

**SERVICE DELIVERY AND CORPORATE PERFORMANCE  
IN NIGERIAN TELECOMMUNICATION INDUSTRY**

**(A CASE STUDY OF MTN NIGERIA LIMITED)**

*BY*

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*PGD/GST/224/2006/2007*

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FEDERAL UNIVERSITY OF TECHNOLOGY, MINNA  
NIGERIA.**

**APRIL, 2009.**

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**Being a Research project submitted to the Department of General Studies  
in partial fulfillment of the requirement for the award of Post Graduate  
Diploma in Management Technology in the postgraduate programme of  
Federal University of Technology, Minna**

**APRIL, 2009**

## DECLARATION

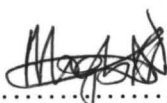
I hereby declare that this project was written by me and that it is a record of my own research work. It has not been presented in any previous application for higher degree or for the award of a Bachelors degree in any institution. All sources have been duly acknowledged.



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## CERTIFICATION

This project has been read and approved having satisfied the requirements at the Department of General Studies and the Post Graduate School, Federal University of Technology, Minna for the award of Post Graduate Diploma in Business Management Technology, (PGDBMT).



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## DEDICATION

This project is dedicated to Almighty God, the creator of the universe.

## ACKNOWLEDGEMENT

My special thanks and gratitude are due to almighty God, whose compassion, abundant blessing and mercies on us is everlasting. My sincere acknowledgement goes to my parent: Alhaji Alimi Bolarinwa Salami and Alhaja Amudat Bolarinwa Salami, for their invaluable contribution both morally, spiritually and financially to see that my dreams, desires and aspirations become fulfilled in life, I am most grateful, indeed your rewards is with Allah.

My special gratitude and appreciation goes to my able supervisor in person of Dr. (Mrs.) I.N. Mogbo, whom I shall never forget for her invaluable and inestimable quantum of role in making this study a reality. She took the pain of devoting her limited time to give constructive criticism, offer useful suggestions and pieces of advice and above all satisfactorily supervised the project work.

Furthermore, the contributions of my teachers and lecturers right from primary, secondary and polytechnic are always acknowledge in every move of my life with extreme appreciation.

I also wish to acknowledge the contributions of some of my colleagues in the PGD class, most notably Late Ajadi Bolarinwa, Yetunde Olugboji Mojeed Okunola and host of others, for our lively stayed together during the programme, indeed, I am grateful. Finally, I thank every body that I have come in contact with and made contributions noticeable and un-noticeable towards the completion of my programme, I pray to almighty God to be with them in all their undertaking and I wish them all the best in all their endeavours.

## **ABSTRACT**

This research work was undertaken to know the extent of service delivery and corporate performance in Nigerian Telecommunication Industry in which MTN Nigeria Limited was used as a case study. The methodology used for carrying out this work is survey research. Questionnaires were administered to various study areas. The result revealed that service delivery and corporate performance in Nigerian Telecommunication Industry is facing a lot of problems, such as problem of interconnectivity among the telecommunication service providers, problem of service differentiation, quality and productivity, problem of network failure. Recommendations on how the industry can improve its service delivery and corporate performance were given, such as telecommunication industry should always balance service productivity with quality, service firms should always include innovative features to their products or services offered. Service firms should strictly adhere to the basic processes of service designs and management procedures.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1. Background of the study

The Nigerian Telecommunication Industry has witnessed a number of developments since its deregulation six years ago. Interestingly, at that time, it was purely an operators market. The operators called the shots and could deny eager subscribers a line once they did not have a capacity to take them on as the demand outweighed the supply. But these days the reverse is the case, operators are now in need of the subscribers and dashing out all kinds of incentives to lure subscribers their way.

After wading through the initial challenges of getting started in a virgin soil like Nigeria, what seems to be the goal among operators these days is a desire for more subscribers and, an expansion of their network base?

According to Okon (2005), he explain that the Nigerian communication commission (N.C.C.) report, made known that the Nigerian market has a capacity for 80 million subscriber. But so far, over 61 million subscribers have been recorded. At present MTN is the leading network of subscribers of 20.2 million, Cellular Telephone (Celtel) has subscribers base covering close to 16 million and Globacom subscribers is on 19 million marks, while that of Mtel is less than five million.

Industry watchers are of the view that for any of the four operators to grab the lion share of what is left of market, the operators, must be customer focus driven and should be able to differentiate itself from the other competitors.

As companies find it difficult to differentiate their physical products, they turn to service differentiation. Companies seek to develop a reputation for superior performance in on-time delivery, better and faster answering of inquires and quicker resolution of complaints (Kotler, 2004).

Yet, not all companies have invested to provide superior quality service, at least not to all of their customers, in actual sense service companies held out a welcoming hand to all customers, but these companies now have so much data on individuals that they are able to classify their customers into profit tiers, and assign large staff to handle their more profitable customers.

Companies that provide differentiated levels of services will not be able to claim superior service. This cannot be their value prepositions, because the customers who receive unfair treatment will make bad statement about the company and injures its reputation. This study will examine how companies can deliver superior quality service to all customers even though some companies will choose to direct superior service only to their more profitable customers.

## 1.2 Statement of the problem

Generally, different firms take varying specific approach to service delivery. The shift from customer service generalization to service segregation was enabled by increasingly rich customer database. It is also a response to lower profit margins resulting from customers becoming more price-driven and less loyalty. Companies are now driven to seek ways to squeeze more profit out of different customer tiers. Firms have decided to raise fees and lower services to customers who barely pay their way and to treat kindly big spenders to retain their patronage as long as possible.

Customers are increasingly complaining about inaccurate information unresponsive, rude or poorly trained personnel and long wait times. However, the attitude of service providers towards quality delivery and cost in order to earn a return above industrial average to compete with rivals, this has to do with service design and management.

In differentiating services, the provider makes sure that their service are delivered with quality of service and balance service quality with cost and benefit to earn a return higher than the industry average is therefore a source of concern to service industry.

### 1.3 Objectives of the study

The research study of this nature will be of immense value to contribute to general knowledge and also knowledge of service delivery to business community or private sector and general public, the importance of effective delivery and the role it plays toward rapid enhancement of company's performance and its contribution towards growth and development. The objectives of the study are as follows:

This research work is desired to highlight the need for effective service delivery in aspect of design and management such design and management are necessary in order to strikes a balance between the costs involved in delivering effective quality service and the benefits accruable. The cost inherent in delivering quality services is enormous especially in our present day Nigeria. It is also the objectives of this study to critically examine the procedures of service delivery in telecommunication industry.

To identify lapses of service delivery in telecommunication industry and recommend solutions towards improving services delivery in telecommunication industry.

### 1.4 Research questions

The following research questions are of immense interest to this work, they are as follows:

1. How are services defined and classified?
2. How do service design and management process impact on company's performance?
3. How can service firms improve their differentiation quality and productivity?
4. How can companies improve their customer support services?

These questions above, if not properly answered, they may be detrimental to the long term survival and growth of service firms which may also affect their performances. These are the problems with which the service firms especially those in the vibrant telecommunication industry have to cope with and find workable solutions to the problems. It is against this background that this research work is trying to create a framework between service delivery and corporate performance in telecommunication industry, taking a look at MTN Nigeria Limited.

### 1.5 **Research Hypotheses**

The hypothesis of this research work will be limited to two types of hypothesis; the null hypothesis ( $H_0$ ) and the alternative hypothesis ( $H_A$ ). For the purpose of this study, the following pair of hypothesis will be tested.

$H_0$ :- The process of service design and management is not necessary in enhancing corporate performance.

HA<sub>1</sub>:- The process of service design and management is necessary in enhancing corporate performance.

H0<sub>2</sub>:- There is no relationship between increasing service differentiation quality and productivity with the improvement on the performance of corporate organization.

HA<sub>2</sub>:- There is relationship between increasing service differentiation quality and productivity with the improvement on the performance of corporate organization.

H0<sub>3</sub>:- The attitude of employee does not determine customers' perception of service delivery.

HA<sub>3</sub>:- The attitude of employee determines customers' perception of services delivery.

### **1.6 Scope and delimitation of the study**

This research project work is restricted to service delivery and corporate performance in Telecommunication Industry.

It is also a study of the activities and procedures related to delivery and management of service in Nigeria telecommunication Industry with MTN Nigeria as a case study.



Those in the service department of the MTN as well as proportion of those subscribers using MTN network within Kano metropolis form the larger part of those that will be interviewed and administered questionnaires for the purpose of the study.

### **1.7 Significance of the study**

The research work will avail the entire populace on how Nigerian Telecommunication Industry can enhance their service delivery and corporate performance towards gearing the economic, social and political life of the entire populace in which MTN Nigerian Limited was used as a case study.

### **1.8 Limitation of the study**

The research work was faced with some hitches on the course of undertaking the research work, ranging from financial constraints, lack of adequate co-operation among the subscriber and the time frame specified for the completion and submission of this research work is limited and as a result, I was unable to get in touch with all MTN subscribers in Kano.

### **1.9 Operational definition of terms**

Below are definitions of some key technical terms that are used in this research work.

**1. Service:** This is any act of performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or not be tied to any physical product.

**2. Corporation:** An organization or group of organization that recognized by law as a single entity to make money by producing or selling of goods and services.

**3. Customer:** - A person or an organization that subscribes to the product or service of another organization or carryout business transaction of buying from another organization.

**4. Subscribers:** - These are people (Customers) who pay money usually to receive regular part of products or services provided by an organization.

**5. Service provider:** - A person or an organization that supplies people (Customers) with service they need or want.

**6. Service Delivery:** - This is act of taking goods or services to houses, offices or environment of the people.

**7. Services Design:** The act or process of planning or deciding how service will work by making models.

**8. Differentiation:** Creating something that is perceived industry wide as being unique as to product or service offering of a firm in forms such as! Design or brand image, technology, dealer network or other dimension.

**9. Performance:** This means how well or badly something or works done

- 10. Telecommunication:** The scientific way of sending image and message over long distance.
- 11. Industry:** -A combination of firms, people and activities, involved in producing a particular product or in providing a particular service.
- 12. Management:** Is the process of planning, organizing, leading and controlling an organization's human, fiscal, financial and information resources to achieve an organizational goal in an efficient and effective manner.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter gives a review of literature with contributions of some authors. The chapter discussed the nature of service, service climate and consequences on performance, marketing strategies for service firms, service design and management processes and product form support services.

Every research work that is aimed at unveiling problem on a particular phenomenon has to look at antecedent of the events of that phenomenon, thus can mainly be made possible through looking at the efforts of some people that have made the same type of study in that particular or related area. It is against this background that the literature review is carried out to examine and review the work made by pervious researchers in the area of service delivery and performance of business organization.

Therefore series of literature such as text books, journals, newspaper and periodicals are reviewed and opinion of previous researchers sampled by the study in order to provide an insight on the pattern and approach its follow.

#### **2.2 Mobile Telecommunication Network (MTN)**

MTN Nigeria communication limited is part of the MTN Group, Africa's leading mobiles telephoning company it was incorporated in Nigeria on November 8, 2000 as a private company. Nigeria Communication Commission a licensed MTN to operate digital Global system for mobile Telecommunication (GSM) on February 9, 2001, & (NCC, 2006).

On May 16 2001, MTN emerged as the first to make a call on its GSM network in the new dispensation. Thereafter, the company launched full commercial operations beginning with Lagos, Abuja and Port Harcourt.

The company now provides coverage to 110 cities and over 6500 communities and villages, spanning every geo political zone and 34 of Nigeria's 36 states.

MTN attained the one million active subscriber mark on February 10, 2003 and as at December 31, 2006 had 3,300,000 active subscribers on its network. The company as at May 31, 2008 had a total of 39 mobile switching centres and over 1800 radio base stations across the country.

MTN Nigeria is 76.44% owned by mobiles Telecommunication Networks international limited, 20.56% owned by Nigerian partners with the balance of 3%shareholding residing with international finance corporation, the infrastructure investment arm of the world Bank.

MTN subsist on the cure brand values of leadership integrity, innovation, relationship a "can do" attitude, a passionate optimistic focus on the future. It prides itself on its ability to make the impossible possible by connecting people with friends, families and opportunities. MTN is presently doing its best to live up to the standard set by its overriding mission which is to be catalyst for Nigerian economic growth and development, helping to unleash Nigeria strong development potential not only through the provision of world class communication but also through innovative and impactful corporate social responsibility initiatives.

### **2.3 Service Delivery**

Service can be judged on customer importance and company performance. Important performance analysis is used to rate the various elements of the service and identify what actions are required.

According to Kotler (2004), every business is a service business. Does your service put a smile on the customer's face? The need to resolve a customer problem in a satisfactory manner is critical, on average, a satisfied customer tells three people about a good product on service experience, but the average

dissatisfied customers tell eleven people or more than that, customers whose complaints are satisfactory resolved often become more company loyal than customers who were never dissatisfied.

#### **2.4 The Nature of Service**

According to Kotler (2004), service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

One of the major trends of recent years has been the phenomenon growth of service. In United State, service jobs now account for 79 percent of all jobs and 74 percent of gross domestic product, (Kotler, 2004). According to Okon (2005:51), in his article published, the ministry of labour statistics in Nigeria reported that service occupations will be responsible for all net job growth through the year 2005. These numbers have led to the growth interest in the special problem of marketing services.

According to Barry (1996), service industries are quite varied. The government sector, with its court employment services, hospitals, loan agencies, military service, police and fire department, post office, regulatory agencies and schools is in the service business. The private non profit sector, with its museum, charities, churches, mosque, college foundations and hospital, is in the service business. A good part of the business sector will its airlines, banks, hotels, insurance company's, law firms, management consulting firms, medical practices, motion-picture companies, plumbing repairs companies and real estate firm are real service providers. In-fact they make up a "service factory" providing service to the goods factory.

#### 2.4.1 Categories of Service Mix

A company's offering to the market place often includes some service. The service component can be minor or a major part of the total offering. According to Kotler (2004), five categories of offering can be distinguished.

- i. **Pure tangible goods:** - The offering consists primarily of tangible goods such as soap; tooth past, etc. no service accompanying the products.
- ii. **Tangible goods with accompanying service:** - The offering here consists of a tangible goods accompanied by one or more service (Levitt 1981). Observed that' the more technologically, sophisticated and generic product e.g. cars and computers, the more the dependant are its sales on the quality and availability of its accompanying customers services.
- iii. **Hybrid:** - The offering consists of equal parts of goods and services. Major Service with accompanying minor goods and service. The offering consists of a major service along with additional services or supporting goods.
- iv **Pure Services:** - The offering consist primarily of a service Because of the varying goods to service Mix, it is difficult to generalize about services without further distinctions.

#### 2.4.2 Characteristics of Service and their Marketing Implication

Service has four major characteristics that greatly affect the design and marketing programmes.

1. **Intangibility:** - Unlike physical products, service cannot be seen, tested, felt, heard or smell before they are bought. To reduce uncertainty, buyers will look for evidence of the service quality. They will draw inferences about quality from the people, place, equipment, communication, materials, symbols, and price that they see. Therefore,

the service providers' task is to manage the evidence "to tangibilize the tangible, (Levitt, 1981). He said that where product marketers are challenged to add abstract ideas, service marketers are also challenged to add physical evidence and imagery to abstract offers.

To aid in tangibilizing the intangible" Levitt (1981), proposed a set of concepts under the name customer experience engineering. Companies must first develop a clear picture of what they want the customers' perception of experience to be and then design a consistent set of performance and context clues to support that experience.

2. **Inseparability.** Services are typically produced and consumed simultaneously. This is not true of physical goods, which are manufactured, put into inventory, distributed through multiple resellers, and consumed later. If a person rendering the service, which is the provider then he is part of the service. Because the clients are also present as the service is produced, provider-client interaction is a special feature of service marketing.

3. **Variability:** - Because services depend on who provides them and when they were provided it is highly variable. Some providers have excellent manner than others and some are very successful in performing certain operations than others. Service buyers are aware of this variability and often to others before selecting a service provider.

Service firms can take three steps towards quality control. The first is investing in good hiring and training procedures recruiting the right employer and providing them with excellent training is crucial, regardless of whether employees are highly skilled professional or low skilled workers. As Soji (2000), posited that the cost of training an employee may be high, but the cost of not training an employee is even worst.



5. **Perishability:** - Services cannot be stored, if at the point of their production they are not demanded, then they are waste. The perishability of service is not a problem when demand is steady. But when demand fluctuates, services firms have problems.

According to Boom (1998), several strategies for producing a better match between service demand and supply in a service business are:-

On the demand side:-

- Differential Pricing: - This will shift demand from peak to off-peak periods.
- Non Peak demand can be initiated where the provision is not in the whole of 24 hours of the week like weekends
- Complementary service can be developed during peak time to provide alternatives to waiting customers.
- Reservation systems are also ways to manage demand level on the supply side.
- Part-time employees can be hired to serve peak demand
- Part-time efficiency routines can be introduced.  
Employee perform only essential task during peak period.
- Increased consumer participation can be encouraged
- Shared services can be developed. Several operators or service providers can share the same equipment purchased.
- Facilities for future expansion can be developed

## 2.5 **Service Climate and Consequences on Performance**

Although various employee based measure such as job satisfaction have been advanced as drivers of service performance, it also has been argued that service climate has superior predictive power (Schneider, wheeler & Cox 1992).

Katz and Kahn (1997), description of climate being the result of a distinct pattern of individual team member collective beliefs developed through members' interaction with their social environment. First, this description theoretically relates climate to antecedent variable in the organization and team context. Second, they deposit that perception of climate are essentially a property of the individual member that can be aggregated to reflect a group-level make. Third, as climate in related to various environments, different climate may exist for organizational goals and structural levels. Proximal measures that conceptualize climate in terms of both goals (customer service) and level (The team) produce strong relationship with targeted performance parameters.

Finally, because climate involves the construction of shared meaning through the process of interaction, the process is dynamic. Research has shown at delegation of authority to the front line allows for greater flexibility and adaptability in the performance of service activities through better problem solving, closer employee corporation and more efficient knowledge transfer (Hartline and Fevel, 1996). In apparent recognition of this, some companies have organized their front office operations around self managing teams (SMTS), or groups of interdependence employees that have the collective authority and responsibility to manage and perform relatively whole task. Team members are typically cross-trained in the various skills, including developing work routine, planning and monitoring team performance (Yeatts & Hyten, 1998). It is been argued that self management is an excellent mechanism for improving the performance of the employee customer interface (Gilson, Shalley, & Blum, 2001:235). Whereas Batt & Rosemary, (1999), shows that the front office service self managing teams performs significantly better in terms of service quality and sales volume than do teams under management control.

In line with Hackman's (1987:315), process criterion of effectiveness which relate to team members effort, knowledge, skills and performance in achieving team goals SMTs service climate can therefore be define as the collective beliefs of SMT members on effort, knowledge, skill and performance with regard to effective service delivery.

### **2.5.1 Antecedent of SMT Service Climate: An Individual Level Perspective**

The framework, which relate SMT services climate to its antecedents, has two distinct conceptual roots.

- i. Hackmans (1987). Normative model of team effectiveness, which distinguishes intra-and extra team factors and
- ii. The involvement approach Bowen and lawler (1992), according to which employees are given the authority and resources to coordinate plan and control the service delivery process.

Three main characteristics that differentiate services SMTs from the traditional work group govern choices of predictor variables.

- i. High level of autonomy
- ii. Functional flexibility and
- iii. Interdependency within and between teams.

In general, SMTs are designed with a certain degree of role related diversity (Yeatts & Hyten, 1998). Researchers have posited that perceptions of collective phenomena (service climate) represent cognitive in interpretation of proximal structure and processes base on person's experience, value, knowledge and expertise. Thus numbers of the same SMT may have different perceptions of the SMT service climate defining antecedents.

Boom (1998), posits that a supportive organization context is a major determinant of group effectiveness. A central component of the involvement approach is empowerment, which refers to the notion that service employees must be given a certain degree of autonomy and be able to perform job-related activities with skill. Research has shown that the serious management's lack of tolerance for self management team may be an important barrier to SMT effectiveness.

### **2.5.2 Antecedent of SMT Service Climate: - A Group Level Perspective**

It has been advanced that by evoking the notion of climate, each team can develop a unique set of norms and mental models regarding desirable behaviour (the level of support to other team members), thus reflecting between-group differences. Studies on shared mental models and transaction memory in teams demonstrate that team members developed shared beliefs about their team that instigate team members to develop interrelated knowledge and norm structures to facilitate group processes. The shared beliefs reflect that individual members "are socialized to act in similar ways, are exposed to similar features within contexts and come to share their interpretations with others in the setting". Beliefs are conceptually distinct from constructs that exist at the group level only (team size).

Aggregate-level constructs reflect psychosocial traits that are not captured by the individual-level measurement, (Hackman, 1987). These constructs may be differentially influence individual members perception of the SMT service climate. Group-level construct strongly reflect the basic assumption of synergistic process within the SMT. Work – unit climate is also view as a collective attitudes that are "continually produced and reproduced by member interaction". Particularly in SMTs there is a relatively high level of interdependence and interactions in which share perception, unique to the work unit are formed,.

To better understand the similarities and differences inherent in multiple-level constructs, scholars have used the typology of elemental composition, (Bliese, 2000). Elemental composition takes place when a high-level construct consist of collective lower-level measures.

The composition model for the SMT antecedents in this study is the direct consensus model, which characterize climate defining antecedents as properties of the individual team member. At the same time, when there is consensus between individual perceptions (on inter-team support); the aggregate composes a construct at the work group level that represents shared perceptions of collective belief.

### **2.5.3 Consequences Service Climate on Corporate Performance**

There is ample evidence that employee perceptions of service climate at the firm level have a positive influence on customer perceptions of service quality, (Schneider et al, 1992). In addition to psychological outcome parameters, it has been argued that the behavioral outcome “share of customer” or the number of services purchased from specific service provider is a key marketing performance indicator. The overall premise is that the impact of polices and practice aimed to serve the customer should also be observable in customer-behaviour, because both perceived service quality and purchase behaviour are closely related and should be evaluated simultaneously when pursuing profitability (Sleious & Zenios, 1999).

Services firms may also focus on productivity as a performance parameter specifically on quantifiable behavioral standards of employee behaviour such as volume of service sold. However, recent evidence suggests that, especially in the area of service, firms should make trade-offs between establishing a focus on delivering quality services and sales ratios per employee. Thus we expect that a strong self management team, SMT service climate with an

emphasis on providing high standard services will result in decreased productivity. It has been suggested in both the service marketing and the team literature that inconsistencies in performance assessment are contingent on the time frame used in the analysis (Griffin, 1991). Empirical evidence from the service marketing literature shows the customers' assessment of service quality is relatively constant and subject to show change.

Finally, the impact of service climate on the aforementioned parameters may depend on the type of services. Non routine service delivery frequently involves dealing with complex problem and equivocal situations that may benefit from an extended dialogues within the team and between team members and customers, it is expected that a climate that encourages services excellence is more influential to firms performance in such circumstances.

## 2.6 **Marketing Strategies for Service Firms**

In the past, service firm lagged behind manufacturing firm in their use of marketing because they were small or professional business that did not use marketing or faced large demand or little competition, but with the current trend in the services industries, where stiff oppositions are exchanging hand, this has certainly changed.

In the light of this changing phenomenon in the service industry, service firms need to employ some strategies on how to market their services. In marketing services, the traditional four Ps of marketing approaches work well for goods, but additional elements required attention in service business marketing (Boom & Bitnax, 1998), suggested three additional Ps for service marketing they include people, physical evidence and process. Because of most service provided by people, the selection, training and motivation of employer, can make a huge difference in customer satisfaction. Ideally, employees should

exhibit competence, a caring attitude, responsiveness, initiatives problem-solving ability and good will.

Companies also try to demonstrate their services quality through physical evidence and presentation. Here they develop a look and style of dealing with customers that realize its intended customer value proposition whether it is cleanliness, speed, or some other benefit.

Finally, services companies can choose among different process to deliver their services.

In view of this complexity, Geonroos (1984), has argued that service marketing requires not only external marketing, but also internal and interactive marketing. External marketing describe the normal work to prepare, piece distribute and promote the services to customers. Internal marketing describes the work to train and motivate employee to serve. Customers well. Boone & Kurtz, (2003), has argued that the most important contribution the marketing department can make is to be “exceptionally clever in getting everyone else in the organization to practice marketing”. Interactive marketing describes the employees’ skill in serving client. This is because clients adjudge services not only by its technical quality but also by its functional quality.

In view of the fact that service generally cannot be seen, felt, touched before use, there is more risk in purchase. This has several consequences. First, services consumers generally rely on word of mouth rather than advertising. Second they rely heavily on prices, personnel and physical cues to judge quality. Third, they are highly loyal to services providers who satisfy them. Because of these, service companies face three tasks: of increasing competitive differentiation service quality and productivity, these strategies will be examined each separately.

### 2.6.1 Managing Differentiation

Differentiation is the creation of something that is perceived industry wide as being unique to the product or services offering of a firm. Many customers have little loyalty to the more established firms when they save money; to the extent that customers view a service as fairly homogeneous, they care less about the provider than price.

Services marketers frequently complain about the difficulty of differentiating their services. But the deregulation of several major service industries; communications, transportation, energy, banking has increased intense price competition. However, services can be differentiated. The alternative to price competition is to develop a differentiated offering, delivery, or image.

- Offering: - the offering can include innovative features to the products or services. What the customers expect is called the primary services package, to this; provider can add secondary services features that were never possible before, sometime the company achieves differentiation through the sheer ranges of its services offerings.

The major challenges according to Kotler (2004), is that most service offerings and innovations are easily copied, skill the company that regularly introduces innovations will gain a succession of temporary advantage over competitors.

- Faster and Better Delivery: - A service company can differentiate itself by designing a better and faster delivery system. There are three level of differentiation here.
  - i. Reliability: - Some suppliers are more reliable in their on-time delivery, order completeness, and order-cycle time.
  - ii. Residence: - Some suppliers are better at handling emergencies, product recalls and answering enquiries.



- iii. Innovativeness: - Some suppliers create better information systems, introduce bar coding and mixed pallets, and in other way help the customer.

Many distribution experts say that a company's money would be better spent on improving delivery performance than a advertising. They say the superior service performance is a more effective differentiator than image expenditure. Furthermore, it is harder for a competitor to duplicate a superior distribution system than to copy a competitors advertising campaign.

- Image: - Service companies can also differentiate through symbols and branding. Some firm adopted, horse lion or eagle as their symbols and uses them on stationary and advertising, thereby facing the challenge post by "Levitt" to service marketers to add physical evidence and imagery to abstract offers. Also several firms have attained "mega brand" reputations for being the best in their field and could therefore expand by opening in other cities and attract customers on the strength of their brand reputations.

### 2.6.2 Managing Service Quality

The service quality of a firm is tested at each service encounter. Customers form service expectation from past experience, word of mouth and advertising. Customers compare the perceived service with the expected service. If the perceived service falls below the expected service, customers are disappointed. If the perceived service meets or exceeds their expectations, they are enticed to use the provider again.

Parasuraman, Zeithaml & Barry (1996), formulated a service quality model that highlights the main requirements for delivering high service quality. Five gaps problems that cause unsuccessful delivery have been identifies by the model as:-

- i. Gap between consumer expectation and management perception. Management does not always correctly perceive what customers want.
- ii. Gap between management perception and service quality specification management might correctly perceive customers wants but do not set a performance standard.
- iii. Gap between services quality specification and services delivery: personnel might be poorly trained, or incapable or unwilling to meet the standard or they may be held to conflicting standards such as taking time to listen to customers and serving them fast.
- iv. Gap between service delivery and external communication: Consumer expectations are affected by statements made by company representatives.
- v. Gap between perceived service and expected service: This gap occurs when the consumer misperceives the services quality.

The same researchers found five determinant of services quality; these are presented in order of importance.

- Reliability: - The ability to perform the promised service dependably and accurately.
- Responsiveness: - The willingness to help customers and to provide prompt service.
- Assurance: - The knowledge and courtesy of employees and their ability to convey trust and confidence.
- Empathy: - The provision of caring, individualized attention to customers.

Tangibles: - The appearance of physical facilities equipment, personnel and communication materials. Various studies have shown that well-managed service companies share the following common practices a strategic concept, a history of top-management commitment to quality,

high standards, and self service technologies, systems for monitoring services performance and customer complaints, and an emphasis on employee satisfaction.

- Strategic Concept: - Top services companies are customers obsessed” they have a clear sense of their target customers and their needs. They have therefore developed a distinctive strategy for satisfying these needs.
- Top management commitment: - Companies have a through commitment to service quality. Their managements look not only at financial performance on a monthly basis, but also at service performance. They insisted, on continually measuring each outlet on its conformance to QSCV; quality, services, cleanliness and value.
- High standard: - The best service provider set high service quality standards. Some companies aim to answer phone calls within 10 second and customers’ letters within 2 days. The standards must be set appropriately high. One can distinguish between those companies offering “merely good” service and those offering “breakthrough” service, aimed at being 100 percent defect free (Heskett and Eart 1990).
- Self Service Technologies: - Many person to person service interactions are being replaced by self-service technologies. Not all self service technologies improve service quality, but they have the potential of making service transactions more accurate, convenient and faster. Every company needs to think about how it might improve it service using SSTs. Companies would be smart to enable customers to call the company when they need more information than the SST provides.
- Monitoring Systems: - Top firm audit service performance, both their own and competitors on a regular basis. They collect voice of the

customer (VOC) measurement to probe customer satisfaction and dissatisfactions.

- Satisfying Employee as well as customers: - Excellent service companies know that positive employee's attitude will promote stronger customer loyalty. Given the importance of positive employee attitudes, service companies must attract the best employee they can find. The need to market a career rather than just a job.

### 2.6.3 Productivity Management

Services productivity is the ability of service firm to increase service coverage to make it available in any area that requires or have intent to enjoy their services. Service firm are under great pressure to keep cost down and increase productivity.

According to Levitt (1972), there are seven approaches to improving service productivity

- i. Have service providers work more skillfully. The company can hire and foster more skillful workers through better selection and training.
- ii. Increase the quality of service by surrendering some quality through handing more customers and give less time to each.
- iii. Industrialize the service by adding equipment and standardizing production. "Levitt" recommended that companies should adopt a "manufacturing" attitude toward producing service.
- iv. Reduce or make obsolete the need for a service by inventing a product solution.
- v. Design a more effective service, by hiring non professional in some aspect that does not require special skills.
- vi. Present customers with incentive to substitute their own labour for company labour.

- vii. Harness the power of technology to give customers access to better services and make service workers more productive. Companies that use their web site to empower customers can lessen workloads, capture valuable data and increase the value of their business.

Companies must avoid pushing productivity so hard that they reduce perceived quality. Some methods to lead to too much standardization and denied the customers of customized service.

## 2.7 Services Design and Management Processes

Service design and management process provide the detailed service information you need to design new service, manage the availability and quality of those services, and balance service quality with cost.

The act or process of planning or deciding low service will be carried out start by making models of the stages involved and it then continue in the following sequence.

- Security Management: - Security management allows you to define, track and control the security of corporate information and services. This process accounts for the implementation, control and maintenance of the total security infrastructure. All service must adhere to strict corporate standards of information security. This process is an integral part of a larger corporate security plan.
- Continuity Management: - Continuity management addresses the organizations ability to continue providing predetermine service levels to customers following serious interruptions to the business. To be full effective, this process should be included as an integral part of a larger corporate business continuity management (BCM) process.

- Availability Management: - Availability Management allows you to define, track and control customers' access to service. Considerations such as system availability and network availability are vital to enabling end-to-end service availability. As part of availability management, IT staff manages supplier contributions to overall service availability as well as reviewing and analyzing service plans generated by the service planning process allowing plans to be modified to reflect service availability requirements.
  
- Capacity Management: - Capacity Management allows defining, track and control service capacity to confirm that service workload are read to meet agreed upon performance levels. Considerations such as system capacity and network capacity are vital components that foster overall service capacity. Because service capacity affects the development of new services and service-level agreements, this process interacts with service planning and service-level management, just as availability management does.
  
- Financial Management: - Financial management allows you to determine the cost of providing service and to recover this cost via charge allocation structures. Key activities include tracking and controlling actual costs by service and by customer as well as charging customers for service delivery. It is important to track the cost accrued for each IT process and to pass this information to staff performing the financial management process. Financial management interacts with business IT alignment for budgeting purposes and with service planning and services – level management for service pricing estimates.

It is interesting to note that service availability, service capacity, and IT financial information are incorporated into service contracts via the interaction of processes within this group with other processes in the model. This interaction occurs during the design of new services and the ongoing management of existing services.

## **2.8 Product Firms Support Services**

Although the study focused on service industries no less important are product based industries that must provide a service bundle. Manufactures of equipment, small appliances, office machines, tractors, mainframes, airplane, all have to provide product support service. In-fact, product support service is becoming a major bottle ground for competitive advantage. In the global market place, companies that make a good product but provide poor local services support are seriously disadvantages. Firms that provide high quality services outperform their less services oriented competitors.

Company must define customer needs carefully in designing its service support program. According to Lele (1986) customers have three specific worries.

- i. Worry about reliability and failure frequently. A customer may tolerate a product that will breakdown once a year but not two or three times a year.
- ii. Worry about downtime duration. The longer the downtime, the high the cost. Customer counts on the seller's service dependability the seller's ability to fix the product quickly or at least provide a helper.
- iii. Customer worries about out-of-pocket costs of maintenance and repair. How much does the customer have to spend on regular maintenance and repair cost?

A customer takes all these factors into consideration in choosing a vendor. The buyer tries to estimate the life-cycle cost, which is the products purchase cost plus the discounted cost of maintenance and repair less the discounted salvage value. Buyers make enquires first in choosing among vendors.

To provide the best support, a manufacturer must identify the service customers value most and their relative importance. In the case of expensive equipment, manufacturers offer facilitating services such as installation, staff training, maintenance and repair services and financing. Manufacturer can offer and charge for product support service in different ways. Some companies provide a standard offering plus a basic level of service. If the customers want additional services, it can pay extra or increase its annual purchases to a higher level in which case additional services will be included. As another alternative, many companies offer service contracts with variable lengths and different deductibles so that customers can choose the service level they want beyond the basic services package.

Companies need to plan product design and service mix decisions in tandem. Design and quality assurance managers should be part of the new product development team. Good product design will reduced the amount of subsequent servicing needed.

### **2.8.1 Major Trends in Product Support Service**

Lele (1986) has noted the following major trends in the customer service area:-

- i. Manufacturers are building more reliable and more easily fixable products which have fewer breakdowns and are more repairable. Companies are adding modularity and disposability to facilitate self-servicing.
- ii. Customers are becoming more sophisticated about product support services and are pressing for service “Unbundling” they want separate



price for each services element and the right to select the element they want.

- iii. Customers increasingly dislike having to deal with a multitude of service providers handling different type of product. Some third party service organizations now service a greater range of product.
- iv. Customer service choices are increasing rapidly and this is holding down prices and profits on service. Manufactures increasingly have to figure out how to make money on their product independent of service contracts.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter deals with research methods and procedures use in conducting the study with particular emphasis to research design, population of the study, sampling technique and sample size, the sources of data and methods of data collection, instruments used in analyzing the data.

#### **3.2 Area of Study**

The area of study for this research is MTN Kano branch, with the staff and some customers on board.

#### **3.2 Research Design**

The choice of a technique of analyzing data collected for the purpose of a study is determined by the nature of the data as to precision and ease of manipulation”(Bluni, 2001) observed.

Particularly, in this study, the descriptive method or technique of data analysis is used as the nature of the data collection suggested. This technique involves clear but precise and effective discussion of the findings. Data so collected are discussed and interpretation of existing conditions is made possible through the use of tables and percentages.

In the study, both primary and secondary sources of data were collected and analyzed. The methods used in collection of data include interview and administered questionnaires. The interviews were conducted in a formal manner based on appointment between the researcher and relevant staff of the MTN Nigeria Limited, Kano office. Unstructured interview were also conducted with some sample clients of the company, in relation to the quality

of the services provided by their client and connection with their perception, and also in relation to some of the question in the administered questionnaire.

In this process of the interview, some information which were not obtained from the questionnaires were obtained. Also, the questionnaires drafted for the purpose of obtaining data were administered to the clients of the MTN Nigeria limited Kano Office, the questionnaire contains questions and spaces for answers to the respective question. Some question demands the ticking of “yes” or “No” while others spaces are provided for the respondent to state the answer briefly as the case may be.

For the purpose of this research work, existing documents such as the manuals for MTN’s policy, procedures for delivery services are sent with newspapers and magazines such as business times, and journals were used. Also related services and marketing textbooks were also reviewed.

### **3.3 Population of the Study**

Population can be viewed as the number of people or other phenomena living in a place or part of a place or total collection of the element under consideration. Therefore, for the purpose of this study, the population includes all the staff of MTN Nigeria Limited Kano Office and people within Kano metropolis that are subscribers to the service network of MTN Nigeria Limited in Kano metropolis. It includes fifty users of other two network (Celtel and Globacom) clients for the purpose of hypothesis testing and verification of responses obtained from MTN clients.

### **3.4 Sample and Sampling Techniques**

Owing to the size of MTN Nigeria Limited Kano office that is not that large, a total of five numbers of staffs are randomly selected and because of the large size of its subscribers, a total of eighty numbers were also randomly selected to represent a fair view of the entire population.

There are many methods or techniques of sampling employed in a research. But for the purpose of this study, random sampling technique is used because the population is fairly homogenous both within the MTN staff. And the subscriber's (clients) to their service and as such, anyone could suffice and serve the purpose in this situation, provided he or she is within the population under study.

### **3.5 Data Collection Method**

The word "data" is variously used to refer to facts, figures, statistics or pieces of information. It can also be viewed as recorded observation about the phenomenon being studied. Data is mainly classified into two main categories viz:-

- i Qualitative data or attributes, for example, colour, intelligence or honesty
- ii Quantitative Data or variables, for example height, quotient and grade point average.

In this research work, emphasis will be placed on the qualitative data. These data will be collected using different methods and techniques. The techniques of data are:-

#### **3.5.1 Primary Source of Data**

These include those data collected expressly for a specific purpose. They are first hand data derived by the user through a sample survey or complete census. In the case of this research, like primary data collected were obtained through administered questionnaire to the client of MTN sampled and also through oral interview conducted by the researcher with staff and clients of MTN Nigeria Limited Kano metropolis.

### 3.5.2 Secondary Source of Data

These are data collected from techniques already in existence. Such data are already provided for some other purposes for the purpose of this study, existing documents, such as related textbook, journal, manuals for operations of MTN and newspaper were analyzed and reviewed

The researcher compiled some data from this technique in order to supplement the data obtained from the primary techniques.

### 3.6 Data Analysis Method

Data collected need to be analyzed and analysis of data is the ordering of and breaking down of data into constituents parts (Turkettle, 1991).

There are many tools or techniques that can be used in analyzing data collected. They include several statistical methods; tabulation, charting, and use of percentages, descriptive technique and outright discussion.

For the purpose of this study, simple percentages scores were used. In this case data are presented mostly in tabular form. Also chi-square  $X^2$  statistics was used to test the rejection or acceptances of the hypotheses.

# CHAPTER FOUR

## RESULTS AND DISCUSSION

### 4.1 Introduction

This chapter is designed mainly for the presentation and analysis of data obtained for the study. These are collected by means of interviewed with staffs and client of MTN Nigeria and questionnaire administered to the client of MTN Nigeria particularly with Kano metropolis.

In this analysis, questionnaires were administered to the clients may not be presented directly as they are used mostly to verify the information obtained. As explained in Chapter Three various tools used in analysis inform of tables, and percentages are used in the analysis and interpretations of the presented data.

Data presented and analyzed provide a background and an in-depth understanding of the problem and thereby facilitate discovery. Finally, it is only where the problem as it is manifested is understood that appropriate solutions are identified or suggested.

### 4.2 Results of Research Questions

**Question 1:** How long have you been using mtn service?

Table 1: Years of patronage with the company

Response	No of Respondents	Percentage
Below I year	4	5%
Between 1-2 years	16	20%
3 years and above	60	75%
Total	80	100%

Source: Field survey, August 2006

From the above table 1, it can be deduced that 4 people representing 5% of the sampled population have been using MTN services for less than a year. 16 person representing 20% of the sample population have been using MTN service for between 1-2 years, while 60 persons representing 75% of the sampled population have been using MTN service for 3 years and above.

Since the services is homogenous and MTN operators started operations in Nigerian for the past 7 years ago, this number and percentage is deemed fit for generalization and value judgment by the researchers.

**Question 2:** How many times do you make dial to get connected to the person you intend to call?

Table 2: Number of Times for Dialing before getting connected.

<b>Response</b>	<b>No of Respondents</b>	<b>Percentage</b>
1 time	20	25%
2 time	40	50%
3 or more time	20	25%
Total	80	100%

Source: Field survey, August 2006.

Result, from the above table 2 shows that 20 people representing 25% of the respondent make dial once to get connected. 40 people representing 50% of the respondents make dial between 1-2 times while 20 people representing 25% of respondents also make dial in 3 or more time to get connected.

This implies that majority of the respondents. i.e. 25% and 50% make dial in between 1-2 times to get connected. And 25% of the respondents make dial in 3 or more times to get connected. This indicates the fact that MTN differentiate itself from other operators in term of faster and better delivery of service, since 75% i.e. 25% and 50% can make dial just in 1-2 times and get connected.

**Question3:** Is the dial time the same between MTN and other networks?

Table 3: Differences in dial time between MTN and other Networks

<b>Response</b>	<b>No of Respondents</b>	<b>Percentage</b>
Yes	-	-
No	80	100%
Total	80	100%

Source: Field survey, August 2006

The result of the above table 3 shows that all the 80 respondents, representing 100% of the total respondents are of the view that the dial time between MTN to MTN network and MTN to other network is not the same. This means that there is great problem for MTN subscribers to get connected to other people using different network, which cast some doubt in their interconnectivity. This is not good for an operator aiming to be number one in the industry.

**Question 4:** How many times do you dial for other networks?

Table 4: Number of Times to Dial other Network before getting connected.

<b>Response</b>	<b>No of Respondents</b>	<b>Percentage</b>
1 time	-	-
2 time	20	25%
3 or more times	60	75%
Total	80	100%

Source: Field survey August 2006

Table 4 above shows that 20 respondent representing 25% of the total respondents which answered No in the table 3 above make dial 2 times before getting connected, 60 people representing 75% of the respondents make dial in 3 or more times before getting connected.



This justify the claims made by the clients that the dial time is not the same between MTN to MTN and MTN to other network, since no respondent says it makes dial once and majority of the respondents that is 75% says they make dial 3 or more times to get connected.

**Question 5:** How often do you encounter service or network failure?

Table 5 Frequency of Encountering Services or Network Failure.

<b>Response</b>	<b>No of Respondents</b>	<b>Percentage</b>
Very often	10	12.5%
Rarely	70	87.5%
Not at all	-	-
Total	80	100%

Source: Field Survey August 2006

The result of the above table 5 deduces that 10 people representing 12.5% of the respondents attest that they encounter service or network failure very often 70 people which represent 87.5% of the respondents, responded that they encounter service or network failure but rarely. None of the respondents says they do not encounter service failure.

This means clients of MTN Nigeria do encounter service difficult from time to time but not frequent as majority of the respondents which cover 87.5% agrees to the fact that they encounter service failure but not often, only 10 respondents, representing 12.5% encounter network failure often.

**Question 6:** Do people using other network complain about difficulties in getting connected to you?

Table 6: Difficulty of getting MTN network from other network

<b>Response</b>	<b>No of Respondents</b>	<b>Percentage</b>
Yes	80	100%
No	-	-
Total	80	100%

Source: Field survey August 2006

Result from the above table 6 revealed that all the 80 respondents unanimously attest to the fact that they received complains as they also encounter difficulty of getting connected by the people or to the people using other networks. This implies that there is a problem of interconnectivity between the MTN Nigeria and other operators in the same telecommunication industry. It also explains generally, the problem of telephone interconnectivity in Nigeria.

**Question 7: How do you rate MTN connectivity?**

Table 7: Rating of MTN Connectivity

<b>Response</b>	<b>No of Respondents</b>	<b>Percentage</b>
Excellent	8	10%
Good	72	90%
Fair	0	0%
Total	80	100%

Source: Field survey August 2006

The table 7 above shows that 8 respondents, representing 10% of the total respondent's sees MTN connectivity as excellent, while 72 respondents that is 90% said it is good. It is therefore adjudged good since non of the respondent says it is fair.

**Question 8:** How do you rate MTN interconnectivity with other network?

Table 8: Rating of MTN Interconnectivity

Response	No of Respondents	Percentage
Excellent	-	-
Good	20	25%
Fair	60	75%
Total	80	100%

Source: Field survey 2006

Result of the above table 8 shows those 20 representing 25% of the people seen MTN interconnectivity with other networks as good. 60 respondents, representing 75% responded that MTN interconnectivity is fair. This means that more is required to be done by the MTN on its interconnectivity as none of the respondents thinks it is excellently agreed that there is a problem and difficulty in getting connected to people using networks apart from MTN.

**Question 9:** How do you judge MTN services generally?

Table 9: General Appraisal of MTN service performance

Response	No of Respondents	Percentage
Excellent	8	10%
Good	50	62.5%
Fair	22	27.5%
Total	80	100%

Source: Field survey 2006

Result of the above table 9, shows that 8 people representing 10% of the respondents rate the overall performance of MTN as excellent. 50 respondents representing 62.5% responded that on the average the MTN service can generally be adjudged good, while 22 respondents which represents 27.5% of the total respondents think MTN service as generally fair.

**Question 8:** How do you rate MTN interconnectivity with other network?

Table 8: Rating of MTN Interconnectivity

Response	No of Respondents	Percentage
Excellent	-	-
Good	20	25%
Fair	60	75%
Total	80	100%

Source: Field survey 2006

Result of the above table 8 shows those 20 representing 25% of the people seen MTN interconnectivity with other networks as good. 60 respondents, representing 75% responded that MTN interconnectivity is fair. This means that more is required to be done by the MTN on its interconnectivity as none of the respondents thinks it is excellently agreed that there is a problem and difficulty in getting connected to people using networks apart from MTN.

**Question 9:** How do you judge MTN services generally?

Table 9: General Appraisal of MTN service performance

Response	No of Respondents	Percentage
Excellent	8	10%
Good	50	62.5%
Fair	22	27.5%
Total	80	100%

Source: Field survey 2006

Result of the above table 9, shows that 8 people representing 10% of the respondents rate the overall performance of MTN as excellent. 50 respondents representing 62.5% responded that on the average the MTN service can generally be adjudged good, while 22 respondents which represents 27.5% of the total respondents think MTN service as generally fair.

It can therefore be concluded that MTN service has general performance as good and not excellent, since 62.5% of the respondents which are majority of the total respondents of this question are in this view. MTN Nigeria needs to wake up in terms of improving its service performance to clear the impression of the 22 respondents, which represent 27.5% of the total respondents who sees MTN service performance generally as fair.

### 4.3 Results of the Hypotheses

#### Test I

#### The Decision Rule

- \* When  $X^2$  calculated  $>$   $X^2$  critical table; Reject  $H_0$  and Accept  $H_1$  but
- \* When  $X^2$  calculated  $<$   $X^2$  critical table: Accept  $H_0$  and Reject  $H_1$

Combining Test 1:

SERVICE DELIVERY	$\bar{\chi}$	N	$X^2$ CAL	$X^2$ CRITICAL	DECISION
Agreed	0.083	80	193.142	3.84	Accept $H_1$
Disagreed	0.775	80			

Since we are considering two (2) categories, i.e. (Agreed, Disagreed) and  $K = 2$ , then the degree of freedom is 1. From  $K - 1 = V \rightarrow V = 1 =$  degree of freedom.

At 0.05 level of significance:  $V = ( ) - p$

$$X^2 \text{ calculated} = \frac{(O - E)^2}{E} = \frac{(66 - 14)^2}{14} = \frac{2704}{14} = 193.142$$

$X^2$  critical table (1, 0.05) = 3.84

### Decision Rule

Since the  $X^2$  calculated is greater than  $X^2$  critical table therefore we reject  $H_0$  and  $H_1$  is accepted. This implies that the processing service design and management is necessary in enhancing corporate performance.

### Test 2

SERVICE DELIVERY	$\bar{\chi}$	N	$X^2$ CAL	$X^2$ CRITICAL	DECISION
Agreed (Observed)	0.71	80	50.26	3.84	Accept $H_1$
Disagreed (Expected)	0.29	80			

$$\text{Agreed } \bar{\chi} = 57/80 = 0.71$$

$$\text{Disagreed } \bar{\chi} = 23/80 = 0.29$$

$$X^2 \text{ cal} = \frac{(O-E)^2}{E} = \frac{(57-23)^2}{23} = \frac{34^2}{23} = 1156/23 = 50.26$$

The degree of freedom = 1 and the level of significance is 5%.

$X^2$  critical table (1, 0.05) = 3.84

### Decision Rule

Since the value of the calculated chi-square is greater than that of the chi-square critical table, therefore accept  $H_1$  and Reject  $H_0$ , this implies that there is significance relationship between increasing service differentiation, quality and productivity with the improvement in the performance of cooperate organization".

### Test 3:

SERVICE DELIVERY	$\bar{\chi}$	N	$X^2$ CAL	$X^2$ CRITICAL	DECISION
Agreed	0.17	80	43.53	3.84	Accept $H_1$
Disagreed	0.84	80			

$$\text{Agreed (observed) } \bar{\chi} = 13/80 = 0.17$$

$$\text{Disagreed (Expected) } \bar{\chi} = 67/80 = 0.84$$

$$X^2 \text{ cal} = \frac{(O-E)^2}{E} = \frac{(13-67)^2}{23} = \frac{54^2}{67} = \frac{2916}{67}$$

The degree of freedom is also one (1) and the level of significance is 0.05 →

$X^2$  critical table (1, 0.05) = 3.84

#### 4.4 Discussion of results

##### Decision Rule

From the above calculations, the value of the  $X^2$  calculated is greater than that of the critical table, so we accept  $H_1$  and reject  $H_0$ ; and conclude that “the attitude of employee determines customer’s perception of service delivery.

##### **Rules upon which chi-square $x^2$ is based.**

1. In CALCULATING THE DEGREE OF FREEDOM, THE Rows and columns are used, the responses and total row and column are ignored i.e. not included.
2. Avoid using any expected frequency computed with the value of the cell less than 5
3. Accept hypothesis if the Chi-square  $X^2$  computed is less than the critical chi-square value from the table.  
Reject any hypothesis if the Chi-square  $X^2$  computed values is more than the critical chi-square value from the table.

## CHAPTER FIVE

### SUMMARY, CONCLUSION, MAJOR FINDINGS OF THE STUDY AND RECOMMENDATIONS

#### 5.1 Summary

The Nigeria telecommunication industry has witnessed a number of developments since its privatization seven year ago. At the initial stage of this privatization, it was purely an operators market; the operators called the shots and could deny eager subscribers a line once they did not have a capacity to take them on as the demand outweighed the supply. But these days reversed in the case, operators are now in need of the subscribers and are creating out all kinds of incentive to get subscribers their companies' performance and beat competitors.

Service can be adjudged on customer's importance and company performance. Important performance analysis is used to rate the various elements of service and identify what actions are required.

The need to resolve a customer problem in a satisfactory manner is critical in service business. Industry watchers are of the view that for any of the operators to grab the lion share of what is left of market, the operators must be customer focus driven and to differentiate itself from other competitors.

Companies that provide differentiate levels of service will not be able to claim superior service; this cannot be their value preposition because the customers who receives unequal treatment will make bad statement about the company and injures its reputation.



One of the major trends of recent years has been the phenomenal growth of service. In United States, service jobs now account for 79 percent of all jobs and 74 percent of gross domestic products, in Nigeria, it is reported that service occupations will be responsible for all job growth through the year 2006. These numbers have led to a growing interest in the special area of marketing services.

In the past, service firms lagged behind manufacturing firm in their use of marketing, because they were small or professionals business that did not use marketing faced little competition but, with the current trend in the service industries where stiff oppositions are exchanging hand this has certainly changed. Because of this changing phenomenon, service firms now employ some strategies on how to market their services. In marketing services, the traditional four of Ps of marketing are applied but additional three Ps are added for marketing services, they include people, physical evidence and process.

In the light of the fact that service cannot be seen, felt, or touched before use there is more risk in purchase. Because of this fact, service companies face three task of increasing competitive differentiation, quality and productivity to improve on their performance.

Although various employee based measures such as job satisfaction, have been advanced as drivers of service performance, it also been agreed that service climate has superior predictive power. Research has shown that delegation of authority to the front line allows for greater flexibility and adaptability in the performance of service activity through better problem solving, closer employee corporation and, more efficient knowledge transfer. In apparent recognition of this, some companies have organized their front-office operations around self-management teams (SMTS) or group of

interdependence employee that have the collective authority and responsibility to manage and perform relatively whole task.

The study has shown that self-management is an excellent mechanism for improving the performance of the employee customer's interface. It also reveal that the front-office service, self management teams perform significantly better in terms of service quality and sales volume than do teams under management control.

There is ample evidence that employee perceptions of service climate at the firm level have a positive influence on customers' perceptions of service quality. In addition to psychological outcome parameter, it has been argued that the behavioral outcome "share of customers" of the number of service purchased from specific service provider is a key marketing performance indicator. The overall premise is that the impact of polices and practice aimed to serve the customers should also be observable in customer behaviour because both perceived service quality and purchase behavior are closely related and should be evaluated simultaneously when pursuing profitability which is important parameter for judging improvement on corporate performance.

## **5.2 Conclusion**

Nigerian Telecommunication Industry Operators are enjoying some time not to talk of the subscribers who have enjoyed the more, since after its deregulation. On this premise, a study of service delivery and corporate performance is carried out in the telecommunication industries with the intention of unveiling some findings with particular reference to MTN which is one of the leading operators and among the best if not the best, which make it to be used as bench-mark of the telephone services operators by the subscribers and general

public in the current dispensation of the deregulated telecommunication sector in Nigeria.

From the findings of the study the following conclusion can be made:-

- That the process of services design and management is vital in enhancing corporate performance.
- Service can be adjudged on customer importance and company performance. Important performance analysis is used to rate the various elements of service and identify what actions are required.
- That increasing service differentiation, quality and productivity continuously will bring continuous improvement on the performance of corporate organization.
- The problem of interconnectivity among the telecommunication service providers still persists and this has served as a source of wariness and concern to the subscribers.
- The problem of network failure as from time to time still occurred though the frequency is at a minimal level, but lasting solutions to it have not been proffered, or achieved.
- That MTN Nigeria has done well to ensure good connectivity within the users of MTN network through faster connectivity and clarity.
- Overall performances of telecommunication operators in terms of service delivery have not been excellent but above average as they are adjudged to be good in their operations.

### 5.3 Major findings of the Study

The findings of this research work enable us to understand the basic fact that without appropriate service design and management, increasing service differentiation, quality and productivity coupled with good attitude of employees towards service delivery, such organization cannot perform

optimally in term of service delivery and corporate discharged of responsibilities.

#### 5.4 Recommendations

Having fully recognized the importance of telecommunication service to Nigerian and Nigeria economic growth and development as a whole, it is imperative to make some recommendation that will be usefully adhere to that will contribute to improving the performance of service firms through better delivery, in general and for the MTN Nigeria in particular.

1. Every service business operating within Nigeria economy, be it telecommunication, manufacturing, transportation, banking, energy etc. should strictly adhere to the basic process of service design and management procedure as outline, this will surely enhance their performance.
2. Service firms should always include innovative features to their product or service offered. Sometimes the company achieved differentiation through the sheer range of its service offerings. Company that regularly introduces innovation will gain a succession of temporary advantage over competitors.
3. Service Firms should concentrate on better spending, spending their money on improving delivery performance than on advertising, as superior service performance is a more effective differentiator than image expenditure.
4. Company's should always balance service productivity with quality, they should not only concentrate on increasing productivity by compromising quality, and this will surely affect their operations as well as performance.
5. Telephone Service operators in Nigerian should together find a lasting solution to their problem of interconnectivity which is a major complain

by their subscribers, and do it right as obtained in developed nations, if this is done, it will improve their performances at firms level and the industry in general.

6. Finally “cost” this is a serious consideration as far as business is concerned both from the aspect of providers and the subscribers. Telephone service operators in Nigerian especially for this purpose should try and reduced to the bearest minimum the high call tariff imposed on subscribers and try to charge low cost without compromising quality. Many customers have little loyalty to the more establish firms when they can save money, to the extent that customers view service as fairly homogenous, they careless about the provider than the price. This if done will not only command customers loyalty but will also increase their revenue, as drop in cost per unit will entice customers to make more calls that can imagine, this will not only increase the total sales but has effect of doubling total revenue of the firm.

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## APPENDICES

### QUESTIONNAIRES FOR CLIENTS OF MTN DEPARTMENT OF GENERAL STUDIES FEDERAL UNIVERSITY OF TECHNOLOGY, MINNA

**RESEARCH TOPIC:** SERVICE DELIVERY AND CORPORATE PERFORMANCE, A CASE STUDY OF MTN NIG. LIMITED

DEAR SIR/MADAM,

I am currently a postgraduate student in Federal University of Technology Minna conducting a research study on the above subject matter as a partial fulfillment of the requirement for the award of Post Graduate Diploma in business administration Technology PGD. Please answer the following to the best of your knowledge by ticking or filling the blanks where appropriate.

#### **Section A:** Biographic/ Personal Data

1. Name (optional)
2. Present occupation (optional)

#### **Section B:** Service Delivery Questions

1. How long have you been using MTN service?  
Below 1 year { } 1-2 years { } 3 years and above { }
2. How many to do you make dial to get connected to the person you want to call?  
1 time { } 1-2 times { } 3 or more times { }
3. Is the dial time the same between MTN or MTN to other networks?  
Yes { } No { }
4. If no how many times do you dial for other networks?  
1 time { } 1-2 times { } 3 or more times { }
5. How often do you encounter service or network failure?  
Very often { } rarely { } Not at all { }

6. Do people using other networks complain to you about difficulty in getting connected to you?  
Yes { } No { }
7. How do you rate MTN connectivity?  
Excellent { } good { } fair { }
8. How do you rate MTN interconnectivity with other networks?  
Excellent { } good { } fair { }
9. Overall how do you judge MTN services generally?  
Excellent { } good { } fair { }
10. What do you think is the cause of network failure?
  - i. Negligence from the part of management { }
  - ii. Inadequate training of the employee { }
  - iii. Other reasons (please specify)
11. Do people using MTN line complain to you about any difficulty in getting connected to you?  
Yes { } No { }
12. If your answer to (9) is yes how frequency  
Very frequent { } rarely { }
13. If Yes how frequent  
Very frequent { } occasionally { }
14. How can you differentiate MTN service with other networks?  
Offering { } better and faster delivery { } image { }
15. Do you think that the attitude of employees is the only parameter that customers from perception of service delivery expectation of an organization upon?  
Yes { } No { }
16. Do you thing that MTN is providing accurate information to you about its operations?  
Yes { } No { }

17. How many times do you dial MTN customers care service before you get connected?

1 time { } 1-2 times { } 3 or more times { }

18. How long does it take then to respond to you and your problems?

Within one minute { } between 1-2 minutes { } 3 minutes and above { }

### 4.3 Hypotheses Testing

A hypothesis is some testable assumptions or opinion and hypothesis testing is the process by which the assumption or opinion is tested by statistical means. For the purpose of hypothesis testing in this study, Chi-Square  $X^2$  test would be applied to determine the acceptance or rejection of either pairs of hypothesis.

Responses obtained from the clients of MTN Nigeria networks are tabulated below for the purpose of the research hypothesis testing.

#### Test 1

1.  $H_0$ :- The process of service design and management is not necessary in enhancing corporate performance.

$H_{A1}$ :- The process of service design and management is necessary in enhancing corporate performance.

Table 4.11 *Below show the responses obtained from various mobile service operators clients regarding the above pairs of hypothesis*

RESPONSE	MTN CLIENTS	TOTAL
AGREED	66	66
DISAGREE	14	14
TOTAL	80	80

#### SOLUTION

From the formulae of Chi-Square

$$X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

$$X^2 = \frac{(66 - 14)^2}{14}$$

$$= \frac{2704}{14}$$

$$= 193.142857$$

$$\approx 193$$

RESPONSE	MTN CLIENTS	TOTAL
AGREED	52	52
DISAGREE	18	18
TOTAL	70	70

**Solution**

$$X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

$$X^2 = \frac{(52 - 18)^2}{18}$$

$$= \frac{1156}{18}$$

$$= 64.222222$$

$$\approx 64$$

Since the number of categories i.e (Agreed, Disagreed),  $K = 2$ , Then the degree of freedom with 5% level of significance is

$$V = K - 1$$

$$= 2 - 1$$

$$= 1 \text{ df (degree of freedom)}$$

The critical value  $X^2_{95}$  (i.e 5% level of significance) for degree freedom is 3.84

Hence;

$$X_2 \text{ Calculate} = 64$$

$$X^2 \text{ Critical table value} = 3.84$$

**Decision Rule:**

From the computation, the  $X^2$  calculated is 64 and the critical  $X^2$  table is 3.84.

Since the  $X^2$  calculated  $>$   $X^2$  critical value the alternative hypothesis  $H_{A2}$  is therefore accepted. It means that there is significance relationship between increasing service differentiating quality and productivity with the improvement on the performance of corporate organizations and the Null hypothesis  $H_{02}$  is thereby rejected.

Table 5. (Continued)

	P	.005	.010	.025	.050	.100	.250	.500	.750	.900	.950	.975	.990	.995	.999	
16		5.14	5.81	6.91	7.96	9.31	11.9	15.3	19.4	23.5	26.3	28.8	32.0	34.3	39.3	
17		5.70	6.41	7.56	8.67	10.1	12.8	16.3	20.5	24.8	27.6	28.8	30.2	33.4	35.7	
18		6.26	7.01	8.23	9.39	10.9	13.7	17.3	21.6	26.0	28.9	30.1	31.5	34.8	37.2	
19		6.84	7.63	8.91	10.1	11.7	14.6	18.3	22.7	27.2	30.1	31.4	32.9	36.2	38.6	
20		7.43	8.26	9.59	10.9	12.4	15.5	19.3	23.8	28.4	31.4	32.7	34.2	37.6	40.0	
26		8.03	8.90	10.3	11.6	13.2	16.3	20.3	24.9	29.6	32.7	34.2	35.5	38.9	41.4	
27		11.2		11.0	12.3	14.0	17.2	21.3	26.0	30.8	33.9	35.5	36.8	40.3	42.8	
28		11.8	12.2	13.8	15.4	17.3	21.3	26.0	30.8	33.9	35.5	36.8	40.3	42.8	46.8	
29		12.5	14.6	16.2	18.1	20.8	25.3	30.8	33.9	35.5	36.8	40.3	42.8	46.8	48.3	
30		13.1	15.3	16.9	18.9	21.7	26.3	32.0	33.2	34.4	35.2	36.4	37.7	38.9	39.1	
		13.8	16.0	17.7	19.8	22.7	27.3	33.2	34.4	35.2	36.4	37.7	38.9	39.1	40.3	
			16.8	18.5	20.6	24.5	29.3	34.4	35.6	36.7	37.9	38.9	40.1	41.3	42.6	
															43.8	
																44.5
																45.7
																47.0
																49.6
																50.9
																52.3
																53.7
																54.1
																55.5
																56.9
																58.3
																59.7

RESPONSE	MTN CLIENTS	TOTAL
AGREED	52	52
DISAGREE	18	18
TOTAL	70	70

**Solution**

$$X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

$$\begin{aligned} X^2 &= \frac{(52 - 18)^2}{18} \\ &= \frac{1156}{18} = 64.222222 \\ &\approx 64 \end{aligned}$$

Since the number of categories i.e (Agreed, Disagreed),  $K = 2$ , Then the degree of freedom with 5% level of significance is

$$\begin{aligned} V &= K - 1 \\ &= 2 - 1 \\ &= 1 \text{ df (degree of freedom)} \end{aligned}$$

The critical value  $X^2_{95}$  (i.e 5% level of significance) for degree freedom is 3.84  
Hence;

$$X_2 \text{ Calculate} = 64$$

$$X^2 \text{ Critical table value} = 3.84$$

**Decision Rule:**

From the computation, the  $X^2$  calculated is 64 and the critical  $X^2$  table is 3.84. Since the  $X^2$  calculated  $>$   $X^2$  critical value the alternative hypothesis  $H_{A2}$  is therefore accepted. It means that there is significance relationship between increasing service differentiating quality and productivity with the improvement on the performance of corporate organizations and the Null hypothesis  $H_{02}$  is thereby rejected.

### Test 3

H<sub>0</sub>: The attitude of employee does not determine customers' perception of service delivery

H<sub>A</sub>: The attitude of employee determines customers' perception of service delivery.

RESPONSE	MTN CLIENTS	TOTAL
AGREED	13	13
DISAGREE	67	67
TOTAL	80	80

### Solution

Form the formulae of Chi-square

$$X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

$$\begin{aligned} X^2 &= \frac{(13 - 67)^2}{67} \\ &= \frac{2916}{67} = 43.522388 \\ &\approx 44 \end{aligned}$$

Since the number of categories (Agreed, Disagreed), K=2, then the degree of freedom with 5% level of significance is

$$V = K - 1$$

$$= 2 - 1$$

$$= 1 \text{ df (degree of freedom)}$$

The critical value  $X^2_{.95}$  (i.e level of significance) for 1 degree of freedom is 3.84

Hence;

$$X^2 \text{ calculated} = 64$$

$$X^2 \text{ critical table value} = 3.84$$



### DECISION RULE

Since the  $X^2$  calculated is  $>$  the  $X^2$  critical table value i.e  $64 . 3.84$ , null hypothesis  $HA_3$ : is accepted as and the alternative hypothesis  $HO_3$ : is rejected. This implies that the altitude employee determines perception of service delivery.

Table 4.14: Expected Frequencies "E"

Response	MTN Clients	Celstel Clients	Globacom Clients	Total
Agreed	17	10	10	37
Disagreed	63	40	40	143
Total	80	50	50	180

$$X^2 = \frac{(O - E)^2}{E}$$

Degree of freedom (Row-1) (Column - 1)

$$Df - (3-1) (2-1) = 2(1) = 2$$

$X^2$  critical table value under df of 2 with 5% level of significance = 5.99

$X^2$  calculated is this

$$\frac{(13-17)^2}{17} + \frac{(17-10)^2}{10} + \frac{(7-10)^2}{10} + \frac{(67-62)^2}{63} + \frac{(33-40)^2}{40} + \frac{(43+40)^2}{40}$$

$$= 0.94 + 4.9 + 0.9 + 0.25 + 1.225 + 0.225 = 8.44$$

$$X^2 \text{ calculated} = 8.44.$$

Since the  $X^2$  calculated is  $>$  the  $X^2$  Critical table value i.e.  $8.44 > 5.99$ , the Null hypothesis  $HA_3$ : is accepted and the alternative hypothesis  $HO_3$ : is rejected. This implies that the attitude of employee determines perception of service delivery.

RESPONSE	MTN CLIENTS	TOTAL
AGREED	52	52
DISAGREE	18	18
TOTAL	70	70

**Solution**

$$X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

$$X^2 = \frac{(52 - 18)^2}{18}$$

$$= \frac{1156}{18}$$

$$= 64.222222$$

$$\approx 64$$

Since the number of categories i.e. (Agreed, Disagreed),  $K = 2$ , Then the degree of freedom with 5% level of significance is

$$V = K - 1$$

$$= 2 - 1$$

$$= 1 \text{ df (degree of freedom)}$$

The critical value  $X^2_{95}$  (i.e. 5% level of significance) for degree freedom is 3.84

Hence;

$$X_2 \text{ Calculate} = 64$$

$$X^2 \text{ Critical table value} = 3.84$$

**Decision Rule:**

From the computation, the  $X^2$  calculated is 64 and the critical  $X^2$  table is 3.84.

Since the  $X^2$  calculated  $>$   $X^2$  critical value the alternative hypothesis  $HA_2$  is therefore accepted. It means that there is significance relationship between increasing service differentiating quality and productivity with the

Since the number of categories i.e. (Agreed, Disagreed),  $K = 2$ , Then the degree of freedom with 5% level of significance is

$$\begin{aligned} V &= K - 1 \\ &= 2 - 1 \\ &= 1 \text{ df (degree of freedom)} \end{aligned}$$

The critical value  $X^2_{95}$  (i.e. 5% level of significance) for degree freedom is 3.84

Thus;

$$X^2_{\text{Calculate}} = 1.93$$

$$X^2_{\text{Critical table value}} = 3.84$$

### **Decision Rule**

When  $X^2_{\text{calculated}} > X^2_{\text{Critical table}} \rightarrow$  Reject  $H_{01}$  and accept  $H_{A1}$  but, where  $X^2_{\text{calculated}} < X^2_{\text{critical table value}} \rightarrow$  Reject  $H_{A1}$  and accept  $H_{01}$  from the computation and analysis, the  $X^2_{\text{calculated}} 1.93$  is  $< X^2_{\text{critical table value}}$  of 3.84 thus, the alternate hypothesis  $H_{A1}$ : which stated that the process of service design and management is vital in enhancing corporate performance is therefore accepted and the more hypothesis  $H_{01}$ : is rejected.

### **Test 2**

$H_{02}$ : There is no significance relationship between increasing service differentiation, quality and productivity with the improvement on the performance of corporate organization.

$H_{A2}$ : There is significance relationship between increasing service differentiation, quality and productivity with the improvement on the performance of corporate organization. Responses obtained from various mobile service operators clients regarding the above pairs of hypothesis are tabulated below.

**Table 5: Chi-square values for selected cumulative probabilities**

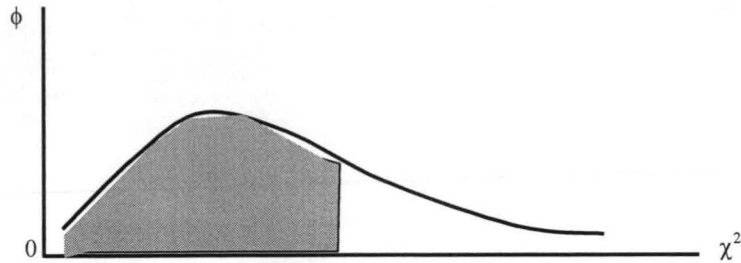


Table entry is value of 'X' corresponding to shaded area  $P(\chi^2)$

	P	.005	.010	.025	.050	.100	.250	.500	.750	.900	.950	.975	.990	.995	.999
1		.0000393	.000157	.000982	.00393	.0158	.102	.455	1.32	2.71	3.84	5.02	6.63	7.88	10.8
2		.0100	.0201	.0506	.103	.211	.575	1.39	2.77	4.61	5.99	7.38	9.21	10.6	13.8
3		.0717	.115	.216	.352	.584	1.21	2.37	4.11	6.25	7.81	9.35	11.3	12.8	16.3
4		.207	.297	.484	.711	1.06	1.92	3.36	5.39	7.78	9.49	11.1	13.3	14.9	18.5
5		.412	.554	.831	1.15	1.61	2.67	4.35	6.63	9.24	11.1	12.8	15.1	16.7	20.5
6		.676	.872	1.24	1.64	2.20	3.45	5.35	7.84	10.6	12.6	14.4	16.8	18.5	22.5
7		.989	1.24	1.64	2.17	2.83	4.25	6.35	9.04	12.0	14.1	16.0	18.5	20.3	24.3
8		1.34	1.65	2.18	2.73	3.49	5.07	7.34	10.2	13.4	15.5	17.5	20.1	22.0	26.1
9		1.73	2.09	2.70	3.33	4.17	5.90	8.34	11.4	14.7	16.9	19.0	21.7	23.6	27.9
10		2.16	2.56	3.25	3.94	4.87	6.74	9.34	12.5	16.0	18.3	20.5	23.2	25.2	29.6
11		2.60	3.05	3.82	4.57	5.58	7.58	10.3	13.7	17.3	19.7	21.9	24.7	26.8	31.3
12		3.07	3.57	4.40	5.23	6.30	8.44	11.3	14.8	18.5	21.0	23.3	26.2	26.2	32.9
13		3.57	4.11	5.01	5.89	7.04	9.30	12.3	16.0	19.8	22.4	24.7	27.7	27.7	34.5
14		4.07	4.66	5.63	6.57	7.79	10.2	13.3	17.1	21.1	23.7	26.1	29.1	29.1	36.1
15		4.60	5.23	6.26	7.26	8.55	11.0	14.3	18.2	22.3	25.0	27.5	30.6	30.6	37.7

$$= \frac{2704}{14} = 193.142857$$

$$\approx 193$$

Since the number of categories i.e. (Agreed, Disagreed),  $K = 2$ , Then the degree of freedom with 5% level of significance is

$$V = K - 1$$

$$= 2 - 1$$

$$= 1 \text{ df (degree of freedom)}$$

The critical value  $X^2_{95}$  (i.e. 5% level of significance) for degree freedom is 3.84

Thus;

$$X_2 \text{ Calculate} = 1.93$$

$$X^2 \text{ Critical table value} = 3.84$$

### **Decision Rule**

When  $X^2$  calculated  $> X^2$  Critical table  $\rightarrow$  Reject  $H_{01}$  and accept  $H_{A1}$  but, where  $X^2$  calculated  $<$ ,  $X^2$  critical table value  $\rightarrow$  Reject  $H_{A1}$  and accept  $H_{01}$  from the computation and analysis, the  $X^2$  calculated 193 is  $> X^2$  critical table value of 3.84 thus, the alternate hypothesis  $H_{A1}$ : which stated that the process of service design and management is vital in enhancing corporate performance is therefore accepted and the more hypothesis  $H_{01}$ : is rejected.

### **Test 2**

$H_{02}$ : There is no significance relationship between increasing service differentiation, quality and productivity with the improvement on the performance of corporate organization.

$H_{A2}$ : There is significance relationship between increasing service differentiation, quality and productivity with the improvement on the performance of corporate organization. Responses obtained from various mobile service operators clients regarding the above pairs of hypothesis are tabulated below.

improvement on the performance of corporate organizations and the Null hypothesis  $H_0_2$  is thereby rejected.

**Test 3**

$H_0_3$ : The attitude of employee does not determine customers' perception of service delivery

$H_{A_3}$ :- The attitude of employee determines customers' perception of service delivery.

RESPONSE	MTN CLIENTS	TOTAL
AGREED	13	13
DISAGREE	67	67
TOTAL	80	80

**Solution**

Form the formulae of Chi-square

$$X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

$$\begin{aligned} X^2 &= \frac{(13 - 67)^2}{67} \\ &= \frac{2916}{67} = 43.522388 \\ &\approx 44 \end{aligned}$$

Since the number of categories (Agreed, Disagreed),  $K=2$ , then the degree of freedom with 5% level of significance is

$$\begin{aligned} V &= K-1 \\ &= 2-1 \\ &= 1 \text{ df (degree of freedom)} \end{aligned}$$

The critical value  $X^2_{95}$  (i.e level of significance) for 1 degree of freedom is 3.84

Hence;

$X^2$  calculated = 64

$X^2$  critical table value = 3.84

### DECISION RULE

Since the  $X^2$  calculated is  $>$  the  $X^2$  critical table value i.e 64. 3.84, null hypothesis  $H_{A3}$ : is accepted as and the alternative hypothesis  $H_{O3}$ : is rejected. This implies that the altitude employee determines perception of service delivery.

Table 4.14: Expected Frequencies "E"

Response	MTN Clients	Celtel Clients	Globacom Clients	Total
Agreed	17	10	10	37
Disagreed	63	40	40	143
Total	80	50	50	180

$$X^2 = \frac{(O - E)^2}{E}$$

Degree of freedom (Row-1) (Column - 1)

$$Df - (3-1) (2-1) = 2(1) = 2$$

$X^2$  critical table value under df of 2 with 5% level of significance = 5.99

$X^2$  calculated is this

$$\frac{(13-17)^2}{17} + \frac{(17-10)^2}{10} + \frac{(7-10)^2}{10} + \frac{(67-62)^2}{63} + \frac{(33-40)^2}{40} + \frac{(43+40)^2}{40}$$
$$= 0.94 + 4.9 + 0.9 + 0.25 + 1.225 + 0.225 = 8.44$$

$$X^2 \text{ calculated} = 8.44.$$

Since the  $X^2$  calculated is  $>$  the  $X^2$  Critical table value i.e.  $8.44 > 5.99$ , the Null hypothesis  $H_{A3}$ : is accepted and the alternative hypothesis  $H_{O3}$ : is rejected. This implies that the attitude of employee determines perception of service delivery.