AN ASSESSMENT OF INTERNAL CUSTOMER SERVICE AS A COMPETITIVE ADVANTAGE IN ORGANIZATIONS: A CASE OF JUBILEE INSURANCE LIMITED

BY

ROBERT SAMUEL AGUTU

A Research Project Report Submitted To the Chandaria School of Business in Partial Fulfillment of the Requirement of the Degree of Masters of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SUMMER 2017
STUDENT DECLARATION

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

Signed: ________________________  Date: ________________________

Robert Samuel Agutu (ID.NO: 632699)

This Research Report has been presented for examination with my approval as the appointed supervisor.

Signed: ________________________  Date: ________________________

Dr. Peter N. Kiriri

Signed: ________________________  Date: ________________________

Dean, Chandaria School of Business
COPYRIGHT
ALL RIGHTS RESERVED. Any unauthorized reprint or use of this research report is prohibited. No part of study may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system without express written permission from the author and the university.

Robert Samuel Agutu Copyright © 2017
ABSTRACT

The objective of the study was to determine the effects of internal customer satisfaction on service delivery in Jubilee Insurance Company. Specifically, the study sought to establish the effects of internal customer service as a competitive advantage, the strategic challenges affecting internal customer service and the strategies for ensuring a high level of Internal Customer Service as a source of Competitive Advantage.

The study adopted a descriptive research design to ensure that the research problem is well structured and understood. The descriptive research design emphasized on the strength of relationship between internal customer satisfaction and service quality delivery. The study employed the use of questionnaires to obtain relevant information from respondents. The study adopted the census sampling technique to collect data from the relevant respondents. The study focused on 57 respondents who were staff support of Jubilee Insurance Company. The study conducted a pilot study to test the validity and viability of the data collection instrument (questionnaire), from which data was analyzed using descriptive and inferential statistics. Data was presented using tables.

The findings based on the first research question revealed that the most significant effect of internal customer service is enhanced customer care/service, followed by increased team spirit among workers, and improved company image. The findings based on the second research question revealed that employee acceptance is the highest strategic challenges affecting internal customer service in Jubilee Insurance Company, followed by Organizational Structure, Lack of effective communication of strategic plan, Alignment of Responsibility, as well as Inadequate information systems used to monitor strategy implementation. The findings based on the third research question revealed that the most significant strategy for ensuring a high level of Internal customer service is to enhance coordination and sharing of responsibilities, followed by competitor analysis surveys, technology driven services, enhance effective communication and relevant Systems in place.

The study concluded that through properly marched organization structure, good leadership and governance, culture-based improvement and variation-based improvement there is enhanced competitive advantage in organization
The study recommends the organizations to effectively implement customer service quality strategies to increase their sales volume enhance customer satisfaction and increase customer loyalty and that companies to employ innovative managers who can instill innovative culture in an organization. In addition the study recommends companies to keenly observe challenges that affect the smooth implementation of customer service quality strategies. From the study, managers are recommended to align all tasks and responsibilities to relevant departments so as to achieve customer service quality.
DEDICATION

This project is dedicated to my family for their encouragement, support and care during my study period.
ACKNOWLEDGEMENT

The submission of this thesis is the culmination of a journey travelled and of a battle fought and won on many fronts. I would not have been able to achieve this success without the support of a number of important persons, whom in their own way, directly and indirectly contributed to it. First and foremost sincerely thank God almighty who gave me the wisdom, strength, good health and financial resources to pursue my Master’s Degree. I would like to thank my supervisor Dr. Peter Kiriri for his unwavering support and guidance during the duration of this project. I would like to thank my parents Samuel and Scholastica Agutu for raising me and continuously supporting me to achieve my dreams, all my friends and classmates, my team leader at my workplace Ms. Catherine Mugo for her understanding and patience during the duration of my Master’s Degree as well as invaluable support. I would lastly like to acknowledge the USIU administration for the opportunity to further my education; to them I will ever be indebted.
# TABLE OF CONTENTS

STUDENT DECLARATION                                                                                         ii
COPYRIGHT                                                                                                     iii
ABSTRACT                                                                                                     iv
DEDICATION                                                                                                    vi
ACKNOWLEDGEMENT                                                                                                vii
TABLE OF CONTENTS                                                                                              viii
LIST OF TABLES                                                                                                xi
LIST OF ABBREVIATIONS AND ACRONYMS                                                                            xii

CHAPTER ONE                                                                                                   1

1.0 INTRODUCTION                                                                                               1
1.1 Background of the Problem                                                                                 1
1.2 Statement of the Problem                                                                                    7
1.3 Purpose of the Study                                                                                       9
1.4 Research Questions                                                                                        9
1.5 Significance of the Study                                                                                 9
1.6 Scope of the Study                                                                                        10
1.7 Definition of Terms                                                                                       10
1.8 Chapter Summary                                                                                           11

CHAPTER TWO                                                                                                   13

2.0 LITERATURE REVIEW                                                                                        13
2.1 Introduction                                                                                              13
2.2 Effects Of Internal Customer Service As A Competitive Advantage                                            13
2.3 Strategic Challenges Affecting Internal Customer Service                                                 18
2.4 Strategies for Ensuring a High Level of Internal Customer Service                                        21
2.5 Chapter Summary                                                                                           26
CHAPTER THREE ................................................................................................................. 27
3.0 RESEARCH METHODOLOGY ......................................................................................... 27
3.1 Introduction ................................................................................................................... 27
3.2 Research Design .......................................................................................................... 27
3.3 Population and Sampling Design ................................................................................ 28
3.4 Data Collection Methods ............................................................................................. 30
3.5 Research Procedures .................................................................................................... 31
3.6 Data Analysis Methods ................................................................................................. 31
3.7 Chapter Summary ......................................................................................................... 32

CHAPTER FOUR .................................................................................................................. 33
4.0 RESULTS AND FINDINGS ............................................................................................ 33
4.1 Introduction .................................................................................................................. 33
4.2 Background Information ............................................................................................ 33
4.3 Effects of Internal Customer Service as a Competitive Advantage ......................... 35
4.4 Strategic Challenges Affecting Internal Customer Service ....................................... 38
4.5 Strategies for Ensuring a High Level of Internal Customer Service ......................... 41
4.6 Chapter Summary ......................................................................................................... 44

CHAPTER FIVE .................................................................................................................... 45
5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS .................................... 45
5.1 Introduction .................................................................................................................. 45
5.2 Summary ....................................................................................................................... 45
5.3 Discussion ..................................................................................................................... 46
5.4 Conclusion .................................................................................................................... 50
5.5 Recommendation ......................................................................................................... 51
LIST OF TABLES

Table 4.1: Response Rate .............................................................................................................. 33
Table 4.2: Gender of Respondents ................................................................................................. 34
Table 4.3: Age of Respondents ....................................................................................................... 34
Table 4.4: Educational background ................................................................................................. 35
Table 4.5: Effects of Internal Customer Service as A Competitive Advantage ......................... 36
Table 4.6: Coefficient of Correlation .............................................................................................. 37
Table 4.7: Strategic challenges affecting internal customer service ............................................. 39
Table 4.8: Coefficient of Correlation .............................................................................................. 40
Table 4.9: Strategies for Ensuring a High Level of Internal Customer Service ......................... 42
Table 4.10: Coefficient of Determination ....................................................................................... 43
LIST OF ABBREVIATIONS AND ACRONYMS

AIBK: Association of Insurance Brokers in Kenya
AKFED: Aga Khan Fund for Economic Development
AKI: Association of Kenya Insurers
CIC: Co-operative Insurance Company
CRM: Customer Relationship Management
DSE: Dar es Salaam Stock Exchange
IRA: Insurance Regulatory Authority
JICL: Jubilee Insurance Company Limited
NSE: Nairobi Stock Exchange
RATER: Reliability, Assurance, Tangibles, Empathy, and Responsiveness
SERVQUAL: Service Quality
SPC: Statistical process control
SPSS: Statistical Package for the Social Sciences
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

The domain of strategic management is concerned with what organizations do intend to do to establish a strong competitive position in the market: the emphasis is on how these intentions are determined, expressed and enacted through the configuration of organizational activities. Organizational identity on the other hand is about who or what organizations are believed to be or claimed to be. There is clearly a close relationship between doing (strategy) and being (identity). As Ashforth and Mael (1996: 33) wrote, “self-definition and strategic choice are intertwined such that an organization may enact and express a valued identity through strategy and may infer, modify, or affirm an identity from strategy and the responses it evokes.” And yet, while very early empirical studies highlighted the influence of organizational identity on strategic decisions (Dutton and Dukerich, 1991; Gioia and Thomas, 1996), the strategy-identity nexus has not always received the attention that it deserves. The aim of this special issue is to encourage further exploration of this connection, an aim that fits perfectly with the mission of Strategic Organization, a journal that bridges the fields of strategic management and organization theory.

Previous studies have revealed the reciprocal but loosely coupled nature of the relationship between strategy and identity, showing how the two may potentially mutually support each other (Rindova et al., 2011; Anthony and Tripsas, 2016), but also become out of sync. For example, Tripsas (2009) shows how organizational identity serves as a filter that can focus attention productively, but that can also blind firms to competitive opportunities or technological change that would suggest a shift in strategy.

At the same time, when top managers do attempt identity-challenging strategic moves, the embeddedness of identity in practices, routines and culture may inhibit strategic reorientation (Tripsas, 2009; Anthony and Tripsas, 2016). In fact, while strategy is generally oriented towards the future, culture and identity tend to be grounded in the past (Sillince and Simpson, 2010), creating the potential for a serious mismatch that can undermine managerial attempts to renew strategies see for instance, (Huy, 2011; Hoon and Jacobs, 2014. Ravasi and Phillips 2011) suggest ways in which the mismatch may be
overcome by connecting strategy to identity referents from the past Schultz and Hernes, (2013), and Ravasi and Schultz (2006) examine how culture and identity are inter-related over time in this process. There is, however, room for more research on the reciprocal tensions and inter-relations between identity and strategy and the way in which these are managed. One question concerns how identity and strategy are inter-related in the context of ongoing strategic and organizational practices. The notion of “organizational identity work” has recently attracted attention Clegg et al., (2007); Kirchner, (2013); Kreiner et al., (2014); Watson, (2016) as a concept allowing a more processual perspective on organizational identity (Fachin and Langley, forthcoming). This concept can be mobilized by examining the ongoing discursive “work” that an organization, as a “social actor”, or its senior managers engage in to promote or sustain a particular identity (e.g., in internal and external communications) Clegg et al., (2007); Suddaby et al., (2010) to align it with strategy. From this angle, we need to study in more depth the historical inter-relations between strategic change and organizational identity work expressed over long periods of time.

Micro-level practices. A second angle on organizational identity work may focus on the activities that individuals or groups undertake in organizations “to form, repair, maintain, strengthen in other ways influence understandings of the central, distinctive and enduring characteristics of a specific organization” (Fachin and Langley, 2015; Kreiner and Murphy, 2016; Watson, 2016). This perspective draws attention to the ongoing micro-level practices engaged in by people to negotiate meanings in conversations and other activities (i.e., opening up the social construction perspective on identity). From this angle, strategic decisions offer a propitious arena for examining organizational identity, and an organizational identity lens may enhance our understanding of how strategic decisions are arrived at and enacted.

The potential link with the strategy-as-practice perspective is evident (Oliver, 2015; Sillince and Simpson, 2010). However, few scholars have so far brought strategy work and organizational identity work together. There are multiple opportunities to do so. The notion of organizational identity work also raises the question of how individual, group and organizational identity struggles may come to be inter-related within strategy formation. When people push for certain strategies and certain expressions of organizational identity, they may be simultaneously expressing individual, group or possibly business-unit identity commitments. Limited work, however, has been done on
cross-level identity dynamics (Ashforth et al., 2011). How do the individual identities of organizational leaders express themselves in strategic initiatives and organizational identity work? How might the identity of business units influence organizational strategizing? Such issues are well known to be critical during strategic moves and major changes, such as mergers, restructuring and turnarounds. The role of material practices, routines, and artifacts. While both organizational identity and strategy are often analyzed in cognitive and discursive terms, they are both clearly embedded in material practices, routines and artefacts (Oliver and Roos, 2007; Watkiss and Glynn, 2016; Rindova et al., 2011; Zamparini and Lurati, 2016). Just as strategizing often rests on material artefacts that mediate collective interaction and support collective cognition, (Jarzabkowski and Kaplan, 2015; Dameron et al., 2015) So organizational identity claims and beliefs are often expressed and symbolized by material artefacts (Watkiss and Glynn, 2016) or negotiated around them.

Research on the materiality of strategy and identity, however, is still in an early stage, and there is room to explore in more depth the material aspects of organizational identity and strategy as well as their reciprocal relations. Both organizational identity and strategy are concerned with similarity and distinctiveness. The notion of optimal distinctiveness is inherent to the concept of identity (Gioia et al., 2013; Zamparini and Lurati, 2016). The notion of differentiation is central to the concept of strategy, and yet firms still need to conform to certain categorical prescriptions for audiences to be able to even recognize their products as potentially valuable (Deephouse, 1999; Zuckerman, 2016). In addition, the convergence of previously distinct industries and/or the emergence of entirely new industries creates ambiguity about categorical boundaries, which generates both strategic and identity challenges. The interplay and dynamics associated with similarity and difference in both identity and strategy is another interesting area for investigation.

Managing inter-firm relationships. Much research in the field of strategy has focused on how to best establish and manage relationships with other firms in order to access resources and capabilities. However, the potential role of identity in these relationships remains unexplored. Should alliances form their own unique identity or simply reflect identities of their members? How might differences in the identity of members affect the formation, management, and success of strategic alliances, joint ventures, and other inter-firm relationships? The exploration of the strategy-identity nexus thus offers multiple opportunities for ground-breaking and insightful scholarship.
Customer service is the ability to identify the needs of customers and meeting those needs beyond their expectation within the shortest possible time. Customer service varies by product, industry and customer. It however, assume important dimension in service delivery. This is because service firms such as banks have to retain their customers and win new ones if they are to remain in the market (Addai-Minkah, 2011). Customer service has evolved though the years from a simple interaction between a company’s employees and its existing customers to a more complex interaction that involves experiences of customers with every touch point of an organization; from retails service delivery and branding, online presence, self-service technologies and advertising. Firms have heavily invested in developing cutting edge customer experience strategies however implementation has continued to fall short in emerging markets (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, and Schlesinger, 2009).

Customer service has become so vital and significant to consider especially in the financial business sector globally (Khondaker and Mir, 2011). As the global world has suffered from financial depression in recent years, it is essential for banks to establish a sturdy and solid loyal customer base to weather tougher economies and more intense competition. The practice of excellent service quality integrated with consumer products is a powerful generator to cater to customers’ needs and engage with them. Considering that many banks offer undifferentiated products in a rival marketplace, banks are paying more attention to service quality in order to gain a competitive advantage. Banks that master service quality can gain a competitive edge in terms of higher revenue, customer loyalty and customer retention (Kumar et al., 2010).

Competitive advantage can be defined as a company’s ability to develop unique strategies that result in superior returns. Compared to companies from developing nations, companies from developed countries are more successful in creating and sustaining competitive advantage. This suggests the existence of a national context that determine whether companies have the ability to achieve a competitive advantage. According to Porter (1990), a set of national characteristics impacts a company’s global competitiveness. These characteristics include factor and demand conditions, related and supporting industries, and firm strategy, structure, and rivalry.
Porter’s ‘national diamond’ framework has contributed mightily toward an understanding of how the national environment shapes the internationally competitive performance of firms (Grant, 1991). However, Porter’s ‘national diamond’ is based on the premise that government’s aim is to maximize the level and growth of the nation’s living standard. While such a role is economically idealistic, it may not reflect the reality of a country’s public policies.

For example, economic theory suggests that the most powerful instrument for the generation of wealth is a resource allocation model predicated upon free-market mechanisms. However, several developing nations, including many Sub-Saharan African nations, have structured their political, legal, and social institutions in a way that maintains tight controls over economic activities. So, as several studies (e.g., Hall and Jones, 1998; Nelson, 1997; Serven, 1997) have suggested, how institutions are structured can affect the national context.

Institutions are crucial for the proper functioning of markets and for the reduction of market imperfections. Developed countries enjoy higher per capita income partly because they have put in place economic, governmental, and legal institutions that enable technology, labor, and capital to be used more effectively. In less developed countries, ineffective institutions lead to political instability and economic uncertainty that drastically discourage investment and innovation. As a result, less developed countries do not take full advantage of extant resources, and their companies are unable to create a competitive advantage.

Over the years, Kenya's insurance industry has continued to endear itself to the existing and potential customers through new products and a significant improvement on its service delivery platforms, guaranteeing consumers of world-class services delivery. The creation of the Insurance Regulatory Authority (IRA) to replace the office of the Commissioner of Insurance under the Ministry of Finance has not only instilled a sense of confidence in the regulatory framework in the industry but has also injected new approaches to ethics, management and growth of the insurance investments in Kenya. Likewise, efforts made by majority of insurance industry operators to embolden the Association of Kenya Insurers (AKI) and the Association of Insurance Brokers in Kenya (AIBK) are steadily paying off with more consumers angling to take-up the services.
Practitioners in the industry are also enhancing the quality of their products and services as well as the market penetration strategies. That the new initiatives are welcome is no longer in doubt. Insurers are not only keen on reclaiming the rightful image of the industry but are further concerned with vilifying and alienating, rogue practitioners who have helped plant the seed of distrust that continues to slow penetration of insurance services in the country.

From the AKI, IRA and the AIBK to the insurance underwriters, experts in insurance are embracing a new strategy that is aimed at ensuring the industry commands the respect they deserve and that more customers are taking up the services and are also becoming critical champions to drive insurance growth so as to counter the erstwhile, limiting perceptions that insurers are out to fleece the public with little or no likelihood of making a return from the lucrative covers offered. In consultation with the regulator, agents' body and member associations, the insurance firms are developing new products that are not only friendly to consumers but which pioneers service delivery in an under-exploited market category. The Industry is regulated by the Insurance Act. Cap 487 which currently is under review. The Insurance Amendment Act, 2006 brought the Insurance Regulatory Authority to life. Certain sections of the Insurance Act, Cap 487 were amended effective 1st May, 2007 to allow for the Conversion of the Department of Insurance into an autonomous Insurance Regulatory Authority.

Jubilee Insurance Company Limited (JICL), commonly referred to as Jubilee Insurance, is an insurance company in Kenya, the largest economy in the East African Community. It is a wholly owned subsidiary of Jubilee Holdings Limited, a multinational insurance holding company, which maintains its headquarters in Nairobi, the capital of Kenya, with subsidiaries in Burundi, Kenya, Mauritius, Tanzania, Uganda and Pakistan, with plans to expand on the African continent. (Juma, 2014)

Jubilee Insurance was incorporated as a Kenyan financial services provider with headquarters in the coastal city of Mombasa. The company prospered and over the years, opened offices in other East African cities and towns, including Nairobi, Dar-es-Salaam and Kampala. The company also opened branches in the Indian city of Bombay and Karachi, Pakistan. On the Indian Ocean islands of Mauritius and Zanzibar. The company's parent, Jubilee Holdings Limited, was listed on the Nairobi Stock Exchange
(NSE) in 1973, where it trades under the symbol JUB. Its sister company in Pakistan is listed on the Karachi Stock Exchange under the symbol NJICL. (JLICP, 2016)


In 1998, the company re-established a subsidiary in Tanzania. Jubilee Insurance Tanzania is co-owned with local Tanzanian investors. It was the first privately owned insurance company to be licensed in the country, following the liberalisation of financial institutions ownership. Jubilee Holdings Limited became cross listed on the Dar es Salaam Stock Exchange (DSE), also in 2006. EABW staff, (2007). According to the Kenyan Insurance Regulatory Authority report released in September 2014, The Jubilee Insurance Company of Kenya was ranked first in market share with 11.9% of the Kenyan market ahead of Britam and CIC Insurance Group Limited, who controlled 11.2% and 9% respectively. Herbling David, (2014)

1.2 Statement of the Problem

In a highly competitive and customer-centered market economy, service organizations are forced to provide high-quality services that generate customer satisfaction, loyalty, enlarge market share and improve their performance results (Pantouvakis, 2010). In services setting, customer satisfaction mainly depends on the process of service delivery a fact that highlights the important role of the front-line employees. These employees constitute an essential source of information for guiding the formation of services based on customer needs and have a key responsibility in increasing the customers’ perception of value during the moment of truth (Yap and Sweeney, 2007). A key driver of achieving customer satisfaction is considered to be employee job satisfaction, as satisfied employees are more motivated, empowered, caring and engaged to firms’ goals and customer desires. Along the same line with the above thoughts, many researches have examined one by one the links between service quality and customer satisfaction employee job satisfaction and customer satisfaction as well as job satisfaction and service quality (Snipes et al., 2005).
In order to make the subjects that all the consumers should be satisfied easier and more understandable Weber, (1964). Profitable Organization seeks to satisfy the target market by delivering quality products and services. External customers and their satisfaction as a market for the end products are influence by the activities of the organization employees Raps and Kauffman, (2005). Given the important role employees plays in insurance companies, to determine the effects of their satisfaction on service quality delivery. To effectively satisfy employees, respect for customer value and demands is critical in insurance companies to achieve service quality delivery Naumannet al., (2001). Concurrently, customer demands are not stagnant and cannot be manipulated by bank.

In today’s competitive environment, financial product and service innovations are redefining accepted levels of performance in the insurance sector. The relevance of employee’s satisfaction in decisions has been widely acknowledged in Jubilee Insurance Company. The need to attract, retain, improve customer loyalty and improve Jubilee Insurance performance has influenced formulation of internal customer satisfaction as a radical paradigm shift across operations, financial measures, sales and marketing in the company AKI, (2012). Despite formulation and efforts made in improving employee’s satisfaction in Jubilee Insurance Company, there has been scanty information on the effects of internal customer satisfaction on service quality delivery in the company.

A number of scholars have researched on customer satisfaction. Mwangi (2010) carried out a study on influence of customer relationship management practices on customer satisfaction among internet Service Providers in Nairobi. The study found that through customer services, adoption of technology, better training of customer and effective leadership enhances customer relationship management in organization. Murekio (2010) established that customer satisfaction among Safaricom Retail Centers in Nairobi improves customer satisfaction thus increasing company’s profitability and more earnings.

This study therefore sought to fill the existence knowledge gap by determining the effects of internal customer satisfaction on service quality delivery. The study sought to answer the question on what are the effects of internal customer satisfaction on service quality delivery in Jubilee insurance.
1.3 Purpose of the Study
The purpose of the study was to assess internal customer satisfaction on service quality delivery in Jubilee Insurance Company.

1.4 Research Questions
1.4.1. What are the effects of internal customer service as a competitive advantage?
1.4.2. What are the strategic challenges affecting internal customer service?
1.4.3. What are strategies for ensuring a high level of Internal Customer Service as a source of Competitive Advantage?

1.5 Significance of the Study
The Significance of the study is to understand the relevance of internal customer service in the insurance industry and how it can create a competitive advantage in a competitive industry. It is also to understand the synergistic value the internal and external customers create as a result of a conducive environment for business transactions in both external and internal environments. It is significant to the following stakeholders:-

1.5.1 Jubilee Insurance
This research paper will be of significance to Jubilee Insurance Company as it will enable them to outline the significance of employee morale and how it can impact the firm as a competitive advantage. It will also help in finding various ways to keep employees motivated and what they can improve on so that they are able to perform well and will therefore translate to the external consumer and the continued growth of the company.

1.5.2 The Insurance Industry
The research paper will be of significance to the Insurance Industry as it will help industries understand the significance of Internal Customer Satisfaction. With the high level of competition in the insurance industry, having a competitive edge is key and deciphering the significance of Internal Customer Satisfaction could play a pivotal role in having a competitive edge in an already congested and competitive industry.

1.5.3 The Regulator – Insurance Regulatory Authority
The Insurance Regulatory Authority's mandate is to regulate, supervise and develop the insurance industry in Kenya. Among the areas that they have prioritized for implementation is the promotion of consumer education and protection as well as the offering of quality customer service. This study therefore serves to complement the
regulator’s own mandate in that internal customer satisfaction within insurance industry players (underwriters, brokers, agents, Medical Insurance Providers, risk assessors) ensures that there is delivery of quality services to the general public. A satisfied general public translates directly into a positive outcome for the IRA.

1.5.4 Academicians and Research
This research study will be of huge significance in the academic field as it will help students understand more on internal customer satisfaction and how motivating employees will help in external customer service and a competitive edge for the business. It will also help find different methods to ensure that employees are more motivated to work.

1.6 Scope of the Study
The study was conducted in Jubilee Insurance Company in Kenya and covered on various The geographical scope for the research was conducted in Nairobi Kenya and the population of the study was fifty seven employees from various departments in the company. The time period over which this research was conducted is over a two month period in which time was given for people to revert with their questionnaires as well as assessing the feedback. It was undertaken between February 2017 to August 2017

The study experienced a limitation of obtaining relevant data from the respondents. Also cost for the study was a hindrance as the researcher was needed to print research materials, travel and do phone follow ups. The foreseeable limitations that arose during the duration of this research were situations such as delayed responses as well as reluctance to reply due to being afraid of putting their jobs in jeopardy.

1.7 Definition of Terms
For the purpose of this study the following definitions were used

1.7.1 Competitive Advantage
Competitive advantage is a function of either providing comparable buyer value more efficiently than competitors (low cost), or performing activities at comparable cost but in unique ways that create more buyer value than competitors and, hence, command a premium price differentiation (Porter, 1980).
1.7.2 External Customers

The external customer is someone who signs a check, pays our employer, and ultimately makes our paycheck possible. External customers have choice, and if they don't like your product or service can take their business elsewhere. Donna Earl; (2004)

1.7.3 Internal Customers

An internal customer or internal service provider can be anyone in the organization. An internal customer can be a co-worker, another department, or a distributor who depends upon us to provide products or services which in turn are utilized to create a deliverable for the external customer. In general, internal customers don't have a choice. For example, if the sales department doesn't like accounting's credit policies, they can't fire that department and hire another. Donna Earl; (2004)

1.7.4 Customer Satisfaction

Customer Satisfaction is the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers

1.7.5 Service Quality

Service Quality is an assessment of how well a delivered service conforms to the client's expectations. Service business operators often assess the service quality provided to their customers in order to improve their service, to quickly identify problems, and to better assess client satisfaction.

1.8 Chapter Summary

This thesis is organized into five chapters. Chapter one gives an introduction which includes background of the problem in which gives a basic outlook of the topic at hand, statement of the problem which addresses the issues at hand in the study, purpose of the study that aims to decipher the objective of the study and how it influence the growth of the company, research questions which looks to find questions that aim to look in depth at the problems as well as solutions to influence growth and success in the company, significance to the study looks at the relevance of the study to the various stakeholders to the study, scope of the study looks into the various avenues in which the thesis was looked into as well as the foreseeable problems that may arise, and the definition of terms that looks into the definition of key terms.
To put the reader in context with what earlier work has been written by other distinguished authorities on this subject, literature is reviewed in the second chapter. This chapter covered the literature review from other scholars based on the research questions developed. Chapter three presents the research methodology and the profile of Jubilee Insurance under study, while chapter four presents the results in the form of data analysis, findings and discussions. The fifth chapter consists of the key findings, summary, conclusions and recommendations that were established.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter covers the review of existing literature on the assessment of internal customer satisfaction on service quality delivery in Jubilee Insurance Company. The chapter was guided by the study’s objectives which are to establish the effects of internal customer service as a competitive advantage, the strategic challenges affecting internal customer service, and to establish strategies for ensuring a high level of Internal Customer Service as a source of Competitive Advantage. The chapter ends with a summary.

2.2 Effects Of Internal Customer Service As A Competitive Advantage
Some authors have argued that satisfaction of a customer’s need is the ultimate test of a business success. According to Kimani (2012) in her study on adoption of call centers as source of competitive advantage of commercial banks argued that satisfied customers are more likely to concentrate their businesses in one organization and this improves revenue growth of an organization. The study further noted that companies are increasingly paying more attention to customer-contact employees to achieve the desired profit and market share and are adopting a more people oriented approaches. This is as a result of realization that customer service is the key to attracting and maintaining customers leading to increased business and revenue. Customer service can therefore be used as a turnaround strategy for an organization that is performing poorly. This can be achieved by an organization investing in training its staff in customer care skills. The staff will have customer insights, know who their customers are and what their needs are, deliver focused education, clarify issues and fears through meetings with the stakeholders, support and motivate them and provide timely and professional service delivery.

This will reduce the time spent by a customer in seeking the service, will improve customer goodwill and confidence in the organization, encourage repeat sales, reduce costs of doing business and improve the overall performance of the organization. It is worth noting that, an effective customer service is important to the organization because it will lead to improved staff morale and faster delivery of services hence minimizes corruption, enhance a positive image of the department and cost savings leading to increased revenue collection and facilitation of legitimate trade. Customer satisfaction matters not only to the customer, but also to the department since it impacts on the
department’s revenue and is one of the important components of the department’s positive image.

According to Munyoki (2011) customers may be dissatisfied by a product or a service if the product or service does not meet the expected quality standard or the product is not compatible with the customer’s conditions of use or the customers have developed a bad perception either towards the product or service or the company. The study recommends that the organization needs to identify why the customer is unable to buy or use the service and respond appropriately. Ultimately, this will motivate the customers and will lead to improved performance of the organization. Service delivery is the key to the success of public service delivery which is the individual’s perception of the performance of the service in relation to expectations. Improving service delivery is one of the strategic goals of tax administration’s efforts to minimize customer compliance costs and enhancing customer service (Nzyoki, 2010). Unless a company can serve its current customers better than the competition can, it will fail. This requires a relentless focus on the kinds of innovations that customers will pay for. Hoping that customers will settle for anything less than everything you have is not often a winning strategy (Raynor, 2007).

2.2.1 Service Quality

Service quality has a positive effect on the bottom-line of a firm and thereby on the competitive advantages that could be gained from an improvement in the quality of service offering, so the perceived service exceeds the service level desired by customers (Caruana, 2002; Chumpitaz, 2004). The literature relating to service management has argued that customer satisfaction is the result of a customers’ perception of value received (Hallowel, 1996). Perceived value is considered a construct that captures any benefit sacrifice discrepancy in the same way that disconfirmation does for variations between expectation and perceived performance. As clearly explained, perceived service quality and perceived value has approximately the same meaning.

Fisk (2004) says that three links connect the customer and provider: the service delivery link, the customer satisfaction link and the customer–provider link. The service delivery link represents the interactive nature of the service and is strengthened through satisfying service encounters. The customer satisfaction link represents the connection between the customer’s level of satisfaction and the degree of loyalty to the service provider. The customer-provider link represents the mutually rewarding relationship between the
customer and the service provider, resulting in the customer’s commitment to that service provider. These links connect activities that fall into three domains, or wheels, representing the domains of the customer, the provider and the service encounter respectively. The service quality cycle is driven by three wheels connected by three links.

From an operations perspective, service quality means meeting the specification for the service or quality of the service which the organization delivers. Customer satisfaction is a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance or outcome in relation to his/her expectations says Kotler, (1999).

Kotler and Armstrong, (2012) agree that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Researchers are divided over the antecedents of service quality and satisfaction; some believe service quality leads to satisfaction while others think otherwise, Ting (2004). The studies of Lee et al (2000), Gilbert and Veloutsou (2006), Sulieman, (2011) and Buttle (1996) suggests that service quality leads to satisfaction. To achieve high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction. As service quality improves, the probability of customer satisfaction increases.

Quality was one of the many dimensions on which satisfaction was based and satisfaction was one potential influence on future quality perceptions. Service quality is an important tool to measure customer satisfaction, Hazlina et al, (2011). According to Jamal and Anastasiadou (2009), reliability, tangibility and empathy are positively related with customer satisfaction. Suleiman (2011) found that reliability, tangibility, responsiveness and assurance have significant positive relationship with customer satisfaction while empathy was found to have significant negative effect on customer satisfaction.

When customers repeatedly enjoy satisfactory service encounters, that is, when the encounters meet or exceed their expectations for all the service attributes, they perceive the service quality as high and are likely to remain loyal to the service provider. Figure 2 illustrates the Service quality Cycle which is driven by three wheels connected by three links as seen below. The term cycle is used to denote that service quality involves important links between the service organization and the customer in a recurring series of activities.
Loyal customers provide positive word-of-mouth communications about the service organization feel a sense of belonging and commit to relationships with the service provider. As loyalty is further nurtured by ongoing satisfying encounters, the customer provider relationship becomes mutually rewarding and customers feel even more committed to the service organization. It is then in the best customer’s best interest to help the service provider improve its service offerings. With continual improvements, the service offering will more closely match customer needs. The interactive nature of services also fosters provider-customer familiarity, which in turn enables the customer to receive a more personalized service. The cycle is complete when these process improvements lead to even better and more satisfying service encounters and overall customer satisfaction, (Fisk, 2004).

2.2.2 Customer Care/Service

Customer service is a process that takes place between a buyer, a seller, and third party and can influence demand in the market (Innis and La Londe, 1994). Customer care is used in a wider sense and goes far beyond the traditional role of customer service and support; it encompasses all the functions along the entire service delivery value chain (Katz et al., 1998). It is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint (Kim et al., 2004). Customer service is one of the most important considerations in the evaluation of a supplier (Jackson et al., 1985).

A supplier's reputation for good service attracts potential customers and keeps existing customers loyal. Good service additionally provides protection from price competition (Hartley, 1989). Customer service can produce customer behaviour that can indicate whether a customer will remain with or defect from an organization (Zeithaml et al., 1996). The effectiveness of the level of customer service will enhance customer retention and reduce switching between and among service providers (Oyeniyi and Joachim, 2008). Therefore, customer service includes all help and assistance service providers offer to customers directly or indirectly prior to, during, and/or after purchase to provide exciting customer experience with their products. If well leveraged, it has a potential to offer a competitive advantage to the service providers and make them to attract and retain customers. Lucas (2005) noted that by providing excellent customer service and dealing with dissatisfaction as soon as it is identified, companies can ensure that customers remain loyal and keep coming back.
2.2.3 Technical Quality

In the service sector, technical quality is “the outcome of the service experience and is considered the “core” of service quality. It includes: promptness, accurateness and the extent to which the customer is offered several alternatives and individualized solutions” (Kandampully, 2011, p. 193). Within the existing CRM discourse, several theories and models have been used to explain the factors that influence customer loyalty in the service industry that are relevant to the airline sector. However, two theoretical models appear to have taken primary importance. These are: the SERVQUAL model and the Importance-Satisfaction Model. The SERVQUAL model, better known by the acronym RATER (Schmithausen, 2012) was developed by Parasuraman, Zeithaml and Berry (1985) and has been adopted by various service providers and researchers as an instrument for empirical research (Gannage, 2009). It is a technique used for performing a gap analysis of an organization’s service quality performance against customer service quality needs using a scale.

In the SERVQUAL scale, Gannage (2009) identified five determinants. These are: “tangibles”, “reliability”, “responsiveness”, “assurance” and “empathy” as the main items for measuring service quality. The usefulness of SERVQUAL is that it offers managers a systematic approach to measuring and managing service quality by emphasizing the importance of understanding customer expectations, and developing internal procedures that align company processes to customer expectations (Buttle, 2012). However, its major criticism are that the dimensions of SERVQUAL are unstable, such that when necessary, it can be adapted or supplemented to fit the characteristics or specific research needs of a particular company (Green, 2007). Groonroos (2007) somewhat expanded the SERVQUAL model, classifying the service quality experienced by customers within two primary dimensions namely: technical quality and functional quality. Schmithausen, 2012) identified seven important criteria emphasized by Groonroos (2007) for service quality. They are: “professionalism and skills, attitudes and behavior, accessibility and flexibility, reliability and trustworthiness, service recovery, service scape and reputation and credibility”. According to Voudouris (2008), the basics of good customer service, availability, accessibility and responsiveness, remain at the core of service delivery. Within the airline industry, the variables in both the SERVQUAL and RATER models of relevance include: reliability, accessibility, timeliness, flexibility, security and perceived value.
2.3 Strategic Challenges Affecting Internal Customer Service

Strategy implementation can pose a number of challenges. The challenges arise from sources that are internal and external to the organization. The particular challenges that will face strategy implementation will depend on the type of strategy, type of organization, and prevailing circumstances. Many challenges in strategy implementation can be avoided if strategy development is coupled with implementation. The lack of understanding of a strategy and the inability to connect strategy formulation and implementation has an impact on successful implementation. Several challenges have been identified by researchers in strategy implementation (Aosa, 2012).

2.3.1 Organization Structure

According to Ansoff, (2009) an organization structure is part and parcel of its internal capability and therefore has the potential of either facilitating or impeding successful strategy implementation. Structural designs typically begin with the organizational chart. It pertains to managers’ responsibilities, their degree of authority, and the consolidation of facilities, departments and divisions, tasks design and production technology. Whereas Hall (2003) identifies three organizational structure variables (formality, complexity, and centralization), Mintzberg (1979) comes up with five which have varying degrees of formality, complexity and centralization. They include simple structure, machine bureaucracy, professional bureaucracy, divisionalized form and autocracy. The structural design of an organization helps people pull together activities that promote effective strategy implementation.

The structure of an organization should be consistent with the strategy to be implemented. Moreover, the nature of organization’s structure to be used in implementing strategy is influenced by the environment stability and the interdependence of the different units (Koske, 2013). Failure to address issues of the broad structural design (of roles, responsibilities and lines of reporting) can, at a minimum, constrain strategy development and performance (Johnson & Scholes, 2012).

2.3.2 Employee Acceptance

The way in which a change is presented to employees is of great influence to them to accept it. To tackle this grave position, an integral communication plan must be established. This plan is effective when focusing the attention of employees based on the selected strategy value to be executed. According to Johnson and Scholes (2012),
communication is a key success factor within strategy implementation. However, there is delay in communicating issues to employees regarding the implementation of strategy until crystallization of changes have already happened. It is recommended that an organization institute a two-way

In addition to communication, the organization should tell employees about the new requirements, tasks and activities to be performed by the affected employees and the reason behind changed circumstances (Alexander, 1985). It is essential to communicate about organizational change and organizational developments during and after the changes have been made, communication program that permits and solicits questions from employees about issues regarding the formulated strategy in order to ensure smooth strategy implementation. Such a plan is an effective vehicle for focusing the employees’ attention on the value of the selected strategy to be implemented.

2.2.3 Top Management Support

According to Aaltonen and Ikavalko (2012), overall though, it is increasingly acknowledged that lack of top management backing is not the main inhibiting factors to effective strategy implementation. Rather, the major challenges to be overcome appear to be more cultural and behavioral in nature, including the impact of poor communication and diminished feelings of ownership and commitment.

The role of middle managers, arguing they are the key actors who have a pivotal role in strategic communication has been viewed as a challenge. Bartlett and Goshal (2009) talk about middle managers as threatened silent resisters whose role needs to change more towards that of a “coach”, building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes. Weak management roles in implementation, a lack of communication and commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities and uncontrollable environmental factors as some of the difficulties in implementing strategies (Johnson & Scholes, 2012).

2.2.4 Training of Staff

Training refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one's capability, capacity and
performance at the work place or off the place (Singh, 2012). On the other hand, customer service is the practice of providing customers with a positive helpful experience when they enter a business, throughout the time they stay at the business, and even after the customer leaves, should they have additional questions or products to return (Thompson and Kolsky, 2004). Dealing with customers involves the appreciation of the time of customers and tolerating their behaviors. The provider must always convey to the customer that he or she appreciates the time it takes them to do business with the company. Respecting the customer’s time implies that members of an organization should always work at peak efficiency and stay focused on the customer. Respecting the customer’s time by not imposing bad or negative mood on anyone else, recognizing regular customers, avoiding destructive remarks and showing initiative are tips to creating challenging customers (Thompson and Kolsky, 2004).

Padi (2012) conducted a study on the effect of training on customer service delivery; the study was based on a contextual analysis of a limited number of training sessions held for staff of Barclays bank, Ghana. The study revealed that all the staff had special training towards improving customer service delivery and majority of the bank’s customers perceived its service delivery as good. The study concluded that training received by bank staff on improving customer service delivery resulted in improving the performance of staff which resulted in improving the performance of staff which was perceived as good by the customers of the bank. It is recommended that the human resources department of Barclays Bank Ghana Ltd should train their staff on how to meet customer expectations, increase assertiveness, and deal with stress and how to maintain good customer service delivery.

Dhar (2014) also examined how training of employees influence service quality. The author analyzed the perception of training opportunities and the impact of such training on the service provided to guests in small and medium size tourist hotels operating in Uttarakhand, India. The findings of the study revealed a strong relationship between employee training and the quality of services offered by employees in tourist hotels.

The relationship between various perceptions of training and its impact on service quality may be mediated by the organizational commitment level displayed by employees. Employees may show a dramatic improvement in the quality of services they offer to customers if they are trained in problem solving and technical skills (Yavas and Babakus,
This kind of training not only improves employee competency but also creates a feeling of obligation for them to repay it, which takes the form of displaying a higher level of commitment toward the organization. Employees who feel that the organization supports them by offering them relevant training programs, provide faster and better solutions to customer issues (Yavas and Babakus, 2010). Such beliefs about the organization encourage employees to go beyond their role boundaries and demonstrate extra role performance. The findings concur with Malhotra et al. (2013) who revealed that employees who are committed to an organization and use discretionary efforts are prone to excel in achieving quality customer service; the study highlights a direct relationship between organizational commitment through training and customer service quality.

Any business that is keen to survive and prosper in this present day diverse and turbulent economy has found it imperative to invest in ongoing training and development to improve proficiencies in service delivery as well as to acquire the greatest return in investment of human capital (Knoke & Kalleberg, 2014). Although this area of training effectiveness seems paramount, and although training is an integral part of the employer–employee relationship, Knoke and Kalleberg (2014) suggest direct evidence about company training practices based on representative samples of diverse employing organizations is almost non-existent. Furthermore, several authors have suggested that training is most extensive only in establishments which operate in complex market environments (Rowden & Conine, 2011). In addition, Rowden and Conine (2011) indicate that there is limited research on human resource development in small and midsized businesses. According to these authors, most people believe that small businesses do little, if any, development of their workers. Moreover, Rowden and Conine cite Training Magazine, which annually conducts research on the training industry in the United States, as not even attempting to contact businesses with fewer than 100 employees. In addition, in their annual research sample, only 16% consisted of companies between 100 and 500 workers. In general, little human resource development occurs in small businesses (Hill & Stewart, 2012). In summary, a slowly growing number of authors are currently doing more research in the areas of training and development and its effects on employees that we have not seen in past literature.

2.4 Strategies for Ensuring a High Level of Internal Customer Service
A service’s “quality” is clearly more than just its ability to consistently perform as intended. A widely definition of service quality which is accepted was developed by
Wycoff (2001). The degree of superiority which is intended and in control of variability that is aimed at achieving superiority while achieving customer expectation is what we call Quality Service. Zeithaml, Parasuraman, and Berry (2012), in their Gap Mode mirrored this description. The principle behind this Model is that what defines quality service is the gap that exists between expectations of customer for the services delivered and their perceptions of what exactly was delivered. The greater the perceptions of the customers are comparative to their expectations, the greater the quality of service exists. Zeithaml et. al., (2012) further explains how other internal causes can attribute to this gap such as functions of the market service of firm and the delivery service system.

Quality improvement, particularly from an operations perspective, can be delivered by ensuring that the service is better, so as to increase the perceptions of the customer. When examining the literature on services, this choice is reflected in the primary themes which are four in number and which are design-based, culture-based, failure-based improvement strategies and variation-based.

2.4.1 Properly Marched Organization Structure
According to Machuki (2014), successful strategies require properly marched organization structure. If an organization significantly changes its strategy, it needs to make appropriate changes in its overall structural design since its existing organization structure may become ineffective. Symptoms of an ineffective Organization structure include too many people, too much attention being directed towards solving interdepartmental conflicts, too large a span of control, too many unachievable objectives (David, 2007). However, changes in structure should not be expected to make a bad strategy good, or to make bad managers good, or to make good managers bad, or to make bad products sell.

Successful implementation of a firm's strategy also requires alignment of the firm's partner compensation system, performance management approach, and other related practice group and client team management structures and processes with the firm's chosen strategy. The most common (and perhaps critical) example of a structure necessitating alignment is that of partner compensation. Very often firms adopt strategic plans which require partner collaboration and teamwork in order to achieve success, yet fail to modify the partner compensation system to reward such activities. Failure to align management processes and structures with a newly adopted strategy frequently results in
a stall out of implementation efforts, as members of the firm direct individual behaviors to align with the firm's historic rewards system, and not the newly stated strategy (Mutambuki, 2011).

2.4.2 Good leadership and Governance
Aosa (2012) indicated that to support effective implementation, firm leaders should ask the question: does the firm have the right leadership, governance and operational structure required to support effective implementation? Are the right people serving in the right places? Very often, firm leaders demonstrate the behavior of dynamic and influential visionaries. However, such leaders may lack an attention to detail and the organizational skills required to effectively drive day to day action. By assessing whether the firm has the right people in the right places, a law firm can better ensure that visionary firm leaders are appropriately supported by individuals who can get the daily actions of implementation done (Tavakoli & Perks, 2011).

Brander, Brown and Atkinson (2011) argued that as a first step in ensuring the successful implementation of the firm’s strategy, firm leaders must take early and aggressive action to institutionalize the strategy within the firm. The Managing Partner, Chair, and other key leaders must demonstrate visible ownership of the firm’s strategy, communicating clearly with partners about the details, value and importance of the strategy to the firm. Members of management should also seek input and support from key opinion leaders and rainmakers early-on and request their help in championing the strategy to other partners within the firm. Over time, such actions will assist in generating buy-in among partners, leading to greater overall support for the strategic plan and the changes inherent in its execution (Njagi, 2010).

2.4.3 Culture-based Improvement
One of the earliest approaches seen for improving quality in services was based on the soft side of the total quality management movement. The positive or negative source of perceptions based on the service is normally derived from how well the service provider interacts with the customer in the course of service delivery. The providers’ ability and willingness to be flexible according to customers’ needs, and to resolve any problems which occur promptly and without hassle, is a function of their training and the organizational culture in which they operate.
As early as 1975, Hostage in his analysis of the success of Marriott Corporation he outlined the essence of employees’ service and its culture. These thoughts are echoed fifteen years later by Albrecht (2011) who asserts that relative to standards-based approaches, culture based approaches will ultimately emerge as more effective for the management of service.

Schneider (2004) focused on group and individual psychology to improve the culture of service. Zeithaml and Bitner (2000); and Chung and Schneider (2002); emphasized the significance of training and employee selection; Schlesinger and Heskett (1991b); and Roth and Jackson (1995) elaborate on this importance of investing in people, since even though generic operations capabilities affect service quality, the employee’s ability to exploit technology and market insight moderates this effect. Harrington and Akehurst (2011) confirmed that, senior management commitment and employee resourcefulness are important when it comes to implementing quality. Hartline, Maxham and McKee (2011) discuss how a customer-oriented strategy from senior management can be disseminated to the front-line employees through specific control mechanisms. Kingman-Brundage (2011) went ahead and emphasized the use of technology to maintain the culture of the service. He also emphasized the prominence of the consistent of the service logic and the policies of the service to reduce frustrations from customers

In a separate work, Schlesinger and Heskett (1991a) develop a system dynamics model to explain the feedback relationships between organizational variables that cause poor service culture and result in service failures. Poor culture is caused by two feedback loops that are positive. This implies that, it can worsen at a high rate according to the System dynamics. However they it can be reversed in the system through management intervention.

Hoffman and Bateson (2010) identified a positive relationship between provider affect and cultural variables of organizational citizenship and customer orientation, and a negative relationship with being sales oriented. In turn, the provider affect has a positive impact service quality and customer affect. Hartline and Ferrell (1996) investigate the interfaces of the service delivery process (manager-employee, employee role, and employee-customer) and find that managers should decrease employee’s role conflict and ambiguity, and increase self-efficacy and job satisfaction in order to increase customers’
perceptions of service quality. In addition to Climate for service, policies and practices that are focused on service quality are required (Schneider & White, 2004).

Other related work was dedicated to foster promising public relations between the provider and the customer. Tansik and Smith (2000) discussed issues of employee behavior. Bitner, Booms and Mohr (1994) identified customer misbehavior as a latent source of dissatisfaction for customers and Bettencourt (1997) looked at how useful customer discretionary behaviors can be endorsed. A framework for affectively charged and intimate encounters were also introduced by Price and Arnold (2007) and Broderick (1999), introduced role theory as a method of managing and understanding dynamics of long term service relationships’ dynamics. In addition, Kandampully (2003) deliberated on how the providers are capable of creating emotional connection to their customers which can lead to long lasting relationship and providing services which are exceptional to them.

2.4.4 Variation-Based Improvement

The third strategy builds on the success of statistical process control (SPC) in manufacturing, as people attempted to apply SPC to services. The method has displayed projected achievement where numerical data that is meaningful can be acquired. Wyckoff (1984) deliberates on the usefulness of SPC at a Midway Airline. The Midway trails the flights percentage leaving the control charts on time and quickly able to recognize changes in the system once it has occurred. Nonetheless, positive changes designate improvement in the system while negative connotes corrective action. Unfortunately, there are no statistical variables that are used to measure services apart from satisfaction scores, demand and monitoring time. A 1993 special issue of Quality Progress emphasized customer service, provided many articles which used SPC to track service quality issues, but the scope of the different types of variables considered is, sadly, rather narrow.

Parameter design is another SPC approach which is taken to reduce the variance and was advanced by Taguchi. It involves the adjustment of the design parameters to reduce inputs variation that normally produces variation at minimal outputs. The reason behind this, is that the deviation from the targeted level, would increment in terms of the costs in a rate of quadratic. Krehbiel (2011) relates this kind of method to a setting of a service whereby he evaluates two designs processes in order to determine the one that provides service
consistent in regards to the time spent in the system. The writer concluded that one system produced a longer average time and its variation was smaller making it the best choice ever. The larger system variation was displayed to have costed customers appropriately more in the waiting time than the system which had longer average waiting time.

2.5 Chapter Summary

This study is driven to assess the Internal Customer Service as a Competitive Advantage in Organizations: A Case of Jubilee Insurance Limited. The empirical review in the chapter has discussed in detail the study topic. The chapter has discussed the different effects of internal customer service on competitive advantage, it has also highlighted the Strategic challenges affecting internal customer service and finally, it has discussed the strategies for ensuring a high level of Internal Customer Service. The next chapter discusses the research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
The objective of the study was to assess internal customer satisfaction on service quality delivery in Jubilee Insurance Company. This Chapter covered the research design, population and sampling design, data collection, research procedures and data analysis methodologies that are going to be used in carrying out the study.

3.2 Research Design
Research design is the blueprint or road map for the collection, measurement and analysis of data. At the very least a research design must contain a clear statement of the research problem, the procedures and techniques to be used for gathering information, the population to be studied and methods used in processing and analyzing data (Kothari and Garg, 2014). A similar definition is given by Parahoo (1997:142) when he describes a research design as “a plan that describes how, when, from whom and where data are to be collected and analysed”. Polit et al (2001:167), On the other hand defines a research design as “the researcher’s overall means of answering the research question or testing the research hypothesis”.

The descriptive research plan was valid to this study as it was concerned with finding out who, what, where, when or how much (Cooper & Schindler, 2008). It also tries to measure the types of activities, how often, when, where and by whom. The descriptive research design addresses the questions posed by exploratory research thus offering solutions to different business issues (Shajahan, 2008). Descriptive studies attempts to identify and explain variables that exist in a given situation and to describe the relationship that exists between these variables in order to provide a picture of a particular phenomenon (Cooper & Schindler, 2008). Descriptive research is considered appropriate because subjects are normally observed in their natural set up and can result in accurate and reliable information (Britt, 2006).

This study adopted the survey approach which is defined as a method of collecting data from people about who they are, how they think- motivations and beliefs and what they do- behavior (Malhotra & Birks, 2007). A survey in form of standardized questions in a
questionnaire was to collect data. This study is guided by the independent (internal customer service) and dependent variable (competitive advantage).

3.3 Population and Sampling Design

3.3.1 Population
Population is the entire group of individuals, events or objects that have common desirable observable characteristics (Mugenda & Mugenda 2003). Population is the group the researcher wants to generalize on or learn about (Tull & Hawkins 2008). Population is the total elements on which inferences can be made (Cooper & Schindler, 2008).

The primary population of study selected for this research was limited to Jubilee Insurance Company of Kenya Limited based on its top ranking in terms of premiums and profits in Medical Insurance. Out of a total population of 66 employees, only 57 were used, as they were the support staff that interacts with the customers. The population was ideal as they were equally engaged in the process of internal customer service. The study assumed that the selected respondents were able to complete the questionnaire objectively and accurately based on the research objectives.

3.3.2 Sampling Design
Sampling design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample (Kumar, 2008). Kumar further explains that sample design may as well lay down the number of items to be included in the sample i.e. the size of the sample. Sample design is determined before data is collected. Sampling provides a better alternative on when it would be impracticable to conduct a survey of the whole population, budget constraints preventing the survey of the entire population and time constraints preventing the survey of the entire population (Saunders, Lewis, & Thornhill, 2012).

3.3.2.1 Sampling Frame
A sample frame refers to a list of elements from where the sample is actually drawn and is closely connected to the population (Cooper & Schindler, 2008). Turner (2003) defines a sampling frame as the set of source from which the sample is chosen. The definition also includes the purpose of sampling frames, which is to offer a way for selecting the actual members of the target population that to be interviewed within the study. A
sampling frame can additionally be outlined because the complete list of all the cases within the population from that a likelihood sample is drawn from (Saunders, Lewis, & Thornhill, 2012). In this study the sampling frame comprised of support staff that interacts with the customers of jubilee insurance limited.

3.3.2.2 Sampling Technique

A sampling technique is the practise of picking elements from the population that will signify the population of study (Collins & Hussey, 2006). A sampling technique is the name or other identification of the specific process by which the entities of the sample have been selected (Wolcott, 1997).

Non-probability sampling, specifically Judgment and Convenience were applicable in the sample selection. Judgment sampling refers to selection of a sample because it conforms to some criteria. On the other hand, convenience sampling is unrestricted, meaning the survey is conducted to whoever is available or where samples are selected because they are accessible to the researcher (Cooper & Schindler, 2008). The two sampling procedures ensured the assortment of representative respondents with the requisite facts to address the precise research questions thereby enhancing the credibility and reliability of the findings of this study. This study was carried out with the use of a census survey. A census is a count of all the elements of a population (Cooper & Schindler, 2008). Mungenda and Mungenda (2003), indicates that for a population of less than 200 respondents, census sampling method is the most applicable method.

3.3.2.3 Sample Size

Sample size is the set of elements where data is collected from (Cooper & Schindler, 2008). A decent specimen size ought to give data that is nitty gritty and thorough. A sample size is a limited part of a factual populace whose properties are to be examined to pick up data about the whole populace under review (Jankowicz, 2002). Jackson, Thorpe & Smith, (2008) argue that researchers rarely survey the entire population for two reasons: high cost and dynamism of the population. The sample size comprised of 57 support staff of jubilee insurance limited.


3.4 Data Collection Methods

The type of data to be collected was primary data. Primary data is defined as the data that is collected for the first time, original in character and also known as fresh data. In comparison secondary data is data that has been collected by third parties and may be published or unpublished and has been taken through the process of data analysis. (Burns and Burns, 2008)

The appropriate data collection tool to be administered was a questionnaire. A questionnaire is essentially a structured technique for collecting primary data. It is generally a series of written questions printed or typed in a definite order or form for which the respondents has to provide the answers (Bell 1999). Kervin (1999) offers a very narrow definition of questionnaires (whereby the person answering the questions actually records his or her own answers), deVaus (1996) sees a questionnaire in a much wider context (namely as a technique in which various persons are asked to answer the same set of questions).

A Questionnaire was selected for the following reasons; the population sample was small and therefore easy and affordable to use questionnaire. The researcher self-administered the questionnaires on the ground so as to assist in clarifying any issues. Reliability in interpreting the data is of utmost consideration and the fact that with a clearly designed questionnaire the level of bias and errors are low.

The questionnaire was designed in simple language and short questions capable of being understood given the low level of education of the respondents. It comprised of closed and open ended questions in a structured and standardized manner. Closed questions sought the respondents to make choices from the various alternatives given. Closed questions aided the respondent to make decisions quickly in choosing the several alternatives provided. Open ended questions on the other hand permitted the respondents the leeway to answer in the way they choose and also gives them the opportunity to comment on issues that may have not been covered fully by the closed questions. In this case both were used to complement each other.

The questions were designed using the Likert’s 4point scale where items are assigned values 1-4 It allowed the respondent to express opinion and demonstrate agreement or disagreement with the variable being measured. (McNabb, 2008). The Structure of the
questionnaire followed the funnel approach where the questions started with general nature to specifics and easy to answer and progress to the more difficult ones (Festinger & Katz, 1966). The researcher avoided leading questions, double barreled questions and questions that the respondent was confused.

3.5 Research Procedures
The research procedures section describes how the researcher gathered the relevant data for this study. The research procedure provides a detailed description of the steps taken in the conduct of research. A questionnaire pilot was conducted in order to determine whether the results provide the relationship sought after. A pilot test is a tool that is administered to detect weaknesses in the research design and instruments (Cooper & Schindler, 2008). A series of tests needs to be conducted before ascertaining that the instrument for collecting data is good (Lee & Lings, 2008). Saunders, Lewis, and Thornhill (2012) additionally agree by recommending that a pilot test is completed to recognize issues and pilot testing ought to be utilized to assess polls for ambiguities, stream, language structure and clarity of the inquiries.

It is appropriate to analyze the responses to the pilot survey (are some response categories never used, analyze some response categories never used, analyze the missing data, are some misunderstood?) Ask the respondents or colleagues for feedback as well as feedback about design and questions (Sansoni, 2011). Based on the feedback obtained, the questionnaire is fine-tuned resulting in the final data collection instrument administered to the sample. Bias issues in follow up and respondent satisfaction surveys are prone to arise. However, the responses would be analyzed in terms of the researcher’s aims and objectives (Sansoni, 2011)

3.6 Data Analysis Methods
Data analysis is the process of turning data into information using analytical tools to enable the researcher to test the objective of the study (Kothari and Garg, 2014). Once data was collected it was checked for completeness, edited to detect errors and omissions, and coded to assign numerical or a symbol to determine its class or category. The data was classified and tabulated in form of graphs in readiness for analyzing.

The data analysis techniques that were applied were descriptive statistics. This entailed the measurement of the reliability, stability and representation of the data using the central tendency (mean median and mode), deviation and the relationship between the
variables. Statistical Package for the Social Sciences (SPSS) as well as Excel was used to analyze the data. The data was presented in graph charts, tables and figures for ease of interpretation and understanding.

3.7 Chapter Summary
The Chapter discussed and justified the research design, population to be sampled and the methods, data collection methods, research procedures to be followed in the study, and how the data was analyzed for decision making. Chapter Four discussed the results and findings of the study and chapter five dwelt on the discussions, conclusions and conclusions emanating from the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the analyzed results and findings of the study on the research objectives concerning the data collected from the respondents. Part 4.2 of this chapter covers the background information, which presents response rate and demographic representation of the respondents. Part 4.3 deals with the effects of internal customer service as a competitive advantage. The third part (4.4) is on the strategic challenges affecting internal customer service and part 4.5 is about the strategies for ensuring a high level of Internal Customer Service. The final part (4.6) summarizes the whole chapter.

4.2 Background Information

4.2.1 Response Rate
Response rate is the sum of respondents who participated in a survey. This is presented in percentage. According to the study, the sample size was 57 respondents from Jubilee Insurance Limited. Table 4.1 demonstrates that 86% of respondents took part in the study while 14% of respondents decline to participate in the study. This implies that the study met the threshold as the response rate was above the recommended 60%.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>DISTRIBUTION</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample</td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>Participated</td>
<td>49</td>
<td>86</td>
</tr>
<tr>
<td>Non-participated</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>Total Sample</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.2 Gender of Respondents
Table 4.2 was used to demonstrate the gender of respondents. From the table, 40.8% of respondents were males and 59.2% were females. The study implies that in Jubilee Insurance Company, there are more male employees than their female counterparts in sales and marketing department.
Table 4.2: Gender of Respondents

<table>
<thead>
<tr>
<th></th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Male</td>
<td>20</td>
</tr>
<tr>
<td>Female</td>
<td>29</td>
</tr>
</tbody>
</table>

4.2.3 Age of Respondents

To illustrate the age of the support staff in the Jubilee Insurance Company of Kenya Limited Table 4.3 was used. From the table, 34.7% of employees were between 21 to 30 years, 55.1% were between 31 to 40 years and 10.2% were above 51 years.

The implication of the study is that at the support staff in the Jubilee Insurance Company of Kenya Limited, there are more of employees with the age bracket between 31 to 40 years than other category.

Table 4.3: Age of Respondents

<table>
<thead>
<tr>
<th></th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>21-30</td>
<td>17</td>
</tr>
<tr>
<td>31-40</td>
<td>27</td>
</tr>
<tr>
<td>Above 51</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
</tr>
</tbody>
</table>

4.2.4 Educational background

The study sought to establish the education background of the respondents. The study findings are as shown in Table 4.4. From the study findings, majority of the respondents (44.9%) had masters degree, 26.5% had Diploma, 16.3% had Bachelor Degree, 10.2% had PH.D, while only 2.0% Secondary School level of education. This is an indication that most of the support staff in the Jubilee Insurance Company was well educated and thus higher chances of giving reliable information with regard to the effects of internal customer satisfaction on service quality delivery in Jubilee Insurance Company.
Table 4.4: Educational background

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary School</td>
<td>1</td>
<td>2.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>13</td>
<td>26.5</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>8</td>
<td>16.3</td>
</tr>
<tr>
<td>Master Degree</td>
<td>22</td>
<td>44.9</td>
</tr>
<tr>
<td>PH.D</td>
<td>5</td>
<td>10.2</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3 Effects of Internal Customer Service as a Competitive Advantage
The first objective of the study sought to establish the effects of internal customer service as a competitive advantage. The study findings are as presented in the subsequent subheadings

4.3.1 Level of Significance of the Internal Customer Service on the Competitive Advantage
To determine effects of internal customer service as a competitive advantage, Table 4.5 was used. The study sought information from increased volume of sales, increased customer satisfaction, increased customer loyalty, improved company image, increased team spirit among workers, innovative ideas generated by employees, Minimal change resistance from workers, enhanced technical quality, enhanced customer care/service, and enhanced service quality. The study used coefficient of variation (C.V) as a statistical tools to determine the level of significance of the internal customer service on the competitive advantage. The lower the coefficient of variation value, the higher the level of significance.

From the table, it is clear that the most significant effect of internal customer service is enhanced customer care/service (CV=0.135), followed by increased team spirit among workers (CV=0.198), and Improved company image (CV=0.198). In addition as a result of internal customer service there is enhanced service quality (CV=0.204), Innovative ideas generated by Employees (CV=0.246), Increased volume of sales (CV=0.274) and Increased customer satisfaction (CV=0.274). Further, internal customer service leads to
Increased Customer loyalty (CV=0.278), enhanced technical quality (CV=0.304) as well as Minimal change resistance from workers (CV=0.354).

**Table 4.5: Effects of Internal Customer Service as a Competitive Advantage**

<table>
<thead>
<tr>
<th>Effect</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal customer service leads to Increased volume of sales</td>
<td>49</td>
<td>3.408</td>
<td>0.934</td>
<td>0.274</td>
</tr>
<tr>
<td>Internal customer service leads to Increased customer satisfaction</td>
<td>49</td>
<td>3.408</td>
<td>0.934</td>
<td>0.274</td>
</tr>
<tr>
<td>Internal customer service leads to Increased Customer loyalty</td>
<td>49</td>
<td>3.204</td>
<td>0.889</td>
<td>0.278</td>
</tr>
<tr>
<td>Internal customer service leads to Improved company image</td>
<td>49</td>
<td>3.367</td>
<td>0.668</td>
<td>0.198</td>
</tr>
<tr>
<td>Internal customer service leads to Increased team spirit among workers</td>
<td>49</td>
<td>3.327</td>
<td>0.658</td>
<td>0.198</td>
</tr>
<tr>
<td>Internal customer service leads to Innovative ideas generated by Employees</td>
<td>49</td>
<td>3.408</td>
<td>0.840</td>
<td>0.246</td>
</tr>
<tr>
<td>Internal customer service leads to Minimal change resistance from workers</td>
<td>49</td>
<td>2.898</td>
<td>1.026</td>
<td>0.354</td>
</tr>
<tr>
<td>Internal customer service leads to enhanced technical quality</td>
<td>49</td>
<td>3.122</td>
<td>0.949</td>
<td>0.304</td>
</tr>
<tr>
<td>Internal customer service leads to enhanced customer care/service</td>
<td>49</td>
<td>3.714</td>
<td>0.500</td>
<td>0.135</td>
</tr>
<tr>
<td>internal customer service enhances service quality</td>
<td>49</td>
<td>3.490</td>
<td>0.711</td>
<td>0.204</td>
</tr>
</tbody>
</table>
4.3.2 Regression Analysis

Multiple regression analysis was conducted as to determine the Level of Significance of the Internal Customer Service on the Competitive Advantage

Table 4.6: Coefficient of Correlation

<table>
<thead>
<tr>
<th></th>
<th>Un-standardized</th>
<th>Standardized</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficients (Beta)</td>
<td>Coefficients</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.77</td>
<td>0.451</td>
<td>8.359202</td>
<td>0.004</td>
</tr>
<tr>
<td>service quality</td>
<td>0.782</td>
<td>0.121</td>
<td>0.146</td>
<td>6.46281</td>
</tr>
<tr>
<td>customer care/services</td>
<td>0.463</td>
<td>0.079</td>
<td>0.126</td>
<td>5.860759</td>
</tr>
<tr>
<td>Technical quality</td>
<td>0.473</td>
<td>0.073</td>
<td>0.045</td>
<td>6.479452</td>
</tr>
</tbody>
</table>

Based on the study findings above, the following regression model is established:

\[ Y = 3.77 + 0.782X_1 + 0.463X_2 + 0.473X_3 \mu \]

From the finding in Table 4.6, the study found that holding service quality, customer care/services, and technical quality; at zero Competitive Advantage will be 3.77. It was established that a unit increase in service quality, while holding other factors (customer care/services, and technical quality) constant, will lead to an increase in competitive advantage by 0.782 \((p = 0.003)\). Further, unit increase in customer care/services, while holding other factors (service quality and technical quality) constant, will lead to an increase in Competitive Advantage by 0.463 \((p = 0.001)\). A unit increase in technical quality, while holding other factors (service quality and customer care/services) constant, will lead to an increase in Competitive Advantage by 0.473 \((p = 0.005)\).

This infers that service quality contribute most to the Competitive Advantage followed by technical quality. At 5% level of significance and 95% level of confidence, service
quality, customer care/ services, and Technical quality, are significant in Competitive Advantage.

4.4 Strategic Challenges Affecting Internal Customer Service

The second objective of the study sought to establish the Strategic Challenges Affecting Internal Customer Service. The study findings are as depicted in the subsequent subheadings

4.4.1 Level of Significance of the Strategic Challenges Affecting Internal Customer Service

To determine strategic challenges affecting internal customer service, Table 4.6 was used. The study sought information from organizational structure, employee acceptance, top management support, alignment of responsibility, macro-environmental forces e.g. Political and legal interference, inadequate information systems, ineffective coordination and poor sharing of responsibilities, culture of the organization, and lack of effective communication of strategic plan. The study used coefficient of variation (C.V) as a statistical tools to determine the strategic challenges affecting internal customer service. The lower the coefficient of variation value, the higher the level of significance.

From the table, it is clear that employee acceptance (CV=0.161) is the highest strategic challenges affecting internal customer service in Jubilee Insurance Company, followed by Organizational Structure (CV=0.108), Lack of effective communication of strategic plan (CV=0.173), Alignment of Responsibility (CV=0.194), as well as Inadequate information systems used to monitor strategy implementation (CV=0.196). Further, the study established other strategic challenges affecting internal customer service to include: top management support (CV=0.260), Ineffective coordination and poor sharing of responsibilities (CV=0.274), Culture of the organization (CV=0.290), as well as Macro-Environmental Forces e.g. Political and legal interference (CV=0.325)
Table 4.7: Strategic challenges affecting internal customer service

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Structure affects internal customer service</td>
<td>49</td>
<td>4.020</td>
<td>0.433</td>
<td>0.108</td>
</tr>
<tr>
<td>Employee Acceptance affects internal customer service</td>
<td>49</td>
<td>3.796</td>
<td>0.612</td>
<td>0.161</td>
</tr>
<tr>
<td>Top Management Support affects internal customer service</td>
<td>49</td>
<td>3.592</td>
<td>0.934</td>
<td>0.260</td>
</tr>
<tr>
<td>Alignment of Responsibility affects internal customer service</td>
<td>49</td>
<td>3.612</td>
<td>0.702</td>
<td>0.194</td>
</tr>
<tr>
<td>Macro-Environmental Forces e.g. Political and legal interference affects internal</td>
<td>49</td>
<td>3.184</td>
<td>1.034</td>
<td>0.325</td>
</tr>
<tr>
<td>customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic challenges affect internal customer service</td>
<td>49</td>
<td>3.429</td>
<td>0.707</td>
<td>0.206</td>
</tr>
<tr>
<td>Inadequate information systems used to monitor strategy implementation affects internal</td>
<td>49</td>
<td>3.286</td>
<td>0.645</td>
<td>0.196</td>
</tr>
<tr>
<td>customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ineffective coordination and poor sharing of responsibilities affects internal</td>
<td>49</td>
<td>3.510</td>
<td>0.960</td>
<td>0.274</td>
</tr>
<tr>
<td>customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture of the organization affects internal customer service</td>
<td>49</td>
<td>3.327</td>
<td>0.966</td>
<td>0.290</td>
</tr>
<tr>
<td>Lack of effective communication of strategic plan affects internal customer service</td>
<td>49</td>
<td>3.776</td>
<td>0.654</td>
<td>0.173</td>
</tr>
</tbody>
</table>

4.4.2 Other Strategic Challenges Affecting Internal Customer Service

Respondents were kindly requested to indicate other strategic challenges affecting internal customer service. Respondents indicated training of the respondents to be a significant challenge. They noted that strong relationship between employee training and the quality of services offered by employees. The relationship between various perceptions of training and its impact on service quality may be mediated by the organizational commitment level displayed by employees. Employees may show a
dramatic improvement in the quality of services they offer to customers if they are trained in problem solving and technical skills

This kind of training not only improves employee competency but also creates a feeling of obligation for them to repay it, which takes the form of displaying a higher level of commitment toward the organization

4.4.3 Regression Analysis

Table 4.8: Coefficient of Correlation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>87.215</td>
<td>4.932</td>
<td>17.684</td>
</tr>
<tr>
<td></td>
<td>Organization structure</td>
<td>0.306</td>
<td>0.289</td>
<td>0.264</td>
</tr>
<tr>
<td></td>
<td>Employee acceptance</td>
<td>0.781</td>
<td>0.393</td>
<td>0.514</td>
</tr>
<tr>
<td></td>
<td>Top management support</td>
<td>0.665</td>
<td>0.432</td>
<td>0.372</td>
</tr>
<tr>
<td></td>
<td>Training of staff</td>
<td>0.593</td>
<td>1.05</td>
<td>0.31</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive advantage

The overall equation model for competitive advantage, organization structure, employee acceptance, top management support and training of staff was as follows:

\[ Y_i = 87.45 + 0.306x_1 + 0.781x_2 + 0.665x_3 + 0.593x_4 + e \]

From the model, in any given month, the competitive advantage will be 87.215 when all the predictor values are zero. The model indicates that when the organization structure, changes by one unit the competitive advantage will increase by 0.306. In addition, when
employee acceptance changes by one unit the competitive advantage increases by 0.781, when top management support changes by one unit the competitive advantage increases by 0.665 and when training of staff changes by one unit the competitive advantage increases by 0.593 and 4.932 represent the error term of the model. To test the significance of each individual variable which was based at 0.05 the t-test was carried out. The result indicates the organization structure employee acceptance, top management support and training of staff affects competitive advantage since their p-values were less than 0.05

4.5 Strategies for Ensuring a High Level of Internal Customer Service

The third objective of the study sought to determine the strategies for ensuring a high level of Internal Customer Service as a source of Competitive Advantage. The study findings are as indicated in the subsequent subheadings

4.5.1 Level of Significance of the Strategies for Ensuring a High Level of Internal Customer Service

The study sought to determine the strategies for ensuring a high level of Internal Customer Service. The study sought information from properly marched organization structure, good leadership and governance, culture-based improvement and variation-based improvement. The study employed Coefficient of Variation (CV) as a statistical tool to measure the significance and rank the factors from the highest significant to the lowest significant.

From the table, it is clear that the most significant strategies for ensuring a high level of Internal customer Service are enhance coordination and sharing of responsibilities (CV=0.177), followed by competitor analysis surveys (CV=0.193), technology driven services (CV=0.230), enhance effective communication (CV=0.251) and relevant Systems in place (CV=0.275). Also, other strategies for ensuring a high level of Internal customer Service include customer driven services using customer feedback (CV=0.276), Institutionalization of innovative culture (CV=0.278), Benchmarks with Global companies (CV=0.288), Competent employees (CV=0.304) and Standards observed fully (CV=0.317)
### Table 4.9: Strategies for Ensuring a High Level of Internal Customer Service

<table>
<thead>
<tr>
<th>Strategy</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>C.V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutionalization of innovative culture</td>
<td>49</td>
<td>3.204</td>
<td>0.889</td>
<td>0.278</td>
</tr>
<tr>
<td>Standards observed fully</td>
<td>49</td>
<td>3.102</td>
<td>0.984</td>
<td>0.317</td>
</tr>
<tr>
<td>Customer driven services using customer feedback</td>
<td>49</td>
<td>3.367</td>
<td>0.929</td>
<td>0.276</td>
</tr>
<tr>
<td>Relevant Systems in place</td>
<td>49</td>
<td>3.388</td>
<td>0.931</td>
<td>0.275</td>
</tr>
<tr>
<td>Competent employees</td>
<td>49</td>
<td>3.286</td>
<td>1.000</td>
<td>0.304</td>
</tr>
<tr>
<td>Technology driven services</td>
<td>49</td>
<td>3.449</td>
<td>0.792</td>
<td>0.230</td>
</tr>
<tr>
<td>Competitor analysis surveys</td>
<td>49</td>
<td>3.531</td>
<td>0.680</td>
<td>0.193</td>
</tr>
<tr>
<td>Benchmarks with Global companies</td>
<td>49</td>
<td>3.388</td>
<td>0.975</td>
<td>0.288</td>
</tr>
<tr>
<td>Enhance effective communication</td>
<td>49</td>
<td>3.673</td>
<td>0.922</td>
<td>0.251</td>
</tr>
<tr>
<td>Enhance coordination and sharing of responsibilities</td>
<td>49</td>
<td>3.694</td>
<td>0.652</td>
<td>0.177</td>
</tr>
</tbody>
</table>

### 4.5.2 Other Strategies for Ensuring a High Level Of Internal Customer Service

Respondents were further kindly requested to indicate other strategies for ensuring a high level of Internal Customer Service. Respondents were on the opinion that internal customer in Jubilee Insurance Company, need to be equipped to carry out their functions successfully, reinforced and motivated to be able to span boundaries, increasing employees satisfaction, their motivation, competencies, and commitment in delivery quality insurance services. They further argued that other strategies for ensuring a high level of internal customer service include employees’ competencies and their continuous development, establishing collaborative relationships, and empowering service employees improve their satisfaction and influence offering quality insurance services.
### 4.5.3 Regression Analysis

#### Table 4.10: Coefficient of Determination

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.127</td>
<td>0.2235</td>
<td></td>
<td>5.132</td>
</tr>
<tr>
<td>Properly Marched</td>
<td>0.652</td>
<td>0.1032</td>
<td>0.1032</td>
<td>7.287</td>
</tr>
<tr>
<td>Organization Structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good leadership and</td>
<td>0.587</td>
<td>0.3425</td>
<td>0.1425</td>
<td>3.418</td>
</tr>
<tr>
<td>Governance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture-based</td>
<td>0.445</td>
<td>0.2178</td>
<td>0.1178</td>
<td>4.626</td>
</tr>
<tr>
<td>improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variation-Based</td>
<td>0.339</td>
<td>0.1937</td>
<td>0.0937</td>
<td>4.685</td>
</tr>
<tr>
<td>Improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As per the SPSS generated table below, regression equation

\[(Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon)\]

\[(Y = 1.127 + 0.652X_1 + 0.587X_2 + 0.445X_3 + 0.339X_4 + \varepsilon)\]

According to the regression equation established, taking all factors into account (Properly Marched Organization Structure, Good leadership and Governance, culture-based improvement, and Variation-Based Improvement) constant at zero, the competitive advantage will be 1.127. The data findings analyzed also showed that taking all other independent variables at zero, a unit increase in Properly Marched Organization Structure will lead to a 0.652 increase in the competitive advantage; a unit increase in Good leadership and Governance will lead to a 0.587 increase in competitive advantage, a unit increase in culture-based improvement will lead to a 0.445 increase in competitive...
advantage, and a unit increase in Variation-Based Improvement will lead to a 0.339 increase in competitive advantage.

This infers that Properly Marched Organization Structure contributed the most to the competitive advantage. At 5% level of significance and 95% level of confidence, Properly Marched Organization Structure, Good leadership and Governance, culture-based improvement, and Variation-Based Improvement were all significant practices to increased competitive advantage.

4.6 Chapter Summary

This chapter has provided the results and findings with respect to the data obtained from the respondents who were support staff in Jubilee Insurance Company. The chapter provided analysis on the background information, the effects of internal customer service as a competitive advantage, the strategic challenges affecting internal customer service, and the strategies for ensuring a high level of Internal Customer Service. The next chapter provides the summary, of discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents the discussion, conclusions and recommendations of the study. In part 5.2, the summary of the study is presented. The discussion and conclusion of the study is in part 5.3 and 5.4 respectively. Part 5.5 demonstrates the recommendations.

5.2 Summary
The purpose of the study was to assess internal customer satisfaction on service quality delivery in Jubilee Insurance Company. The study aimed at the effects of internal customer service as a competitive advantage, the strategic challenges affecting internal customer service, and the strategies for ensuring a high level of Internal Customer Service as a source of Competitive Advantage.

The study adopted a descriptive research design to ensure that the research problem is well structured and understood. The descriptive research design emphasized on the strength of relationship between internal customer satisfaction and service quality delivery. The study employed the use of questionnaires to obtain relevant information from respondents. The study adopted the census sampling technique to collect data from the relevant respondents. The study focused on 57 respondents who were staff support of Jubilee Insurance Company. The study conducted a pilot study to test the validity and viability of the data collection instrument (questionnaire), from which data was analyzed using descriptive and inferential statistics. Data was presented using tables.

The study found that the most significant effect of internal customer service is enhanced customer care/service, followed by increased team spirit among workers, and improved company image. In addition as a result of internal customer service there is enhanced service quality, Innovative ideas generated by Employees, Increased volume of sales and increased customer satisfaction. Further, internal customer service leads to Increased Customer loyalty, enhanced technical quality as well as Minimal change resistance from workers.

It was revealed from the study findings that employee acceptance is the highest strategic challenges affecting internal customer service in Jubilee Insurance Company, followed by Organizational Structure, Lack of effective communication of strategic plan, Alignment...
of Responsibility, as well as Inadequate information systems used to monitor strategy implementation. Further, the study established other strategic challenges affecting internal customer service to include: top management support, Ineffective coordination and poor sharing of responsibilities, Culture of the organization as well as Macro-Environmental Forces e.g. Political and legal interference

Based on the study findings, the most significant strategy for ensuring a high level of Internal customer service is to enhance coordination and sharing of responsibilities, followed by competitor analysis surveys, technology driven services, enhance effective communication and relevant Systems in place. Also, other strategies for ensuring a high level of Internal customer Service include customer driven services using customer feedback, Institutionalization of innovative culture, Benchmarks with Global companies, Competent employees and Standards observed fully

5.3 Discussion

5.3.1 Effects of Internal Customer Service as a Competitive Advantage

The study found that the most significant effect of internal customer service is enhanced customer care/service, followed by increased team spirit among workers, and improved company image. In tandem with the study findings, Hartley, (1989) opined that a supplier's reputation for good service attracts potential customers and keeps existing customers loyal. Good service additionally provides protection from price competition. Customer service can produce customer behaviour that can indicate whether a customer will remain with or defect from an organization (Zeithaml et al., 1996). The effectiveness of the level of customer service will enhance customer retention and reduce switching between and among service providers (Oyeniyi and Joachim, 2008).

Therefore, customer service includes all help and assistance service providers offer to customers directly or indirectly prior to, during, and/or after purchase to provide exciting customer experience with their products. If well leveraged, it has a potential to offer a competitive advantage to the service providers and make them to attract and retain customers. Lucas (2005) noted that by providing excellent customer service and dealing with dissatisfaction as soon as it is identified, companies can ensure that customers remain loyal and keep coming back. To further support the findings, Wicks and Roethlein (2009) found that to achieve high volume of sales, organizations should consistently
satisfy its customers. This will make an organization to enjoy higher customer retention levels and greater profitability due to increased customer loyalty. The authors note that for this reason, every company works hard daily to win the hearts of customers by satisfying them in order to become loyal customers to their brands and increase sales and profit. Larreche (1998) on the other hand found that customers will always choose to go for the brand when they have good perception about it. This according to Larreche is because customers form their preferences relative to perceptions and attitudes about the brands competing in their minds.

The study reveals that effective implementation of customer service quality strategies enhance team spirit among workers. The team spirit among workers helps an organization to minimize change resistance from employees. To support the findings of the study, John and Scholes (2012) confirm that the way in which a change is presented to employees is of great influence to them to accept it. The authors found that integral communication plan is critical in establishing team work. John and Scholes assert that communication is key in building team work that will effectively and collectively implement customer service quality strategies. Alexander (1985) on the other hand found that an organization should tell employees about the new requirements, tasks and activities to be performed by the affected employees and the reason behind change circumstances. To enhance customer service quality, it is essential to communicate about organizational change and organizational developments during and after the changes that have been made. Kotler and Armstrong, (2012) agree that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Researchers are divided over the antecedents of service quality and satisfaction; some believe service quality leads to satisfaction while others think otherwise, Ting (2004). The studies of Lee et al (2000), Gilbert and Veloutsou (2006), Sulieman, (2011) and Buttle (1996) suggests that service quality leads to satisfaction. To achieve high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction. As service quality improves, the probability of customer satisfaction increases.

Quality was one of the many dimensions on which satisfaction was based and satisfaction was one potential influence on future quality perceptions. Service quality is an important tool to measure customer satisfaction, Hazlina et al, (2011). According to Jamal and Anastasiadou (2009), reliability, tangibility and empathy are positively related with
customer satisfaction. Suleiman (2011) found that reliability, tangibility, responsiveness and assurance have significant positive relationship with customer satisfaction while empathy was found to have significant negative effect on customer satisfaction.

5.3.2 Strategic Challenges Affecting Internal Customer Service

It was revealed from the study findings that employee acceptance is the highest strategic challenges affecting internal customer service in Jubilee Insurance Company, followed by Organizational Structure, Lack of effective communication of strategic plan, Alignment of Responsibility, as well as Inadequate information systems used to monitor strategy implementation. In line with the study findings, John and Scholes (2012) support the findings of this study by asserting in their study that communication is a great tool in enhancing employee acceptance of different task and responsibility in a change process. They found that delays in communicating to employees cause them to be reluctant to a change that would be helpful to an organization. John and Scholes believe that for an organization to effectively implement customer service quality, it should institute a two way communication program that permits and solicits questions from employees about issues regarding the formulated strategy in order to ensure smooth strategy implementation. Similarly, According to Ansoff, (2009) an organization structure is part and parcel of its internal capability and therefore has the potential of either facilitating or impeding successful strategy implementation. Structural designs typically begin with the organizational chart. It pertains to managers’ responsibilities, their degree of authority, and the consolidation of facilities, departments and divisions, tasks design and production technology. Whereas Hall (2003) identifies three organizational structure variables (formality, complexity, and centralization), Mintzberg (1979) comes up with five which have varying degrees of formality, complexity and centralization. They include simple structure, machine bureaucracy, professional bureaucracy, divisionalized form and autocracy. The structural design of an organization helps people pull together activities that promote effective strategy implementation. In addition according to Aaltonen and Ikavalko (2012), overall though, it is increasingly acknowledged that lack of top management backing is not the main inhibiting factors to effective strategy implementation. Rather, the major challenges to be overcome appear to be more cultural and behavioral in nature, including the impact of poor communication and diminished feelings of ownership and commitment. Further, Padi (2012) conducted a study on the effect of training on customer service delivery; the study was based on a contextual
analysis of a limited number of training sessions held for staff of Barclays bank, Ghana. The study revealed that all the staff had special training towards improving customer service delivery and majority of the bank’s customers perceived its service delivery as good. The study concluded that training received by bank staff on improving customer service delivery resulted in improving the performance of staff which resulted in improving the performance of staff which was perceived as good by the customers of the bank. It is recommended that the human resources department of Barclays Bank Ghana Ltd should train their staff on how to meet customer expectations, increase assertiveness, and deal with stress and how to maintain good customer service delivery.

5.3.3 Strategies for ensuring a high level of Internal Customer Service

Based on the study findings, the most significant strategy for ensuring a high level of Internal customer service is to enhance coordination and sharing of responsibilities, followed by competitor analysis surveys, technology driven services, enhance effective communication (and relevant Systems in place. In line with the study findings, Machuki (2014), successful strategies require properly marched organization structure. If an organization significantly changes its strategy, it needs to make appropriate changes in its overall structural design since its existing organization structure may become ineffective. Symptoms of an ineffective Organization structure include too many people, too much attention being directed towards solving interdepartmental conflicts, too large a span of control, too many unachievable objectives (David, 2007). However, changes in structure should not be expected to make a bad strategy good, or to make bad managers good, or to make good managers bad, or to make bad products sell.

The study revealed that at 5% level of significance and 95% level of confidence, Properly Marched Organization Structure, Good leadership and Governance, culture-based improvement, and Variation-Based Improvement were all significant practices to increased competitive advantage. Similar to the study findings, Aosa (2012) indicated that to support effective implementation, firm leaders should ask the question: does the firm have the right leadership, governance and operational structure required to support effective implementation? Are the right people serving in the right places? Very often, firm leaders demonstrate the behavior of dynamic and influential visionaries. However, such leaders may lack an attention to detail and the organizational skills required to effectively drive day to day action. By assessing whether the firm has the right people in the right places, a law firm can better ensure that visionary firm leaders are appropriately
supported by individuals who can get the daily actions of implementation done (Tavakoli & Perks, 2011). Further, Hoffman and Bateson (2010) identified a positive relationship between provider affect and cultural variables of organizational citizenship and customer orientation, and a negative relationship with being sales oriented. In turn, the provider affect has a positive impact service quality and customer affect. Hartline and Ferrell (1996) investigate the interfaces of the service delivery process (manager-employee, employee role, and employee-customer) and find that managers should decrease employee’s role conflict and ambiguity, and increase self-efficacy and job satisfaction in order to increase customers’ perceptions of service quality. In addition to Climate for service, policies and practices that are focused on service quality are required (Schneider & White, 2004).

5.4 Conclusion

5.4.1 Effects of Internal Customer Service As A Competitive Advantage
The study concludes that the most significant effect of internal customer service is enhanced customer care/service, followed by increased team spirit among workers, and improved company image. Further, the study concludes that as a result of internal customer service there is enhanced service quality, Innovative ideas generated by Employees, Increased volume of sales and increased customer satisfaction. Also, the study concludes that internal customer service leads to Increased Customer loyalty, enhanced technical quality as well as Minimal change resistance from workers.

5.4.2 Strategic Challenges Affecting Internal Customer Service
The study concludes that employee acceptance is the highest strategic challenges affecting internal customer service in Jubilee Insurance Company, followed by Organizational Structure, Lack of effective communication of strategic plan, Alignment of Responsibility, as well as Inadequate information systems used to monitor strategy implementation. Further, the study concludes that other strategic challenges affecting internal customer service to include: top management support, Ineffective coordination and poor sharing of responsibilities, Culture of the organization as well as Macro-Environmental Forces e.g. Political and legal interference

5.4.3 Strategies for Ensuring a High Level of Internal Customer Service
The study concludes that the most significant strategy for ensuring a high level of Internal customer service is to enhance coordination and sharing of responsibilities, followed by
competitor analysis surveys, technology driven services, enhance effective communication and relevant Systems in place. Also, the study concludes that other strategies for ensuring a high level of Internal customer Service include customer driven services using customer feedback, Institutionalization of innovative culture, Benchmarks with Global companies, Competent employees and Standards observed fully. The study also concludes that that internal customer in Jubilee Insurance Company, need to be equipped to carry out their functions successfully, reinforced and motivated to be able to span boundaries, increasing employees satisfaction, their motivation, competencies, and commitment in delivery quality insurance services.

5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Effects of Internal Customer Service as a Competitive Advantage

The study recommends the organizations to effectively implement customer service quality strategies to increase their sales volume, enhance customer satisfaction and increase customer loyalty. According to the study, effective implementation of customer service quality strategies also enhances team spirit among workers that form a conducive atmosphere where employees generate innovative ideas that strengthen customer service quality. The study recommends companies to implement customer service quality strategies as they help companies to improve company image, and minimize change resistance from workers.

The study recommend that management in the Jubilee Insurance Limited should focus on improving Internal customer satisfaction to achieve improved service delivery in the company as employees would provide quick feedbacks and within the expected period and provide errors free policy document, enlightening customers, updated customers on what they needed to do and about new insurance product developed by the company and effectively listening to customer and always become loyal in provision of quality insurance services.

5.5.1.2 Strategic Challenges Affecting Internal Customer Service

The study recommends companies to employ innovative managers who can instill innovative culture in an organization. This would design a system whereby employees can think freely and be able to come up with ideas that would help organizations. The
study recommends organizations to be doing competitor analysis surveys and benchmarking their services with global companies.

Customer service is very important issue as far as service delivery in today’s industry is concerned. More so when competition is so great in the insurance sector of Kenya. To stay in competition, service providers must set goals alright which is in the form of promise to customers. But to be ahead of competitors or to remain in competition service providers must give more than the expectation of customers so as to delight them. Customer service providers of Jubilee insurance should put other customer service strategies that will delight customers in place. Example; Management should supervise the customer service personnel closely so that anyone who does not have good customer relations is taken from that department.

5.5.1.3 Strategies for Ensuring A High Level Of Internal Customer Service

The study recommends companies to keenly observe challenges that affect the smooth implementation of customer service quality strategies. From the study, managers are recommended to align all tasks and responsibilities to relevant departments so as to achieve customer service quality. Management should put in place effective communication policies and channels that can be used to communicate to employees to make them easily accept and effect change in an organization. The study also recommends management and concerned parties to design an organizational structure that allows top management easily supports the implementation of a new idea that support customer service quality. Macro-environment forces like legal and political are unavoidable but the study recommends organization to be aware of them hence plan way before they seriously affect them.

The study recommends companies to observe the quality of their services. The quality service, according to the study, is the factor in attracting, satisfying and retaining customers. The study also recommends companies to install relevant system that are effective in recruiting and employing competent employees that have the knowhow about customer service quality. When an organization utilizes technology to install customer driven services, it easily uses the service to receive and reply to customers’ feedback on time. This creates easy communication channels between an organization and customers hence creating customer confidence.
5.5.2 Recommendation for Further Research

The purpose of the study was to assess internal customer satisfaction on service quality delivery in Jubilee Insurance Company. The study recommends future scholar to assess the best internal customer satisfaction strategies for a service industry to enhance customer service quality. The study also recommends further study to determine the effect of internal customer satisfaction on the growth of an organization.
REFERENCES


Corporate Executive Board (2004) Driving Performance and Retention through Employee Engagement


Haqiqi-Kaffash, M., Akbari, M., Lalyapour, N., 2010, Factors Affecting Fidelity Insurer (Case Study: Iran Insurance Co.), *Journal Insurance Industry*, Year 25th, No. 97, pp.75 -95


Hoon C and Jacobs CD. (2014) Beyond belief: Strategic taboos and organizational identity in strategic agenda setting. Strategic Organization12: 244-273


Macey, W H and Schneider, B (2008) The meaning of employee engagement, Industrial and Organizational Psychology, 1, pp 3-30

56


Salanick, G R (1977) Commitment and the control of organizational behavior and belief, in (eds) B M Straw and G R Salanick, New Directions in Organizational Behaviour, Chicago, IL, ST Clair Press


Wellins, R and Concelman, J (2005) Personal Engagement: Driving growth at the See-Level,


APPENDIX I: QUESTIONNAIRE

Please note that any information you give will be treated with confidentiality and at no instance will it be used for any other purpose other than for this project. Your assistance will be highly appreciated. I look forward to your prompt response.

Section A: General information

What is your Gender

A. Male [ ]
B. Female [ ]

What is your Age?

A. a) Under 20 years [ ]
B. b) 21-30 [ ]
C. c) 31-40 [ ]
D. d) Above 51 [ ]

What Educational background do you have?

A. Primary school [ ]
B. Secondary School [ ]
C. Diploma [ ]
D. Bachelor Degree [ ]
E. Master Degree [ ]
F. PH.D [ ]
Section B: Effects Of Internal Customer Service As A Competitive Advantage

On a scale of 1-4, to what are the effects of internal customer service as a competitive advantage Where 1=Strongly Disagree, 2=Disagree, 3=Agree, and 4=Strongly Agree

<table>
<thead>
<tr>
<th>Effect</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal customer service leads to Increased volume of sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to Increased customer satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to Increased Customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to Improved company image</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to Increased team spirit among workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to Innovative ideas generated by Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to Minimal change resistance from workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to enhanced technical quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal customer service leads to enhanced customer care/service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>internal customer service enhances service quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please indicate any other effects of internal customer service?

……………………………………………………………………………………………………………………………………

…………………

………………

62
Section C: Strategic challenges affecting internal customer service

On a scale of 1-4, to what are the Strategic challenges affecting internal customer service
Where 1=Strongly Disagree, 2=Disagree, 3=Agree, and 4=Strongly Agree

<table>
<thead>
<tr>
<th>Organizational Structure affects internal customer service</th>
<th>Strongly</th>
<th>Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly</th>
<th>Agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Acceptance affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Management Support affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alignment of Responsibility affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macro-Environmental Forces e.g. Political and legal interference affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic challenges affect internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate information systems used to monitor strategy implementation affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ineffective coordination and poor sharing of responsibilities affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture of the organization affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of effective communication of strategic plan affects internal customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In your own view, explain other strategic challenges affecting internal customer service?

........................................................................................................................................................................
..........................................................................

63
### Section D: Strategies for ensuring a high level of Internal Customer Service

On a scale of 1-4, to what are the strategies for ensuring a high level of Internal Customer Service Where 1=Strongly Disagree, 2=Disagree, 3=Agree, and 4=Strongly Agree

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutionalization of innovative culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standards observed fully</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer driven services using customer feedback</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relevant Systems in place</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competent employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology driven services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitor analysis surveys</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benchmarks with Global companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhance effective communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhance coordination and sharing of responsibilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In your own view, explain other strategies for ensuring a high level of Internal Customer Service adopted by your company?

........................................................................................................................................................................
.................................................................................................

**THANKEYOU**