



ISSN 2278 – 0211 (Online)

Attributes That Influence Customer Satisfaction with Service Quality at Kenya Power Company

Nyangweso Gaster Nashappi

Department of Business and Management, Kisii University, Kenya

Dr. Stella Omari

Department of Business and Management, Kisii University, Kenya

Agata Rita Nyamonaa

Department of Business and Management, Kisii University, Kenya

Abstract:

The research paper is based on an assessment of the attributes that influence customer satisfaction on service quality in Kenya Power (KP); Kisii Town, Kisii County. KP strives to provide quality service as is enshrined in its service charter and performance contract. However, in the customers' perception, service quality provision is a challenge. Long unexplained power interruptions, poor response time to queries and emergencies, long reconnection time and account closure and refund time are an indication of poor service standards. This poses a serious challenge to development as most people now rely on power especially in the small and micro enterprises. The research aimed at establishing the critical service quality attributes and evaluating the factors leading to customer satisfaction as well as assess the challenges customers face in obtaining quality service from KP. The literature review included both the theoretical and empirical aspects of quality, perception of service quality and customer satisfaction. Descriptive research design was used. A sample size of 125 was taken using stratified random sampling. Data collection was done using structured questionnaires measured on a five-point Likert Scale. The data were analyzed using correlation techniques, weighted averages as well as frequencies and percentages. The findings indicate that most customers were satisfied with the attributes of tangibility and assurance and the use of M-pesa and Airtel technologies for bill payment. The customers were not satisfied with the service aspects of reliability and responsiveness of the organization as well as with notification of impending outages.

Key words: Service quality provision, customer satisfaction

1. Introduction

One of the most important market strategies of the twenty-first century is to provide value to the customers (Kotler and Armstrong, 2010). Many organizations in the manufacturing sector have successfully implemented quality improvement initiatives with excellent results. However, this is not the case for many organizations in the service sector. The lack of successful implementation remains alarming given the significance of the customer to the service operations and strategy. The most important asset of any organization is its customers. An organization's success depends on how many customers it has, how much they buy, and how often they buy. Customers that are satisfied will increase in number, buy more, buy more frequently; satisfied customers pay their bills promptly, which improves cash flow, the livelihood of the organization. (Besterfield et al, 2010). Service providers are unable to effectively cater to the needs and wants of customers, risking not only losing dissatisfied customers to competitors, but also an ultimate erosion of profits and, consequently failure. These challenges are forcing organizations to move from traditional customer satisfaction paradigm, to proactive strategies that will assist them in building and sustaining a competitive edge (Kandampully, 1988). In this situation, the primary emphasis for both the academic and managerial efforts has focused on determining what service quality means to customers and developing strategies to meet customer expectations.

In general, services are described as deeds, processes, and performances (Zeithaml & Bitner, 2000). The public sector has to cope with numerous challenges and has to respond to many new needs and demands in society (OECD, 2001). Due to these challenges and pressure, the public sector is an object of large reforms. Over the last two decades there appears to have been a huge amount of public management reform. Although there was also reform in earlier periods, the changes since 1990 have – in many countries – been

distinguished by an international character and a degree of political salience which marks them out from the more parochial or technical changes of the preceding quarter century. Many countries have recently undertaken initiatives placing the citizen/customer at the centre. This tendency is a shift from a producer point of view to a citizen/customer point of view (Pollitt and Bouckaert, 2004). The dynamic way of getting citizens/customers of public services involved in order to enhance their perceptions, expectations and commitment through active participation, has been a common strategy to obtain a legitimate level of quality and satisfaction of public services (OECD, 2001).

The government of Kenya (GOK) has instituted measures that are aimed at strengthening economic recovery and provision of quality service delivery to citizens. Through the public service reform program (PSRP) in 1991, the GOK revitalized the civil service by the introduction and implementation of performance contracts. The first two parastatals to be placed under performance contract (PC) were the Kenya Railways in April 1994 and the National Cereals and Produce Board (NCPB) in 1990 which eventually failed. On 15th, January 2004, the GOK through a cabinet memo CAB (03)115, re-introduced PC and directed that all the ministries' head of department and the chief executive officer (CEO) of state corporations to sign performance contracts by June 2004. KP has since implemented PC.

The Kenya Power (KP) is a limited liability company which was incorporated in 1922 as the East African Power & Lighting Company. KP is currently the only licensed distributor of electricity and operates an electricity network of more than 43,000 kilometres throughout the country. KP is listed on the Nairobi Securities Exchange (NSE). The core business of KP is transmission, distribution and retail of electricity purchased in bulk from Kenya Electricity Generating Company Limited (KenGen), Independent Power Producers (IPPs), Uganda Electricity Transmission Company Limited (UETCL) and Tanzania Electric Supply Company Limited (TANESCO). It embarked on a corporate culture change (rebranding) since 2009 with the aim of transforming it to render more reliable services and be more responsive to customers and increase their expectations (KPLC, 2011).

Through the Economic Recovery Strategy for Wealth Creation and Employment (ERSWEC) the GOK recognized the citizen service charters and customer satisfaction surveys as key strategies to strengthen public administration and service delivery and as accountability tools for entrenching performance as a culture in the public service (GOK, 2008). KP has since then developed and implemented citizen service and customer satisfaction survey as per government directives. However, there has been a controversy as to whether actually service quality delivery has improved since the implementation of this quality service tools. KP has a charter, vision and mission that focus its statutory mandate of "powering people for better lives". Their first and core objective is to improve delivery of customer services. It is with this background that KP is implementing PC, citizen service charter, customer satisfaction survey, which will be expected to create an enabling environment for attainment of the desired results entrenched in KP strategic plan through its 5 year (2011/12 to 2015/16) strategic plan. The strategic plan spells out the strategic management best practices, that is, vision, mission, objectives, core values, SWOT analysis, commitment and standards to serve customers and stakeholders (KPLC, 2011). The current business trends underpin success on customer and stakeholder satisfaction. The charter is expected to inculcate in employees a new business culture attitude and practices to respond to the modern business practices.

This sets standards that customers should expect. Additionally, the platform against which citizens adopted the new constitution, that is, the push for improved governance, accountability and service, it is imperative that organizations bring on board or strengthen the existing mechanisms in order to allow for the realization of the citizens' aspirations.

KP launched its service charter in 2007. The financial year 2006/2007 evaluation report by the GOK indicated very good performance by the majority of state corporations, where KP ranked 58th out of 138. However, the public has raised dissatisfaction on the results as they do not relate to performance (service delivery) on the ground as perceived and received by the public. The dissatisfaction with the performance results was not only limited to members of the public. Ministries, Departments and Agencies have also challenged the announced results. Indeed, the public outcry over the results became so strong that the results for 2007 were never released (GOK-PC Report, 2010). Long unexplained power blackouts, poor response time to emergencies and queries, long reconnection time and account closure and refund time are an indication of poor service delivery standards. It is with this view that the study sought to assess the attributes that influence KP customer satisfaction on service quality which ought to be addressed in order to meet and exceed their satisfaction and that is commensurate to international best practice.

1.1. Study Objectives

The general objective of the study was to assess the attributes that influence customer satisfaction on service quality in Kenya Power Company. The specific objectives were to; establish the critical service quality attributes of the organization, evaluate the factors leading to customer satisfaction in quality service delivery by the organization and assess the challenges customers face in obtaining quality service from the organization.

2. Literature Review

2.1. Characteristics of Service

Services are described as deeds, processes, and performances that have different characteristics from goods in three aspects in relation to how they are produced, consumed and evaluated (Zeithaml & Bitner, 2000). First of all, services are intangible. That is, they cannot be seen, touched, held, or stored. Since they are performances and experiences rather than objects, it is difficult to establish precise manufacturing specifications regarding uniform quality. In most cases, services cannot be inventoried, counted, or transported. Services are not all intangible, but, rather, are placed on a continuum of intangibility. Even if it can be said in extreme terms that pure

services are intangible and pure goods are tangible, most services and goods exist between the two extremes of the intangibility continuum, having both tangible and intangible elements. This parallels the combined goods/service tangible/ intangible provision that takes place, for example, when people go to a restaurant to eat; they purchase a physical meal as well as the delivery of the meal (Schneider et al., 2004).

Secondly, services are heterogeneous. Their performance often varies from producer to producer, from customer to customer, and from day to day. This is due to the fact that service production and delivery often involve the interaction of both service personnel and customers. Accordingly, unlike the production of goods, the quality of service has an interactional nature that can hardly be standardized to ensure uniformity. This, in turn, makes it more difficult to measure and control its quality and performance. Thirdly, production and consumption of many services are inseparable. Services are generally produced and consumed simultaneously; evaluation of service products must be made during the process of consumption. Unlike goods, it is impossible to produce a service, check it for defects, and then deliver to a customer (Schneider et al., 2004). Therefore, customers do not evaluate service quality solely on the outcome of a service. The criteria that seem significant in evaluating service quality are solely defined by customers. A common definition of service quality, therefore, is that service delivered should fulfill the customers' requirements, expectations and satisfactions. Customers play an important role in terms of perception of effect on quality of service delivered. (Gan et al, Oyeniyi and Joachim, 2006)

Total quality management (TQM) is a management approach to long-term success through customer satisfaction. It is a way of managing the future, and is far wider than just assuring product or service quality. It is a way of managing people and business process to ensure complete customer satisfaction at every stage, internally or externally. Quality is delighting the customers by fully meeting their needs and expectations, which are thus summarized as the dimensions of quality that include; performance, appearance, availability, delivery, reliability, maintainability, cost-effectiveness and price. It is therefore, imperative that the organization knows what these needs and expectations are. In addition, having identified them, the organization must understand them, and measure its own ability to meet them. TQM is an approach to improving the competitiveness, effectiveness and flexibility of an organization for the benefit of all the stakeholders. It ensures leaders adopt a strategic overview of quality and focus on prevention, not detection of problems. Methods of implementing this approach came from the teachings of such quality leaders (Gurus) as Philip B. Crosby, Edward Deming, Armand V. Feigenbaum, Ishikawa Kaoru and Joseph M. Juran. Some of the important points that these leaders distilled include; organizations need a long-term commitment to continuous improvement, adoption of the philosophy of zero errors/defects, to change the culture to right first time, train people to understand the customer/ supplier relationships, and don't buy products/ services on price alone-look at the total cost (Besterfield et al, 2010).

2.2. Service Quality Theories

Kano et al (1984) gave the satisfaction model after considering three basic factors, which influence customer satisfaction namely; Basic factors these are the minimum requirements which will cause dissatisfaction if they are not fulfilled but do not cause customer satisfaction if they are fulfilled/ exceeded. Excitement factors these are factors that increase customer satisfaction if delivered but do not cause dissatisfaction if they are not delivered. They surprise the customer and generate 'delight'. Using these factors, a company can really distinguish itself from its competitors in a positive way. Performance factors are factors that cause satisfaction if the performance is high and they cause dissatisfaction if the performance is low. Such attributes are like customer care, and handling of bills. If the customers get the updated information from time to time then this increases the performance and so is the satisfaction level.

Parasuraman et al. (1993) and Gronroos (1990) postulated a service quality (SERVQUAL) theory. They first framed service quality as a discrepancy construct. They then suggested that customers make service quality judgments on the basis of five factors, assurance, empathy, reliability, tangibility and responsiveness. Furthermore, they assumed that customers use the expectancy-disconfirmation to compare their expectations on the five quality dimensions with their perception of service delivery. They stated that service quality is an overall evaluation of an entity's excellence or superiority, and that this judgment or evaluation is similar to attitude and related to, but not equivalent to, satisfaction. This definition frames service quality as a long term attitude whereas satisfaction is viewed as a transitory judgment that is made on the basis of a specific service encounter (Cronin et al., 1994). They further argued that attitude is a customer's relatively enduring effective orientation towards a product, store or process whereas satisfaction is an emotional reaction following a disconfirmation process that is associated with a specific transaction. They did agree that satisfaction ultimately decays into a customer's overall attitude towards products. These research definitions depict an effective, customer-related pre-purchase approach to service quality. They also view service quality as "what customers get" from an encounter.

The approach has been applied in service and retailing organizations (Parasuraman et al., 1993). Service quality is a function of pre-purchase customers' expectation, perceived process quality, and perceived output quality. Service quality is defined as the gap between customers' expectation of service and their perception of the service experience. Based on the conceptualization of service quality approach, they developed five quality dimensions; tangibility, reliability, responsiveness, assurance and empathy to measure service quality. These five dimensions are identified as follows:

- **Tangibility:** The physical evidence of front office staff that includes the personality and appearance of personnel, tools, and equipment used to provide the service. Tangibles include attractive facilities, appropriately dressed employees, and well designed forms that are easy to read and interpret.

- **Reliability:** This involves performing the promised service dependably and accurately. It includes doing it right the first time, which is one of the most important service components for customers. Reliability also extends to provide services when promised and maintain error-free records.
- **Responsiveness:** The front office staff is willing to help customers and provide prompt service to customers such as quick service, professionalism in handling and recovering from mistakes. It has been said that today luxury is time. Consequently, service providers' ability to provide services in a timely manner is a critical component of service quality for many customers.
- **Assurance:** Assurance refers to the knowledge and courtesy of employees and their ability to convey trust and confidence including competence, courtesy, credibility and security. Competence means possession of the required skills and knowledge to perform the services. It involves knowledge and skill of the contact personnel, knowledge and skill of operational support personnel, research capability of the organization. Courtesy involves politeness, respect, consideration, and friendliness of contact personnel. Credibility involves trust worthiness, believability, honesty; it involves having the customer's best interest at heart. Contributing to credibility is company reputation, personal characteristics of the contact personnel. The degree of hard sell involved in interaction with the customer. And finally, Security refers to the freedom from danger, risk or doubt. It involves physical safety, financial security and confidentiality.
- **Empathy:** Empathy refers to the provision of caring and individualized attention to customers including access, communication and understanding the customers.

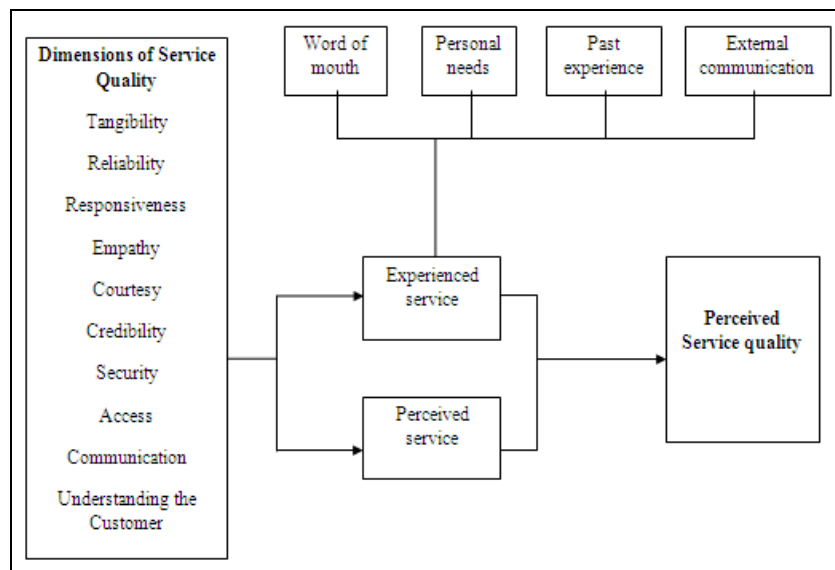


Figure 1: Customer Assessment of Service Quality
Adopted from Parasuraman et al (1985)

The service quality instrument is an invaluable tool for organizations to better understand what customers' value and how well their current organizations are meeting the needs and expectations of customers.

2.3. Information Communication Technology Practices

Every day, dramatic but significant changes in scope and service delivery are occurring in the market place. The pace is so rapid that the ability to change has become a competitive advantage. Such changes are attributed to changes in customers' demands, advances in ICT, increased level of competition and globalization. The explosive growth in computer, communications, information, and other digital technologies has had a major impact on the way companies bring value to their customers. The digital age has provided marketers with exciting new ways to learn about and track customers and create products and services tailored to individual customer needs. Major among these changes is the paradigm shift from paper-based to computer-based (digital) cost of information production and exchange through adoption and use of ICT. Digital technology has also brought a new wave of communication, advertising, and relationship building tools- ranging from online advertising, video sharing tools, and cell phones. More than just add-ons to the traditional marketing channels, new digital media must be fully integrated into the marketer's customer-relationship-building efforts (Kotler & Armstrong, 2010).

Kochia (1992) postulates that IT has an enormous impact on organizations by enabling fundamental changes in the way work is done. It enables integration of functions at all levels within and between organizations resulting in changes in the degree of interrelatedness and thus causing a shift in the competitive climate in organizations. It results in new work order that optimizes resources. This new work order involves collection, storage, processing and transmission of information. It further presents a new strategic opportunity for those organizations willing and able to step back to reassess their mission and operations. Its successful application will require changes in the management and organizational structure, however, the major challenge is for the management to lead through the

transformation necessary to prosper in the globally competitive environment. Despite the many advantages, there are many information quality issues associated with IT- they encompass sufficiency, accuracy, timeliness, intellectual property, security, privacy, creativity, and control and prevention (Besterfield et al, 2010). The service delivery innovations by the Kenya Power Company include the E-Bill that furnishes customers with bill balances, sends SMS alerts to customers for disconnections and scheduled outages. Easy pay has expanded payment of bills at commercial banks, supermarkets, post office, M-Pesa, and Airtel money. (KPLC, 2011).

2.4. Customer Satisfaction and Behavioral Theories

Satisfaction is an overall psychological state that reflects the evaluation of a relationship between the customer and a company-environment-product-service. Satisfaction involves of the following three psychological elements: cognitive, behavioral and, affective. Customer satisfaction refers to the extent to which customers are happy with the products or services provided by a business. Customer satisfaction levels can be measured using survey techniques and questionnaires. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal and to make repeat orders and to use a wide range of services offered by a business.

Satisfaction is a widely accepted concept despite real difficulties in measuring and interpreting typical approaches to its assessment. The most common approach is the use of general satisfaction surveys undertaken every few years and designed to track changes over time. There are however, a number of difficulties with the concept of satisfaction (Communities Scotland, 2006). First it is not static, but changes over time; new experiences and levels of awareness will alter the potential levels of satisfaction that could be achieved. Secondly, it is likely to be complex and the result of a mix of experiences before, during and after the point at which it is measured. Thirdly, it occurs in social contexts which are varied and changing and may be unpredictable or inexpressible to the service user. Fourth it may be difficult to express the reasons for satisfaction; particularly where less tangible aspects of services are being considered. And lastly it may be easier to express the reasons for dissatisfaction, particularly if this is the exceptional state. Without understanding the causes of satisfaction, there is a danger that we might treat a "good result" as a reason not to change anything, seeing it largely as a PR tool.

Empirical Studies done in KP indicate that strategy and structure as they influence performance has been done (Ciano, 2009), the effect of training on employees has also been done in the company (Chebet, 2004) however no studies have been done on customer satisfaction and its implications for performance. Service quality is being used as a strategic tool to cut a competitive edge in the larger market place. In the electricity industry, deregulation in form of radical reforms has increasingly dominated the marketing environment, thus, accelerating competition and service quality is, therefore, a necessary evil. Above all else, recent public service reforms and the changes on how public business is conducted are an indication of the degree to which the public service has become a dynamic variable in the equation of successful economy. In an era where competitive success relies significantly on primary production, managed markets and secures industrial capacity, the public service represents a force for encouraging stability in economic development.

2.5. Conceptual Framework

The conceptual framework in figure 2 shows the various service qualities attributes that affect customer satisfaction in the Kenya Power. Customer satisfaction is further complicated by human resource practices, and performance measurement tools which comprise the moderating variables. These factors (independent variables) need to be credibly addressed in order to realize customer satisfaction.

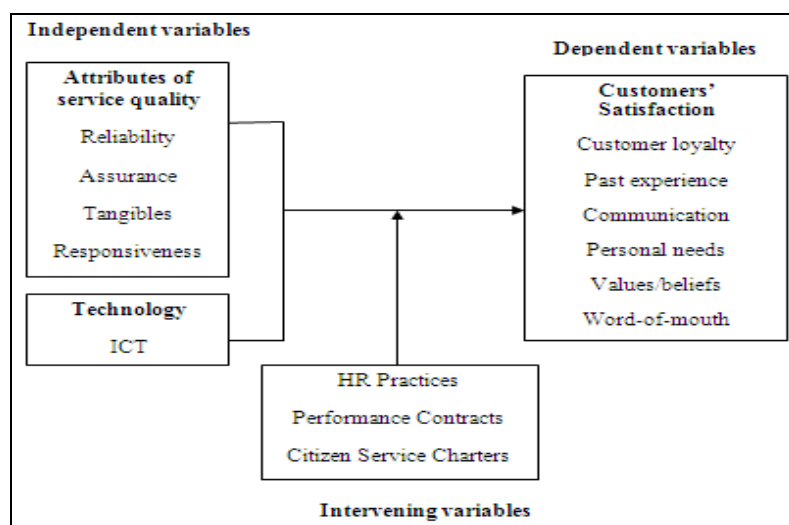


Figure: 2 Service Quality Factors Affecting Customer' Satisfaction

3. Methodology

The study was conducted through a descriptive survey research design. It was specifically intended to assess the relationship between service quality and customer satisfaction. Such issues are best investigated by a descriptive survey design. The design enabled the researcher to describe, explain and portray characteristics of events as they existed.

The study area was Kisii town, Kisii County. The town is within the municipality council where KP office is located. Kisii County is one of Kenya's 47 Counties, the administrative units of the country. In addition to provision of service to residents of the County, the office also serves populations from Nyamira, Homa Bay, Migori, and part of Narok counties.

The Kisii town office serves a total population of 17,200 external customers and has 163 internal customers (employees). According to Onen and Oso (2005), when the population is either too large or so scattered and a sample cannot be logically drawn, then an accessible population is obtained. The researcher obtained the average number of external customers that is served at KP office daily which was 875. The study therefore targeted an accessible population of 1038 of KP customers and employees.

3.1. Sample Size and Sampling Design

125 respondents were drawn representing 12% of the accessible population. Stratified random and purposive sampling techniques were used to obtain the sample size. This sample size selection is supported by Mugenda et al (2003). Based on existing literature and raw data available, at least 10% of the total accessible population can be representative enough for any social science study. The target population was divided into two strata, the internal customers (employees) and the external customers (clients). The internal customers were then further sub-divided into three strata (management, union staff, temporary) while the external customers were sub-divided into two (domestic and commercial users). Primary data was collected using self-administered questionnaires developed on a five Point-Likert type scale. A pilot test was conducted by administering the questionnaire to 10 prospective respondents.

Data was analyzed by use of descriptive statistics using the mean and weighted averages as well as frequencies and percentages. Results were summarized in tables, charts and graphs.

4. Findings

The demographics' results indicated that 85% of the employees had Diploma level of education. A few employees had degree level of education and still many employees had secondary level education. The respondents were asked to state the number of years they had been customers of KP. The results indicated that majority of the customers (40.2%) have had electricity for less than 5 years and 29.4% have had it for between 5 and 10 years. This could be due to the rapid Rural Electrification Program and availability of Stima loan. On the consumption category customers belonged to the results indicated that 79.3% of the respondents were domestic consumers, while 20.7% were commercial consumers. This could be due to the fact that REP targeted domestic households.

5. Attributes of Service Quality for KP Customers

The research sought to find the extent to which the customers agree with the various attributes of service quality of Kenya Power. The attributes were measured using a five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The respondents were asked to tick against the number which represented the extent of satisfaction on the individual factors.

The results obtained indicated that the factors identified by the respondents as major attributes of service quality were; the well-designed forms and other documents, the knowledge and skills employees possess in offering services, attractiveness of the office facilities and infrastructure, as well as security of organization's offices. This implies that these attributes contributed to their satisfaction. The customers were "undecided" on; credible treatment of customers by the organization, the dressing code of employees, fast and professional handling of mistakes by the employees implying dissatisfaction with this service attributes. The research further noted that the least factors that contributed to service quality were dependable and accurate reception of promised services as well as prompt and timely service delivery.

6. Attributes of Service for KP Employees

The Results indicated the factors identified by the employees as major attributes of service quality were; the error-free records, possession of knowledge and skills to perform services and provision of promised services dependably and accurately. These are the critical attributes the company has catered for efficiently. Other notable factors were; prompt and timely service delivery, courteous and credible treatment of customers. The factors that contributed minimally to service quality as perceived by the employees were; willingness to help customers and provision of prompt services as well as responding to customer queries promptly without consultations. This implies that the management ought to keenly address these attributes to improve on service quality. When making comparisons, there were only four attributes in which customer and employee perceptions' on service quality attributes converged. These were on well designed documents, how to handle and recover from mistakes, how customers are treated by employees and willingness of employees to serve customers better. There seemed to be divergent views on the remaining ten attributes whereby employees rated five of them quite highly while the customers were undecided on the remaining five.

7. Analysis of KP Customer Satisfaction

The research sought to find the extent to which the customers agree with the various variables reflecting customer satisfaction at Kenya Power. The results indicated that the customers were most satisfied with the service quality attributes tangibility, technology and responsiveness with the weighted mean of 3.67, 3.62 and 3.59 respectively. They were rated as "good". Service assurance and

reliability were rated as “satisfactory” with weighted means of 3.32 and 3.21 respectively. There was a “satisfactory” overall rating of KP; since this had a weighted mean of 3.28. This implies that the customers perceive service quality of KP as satisfactory.

8. Effect of ICT on Customer Satisfaction

The research sought to find out the extent to which the customers agree with the various ICT factors that affect service quality at Kenya Power. The attributes were measured using a five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The respondents were asked to tick against the number which represented the extent to which they agree with the individual factors. The findings established that use of M-pesa and AIRTEL money to settle electricity bills and obtaining bill balances through E-bill were the most preferred ICT services provided by Kenya Power with weighted means of 4.18 and 4.10 respectively. They rated the services as being “agreed” on. This implies that these factors contribute greatly in service quality provision and therefore lead to customer satisfaction. However, the respondents were “undecided” whether they received SMS alerts on scheduled power outages and on planned power disconnections that had a weighed mean of 2.63 and 2.72 respectively. This implies that ICT plays a major role in KP and agrees with the literature earlier reviewed. This concurs with Kotler and Armstrong’s (2010) argument that the new digital media must be fully integrated in the marketer’s customer-relationship-building efforts. However, more need to be done to enhance those services on which customers are undecided on.

9. Customer Perception on KP Service Quality

The research sought to find out the perception of the service offered to customers by the organization. It was established that majority of the customers (that is, 45%) rated their perception of the organization on service as being “satisfactory”, 28% as good, 12% as very good, 10% as poor and 5% as very poor. This implies that their perception of the service is just “average” and KP ought to do much to decrease the gap between expected and received service quality as conceptualized by Parasuraman et al. (1985) in the literature review herein.

10. Indicators of Organizational challenges in Service Quality

It was established that the greatest organizational challenges were tracking customer satisfaction and resolving their complaints as well as setting a follow-up mechanism on its services and products. These were rated lowest at weighted means of 2.48, 2.53 respectively. This implies there is inadequate training of KP employees on public relations and after-sale service.

11. Conclusion

The study sought to assess attributes that influence customer satisfaction on service quality in KP. This research study is important as it provides a picture of service quality in KP from the perspective of customers based on the five service quality dimensions in SERVQUAL model as proposed by Parasuraman et al (1985). The SERVQUAL is a tool for continuous improvement in fulfilling or exceeding customers’ expectation. The research considered four service attributes Tangibility, Assurance, Reliability and Responsiveness. Besides, ICT was taken into consideration as another factor of service quality. The study established that there were more male customers (66.3%) compared to the female (33.7%), implying that gender distribution is not a factor in being a KP customer. On employees, there were 70% male and 30% female implying that the organization has met the constitutional requirement of gender representation. However, it is yet to be established whether this is reflected at all levels in the organization. In age distribution, the majority of customers and employees were aged between 20-40 years (66.3%). These age group generations coincided with the period of rapid electrification expansion due to REP and the stigma loan by Equity bank. It also indicates how significant electricity is to the daily operations and activities to these age groups due to technological explosion.

The level of education was widely distributed amongst customers implying that it is not a factor in determining access to KP services or electricity. The majority of employees had diploma, implying need for enhanced training and development for better service provision generally, the education level of employee respondents was higher than that of customers.

It was established that most customers were barely satisfied with the attributes of tangibility and assurance. Customers were not satisfied with the aspects of reliability and responsiveness of the company to their concerns. On ICT, the customers were happy with the way the organization has enabled them to use M-pesa and Airtel money to settle electricity bills conveniently and accurately as well as accessing their electricity bill balances electronically by the use of mobile phones. However, the customers are not content with the SMS on power disconnection and scheduled power outages. Perhaps this is because most of them hardly receive such alerts.

The study established that customers were most satisfied with the service quality attributes of tangibility, technology and responsiveness which were rated good. Service assurance and reliability were rated as satisfactory implying that respondents were content with what is provided but that does not mean they were satisfied. There was a satisfactory overall rating of KP this implies that the customers perceive service quality of KP as good though much needs to be done to improve on responsiveness and informing the public earlier on impending power outages.

The study revealed that the most organizational challenges faced by the customers were delays in solving customer complaints as soon as possible, ineffective after-sales service and lack of a mechanism to know customer needs. The customers noted that though complaints are launched as soon as they occur, the organization would take longer than necessary before responding to the complaints. This implies there is inadequate training of KP employees on public relations and after-sale service.

12. Recommendations

From the research, it is clear that there are a number of challenges experienced by customers in spite of the organization services being rated highly by the government's performance contracting evaluation. The organization should ensure it resolves the complaints and improvise a mechanism for tracking customer satisfaction. This can be achieved by identifying service quality gaps for a number of specific factors such as waiting times, asking separately about service experience and expectations, asking customers to rate importance of and satisfaction with a number of other service quality elements and asking them to directly identify their own priorities for improvement. It should also ask customers about overall satisfaction with the service. These questions will allow them to identify priorities for improvement by comparing satisfaction with stated importance, comparing satisfaction with modeled importance from identified key drivers of overall satisfaction. It should set up an effective follow-up mechanism on its services and products. The system on SMS alerts on planned power disconnections and also on scheduled power outages should be reviewed for effectiveness.

The KP management should craft strategies for managing customer expectations by making sure that tangible objects convey the proper clues. The tangibles to be managed include the physical service facility, the appearance of service providers, devices or equipment used in performing the service, and account statements. All these tangibles can make an impression about the quality of service being rendered. If managed properly, they can support the intended quality image; if neglected, they can suggest a lower quality than desired. It is therefore recommended that the organization undertakes proper planning and implementation of the tangible and intangible elements of the service delivery systems with a view to improving customer satisfaction. The organization should continue to build a culture for quality service delivery. This can be accomplished by establishment/implementation of specific quality standards; hiring personnel with the capacity to meet those standards; providing appropriate training; checking to see that the standards are being met; and rewarding superior performance. The findings obtained show that service quality dimensions in order of significance were tangibility, assurance, reliability then responsiveness. ICT usage was fairly rated by customers as a service quality factor. Generally, customers rated their perception of the organization on service quality as satisfactory.

13. Areas for Further Research

This study was based on small a sample size owing to resource constraints. It is recommended that further study on the same topic but by use of longitudinal survey encompassing a larger sample size from varied regions of the country be done to corroborate these findings. Further research can be done to determine other variables of service quality and customer satisfaction not covered by the research. Any future research should reflect on the effect of intervening variables as shown in the conceptual framework that include; human resource practices of the organization, the impact of citizen service charters and performance contracting.

This study was based on SERVQUAL theory a measurement instrument postulated by Parasuraman, (1985), a similar research is recommended using other service quality models and tools, like the SERVPERF, to determine whether similar findings will be obtained. Further research is recommended based on the role of e-service in influencing customer perception to service quality, satisfaction and its impact on the organization.

14. References

1. Besterfield, D., Besterfield-Michna, C., Besterfield, G. and Besterfield-Sacre, M. (2010). Total Quality Management. Dorling Kindersley: India
2. Chebet, B., (2004). Assessment of the levels of training and development of trade union officials at the KPLC, A Case Study of Nakuru. Egerton University, Nakuru.
3. Ciano, J. (2009). Strategy-Structure Relationship in Kenya Power and Lighting Company. University of Nairobi: Nairobi.
4. Communities Scotland (2006). How to gather views on service quality. Scottish Executive, p. 148. Scotland
5. Cronin, J. and Taylor, S. (1994). "SERVPERF versus SERVQUAL. Reconciling performance- based and perceptions-minus-expectations measurement of service quality": Journal of marketing vol. 58.
6. Gan, C., Cohen, D., Clemes, M., Chang, E. (2006). A survey of Customer Retention in the New Zealand Banking industry. Banks Bank syst., vol. 1. New Zealand.
7. GOK-PC (2010). Review of Performance Contracting in the Public Sector. Government Press. Nairobi.
[http://www.primeminister.go.ke/DOCS/DRAFTREPORT POE Summary, pdf.](http://www.primeminister.go.ke/DOCS/DRAFTREPORT%20POE%20Summary.pdf)
8. GOK. (2008, November). Government Launch of performance contracts for permanent secretaries and Accounting Officers. Nairobi: <http://www.communication.dpm.Gok>
9. GOK. (2010, October). Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) (2003 2007). Nairobi.
<http://unpan1.un.org/intradoc/groups/public/documents>
10. Gronroos, C. (1990). "A service quality model and its implications" European journal of marketing, vol. 18 No. 4.
11. Kandampully, J. (1998). "Service Quality to service Loyalty; A relationship which goes beyond customer services", Total Quality Management, vol. 9, No. 6.
12. Kano, N; and Nobuhiku S, (1984). "Attractive quality and must-be quality". Journal of the Japanese Society for Quality Control 14 (2): Tokyo.
13. Kotler, P. and Armstrong, G. (2010). Principles of Marketing. Millennium ed., Prentice-Hall, Upper Saddle River, New Jersey.
14. KPLC, (2008). KPLC Annual Report. Nairobi.

15. KPLC, (2011). Presentation to KPLC Stakeholders Conference on the 5 Year Corporate Strategic Plan, 2011/2012 to 2015/2016, University of Nairobi, Kenya.
16. Mugenda, O. and Mugenda, A. (2003). Research Methods. Quantitative and Qualitative Approaches. Acts Press, Nairobi.
17. OECD, (2001). Citizens as Partners: Information, Consultation and Public Participation in Policymaking, Scotland.
18. Oso, W. and Onen, D. (2005). A General Guide to Writing Research Proposal and Report Options Press, Kisumu.
19. Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985), "A conceptual model of service quality and its implication", Journal of Marketing, Vol. 49. New Jersey.
20. Parasuraman, A., Berry, L. and Zeithaml, V. (1993). "More on improving service quality measurement" Journal of retailing, vol. 69 No 1.
21. Pollitt, C. and Bouckaert, G. (2004). Public Management Reform: An International Comparison. Oxford: Oxford University Press, 2000. New York.
22. Schneider, B. and White, S. (2004). Service Climate; Service Quality; Research Perspective Oaks, CA; Sage Publications.
23. Zeithaml and Bitner, (2000). "Service Marketing; Integrating Customer Focus Across the Firm". McGraw-Hill, Boston. U.S.A.