FACTORS AFFECTING CALL CENTER PERFORMANCE IN THE BANKING INDUSTRY IN KENYA: A STUDY OF SIDIAN AND CHASE BANK

BY

SERAPHINE MWIKALI MUTHOKA

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institutions or university other than the United States International University - Africa in Nairobi for academic credit.

Signed________________________ **Date: _______________________**

Seraphine Mwikali Muthoka

ID No: 630398

This research report has been presented for examination with my approval as the university supervisor.

Signed________________________ **Date: _______________________**

Fred Newa

Signed________________________ **Date: _______________________**

Dean, Chandaria School of Business

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ABSTRACT

This study sought to determine the factors affecting call center performance in the banking industry in Kenya. The research was guided by three research questions. These were: how does outsourcing affect call center performance in the banking industry, what role do call centers play in customer satisfaction in the banking industry and how does technology impact performance of call centers in the banking industry.

This study used descriptive research design and was selected because it is best for collecting original data as it gives a certain degree of accuracy. The population of this study was formed from two banks, namely Sidian Bank, and Chase Bank whose total population was 680. The sample frame for the study was a list of management staff, and employees from each of the banks. This study applied stratified sampling followed by simple random sampling technique. The sample size was 340. Primary data was collected by directly administering questionnaires to the respondents. Prior to launching of the study survey, a pre-testing on randomly selected 5 employees was carried out in the banking industry. The collected data was edited and entered into the Statistical Package for the Social Sciences (SPSS) software to enable the carrying out of the analysis. The data was represented in form of figures and tables.

The study revealed that the call center was easily accessible through various channels, and its staff had adequate knowledge to handle all queries raised by clients. The call center agents responded professionally to calls, emails and social media queries, and they were a valuable team to the bank. The study showed that the call center was fully supported in terms of technology and processes, and it was fully integrated into the organizational structure. The call center had sufficient human resource, and it was aligned to the organizational strategy.

The study showed that outsourcing companies had business continuity plans to ensure that work continued in emergency cases, and that, the bank outsourced due to inadequate resources. The firms that had been outsourced, understood the banks' organizational needs. Outsourcing had negatively affected staff morale in the banks, although it had led to improved bottom line. Outsourcing in the banks had not led to any loss of jobs, and it had not

reduced the cost of doing business. Outsourcing had a negative impact to the call center whereby the outsourced organization did not to focus on its core business, and this had created a sense of dependency on the banks to the outsourced organizations.

The study revealed that applying technology minimized staff turnover in the call in the center and the use of technology improved the call center performance. Call center technology helped the agents to have a faster turnaround time when responding to customer queries, and it improved call center processes. Technology had led to impersonalized services, although it facilitated the production of conclusive reports that were used in decision making. Call center technology has led to improved productivity in the call center which in turn had improved the banks bottom line, and the call center had made a return on investment on the technology procured.

The study concludes that the call center had a positive impact on service delivery in the bank, and it had played a key role in customer retention. The call center had made a considerable impact on the business growth of the bank, and the banks' clients appreciated the services offered by the call center. Outsourcing had a negative impact to the call center whereby the outsourced organization did not to focus on its core business, and this had created a sense of dependency on the banks to the outsourced organizations. The study concludes that, the call center technology has led to improved productivity in the call center which in turn had improved the banks bottom line, and the call center had made a return on investment on the technology procured.

This study recommends Sidian and Chase Bank to define the desired performance from their outsourced companies and show their agents what an excellent performance looks like and set clear expectations. The organizations should ask their outsourced company to educate its employees to ensure that their employees understand the business from the customer's perspective. This may facilitate the ability of the call center agents to understand the consequences of their performance on the customers' satisfaction levels.

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I thank God for His grace and mercy that has seen me this far. I thank my family for their unending support and love through every stage of my life. Finally, I extend my gratitude to my supervisor for his continuous and invaluable guidance and support throughout this research project.

DEDICATION

I dedicate this research project to the men and women in my life. The women who continuously epitomize what a strong woman is all about. They are my mother, Mrs. Victoria Nzisa Muthoka, for her unending love and support, my sister Irene Mbinya Muthoka and niece Claire Mbula Muthoka. The men Joseph Muli, you have been a great silent force, my father Mr. Peter Muli Muthoka, you have taught me the value of hard work and self-reliance, Vincent Soli Nthekani, you are the best thing that ever happened to me, you are all the wind beneath my wings and to Roy Ototi who inspires me to beat my best every day.

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LIST OF ACRONYMS

ABC:	African Banking Corporation Limited
ACD:	Automatic Call Distributor
BPO:	Business Process Outsourcing
CBA:	Commercial Bank of Africa
CBK:	Central Bank of Kenya
CCK:	Communications Commission of Kenya
CRB:	Credit Reference Bureaus
CRM:	Customer Relationship Management
DMAIC:	Define, Measure, Analyze, Implement and Control
HR:	Human Resources
KBA:	Kenya Bankers Association
KBPOCCS:	Kenya Business Process Outsourcing and Contact Center Society of Kenya
KCB:	Kenya Commercial Bank
NIC:	National Industrial Credit Bank
PABX:	Private Branch Exchange Systems
SPSS:	Statistical Package for the Social Sciences
US:	United States

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Bellman (2007) describes call centers which are also referred to as Customer Contact Centers can be described as a group of people whose core function is talking to existing and potential customers through various communication of channels. Effective and efficient call centers should be equipped with skilled staff, current information technology systems and processes that enable delivery of fast, effective and measureable results (Cleveland, 2007).

Call centers are either inbound, out bound or a combination of both inbound and outbound. An out bound call center initiates calls to customers and are formed mainly for telemarketing and business development. In inbound call Centers, clients initiate the call to make enquiries and mostly handle customer service issues while a call center that is both inbound and outbound will perform both telesales and customer service (Harney & Jordan, 2008).

Cleveland (2007) states that the origin of call centers can be traced to the United Kingdom at Press and mail in 1965. The concept was developed to cater for large volumes of incoming calls. A large number of employees were put in a room, with work stations and telephones. Conz (2007) furthers states that by 1970, the private branch exchange system which is an advanced telephone system, had been developed and enabled inclusion of alternative call diverting system for management and distribution of telephone calls among employees. These systems revolutionized and popularized the call center concept further since they allowed call center agents to perform various duties simultaneously hence reduce overall operating costs (Rodney, Davies, Keogh & Finnegan, 2009).

According to Adrienne (2008) the dot com era in the 1990s brought numerous opportunities for venture capitalist that formed internet based companies. They were attracted by the high quick returns due to minimal operating costs especially staff costs. The Call center concept has continued to grow all over the world in both developed and third world countries (Friday & Sutterfield, 2007). Increased competition and legislation in developed countries led to companies outsourcing some functions like business development, technical support and customer service to developing countries where cheap and educated labor were readily and easily available. Philippines and India were pioneers in this field. This advanced to South Africa and Kenya (Warf, Frederick, & Stutz, 2007).

Outsourcing was a major trend for most organizations. However, with time, the companies that were outsourcing decide to set up in house call centers. Most banks opted for in-house call centers for strategic reasons. Some of the reasons included minimizing operating costs through consolidation of operations and information technology, improving the customer service experience and operating on a 24-hour basis to provide customers access to the call centers. There was also the aspect of confidentiality and better control of systems (Rodney, John, Bill & Anthony, 2009).

The businesses environment evolved over time, making it imperative for all business organizations to continually reinvent themselves and adapt their products, services and business processes in order to remain competitive in the dynamic environment. Ultimately their strategies focused on their customers and their emerging changes and needs. Central to this was the call center which aided in efficiently meeting customer needs while minimizing costs (Cleveland 2007). The financial industry operates in the same business environment and therefore the banks acclimatized by setting up in-house call centers to meet basic fundamental organizational needs. These were to support retail customers' needs which are fairly basic like bank account enquiries, overall product and service enquiries and giving feedback, either positive or negative. Managing funds transfer processes through various channels like Mobile banking and internet banking, credit card operations and support that includes balance inquiries, disputes, online monitoring and authorization. Bank Call centers also support insurance processes which basically include claims processing and authorization of transactions in hospitals or other service outlets (Helber, 2005).

Robinson and Pearce (2009) pointed out that the significance of call centers in banks cannot be undervalued. This is because in most cases they are the first point of contact for potential and existing customers. Ultimately they play a key role when customers make decisions on whether to leave or stay with the bank. This was supported by Sun and Lin (2006) who stated that call centers within banks enable entities to predict consumer behaviors. They further point out that customers are the ultimate purchasers of goods and services therefore enabling entities to make profits, which is the principal purpose of existence.

Banks create in-house call centers chiefly to minimize operating costs, maintain confidentiality, optimize efficiency and handle basic consumer queries that would otherwise take up a lot of branches' time (Rodney *et al*., 2009). This allows branches to concentrate on business development activities in order to grow their portfolios. Ideally call centers should be supported by intelligent information technology systems that enable them to support the branches by mining the existing data to generate business leads. These leads can then be converted into actual business by the branches (Curry & Lyon, 2008).

Ideally a call center increases a bank's ability to reach many new and existing customers beyond its geographical location. This is further facilitated by banks creating various channels through which customers can reach them. They include telephones, fax, emails and social media platforms like face book and twitter. A call center can be instrumental in segmented marketing. Services and products are packaged according to the needs of a particular group, the call center then carries out extensive targeted telemarketing. The feedback is then shared with various business functions for continuous improvement (Adrienne, 2008).

The Kenyan banking industry is regulated by the Central Bank of Kenya Act, the Companies Act and other guidelines that are issued by the Central Bank of Kenya (CBK). The Primary role of CBK is to licensing of banking institutions, supervision of institutions, liquidation and winding up, penalties and any other supervisory and prudential issues. The secondary role of CBK is formulation and implementation of foreign exchange rate policy, provision of an efficient national payments system and act as banker, advisor and fiscal agent of the Kenyan government according to the Bank Supervision Annual Report published by CBK in 2014 (Okiro & Ndungu, 2013). The banking system comprises of 43 banks, 15 microfinance institutions and 109 forex bureaus.

The Kenyan banking industry is divided into three tiers that is tier 1, tier 11 and tier 111 banks. The tiers are determined by the asset base and the client base. Tier one banks have an asset base of over 100 billion Kenyan Shillings. These are Co-operative Bank of Kenya, Equity Bank, Kenya Commercial Bank (KCB), Barclays Bank, Standard Chartered and Commercial Bank of Africa (CBA). Tier 11 banks are medium-sized banks. There are about 16 banks in this group and jointly command 41.7 percent of the financial market compared to their rivals in Tier 1 that collectively control 49.9%. Some of the banks in this category include CFC Stanbic, National Industrial Credit Bank (NIC), Diamond Trust Bank, I&M, Chase Bank, Bank of Africa, Family Bank, Ecobank, and Housing Finance. Tier 111 is made up of 21 small banks that control 8.4% of the market. They include African Banking Corporation Limited (ABC Bank), Guardian, Credit Bank, Jamii Bora, Paramount Universal, Fidelity, Charterhouse, Consolidated, and Development Bank. The banks have come together under the Kenya Bankers Association (KBA) which lobbies for any matters that affect them either positively or negatively. The Kenyan banking industry has grown exponentially in assets, deposits and profitability due to diverse product offering mainly in automation of services and increase in branch networks locally and regionally (Adua & Kingoo, 2012).

The increased growth has led to stiff competition among the banks forcing them to focus on meeting customer needs as opposed to the traditional banking where customer needs were secondary. The key challenges faced by the banking sector in Kenya are segmented markets which weakens policy transmission, weak and strong banks product pricing, growing customer sophistication, technological changes, stiff CBK regulation and competition from non-banking institutions like the microfinance and money transfer services like M-Pesa, Branch, Tala, Saidia and Mkopo Rahisi (Gakure & Ngumi, 2013).

CBK in conjunction with the KBA has implemented some measures to deal with the challenges that the banks experience. The Credit Reference Bureaus (CRB) was formed to curb rouge borrowers, the cost of credit disclosure facilitated the annual percentage rate, amendments to accommodate new financial products like Islamic products and electronic financial products, adoption of risk based supervision, enhanced minimum capital requirement and introduction of agency banking (Adua *et al*., 2012).

The call center industry in Kenya falls under the Kenya Business Process Outsourcing and Contact Center Society of Kenya (KBPOCCS). The body is focused on creating jobs for the youth especially with the introduction of optic fiber connection. The call centers in the private sector are represented by Kenya Information and Communication Technology Service Exporters (Gakure *et al*. 2013). Communications Commission of Kenya (CCK) also plays a key role in developing and co-coordinating governing policies and strategies in line with the growth and telecommunications operation services in Kenya. The commission is in charge of issuing telecommunications licenses to operators and service providers. It continuously monitors their performance to confirm that they perform their duties as specified in the Kenya Communications Act 1998 and the Kenya Communications Regulations 2001 (Okiro *et al*., 2013).

Kenya has positioned itself as a competitive center for call centers both regionally and internationally. This is because of the improved infrastructure, increased liberalization and high availability of educated work forces levels (Odera, 2007). In Kenya most of the call centers are set up in house forming seventy per cent while thirty percent are outsourced either locally or internationally. Most financial institutions especially the banks set up in-house call centers for obvious reasons such as data security and integrity, maintaining excellent service standards and brand ownership. (Frost & Sullivan, 2008). The fact that a call center is central in many banks strategies is an underlying view that cannot be ignored. Therefore, this study sought to explore the factors that affect performance of call centers in the banking industry in Kenya.

1.2 Statement of the Problem

The significance of call centers in financial institutions cannot be undervalued. This is because most banks have in-house call centers for various purposes and roles. The management assumes that by having a call center with up to date technology and seamless processes leads to efficiency and optimal results hence ultimately customer satisfaction which leads to retention hence affecting an organizations bottom line (Aliyu, Abdullateef, Sany & Rushami, 2011).

The primary objective of call center operations is customer care and achievement of high levels of customer satisfaction. Call centers increasingly play a crucial role in customer relationship management to give sustainable competitive advantage (Chanhoo, Sunhee & Euehun, 2012). However, this has been contradicted by Rodney *et al*. (2009) in his study where he states that various call centers have failed in achieving this key objective. Customers sometime dread contacting call centers because they feel that their questions will not sufficiently be addressed. Various research studies conducted in Kenya in regards to call centers focus on other call center aspects like the strategic importance of call centers in the Kenyan economy. However, none has been conducted to investigate the role that call centers play in customer satisfaction in the banking industry.

Adrienne (2008) states that the use of technology in call centers is meant to lead to many advantages like cost savings, scalability benefits, offering solutions to service problems, simplified processes which are common across the call center industry. Call center automation is an essential step for greater employee efficiency, optimal customer satisfaction, and improved operational profitability. The technology is meant to improve the working environment for call center agents who need to navigate through multiple systems while handling client queries. (Laietal, 2012). However, this has been contradicted by various scholars like Aliyu *et al*. (2011) and Teirlinck and Spithoven, (2013) who pointed out that technology increasingly turns the call center agents into machines and leads to frustrated customers. These studies did not focus on the banking industry but the call center industry at large. Therefore, whether technology negatively or positively impacts the success of call centers in the Kenyan banking industry is an aspect that needs to be studied.

The aspect of outsourcing is a critical factor that most organizations, banks included contemplate at some point. This is because some argue that outsourcing helps organizations quickly deal with critical issues like lack of expertise, lack of resources like finances to hire personnel and supporting resources like technology and space (Aliyu *et al*., 2011). However, this has been contradicted by other scholars and researchers who point out that outsourcing dilutes the quality of service offered as it leads to departure from an organizations core activities and complicated outsourcing contracts and procedures that affect the achievement of the intended goals and objectives (Lai, Chu, Wang, & Fan, 2013). These are observations based on researches conducted in overseas call centers that are not in the banking industry. The research studies conducted in Kenya to investigate call centers in the banking industry do not focus on outsourcing as a major factor that influences the overall achievement of the intended goals.

The banking industry in Kenya is firmly categorized into tier 1, tier11 and tier 111 banks depending on the banks assets base. These banks operate under the same external environment and are affected by the same economic situations. The banks continually reinvent themselves in order to have sustainable competitive advantage. One of the strategies is by introducing call centers to serve various purposes. The success of these call centers has been varying from bank to bank. There is no evidence of a study conducted to investigate the factors affecting the success of call centers in the banking industry. Therefore, this study aimed to address that gap in the Call Centers in the banking industry.

1.3 Purpose of the Study

The purpose of this study was to investigate the factors affecting call center performance in the banking industry in Kenya.

1.4 Research Questions

1.4.1 What role do call centers play in customer satisfaction in the banking industry?

1.4.2 How does outsourcing affect call center performance in the banking industry?

1.4.3 How does technology impact performance of call centers in the banking industry?

1.5 Significance of the Study

1.5.1 Call Centers

This study investigated the factors affecting the success of call centers in the banking industry. Call centers may understand the key factors that promote their performance and delivery of service or the factors that hinder their success and adapt accordingly.

1.5.2 Banking and Financial Institutions.

This research serves as an eye opener to the management of various banks by giving them actual feedback gathered from various sources on the impact of having a call center. Some banks may decide to open call centers, equip their call centers into fully functional departments that have the capability to resolve customer issues on an end to end basis while others may decide to close their call centers depending on the feedback given.

1.5.3 Banking Industry

This study may be used by the banking industry to understand the factors that hinder or promote call center performance. They may be able to understand if having a call center influences a customer's choice to bank with them. This may give them a new perspective in improving service delivery in order to attain operational excellence.

1.5.4 Policy Makers

Various policy makers may be able to understand various aspects of Call centers and the some of the factors that hinder of promote their performances in the banking industry. They may therefore develop policies and procedures that ensure success of these call centers.

1.5.5 Researchers and Scholars

This study may be useful to other scholars and researchers who might be interested in pursuing further research in the same area. It has offered an insight on some of the factors that affect call center performance in the banking industry.

1.6 Scope of the Study

This study focused on call centers in the financial industry specifically banks. The target population were employees and management of tier I, tier II, and tier III banks in Kenya and the sample study consisted of 150 respondents. The study had limitations because it only covered Nairobi area in terms of geographical region. The study was conducted between the months of January 2017 to May 2017.

1.7 Definition of Terms

1.7.1 Call Centers

Bellman (2007) describes Call centers which are also referred to as Customer contact centers can be described as a group of people whose core function is talking to existing and potential customers through various communication of channels. Effective and efficient call centers should be equipped with skilled staff, current information technology systems and processes that enable delivery of fast, effective and measureable results (Cleveland, 2007).

1.7.2 Customer Satisfaction

Customer satisfaction refers measures how products or services supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses (Zhao *et al*., 2011)

1.7.3 Outsourcing

This is whereby an organization contracts a part of their function to another company for a fee. Some of the reasons are lack of expertise, lack of resources like finances to hire personnel and supporting resources like technology and space (Aliyu *et al*., 2011).

1.7.4 Automatic Call Distributor (ACD)

Automatic call distributor (ACD) is a Call Center system that automatically allocates calls to agents within the call center. It ensures that calls are distributed equally to agents so that the bulk of work does not fall on one agent (Conz, 2007). Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future.

1.7.5 End to End

This is the process of handling a customer query from the inception until the customer is fully satisfied with the solution offered (Aksin, 2006).

1.7.6 Private Branch Exchange Systems (PABX)

Described in full as private branch exchange, this is a system that is used in companies to alternate calls between employees while allowing them to share a specific number of external lines (Adrienne, 2008).

1.7. 7 In House Call Centers

These are call centers that are formed within the company to handle to various functions like operations, Information technology support and customer service. The call center is managed by the organization and is integrated into the overall structure of the organization (Benjamin, 2014).

1.7.8 Business Leads

This is potential business that is created when a client shows interest in an organizations goods and services. The client must be contacted by the business development team to actualize the sale. Call centers create leads by calling up potential customers. The call center agents ask specific questions to gauge the clients' interest. If the client shows a certain level of interest, the lead is then forwarded to the business team for actual conversion into an actual sale (Benjamin, 2014).

1.7.9 Data Mining

This is a process whereby an organization studies its data to create potential business opportunities. The organization looks at the trends and patterns to create sales opportunities. Different departments mine data for various reasons. The marketing department mines data to create new products and new marketing strategies. The operations department will mine the data to ascertain if the processes are efficient. The sales team will know how to package the products they sell depending on maybe the demographics of an area (Chanhoo *et al*. 2013).

1.8 Chapter Summary

This study is organized into various chapters. Chapter one provides the background for this research and formulates research questions and objectives that were used to support the study. It states the purpose and significance of the study and defines the scope of the study. It lays a foundation for subsequent chapters. The study in the second chapter focused on literature review. Chapter three focused on the research methodology. Chapter four presents the study findings, and chapter five presents the discussion, key conclusions and the recommendations for further consideration for future research on the study subject.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews researches done by various scholars touching on diverse aspects of call centers. Theoretical literature review explores general theories that influence the performance of any department in an organization while empirical literature review looks at studies done relating to the topic of research. Research gaps are established from the literature review.

2.2 Role of Call Centers in Customer Satisfaction

Call centers in have rapidly evolved from being a simple add on to customer facing service to an important differentiator. In effect in a world of increasing price competition and globalization, a customer's experience in a company's call center has serious impact on its bottom line. Though it's relatively easy to calculate the direct cost of losing a client due to a bad relation with a company, the hidden costs of that customer sharing his experience with his immediate social network is often ignored. Many companies have reached the deduction that the relationship with a customer should not end once a transaction is completed (Dahlgaard & Dahlgaard, 2006).

These companies believe that customer access after the sale adds value to the transaction. Customer call centers have emerged as a leading weapon on this customer satisfaction battlefront Call centers enable organizations to build, maintain and manage customer relationships by solving problems and resolving complaints quickly, having information, answering questions and being available usually 24 hours a day, seven days a week, 365 days of the year. Clients now expect and demand telephone access to service organizations. Corporations that include call centers as a focus for their customer satisfaction strategy appear to care more, differentiate themselves from the competition, and thus are in a better competitive position than a business only available at a store between usual operating hours (Harney & Jordan, 2008).

Some organizations call center focus has been on finding inexpensive ways to achieve the same or better service performance results at lower cost. These cost reduction strategies have resulted to transfer of a customer service function country where labor costs are relatively lower and affordable. Organizations have also concentrated on streamlining the customer service process, through scripting or automation. Although process optimization can positively impact the bottom line directly, they sometimes have diminutive impact on a client's experience and therefore may not create the desired positive experience that customer service is meant to generate. Therefore, successful call centers need to continually reengage and reevaluate to ascertain how customer centric their processes are (Michel *et al*., 2013).

2.2.1 Competitive Advantage Theory

According to Porter (1985) there are key features and aspects that give any business organization sustainable competitive advantage over its competitors and there are various macro factors that threaten the success of any business. These aspects are the threat of new entrants, bargaining power of customers, the bargaining power of suppliers, threat of substitute goods and services, and rivalry from competing firms. An organization can combine Porters' (1998) attributes to outperform its competition. This theory was further supported by Warf and Stutz (2009) who observed that organizations gain competitive advantage by obtaining the best technology, having comparatively lower prices, product differentiation and by hiring highly competent and qualified personnel. Organizations often use some generic competitive strategies like product and service differentiation, continuous service, product and process innovation strategy and cost leadership strategy which enables an organization to offer the best goods and services at the lowest prices while still earning a profit (Hansen, 2005).

Various factors affect a consumer's preference of one product or service over another. This is credited to several dynamics like the price, the brand and quality of the product and in some product the country of origin. Other factors include social cultural factors like the social status attributed to the product and reference institutions like family and religion (Warf & Stutz, 2009). The theory of competitive advantage can be applied by financial institutions in their call centers by combining a set of attributes to ensure that they are preferred over their competitors. They can equip their call centers with well trained staff and technology that ensures quick and efficient resolution of clients' issues. The aspect of process re-engineering can be reviewed to ensure total quality management that places customers at the center of any process. By extension the call centers can be perceived as middlemen or agencies that sell all the banks products and services and drive a bank's strategy (Robinson & Pearce, 2009).

Banks all over the world strive to implement sustainable competitive strategies. Central to these strategies is the implementation of call centers in order to offer excellent customer service alongside other operational processes. The Kenyan banking industry is not exempt from this trend. Ideally the call centers are structured to serve various needs based on the banks strategic focus, goals and objectives. The banks strive to acquire or develops an attribute or combination of attributes that enable them to outperform its competitors. These attributes include access to highly trained and skilled personnel human resources. New technologies such that enable them to outperform competitors with regard to internet presence (Michel *et al*., 2013).

2.2.2 Customer Service Theory

This theory was developed by Smith (1776) and it postulated that for companies to be successful, they must be actively involved in meeting their customer needs. Consumers have many options to choose from. They therefore opt for the best option that will meet their needs at the best price. The facts that the market place is governed by very competitive dynamics, organizations are forced to treat their customers with respect and meet their ever changing needs. This then leads to repeat business from delighted and satisfied customers hence impacting the organizations bottom line positively (Antony, 2008).

Rodney *et al*. (2009) recommends some steps that enhance customer experience hence create an excellent customer service experience. The customer should always be greeted with a smile and a friendly but firm handshake. The issues raised should not be generalized but addressed as if they are unique in nature to make the customer appreciated. The service provider should use the customer's name in order to make the customer feel important and that they are not a statistic. When winding up the process, the service provider should ask the customer if all their needs have been met and addressed satisfactorily. This experience will lead to repeat business and eventually customer loyalty.

A holistic approach to dealing with customer issues ensures the whole organization is focused on delivering excellent customer service. Rodney *et al*. (2009) further stated that about 92% of United States (US) customers form images of the company depending on the interactions with their call center. Organizations focused on efficiency measures which in the long run might be counterproductive to achievement of customer satisfaction. Call center operations and ultimate goals to make profits may create a high level of customer dissatisfaction. The study viewed the service industry as a whole without mentioning the impact of call centers in the banking industry hence some critical areas were not addressed (Aksin, Armony & Mehrotra, 2006). Call centers can leverage on offering the best customer service experience since they are the first points of contact. They create lasting impacts which then determines if a potential customer will choose their bank over the competitors or if existing customers will remain with the bank.

2.2.3 Revealed Preference Theory

According Wong (1978) consumer preference sometimes can be derived simply by observing consumers in their natural elements when presented with various choices. Consumers will consistently purchase what they like irrespective of the price. This is attributed to various factors like taste and preference which in most cases are consistent and rarely change irrespective of time. The three assumptions that remain constant in consumer preference are that preferences are non-satiable, which means consumers prefer more of a good than less of it, secondly preferences are complete and finally they are transitive (Wright *et al*., 2007).

Wong (1978) however criticized this theory claiming that it was developed as a substitute to the utility theory. He further argued that if consumers pick a mango over an orange, it can be assumed the preference is for the mango. However, in reality there are some other underlying factors that made the consumer pick the mango over the orange. Therefore, the aspect of ordinal utility was not sufficiently addressed. A customer defines value from the perspective of lean thinking. Rodney *et al*. (2009) defined lean thinking as a business practice that focuses on offering new methods of thinking around ways of organizing human activities to provide more benefits to society and value to people while removing waste. They further stated understanding customer’s contexts and perspectives in respect to the products and services they use offers valuable information that can be harnessed to create satisfaction hence retain existing customers while attracting new ones. This also forms the basis for creating and restoring value hence creating an excellent customer service experience. They also looked at the end to end process from the inception of a call to the final delivery of products or services and how various departments play a critical role in effective delivery.

According to Anand (2008) though call centers are perceived as central in attracting and retaining customers, studies on the topic indicate that customer loyalty is basically geared towards a service provider. This essentially means that customer loyalty is towards a specific service provider and not a particular brand. This is an area that has not been explored widely. The fact that the success of any given organization is dependent customer attraction and subsequent loyalty cannot go unmentioned and the unique role of a call center in that entire process must be highlighted. They play a key role in meeting customer needs and obtaining customer feedback that can be channeled to create value for the entire organization (Schneider, 2004). Customers frequently gauge the service climate of an organization and will often make critical decisions based on that perception (Lux, 1996). If the perception is high, then they will join the organization and form a lasting relationship. If the perception is low, then the likelihood of joining the organization and forming a lasting relationship is very low.

2.2.4 Customer Retention

The influence of customer service experience on customer satisfaction and retention has been studied by several researchers. According to Aksin *et al*. (2006) one of the important outcomes is that many dissatisfied clients do not air them complains. These customers are at a greater risk of looking for alternate service providers. The fact that clients form their opinions about an organization based on interactions with call centers further highlighted the importance of call centers in any organization. This concept was supported by Antom and Gunderson (2004) who stated that customers continually interact with competing organizations hence offering them a wide variety to choose from. The organization that has the biggest positive and pleasant impact on the customer will ultimately develop a long term relationship with him. This in turn affects the organizations market share due to repeat business and referrals from the happy clients. Businesses have invested in Customer Relationship Management (CRM) systems. According to Sun, Li and Zhou (2006) these expensive systems should assist in managing customer data that can be utilized in the entire organization hence create real value.

According to Frenkel, Korczynski, Shire and Tam (2009) managing a call center environment is particularly challenging because it requires an intricate balance between offering excellent customer service and meeting lean budgetary demand. Customer perspective is rarely addressed in call center research done over time. Other factors like call center operation efficiency, fast resolution of customer queries and staff behavior including employee turnover in call centers take precedence hence renegading the customers' perspectives. This leads to frustrations on call center agents as they attempt to effectively manage customer queries hence the conclusion that customer orientation, satisfaction and retention are not a key focus for call centers (Gilmore, 2001).

2.2.5 Performance Measurement for Customer Satisfaction

McAdam, Davies, Keogh and Finnegan (2009) reviewed call center performance measurement from a six sigma perspective. Six sigma is a set of techniques used for improving processes developed by Motorola in 1986. The six sigma concept has a total quality approach which has the customer at the center of the process. It encompasses concept development that is focused on consumer specifications, technological abilities, and economic actualities. It also involves design development, which centers on product and process performance issues needed to accomplish the product and service desires in manufacturing. Design optimization is also considered which seeks to minimize variation impact hence have a standardized product. This drives organizations towards attaining measurable monetary earnings from any Six Sigma project. This in turn leads to continuous leadership and supports the six sigma hypotheses that call centers are not only service centers but are data centric. This is because they maintain data for a long time. The data can be used for successful business improvement methods that have already been deployed in other business sectors. Six sigma approaches then steers call centers to apply the full range of six sigma concepts and its adaption to addressing strategic and operational issues (Sun *et al*., 2006).

Rodney *et al*. (2009) further states that the application of six sigma concepts guarantees improved operation efficiency by eliminating waste. The concept mainly focusses on how call centers can deliver excellent customer service while reducing operational costs and achieving a holistic improvement. These approaches were based on manufacturing industries; they did not delve into the service industry, specifically the banking industry. This claim was supported further by Antony (2008) who stated that service industries will only fully achieve the benefits of six sigmas' if they apply the key methodology in six sigmas which is Define, Measure, Analyze, Implement and Control (DMAIC), an aspect that McAdam *et al*. (2009) did not cover in their research.

Alison (2002) states that though continuous growth in call center industry globally has created a very competitive environment for organizations, some concerns continually emerge. The need to closely monitor and control the environment provided a stressful environment for the call center agents which may be counterproductive in the long run leading to high rates of employee turnover. This means that the staff at call centers cannot be customer focused hence leading to customer dissatisfaction and eventually customers terminate the relationship with the organization. Alison (2002) further states that there is little literature on consumers' perception of call center quality and customer orientation hence leading to loyalty to the providing organization. This creates room for exploration of the concept of the importance of service quality in selecting a service provider and eventual customer loyalty (Wallace, 2005).

These studies were geared towards the challenges faced by call center management due to emerging technologies and behavioral responses by both customers and agents. It did not delve into the banking industry and the role that call centers play in influencing consumer preference in the banking industries.

2.3 Effects of Outsourcing on Call Center Performance

Outsourcing also referred to as Business process outsourcing is the process in which a company delegates some of its in-house processes to a third party. It involves a third party who manages the entire business process, such as accounting, financing, customer support or human resources (HR) (Chanhoo *et al*., 2013). Business Process Outsourcing (BPO) is rapidly becoming recognized as a strategy offering a compelling business value proposition for companies as a means to gain operational efficiency, focus on core expertise, save time and potentially reduce costs. Outsourcing is valid in difficult times when companies want to cut costs as well as times of profit when companies want to focus on growth (Benjamin, 2014).

Banks all over the world have developed integrated processes which have led to widespread duplication and redundancy generating augmented costs and leading to reduced business flexibility and damages service quality through inconsistency (Fugate, Mentzer & Stank, 2010). Banks have continuously improved their efficiency through improving technology, cost cutting and alliance. However further improvements are proving elusive since the costs have been clipped to the minimum and merging benefits have diminished, banks are under pressure to increase incomes (Aliyu *et al*., 2011).

Chanhoo *et al*. (2013) pointed out that outsourcing provides an option for banks to refocus scarce resources away from trivial operations to value added services, such as business strategy and execution. Outsourcing ensures that banks receive higher quality, better on time delivery access to world class skills, fast project start up, industry best practices and even benchmarking information about similar financial institutions (Fugate, Mentzer & Stank, 2010). Investor expectations continually increase hence banks are forced to reconsider their core functions. In effect, the distinction between core and noncore is slowly diminishing, thereby increasing the number of functions that could be outsourced (Chanhoo *et al*., 2013). Banks majorly outsource to reduce costs, improve processes and increase revenues. Other reasons include lack of expertise, lack of resources like finances to hire personnel and supporting resources like technology and space (Aliyu *et al*., 2011).

2.3.1 Cost Reduction

Kakumanu and Portanova (2006) observed that reducing costs is the main driving force in outsourcing. The high costs are mainly due to employees' wages and all other costs associated with them. Cost efficiency is a key factor in all businesses. Outsourcing provides an option to eliminate the unnecessary costs. This is because firms that specialize in offering outsourcing services have the advantage of economies of scale since they serve many customers. This means that they can offer subsidized prices to firms that seek to use their services.

The specialized outsourcing firms can also afford to continually update their technology because the costs will be redistributed to clients. They will be able to offer up to date services hence offer the best value preposition to their customers. The outsourcing firms also engage in various activities hence learn best practice from one sector that they can transfer to another sector (Fugate, Mentzer & Stank, 2010). The firms that outsource must clearly define their performance metrics to the outsourcing firm. This is because failure to carry out this exercise often results in poor results hence a dissatisfied customer. This also leads to unnecessary costs as organizations seek alternative means to address the loss of revenue and other resources (Aliyu *et al*., 2011).

Various studies conducted on outsourcing have focused on service and manufacturing industries. The studies have highlighted the cost reduction strategies applied to reduce costs by outsourcing both locally and internationally. Central to the studies was the focus on other industries not primarily the banking industry and more so in Africa specifically the Kenyan banking industry and how outsourcing has impacted the industry.

2.3.2 Increased Revenue

Benjamin (2014) states that as banks grow in revenue, they tend to increase staff to address the spike. These additional staffs come with costs that can otherwise be eliminated if the bank outsources. However, if the spike and growth is not sustainable, a bank is left with a large number of staff that they may not be able to utilize. The litigation of a country may hinder them from laying them off. The banks can save on unnecessary staffing costs and unnecessary litigation by hiring only when needs arise. The banks will have access to skilled staff without having to hire specialized staff at very high costs (Benjamin, 2014).

Competitive banks effectively allocate their resources to areas that give them maximum profits. This means that they continually conduct Strength, Weakness, Opportunity, and Threat (SWOT) analysis and eliminate areas that do not add value to them. Though these areas may be important to a business to operate, they can be outsourced to free up resources to pursue other profit making ventures. Kenyan banks are not exempt from this phenomenon since it is global. Various studies conducted have focused on outsourcing in other key sectors not necessarily in the Kenyan banking industry. This gap needs to be addressed so that Kenyan banks can effectively understand the dynamics involved in outsourcing specifically on how it impacts the bottom line (Croson, Schultz, Siemsen & Yeo, 2013).

2.3.3 The Complex Dependence Relationship in Outsourcing

Fugate, Mentzer and Stank (2010) states that with the development of global competition and the increasing intricacy of market demands, outsourcing plays an important role in improving customer service and market share. Banks have progressively become dependent on their resources, including physical assets, information, skilled employees, effective processes, social capital and other tangible and intangible resources of the firms they outsource to (Trkman, 2013).

The resource dependence theory states that relationship management is an effective approach to manage the negative influence of dependence for successful inter-firm cooperation (Zhao, Huo, Selen, & Yeung, 2011). Therefore, the relational aspects associated with outsourcing practices may be important in effectively dealing with dependence issues. According to Hofer, Knemeyer and Dresner (2009) further investigation are necessary to verify the association between dependence and relationship commitment in those practices. Studies of the complex relationship management between firms that are parties to outsourcing contracts have emphasized that dependence issues should be well managed to ensure the desired logistics outsourcing performance.

However, uncertainties from dependence issues in logistics outsourcing practices persist. The most important issue is the lack of clear guidelines on how contractors of outsourcing companies manage dependence issues by developing proper relationship commitment. Given this research gap, one of the objectives of this study is to show if outsourcing does play a critical role in the success or failure of call centers in the banking industry (Hofer *et al.*, 2009).

2.3.4 Challenges Associated with Outsourcing

All business ventures and decisions come with risks and challenges. The common challenges are lack of management commitment and critical understanding of the nature of the contract with outsourcing firms (Lai, Tian & Huo, 2012). The reporting lines are clearly defined, failure to implement a proper communication structure and plan on organizational changes and future. In most cases the management of the contracting firm does not include the staff with expertise in such matters in the process (Wallenburg, Cahill, Michael & Goldsby, 2011). Most of the times banks make the decisions to outsource based on the intentions to reduce costs and acquire instant solutions. However, banks tend not to lay out formal outsourcing process. In most banks do not have internal capacity to handle the extra work load that they are outsourcing. What is needed is to review internal business processes and reallocate resources to meet this new need. The banks must remember to in cooperate the outsourcing plans to the overall organizational long term and short term strategy (Lai, Tian & Huo, 2012).

According to Lai, Chu, Wang and Fan (2013) sometime as banks outsource, they tend to forget their core business and are actively involved in the value activities of the outsourcing firm. The outsourcing firms have multiple clients and therefore may not necessarily give the desired quality that a bank would primarily offer. Most often the banks may loose on intellectual property because they have no direct control on the employees of outsourcing firms (Wallenburg *et al.*, 2011).

2.4 Effects of Technology on Call Center Performance

Call center technologies include speech recognition software to allow computers to handle first level of customer support, text mining and natural language processing to allow better customer handling, agent training by automatic mining of best practices from past interactions, support automation and many other technologies to improve agent productivity and customer satisfaction (Wallenburg *et al*., 2011). This has been supported by Lai *et al*. (2013) by pointing out that telephone calls are easily monitored and the close monitoring of call center staff is widespread. However there has been criticism to call center systems arguing that it leads to lack of personalized services, complaints that departments of companies do not engage in communication with one another and automated queuing systems that delay delivery of services. The various challenges encountered by call operators are discussed by several authors (Wallenburg *et al*., 2011; Lai *et al*., 2013; Hofer *et al*., 2009).

2.4.1 Lack of Personalized Services

A research conducted by Adrienne (2008) indicates that call centers have evolved over time to emphasize on customer service and cost cutting. Adrienne (2008) further points out that the search for cheap labor in developing countries led to geographical expansion of the call center industry for numerous big corporations the early 2000. The shift brought about a unique set of challenges like poor services, accents and intonations leading to a decline in this kind of ventures (Taylor, Baldry, Bain & Ellis, 2003). As a result of increased expectation on consumers and workers for improved service delivery, call center operations concentrated on front-line staff empowerment.

However, this view was conflicting mainly because some researches often portrayed call center agents as mechanized people who strictly follow routine and are indifferent to customers' needs while other studies show that they are much empowered workers who enjoy their interactions with customers (Curry & Penman, 2004). Application of emotional intelligence is importance for call center workers. This aspect is however affected by the triangle relationship between customers, call center workers and the management of an organization. This means that organizations must understand that the success of their call center is dependent on the support it is given by other departments and functions (Lai *et al*., 2012).

Banks that opt to outsource are also affected by this aspect of lack of personalized services. This is mainly because outsourcing firms manage many accounts at the same time hence will not give the maximum attention that a bank would ordinarily give its clients. This coupled with the fact that the call center technology is presumed to be impersonal creates a unique set of challenge. This global concept is witnessed in the Kenyan banking industry (Lai *et al*., 2013)

2.4.2 Process Improvement

Mani, Barua and Whinston (2010) state that call centers have become integral in business processes as banks and other organizations look for ways to reduce costs and concentrate on their core business areas. This concept has grown as banks and other organizations have been transferring responsibility for entire functions such as human resources, logistics, customer service, and finance and information technology to either in-house or external call centers. Initially call centers leaned towards labor-intensive manufacturing processes but that has expanded in the recent past to include knowledge-intensive professional services such as research and development, accounting and legal support (Handley *et al*., 2012).

According to Teirlinck and Spithoven (2013) banks and organizations globally have been moving beyond cost motives alone to use call centers as a means of accessing local and skilled labor pools and reduce development times in knowledge-intensive services. Performance improvement has become a key objective in outsourcing arrangements. The motivations have evolved from a primary focus on cost reduction via lower vendor production costs to an increasing emphasis on performance transformation in areas such as quality, functionality and service. (Malik & Blumenfeld, 2012).

Globally banks often view back office functions as cost consuming hence are keen to reduce costs in such areas yet these areas remain key in the smooth functioning of organizations. However there tends to be a lot of process duplication in these areas hence more and more costs (Handley & Benton, 2012). Despite the recent increasing research in call centers little attention has been given to understanding how process improvement techniques impact the business processes in banks and specifically in the Kenyan banking industry (Handley *et al*., 2013). Little work has been carried out on analyzing how technology affects call centers performance in the Kenyan banking industry. Therefore, this research aims to facilitate aims to understand how technology improves processes

2.4.3 Maximizing on Technological Advances to Improve Call Center Performance

Redondo-Cano and Canet-Giner (2010) observed that over the past decade, several technological advances have had a profound impact on the call center industry and by extensions the overall organizations including banks (Soyer & Tarimcilar, 2007). Increased competition has led to increased network capacity, improved quality and lower costs for both domestic and international traffic. Technology is cheaper, more reliable and increasingly sophisticated. Call center managers are increasingly expected to deliver both low operating costs and high service quality (Trkman, 2013). To meet these potentially conflicting objectives, call center managers are challenged with deploying the right number of staff members with the right skills to the right schedules in order to meet an uncertain, time-varying demand for service. Traditionally, meeting this challenge has required call center managers to wrestle with classical operations management decisions about forecasting traffic, acquiring capacity, deploying resources, and managing service delivery (Reed & Storrud, 2009).

Banks operate in a stable environment, however the call centers within them are greatly affected by external environment factors. Market and industry trends tend to create spikes in call volumes or customer complains that call centers must handle (Hsiao, Vorst, Kemp, & Omta, 2010). Many call centers face highly unpredictable demand which is also time-varying. The time varying element is relatively easy to handle by adjusting staffing levels. But when call volume is unpredictable, limited flexibility in adjusting staffing levels may lead to situations of over- or under-staffing, at least temporarily (Teirlinck *et al*., 2013). Kenyan banks have call centers either in house or outsourced whose efficiency is sometimes dependent on efficient call center systems (Hsiao *et al*., 2010). However, this does not mean that the presence of an effective technological system will result to efficient delivery of service. The research conducted shed would shed more light on whether maximizing on technological advances improves call center performance.

2.4.4 Applying Technology to Minimize Impact of Staff Turnover

According to Zacharia, Sanders, and Nix (2011) call center operations management looks at personnel planning problems from the perspective of the call center manager. The decisions focus on staffing, shift scheduling and routing control affecting the employees of a call center. This aspect coupled with employee incentives influence call center performance are typically ignored in operations management models. Emphasis should be on exemplifying the ties between the operations management and organizational behavior perspectives on human resource issues in call centers (Narasimhan *et al*., 2009).

The key trade-off between customer service and efficiency faced by managers in a call centers is also the central tension that a human resource manager needs to manage. According to Narasimhan *et al*. (2009) this tension unmasks a series of conflicts between costs and quality, flexibility and standardization and between constraining and enabling job design. While traditional call center human resource strategies are characterized by control oriented practices modern practices focus on practices focus on people inclusivity (Zacharia *et al*., 2011).

Reed and Storrud (2009) found that high involvement practices like selective hiring and extensive training, job designs that include individual discretion and allow for ongoing learning and incentives such as training, security, high pay levels, trust building performance measurement systems, characterize a commitment strategy. These are various alternative production models for call centers, driven by different market segments or internal needs and are enabled by advanced technology (Handley *et al*., 2013). Employees of a call center feel the tension between control and commitment in part through performance measurement systems. Call centers monitor both quantitative and qualitative aspects of calls answered by an employee (Handley *et al*., 2013).

Zhao *et al*. (2011) also pointed that target setting is extensively used to ensure performance along both the quantitative and qualitative dimensions. Quantitative and qualitative targets may furthermore be conflicting thus creating additional pressure on employees. This conflict combined with the intensity of monitoring is believed to lie at the root of call center employee burnout leading to negative effects like turnover, absenteeism, and quality problems. Providing efficient systems that lighten employee work load enables them to enhance their skills and service performance hence a positive effect on their wellbeing. Efficient and effective systems lead to other characteristics of commitment strategies which have also been shown to lead to positive performance outcomes. Better systems lead to higher sales and quality and lower quit rates (Alison, 2014). Teams that are able to create a collaborative environment are shown to have better knowledge sharing capabilities thus leading to better service (Alison, 2014).

2.5 Chapter Summary

This chapter focused on literature review on related to the question that this study focuses on. The chapter then reviewed the role of call centers in customer satisfaction, effects of outsourcing on call center performance, effects of technology on call center performance. The next chapter discusses the research methodology that the study was used to collect data that answered the research questions conclusively.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the methods and procedures used in carrying out the study. The chapter covers research design, the sampling design, the data collection methods, data analysis and reporting, ethical issues and the limitations of the study.

3.2 Research Design

Cooper and Schindler (2014) describes research design as the overall plan and investigation structure to acquire answers to research questions and manage variances in the process. There are various research methods. Exploratory looks at new studies that have not been carried out before like testing a new drug, casual experiments that looks at cause and effect reactions and descriptive research. This study used descriptive research design. Descriptive design uses statics that measures the cause and effect relationships between variables. This method has an advantage of being cheap and effective where large sample sizes are applicable. Mugenda and Mugenda (2003) observed that this survey method is best for collecting original data as it gives a certain degree of accuracy.

3.3 Population and Sampling Design

3.3.1 Population

According to Conz (2007) a population is a whole group of people, things or events, and has similar characteristics that are called parameters. The population of this study was based on the report published by CBK on 31st December 2014 that stated that the Kenyan banking sector had 44 banking institutions, 43 were commercial banks and 1 was a mortgage finance company.

Banks in Kenya are classified into three categories depending on a weighted composite index that includes customer deposits, the total number of deposit and loan accounts, the net assets that banks owns and the capital base. This then forms the basis for classification of a bank as either a small, medium or large bank. Large banks have an index of 5% and above; medium banks have an index of between 1-5%, while small banks have less than 1%. This study focused on two banks, namely Sidian Bank which was a Tier III bank, and Chase Bank which was a Tier II bank, whose total population was 680 and was distributed as indicated on Table 3.1.

Table 3.1 Population Distribution

Targeted Bank	Bank Tier	Number	Percentage
Sidian	III	380	100.0%
Chase Bank	II	300	100.0%
Total		**680**	**100.0%**

Source: Central Bank of Kenya (2017)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling frame is a list of population units or elements from which to select elements to be sample (Cooper & Schindler, 2014). A sample can be defined as a smaller group or sub-group obtained from the accessible population (Mugenda & Mugenda, 1999). Sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group (Orodho & Kombo, 2002). A sample can be defined as a smaller group or sub group obtained from the accessible population (Mugenda & Mugenda, 1999). CBK is the custodian of the listing of all the banks in Kenya. The sample frame for the study was a list of management staff, and employees from each of the tier I,Tier II, and Tier III banks.

3.3.2.2 Sampling Technique

This study applied stratified sampling followed by simple random sampling technique. Cooper and Schindler (2014) defined a simple random sample as a subset of individuals chosen from a larger population. Individuals were chosen randomly such that each subset of *k* individuals had the same chance of being chosen as any other subset of *k* individuals.

3.3.2.3 Sample Size

The sample size is a smaller set of the bigger population (Cooper & Schindler, 2014). Mugenda and Mugenda (2003) states that the sample must be representative of the population for objective findings. Though no survey is free from error, they should be limited to at least 5%. The study sampled 50% of total population from both banks which gave a total sample size of 340 which was distributed as shown in Table 3.2.

Table 3.2 Sample Size Distribution

Targeted banks	Population	Sample	Percentage
Tier II Banks	300	150	50.0%
Tier III Banks	380	190	50.0%
Total	**680**	**340**	**100.0%**

3.4 Data Collection Methods

Mugenda and Mugenda (2003) state that data collection is critical to any study as it defines who will be interviewed, when they will be interviewed and how they will be interviewed. Primary data was collected by directly administering questioners to the respondents. The main advantage of primary data is that it is always up to date and reliable. Structured questioners were developed and administered to selected individuals. Section one of the questionnaire focused on general respondent information, section two focused on the effects of call center on customer satisfaction, section three explored the effects of outsourcing on call center while section four focused on the effect of technology on call centers performance in the banking industry.

The likert scale, which is a psychological measurement device that gauges attitudes, values and opinions was used extensively in the questionnaire. The main advantages of using questioners are that the questions can be structured in a way to prompt and guide the interviewee, they are cheap to administer and are easy to analyze (Cooper & Schindler, 2014). The questions were structured around the research of the study hence a variation of both open and closed questions.

3.5 Research Procedures

The questionnaires were developed by the researcher based on the research questions of the study. Prior to launching of the study survey, a pre-testing on randomly selected 5 employees was carried out in the banking industry. Reactions coming from the employees necessitated slight changes on some questions and inclusion of some more general information. Besides the questions in the questionnaire, a one paragraph preamble introduction letter, addressed to the respondents, was included to briefly state the purpose of this study and its significance to the respondents. Respondents were equally assured that the information provided would be kept confidential. To ensure high response feedback and corporation, the following strategies were put in place. (1) Short questions and short length of questionnaire; (2) To ensure all categories of respondents could respond to questions with ease, the English words used would greatly be simplified and the questions and answers options would be easy to understand. The final questionnaire was then printed after internal approval for its clarity and for it being a good instrument for the intended objectives and appropriate in data collection. 150 questionnaires were administered to randomly chosen subjects in Sidian and Chase banks located in Nairobi.

The respondents were requested for their time prior to sending the actual questionnaire. A pilot test involving 5 respondents was carried out to evaluate the completeness, precision, accuracy and clarity of the questionnaires. This ensured the reliability of the data collection instruments used. After the amendment of the final questionnaire, the researcher explained the purpose of the research and sought permission from the two companies to carry out the actual research. The final questionnaires were distributed to the respondents with the help of research assistants. This enhanced the speed of data collection. Each completed questionnaire was treated, as a unique case and a sequential number given to each. Filling the questionnaire took approximately 10 minutes.

3.6 Data Analysis Methods

This is the systematic application of statistical and logical techniques to explain, shrink, and evaluate data collected in the data collection phase of the study. There are various methods used to draw conclusions from any data (Cooper &Schindler, 2014). Descriptive, comparative and inferential analysis were used to draw out percentage frequencies. Inferential statistics infers from a sample of the population hence predicts the characteristics of a population based on a sample (Mugenda & Mugenda, 2003). Bivariate correlations is used when there is a continuous independent variable and a continuous dependent outcome (Cooper and Schindler, 2014). The collected data was edited and entered into the Statistical Package for the Social Sciences (SPSS) software to enable the carrying out of the analysis. The data was represented in form of figures and tables.

3.7 Chapter Summary

The chapter described the research and sampling techniques applied. It also outlines the data collection process, data analysis and reporting methods used. The aspect of ethical issues observed and the limitations anticipated in the study. The researcher used questionnaires and face to face interviews to collect the primary data. The next chapter presents the results and findings of the study.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter contains various sections that include: section 4.1 introduction, section 4.2 response rate, section 4.3 general information, section 4.4 role of call centers in customer satisfaction, section 4.5 effects of outsourcing on call center performance, section 4.6 effects of technology on call center performance, and section 4.7 chapter summary.

4.2 Response Rate

The researcher handed out 340 questionnaires to the population and managed to collect all the questionnaires. During data cleaning, only 320 questionnaires were valid and were used for analysis. This gave the study a response rate of 94%. These results were above the required threshold.

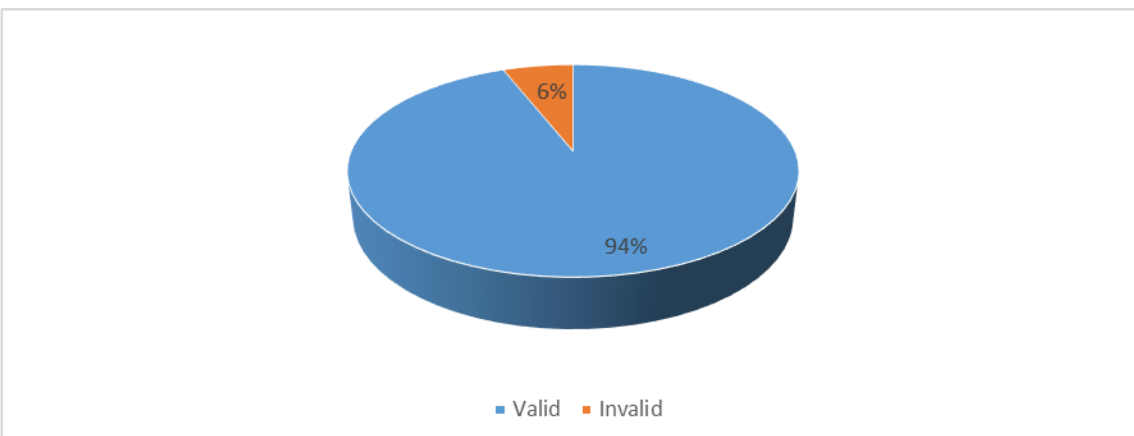

Figure 4.1 Response Rate

4.3 General Information

4.3.1 Gender

The researcher asked the respondents to indicate their gender and Figure 4.2 shows that 61.7% were male, and 38.3% were female. These results shows that majority of the employees working at Sidian Bank and Chase Banks were female. This could be explained by the demographic population of the country that has more female population.

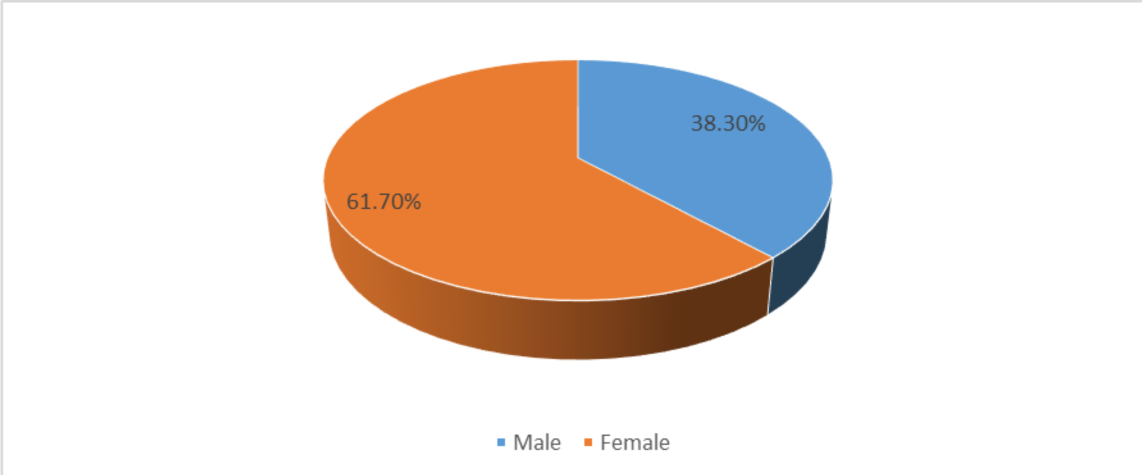

Figure 4.2 Gender

4.3.2 Age Bracket

The researcher asked the respondents to indicate their age bracket and Figure 4.3 shows that: 30.5% were aged between 28-32 years, 29.8% were aged between 33-37 years, 27.7% were aged between 23-27 years, 9.2% were aged between 38-42 years, and 2.8% were aged between 43-47 years. These results show that most of the respondents were young adults which could be explained by the demographic distribution of the Kenyan population.

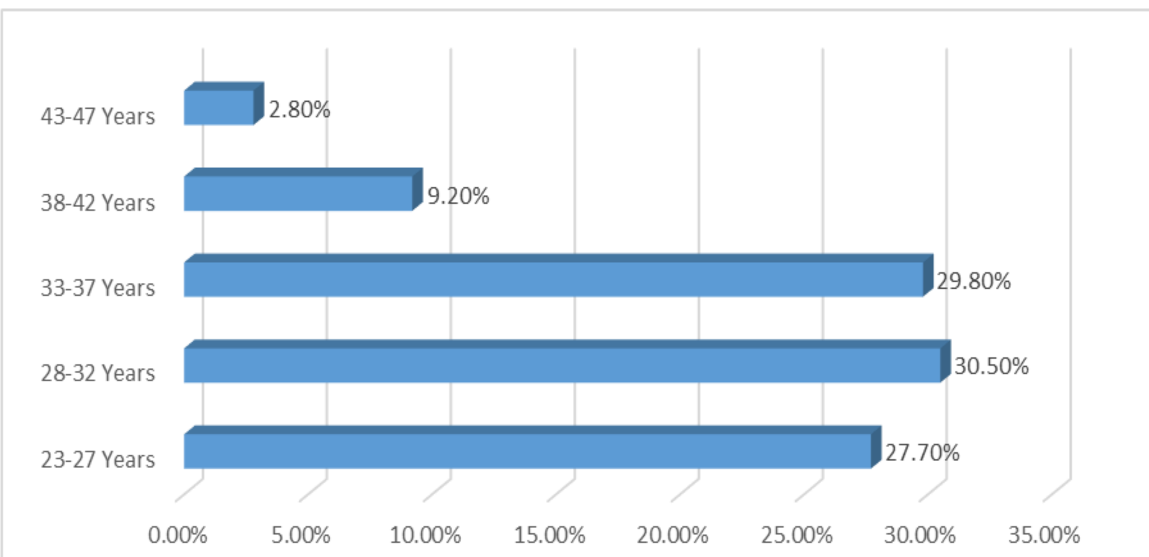

Figure 4.3 Age Bracket

4.3.3 Bank

The researcher asked the respondents to indicate the bank they worked for and Figure 4.4 shows that 50.4% worked for Chase Bank, and 49.6% worked for Sidian Bank. These results show that the study was inclusive of both banks, and they were both represented well in terms of respondent divide.

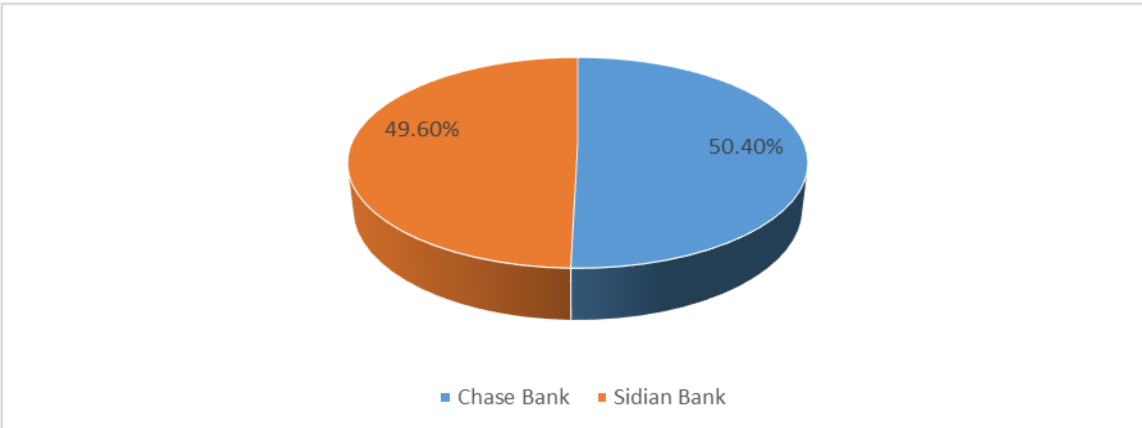

Figure 4.4 Bank

4.3.4 Bank Tier

The researcher asked the respondents to indicate their bank tier and Figure 4.5 shows that 50.4% worked for a tier II Bank, and 49.6% worked for a tier III Bank. These results show that the study was in tandem with the bank ranking since it matched the population distribution.

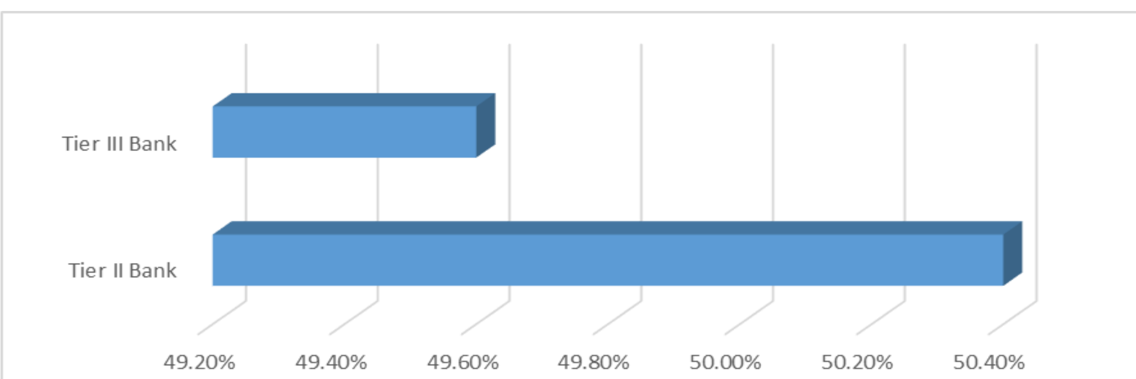

Figure 4.5 Bank Tier

4.3.5 Employee Position

The researcher asked the respondents to indicate their position in the bank and Figure 4.6 shows that 34% were in supervisory level, 31.9% were bank officers/ clerks, 27.7% were in mid-level management, and 6.4% were in senior management. These results show that all levels of management and regular staff were considered in the study.

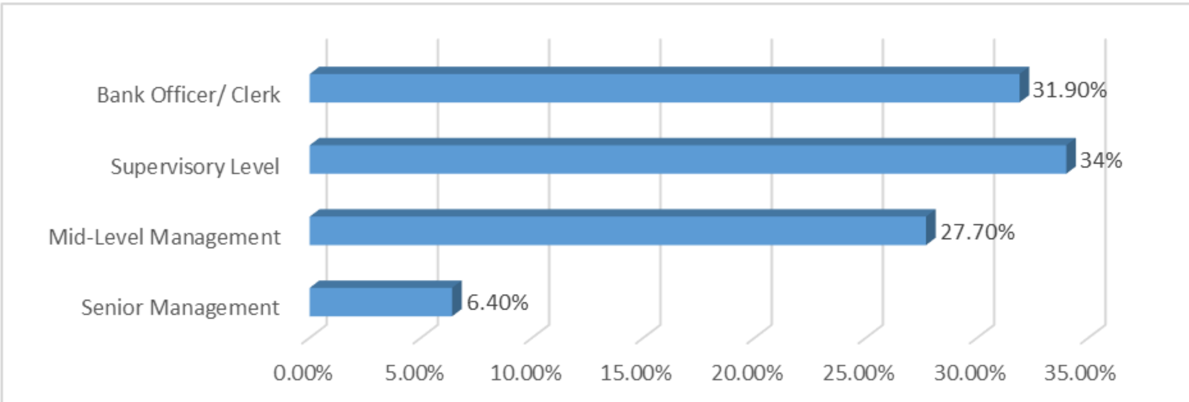

Figure 4.6 Employee Position

4.3.6 Years in Organization

The researcher asked the respondents to indicate the number of years they had been with their organizations and Figure 4.7 shows that 24.8% had been with their organizations for 3 years and 4 years respectively, 18% had been with their organization for 2 years, 7.1% had been with their organizations for 5 years and 6 years respectively, 2.1% had been with their organizations for 7 years, 1% had been with their organizations for 8 years, 10 years, 12 years, and 15 years respectively. These results show that majority of the respondents had been with their respective organizations for more than 2 years making them viable candidates for the study.

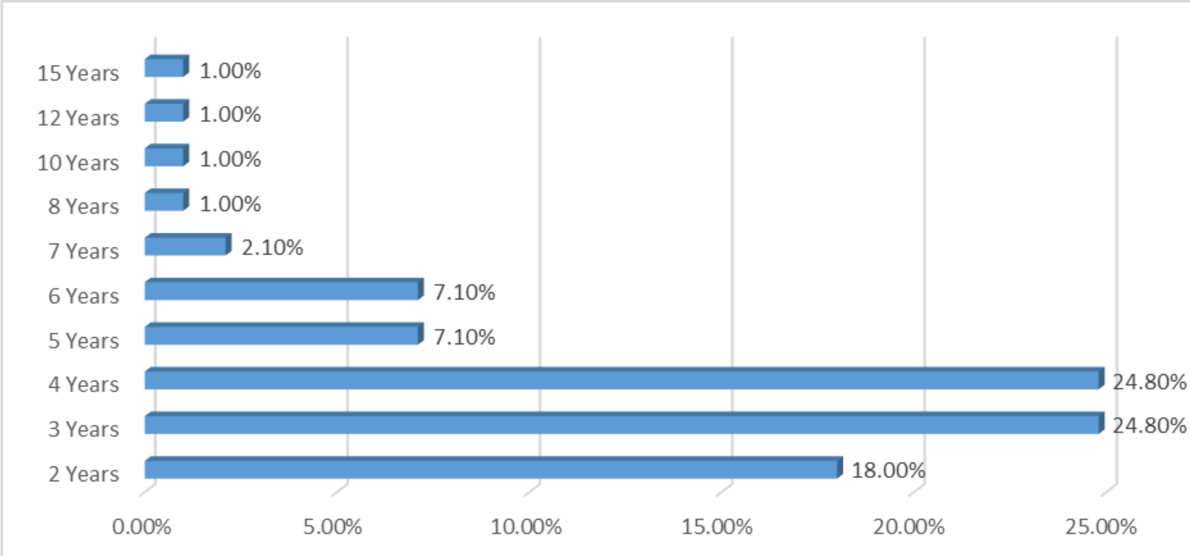

Figure 4.7 Years in Organization

4.4 Role of Call Centers in Customer Satisfaction

4.4.1 Rating of Call Center's Metrics with Regards to Customer Satisfaction

The respondents were asked to rate call center metrics using statements that were provided making use of the scale: SA-Strongly Agree, A-Agree, N-Neither Agree or Disagree, D-Disagree, and SD-Strongly Disagree. The response received was calculated using percentages and was as indicated on Table 4.1. The resulting mean of <2.5 shows that the customer center metrics did not influence customer satisfaction significantly. The standard deviation of <1.5 indicated that the response received from the population was almost similar.

Table 4.1 shows that the call center is easily accessible through various channels as shown by 92.2% of the respondents. The call center staff have adequate knowledge to handle all queries raised by clients as shown by 83.7% of the respondents. The call center team responds on time to the queries raised by clients as shown by 80.8% of the respondents. The call center staff sufficiently address any queries raised as shown by 75.9% of the respondents. The call center agents respond professionally to calls, emails and social media queries as shown by 79.4% of the respondents. Overall the call center agents are a valuable team to the bank as shown by 79.4% of the respondents.

Table 4.1 Rating of Call Center's Metrics with Regards to Customer Satisfaction

	SA %	A %	N %	D %	SD %	Mean	Std Dev
The call center is easily accessible through various channels	51.1	41.1	3.5	3.5	0.7	1.62	.781
The call center staff have adequate knowledge to handle all queries raised by clients	29.8	53.9	7.8	7.1	1.4	1.96	.890
The call center team responds on time to the queries raised by clients.	34	46.8	14.9	2.8	1.4	1.91	.853
The call Center staff sufficiently address any queries raised.	24.8	51.1	12.8	9.9	1.4	2.12	.945
The call center agents respond professionally to calls, emails and social media queries	31.2	48.2	12.8	5	2.8	2.00	.949
Overall the call center agents are a valuable team to the bank	34	45.4	9.2	5	6.4	2.04	1.101

4.4.2 Rating of Call Center Services in the Banks

The respondents were asked to rate call center services in their banks using statements that were provided making use of the scale: SA-Strongly Agree, A-Agree, N-Neither Agree or Disagree, D-Disagree, and SD-Strongly Disagree. The response received was calculated using percentages and was as indicated on Table 4.2. The resulting mean of <2.5 shows that the call center services in the banks were not fully supported and integrated. The standard deviation of <1.5 indicated that the response received from the population was almost similar.

Table 4.2 shows that the call center is fully supported in terms of technology and processes as shown by 80.8% of the respondents. The call center is fully integrated into the organizational structure as shown by 81.6% of the respondents. The call center has sufficient human resources as shown by 77.3% of the respondents. The call center is aligned to the organizational strategy as shown by 82.2% of the respondents.

Table 4.2 Rating of Call Center Services in the Banks

	SA	A	N	D	SD	Mean	Std Dev
	%	%	%	%	%		
The call center is fully supported in terms of technology and processes	34	46.8	8.5	10.6	0	1.96	.925
The call center is fully integrated into the organizational structure	34.8	46.8	11.3	4.3	2.8	1.94	.943
The call center has sufficient human resources	31.2	46.1	11.3	9.9	1.4	2.04	.977
The call center is aligned to the organizational strategy	32.6	49.6	12.1	3.5	2.1	1.93	.884

4.4.3 Rating of Customer Service Delivery by the Banks' Call Center Services

The respondents were asked to rate customer service delivered by their banks using statements that were provided making use of the scale: SA-Strongly Agree, A-Agree, N-Neither Agree or Disagree, D-Disagree, and SD-Strongly Disagree. The response received was calculated using percentages and was as indicated on Table 4.3. The resulting mean of <2.5 shows that the service delivery of the call centers was average. The standard deviation of <1.5 indicated that the response received from the population was almost similar.

Table 4.3 shows that the call center has had a positive impact on service delivery in the bank as shown by 87.2% of the respondents. Call center has played a key role in customer retention as shown by 85.8% of the respondents. The call center has made a considerable impact on the business growth of the bank as shown by 83% of the respondents. Generally, clients appreciate the services offered by the call center as shown by 82.3% of the respondents. I feel confident that the call center can efficiently manage client's queries as shown by 80.8% of the respondents. The call center team is able to follow up on issues conclusively as shown by 78.7% of the respondents.

Table 4.3 Rating of Customer Service Delivery by the Banks' Call Center Services

	SA %	A %	N %	D %	SD %	Mean	Std Dev
The call center has had a positive impact on service delivery in the bank	40.4	46.8	7.8	2.8	2.1	1.79	.866
Call center has played a key role in customer retention	39	46.8	8.5	5.7	0	1.81	.819
The call center has made a considerable impact on the business growth of the bank	39.7	43.3	11.3	1.4	4.3	1.87	.970
Generally, clients appreciate the services offered by the call center	28.4	53.9	11.3	5.7	0.7	1.96	.832
I feel confident that the call center can efficiently manage client's queries	34	46.8	10.6	2.8	5.7	1.99	1.039
The call center team is able to follow up on issues conclusively	31.2	47.5	13.5	5	2.8	2.01	.952

4.4.4 Rating of Call Center Teams in the Banks

The respondents were asked to rate their call center teams using statements that were provided making use of the scale: SA-Strongly Agree, A-Agree, N-Neither Agree or Disagree, D-Disagree, and SD-Strongly Disagree. The response received was calculated using percentages and was as indicated on Table 4.4. The resulting mean of <2.5 shows that the call center teams were performing averagely. The standard deviation of <1.5 indicated that the response received from the population was almost similar.

Table 4.4 shows that the call center teams had customer centricity as shown by 88.7% of the respondents. The call center teams had speed of service as shown by 82.2% of the respondents. The call center teams had accuracy of executing instructions as shown by 83.7% of the respondents. The call center staff were friendly as shown by 85.1% of the respondents. The call center staff were empathetic as shown by 80.1% of the respondents. The call centers' operating times are convenient to customers as shown by 85.1% of the respondents.

Table 4.4 Rating of Call Center Teams in the Banks

	SA %	A %	N %	D %	SD %	Mean	Std Dev
Customer centricity	36.9	51.8	6.4	4.3	0.7	1.80	.795
Speed of service	32.6	49.6	12.8	2.1	2.8	1.93	.892
Accuracy of executing instructions	36.9	46.8	10.6	3.5	2.1	1.87	.893
Call center staff friendliness	29.8	55.3	9.2	4.3	1.4	1.92	.829
call center staff are empathetic	33.3	46.8	14.2	2.8	2.8	1.95	.921
Call center operating times are convenient to customers	36.2	48.9	9.2	2.8	2.8	1.87	.901

4.4.5 Correlations for Call Center's Metrics with Regards to Customer Satisfaction

A Pearson correlation test was done to determine significant factors for call center's metrics with regards to customer satisfaction. A p value of <0.05 was the set threshold for all significant factors.

Table 4.5 Correlations for Call Center's Metrics with Regards to Customer Satisfaction

	Call Center Performance	Competitive Advantage	Customer Service	Revealed Preference	Customer Retention	Performance Measurement
Call Center Performance	1					
Competitive Advantage	.450** .000	1				
Customer Service	.377** .000	.778** .000	1			
Revealed Preference	.361** .000	.699** .000	.803** .000	1		
Customer Retention	.246** .003	.652** .000	.675** .000	.813** .000	1	
Performance Measurement	.290** .000	.639** .000	.715** .000	.806** .000	.868** .000	1

** Correlation is Significant at the 0.01 Level (2-tailed)

Table 4.5 shows that competitive advantage was a significant factor to call center performance ($r=0.450$, $p<0.01$). Customer service was a significant factor to call center performance ($r=0.377$, $p<0.01$). Revealed preference was a significant factor to call center performance (r=0.361, p<0.01). Customer retention was a significant factor to call center performance (r=0.246, p<0.01). Performance measurement was a significant factor to call center performance (r=0.290, p<0.01).

4.4.6 Regression Analysis for Call Center Metrics

4.4.6.1 Model Summary Call Center Metrics

A regression test was done to determine the relationship between call center's metrics with regards to customer satisfaction and call center performance. Table 4.6 shows the results of the regression analysis model for call center metrics with regards to customer satisfaction. The adjusted R square value for the model showed that competitive advantage, customer service, revealed preference, customer retention, and performance measurement accounted for 20% of the variance in call center performance.

Table 4.6 Model Summary for Call Center Metrics and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.478	.228	.200	.52493

a. Predictors: (Constant), Competitive Advantage, Customer Service, Revealed Preference, Customer Retention, and Performance Measurement

4.4.6.2 ANOVA Analysis

Table 4.7 shows the ANOVA results which indicates that the independent variables, significantly predicts the dependent variable. The results, df (5, 135) = .000, p <0.05 shows that, the regression model was a good fit of the data.

Table 4.7 ANOVA Results for Call Center Metrics and Customer Service

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.004	5	2.201	7.987	.000
	Residual	37.200	135	.276		
	Total	48.203	140			

a. Predictors: (Constant) Competitive Advantage, Customer Service, Revealed Preference, Customer Retention, and Performance Measurement

b. Dependent Variable: Call Center Performance

4.4.6.3 Regression Coefficients for Call Center Metrics and Customer Service

The computed variables for call center metrics and customer service were calculated using a regression analysis, and the regression coefficients were as shown in Table 4.8.

Table 4.8 Regression Coefficients for Call Center Metrics and Customer Service

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	1.166	.140		8.329	.000
	Competitive Advantage	.378	.110	.429	3.427	.001
	Customer Service	-.012	.110	-.016	-.109	.914
	Revealed Preference	.198	.131	.247	1.508	.134
	Customer Retention	-.221	.123	-.303	-1.805	.073
	Performance Measurement	.068	.124	.091	.549	.584

a. Dependent Variable: Call Center Performance

The general form of the equation predicting the influence of call center performance by call center metrics and customer service was:

$$Y = 1.166 + 0.378 \text{ Competitive Advantage} - 0.012 \text{ Customer Service} + 0.198 \text{ Revealed Preference} - 0.221 \text{ Customer Retention} + 0.068 \text{ Performance Measurement}$$

The equation shows the coefficient for competitive advantage as 0.378, which indicates that for every addition in competitive advantage, there would be an increase of 37.8% in call center performance. The coefficient for customer service was -0.012, which indicates that for every addition in customer service, there would be a decrease of 1.2% in call center performance due to the inverse relationship. The coefficient for revealed preference was 0.198, which indicates that for every addition in revealed preference, there would be an increase of 19.8% in call center performance. The coefficient for customer retention was -0.221, which indicates that for every addition in customer retention, there would be a decrease of 22.1% in call center performance due to the inverse relationship. The coefficient for performance measurement was 0.068, which indicates that for every addition in performance measurement, there would be an increase of 6.8% in call center performance.

4.5 Effects of Outsourcing on Call Center Performance

4.5.1 Rating of the Outsourced Call Center Service Company

The respondents were asked to rate the company that their bank had outsourced the call center service to, using statements that were provided making use of the scale: SA-Strongly Agree, A-Agree, N-Neither Agree or Disagree, D-Disagree, and SD-Strongly Disagree. The response received was calculated using percentages and was as indicated on Table 4.9. The resulting mean of equal to or <2.5 shows that the outsourced companies were performing averagely. The standard deviation of <1.5 indicated that the response received from the population was almost similar.

Table 4.9 Rating of the Outsourced Call Center Service Company

	SA %	A %	N %	D %	SD %	Mean	Std Dev
Outsourcing companies have business continuity plans to ensure that work continues in emergency cases	17	45.4	23.4	8.5	5.7	2.40	1.049
The bank outsourced due to inadequate resources	13.5	41.1	31.2	10.6	3.5	2.50	.976
The firm we outsourced to understands our organizational needs	8.5	46.8	29.1	10.6	5	2.57	.966
Outsourcing negatively affects staff morale	9.9	40.4	30.5	14.2	5	2.64	1.009

Table 4.9 shows that outsourcing companies have business continuity plans to ensure that work continues in emergency cases as shown by 62.4% of the respondents. The bank outsourced due to inadequate resources as shown by 54.6% of the respondents. The firms that were outsourced, understand the banks' organizational needs as shown by 55.3% of the

respondents. Outsourcing negatively affects staff morale as shown by 50.3% of the respondents, however, a significant percentage of 49.7% disagreed.

4.5.2 Rating of the Impact of Outsourcing the Call Center Service

The respondents were asked to rate the impact of outsourcing their call center services using statements that were provided making use of the scale: SA-Strongly Agree, A-Agree, N-Neither Agree or Disagree, D-Disagree, and SD-Strongly Disagree. The response received was calculated using percentages and was as indicated on Table 4.10. The resulting mean of equal to or >2.5 shows that the impact of outsourcing the call center services was slightly significant. The standard deviation of <1.5 indicated that the response received from the population was almost similar.

Table 4.10 Rating of Outsourcing the Call Center Services

	SA %	A %	N %	D %	SD %	Mean	Std Dev
Outsourcing has led to improved bottom line	11.3	41.1	28.4	10.6	8.5	2.64	1.091
There has been loss of jobs due to outsourcing	12.1	34	33.3	17	3.5	2.66	1.013
Costs have reduced due to outsourcing	10.6	38.3	24.1	18.4	8.5	2.76	1.133
Outsourcing has led to the call center not to focus on its core business	9.2	41.1	29.8	13.5	6.4	2.67	1.033
Outsourcing has created a sense of dependency on our organization	8.5	44	27	12.1	8.5	2.68	1.071

Table 4.10 shows that outsourcing has led to improved bottom line as shown by 52.4% of the respondents. There had not been loss of jobs due to outsourcing as shown by 53.9% of the respondents who disagreed. Costs had not reduced due to outsourcing as shown by 51.1% of the respondents who disagreed. Outsourcing has led to the call center not to focus on its core business as shown by 50.3% of the respondents. Outsourcing has created a sense of dependency on our organization as shown by 52.5% of the respondents.

4.5.3 Correlations for Outsourcing the Call Center Services

A Pearson correlation test was done to determine significant factors for outsourcing the call center services. A p value of <0.05 was the set threshold for all significant factors.

Table 4.11 Correlations for Outsourcing the Call Center Services

	Call Center Performance	Cost Reduction	Increase Revenue	Complex Dependence	Outsourcing Challenges
Call Center Performance	1				
Cost Reduction	.658** .000	1			
Increase Revenue	.532** .000	.826** .000	1		
Complex Dependence	.479** .000	.747** .000	.864** .000	1	
Outsourcing Challenges	.426** .000	.748** .000	.814** .000	.840** .000	1

** Correlation is Significant at the 0.01 Level (2-tailed)

Table 4.11 shows that cost reduction was a significant factor to call center performance ($r=0.658$, $p<0.01$). Increase revenue was a significant factor to call center performance ($r=0.532$, $p<0.01$). Complex dependence relationship in outsourcing was a significant factor to call center performance ($r=0.479$, $p<0.01$). Outsourcing challenges was a significant factor to call center performance ($r=0.426$, $p<0.01$).

4.5.4 Regression Analysis for Outsourcing the Call Center Services

4.5.4.1 Model Summary for Outsourcing Call Center Services

A regression test was done to determine the relationship between outsourcing call center services and call center performance. Table 4.12 shows the results of the regression analysis model for outsourcing call center services. The adjusted R square value for the model showed that cost reduction, increase revenue, complex dependence, and outsourcing challenges accounted for 43.1% of the variance in call center performance.

Table 4.12 Model Summary for Outsourcing Call Center Services

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.668	.447	.431	.44280

a. Predictors: (Constant), Cost Reduction, Increase Revenue, Complex Dependence, and Outsourcing Challenges

4.5.4.2 ANOVA Analysis

Table 4.13 shows the ANOVA results which indicates that the independent variables, significantly predicts the dependent variable. The results, df (4, 136) = .000, p <0.05 shows that, the regression model was a good fit of the data.

Table 4.13 ANOVA Results for Outsourcing Call Center Services

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.537	4	5.384	27.461	.000
	Residual	26.666	136	.196		
	Total	48.203	140			

a. Predictors: (Constant) Cost Reduction, Increase Revenue, Complex Dependence, and Outsourcing Challenges

b. Dependent Variable: Call Center Performance

4.5.4.3 Regression Coefficients for Outsourcing Call Center Services

The computed variables for outsourcing call center services were calculated using a regression analysis, and the regression coefficients were as shown in Table 4.14. The general form of the equation predicting the influence of call center performance by outsourcing call center service was:

$$Y = 0.859 + 0.497 \text{ Cost Reduction} + 0.011 \text{ Increase Revenue} + 0.060 \text{ Complex Dependence} - 0.132 \text{ Outsourcing Challenges}$$

The equation shows the coefficient for cost reduction as 0.497, which indicates that for every addition in cost reduction, there would be an increase of 49.7% in call center performance. The coefficient for increased revenue was 0.011, which indicates that for every addition in increased revenue, there would be an increase of 1.1% in call center performance. The coefficient for complex dependence relationship in outsourcing was 0.060, which indicates that for every addition in complex dependence relationship in outsourcing, there would be an increase of 6% in call center performance. The coefficient for outsourcing challenges was -0. 132, which indicates that for every addition in outsourcing challenges, there would be a decrease of 13.2% in call center performance due to the inverse relationship.

Table 4.14 Regression Coefficients for Outsourcing Call Center Services

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	.859	.119		7.234	.000
	Cost Reduction	.497	.079	.734	6.305	.000
	Increase Revenue	.011	.093	.018	.118	.906
	Complex Dependence	.060	.084	.103	.719	.473
	Outsourcing Challenges	-.132	.075	-.224	-1.764	.080

a. Dependent Variable: Call Center Performance

4.6 Effect of Technology on Call Center Performance

4.6.1 Effect of Technology on Call Center Performance

The respondents were asked to rate the effect of technology on the functioning performance of the call center using statements that were provided making use of the scale: SA-Strongly Agree, A-Agree, N-Neither Agree or Disagree, D-Disagree, and SD-Strongly Disagree. The response received was calculated using percentages and was as indicated on Table 4.15. The resulting mean of <2.5 shows that the effect of technology on the functioning/ performance of the call center was below average/ insignificant. The standard deviation of <1.5 indicated that the response received from the population was almost similar.

Table 4.15 Rating of Effect of Technology on Call Center Performance

	SA %	A %	N %	D %	SD %	Mean	Std Dev
Applying technology minimizes staff turnover in the call in the center	36.2	53.9	5.7	3.5	0.7	1.79	.764
Technology improves call center performance.	37.6	53.2	5.7	3.5	0	1.75	.719
Call center technology helps the agents to have a faster turnaround time when responding to customer queries	37.6	46.1	12.1	3.5	0.7	1.84	.825
Technology improves call center processes.	36.4	50.7	5	6.4	1.4	1.86	.886
Technology has led to impersonalized services	33.3	46.8	12.8	2.1	5	1.99	1.000
The call center technology gives conclusive reports that can be used in decision making	34	47.5	8.5	7.8	2.1	1.96	.967
Call center technology has led to improved productivity in the call center which in turn has improved the banks bottom line	34	48.2	10.6	6.4	0.7	1.91	.874
The Call center has made a return on investment on the technology procured	28.4	53.9	9.9	5	2.8	2.00	.918

Table 4.15 shows that applying technology minimizes staff turnover in the call in the center as shown by 90.1% of the respondents. Technology improves call center performance as shown by 90.8% of the respondents. Call center technology helps the agents to have a faster turnaround time when responding to customer queries as shown by 83.7% of the respondents. Technology improves call center processes as shown by 87.1% of the respondents. Technology has led to impersonalized services as shown by 80.1% of the respondents. The

call center technology gives conclusive reports that can be used in decision making as shown by 81.5% of the respondents. Call center technology has led to improved productivity in the call center which in turn has improved the banks bottom line as shown by 82.2% of the respondents. The call center has made a return on investment on the technology procured as shown by 82.3% of the respondents.

4.6.2 Correlations for Effect of Technology on Call Center Performance

A Pearson correlation test was done to determine significant factors for effect of technology on call center performance. A p value of <0.05 was the set threshold for all significant factors.

Table 4.16 Correlations for Effect of Technology on Call Center Performance

	Call Center Performance	Lack of Personalized Services	Process Improvement	Maximizing on Technological Advances	Technology Application in Staff Turnover Reduction
Call Center Performance	1				
Lack of Personalized Services	.606** .000	1			
Process Improvement	.380** .000	.694** .000	1		
Maximizing on Technological Advances	.359** .000	.588** .000	.788** .000	1	
Technology Application in Staff Turnover Reduction	.380** .000	.572** .000	.802** .000	.843** .000	1

** Correlation is Significant at the 0.01 Level (2-tailed)

Table 4.16 shows that lack of personalized services was a significant factor to call center performance ($r=0.606$, $p<0.01$). Process improvement was a significant factor to call center performance ($r=0.380$, $p<0.01$). Minimizing on technological advances to improve call center performance was a significant factor to call center performance ($r=0.359$, $p<0.01$). Applying technology to minimize impact of staff turnover was a significant factor to call center performance ($r=0.380$, $p<0.01$).

4.6.3 Regression Analysis for Effects of Technology on Call Center Performance

4.6.3.1 Model Summary for Effects of Technology on Call Center Performance

A regression test was done to determine the relationship between effects of technology on call center performance and call center performance. Table 4.17 shows the results of the regression analysis model for effects of technology on call center performance. The adjusted R square value for the model showed that lack of personalized services, process improvement, maximizing on technological advances, and technology application in staff turnover reduction accounted for 36.4% of the variance in call center performance.

Table 4.17 Model Summary for Effects of Technology on Call Center Performance

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.618	.382	.364	.46784

a. Predictors: (Constant), Lack of Personalized Services, Process Improvement, Maximizing on Technological Advances, and Technology Application in Staff Turnover Reduction

4.6.3.2 ANOVA Analysis

Table 4.18 ANOVA Results for Effects of Technology on Call Center Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.436	4	4.609	21.057	.000
	Residual	29.767	136	.219		
	Total	48.203	140			

a. Predictors: (Constant) Lack of Personalized Services, Process Improvement, Maximizing on Technological Advances, and Technology Application in Staff Turnover Reduction

b. Dependent Variable: Call Center Performance

Table 4.18 shows the ANOVA results which indicates that the independent variables, significantly predicts the dependent variable. The results, df (4, 136) = .000, $p < 0.05$ shows that, the regression model was a good fit of the data.

4.6.3.3 Regression Coefficients for Effects of Technology on Call Center Performance

The computed variables for effects of technology on call center performance were calculated using a regression analysis, and the regression coefficients were as shown in Table 4.19.

Table 4.19 Coefficients for Effects of Technology on Call Center Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	.935	.121		7.728	.000
	Lack of Personalized Services	.594	.085	.656	6.976	.000
	Process Improvement	-.156	.098	-.211	-1.583	.116
	Maximizing on Technological Advances	-.018	.087	-.028	-.205	.838
	Technology Application in Staff Turnover Reduction	.139	.097	.198	1.436	.153

a. Dependent Variable: Call Center Performance

The general form of the equation predicting the influence of call center performance by technological effects was:

$$Y = 0.935 + 0.594 \text{ Lack of Personalized Services} - 0.156 \text{ Process Improvement} - 0.018 \text{ Maximizing on Technological Advances} + 0.139 \text{ Technology Application in Staff Turnover Reduction}$$

The equation shows the coefficient for lack of personalized services as 0.594, which indicates that for every addition in lack of personalized services, there would be an increase of 59.4% in call center performance. The coefficient for process improvement was -0.156, which indicates that for every addition in process improvement, there would be a decrease of 15.6% in call center performance due to the inverse relationship. The coefficient for maximizing on technological advances was -0.018, which indicates that for every addition in maximizing on technological advances, there would be a decrease of 1.8% in call center performance due to the inverse relationship. The coefficient for technology application in staff turnover reduction was 0.139, which indicates that for every addition in technology application in staff turnover reduction, there would be an increase of 13.9% in call center performance.

4.7 Chapter Summary

This chapter has presented the study results using frequencies for the response rate and general information. The section also provides results of the rating of the role of call centers in customer satisfaction and the relationship that exists between the variables. Results for the rating of the effects of outsourcing on call center performance have been presented and the relationship that exists between the variables as well as those for the effects of technology on call center performance. The next chapter presents the study summary, discussions, conclusions, and recommendations.

CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the study conclusion, it presents the following: section 5.1 introduction, section 5.2 summary of findings, section 5.3 discussions, section 5.4 conclusions, and section 5.5 recommendations for improvement and for further studies.

5.2 Summary

This study sought to determine the factors affecting call center performance in the banking industry in Kenya. The research was guided by three research questions. These were: how does outsourcing affect call center performance in the banking industry, what role do call centers play in customer satisfaction in the banking industry and how does technology impact performance of call centers in the banking industry.

This study used descriptive research design and was selected because it is best for collecting original data as it gives a certain degree of accuracy. The population of this study was formed from two banks, namely Sidian Bank, and Chase Bank whose total was 680. The sample frame for the study was a list of management staff, and employees from each of the banks. This study applied stratified sampling followed by simple random sampling technique. The sample size was 340. Primary data was collected by directly administering questionnaires to the respondents. Prior to launching of the study survey, a pre-testing on randomly selected 5 employees was carried out in the banking industry. The collected data was edited and entered into the Statistical Package for the Social Sciences (SPSS) software to enable the carrying out of the analysis. The data was represented in form of figures and tables.

The study revealed that the call center was easily accessible through various channels, and its staff had adequate knowledge to handle all queries raised by clients. The call center agents responded professionally to calls, emails and social media queries, and they were a valuable team to the bank. The study showed that the call center was fully supported in terms of technology and processes, and it was fully integrated into the organizational structure. The call center had sufficient human resource, and it was aligned to the organizational strategy.

The study revealed that the call center had a positive impact on service delivery in the bank, and it had played a key role in customer retention. The call center had made a considerable impact on the business growth of the bank, and the banks' clients appreciated the services offered by the call center. Employees felt confident that the call center had the ability to efficiently manage clients' queries, and the call center team was able to follow up on issues conclusively.

The study showed that outsourcing companies had business continuity plans to ensure that work continued in emergency cases, and that, the bank outsourced due to inadequate resources. The firms that had been outsourced, understood the banks' organizational needs. Outsourcing had negatively affected staff morale in the banks, although it had led to improved bottom line. Outsourcing in the banks had not led to any loss of jobs, and it had not reduced the cost of doing business. Outsourcing had a negative impact to the call center whereby the outsourced organization did not to focus on its core business, and this had created a sense of dependency on the banks to the outsourced organizations.

The study revealed that applying technology minimized staff turnover in the call in the center and the use of technology improved the call center performance. Call center technology helped the agents to have a faster turnaround time when responding to customer queries, and it improved call center processes. Technology had led to impersonalized services, although it facilitated the production of conclusive reports that were used in decision making. Call center technology has led to improved productivity in the call center which in turn had improved the banks bottom line, and the call center had made a return on investment on the technology procured.

5.3 Discussions

5.3.1 Role of Call Centers in Customer Satisfaction

The study showed that the call center is easily accessible through various channels. These results are in tandem with Harney and Jordan (2008) who state that, companies believe that customer access after the sale adds value to the transaction, and clients now expect and demand telephone access to service organizations.

The study showed that the call center staff have adequate knowledge to handle all queries raised by clients. These results are in agreement with the competitive advantage theory supported by Warf and Stutz (2009) who observed that, organizations gain competitive advantage by obtaining the best technology, having comparatively lower prices, product differentiation and by hiring highly competent and qualified personnel. The study also showed that the call center team responds on time to the queries raised by clients. These results are similar to Michel *et al*. (2013) who state that, successful call centers need to continually reengage and reevaluate to ascertain how customer centric their processes are, and he further notes that, call center attributes include access to highly trained and skilled personnel human resources.

The study showed that the call center staff sufficiently address any queries raised. These results are in agreement with Warf and Stutz (2009) who states that, the theory of competitive advantage can be applied by financial institutions in their call centers by combining a set of attributes to ensure that they are preferred over their competitors. They can equip their call centers with well trained staff and technology that ensures quick and efficient resolution of clients' issues. The study showed that the call center agents respond professionally to calls, emails and social media queries. These results are in agreement with Rodney *et al*. (2009) who recommends some steps that enhance customer experience hence create an excellent customer service experience. The customer should always be greeted with a smile and a friendly but firm handshake. The issues raised should not be generalized but addressed as if they are unique in nature to make the customer appreciated.

The study showed that, overall the call center agents are a valuable team to the bank. These results are in tandem with Aksin, Armony and Mehrotra (2006) who state that, call centers can leverage on offering the best customer service experience since they are the first points of contact. They create lasting impacts which then determines if a potential customer will choose their bank over the competitors or if existing customers will remain with the bank.

The study showed that the call center is fully supported in terms of technology and processes. These results are in agreement with Warf and Stutz (2009) who observed that, organizations gain competitive advantage by obtaining the best technology, having comparatively lower prices, product differentiation and by hiring highly competent and qualified personnel.

The study showed that the call center is fully integrated into the organizational structure. These results are in agreement with Robinson and Pearce (2009) who state that, by extension the call centers can be perceived as middlemen or agencies that sell all the banks products and services and drive a bank's strategy, and Michel *et al*. (2013) who also state that, ideally the call centers are structured to serve various needs based on the banks strategic focus, goals and objectives. The study showed that the call center has sufficient human resources. These results are similar to Michel *et al*. (2013) who state that, center attributes include access to highly trained and skilled personnel human resources, and Warf and Stutz (2009) note that, organizations can equip their call centers with well trained staff and technology that ensures quick and efficient resolution of clients' issues.

The study showed that the call center is aligned to the organizational strategy. These results are similar to Schneider's (2004) findings that, call centers play a key role in meeting customer needs and obtaining customer feedback that can be channeled to create value for the entire organization. Lux (1996) observed that, customers frequently gauge the service climate of an organization and will often make critical decisions based on that perception. The study showed that the call center has had a positive impact on service delivery in the bank. These results are in agreement with Rodney *et al*. (2009) who state that, understanding customer's contexts and perspectives in respect to the products and services they use offers valuable information that can be harnessed to create satisfaction hence retain existing customers while attracting new ones. This also forms the basis for creating and restoring value hence creating an excellent customer service experience.

The study showed that the call center has played a key role in customer retention. These results are in tandem with Anand (2008) who states that, though call centers are perceived as central in attracting and retaining customers, studies on the topic indicate that customer loyalty is basically geared towards a service provider. This essentially means that customer loyalty is towards a specific service provider and not a particular brand. The study showed that the call center has made a considerable impact on the business growth of the bank. These results are in agreement with Alison (2002) who states that, though continuous growth in call center industry globally has created a very competitive environment for organizations, some concerns continually emerge.

The study showed that generally, clients appreciate the services offered by the call center. These results are in agreement with Aksin *et al*. (2006) who note that, one of the important outcomes is that many dissatisfied clients do not air their complains. These customers are at a greater risk of looking for alternate service providers. The study showed that, employees feel confident that the call center can efficiently manage client's queries. These results differ with Gilmore (2001) who states that, other factors like call center operation efficiency, fast resolution of customer queries and staff behavior including employee turnover in call centers take precedence hence renegading the customers' perspectives.

The study showed that the call center team is able to follow up on issues conclusively. These results differ with Gilmore (2001) who states that, factors like call center operation efficiency, fast resolution of customer queries and staff behavior including employee turnover, leads to frustrations on call center agents as they attempt to effectively manage customer queries hence the conclusion that customer orientation, satisfaction and retention are not a key focus for call centers. The study showed that the call center teams had customer centricity. These results are in tandem with McAdam *et al*. (2009) who state that, the six sigma concept has a total quality approach which has the customer at the center of the process. It encompasses concept development that is focused on consumer specifications, technological abilities, and economic actualities.

The study showed that the call center teams had speed of service. These results are in tandem with McAdam *et al*. (2009) who state that, the six sigma concept involves design development, which centers on product and process performance issues needed to accomplish the product and service desires in manufacturing.The study showed that the call center teams had accuracy of executing instructions. These results are in tandem with

McAdam *et al*. (2009) who state that, design optimization is also considered which seeks to minimize variation impact hence have a standardized product. This drives organizations towards attaining measurable monetary earnings from any Six Sigma project. Rodney *et al*. (2009) further states that the application of six sigma concepts guarantees improved operation efficiency by eliminating waste.

The study showed that the call center staff were friendly. These results are in tandem with Rodney *et al*. (2009) who states that, the six sigma concept mainly focusses on how call centers can deliver excellent customer service while reducing operational costs and achieving a holistic improvement. The study showed that the call center staff were empathetic. The results differ with Alison (2002) who states that, the staff at call centers cannot be customer focused hence leading to customer dissatisfaction and eventually customers terminate the relationship with the organization due to a stressful environment provided to call center agents.

The study showed that the call centers' operating times are convenient to customers. These results are in tandem with Rodney *et al*. (2009) who states that, the application of six sigma concepts guarantees improved operation efficiency by eliminating waste. The concept mainly focusses on how call centers can deliver excellent customer service while reducing operational costs and achieving a holistic improvement.

5.3.2 Effects of Outsourcing on Call Center Performance

The study showed that outsourcing companies had business continuity plans to ensure that work continued in emergency cases. These results are in agreement with Benjamin (2014) who states that outsourcing is rapidly becoming recognized as a strategy offering a compelling business value proposition for companies as a means to gain operational efficiency, focus on core expertise, save time and potentially reduce costs. It is valid in difficult times when companies want to cut costs as well as times of profit when companies want to focus on growth.

The study showed that the bank outsourced due to inadequate resources. These results are in tandem with Aliyu *et al*. (2011) who state that, banks majorly outsource to reduce costs, improve processes and increase revenues. Other reasons include lack of expertise, lack of resources like finances to hire personnel and supporting resources like technology and space. The study showed that the firms that were outsourced, understood the banks' organizational needs. These results are similar to Fugate, Mentzer and Stank (2010) results that showed, outsourcing ensures that banks receive higher quality, better on time delivery access to world class skills, fast project start up, industry best practices and even benchmarking information about similar financial institutions.

The study showed that outsourcing negatively affected staff morale. These results are in agreement with Lai, Tian and Huo (2012) who state that, the common challenges are lack of management commitment and critical understanding of the nature of the contract with outsourcing firms.The study showed that outsourcing had led to improved bottom line. These results are in tandem with Chanhoo *et al*. (2013) who pointed out that, outsourcing provides an option for banks to refocus scarce resources away from trivial operations to value added services, such as business strategy and execution.

The study showed that there had not been loss of jobs due to outsourcing. These results differ with Benjamin (2014) who states that, as banks grow in revenue, they tend to increase staff to address the spike. These additional staffs come with costs that can otherwise be eliminated if the bank outsources. However, if the spike and growth is not sustainable, a bank is left with a large number of staff that they may not be able to utilize. The litigation of a country may hinder them from laying them off.The study showed that the costs of doing business had not reduced due to outsourcing. These results differ with Kakumanu and Portanova (2006) who observed that, reducing costs is the main driving force in outsourcing. The high costs are mainly due to employees' wages and all other costs associated with them. Cost efficiency is a key factor in all businesses. Outsourcing provides an option to eliminate the unnecessary costs.

The study showed that outsourcing had led to the banks not to focus on its core business. These results are in tandem with Lai, Chu, Wang and Fan (2013) who state that, sometime as banks outsource, they tend to forget their core business and are actively involved in the value activities of the outsourcing firm.The study showed that outsourcing had created a sense of dependency on the organizations. These results are in agreement with Hofer *et al*. (2009) who state that, uncertainties from dependence issues in logistics outsourcing practices persist. The most important issue is the lack of clear guidelines on how contractors of outsourcing companies manage dependence issues by developing proper relationship commitment.

5.3.3 Effects of Technology on Call Center Performance

The study showed that applying technology minimized staff turnover in the call in the center. These results are in tandem with Narasimhan *et al*. (2009) who state that, the trade-off between customer service and efficiency faced by managers in a call centers, unmasks a series of conflicts between costs and quality, flexibility and standardization and between constraining and enabling job design. While traditional call center human resource strategies are characterized by control oriented practices modern practices focus on practices focus on people inclusivity (Zacharia *et al*., 2011).

The study showed that technology improved call center performance. These results are in agreement with Redondo-Cano and Canet-Giner (2010) who observed that, over the past decade, several technological advances have had a profound impact on the call center industry and by extensions the overall organizations including banks (Soyer & Tarimcilar, 2007). Increased competition has led to increased network capacity, improved quality and lower costs for both domestic and international traffic.

The study showed that call center technology helped the agents to have a faster turnaround time when responding to customer queries. These results are in tandem with Trkman (2013) who observes that, technology is cheaper, more reliable and increasingly sophisticated. Call center managers are increasingly expected to deliver both low operating costs and high service quality.The study showed that technology improved call center processes. These results are in tandem with Handley *et al*. (2012) who state that, initially call centers leaned towards labor-intensive manufacturing processes but that has expanded in the recent past to include knowledge-intensive professional services such as research and development, accounting and legal support.

The study showed that technology had led to impersonalized services. These results are in agreement with Lai *et al*. (2013) who state that, banks that opt to outsource are also affected by this aspect of lack of personalized services. This is mainly because outsourcing firms manage many accounts at the same time hence will not give the maximum attention that a bank would ordinarily give its clients. This coupled with the fact that the call center technology is presumed to be impersonal creates a unique set of challenge. This global concept is witnessed in the Kenyan banking industry.

The study showed that the call center technology gave conclusive reports that could be used in decision making. These results are in agreement with Hsiao *et al*. (2010) who state that, banks operate in a stable environment, however the call centers within them are greatly affected by external environment factors. Market and industry trends tend to create spikes in call volumes or customer complains that call centers must handle. Many call centers face highly unpredictable demand which is also time-varying. The time varying element is relatively easy to handle by adjusting staffing levels.

The study showed that call center technology had led to improved productivity in the call center which in turn had improved the banks' bottom line. These results are in tandem with Zhao *et al*. (2011) who pointed that, target setting is extensively used to ensure performance along both the quantitative and qualitative dimensions. Alison (2014) note that, better systems lead to higher sales and quality and lower quit rates. Teams that are able to create a collaborative environment are shown to have better knowledge sharing capabilities thus leading to better service.The study showed that the call center had made a return on investment on the technology procured. These results are in tandem with Mani, Barua and Whinston (2010) who state that, call centers have become integral in business processes as banks and other organizations look for ways to reduce costs and concentrate on their core business areas.

5.4 Conclusions

5.4.1 Role of Call Centers in Customer Satisfaction

The study concludes that the call center was easily accessible through various channels, and its staff had adequate knowledge to handle all queries raised by clients. The call center agents responded professionally to calls, emails and social media queries, and they were a valuable team to the bank. The study concludes that the call center was fully supported in terms of technology and processes, and it was fully integrated into the organizational structure. The call center had sufficient human resource, and it was aligned to the organizational strategy. The study concludes that the call center had a positive impact on service delivery in the bank, and it had played a key role in customer retention. The call center had made a considerable impact on the business growth of the bank, and the banks' clients appreciated the services offered by the call center. Employees felt confident that the call center had the ability to efficiently manage clients' queries, and the call center team was able to follow up on issues conclusively.

5.4.2 Effects of Outsourcing on Call Center Performance

The study concludes that outsourcing companies had business continuity plans to ensure that work continued in emergency cases, and that, the bank outsourced due to inadequate resources. The firms that had been outsourced, understood the banks' organizational needs. Outsourcing had negatively affected staff morale in the banks, although it had led to improved bottom line. Outsourcing in the banks had not led to any loss of jobs, and it had not reduced the cost of doing business. The study concludes that, outsourcing had a negative impact to the call center whereby the outsourced organization did not to focus on its core business, and this had created a sense of dependency on the banks to the outsourced organizations.

5.4.3 Effects of Technology on Call Center Performance

The study concludes that applying technology minimized staff turnover in the call in the center and the use of technology improved the call center performance. Call center technology helped the agents to have a faster turnaround time when responding to customer queries, and it improved call center processes. Technology had led to impersonalized services, although it facilitated the production of conclusive reports that were used in decision making. The study concludes that call center technology has led to improved productivity in the call center which in turn had improved the banks bottom line, and the call center had made a return on investment on the technology procured.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Role of Call Centers in Customer Satisfaction

This study recommends Sidian and Chase Bank to define the desired performance from their outsourced companies and show their agents what an excellent performance looks like and set clear expectations. The organizations should ask their outsourced company to educate its employees to ensure that their employees understand the business from the customer's perspective. This may facilitate the ability of the call center agents to understand the consequences of their performance on the customers' satisfaction levels.

5.5.1.2 Effects of Outsourcing on Call Center Performance

Managers of both Sidian and Chase Bank need to require and expect a culture of excellence from their outsourced service providers. They should put significant emphasis on recognizing and rewarding agents that are top performers, those that go above and beyond their required expectations. They should make it clear to everyone that they run an "excellence or nothing" operation.

5.5.1.3 Effects of Technology on Call Center Performance

Managers of both Sidian and Chase Bank need to ensure that their outsourced service provider uses technology to minimize the customers need to repeat who they are and what their problem is. They should insist on agents applying personalized service in everything they do, make sure the customer feels like he or she is the only one that matters by using the customer's name, refer to personal information, and making them feel at home.

5.5.2 Recommendations for Further Studies

This study investigated factors affecting call center performance in the banking industry in Kenya with a focus on Sidian and Chase Bank. The limitation of these two banks was narrow, and thus focus needs to be extended on other banks within the country for a better outlook. Future scholars can also focus on other factors that influence call center performance to broaden our understanding of the call center performance.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

United States International University- Africa,
P.O. box 14634 – 00800,
Nairobi – Kenya.

From: The Researcher

To Whom It May Concern,

RE: REQUEST TO RESPONDING TO THE ATTACHED QUESTION

The bearer of this letter is a graduate student at the United States International University – Africa pursuing a Master's degree in Organizational Development for Executive (MOD). As part of partial fulfillment of the course, she will be conducting a research on the factors affecting call center performance in the banking industry in Kenya.

Attached with each questionnaire is a letter of informed consent notifying the participant about the purpose of the study and that their participation is voluntary and anonymous, participation in the study will be based on the participant's agreement of consent.

Yours Faithfully,

Seraphine Mwikali Muthoka.

APPENDIX II: QUESTIONNAIRE

Please take a few minutes to fill this short questioner that has been designed to find out factors affecting call center performance in the banking industry in Kenya. The information given will be confidential and used for academic purposes.

SECTION 1

SECTION 1- GENERAL INFORMATION

Kindly indicate your gender

	Male	Female
Gender		

Kindly indicate your age.

Age	18 - 22	
	23- 27	
	28-32	
	33-37	
	38-42	
	43-47	
	48-52	
	52 and above	

Kindly indicate the bank you work for and the tier it falls under

Bank	
Tier	

Please indicate your position in the bank.

Senior Management	
Middle level Management	
Supervisory level	
Bank Officer/ Clerk	

How long have you worked with the bank? ______________________

SECTION II: EFFECT OF CALL CENTER ON CUSTOMER SATISFACTION

Please tick the level to which you agree or disagree with the following Metrics on the Call Center in regards to customer satisfaction

	SA	A	Neither agree or disagree	D	SD
The call center is easily accessible through various channels					
The call center staff have adequate knowledge to handle all queries raised by clients					
The call center team responds on time to the queries raised by clients.					
The call Center staff sufficiently address any queries raised.					
The call center agents respond professionally to calls, emails and social media queries					
Overall the call center agents are a valuable team to the bank					

Kindly indicate the level to which you agree with the statements below in regards to the call center in your bank

	SA	A	Neither agree or disagree	D	SD
The call center is fully supported in terms of technology & processes					
The call center is fully integrated into the organizational structure					
The call center has sufficient human resources					
The call center is aligned to the organizational strategy					

Kindly indicate the extent with which you agree with the statements below in regards to delivery of customer service in your bank

	SA	A	Neither agree or disagree	D	SD
The call center has had a positive impact on service delivery in the bank					
Call center has played a key role in customer retention					
The call center has made a considerable impact on the business growth of the bank					
Generally, clients appreciate the services offered by the call center					
I feel confident that the call center can efficiently manage client's queries					
The call center team is able to follow up on issues conclusively					

Please indicate your level of agreement to which of these statements in regards to the call center team in your bank

	SA	A	Neither agree or disagree	D	SD
Customer Centricity					
Speed of service					
Accuracy of executing instructions					
Call Center staff friendliness					
call center staff are empathetic					
Call Center operating times are convenient to customers					

Any other comments that you would like to add

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SECTION III: EFFECT OF OUTSOURCING ON CALL CENTER PERFORMANCE IN THE BANKING INDUSTRY.

Kindly tick how strongly you agree or disagree with the statements made below in regards to the outsourcing company your organization has engaged.

	SA	A	Neither agree or disagree	D	SD
Outsourcing companies have business continuity plans to ensure that work continues in emergency cases					
The bank outsourced due to inadequate resources					
The firm we outsourced to understands our organizational needs.					
Outsourcing negatively affects staff morale.					

To what extend has outsourcing impacted your organization in the areas below;

	SA	A	Neither agree or disagree	D	SD
Outsourcing has led to improved bottom line.					
There has been loss of jobs due to outsourcing					
Costs have reduced due to outsourcing					
Outsourcing has led to the call center not to focus on its core business.					
Outsourcing has created a sense of dependency on our organization					

Any other comments that you would like to add

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SECTION IV: EFFECT OF TECHNOLOGY ON OF CALL CENTERS IN THE BANKING INDUSTRY.

Please answer the questions below to indicate the impact of technology on the functioning of the call center.

	SA	A	Neither agree or disagree	D	SD
Applying technology minimizes staff turnover in the call in the center					
Technology improves call center performance.					
Call center technology helps the agents to have a faster turnaround time when responding to customer queries					
Technology improves call center processes.					
Technology has led to impersonalized services					
The call center technology gives conclusive reports that can be used in decision making					
Call center technology has led to improved productivity in the call center which in turn has improved the banks bottom line					
The Call center has made a return on investment on the technology procured					

Any other comments that you would like to add

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Thank you for taking time to fill this questioner.

The information submitted is confidential and will be used solely for academic purposes.