



Vol. 4, Iss. 1 (2023), pp 364 – 371, August 14, 2023. www.reviewedjournals.com, ©Reviewed Journals

INFLUENCE OF CUSTOMER SERVICE DELIVERY ON ORGANIZATIONAL PERFORMANCE AMONG PRIVATE UNIVERSITIES IN KENYA

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Accepted: July 11, 2023

ABSTRACT

The study determined the influence customer service delivery on organizational performance of private universities in Kenya. The study was guided by service-profit chain theory. The research used descriptive cross sectional design. The target population was 172 respondents from the targeted private universities in Kenya. Stratified random sampling approach was used to determine the sample of 124 participants. Data was collected using questionnaires. For the determination of reliability, Cronbach alpha was adopted. For the analysis of data, quantitative approaches using Statistical Package for Social Sciences (SPSS version 23.0) was adopted to generate inferential and descriptive statistics results. Upon the analysis of data, data presentation was done by use of frequency tables. The study outcome revealed an existing positive and significant correlation between customer service delivery and organization performance in private universities in Kenya. This proves that, when customer service delivery is enhance, the organization performance in private universities in Kenya also greatly improves. The study therefore recommended that, Universities leadership should start implementing customer service delivery to spearhead positive results. The recommendations were that institutions should enhance customer service delivery to enhance financial performance.

Key Words: *Customer Service, Service Delivery, Business Performance*

CITATION: Kuria, P., Maore, S. K., & Munga, J. (2023). Influence customer service delivery on organizational performance among private universities in Kenya. *Reviewed Journal International of Business Management*, 4 (1), 364 – 371.

INTRODUCTION

Customer service as a practice is founded on processes dealing with identifying and satisfying the priorities of consumers in relation to taste and pricing. Every organization will normally have the burden of meeting this taste and pricing priorities of the consumption unit for purposes of business survival. Further, the organizations have the duty to ensure there is regular and consistent delivery of products and service since it is only through this that they are able to undertake business expansions and consumer retention. Those organized firms dealing in service delivery are showing increasing focus towards tailoring their services around the customers' priorities; making sure their services meet the desires of the consuming unit. There is a position by Dorling (2014) advancing that the satisfaction of customers' priorities and an improved customer loyalty coexist mutually, and that they ought to be looked for any organization looking to assure the consuming unit of quality product and services; this will eventually improve an organization's business survival potential.

Service delivery processes typically aim to provide the client with increased value by setting standards, policies, principles and constraints to guide all aspects of their business and customer interactions. Various organizations in Kenya are endeavoring to offer enhances organizational performance, Chesaina and Gitonga (2019).

Using specific service delivery methods and equipment vary from one organization to the next. The degree of service delivery will also vary and is anticipated to have an impact on how well an organization performs. This is consistent with SERVQUAL, which states that evaluating the type and level of service delivery would increase customer satisfaction and, consequently, organizational success.

Other quarters are arguing that customer service is the presence of trained, capable and disciple personnel an organization has that enables the delivery of quality services to the buyers in a way that their priorities are taken into account; this will ultimately lead to free advertisement by way of referrals from the loyal fan bases (Lucas, 2005). It is a process that benefits an organization in terms of free marketing, yet easily attainment through the adoption of good leadership and direction.

Fogli (2006) argues that customer service involves the delivery of goods and services to the consumption unit in a selling and buying interaction. Customer service is an enabling platform used by organizations towards securing buyer loyalty and business success. It is important to note that the real undertaking by the firm isn't key, but the buyer's view of the undertaking, Brink and Berndt (2008). The responsibility on customer service is to ensure there exists strategies assuring ease and reliability in relation to the transport of the final products between the selling point and the buying point. It is the responsibility of the selling firm to distribute their products to markets. Christopher, (2005), advances that it is complex process impacted by varied aspects revolving around customer service.

Organizational performance is the extent to which the firm realizes its goals within a given period of time, Gopal and Aggarwal, (2021). Its role is to determine whether end results are what the institution intended to reach. According to Brumbach (1988), organizational performance is simply an institution's traditions measured against the end results. Any performance management platform will involve the practices by an institution and the final outcome. Here, tradition deals with the way an organization intends to realize a commitment, and the responsibilities of the working unit. As it is, it is hard to ensure quantification making results be a measure of performance. Boland and Fowler (2000), maintain that there exist varied behavioral forms with the ability of supporting or stagnating organizational goals.

The Kenyan situation has seen the number of private universities increasing rapidly as a result of the increasing demand for education or advancement, putting the existing public universities under a lot of pressure. There exists man factors contribution to the growth and expansion of private universities according to Oketch (2004), and this includes; closure of public universities.

Statement of the Problem

The private university industry in Kenya is highly competitive, and customer service strategies play a key role in the success of the universities. The higher education sector in Kenya has been characterized by increased competition among universities, both public and private. As a result, organizations in the sector have had to pay more attention to customer service strategies as a means of enhancing organizational performance (King'oo, Kimencu, & Kinyua, 2020). Customer service strategies are important for ensuring that customers are satisfied and that their needs are met. However, due to financial constraints and other challenges, many private universities in Kenya have not been able to effectively implement customer service strategies. According to Odero and Makori (2018, most Kenya private universities lack of proper customer service training for staff, inadequate customer service policies, lack of customer service technology, poor customer service processes, and lack of customer feedback systems. All these factors have led to poor customer service, resulting in reduced organizational performance.

Several studies have been done customer service strategies for instance a study by Subuola and Oluwole (2017) found that there is a positive relationship between customer service strategies and organizational performance in private universities in Kenya. However, the study did not provide an in-depth analysis of the types of customer service strategies adopted by universities and how they impact the performance. Owuor et al. (2019) explored the impact of customer service strategies on student satisfaction in private universities in Kenya. The study concluded that customer service strategies have a significant impact on student satisfaction. However, the study did not investigate the effect of customer service strategies on other aspects of organizational performance such as financial performance, staff performance, and market share. Mwaura (2018) sought to investigate the impact of customer service strategies on customer loyalty in private universities in Kenya. The study found that customer service strategies have a significant impact on customer loyalty. However, the study did not address the effect of customer service strategies on staff performance and financial performance. Waithera (2016) examined the effect of customer service strategies on customer retention in private universities in Kenya. The study found that customer service strategies have a significant impact on customer retention. However, the study did not consider the effect of customer service strategies on other aspects of organizational performance such as financial performance, staff performance, and market share. It is on this background that this study intended to create new knowledge so as to bridge the existing gap. This is why this study assessed the influence of customer service delivery on organizational performance among private universities in Kenya.

Objective of the Study

The objective of the Study was to assess the influence of customer service delivery on organizational performance among private universities in Kenya. The study tested the below hypothesis;

- **H₀:** There is no significant influence on service delivery and organization performance in private universities in Kenya.

LITERATURE REVIEW

Theoretical Review

Service-Profit Chain Theory

The Service-Profit Chain Theory was introduced by James L. Heskett, W. Earl Sasser Jr. and Leonard A. Schlesinger in 1994. The Service-Profit Chain Theory states that there is a direct relationship between customer loyalty and an organization's profitability. In other words, satisfied customers are more likely to remain loyal to an organization, which will ultimately result in increased profits. The theory also emphasizes the importance of employee satisfaction and engagement, as it states that satisfied and engaged employees are more likely to provide better customer service which will, in turn, increase customer loyalty and profitability (Wei, & Prentice, 2022). The theory provides a framework for private universities to consider when designing

and delivering services in order to maximize organizational performance. For instance, private universities can use the Service-Profit Chain Theory to identify areas of improvement in their customer service delivery and employee engagement strategies. This can help to increase customer loyalty and, ultimately, organizational performance (Adeinat & Kassim, 2019).

Private universities can also use the Service-Profit Chain Theory to measure and track the impact of service delivery on organizational performance. By tracking customer satisfaction and loyalty, as well as employee engagement and satisfaction, private universities can better understand the impact of their service delivery strategies on organizational performance (Ansari, 2021). This information can then be used to inform future strategies and make improvements where needed. The Service-Profit Chain Theory provides a framework for private universities to consider when designing and delivering services in order to maximize organizational performance. By tracking customer satisfaction, loyalty, and employee engagement, private universities can better understand the impact of their service delivery strategies and make improvements where necessary (Briggs, Deretti, & Kato, 2020).

This theory states that there is a strong relationship between customer service and organizational performance. It outlines how improvements in service delivery can lead to increased customer loyalty, satisfaction, and profitability. The theory suggests that by increasing customer satisfaction, organizations can improve their performance and profitability (Kelloway & Myers, 2019). This theory is applicable to private universities in Kenya as it suggests that by providing quality services, these universities can increase customer loyalty and satisfaction, which in turn will lead to improved performance and profitability.

Empirical Literature Review

Service Delivery and Organization Performance

Zahedi, Darabi, Faryabi and Faryabi (2018) in an analysis to look at the association existing among institutional success and service delivery within the Tehran Stock firms. It used secondary data, with the variables among them staff competence, staff loyalty, staff satisfaction and quality of service. The determination was that the delivery of service had impact on institutional success. Natthida (2018) undertook a review on the flight industry of Thailand targeting the opinion of customers in relation to substandard services, recovery of services and loyalty recovery. A quantitative approach was used. The correlation between post-recovery client loyalty, customer satisfaction, and customer recovery was another discovery. Also, there was the revelation of the way customer service is dependent on service failure or the firm's profile. From study, the flight industry as well as the leadership is provided with crucial awareness for the development of key service recovery structures.

Fazlzadeh and Faryabi (2012) conducted a study examining the effect by service delivery structure on organizational results in Iran. Among the variables included; worker satisfaction, worker loyalty, quality of service and worker competence. Customer satisfaction which is regarded as an immediate factor impacting service delivery structures as well as customer loyalty. From the deductions of the analysis of Tehran Stock Exchange's brokerage companies, there was the indication of increased effect of service delivery structure towards customer loyalty and satisfaction. Also, it was revealed that customer loyalty and satisfaction impacting the outcomes of the brokerage companies. Thus, the impact of worker or customer is confirmed.

Chesaina and Gitonga (2019) set out to determine how service delivery affected Kenya Commercial Bank Limited's performance. According to the literature review, Kenya Commercial Bank's service offering enhances organizational performance. However, it is emphasized that the specific service delivery methods and equipment vary from one organization to the next. The degree of service delivery will also vary and is anticipated to have an impact on how well an organization performs. This is consistent with SERVQUAL, which states that evaluating the type and level of service delivery would increase customer satisfaction and,

consequently, organizational success. It is also advised that KCB management set up systems to guarantee ongoing service delivery and maintain superior organizational outcomes.

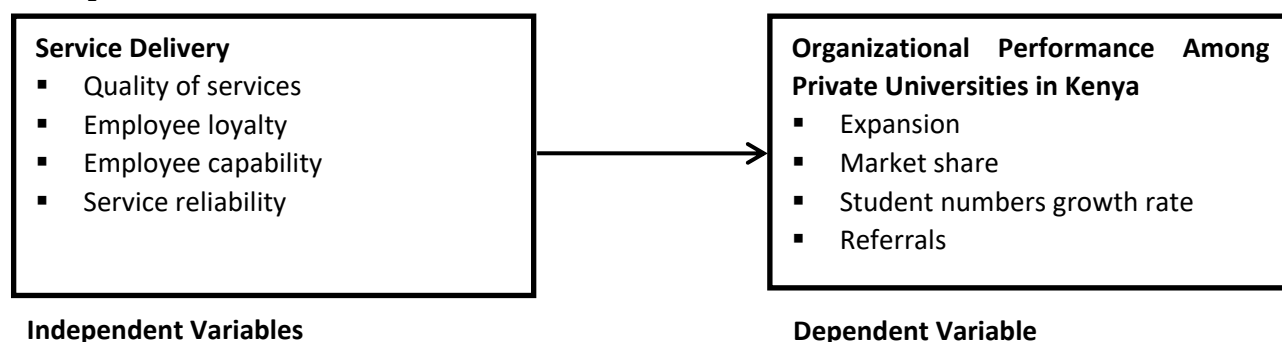
Alireza and Faryabi (2012) examined the service delivery system in light of factors such as employee happiness, loyalty, the caliber of the services rendered by employees, and employee competency. Customer loyalty and organizational performance in service delivery systems are both impacted by customer satisfaction, which is viewed in the intended model as an intermediate variable. The outcomes also demonstrated that Tehran Stock Exchange brokers' success is significantly influenced by customer satisfaction and loyalty. It has been established that staff competencies and contentment have an impact on customer satisfaction.

In 2014, Kathuri looked into how service delivery affected the way that public services were delivered in Marsabit County. The study was descriptive in nature. It was directed at senior management personnel in these businesses who were based in Marsabit County. Civil entities with project offices in Marsabit County made up the majority of the population. The sample size was 64 and the population consisted of 128 managers. A research assistant helped with the distribution and collection of the questionnaires, which were used to collect the data. The study's key conclusions were the discovery that governance structure affects service delivery. The organizational structure within the company where they work was discovered to be an attribute that complemented this. Functional structure was cited as the most preferred option by many respondents. The manner the work was organized also suggested efficient service delivery.

Service delivery has significantly enhanced organizational performance among private universities in Kenya. Through the use of technology and services, private universities have been able to streamline operations and processes, resulting in improved performance and efficiency. One of the ways in which service delivery has enhanced organizational performance among private universities in Kenya is by improving the customer experience. By using technology and services to facilitate communication and collaboration, private universities have been able to provide a more personalized and convenient customer experience, resulting in increased customer satisfaction. This has resulted in an increase in customer loyalty and more repeat customers, improving the overall performance of the organization (Indiya, Obura, & Mise, 2018)).

In addition, service delivery has allowed private universities to better manage their resources. By leveraging technology and services, private universities have been able to optimize their operations, allowing them to become more efficient and cost-effective. This has resulted in greater cost savings, which has allowed them to invest more resources into other areas of their operations and improve their overall performance. Furthermore, service delivery has also enabled private universities to better manage their data. By leveraging technology and services, private universities have been able to collect and analyze data more efficiently, allowing them to gain better insights into their operations and customer base. This has enabled them to identify areas of improvement and make informed decisions that have resulted in improved performance (Mwanthi, 2018).

Conceptual Framework



Independent Variables

Dependent Variable

Figure 1: Conceptual Framework

Source: Author (2021)

METHODOLOGY

The study settled on a descriptive cross-sectional research approach. In this study, the population comprised of managers in 25 private universities in Kenya. In the determination of the study's sample unit, Yamane's formula was applied. The study applied a questionnaire for data collection. The researcher selected a pilot group of 3 private universities from the target population to test the reliability of the research instrument. After the collection of data, there were checks for completeness. Sorting followed and later coding before analysis by the statistical software (SPSS version 23.0).

FINDINGS

Organization Performance

Here, the participation was called to state personal levels of agreement or dissatisfaction with the statements pertaining to organization performance. Below is table 1 presenting the findings.

Table 1: Descriptive Statistics for Organization Performance

	N	Mean	Std. Deviation
Sale increase has been reported by the institution in the past five years	97	3.46	1.16
There has been expansion by the institution in the past five years translating to better sale numbers.	97	4.36	.48
An increase in referrals has been reported by the institution in the past five years	97	4.20	1.31
The institution's market share objectives have been met in the past five years.	97	3.46	1.17
Valid N (list wise)	97	3.87	1.03

Source: Research Data (2021)

Results from the above table 1 point to those scoring top mean (4.36) and standard deviation (0.48) confirming there has been expansion by the institution in the past five years translating to better sale numbers. It is followed by the group confirming that an increase in referrals has been reported by the institution in the past five years scoring a mean (4.20) and standard deviation (1.31). Sale increase has been reported by the institution in the past five years was the next with mean (3.46) and a (1.16) standard deviation; which was similar to the group confirming the institution's market share objectives have been met in the past five years with 3.46 mean and a (1.17) standard deviation

Influence of Service Delivery on Organization Performance

Here, the participation was called to state personal levels of agreement or dissatisfaction with the statements pertaining to service delivery. Below is table 2 presenting the findings.

Table 2: Influence of Service Delivery on Organization Performance

	N	Mean	Std Dev.
Institution continues to ensure there is an improvement on service delivery and standards	97	4.19	.57
The working staff is well equipped towards the delivery of quality service	97	4.08	1.09
The working staffs' commitment impact the institution's delivery of service in a positive manner	97	3.74	1.34
There exists reduced number of complaints when it comes to the institutions delivery of service	97	3.64	1.28
Institution's workforce is regularly trained when it comes to the delivery of service	97	4.02	.72
The institution ensure reliability on its services	97	3.43	1.38
Aggregate Mean		3.85	1.06

Source: Research Data (2021)

Service delivery always has received recognition as dimension affecting an organizational outcome within the private universities in the country. The study intended to substantiate this position. Results from the above table 4.8 point to most participants confirming that the institution continues to ensure there is an improvement on service delivery and standards (M=4.19, SD=0.57). There exists reduced number of complaints when it comes to the institutions delivery of service (M=4.08, SD=1.09) followed by the institution's workforce is regularly trained when it comes to the delivery of service (M=4.02, SD=0.72). The firm's workforce loyalty impacts the delivery of service in a positive manner (M=3.74, SD=1.34).

There is similarity in determination by that of Fazlzadeh and Faryabi (2012) examining the effect by a delivery service plan on the exploration of the effect by the delivery of service on firm success (with variables such as worker satisfaction, worker loyalty, quality of service and worker competence. Customer satisfaction is regarded as an immediate parameter influencing organizational performance in the delivery of service. The determinations further point to customer satisfaction and commitment greatly impacting the outcomes of brokerage companies in Tanzania.

There are studies looking at the financial costs and the outcomes connected with customer recovery. In the flight industry, the service recovery plans are associated with long and short term financial outcomes based on the sales figures, Sim Song and Killough (2010). Further, there is presentation by Knox and Van Oest (2014) demonstrating the costs and benefits connected with recovery in different recovery plans, indicating that the financial benefits of resolving customer concerns surpass the costs.

CONCLUSIONS AND RECOMMENDATIONS

Service Delivery and Organization Performance

The study's goal was to determine how service delivery affected private universities in Kenya's organizational performance. It was determined that both organization performance (M=3.87, SD = 1.03), and service delivery (M=3.58, SD = 0.97), were satisfactory. At the 5% level of significance, it was discovered to have a positive, but significant (p 0.5), association with performance ($r = -.112$, $p = 0.256$ 0.05). Additionally, performance suffered as a result of service delivery ($t =.011$, p 0.05). This finding reveals that the service delivery had a favorable significant impact on the performance of Kenya's private universities. The study found that service delivery has an impact on how well organizations do, and as a result, the study indicates that service delivery is a key factor in how well organizations succeed.

The study recommended that private institutions ought to undertake more in relation to adopting changes based on feedback to improve customer delivery.

Suggestion for Further Studies

Grounded on the results of this research, the summary and after suggestion there is need for a more research on over variables other than customer service delivery that aren't comprised in this research to validate the actual issues that influence work of confidential campuses in Kenya, wherein the research ought to give more enlightenments on the recent research results and actualize outcomes.

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