employees joined the organization with very high expectations since Safaricom was one of the most profitable companies in Kenya and expected good returns in terms of job appraisal, salary increment and bonuses. However, when such expectations were not forthcoming, a number of employees become frustrated and dissatisfied which affected their performance. Similarly, interviewees were also asked to state what the management should do to meet employees' expectations and most of the respondents made reference to the employee satisfaction survey reports' recommendations. These reports, as confided by the respondents, gave suggestions on the improvement of the welfare of the employees.

**Table 4.10: Showing whether employees had harbored unrealistic expectations**

Had employees harbored unrealistic expectations	Frequency N	% of the Respondents
Yes	49	65.0
No	26	35.0
Total	75	100.0

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents the summary, the conclusion and the recommendations for further studies. The summary gives an overview of the entire work. It summarizes the results and the inferences. The conclusion section attempts to answer the question that prompted the study. The recommendation points out some of the weak points that might have been in the study and suggests areas that should be considered for further studies.

### **5.2 Summary**

This study purposed to find out the barriers to effective service delivery at the M-Pesa department of Safaricom Company. The study sampled 75 employees and tested several factors that could be a barrier to effective service delivery at work. Staff Training, presence of challenges and the coping mechanisms, rapid customer growth and employee job expectations was tested.

In the professional staff training and M-Pesa service delivery, it was found there was enough training for the employees. However, the content of the training acted as a barrier to the effective service delivery at the M-Pesa section. The training is not tailored enough to equip the employees with skills and abilities to deal with the evolving needs of customers. This means that the training does not capture the specific job needs of the employees thus is not well enriched to offer the employees the requisite skills and abilities to deal with the evolving challenges in the market. As such, the content of the training is not enough to help employees gain the skills and



abilities and does not prepare the employees tackle the challenges they get while performing their duties thus lack of comprehensive training is concluded to be one of the barriers to effective service delivery.

During the analysis of the challenges that the M-Pesa employees and the coping mechanisms, it was found out that most employees were not happy with their career growth which had since stagnated. The lack of career growth, poor remuneration, little support from the management and lack of job security are also noted to be hindrances to the effectiveness of service delivery to the M-Pesa customers. In the interviews, it was also stated that the employees did not have proper reward and recognition scheme. The one in place had set unrealistic objectives that made it difficult for the employees to achieve the results to merit the threshold for reward and recognition. From the answers obtained from employees that had served the M-Pesa for more than 5 years, it is clear that lack of career growth hinders the effective service delivery at the call centre M-Pesa department.

They claimed they did not have job security and this proved to be a challenge since one would be dismissed on very flimsy grounds. Another major challenge they faced was lack of support from management thus most resorted to doing things their way rather than seek help from management and this led to demoralization which limited effective service delivery.

The work environment, where the employees interact with the customers, is a barrier to the effective service delivery at the M-Pesa department. Overwhelming work is one of the barriers that affected the effectiveness of service delivery at the M-Pesa department. The issue of rapid

customer growth was seen as a challenge and it was noted that if employees serve a high number of customers, they may suffer from diminishing returns and offer poor services at the end of the day. When the employees serve a high number of customers, they become tired. This means that the effectiveness of service delivery is compromised. The quality of the services offered is also reduced, with a high number of customers served.

The expectations of the employees which included good salary, career growth etc have not been met thus most M-Pesa section employees are de-motivated. Most of the employees came to the company with high expectations but 60 % think that they have not been realized. From these findings, it is clear that this has demoralized the employees and has affected the quality of the services delivered. It is thus concluded that lack of training, unfriendly job environment, challenges faced on a daily basis and thwarted expectations are major barriers to the effectiveness of service delivery in the M-Pesa department of Safaricom.

### **5.3 Conclusion**

From the finding of the study it can be concluded that professional staff training, employees challenges and coping mechanisms, rapid customer growth and employee expectations has led to some of the barriers to effective service delivery. It can also be concluded that most M-Pesa section employees are not satisfied with the training technique used and need to be consulted on the training methods more useful to them. The challenges they face on a day to day basis like career progression, lack of support from management, lack of job security, lack of good increment etc should be addressed since they constitute barriers to effective service delivery. The issue of overwhelming number of customers needs to be addressed by the Company by

them employing more M-Pesa representatives in order to ensure each customer gets quality and personalized service and by doing this they ensure quality is not compromised. The employee expectations also need to be addressed in order to come up with a clear strategy on how to solve the matter.

#### **5.4 Recommendations**

This study has been useful because it has helped the researcher gather insights about the barriers to effective service delivery. The method used has been good because it helped report the status of events as they were at the call centre. However, further studies should be carried out in order to gather more information about service delivery in different business setups. This does not necessarily mean that further studies should be carried in other set ups. The studies can still be carried out in Safaricom but on an improved level.

First, it is important that more studies should be carried out to link the effectiveness of service delivery to the factors that may hinder the same. Therefore, more studies should come up with various indicators of the effectiveness of service delivery and try to link them to the barriers, using descriptive statistics like linear regression and correlation. Such a correlation would bring out the issue in a clearer manner.

The composition of the study sample focused only on the M-Pesa employees. The results of such a study may have problems with the representativeness. In future, such studies should widen the scope of the population to involve employees from other departments. This would also eliminate the dangers of sampling error and the biasness in the answers given to the researcher.

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## **APPENDIX 1: LETTER OF INTRODUCTION**

I am student at the University of Nairobi undertaking a study on the Barriers to effective service delivery in the telecommunications sector. A study of Kenya's Safaricom. This is as part of my partial fulfillment for a Master's Degree in Sociology. The information collected will be used specifically for academic purposes and will be treated with utmost confidentiality. The information will also be helpful in showing how service delivery can be improved to the satisfaction of both customers and service providers.

Thank you,

## APPENDIX 2:QUESTIONNAIRE FOR M-PESA CUSTOMER EMPLOYEES

001 Interview identification number: í í í ..

### Part1: Personal Details

#### 1. Age

20-24 yrs ( )

25-29 yrs ( )

30-34 yrs ( )

35-39 yrs ( )

40 yrs & above ( )

#### 2. Gender

Male ( )

Female ( )

#### 3. Marital Status

Single ( )

Married ( )

Separated ( )

Widowed ( )

Other (specify)í í í í í

#### 4. Level of Education and Training

Informal/none ( )

Primary ( )

Secondary ( )

College ( )

University ( )

5. Number of years worked in Safaricom M-Pesa section

0-2 Yrs ( )

3- 5yrs ( )

6 yrs & above ( )

6. Is Safaricom M-p esa Section your employer of choice?

Yes ( )

No ( )

**Part II:Professional Staff training**

1.Do you get enough training to assist you handle M-Pesa Customer queries effectively?

Yes ( ) No ( )

If Yes.What specific trainings did you undergo?

a)í í í í í í í í í í í í í í .

b)í í í í í í í í í í í í í í í í

c)í í í í í í í í í í í í í í í í

d)í í í í í í í í í í í í í í í í

2.Is the training structured in a way that it touches on evolving customer generatedchallenges?

Yes ( ) No ( )

If No,What do you think should be done to improve on the structure and pattern of training?

í í

í í

3.Do you think the training you undergo improves your skills and abilities?

Yes ( ) No ( )

If No,Which kind of training patters do you think should be adopted to ensure there is

improvement of your abilities and skills?

í í

í í











**APPENDIX 3: IN-DEPTH INTERVIEW GUIDE FOR M-PESA SECTION  
MANAGEMENT**

**Managers Position:** .....

1. How many years have you worked at the management level?
2. Given the number of years you have worked in management in the M-Pesa section what are the challenges you have experienced as a manager and more so when it comes to dealing with the M-Pesa employees?
3. Do you as a manager feel that the M-Pesa employees are well equipped and knowledgeable to deal with customers and customer queries?
4. Give your honest opinion; do you think M-Pesa employees have very high expectations relating to their work environment?
5. As a manager what is your take on the rapid growth of customers on M-Pesa employees, are they overwhelmed by the rapid increase of customers who all require their services?
6. What are you doing as management to ensure you tackle the barriers that are a hindrance to effective service delivery among M-Pesa employees?

**APPENDIX 4: IN-DEPTH INTERVIEW FOR 4 M-PESA EMPLOYEES WHO HAVE  
WORKED AT THE M-PESA SECTION FOR OVER 5 YEARS**

1. Is Safaricom your employer of choice?
2. What are the major challenges that have hindered you from performing your duties?
3. Do you feel management appreciates your efforts and do you feel you get recognition for the work that you do?
4. Do you feel the expectations you had while joining the M-Pesa section have been met?
5. Are you well trained to tackle customer issues with ease?