

An Assessment Of The Impact Of Training On Customer Service Delivery: A  
Case Of NIC Bank

by

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A thesis presented to the School of Business and Economics

of

Daystar University  
Nairobi, Kenya

In partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION  
in Human Resources Management

May 2014

## APPROVAL

AN ASSESSMENT OF THE IMPACT OF TRAINING ON CUSTOMER  
SERVICE DELIVERY: A CASE OF NIC BANK

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In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of requirements for the Master of Business Administration degree.

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## DECLARATION

AN ASSESSMENT OF THE IMPACT OF TRAINING ON CUSTOMER  
SERVICE DELIVERY: A CASE OF NIC BANK

I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

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### ACKNOWLEDGEMENTS

I hereby thank the Lord God Almighty for giving me the favour, grace and resources to study MBA at Daystar University. Furthermore I thank my Supervisor, Thomas Koyier and my Reader Prof. Benard Boyo for their leadership, support patience and availability during the entire proposal writing period. My gratitude and appreciation also go to the entire faculty of the School of Business and Economics for their guidance in this MBA study.

Most importantly, I thank my husband Moses Aloba for his tireless support both financially and emotionally in my entire MBA program and my parents, Mr. and Mrs. Simiyu for making me the person I am today.

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#### LIST OF ACRONYMS AND ABBREVIATIONS

AMBANK: African Mercantile Bank

HRD: Human Resources Development

NIC BANK: National Industrial Credit Bank

SME: Small and Medium Enterprises

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### ABSTRACT

Training is one of the processes used in human resource development and it is a key element in improving quality of customer service. With the proper training and support, and a service environment that is customer-focused and humane, employees will have the tools they need to give customers what they want and deserve. The purpose of this study was to establish the impact of customer service training on the quality of customer service at NIC Bank. The objectives of the study were to determine the various customer service training programmes conducted by NIC Bank, to find out the skills and competencies required by NIC Bank for excellent customer service delivery; and to establish the impact of customer service training on customer service delivery. The study used case study and descriptive research designs. The study findings indicated that majority of the respondents receive special training towards improving customer service delivery 58.3%. Results from the respondents also indicated that majority (70%) of the respondents were aware of skills and competencies required for excellent customer service delivery. Similarly, the majority of the respondents agreed that training has made performance more effective and serving customers better. The study concludes that customer service training has a major impact on the quality of customer service. Training is a key element in improving quality of customer service. Finally, the study recommends that organisations should invest more resources in facilitation of training.

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## CHAPTER ONE

### INTRODUCTION AND BACKGROUND OF THE STUDY

#### Introduction

Human Resource development is a set of processes for developing people at work which should be linked to the business strategy of the organisation (Simmonds, 2003). Training is one of the processes used in human resource development and it is a key element in improving quality of customer service. With the proper training and support, and a service environment that is customer-focused and humane, employees will have the tools they need to give customers what they want and deserve (Kamin, 2003).

#### Background of the Study

In today's business world, the quality of customer service, to a large extent determines the success of a business. More and more emphasis is being laid on investment in customer service quality in order to acquire and maintain a competitive edge in the highly competitive business environment. This can be done by offering excellent customer service that will not only attract new customers but will create loyalty among existing customers. According to Harris (2007), the provision of customer service is an important component of the business cycle. In many cases, customer service is the positive element that keeps current business coming back. Kamin (2003) agrees with Harris (2007) by demonstrating that service-producing industries are growing at a fast pace internationally and are accounting for virtually all of the job growth, as predicted by the U.S Bureau of Labor Statistics (1998).

According to a research conducted by Peppers and Rogers Group (2009), 85 percent of companies state that customer experience will play a critical or very important role in their competitiveness. Narrowing down to Kenya, customer service quality is poor (Nesbitt, 2009). Companies therefore need to emphasize on the importance of the subject of customer service. One of the ways of ensuring excellent customer service delivery and quality is by training.

### Training

Training is one of the major functions of Human Resources Management (HRM). It contributes to the human resource development function of the human resources management. This is because it is one of the methods or processes used in capacity building of the staff in an organization. Training is a key element in improving quality of customer service. Good workers know that training is necessary for success on the job and for future career growth. With the proper training and support, and a service environment that is customer-focused and humane, employees will have the tools they need to give customers what they want and deserve (Kamin, 2003). Customer service representatives are the face of an organisation to its customers and general public. This being the case, customer service staff must be adequately trained to deliver excellence in customer service. One of the major barriers to excellent customer service is lack of adequate training skills (Harris, 2007).

Human Resource Development (HRD) is a set of processes for developing people at work which should be linked to business strategy and integrated with other major business processes such as supplier management or purchasing (Simmonds, 2003). He

adds that the processes involved in HRD are training and development, performance management and resourcing, among others. Hyland et al. (2000; as cited in Simmonds, 2003) asserts that to successfully develop human resources, an organisation must identify the skills it needs now and in the future. These skills must enable the organisation to achieve its strategic goals.

According to Gronstedt (2000), skill refers to the service ability to resolve customer incidents and service requests quickly and correctly. Training needs analysis can be used in establishing the skills that are needed both now and in future for the organisation. It is also important at this point to know that training has to produce not only results, but results that can be measured. Measuring training results is one of the main ways of determining the effectiveness of training. This is necessary for providing feedback that is useful in future training plans. Simmonds (2003) argues that training really takes place when skills that can be defined are developed until the competence level is measurably enhanced. Training aims to provide employees with performance improvement. Simmonds adds that the outcomes of training, therefore, must be tangible, in that they should support and facilitate the organisations strategic aims.

#### Human Resource Management in Africa

Human resource management in Africa faces many challenges. According to Kamoche, Debrah, Horwitz, and Muuka (2004), human resource management challenges and problems in Africa have not been addressed critically in the mainstream literature. Kamoche's (2002) HRM issue notes that much work remains to be done to strengthen the theoretical underpinnings of HRM and to bring about more effective management

practices. These issues reflect important concerns about the way people are managed in Africa (Kamoche, 2004). That also represent the kinds of impediments that managers have to overcome before HRM comes of age. This includes the subject of training which as indicated earlier, is one of the main functions of HRM.

Kenya as a country is therefore no exception to the generalisation made about Africa's state of training and development, as viewed by business organisations today. We still have a long way to go in instilling the value of training in our businesses. According to Nesbitt (2009), customer service quality in Kenya is poor. This means that organisations have not taken a serious step in ensuring quality service. The evidence in Kenya suggests that training is largely treated as a cost, and the economic situation has made it even more difficult for managers to view training as an investment (Kamoche et al., 2004).

#### Identifying Training Needs

For any training programme to be effective, specific training needs must be established to determine the training to be conducted. There are various sources of training needs and these may include performance appraisal, previous mistakes and errors, customer satisfaction surveys etc. Evenson (2011) explains that one must first analyse and identify what needs to be improved from both your business and your employees' perspectives. He further offers that first focus on your business, establishing needs as they specifically relate to the type of products or services you provide as well as your customer needs.



Next, focus on your employees' needs and note strengths, areas of improvement, additional technical or job skills training needed, and any behavioural issues (such as poor attitude toward customers) that need to be addressed. Simmonds (2003) however argues that the problem-centred approach to identification of training needs, too often substantiates a view of training that is based on a reactive, responsive and unthinking attitude. He asserts that time has come for a paradigm shift where a completely new worldview of training and learning is required. Instead of seeing training as a "cure or fix" to a difficult situation practitioners need to harness instead the benefits of continuous learning.

#### Customer Service Quality Delivery

Customer service delivery is anything we do for the customer that enhances the customer experience (Harris, 2007). Harris further defines customer satisfaction as the customer's overall feeling of contentment with a customer interaction. Moment (2008) defines a customer as a person who relies on you for timeliness, quality, and accuracy in your work. He argues that customers are not only limited to people who interact with your business in order to receive a service or product as it is traditionally known. When you serve your internal customers well and create an exceptional customer experience for them, this will eventually have an effect on your external customers. Internal customers include employees of an organization. When this group of people is well motivated, they will perform their work more effectively thus leading to better quality customer service. It is much easier to form loyal external customers when your internal customers feel cared for and well supported (Moment, 2008). Customer service is an art, not a science,

but we can identify common elements that make the art form more effective (Kamin, 2003).

#### Impact of Training on Customer Service Effectiveness

Training is a very important tool in attaining the required skill and behaviour for the customer service staff. Training leads to a significant difference in attitude. Effective training entails the whole person development, and not just transferring skills, the traditional interpretation of training at work (Chapman, 2010). Many companies invest in courses to improve the customer service skills of their service, support and field staff (Fonseca, 2010). The ratio of perceived performance in relation to customer expectations is key to maintaining satisfied customers (Allen & Rao, 2000). While the right training is costly, the lack of it is even more costly (Goodman, 2009). Goodman maintains that high-quality training helps customer service attract and retain excellent employees while developing their skills, enriching their knowledge and improving their job performance and results. These practices translate into financial rewards.

#### NIC Bank Kenya

The banking industry in Kenya is growing at a very fast rate. The case in point for this study is the NIC Bank. NIC Bank was incorporated in Kenya on 29<sup>th</sup> September 1959. Services provided by NIC include demand, call and time deposit accounts, overdrafts and loans, in local and all major foreign currencies. They also offer electronic banking facilities, asset finance including staff car loan schemes, custodial services, among others (NIC Bank, 2008). NIC Bank Group attaches great importance to staff training and development and considers it a critical element of employees' success as

well as that of the Group (NIC Bank, 2010). It says that all employees of the Group are committed to offering the highest standards of service delivery. A vital component of the growth and success achieved by the NIC Bank Group is the performance of its employees (NIC Bank, 2010).

According to the NIC Bank annual report (2011), the bank supports employees' growth and development. They carried out people management skills development right from supervisory skills to effective leadership for senior management staff. Training programs for technical competencies were also carried out throughout the year and it included areas such as: SME strategy for business banking, risk management for middle to senior managers, fraud forgeries and defalcations for operations staff, excellence in customer service, financial modeling and anti- Money laundering and KYC training across the Bank.

The training program is designed to attain the highest standards in the financial services industry and is continuously benchmarked with other leading players. The group policy is to provide training that strikes the appropriate balance between short and long term resource requirements with regard to the size and complexity of its operations and the enduring desire to offer the highest quality of service (NIC Annual Report, 2011).

According to the annual report (2011), NIC bank considers on-the-job training as the foundation upon which all other types of training depend on. It indicates that the learning process is fully supplemented by a mentoring program; and the role that experienced members of staff play in training their colleagues is acknowledged. In addition, tailor made courses and workshops are arranged to meet specific skill and knowledge

requirements. It has been emphasized that much attention has been given to enhancing customer care skills and uniformity of customer experience across the branch network and at each of the subsidiaries (NIC, 2011).

To attract and retain this caliber of employees, the Group has built and sustained a healthy, vibrant environment where people are treated with respect, are remunerated and rewarded for their performance, have opportunity to develop their careers professionally and have room to be creative (NIC Annual Report, 2011). It asserts that securing and retaining the confidence of customers is critical to success in any industry and none more so than financial services. It affirms that the NIC Bank Group they strive to remain close to customers and responsive to their needs. The author is keen to note that it is the customers' support that has enabled the growth achieved in the previous year. NIC Bank commits to fulfilling and exceeding their customers' requirements and expectations in 2011 and beyond.

As mentioned earlier, excellent customer care leads to success of the business. This is because it leads to both increased customer base, as well as loyalty among existing customers to your business. The Bank confirms this by stating that in spite of the expansion in the total loan book by 25 %, the quality of the Group's lending business improved considerably, as reflected by the reduction in impairment charge on loans and advances to KHz 317m (2009–463m). This mainly reflects robust credit selection, appraisal and approval processes, and the effective and regular interaction with customers, especially in times of distress (NIC Bank, 2010).

### Problem Statement

In the era of liberalization, privatization and globalization, the banks have benefited immensely from the market dynamics and adopted universal banking practices to foster stability and operational effectiveness. Attracting, retaining and serving the customers with appropriate products and services by strengthening the supply chain are becoming the win-win strategy for the organizations (Barlow, 2008). The banking industry as a whole is not an exception to that. With the transformation of “sellers’ market” to “buyers’ market”, especially in the context of present economy steered by consumerism, customers are highly focused. Thus, it seems that customers' service with the passage of time has become a pivotal issue in formulating business strategies. In the changing socio-cultural milieu, the banks as service providers have aptly realized the necessity for extending appropriate services to the end users from time to time (NIC Bank, 2008). Customer service is a vital function in any walk of life and especially so in business and service organizations like banks (Harris, 2000). Continuous improvement, gaining the competitive edge, increased market share and higher profits are not possible unless business can find effective ways of maintaining the legality of the existing customer.

Despite the increasing effects on training of organizational employees by organizations, there is still limited literature on human resource development issues in developing countries and increasing concerns from organizational customers towards low quality services in the banking sector (Fonseca, 2010). It is further worth noting that while much is known about the economics of training in the developed world, studies of

issues associated with training in less-developed countries are rarely found (Kamoche et al., 2004). The existing studies in this relation have taken a general human resource management (HRM) focus creating a gap on issues such as the effect of training on employee performance. Nesbitt (2009) adds that some banks may falsely believe that since they have had some customers for so long, these customers are eternally loyal to the bank and will not take their businesses elsewhere. According to Kamoche et al. (2004) service quality is the function of “customers' expectation” and “service providers' performance. This study therefore aims at assessing the impact of customer service training on the quality of customer service delivery at NIC Bank.

#### Purpose of the Study

The purpose of this study was to assess the impact of customer service training on the quality of customer service delivery at NIC Bank.

#### Objectives of the Study

- i. To determine the various customer service training programmes conducted by NIC Bank.
- ii. To find out the skills and competencies required by NIC Bank for excellent customer service delivery.
- iii. To establish the impact of customer service training on customer service delivery.

#### Research Questions

The study was guided by the following research questions formulated to aid in gathering the information regarding the research topic:

- i. What training programmes did NIC Bank conduct?

- ii. What skills and competencies did NIC Bank require in order to provide excellent customer service delivery?
- iii. What was the relationship between customer service training and the level of customer service quality?

#### Justification of the Study

Harris (2007) asserts that one of the major barriers to excellent customer service is lack of adequate training. This problem is widely experienced in many organisations worldwide. It is therefore not exceptional that the Kenyan organisations could be experiencing similar problems. According to Nesbitt (2009), customer service is very poor in Kenya. Many organisations are not ready to invest adequately in training of the customer service staff due to lack of knowledge of its impact.

According to Peppers and Rogers Group (2009), only 62 percent of companies provide effective tools and training to gain trust with their customers. The assumption that someone's ability to be a people's person or someone with a great attitude is enough to deliver quality customer service as Harris, (2007) asserts, needs to be explored. This statement is one of the justifications of this study. It is important to undertake this study to explore if training on customer service has a direct impact on better quality customer service delivery that leads to higher customer satisfaction.

It is also of interest to note that a study on impact of training on customer service delivery and satisfaction has never been conducted in NIC Bank. Research findings in this study will help the management of NIC Bank Ltd to develop strategic training programmes that will enhance excellence in their customer service quality. In addition,

the findings of this study will advance knowledge on training programs that yield excellent customer service both locally and globally.

#### Significance of the Study

- i. The findings of the study would be relevant in informing the management at NIC bank and other organisations on the impact of training on the quality of customer service and customer satisfaction.
- ii. The results could provide a basis for designing of training courses that have a direct impact on customer satisfaction. This would be useful in ensuring highest possible levels of customer service delivery hence higher customer satisfaction.
- iii. The research would add knowledge to research on training on customer service and its effectiveness in the financial sector and stimulate further research in other sectors apart from the banking sector.
- iv. The research makes recommendations on actions that banks and other organisations must take regarding training on customer service.
- v. The findings of the study would add to the scholarly knowledge on impact of training on customer service delivery.

#### Assumptions of the Study

- i. The researcher got full cooperation from all stakeholders who were approached in the study.
- ii. NIC Bank management maintained proper and accurate records on customer service training and training evaluation/results from time to time.



### Scope of Study

The research was conducted at NIC Bank headquarters in the Nairobi Central Business District. The study involved the management team and customer service staffs. Data was collected from managers and customer service staff working at the headquarters office in Upper Hill, Nairobi. The bank is selected because it is one of the major Banks in Kenya and its customer base is a good representation of Bank customers in Kenya. The study took approximately five months to completion.

### Limitations and Delimitations of the Study

The respondents could have failed to give accurate information, especially because of the confidential nature of the banking industry which could affect the results of the study. To mitigate this limitation, respondents were informed that the research is intended for academic purposes only, and that responses were handled with the confidentiality it deserves.

### Definition of Terms

*Training:* Any form of process designed to facilitate learning in the target audience, where learning is the process that enables someone to acquire new attitudes, skill or knowledge (Bray, 2007).

*Customer:* A person who relies on you for timeliness, quality, and accuracy in your work (Moment, 2008).

*Customer service:* Creating and delivering the service in the customer's presence, providing information, taking reservations and receiving payment. (Lovelock & Wright 1999, p. 252; as cited in Kandapully, 2012)

*Customer service providers:* Those people who do the provision of service to customers before, during and after a purchase (Kandapully, 2012).

*Customer satisfaction:* This is the customer's overall feeling of contentment with a customer interaction (Harris, 2007).

#### Summary

This chapter covers an introduction to the research by first defining training and the background information on the importance of customer service training. The chapter further discusses the impact of customer service training on customer service delivery. The problem statement emphasized on customer service training in Kenyan companies with the aim of establishing research gap. It has also provided the purpose of the study, objectives and the research questions have been outlined including the limitations, delimitations, assumptions, as well as the significance of the study. Finally, the key terms used in the chapter are defined. The next chapter is a review of related literature which emphasizes the background of the subject and its importance to customer service delivery.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

This chapter aimed to bring out the concepts of the two variables, training and customer service quality as well as their relationship. The chapter also reviewed other studies done in the area of training and customer service as presented by different scholars. In addition, the theoretical framework upon which this study was based was discussed. Finally a conceptual framework linking the independent, intervening and dependent variables were illustrated diagrammatically.

#### Human Resource Management

Human resource management (HRM) refers to the policies, practices, and systems that influence employees' behaviour, attitudes, and performance. HRM involves various practices including HR planning: analysing and designing work, determining human resource needs, recruitment and selection: attracting and choosing potential employees, training and development: teaching employees how to perform their jobs and preparing them for the future, compensation: rewarding employees, performance management: evaluating their performance and employee relations: creating a positive work environment (Noe, Hollenbeck, Gerhart, & Wright, 2008).

Training is one of the functions of HRM. There is need for training in the industry. Monappa and Saiyadain (1993) note that there is continuous environmental pressure for efficiency and if the organisation does not respond to this pressure it may find itself losing rapidly whatever share of market it has, employee training therefore

impacts specific skills and knowledge to employees in order that they contribute to the organisation's efficiency and be able to cope with the pressures of a changing environment.

### Training Design

Noe et al. (2008) define training design process as a systematic approach for developing training programs. The following are the steps in the training design process.

#### Needs Identification

This step identifies the specific job performance skills needed, analyses the skills and needs of the prospective trainees and develops specific, measurable knowledge and performance objectives (Dessler, 2003). It is generally the process used to determine if training is necessary. Needs assessment typically involves organisational analysis, task analysis and person analysis and they are defined as follows (Noe et al., 2008): Organisational analysis involves determining the business appropriateness of training, given the company's business strategy, its resources available for training and support by management and peers for training activities; Person's analysis involves determining whether; Performance deficiencies result from a lack of knowledge skill and ability or a motivational or a work design problem, Identifying who needs training, determining employee readiness for training; Task analysis includes identifying the important tasks and knowledge, skills and behaviours that need to be emphasised in training for employees to complete their tasks. After identifying the training needs of staff in the organisation, then you move to step two which is ensuring employees' readiness for training.

### Designing a Training Programme

This involves deciding on, compiling and producing training program content including work books, exercises (Dessler, 2003). Developing training material is a task that supports competency building and also reflects it. Lynton and Pareek (2000) argue that the most useful materials are developed from within the working settings which training is to address. He asserts that the production of a steady flow of fresh training materials is characteristic of strong training systems.

On selecting training methods, Noe et al. (2008) suggest that there are various training methods that can help employees acquire new knowledge, skills, and behaviours including workbooks and manuals, instructor-led Classroom, Video, we-based self-study, role play, case study, satellite TV, simulations, e-learning, among others. The training manager should select the most appropriate methods for his team based on the previous analysis stages in this process that he has conducted.

### Implementation of Training

This involves actually training the targeted group (Dessler, 2003). The training content should be meaningful and the organisation should provide opportunities for practicing what is learnt. The training program should be well coordinated and administered and the training content should be committed to memory (Noe et al., 2008).

### Evaluating Training Programs

This involves assessing if the training objectives have been achieved (Rodwell, 2007). Training programme evaluation is done to see how well its goals have been met and whether this is the best method for reaching the goals (Dessler, 2003). Dessler

reveals that research has found that businesses were operating below labour productivity levels and significant increases in productivity growth after implementing new employee training programs. Employee competencies change through effective training programs (Wright & Geroy, 2001). There are four levels of employee evaluation as suggested by Torrington and Taylor (2008). These levels are reaction level that evaluates trainees' reactions to the program, whether they liked it or not; Learning level that evaluates whether the learning objectives been met; behaviour level that evaluates how individual's behaviour changed back in the job and whether employees are more courteous to disgruntled customers; results and impact on the bottom line that evaluates the impact of training on the bottom line or whether the number of customer complaints about employees drop? Torrington and Taylor (2008) and Dessler (2003) agree with the above points which he refers to as training effects to measure.

#### Training In-puts

Monappa and Saiyadain (1993) suggests that there are three basic types of training inputs: skills, attitudes and Knowledge insisting that training activities in an industrial organisation are aimed at making desired modifications in skills, attitudes and knowledge of employees so that they perform their jobs most efficiently and effectively. On the skill input, he adds that training an employee for a particular skill is undertaken to enable him to be more effective on the job, Attitude; training programmes are aimed at moulding employee attitude to achieve support for company activities, and to obtain better cooperation and greater loyalty, and on knowledge; for a worker knowledge is specific to his job, material product and quality and standard of product.

Chapman (2010) suggests that training should be about whole person development and not just transferring of skills. Chapman (2010) further suggests that training is a significant difference in attitude, explained in more detail on the training or learning. It should enable learning, facilitate meaningful personal development and help people to identify and achieve their own personal potential. Werner and Desimone (2009) agree with him by asserting that the goal of training goes beyond ensuring that the trainee learns the task or material being presented. It is equally important that newly learned material is retained.

NIC Bank (2010) points out that training program for technical competencies have been carried out throughout the year in areas of Customer service excellence among others. Goodman (2009) agrees that, while the right training is costly, the lack of it is even more costly. Everyone throughout an organisation can benefit from training and development to enhance their attitude towards the customer-their behaviour, knowledge and skills (Cook, 2011). Cook explains that a further consideration in the development of a customer service strategy is the need to develop quality people within the organisation. This can often lead to a re-evaluation of the recruitment, training and development process, as well as career progression.

Given the rapid changes that all organisations face, it is clear that employees must continue the learning process throughout their careers in order to meet these challenges and this also applies with the customer service providers (Werner & Desimone, 2009). This need for lifelong learning will require organisations to make an ongoing investment in human resource training and development. Goodman (2012) cited in the customer

service newsletter suggests that managers can help create a better work environment despite the tight economy by creating personal development plans for their employees, if only by giving customer service providers exposure to other areas in the company that they might be interested in. The author argues that as more and more service people become experts, the number of call transfers reduces dramatically and as agents become savvier in more areas, effectiveness goes up.

#### Various Training Programmes in Customer Service delivery

##### Knowledge of Product and Service

Customer service staffs have to be trained about the product or service they present to customers. Evenson (2011) emphasises on the importance of making a list of your customer service training needs as they specifically relate to the type of product or service you provide, as well as your customers' needs. Murley (1997) states that product knowledge includes being up to date with all relevant aspects and being willing to learn in order to add the knowledge base. Unfortunately, too many organisations simply put their customer-facing staff into the service ring without any brand training (Barlow, 2008). The author adds that most organisations assume that people who interact with customers are knowledgeable about basic human interaction and will therefore intuit the appropriate way to behave toward customers. But there is no way to achieve appropriate on-brand behaviours without at least rudimentary brand or product knowledge (Barlow, 2008).



### Presentability

Training on presentability is also very crucial. How you present yourself acts as the first impression to the customer. Evenson (2011) defines first impressions as mental snapshots you take when you first encounter a person or situation. He states that they include a person's looks and actions: general grooming and cleanliness, clothing, tone of voice, attitude, body language, and posture. Together, these elements make up an individual's personal style. Organisations should therefore consider presentability as an important training programme.

### Tenacity

Murley (1997) describes tenacity as having the energy and stamina to keep going despite setbacks and the monotony of routine, not giving up and having the drive to keep trying to find a satisfactory solution, being self-disciplined and in control of feelings and reactions, and staying calm and unflappable despite provocation and pressure. It is possible to attain tenacity after effective training.

### Communication

Getting it right through effective communication skills can change one's life and relationship dramatically (Nielsen, 2008). Nielsen argues that with effective communication, you can make positive changes as well as strongly influence other people and circumstances. You need to equip your customer service staff with information, tools, techniques, and ideas that assists in creating positive customer transactions (Barlow, 2008). He further emphasises that people who manage customer relations must grasp how customers store, retrieve, and reconstruct memories of every

interaction with a firm. Thus every customer interaction can make-or-break a brand. Effective communication is very important in this case.

#### Telephone Techniques

In all large companies customers are being lost every day because of the way in which they are dealt with over the telephone. The sad thing is that the companies concerned often don't even recognise the symptoms, let alone the causes (Murley, 1997). More and more organisations are meeting people over the telephone. Brendremer (2003) agrees that no matter what industry or type of business you're in, the telephone can be used as a tool for offering top-notch customer service as well as generating repeat business from existing customers. Murley (1997) concludes that it is therefore crucial for companies to ensure that every time customers call, they are dealt with in a professional and effective way.

#### Conflict Resolution

Paying attention by servicing a complaint produces customer satisfaction because people love to be noticed. Profit from resolving customer complaints equals profits from future purchases plus profits from referral purchases (Tschohl, 2011).

#### Time Management

Time management is a perennial issue, one where good practice can enhance the performance and success of almost any executive or manager, in any business and at any level (Forsyth, 2013). Time management is something that will influence how you are perceived by others within and outside the organisation.

### Organisational Structure

Organisational structure is one of the intervening variables in this study.

Organisational structure influences the dependent variables like training and training programs in bringing out the desired goals of an organisation such as excellence in customer service. Aquinas (2008) defines organisational structure as the formal system of task and authority relationships that controls how people are to cooperate and use resources to achieve the organisation's goal. Abrahamwicz (2009) supports this by adding that the organisations structure encompasses departments, employees, their responsibilities, resources as well as relations among them. A good organisational structure will be of significant benefit in achieving an organisational goals and strategy where as a bad structure will be a significant hindrance (Moore, 2002).

Organisational structure can emphasise the value-adding operations by attributing revenue to them, insisting that there is an interaction between organisational structures and coordination systems (Dugdale, 2010). This shows that if training is considered as a value adding operation by an organisation, then good investment will be made on the same. As an intervening variable of this study, organisational structure influences training decisions and processed in achieving organisational goals such as effective performance in customer service. Richmond (2004) emphasises that organisation structure determines how responsibilities are allocated, how decisions are made and how processes are linked and co-ordinated. He offers that benefits of a good structure include efficient use of resources and efficient performance in all areas at all levels. A good organisational

structure is needed because it leads to the optimum utilization of human skills and efforts (Dutt, 2006).

### Organisational Culture

Organisational culture plays a big role in determining the quality of customer service in any given organisation. Alvesson (2013) defines organisational culture as the set of shared values and norms that controls organisational members' interactions with each other and with people outside the organisation. Managers speak of developing the right kind of culture for example a culture of quality or a culture of customer service, suggesting that culture has to do with certain values that managers are trying to include in their organisations (Schein, 2010). This means an organisation can choose to develop a culture that emphasises excellence in customer service or not. Schein (2010) states that culture is to a group what personality or character is to an individual.

Culture is regarded as a more or less cohesive system of meaning and symbols, in terms of which social interaction take place (Alvesson, 2013). Culture and development are vitally related (Pareek, 2006). Pareek suggests that the climate of the organisation can promote relevant motivation required for organisational effectiveness.

Pareek (2006) however introduces the idea of counter-culture, stating that it directly opposes the organisations core assumption, values and beliefs. These counter cultures, he says, create the potential for conflict among employees. Overall, Schein (2010) offers that there is always an implication that having a culture is necessary for effective performance and that the stronger the culture the more effective the

organisation. As such, the stronger the customer service culture the more effective the organisation will be in the area of customer service.

#### Organisational Policies

Company policy as a factor is an intervening variable in this study. Organisations act through policies and therefore, for training to take place in an organisation and for customer service excellence to be emphasised, then policies must inform and guide the activities of an organisation. Eason (2005) notes that for control and coordination, policies are given to govern the way in which activities are coordinated in pursuit of goals. Jakupec and Garrick (2000) agree with him by further suggesting that organisational policies can be aimed at increasing the flexibility of education and training provision. Human resource policies and practices including policies on selection, training and development programs, performance evaluation method, have an impact on dependent variables (Robbins et al., 2009). Companies have patterns of legal compulsion for action to control human behaviour and organisational activities, through the use of policies as control instruments (Chirawu, 2012).

#### NIC Bank

NIC Bank is a financial institution in Kenya. NIC Bank Ltd (formerly National Industrial Credit Bank Limited) was incorporated in Kenya on 29th September 1959 as a joint venture between Mercantile Credit Limited and Standard Bank (NIC Bank Annual report, 2011). It was among the first non-bank financial institutions formed to provide hire purchase and installment credit finance facilities in Kenya. NIC Bank went public by listing on the Nairobi Securities Exchange (NSE) in 1971 (NIC Bank Annual report,

2011). According to the NIC Bank Annual report (2011), Barclays Bank (K) Limited (BBK) acquired 51% of NIC Bank's total shares through the acquisition of Mercantile Credit Limited in the 1970's and thereafter Standard Bank's shareholding in the 1980's. Between 1993 and 1996, BBK divested all of its shares in NIC Bank by selling them to the public through the NSE.

In order to effectively diversify into mainstream commercial banking, NIC Bank merged with African Mercantile Bank Limited (AMBank) in November 1997, through a share swap (NIC Bank Annual report, 2011). NIC Bank Group has an enormous focus on attracting and developing talent to ensure it has the best possible team for current and future business needs. He offers that it is employees who build relationships with customers, who identify the opportunities – both large and small – and who provide the service that ensures NIC continues to grow and improve as an organization. This is one of the reasons why NIC bank invests in training.

#### Quality Customer Service Delivery

A company will maintain quality customer service if it shows commitment of the same at the corporate strategy level. As Cook (2007) points out, best practice organisations ensure that customer satisfaction always appears as a key corporate objective. Therefore there is need for a holistic approach to customer service in every successful business or company. She goes on to say that quality and service cannot be seen in isolation (Cook, 2007). Senior executives should take a holistic approach to service strategy and not confine their plans to any one aspect of the business. Rather, a service strategy should encompass all areas of an organisation's activities which impact

on the customer, including such elements as image, sales promotion, location and availability, timeliness, value, delivery, customer support, customer and supplier relationships.

Due to increased availability of knowledge and competition, consumers are very knowledgeable and expect excellent services. This presents a challenge to employees who interact with customers (Noe, 2008). What happens to the customer service providers then? They are left with no choice but to put in all their energy in equipping themselves fully to meet the need of the current customer. It is clear that customers are even willing to pay more in order to receive a better service. The way in which service providers interact with customers influences a company's image and financial performance. Employees need product knowledge and service skills and they need to be clear about the types of decisions they can make when dealing with customers. Customer service is a strategic training and development initiative (Noe, 2008). Even in a negative economy, customer experience is a high priority for consumers, with 60% often or always paying more for a better experience (Harris, 2011).

Training on customer service skills is one major way of equipping customer service agents as well as empowering them. In fact, one of the most common barriers to excellent customer service is lack of adequate training. Goodman (2009) asserts that while the right training is costly, the lack of it is even more costly. Carnevale (2000; as cited in Gronstedt, 2000) asserts that Motorola trains to solve performance problems. Gronstedt states that the company makes extraordinary commitment to training, emphasising that the average Motorola employee receives an average of fifty seven hours

of training every year. He further reports that Motorola's employee productivity improved 204% over a nine year period as a result of its training.

According to a report by Aberdeen, as cited by Zaibak (2010), on customer experience management, the top three drivers for investing in customer experience management are: 42% - to improve customer retention, 33% - to improve customer satisfaction and 32% - to increase cross-selling and up-selling. These statistics bring out the objectives of investing in customer service as well as emphasizing the increasing importance of doing so. 76% of companies motivate employees to treat customers fairly and 62% provide effective tools and training to their customer service providers to gain trust with their customers (Peppers & Rogers Group, 2009). When it comes to quality and excellence in customer service delivery, training is standing out as one of the key investment areas. Most literature is revealing that training is very crucial in excelling in customer service quality. Fonseca (2011) indicates that many companies invest in courses to improve the customer service skills of their service, support and field staff. Consequently, the researcher wants to establish the effectiveness of training on customer service quality by studying the two variables of customer service and training in NIC Bank Kenya Limited.

#### Trends in Customer Service Quality Delivery

There are several new trends in customer service delivery and these calls for more emphasis on continuous training on customer service in order to remain competitive in the market. Harris (2007) asserts that the assumption that someone's ability to be a people's person or someone with a great attitude is enough to deliver quality customer



service needs to be explored. According to the customer service newsletter (2012), there are various new trends in the customer service field. One of these is smart phone integration. Spunt of IBM Global Business Services cited in the customer service newsletter (2012) suggests there will be a number of buzzwords coming from the technology sector and one of them is “smart phone integration”. This involves creating applications that customers can use to interface with their organisations, making them smarter in terms of the information and resources they have available to them, but also raising customer expectations that customer service agents will also be smarter, faster, have access to even more information, and be more responsive to their questions and needs (Harris, 2007).

Second is the 2020 vision. The Customer service newsletter (2012) points out that this not only means having a clearer vision, but also being able to see ahead, or see into the future. Evenson (2011; as cited in Customer Service Newsletter, 2012) argues that managers have to find ways to provide the optimum customer experience, not only today, but to project ahead to the year 2020. Evenson further argues that companies should not be satisfied in keeping pace with technology and other developments, but look to the future. She emphasises on the need to understand that looking closely at today’s picture is important, but consider how you can continue providing exceptional customer service today, tomorrow and in years to come.

Third is the multimedia. According to Suttle and Vest (as cited in the Customer Service Newsletter, 2012), visual technologies like virtual reality will continue to grow in 2012, helping companies and their products to stand out and offering a multi-sensory

experience. Multimedia displays will be used to convey enhanced product information to educate consumers about product features and benefits. These technologies will continue to help companies better inform their customers about how a product will function. Other trend can be observed as follows:

More Power to the Customer;

Dovey (2010) as cited in Zaibak (2010) explains that customer service used to be controlled exclusively by companies with customers having little to say or impact in the process. She however states that with the growth of communication channels such as forums and social media, poor customer experiences can be communicated to the world in seconds. Ngatia (2012) adds that the recent upsurge in consumer generated messages, mainly on the social media and other platforms, shows just how businesses could be disconnected from the day to day realities of their customers. Some like twitter are instant, whether during or immediately after an experience.

A research by White House Office of Consumer Affairs (2010) reveals that a dissatisfied consumer will tell between 9 and 15 people about their experience, about 13% of dissatisfied customers tell more than 20 people. According to the customer service newsletter (2012), social media, mobile technology, and others is probably the most important issue facing customer service managers now and in the future. Typically, the first things companies think about when using social media for customer service is simply to monitor social media sites, wait for complaints, and then go in and try to save the situation (Hyken, 2012). Then the second thing is to begin to push content out there to improve the customer experience.

### Customer Service as a Bigger Differentiator

Competitiveness in the market has grown to greater heights. As the competitiveness grows, organizations strive to seek innovative ways to differentiate themselves and customer service is a key area to do so (Zaibak, 2010). The author adds that over 80 percent of North America companies view the customer experience as an area of differentiation. According to the American Express Global Customer Service barometer (2011), 59 percent of customers will try a new brand or company for a better service experience.

### Computer Telephony Interface (CTI)

Zaibak (2010) states that CTI lowers the average call time by providing the customer agent with details about the customer. Customers are happy because they avoid answering a list of trivial questions at the start of their call. The author adds that the combination of lowering support costs while improving customer satisfaction means CTI penetration will grow in future.

### Customer service strategy

Excellent customer service is not an accident but the result of a well thought-out plan (Harris, 2007). Harris asserts that the most important step toward achieving excellent customer service is developing a strategy. Cook (2011) agrees with Harris (2007) that strategy makes up the final facet of the customer service diamond – vision, values, objectives, strategy. The author emphasises that to create a customer service strategy, long-range plans on such critical issues as customer-focused processes, human resources, innovation and so on should be put in place to meet customer demands. For customer

service in a corporation to be seen as key to the business success, it should be incorporated in its vision. Gronstedt (2000) refers to this as developing a customer centric vision. The author however quickly point out that it might be a challenge to develop a vision that is specific enough to provide real guidance yet is adaptable enough in today's rapidly changing environment. All things considered, it is important to be strategic in customer service delivery.

#### Customer Satisfaction

According to Schiffman and Kanuk (2007), customer satisfaction is the individual's perception of the performance of the product or service in relation to his or her expectations. When a customer's expectations are met, they get to a level of satisfaction. Excellent customer service by agents leads to customer satisfaction which in turn leads to customer retention.

#### Measurement of Satisfaction

Harris (2007) suggests that, when attempting to measure our customer's satisfaction, expectations and perceptions must be considered. The author offers that to measure satisfaction, frequent questions must be asked of many customers and this can be done through a survey. The author further points out that to effectively measure customer satisfaction, we must look at the customers' situations from their perspectives.

#### Customer Retention

Good customer service skill is required in order to retain customers. Harris (2007) defines customer retention as the continuous attempt to satisfy and keep current customers actively involved in conducting business. As research has shown, it is cheaper

to maintain existing customers than attracting new ones. Cook (2011) indicates that a company's ability to attract and retain new customers is a function not only of its product or product offering but also the way it services its existing customers and the reputation it creates within and across marketplaces. Schiffman and Kanuk (2007) argue that in almost all business situations, it is more expensive to win new customers than to keep existing ones. They go on to reveal that studies have shown that small reductions in customer defections produce significant increases in profit because: Loyal customers buy more products, loyal customers are less sensitive to price and pay less attention to competitors' advertising, servicing existing customers who are familiar with firm's offerings and processes is cheaper, loyal customers spread positive word of mouth and refer other customers. This calls for more emphasis on training on customer service in order that employees continually work towards customer retention. When customers are happy with a service, they will always come back.

#### Customer Empowerment

Customers around the globe are becoming increasingly savvier, demanding, cynical, price conscious, and empowered with relentless appetite for quality, service, customisation, convenience and speed (Gronstedt, 2000). With this kind of customers, one cannot afford to be rigid with traditional approaches to customer service. The level of dynamism in customer behaviour is simply too high in today's world. There is therefore need to empower customer service agents to meet each customer's specific needs. Harris (2007) states that customer service empowerment is to enable or permit customer service providers to make a range of decisions to assist their customers.

Training comes in very strongly at this point. One of the most significant fruits of training is an empowered customer service agent. When one is knowledgeable and confident in their area of work, they are definitely empowered to make good decisions. As Harris (2007) puts it, empowerment does not just happen. It is the result of a company's focused efforts to establish guidelines, train employees, accept consequences, and celebrate positive results.

#### Skills in Customer Service

Once a company has the infrastructure and the vision of a customer service culture, together with internal procedures and systems to support it, they must concentrate their effort on enabling staff to develop skills, attitudes and beliefs to deliver customer service "messages" in a way which will ensure that the customer feels valued as a result of the interaction (Murley, 1997). Some of the skills requires for excellent customer service are as follows:

##### Product and Service Knowledge

Knowledge of the product or service is key in ensuring the success of a service provider in pleasing the customer. Most questions of a customer revolve around the product or service offered by the business. Customers are most pleased when their attendant not only knows the product or service fully but also goes a step further in giving them a good experience (Kamin, 2003).

##### Telephone Skills

As a customer service agent, the telephone usage is key in your day to day operations. There is need for learning courteous language that is acceptable when

engaging a customer through the telephone. Hopper (1992) states that the telephone may be our most important communications medium, adding that it is surely the primary electronic medium for interpersonal communication.

#### Problem Solving Skills

One main need that customers have when they contact a company is to solve their problem in relation to the company's product or service. Effective problem solving skills will not only increase the effectiveness of a customer service provider, but will also reduce the time spent on one customer (Gronstedt, 2000).

#### Measuring the Customer Service Skill

Knapp (2011) indicates that when the service providers lack the required skill, customers may simply give up and take their business elsewhere. The service provider must convince customers that contacting him or her is the fastest, cheapest, and best way to obtain a solution. He maintains that the person must be able to handle any request that comes their way.

These skills or characteristics may seem very nice and "fluffy", but they are actually very measurable. Knapp (2011) adds that most companies use metrics to evaluate the performance of their service providers in all or some of these areas. Some of the metrics that service providers use to ensure they understand their customers' expectations and are meeting their customers' needs include (Knapp, 2011): be willing to gather the facts and approach each incident in a methodical fashion; speak clearly and use terms your customer can understand; accurately assess the priority of the incident you

must escalate; take ownership of the customers problem; and maintain a high customer satisfaction rating.

#### Barriers to Excellent Customer Service

While it seems easy and straightforward to provide quality customer service, this may not necessarily be the case. Harris (2007) cautions that customer service providers must assess their own strengths and weaknesses and then begin to understand the customers that they are serving. It is only after this that they may begin to be prepared to provide those customers with excellent service. Apart from training as a barrier to excellent customer service, there are other obstacles. These include systems' failure or poor organisational systems, strict organisational standards and procedures, lack of support from top management, and laziness.

#### Theoretical Framework

This study was guided by two theories namely, the stages in service firm competitiveness theory model and the customer value model. These theories form the basis of the variables in the study, of training and customer service quality. Arnold (2005) implies that one theory cannot by itself be sufficient.

#### The Stages in Service Firm Competitiveness Theory

This theory describes the role of operations in the strategic development of service firms (Fitzsimmons & Fitzsimmons, 2006). The theory brings out the fact that if a service firm is to remain competitive, continuous improvement in productivity and quality must be part of its strategy and corporate culture. To remain competitive in the



area of customer service, then continuous improvement in quality such as training has to be done.

#### Customer Value Model

According to Albrecht (1999), one of the key starting points for adopting a strategic customer focus is finding out what the customer is really trying to buy when he or she confronts the business. He asserts that people do not buy products or services, they buy value. They buy solutions to their problems, answers to their needs and improvements in their lives. The customer value model enables one to have the skill of learning to think in customer-value terms. Jenke and Woods (1999) agree with Albrecht (1999) that a major influence in what customers purchase and what brings them back, is the belief that they will receive the bundle of benefits in the right form, place, time, and possession. He emphasises that the value to customers should outweigh their costs therefore their delivery helps to ensure profitability and growth. This means that one should not have the excuse of costs. Service organisations should ask themselves the question, “what is the most basic and critical appeal of the service experience to the customer?”

Albrecht (1999) continues to state that another critical skill of service management is customer-experience thinking. Everyone in the organisation needs to understand what the service experience actually looks and feels like to the customer. This skill helps in giving the customer the value they need. It is important to note that value is relative to each individual customer. The value one customer attaches to a service or product, may be different from the value perceived by another customer.

### Conceptual Framework

Mujersana (2003) defines conceptual framework as a set of coherent ideas or concepts organized in a manner that makes them easy to communicate to others. This is when the researcher conceptualises the relationship between variables in the study and shows the relationship graphically or diagrammatically (Mugenda & Mugenda, 2003). The purpose of a conceptual framework is to help the reader to quickly see the proposed relationships between the variables. For the conceptual framework of the present study, the independent variables are training, training programmes, training timeliness, frequency of training, relevance of training materials. The intervening variables are organisational structure, organisational culture and company policy. The dependent variables are performance improvement and reduced customer complaints. If an organisation is effective on the independent variables, despite the influence of intervening variables, it will achieve quality customer service (Mugenda & Mugenda, 2003).

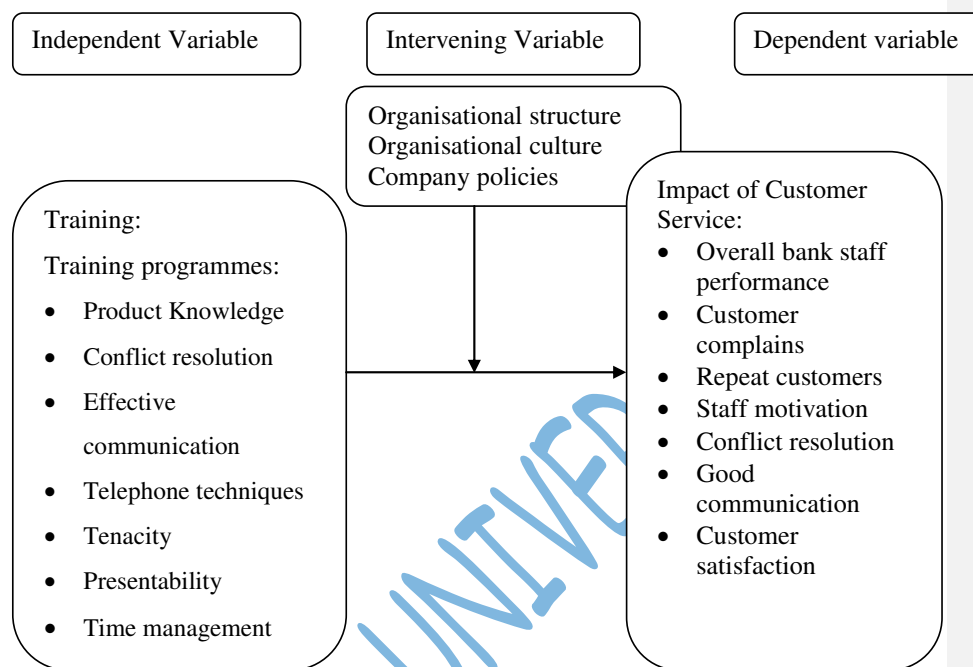


Figure 2.1: Conceptual Framework

Source: Author (2014)

### Summary

This chapter has dealt with literature review on the studies undertaken in the area of customer service in relation to training. It starts with an introduction followed by literature on human resource management. The literature review also covers training design, how to design a training program for an organization, implementation of training programs, and training inputs. The chapter also covers an extensive literature on NIC

bank and the quality of customer service in terms of trends. Finally, the literature review covers a theoretical framework on topic and concludes with a conceptual framework.

DAYSTAR UNIVERSITY

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### Introduction

The general objective of this study was to establish the impact that customer service training has on the quality of customer service delivery. This chapter provided the research methodology that will be applied in this study. According to Cooper and Schindler (2008), research methodology generally gives the blue print for the collection and analysis of data. The aim of research methodology is to inform readers of research works and to help them understand not only the products of scientific enquiry but the process itself (Brannen, 2005).

Research methodology is a way to systematically solve the research problem; the way in which we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them (Kothari, 2004). The chapter discussed the research design, target population that was used to achieve the research purpose. It also elaborates on the sample size, the sampling technique the proposed process of creating the research instruments and piloting them. Finally, the chapter discusses the data collection, analysis and presentation of findings in addition to the ethical considerations during the study. The chapter concludes by giving the process of authorization for the study.

#### Research Design

Research design is the blueprint for fulfilling objectives and answering questions (Cooper & Schindler, 2008). The research problem having been formulated in clear cut

terms, the researcher will be required to prepare a research design. According to Kothari (2004), research designs states the conceptual structure within which research would be conducted. The preparation of such a design facilitates research to be as efficient as possible yielding maximal information. The function of a research design is to provide for the collection of relevant evidence with minimal expenditure of effort, time and money (Kothari, 2004). Kothari indicates that there are several research designs, including exploratory research design, descriptive research studies, diagnostic research and experimental or hypothesis-testing research studies.

Descriptive research design involves measuring a set of variables as they exist naturally (Gravetter & Forzano, 2011). Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or of a group (Kothari, 2004) Kothari gives examples of descriptive studies as studies concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation.

Experimental or hypothesis-testing research studies are those where the researcher tests the hypotheses of casual relationships between variables (Kothari, 2004). Experimental designs can either be informal designs or formal designs. Matthews and Kostelis (2011) indicate that experimental research designs attempt to identify group differences of an outcome or dependent variable. Such studies require procedures that will not only reduce bias and increase reliability but will permit drawing inferences about causality. This study used descriptive research design. The method was chosen since it is used to obtain information that describes existing phenomena by asking individuals about

their perceptions, attitudes, behaviors or values. Descriptive design is concerned with describing, recording, analyzing and reporting conditions that exist or existed (Kothari, 2004). “A descriptive study attempts to describe or define a subject, often by creating a group of people or events through the collection of data and tabulation of the frequencies on research variables” (Cooper & Schindler, 2008, p. 702).

The study used descriptive research design on a sample of 63 permanent employees comprising of customer service staff, staff from other departments, the training managers and human resource management staff drawn from the headquarters of the NIC bank in Nairobi, and 50 customers. Descriptive design translated to the population of the study by describing the permanent employees in NIC bank in terms of training on customer service delivery. This method of research is appropriate because it involves collection of data and tabulation of frequencies on research variables (Cooper & Schindler, 2008, p. 702). This research design attempted to discover the relationship between variables with each other. This design was preferred for this study, because it allowed for simultaneous analysis of different variables, and thus it enabled the researcher to describe variables, situations and conditions of the effects of customer service training on customer service quality.

There are two basic approaches to research; quantitative approach and qualitative approach. According to Matthews and Kostelis (2011), quantitative research designs answer research questions using quantifiable research variables and focus on understanding the current state of affairs in a specific setting. Quantitative approach involves the generalisation of data in quantitative form which can be subjected to

rigorous quantitative analysis in a formal and rigid fashion (Kothari, 2004). Qualitative approach to research on the other hand is concerned with subjective assessment of attitudes, opinions and behaviour. Research in such a situation is a function of researcher's insights and impressions. Generally, the technique of focus group interviews, projective techniques and depth interviews are used (Kothari, 2004).

This research was based on both qualitative and quantitative research approach. The qualitative and quantitative research methods was used on customer service staff, branch management staff , human resources staff , and staff from other departments drawn through multi-stage sampling technique. This study intends to describe the effects or impact of customer service training on customer service quality at NIC bank.

#### Case Study

Case study is a research method in which research explores a single entity or phenomenon (the case) bounded by time and activity, a program, event, process, institution or social group and collects detailed information by using a variety of data collection procedures during a sustained period of time (Creswell, 1994). As a phenomenological study, the procedure involves studying a small number of subjects through extensive and prolonged engagement to develop patterns and relationships of meaning. Mugenda (2008) defines case study as an in-depth investigation of an individual, group, institution or phenomenon.

Most case studies are based on the premise that a case can be located, that is, typical of many other cases. The case under study is viewed as an example of a class of events or a group of individuals. The purpose of case studies is to determine factors and



relationships among the factors that have resulted in the behavior under study (Creswell 1994). The author further indicated that the investigation therefore makes a detailed examination of a single subject, group or phenomenon. Case studies are research designs which can be applied on both private and public sector institutions and include studies of workplaces, bureaucracies, management issues and change and adaptation processes (Hakim, 2000).

A case study design was used because the researcher is interested in studying a specific subject through extensive and prolonged engagement to develop patterns and relationships of meaning. Using NIC Bank as the case study, the researcher expects to get rich information on the impact of customer service training on quality of customer service delivery.

#### Population of the Study

Population is defined as a complete set of individuals, cases or objects with some common observable characteristics (Mugenda and Mugenda, 2003). Population elements mean the subject on which the measurement is being taken (Cooper & Schindler, 2008). The population of this study consisted of all 596 staff members of the entire NIC Bank and 23,666 retail bank customers (NIC Bank, 2011). Ideally, the results from NIC would be generalized to the absolute population. This is referred to as the “target” population (Mugenda & Mugenda, 2003).

#### Target Population

Target population is that population to which a researcher wants to generalise the results of a study while “accessible” population is a more narrowly defined and

manageable population (Mugenda & Mugenda, 2003). The accessible population must be comparable to the target population in the characteristics that appear most relevant to the study, referred to as population validity. It is part of the entire population and the researcher targets it in order to get or collect the necessary information needed. This population should have some observable characteristics against which the researcher would want to generalize the results of the study (Mugenda and Mugenda, 2003).

The target population of this study consisted of all staff members of the NIC Bank at the Head Office and retail bank customers. As of April, 2011, there were 209 members of staff and 4,569 Retail Bank Customers at the head office (NIC Bank, 2011). These were the two sets of the target populations. The researcher conducted the study at the Headquarters of the institution because this is where major decisions regarding training programs as well as customer service delivery strategies are formulated and disseminated. Since the study was conducted at the headquarters of NIC bank, the target population was the total number of staff working at the headquarters, which were 209 members of staff. The staff was distributed across different departments as shown in table 3.1.

#### Sample Size

A sample examines a portion of target population, and the portion must be carefully selected to represent that population (Cooper & Schindler, 2001). Sampling is the process of selecting a few from a bigger group to become the basis for estimating or predicting the prevalence of an unknown piece of information, situation, or outcome regarding the bigger group (Kumar, 2005, p. 164). Members of a given population may be large or may be scattered over a wide geographical area, therefore researchers draw

samples from an “accessible” population (Mugenda & Mugenda, 2003). At least 10% to 30% of the population is an adequate sample. The researcher used a sample group of 63 staff and 60 retail customers. The staff sample was 30% of the target population which was based on Mugenda and Mugenda (2003). The sample came from different departments represented at the Head Office because of the departments’ role in customer service delivery. The study assumed that regardless of the department the staff was based in, the respondents facilitated service delivery to customers and thus had an input on the quality of services offered. The sample for the staff is as shown below:

*Table 3.1: Sample Size Distribution*

Department	Population	Sample Proportion	Sample Size
Human Resource Management	4	30%	1
Customer Service	26	30%	8
Operations	69	30%	21
Trade Finance	7	30%	2
Treasury	7	30%	2
Marketing	35	30%	11
Card Services	28	30%	8
Other	33	30%	10
Total	209	30%	63

Source: NIC Bank (2011)

For the customers, the research used a sample of 50 customers, selected randomly as they access services from the bank. The researcher arrived at the figure of 50 customers through purposive sampling and also due to the high level of homogeneity among them. The researcher felt that 50 respondents would be a good representation of the population given the high level of homogeneity among 50. Since a case study was time bound, the researcher received up to 50 questionnaires for the limited period she was

allowed to collect data from the customers. Simple random sampling was applied to ensure equal chance for every customer.

**Kommentar [M1]:** You need to justify how you picked the 60 customers. It is not clear so far comparing with the 4,569 customers at the headquarter

### Sampling Techniques

In terms of sampling techniques, this can be either probability samples or non-probability samples. With probability samples, each element has a known probability of being included in the sample but non-probability samples do not allow the researcher to determine this probability (Kothari, 2004). There are also different techniques of sampling. Purposive sampling is the one in which the person who is selecting the sample tries to make the sample representative, depending on his or her opinion or purpose, thus being the representation subjective (Lisa, 2008). Purposive or non-probability samples are samples in which the researcher uses some criterion or purpose to replace the principle of cancelled random errors (Tachakori & Teddlie, 2003). "The logic and power of purposive sampling lies in selecting information-rich cases for study in depth" (Patton, 1990, p. 169) as cited in Tachakori and Teddlie (2003), with an underlying focus on intentionally selecting specific cases that will provide the most information for the questions under study. When developing a purposive sample, researchers use their special knowledge or expertise about some group to select subjects who represent this population (Berg, 2007).

Another method of sampling is complex sampling designs. According to Kothari (2004), complex sampling designs or mixed sampling designs may represent a combination of probability and non-probability sampling procedures in selecting a sample. Kothari (2004) states that some of the complex random sampling designs include

systematic sampling, stratified sampling, cluster sampling and area sampling. Another sampling technique is random sampling which involves the selection of samples literally at random such that the resulting sample is likely to be representative of the whole population (Denscombe, 2003). Finally, systematic sampling technique involves selecting every item on the list. An element of randomness is introduced into this kind of sampling by using random numbers to pick up the unit with which to start. Other methods of sampling include stratified sampling and cluster sampling.

Stratified sampling refers to the technique in which every member of the population has an equal chance of being selected in relation to their proportion within the entire population (Denscombe, 2003). Cluster sampling is a sampling technique where the entire population is divided into groups, or clusters and a random sample of these clusters are selected. All observations in the selected clusters are included in the sample. It is typically used when the researcher cannot get a complete list of the members of a population they wish to study but can get a complete list of groups or clusters of the population. In area sampling on the other hand, clusters happen to be in some geographic subdivisions, in that case cluster sampling is better known as area sampling (Kothari, 2004). In multi-stage sampling, the selection of the final sampling units takes place in stages (Schwarz, 2011).

The researcher used multistage sampling technique by combining cluster sampling followed by purposive sampling techniques. Cluster sampling was done by identifying boundaries or groups, in this case different departments at the head office of

NIC bank. Purposive sampling was used in identifying individuals in the departments and trying to make them representative, depending on her opinion and purpose.

#### Data Types

According to researchers, there are mainly two types of data. These include primary data and secondary data (Kothari, 2004). Primary data are “new” data produced by a researcher who is responsible for the design of the study, the collection, analysis and reporting of the data. Kothari further defines secondary data as raw data already collected by someone else for their own use, but which another researcher can use as a basis for his analysis. Sapsford and Jupp (2006) assert that a valid research can equally be carried out on data already collected by someone else. In this study, primary data was collected from NIC Bank.

#### Data Collection Methods

There are various data collection methods. These include interviews, observations and questionnaires. The best research uses data in an original way or offers some new and exciting interpretation of existing data (Phillips & Stawarski, 2008). According to Kombo and Tromp (2006), data collection refers to gathering specific information aimed at providing or refuting some facts. Data collection is important in research as it allows for dissemination of accurate information and development of meaningful programs (Kombo & Tromp, 2006).

As mentioned earlier, this research was based on quantitative research approach. The research methods that were used on customer service staff, branch management staff and human resources staff were drawn through multi-stage sampling technique. This

study intended to describe the effects or impact of customer service training on customer service quality from an employee's perspective at NIC bank.

#### Data Collection Instruments

##### Questionnaire

A questionnaire is a tool used for data collection. Each item in the questionnaire is developed to address a specific objective, research question or hypothesis of the study (Mugenda & Mugenda, 2003). According to Sommer and Sommer (1997), there are two major categories of questions: open-ended and closed-ended; with open-ended questions, the respondents write in their own answers and for closed questions, the respondents choose among alternatives provided by the researcher. This study utilised both open-ended and closed-ended questions in their data collection. Open-ended format is desirable when the researcher wants the answers in the respondent's own words and the closed-format comes in handy when there is a large number of respondents and questions (Sommer & Sommer, 1997).

This study also employed the use of use of a structured questionnaire as a tool for data collection. The questionnaire was been designed to capture information on the variables in the study and their relationship. In addition, matrix questions were included in the questionnaire; in this case, the likert-type scale was used. It is the most frequently used variation of the summated rating scale. Cooper and Schindler (2006) argue that summated rating scales consist of statements that express either a favourable or an unfavourable attitude toward the object of interest. He states that the participant is asked to agree or disagree with each statement and each response is given a numerical score to

reflect its degree of attitudinal favourableness and the scores may be summed to measure the participant's overall attitude. The questionnaire method is favored because it presents respondents with a relatively easy task of picking one or more answers which have been provided as options. Thus, the data collected had fewer errors due to misunderstanding or language use. The questionnaire was distributed both as a hard copy and through email. Two questionnaires were issued for this study; one to the customers and the other to the members of staff at the NIC headquarters.

#### Pretesting

In order to test the efficiency of the data collection tool, a pretest with some respondents of the questionnaires was conducted at the NIC bank 20<sup>th</sup> Century branch. According to Stangor (2010, p. 100), pretesting involves trying out a questionnaire on a small group of individuals to get an idea of how they react to it before the final version is created. Pretesting of the questionnaire helped to determine strengths and weaknesses regarding questions of format, wording and order. It also enhanced the validity and reliability of the questionnaires and helped the researcher to improve the questionnaire where necessary.

Mugenda and Mugenda (2003) define validity as the accuracy and meaningfulness of inferences which are based on research results. Pretesting the instrument ensured that items in the instruments were stated clearly and had the same meaning to all respondents (Mugenda & Mugenda, 2003). This enabled the researcher to fine tune the questionnaire for objectivity and efficiency of the process. One percent of sample is adequate for a pre-test study in the endeavor to establish the reliability of the



research instrument (Kombo, 2006). For this study, 4 staff from the NIC bank 20<sup>th</sup> Century branch included in the pretesting study. This was done using purposive sampling from the customer service staff. The staff for the pretesting study was not part of the target population as recommended by Mugenda and Mugenda (2003).

#### Data Analysis Plan

Data Analysis concerns methods and ideas for organizing and describing data using graphs, numerical summaries and more elaborate mathematical descriptions (Cooper & Schindler, 2001). According to Mugenda and Mugenda (2003), data analysis is the process of bringing order, structure and meaning to the mass of information collected. In this study, quantitative data was used. Data was coded and processed for analysis using SPSS version 17. Data was analyzed using descriptive and inferential statistics to generate the required frequencies and percentages of the study results. Data was presented using tables and charts.

#### Ethical Considerations

After approval of the proposal and before commencing the data collection, the researcher sought permission from the Department of Commerce and the Dean of School of Business and Economics of Daystar University to give a letter of introduction. Thereafter, the researcher applied for a research permit at the National Council of Science and Technology. The letter of introduction and the research authorization was used to get permission to access the employees of NIC Bank.

The researcher ensured that questionnaires were administered on the basis of informed consent, and the sampled employees were informed that the process was

entirely voluntary and confidential. The questionnaires did not contain the respondents' name or details that might reveal their identity so as to ensure confidentiality and anonymity of respondents. For the interviews the permission was sought from the respondent before scheduling appointments for the interviews.

#### Summary

The chapter covers an introduction to the research methodology of the study. It is then followed by the research design, population of the study, sample size, and sampling techniques that were used in the study. The chapter further captures the types of data, data collection methods, data collection instruments; which includes the questionnaire and interview schedule for managers, and pilot study on the questionnaires. Finally, the chapter captures data analysis and presentation and ethical considerations.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### Introduction

This chapter comprises of data analysis, presentation and interpretation of the findings. The data presented includes response rate, background information of the respondents and a presentation of findings against each individual objectives of the study. The data analyzed and presented was based on the responses to the items in the questionnaires schedules. Descriptive statistics are also used in analyzing the findings of this research project. Two set of questionnaires were distributed both to bank staff and customers. The analysis of the two is done separately to ensure adequate results are attained from each group.

#### Questionnaire for Staff

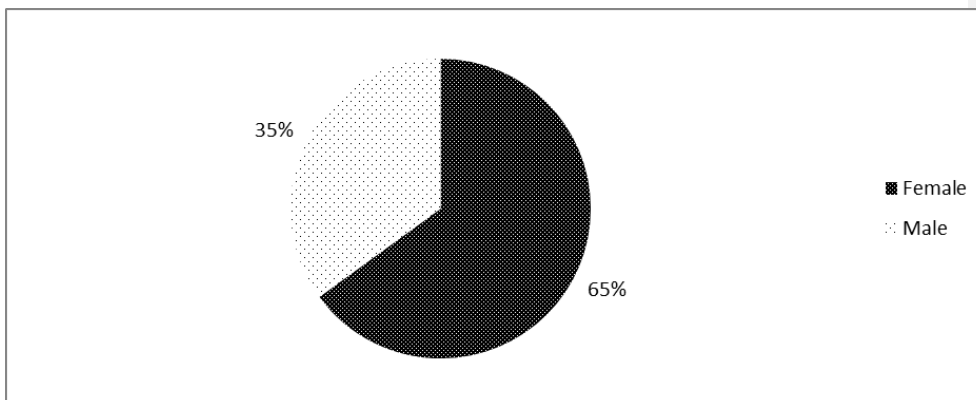
##### Response Rate

In the study, 63 questionnaires were administered to selected respondents. Out of the 63 of the participants, 60 were successfully filled and returned the questionnaire. The sample therefore had a response rate of 96.8%. Such a response rate is viewed as favorable with regard to Mugenda and Mugenda (2003). This implies that the respondents were an adequate representation of the entire targeted population.

#### Findings on General Information

##### Gender of the Respondents

The researcher sought to find out gender of the respondents. The results were as indicated below.



*Figure 4.1: Gender of Respondents*

The results from the respondents indicated that the majority of the respondents were female (65%) while male were 35% of total respondents. This therefore implied that there were more female working in the bank than male.

#### Age of the Respondents

This question was aimed at finding out the age distribution of the respondents. The results are as indicated on the table 4.1 below.

*Table 4.1: Age of Respondents*

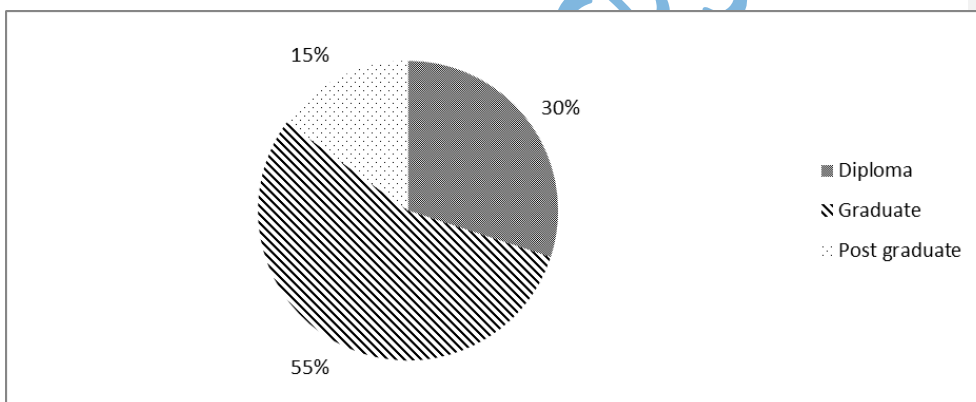
Age group	No of respondents	Percentage (%)
below – 20 years	0	0
21 – 30 years	15	25
31 – 40 years	30	50
41-50 years	10	16.7
Above 50 years	5	8.3
Total	60	100

Table 4.1 shows that 25% of the respondents were aged 21–30 years, 50% were aged 31–40 years, 16.7% were aged 41–50 years while only 8.3% were aged above 50

year. It is notable that none of the respondents were below 20 years of age. This implies that the majority were middle aged people working in the bank. This is important information because it shows that the bank aimed at attracting employees who were at their best productive age and therefore contributed positively to bank profitability, an argument also supported by Harris (2000).

#### The Highest Level of Education

The study also sought to assess the level of knowledge and qualification of the respondents working in the bank. The results were as indicated on the figure 4.2 below.



*Figure 4.2: The Highest Level of Education*

The results from the respondents indicated that majority of the respondents were educated with 55% being graduates, 30% had diplomas while 15% of the respondents had a postgraduate certificate. This therefore implies that the respondents were well educated and able to give credible response to the research. Such well-educated staff was also able to understand and respond to customer needs (Gronstedt, 2000).

### The Staff Level

The study also aimed to get information from staff from all departments in the bank. This part therefore, was meant to find out the category of the respondents. The findings were as shown in figure 4.3 below.

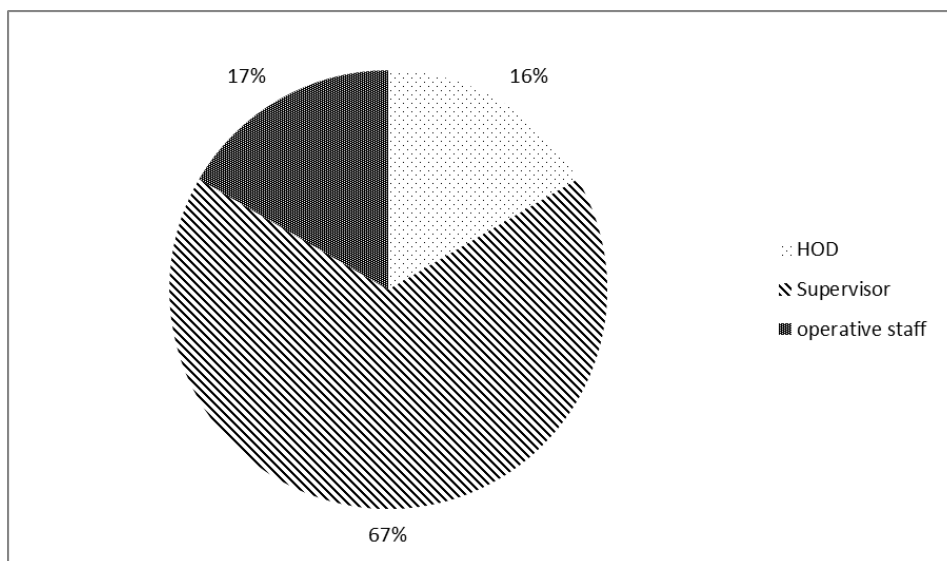


Figure 4.3: Staff Level

The results indicate that 58.3% of the respondents were operational staff, 33.4% were supervisors while 8.3 % were HoDs and hence adequate representation from all levels. The results indicate that information attained from this study was well balanced and representative of all bank staff.

### The Period Worked in the Bank

The research sought to establish the number of years that the respondents had worked in the bank. The results were as indicated in table 4.2.

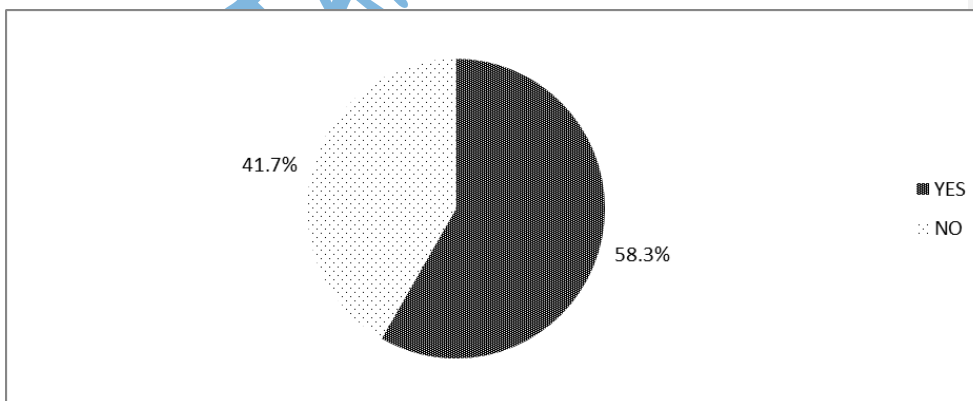
*Table 4.2: The Period Worked in the Bank*

Range	Number	Percentage (%)
0-5	30	50.0
6-10	20	33.3
11 and above	10	16.7
Total	60	100

The study revealed that the majority of the respondents, at 50% had worked for between 0-5 years. Those that have worked for 6-10 years were 33.3% while those with 11 years and above experience were 16.7%. This implies that the respondents had a lot of information and knowledge with regard to the bank operations and behavior and therefore could provide credible information to be used in the research due to their experience.

#### Special Training on Customer Service

This question aimed at finding out whether the respondents received special training towards improving customer service delivery. The results are as indicated on the figure 4.4 below.

*Figure 4.4: Special Training on Customer Service*

The results from the respondents indicated that majority of the respondents, at 58.3% received special training towards improving customer service delivery while 41.7% were not trained. This therefore implies that respondents received special training towards improving customer service delivery. This is an important finding as it ensured quality customer service. In fact, such training are supported by numerous scholars as essential for good organizational performance (Chapman, 2010; Gronstedt, 2000; Harris, 2000).

#### Training Programs Offered at NIC Bank

The question was aimed at finding out the thoughts of the respondents about various issue-related training programs that were offered at NIC Bank to customer service staff. The results were as indicated on table 4.5 below. (Key: P = Percentage, F = Frequency)

*Table 4.3: Training Programs Offered at NIC Bank*

	very great extent P F	great extent P F	moderate extent P F	little extent P F	no extent P F
Knowledge of product and service	20 (12)	50 (30)	5 (3)	15 (9)	10 (6)
Conflict resolution	50 (30)	20 (12)	15 (9)	5 (9)	10 (6)
Effective communication	25 (15)	40 (24)	20 (15)	10 (6)	5 (3)
Telephone techniques	40 (24)	25 (15)	20 (12)	10 (6)	5 (3)
Tenacity	20 (12)	50 (30)	5 (3)	15 (9)	10 (6)
Presentability	25 (15)	40 (24)	20 (12)	10 (6)	5 (3)
Time management	50 (30)	20 (12)	15 (9)	5 (3)	10 (6)

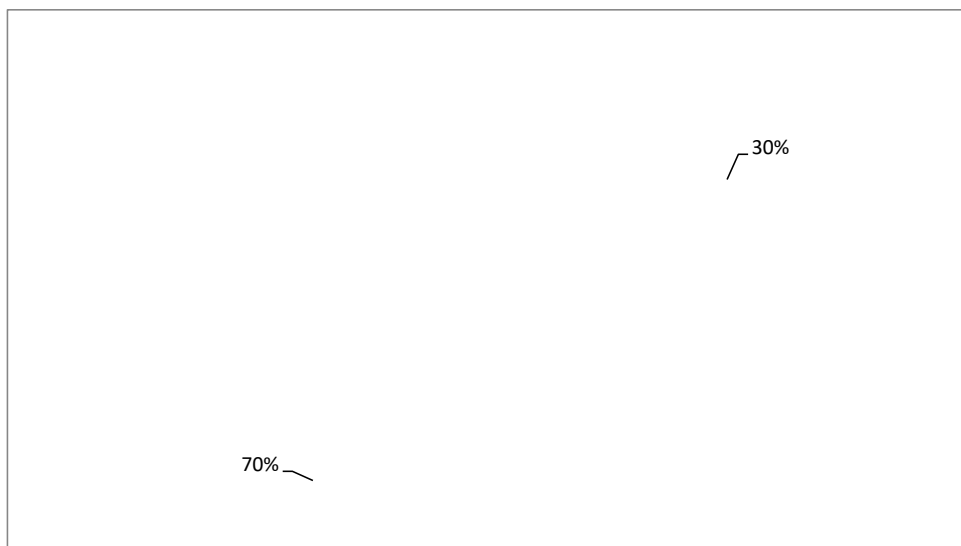


As indicated on the above results the bank trained its staff in different areas. When asked if the bank provided training in knowledge of product and service required by customer about 70% of the respondents agreed with the statement (very large extent and large extent). Conflict resolution training was also supported by 65% of the respondents (Very large extent to large extent). Another 65% of the respondents supported training in effective communication while another 65% supported time management training as a major training offered by the bank.

These results imply that the bank was involved in several training programs for its staff. This is in line with existing literature that support training as a major source of customer satisfaction and service delivery (Chapman, 2010; Goodman, 2009; Gronstedt, 2000). In fact according to Goodman (2009) while the right training may be costly, the lack of it is even more costly.

#### Frequency of Training

Another question in this study assessed the frequency of training conducted by the bank. The results were as indicated on figure 4.5.

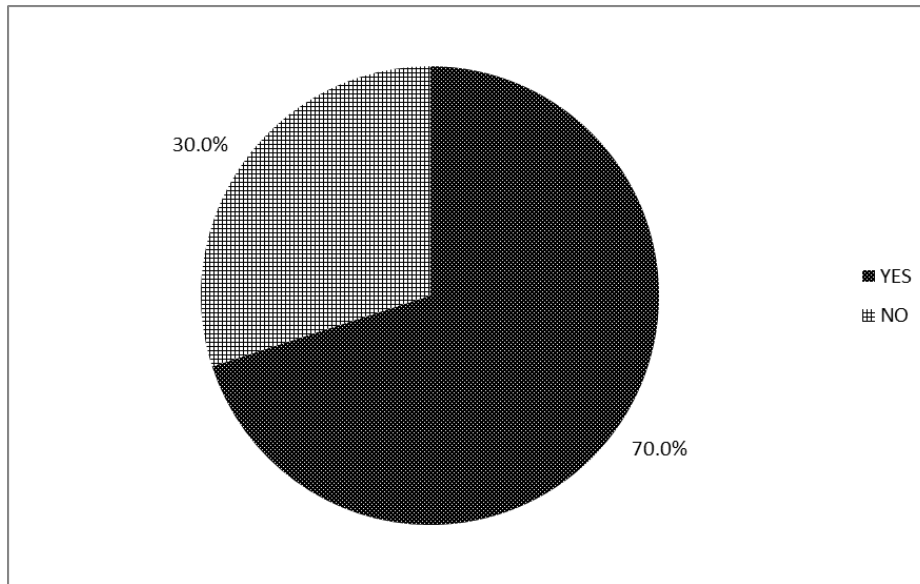


*Figure 4.5: How Often Training was Conducted*

The results indicated that majority of the respondents, at 70% agreed that trainings were conducted on monthly basis while 30% agreed that the trainings were held weekly. From these results, it is notable that the bank put a lot of weight in training its staff. This is supported by labor economist Carnevale as cited by Gronstedt (2000) who states that training should be offered frequently.

#### Skills and Competencies Required

In another question, the respondents were expected to indicate their awareness of the types of skills and competencies required for excellent customer service delivery. The results were as indicated on figure 4.6.



*Figure 4.6: Skills and Competencies Required*

The results from the respondents indicated that majority of the respondents at 70% were aware of skills and competencies required for excellent customer service delivery while another 30% were not aware. This therefore implied that some respondents knew that there were skills and competencies required for excellent customer service delivery. This would mean that they knew what skills and competencies they needed in order to enhance customer service delivery something that Goodman (2009) emphasizes as critical.

#### Importance of Skills

The study sought to find out the extent of importance attached to each of the skills provided. The results are as indicated on the Table 4.4 below. (Key: P = Percentage, F = Frequency).

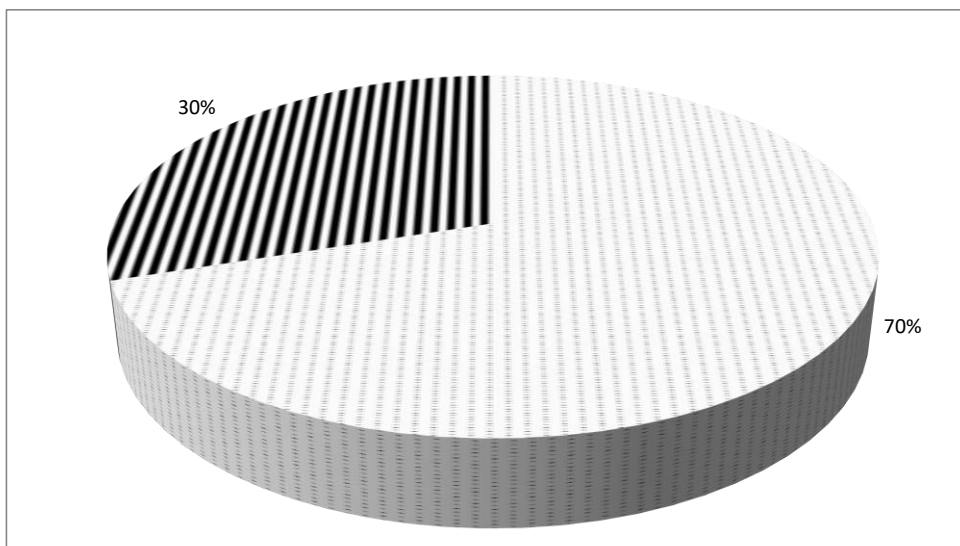
*Table 4.4: Importance of Skills*

	very great extent		great extent		moderate extent		little extent		no extent	
	P	F	P	F	P	F	P	F	P	F
Product and service knowledge	20	(12)	50	(30)	5	(3)	15	(9)	10	(6)
Conflict resolution	50	(30)	20	(12)	15	(9)	5	(3)	10	(6)
Effective communication	25	((15)	40	(24)	20	(12)	10	(6)	5	(3)
Telephone techniques	40	(24)	25	(15)	20	(12)	10	(6)	5	(3)
Tenacity	20	((12)	50	(30)	5	(3)	15	(9)	10	(6)
Presentability	25	((15)	40	(24)	20	(12)	10	(6)	5	(3)
Time management	50	(30)	20	(12)	15	(9)	5	(3)	10	(6)

As indicted on the above results the bank required various skills in excellent customer service delivery. When asked the extent to which they attached importance on Knowledge of product, about 70% of the respondents agreed with the statement (very large extent and large extent). On effective communication about 60% of the respondents agreed with (very large extent and large extent). A further 65% of the respondents on telephone techniques agreed with (very large extent and large extent). These results imply that the above skills are very important and that they are required for excellent customer service delivery at NIC Bank. This is supported by Kamin (2003) who asserts that customers are most pleased when their attendant has skills such as knowledge of product and service.

#### Effectiveness of Performance

This question's aim was to assess whether the bank training has made performance more effective when it comes to customer service quality. The results are as indicated on figure 4.7 below.



*Figure 4. 7: Effective Performance*

The results from the respondents indicated that majority agree that training has made performance more effective when it comes to customer service quality 70% (42). Another 30% (18) of the respondents could not find any significant contribution for such training. This therefore implied that most of them felt that training has made performance more effective when it comes to customer service quality. Employee competencies change through effective training programs (Wright & Geroy, 2001).

#### Impact of Training

The study sought to rate the extent training influenced the following personal statements in enhancing of performance in the organization as shown in table 4.5 below. (Key: P=Percentage and F=Frequency).

*Table 4.5: Impact of Training*

	very great extent		great extent		moderat e extent		little extent		no extent	
	P	F	P	F	P	F	P	F	P	F
My overall performance in customer service has become more effective	20	(12)	40	(24)	25	(13)	10	(6)	5	(3)
The number of customer complains has reduced	30	(18)	25	(13)	20	(12)	15	(9)	10	(6)
Number of repeat customers has increased	25	(13)	30	(18)	20	(12)	15	(9)	10	(6)
My motivation at work has increased	40	(24)	20	(12)	10	(6)	20	(12)	10	(6)
My ability to resolve customer complaints has improved	30	(18)	25	(13)	20	(12)	15	(9)	10	(6)
I am able to communicate better to customers	20	(12)	40	(24)	25	(13)	10	(6)	5	(3)
Training has made my customer interaction better	25	(15)	35	(21)	20	(12)	15	(9)	5	(3)

As indicated on the above results training had an impact on the various factors. When asked the extent to which ability to communicate had improved because of training, about 60% of the respondents agreed with the statement (very large extent and large extent). On increased number of repeat customers, about 55% respondents agreed with the statement (very large extent and large extent). A further 60% of the respondents indicated that their motivation at work increased after training by agreeing with the statement (to a very large extent and large extent). The results indicate that training had a great impact on all the above areas in customer delivery effectiveness. This is in line with the existing literature documenting that employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets (Kinicki & Kreitner, 2007).

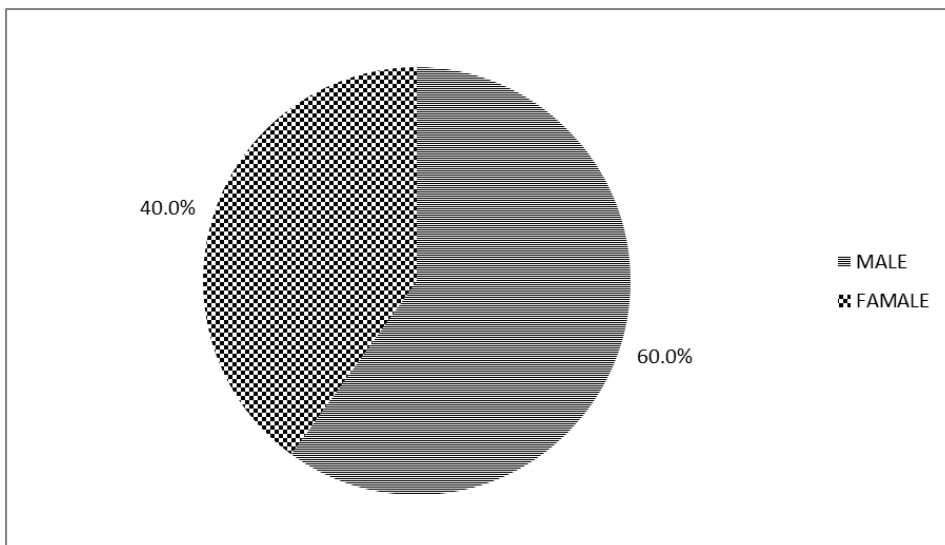
### Questionnaire for Customer

#### Response Rate

In the study, 50 questionnaires were administered to respondents. Out of the 50 of the participants, 50 were successfully filled and returned. The sample therefore had a response rate of 100%. Such a response is favorable as viewed by Mugenda and Mugenda (2003). This implies that the respondents were an adequate representation of the entire targeted population.

#### Gender of Respondents

This was aimed at finding out the gender representation in the respondents which could also tell about the gender balance in the corporation. The results obtained as indicated on figure 4.8 below.



*Figure 4.8: Gender of Respondents*

As indicated by the figure 4.8, majority of the respondents at 60% were male while female were 40%. This implies that majority of those using the bank were male.

#### Age of Respondents

This question was aimed at finding out the age distribution of the respondents. The results are as indicted on the table 4.5 below.



*Table 4.6: Age of Respondents*

Age group	No of respondents	Percentage
below – 20 years	0	0
21 – 30 years	4	8.3
31 – 40 years	8	16.7
41-50 years	25	50.0
Above 50 years	13	25.0
Total	50	100

Table 4.6 shows that 8.3% of the respondents were aged 21–30 years, 16.7% were aged 31–40 years, 50% were aged 41-50 years while 25% were aged above 50 years. None was below 20 years of age. This implies that the majority of those using the bank were between 41-50 years of age.

#### Period Served by the bank

The research sought to establish the number of years that the respondents had been members or customers of NIC Bank. The results are as indicated on table 4.7 below.

*Table 4.7: The Period Served by the Bank*

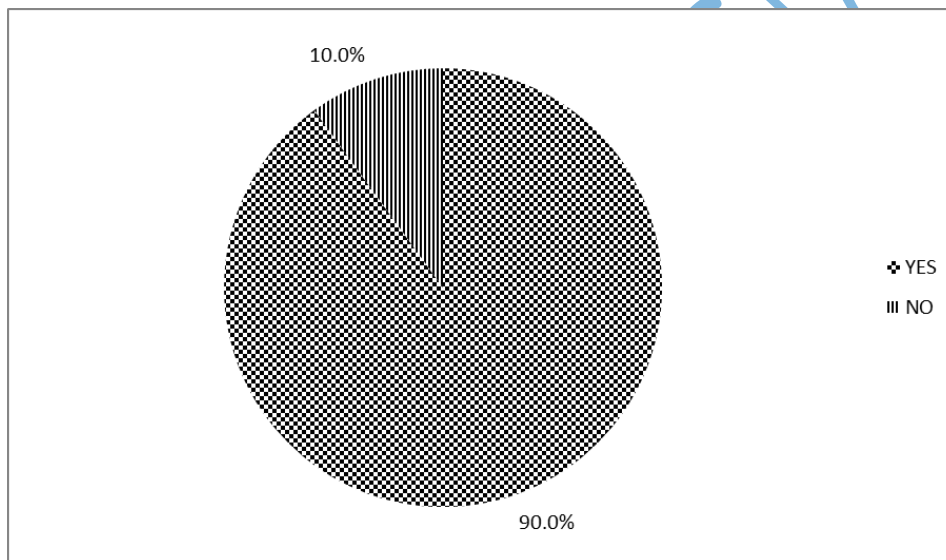
Range	Number	Percentage
0-5	25	50.0
6-10	17	33.3
11 and above	8	16.7
Total	50	100

The research respondents indicated that 50% (25) of them had used the bank for 0-5 years. Those that had used it for 6-10 years were 33.3% (17) while those with more than 11 years in banks were 16.7% (8). This implies that the respondents had a lot of

information and knowledge with regard to the bank operations and behavior and therefore could provide credible information to be used in the research due to their loyalty.

#### Need for Training

This question sought to find out whether the customers viewed training as important for the staff to improve service quality. The results were as indicated on figure 4.9 below.



*Figure 4.9: Need for Training*

As indicated by the figure 4.9, the majority of the respondents at 90% agreed that there was need for training while 10% disagreed. This implies that majority felt that staff needed training to improve customer service delivery. In fact, Cook (2007) asserts that training is important for effective customer service delivery.

### Extent of Training Importance

The study sought to find out the extent of importance of training programs as relates to customer service quality. The findings were as shown in table 4.8 below. (Key: P=Percentage, F=Frequency)

*Table 4.8: Extent of Training Importance*

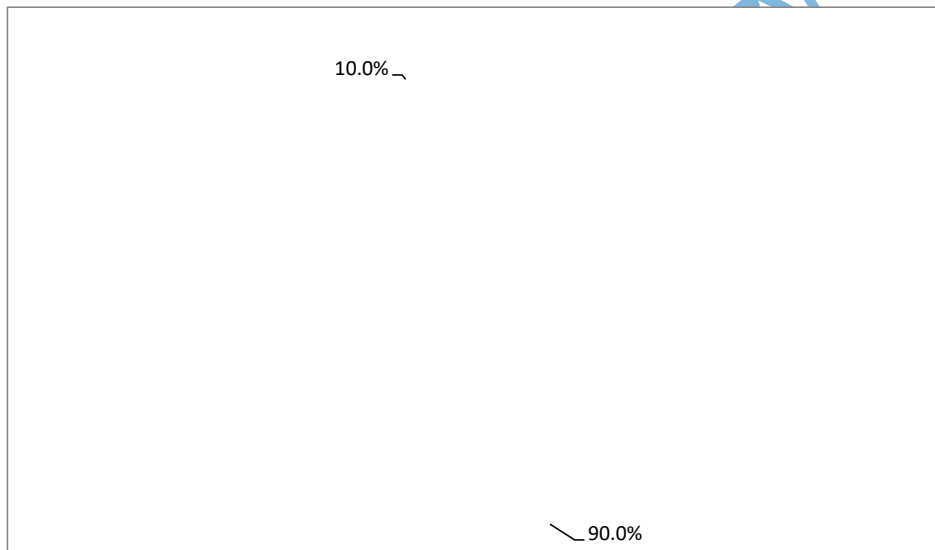
	very great extent		great extent		moderate extent		little extent		no extent	
	P	F	P	F	P	F	P	F	P	F
Product and service knowledge	50	(25)	20	(10)	15	(7)	5	(3)	10	(5)
Conflict resolution	50	(25)	20	(10)	15	(7)	5	(3)	10	(5)
Effective communication	25	(13)	40	(20)	20	(10)	10	(5)	5	(3)
Telephone techniques	40	(20)	25	(13)	20	(10)	10	(5)	5	(3)
Tenacity	25	(13)	50	(25)	5	(3)	10	(5)	5	(3)
Presentability	35	(18)	40	(20)	15	(7)	10	(5)	5	(3)
Time management	50	(25)	20	(10)	15	(7)	5	(3)	10	(5)

As indicated on the table above, various training programmes were required in relation to customer service delivery quality. When asked the extent to which they attached importance on effective communication, 65% of the respondents agreed with the statement (very large extent and large extent). On tenacity, 75% of the respondents agreed with the statement (very large extent and large extent). A further 70% agreed on the need to train on time management. This was rated to a very large extent and large extent. However, 30% of the respondents rated (no extent, moderate extent and little extent) on time management. This implies that the above training programs were very important in quality customer service delivery. In fact, Fonseca (2010) suggests that

many companies invest in courses to improve the customer service skills of their service, support and field staff.

#### Skills and Competencies Required

The study sought to find out the skills and competencies required for excellent customer service delivery. The results were as shown in figure 4.10 below.



*Figure 4.10: Skills and Competencies Required*

As indicated by the figure 4.10, the majority of the respondents, at 90 % indicated that there were skills necessary for customer service delivery at NIC Bank while 10% did not think so. This implies that a majority of the respondents thought that there were skills and competencies required for excellent customer service delivery. Effective customer service skills will not only increase the effectiveness of a customer service provider, but will also reduce the time spent on one customer (Gronstedt, 2000).

### Importance of Skills in Customer Service Quality

The study rated the extent of importance of the following training programs as relates to customer service quality. The results were as shown in table 4.9 below. (Key: P=Percentage, F=Frequency)

*Table 4.9: Importance of Skills in Customer Service Quality*

	very great extent		great extent		moderate extent		little extent		no extent	
	P	F	P	F	P	F	P	F	P	F
Product and service knowledge	50	(25)	20	(10)	15	(8)	5	(2)	10	(5)
Conflict resolution	50	(25)	25	(13)	10	(5)	5	(2)	10	(5)
Effective communication	35	(17)	40	(20)	15	(7)	10	(5)	5	(2)
Telephone techniques	40	((20)	25	(13)	20	(10)	10	(5)	5	(2)
Tenacity	25	(13)	50	(25)	5	(2)	10	(5)	5	(2)
Presentability	35	(17)	40	(20)	15	(7)	10	(5)	5	(2)
Time management	50	(25)	25	(13)	15	(7)	5	(5)	5	(2)

As indicted on the above results the bank required various skills in excellent customer service delivery. When asked the extent to which they attached importance on conflict resolution, about 75% of the respondents agreed with the statement (very large extent and large extent). On telephone techniques 65% of the respondents agreed with the statement (very large extent and large extent). On knowledge of product and service 70% of the respondents agreed with the statement (very large extent and large extent). While on effective communication, only 25% of the respondents agreed with the statement (no extent, moderate extent and little extent). The results imply that majority agreed on the specific skills that were required by NIC Bank for quality customer service delivery. This is consistent with the empirical literature that when the service providers lack the

required skill, customers may simply give up and take their business elsewhere (Knapp, 2011).

#### Extent of Meeting Customer Expectations after Training Staff

The study sought to find out the extent to which NIC bank had met customer expectations after training their staff. The results were as shown in the table 4.10 below.

*Table 4.10: Extent of Meeting Customer Expectations after Training Staff*

Extent	Number of Respondents	Percentage
Very great extent	20	40
Great extent	13	25
Moderate extent	10	20
Little extent	5	10
No extent	2	5
Total	50	100

The results indicate that the majority of the respondents at 40% agreed that NIC Bank had met their expectation to a very great extent, 25% agreed to a great extent, 20% to a moderate extent, 10% agreed to a little extent while 5% agreed to no extent at all. This is an indication that majority of the respondents agree that NIC Bank had met their expectations after training their staff. Even in a negative economy, customer experience is a high priority for consumers, with 60% often or always paying more for a better experience (Harris, 2011).

#### Customer Satisfaction

Another question was to rate how satisfied respondents were satisfied with the service quality delivered by NIC Bank after training their staff. The results were as shown in the table 4.11 below.

*Table 4.11: Customer Satisfaction*

Level of satisfaction	Number of Respondents	Percentage
Very satisfied	25	50
Satisfied	7	15
Neutral	10	20
Dissatisfied	5	10
Very dissatisfied	3	5
Total	50	100

The results on the table 4.11 indicate that the majority of the respondents, at 50% agreed rating the services as very satisfying, 15% were satisfied, 20% were neutral, 10% dissatisfied while 5% very dissatisfied. This implies that the majority of the respondents were satisfied with the quality of services offered to them by NIC Bank after training their staff. Infact as evidenced in the literature, the best practice organisations do it to ensure that customer satisfaction always appears as a key corporate objective (Cook, 2007).

#### Summary of Key Findings

1. The results from the study on customer service training programs conducted by NIC Bank revealed that majority of the respondents, at 58.3%, received special training towards improving customer service delivery.
2. On the customer responses the majority, at 90% thought that staff needed training to improve customer service delivery and rated all the customer service delivery programs as very important. The majority of the respondents in the study rated most of the programs for delivery of services employee as offered excellently.

**Kommentar [M2]:** Put percentages

3. The majority (70%) of the respondents indicated that they needed skills including knowledge of product and service, conflict resolution, communication, telephone skills, tenacity, presentability and time management.
4. The majority of the respondents rated their overall performance effectiveness as having increased due to training.

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## CHAPTER FIVE

### DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This chapter discusses the findings, draws conclusions and makes recommendations. The discussion is presented based on the study objectives. Afterwards, conclusions to the research questions are drawn in view of the discussions. Lastly, the chapter suggests recommendations for theory and practice.

#### Discussions

##### Objective 1: Customer Service Training Programs Conducted by NIC Bank

The findings of this study revealed that training programmes were conducted at NIC bank with majority (58.3%) of the respondents stating that they received special training towards improving customer service delivery. As highlighted in the empirical literature, the major barrier to excellent customer service is lack of adequate training (Harris, 2007). The study further revealed the training program that NIC Bank offered included product and service knowledge, telephone techniques, conflict resolution, effective communication, presentability, time management and tenacity. NIC Bank has an enormous focus on attracting and developing talent to ensure it has the best possible team for current and future business needs (NIC Bank, 2011). The study further revealed that these programmes were not only conducted once in a while, but they were conducted quite often and to a great extent. These findings are consistent with the research results by labor economist Carnevale cited by Gronstedt (2000) stating that Motorola's average

employee received an average of fifty seven hours of training every year. This led to Motorola's employee productivity improving to 204% over a nine year period as a result of its training. Frequent training is important due to continuous environmental pressure for efficiency and if an organisation does not respond to this pressure it may find itself losing rapidly whatever share of market it has, employee training therefore impacts specific skills and knowledge to employees in order that they contribute to the organisation's efficiency and be able to cope with the pressures of a changing environment (Monappa & Saiyadain, 1993). As evidenced in the literature review, customer service is a strategic training and development initiative (Harris, 2011).

Objective 2: Skills and Competencies Required by NIC Bank for Excellent Customer Service Delivery

The second objective was to find out the skills and competencies required by NIC Bank for excellent customer service delivery. The study established that various skills are required. It further established the various specific skills and competencies required in customer service. Hyland et al. (2000; as cited in Simmonds, 2003) assert that to successfully develop human resources, an organisation must identify the skills it needs now and in the future. These skills must enable the organisation to achieve its strategic goals. The results from the study indicated that majority (70%) of the respondents were aware of skills and competencies required for excellent customer service delivery. As suggested in the literature once a company has the infrastructure and the vision of a customer service culture, together with internal procedures and systems to support it, they must concentrate their effort on enabling staff to develop skills, attitudes and beliefs to

deliver customer service 'messages' in a way which will ensure that the customer feels valued as a result of the interaction (Murley, 1997). The study revealed the following on the specific skills addressed: Rating the extent of importance, majority 50% rated Knowledge of product and service required by customer - to a great extent which is in line with the literature emphasising the importance of making a list of your customer service training needs as they specifically relate to the type of product or service you provide, as well as your customers' needs (Evenson, 2011). The majority rated effective communication to a great extent. With effective communication, you can make positive changes as well as strongly influence other people and circumstances (Nielsen, 2008).

The majority rated telephone techniques to a very great extent. As noted in the empirical literature, no matter what industry or type of business you're in, the telephone can be used as a tool for offering top-notch customer service as well as generating repeat business from existing customers (Brendremer, 2003). The majority rated presentability to a great extent. Organisations should consider presentability as an important training programme, as how you present yourself acts as the first impression to the customer (Evenson, 2011). A majority of the respondents, at 50% rated time management to a very great extent. As suggested in the literature, time management is a perennial issue, one where good practice can enhance the performance and success of almost any executive or manager, in any business and at any level (Forsyth, 2013). Effective problem solving skills will not only increase the effectiveness of a customer service provider, but will also reduce the time spent on one customer (Gronstedt, 2000).

### Objective 3: Impact of Training on Customer Service Quality

The third objective was to assess the impact of training on customer service delivery. The study revealed that the majority of the respondents (70%) agreed that training had made performance more effective when it comes to customer service quality. These findings confirm the empirical literature review, that training really takes place when skills that can be defined are developed until the competence level is measurably enhanced (Simmonds, 2003).

The study further revealed the impact of training on different dependent variables by establishing the extent to which training has impacted each and this came out as follows:

Generally training led to increased effectiveness in overall performance in customer service with the majority rating to great extent at 40%. This is confirmed by the annual report (2011), which states that NIC Bank Group attaches great importance to staff training and development and considers it a critical element of employees' success as well as that of the Group. The majority (30%) rated increased number of repeat customers and better ability to resolve customer complaints to a great extent. A further 40% which was majority rated increased motivation and better communication to a very great extent. These findings are in line with prior literature which presents that training impacts employee performance partly through improving employee skills which enables them know and perform their jobs better (Harrison, 2000; Swart et al., 2005; Wright & Geroy, 2001).

The study further established that a majority of respondents were very satisfied with NIC Bank services, with the majority, at 40% rating as very satisfied. The findings confirms the literature which offers that all employees of the NIC Bank Group are committed to offering the highest standards of service delivery, adding that a vital component of the growth and success achieved by the NIC Bank is the performance of its employees (NIC Bank Annual Report, 2008). The literature further confirms that best practice organisations ensure that customer satisfaction always appears as a key corporate objective (Cook, 2007). As pointed out in the literature, Goodman (2009) summarises these findings well by stating that while the right training is costly, the lack of it is even more costly. Many companies invest in courses to improve the customer service skills of their service, support and field staff (Fonseca 2011).

#### Conclusions

In conclusion, from the research study findings, there were various training programs conducted by NIC bank with the target of improving the performance of the employees and developing their personal skills, which is in line with the first research objective of determining the various customer service training programs conducted by NIC Bank. Chapman (2010) points out that training should be about whole person development and not just transferring of skills. This can be achieved through special adult training formats as opposed to classroom sessions.

The study also concludes that there are various skills and competencies necessary for excellent customer service delivery such as product and service knowledge, telephone skills, good communication skills, tenacity and problem solving skills. This is in line with

the second objective of the study; to find out the skills and competencies required by NIC Bank for excellent customer service delivery. Kamin (2003) states that most questions of a customer revolve around the product or service offered by the business, and customers are most pleased when their attendant not only knows the product or service fully but also goes a step further in giving them a good experience.

Finally, the study concludes that training is a key element in improving quality of customer service and with the proper training and support, and a service environment that is customer-focused and humane, employees will have the tools they need to give customers what they want and deserve, which is in line with the third objective of the study; to establish the impact of customer service training on customer service delivery. Cook (2011) emphasises that everyone throughout the organisation can benefit from training and development to enhance their attitude towards the customer – their behaviour, knowledge and skills. The author explains that a further consideration in the development of a customer service strategy is the need to develop quality people within the organisation. This means that training can impact customer service delivery through improved performance, since training aims to provide employees with performance improvement. The outcomes of training, therefore, must be tangible, in that they should support and facilitate the organisations strategic aims.

#### Recommendations

The study recommends that organisations should invest more resources in facilitation of training. Training should be considered as an investment and not just a cost.

Also continuous review of the training programs which will enable the staff to update their skills in line with the needs of the customers and goals and objectives of the company should be put in place.

Organisations should train customer service staff on skills that have a great impact on customer service delivery.

Other factors such as organisational structure, policies and culture as well as remuneration, rewards and recognition among others that influence the performance of employees should also be combined with proper training to enhance quality.

#### Areas for Further Studies

This study assessed the impact of training on customer service delivery using a case of NIC Bank. This study scope was limited to one bank and training aspect of employee productivity. Further study should be carried out on all other banks in the industry. This study proposes assessing other factors that inhibit employee performance even after proper training programs.

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Kommentar [M3]: What is this??

## APPENDICES

## Appendix 1: Questionnaire For Customer Service Staff Members

Dear Respondent,

RE: COLLECTION OF DATA

My names are Celine Simiyu. I am currently a final year MBA student at Daystar University. As part of my course requirements, I am expected to conduct a research and present it as a thesis. My topic is on *an assessment of the impact of training on customer service delivery*. You are to provide answers on questions about staff training in NIC bank. Any information you provide will be treated with uttermost confidentiality. All the information provided will be used for academic exercise only.

Your cooperation will be highly appreciated. Thank you.

Yours faithfully,

Selina Simiyu

Student - Daystar University

## QUESTIONNAIRE FOR CUSTOMER SERVICE STAFF MEMBERS

The questionnaire is divided in the following segments:

- A. Demographic Characteristics
- B. Customer Service Training Programs
- C. Skills and competencies required
- D. Impact of training

### PART A: demographic characteristics

*(Tick the appropriate category on the bio data below )*

1. Gender :

Male ☐ Female ☐

2. Age:

Below 20 ☐ 20 -29 ☐ 30 – 39 ☐ above 50 ☐

3. Education Level

High School certificate ☐ Diploma/HND ☐ Bachelors ☐

Other specify .....

4. What is your level of position in your department

HOD ☐ Supervisor ☐ operative staff ☐

## 5. Number of years worked in the Bank

0- 5 years ( )

5-10 years ( )

above 10 years ( )

## PART B: Customer Service Training Programmes conducted by NIC Bank

## 1. Do you receive special training towards improving customer service delivery?

Yes [ ]

No [ ]

## 2. To what extent/often the following training programs are offered at NIC Bank to customer service staff? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

Training Programs	1	2	3	4	5
Knowledge of product and service required by customer					
Conflict resolution					
Effective communication					
Telephone techniques					
Tenacity					
Presentability					
Time management					



3. How often is training conducted?

Every weekend [       ]       Once in a month [       ]

Other specify .....

PART B: Skills and competencies required by NIC Bank for excellent customer service delivery

1. Are there skills and competencies required for excellent customer service delivery at NIC Bank?

YES [       ] NO [       ]

2. Rate the extent of importance of the following skills when it comes to customer service quality? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

Skills	1	2	3	4	5
Product and service knowledge					
Problem solving skills					
Communication skills					
Telephone skills					
Tenacity skills					
Presentability skills					
Time management skills					
Other specify					

## PART C: Impact of training on customer service quality

1. Do you think training has made your performance more effective when it comes to customer service quality?

Yes [ ]

No [ ]

2. To what extent does training influence the following personal statements in enhancing of your performance in the organization? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

Statements	1	2	3	4	5
My overall performance in customer service has become more effective					
The number of customer complains has reduced					
Number of repeat customers has increased					
My motivation at work has increased					
My ability to resolve customer complaints has improved					
I am able to communicate better to customers					
Training has made my customer interaction better					
Others specify					

THANK YOU!

## Appendix 2: Questionnaire for Customers

Dear Respondent

### RE: COLLECTION OF DATA

My names are Celine Simiyu. I am currently a final year MBA student at Daystar University. As part of my course requirements, I am expected to conduct a research and present it as a thesis. My topic is on *an assessment of the impact of training on customer service delivery*. You are to provide answers on questions about staff training in NIC bank. Any information you provide will be treated with uttermost confidentiality. All the information provided will be used for academic exercise only.

Your cooperation will be highly appreciated. Thank you.

Yours faithfully,

Selina Simiyu

Student - Daystar University

## QUESTIONNAIRE FOR CUSTOMERS

The questionnaire is divided in the following segments:

- E. Demographic Characteristics
- F. Customer Service Training Programs
- G. Skills and competencies required
- H. Impact of training on customer service quality

### PART A: DEMOGRAPHIC CHARACTERISTICS

*(Tick the appropriate category on the bio data below )*

6. Gender :

Male ( )      Female ( )

7. Age:

Below 20 ( )    20 -29 ( )    30 – 39 ( )    above 50 ( )

8. Number of years used the Bank

0- 5years ( )      5-10 years ( )      above 10 years ( )

## PART B: Customer Service Training Programs conducted by NIC Bank

4. Do you think staff needs training to improve customer service delivery?

Yes ☐

No ☐

5. Rate the extent of importance of the following training programs as relates to customer service quality? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

Programs	1	2	3	4	5
Knowledge of product and service required by customer					
Conflict resolution					
Effective communication					
Telephone techniques					
Tenacity					
Presentability					
Time management					

PART C: Skills and competencies required by NIC Bank for excellent customer service delivery

7. Are there skills and competencies required for excellent customer service delivery?

YES ☐

NO ☐

8. Rate the extent of importance of the following skills when it comes to customer service quality? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

Skills	1	2	3	4	5
Product and service knowledge					
Problem solving skills					
Communication skills					
Telephone skills					
Tenacity skills					
Presentability skills					
Time management skills					
Other specify					

PART D: Impact of training on customer service quality

4. To what extent has NIC bank met your expectations after training their staff?

To a very great extent ☐

To a great extent ☐

To a moderate extent ☐

To a little extent ☐

To no extent ☐

3. Overall, how satisfied are you with the service quality delivered by NIC after training their staff?

Very dissatisfied ( )

Dissatisfied ( )

Neither ( )

Satisfied ( )

Very satisfied ( )

THANK YOU!

Appendix III: Research Approval Letter

Appendix IV: Research Permit

DAYSTAR UNIVERSITY