

MAKERERE UNIVERSITY
MAKERERE UNIVERSITY BUSINESS SCHOOL

ORGANISATIONAL CULTURE, EMPLOYEE COMMITMENT, SERVICE
QUALITY AND CUSTOMER RETENTION
IN MED-Net

PRESENTED BY
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DECLARATION

I, Nakamya Sempewo Stella, declare to the best of my knowledge that, this research dissertation is my original work and has never been presented to any University or any other authority for the award of a degree or any other award. Where it is indebted to the work of others due acknowledgements have been made.

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APPROVAL

This is to certify that this dissertation has been submitted in partial fulfillment of the requirements for the award of the Masters of Business Administration (MBA) with our approval as University supervisors.

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Date.....

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Date.....

PROF. JOSEPH NTAYI

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DEDICATION

This book is dedicated to God Almighty and to my Dear Parents Mr. Charles Amon Sempewo and my Dear Mother Mrs. Lyton Namyalo Nalongo Sempewo. Thank you for all the love, prayers, support and encouragement.

ACKNOWLEDGEMENT

I would like to extend my sincere appreciation to all individuals who helped me in one way or another throughout this particular study and the entire programme

I sincerely thank Dr. Ngoma and Prof. Ntayi Joseph who were my lecturers and supervisors for their professional guidance, inspiration, encouragement and support they provided me throughout this study. I appreciate their timeless guidance throughout the process of this study. I pray that God further blesses the work of their hands.

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Above all, am greatly obliged to the Almighty God to whom I give back all the glory for such an opportunity. May his Name be praised and glorified throughout the days of my life

LIST OF ACRONYMS USED

SPSS	: Statistical Package for Social Science
MED-Net	: Micro Enterprise Development Network
MFI	: Micro Finance Institution

ABSTRACT

The main purpose of the study was to examine the relationship between Organizational Culture, Employee Commitment, Service Quality and Customer Retention at MED-Net. It was prompted by the fact that there was a significant drop in client numbers and a failure to retain good clients at MED-Net.

A correlation cross – sectional survey was carried out using randomly selected staff and customers of MED-Net. The study comprised of 168 respondents who responded to a self – administered questionnaire.

The Pearson’s correlation test showed a significant correlation between the study variables. The most predictor of customer retention at MED-Net was service quality.

It was recommended that management of MED-Net should put more emphasis on improving the quality of service offered to customers so as to enhance customer retention.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

Organizational culture is that set of beliefs, values, work styles and relationships that distinguish one organization from another (Hofstede 2001). Alvesson (2005) deconstructs work styles in organizational culture into power oriented culture which is characterized by strong emphasis on the hierarchy and an orientation towards the person and role oriented culture which symbolizes the typical bureaucracy a tall organization narrow at the top and wide at the base where roles and tasks are clearly defined and coordinated from the top. Internal organizational policies and practices influenced by the organizational culture, employee commitment in terms of employee beliefs in the goals and values of the organization, their willingness to exert effort impacts on service quality among customer contact employees and it affects whether or not customers are satisfied and willing to return to the company for re-purchase (Bolton et al, 2000).

Employee commitment in MED-Net is lacking, this has led to unsatisfactory quality of service, most employees focus is on selling their service and the attraction and fulfillment of one time sales only, yet in today's competitive market customer choice has increased and it has become difficult for companies to assume that there exists an unlimited customer base prepared to maintain patronage (Kandampolly and Duddy 2003).

The prevailing hierarchical organizational structure at MED-Net partly derails decision making processes, for example, employees are required to perform their tasks as required

by their supervisors or have to seek guidance and approval on decision making this tends to derail the work processes.

Suggestions of new ideas and innovative ways of doing work are suppressed, for example, when Credit Officers raise the problems they face during loan recovery to Management and propose better practical ways of loan recovery, no action is taken (Credit Officers weekly meeting minutes, January 2010).

Roles and tasks at the branches are coordinated from the top at Head Office, this delays work processes. Routine in work processes is emphasized for example, the process taken to disburse loans to clients is very slow, most loans take up to four months to approve and disburse so most clients who were actually interested in acquiring subsequent and even new loans had to withdraw their collateral to the institution because of delay in disbursement, they have instead sought quicker services from other Micro Finance Institutions in the industry (Credit Officer's weekly meeting minutes, November 2010). This issue of delayed disbursements to clients is never addressed and it keeps coming up again at both Credit Officer Meetings and Client's meetings (Management meeting minutes, March 2010).

This has affected service quality in terms of prompt response to customer needs. This probably explains a client drop out rate of 2.5% per month against a target of 1.5% in less than six months (MIS Department report December 2010). The average annual rate of client dropout has remained at 25% since 2008 against a target of 5% (MED-Net annual performance report 2009/2010).

The aforementioned increment in customer choice implies that as customers become more demanding companies must revisit their culture, commitment of employees and quality of service to ensure customer retention and hence compete effectively.

Slow decision making at MED-Net has led to poor service to clients which has caused a lot of frustration and led to the above observed high client drop, this also represents a substantial barrier to achieving employee commitment due to lack of customer retention because of poor service quality and the organizational culture existing in the institution.

In Microfinance Institutions the goal of retaining clients is particularly clear as client drop out increases the cost structure, discourages other clients and greatly reduces the prospects for repurchases hence low profits for the institution.

MED-Net's employee commitment, service quality and the client retention rate have never reached satisfactory levels (MED-Net Strategic Plan 2008/2009).

1.2 Statement of the Problem

The nature of organizational culture (slow decision making, hierarchical management style, emphasis on bureaucracy) and lack of employee commitment existing in MED-Net weakens the quality of service; this may explain the failure to retain good clients. MED-Net recorded a drop in the number of their clients at 25% in 2008/2009 Financial year from 10% in the 2007/2008 Financial year.

If the situation is left unchecked clients will continue to defect to other institutions in the industry.

1.3 Purpose of the Study

The purpose of the study was to investigate the relationship between organizational culture, employee commitment, service quality and customer retention at MED-Net.

1.4 Research Objectives

1. To examine the relationship between organizational culture and service quality at MED- Net.
2. To establish the relationship between organizational culture and employee Commitment at MED-Net.
3. To examine the relationship between employee commitment and service quality at MED-Net.
4. To establish the relationship between organizational culture, service quality, employee commitment and customer retention at MED-Net.

1.5 Research Questions

- 1 What is the relationship between organizational culture and service quality?
- 2 What is the relationship between organizational culture and employee commitment?
- 3 What is the relationship between employee commitment and service quality?
- 4 What is the relationship between organizational culture, service quality, employee commitment and customer retention?

1.6 Significance / Justification

The study's findings contribute to:

1. Provision of knowledge about organizational culture, employee commitment, service quality and customer retention.
2. The findings of this research could be used by MED-Net to improve on its effort to retain its clients
3. Other microfinance institutions may use these findings to improve their performance
4. Study will contribute to the already existing literature on organizational culture, employee commitment, service quality and customer retention.
5. The study findings may enhance further research in the field of organizational culture, employee commitment, service quality and customer retention.

1.7 SCOPE OF THE STUDY

1.7.1 CONCEPTUAL SCOPE

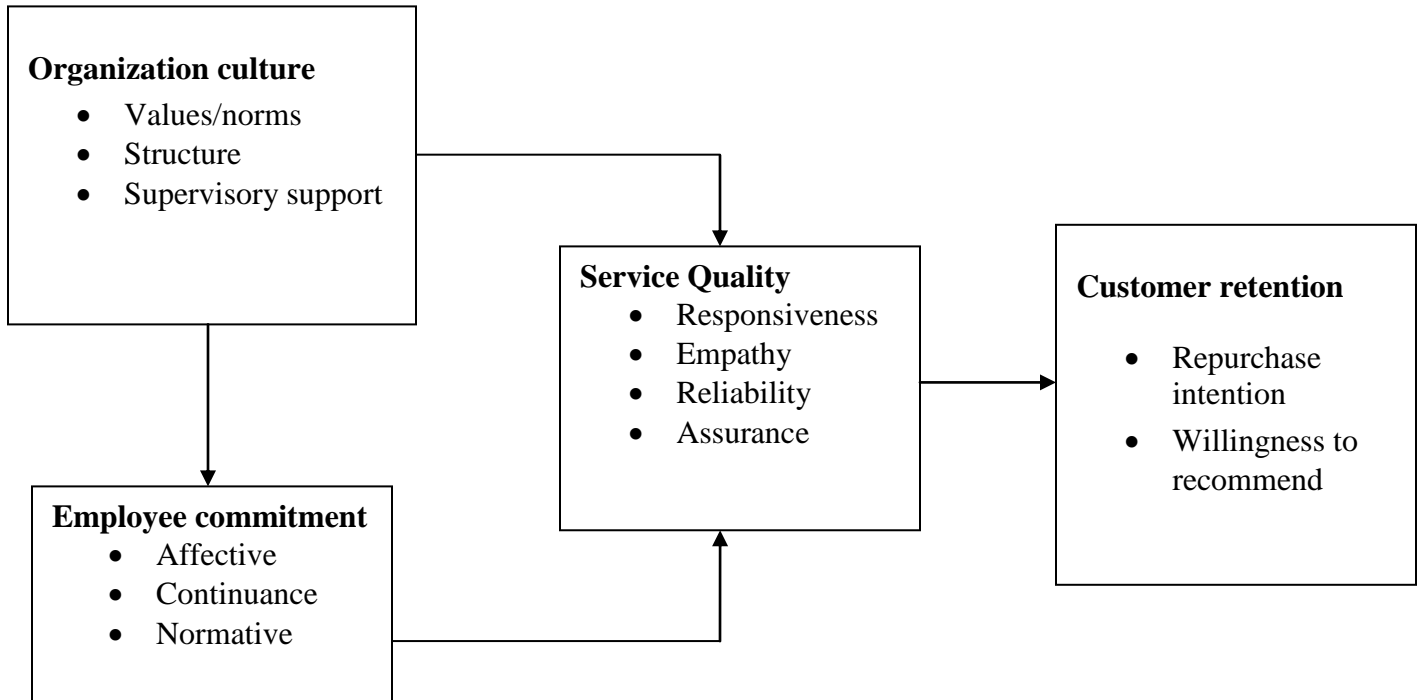
The study examined the relationship between organizational culture, employee commitment, service quality (independent variables) and customer retention (as dependent variable) at MED-Net.

1.7.2 GEOGRAPHICAL SCOPE

The geographical scope of study covered 06 of MED-Net's 12 branches. These included; City branch, Mukono branch, Mpigi branch, Buwama branch, Masaka branch and Rakai branch. It targeted a representative sample of 78 employee respondents and 90 customer

respondents making a representative sample of 168 respondents as per the guidelines given by Roscoe's simple rule of the thumb 1975.

1.8 Conceptual Frame Work



Source: Self conceptualized as guided by review of related literature

Description of the Model

The model explains the relationship and effects of the variables under study that is organizational culture, commitment of employees, service quality and customer retention.

The model explains that organizational culture that is based on a hierarchical management style, leaders who are slow at decision making, limited supervisory support coupled with low employee commitment deter offering satisfactory service quality, this leads to low customer retention. If the organizational culture is favorable, employees

commitment will be high and they will in turn offer good service quality to the customers this will lead to customer retention.

The nature of organizational culture has a direct influence on employee commitment, service quality and customer retention. If the culture in an organization is built to enhance employee commitment and service quality is emphasized, customer retention will be derived. Customer retention in most cases leads to reduced costs, increased repeat purchases, customer referrals, profitability, self sufficiency and sustainability of the Micro Finance Institution.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

Organizational culture has increasingly gained recognition in both the academic and public circles. Much attention and debates have been focused on the way it relates to employee commitment, service quality to influence customer retention. In this chapter, the concepts of organizational culture, employee commitment, service quality and customer retention and their relationship with each other are examined.

2.1 Organizational Culture

Organizational culture refers to the shared perceptions of organizational work practices within organizational units that may differ from other organizational units (Van den Beg & Wilderom, 2004). It is the interdependent set of shared values and ways of behaving that are common to the organization and tend to perpetuate themselves. (Kotter & Heskett 1992 cited in Ogaard Larsen, & Manburg, 2005). Schein (1992) defines it as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration.

At the deeper and less visible level, culture refers to the values that are shared by the people in a group and that tend to persist over time even when group membership changes.

At the more visible level, culture represents the behavior, patterns or style of an organization that new employees are automatically encouraged to follow by their fellow employees.

Schein (1990) states that culture can be defined as:

- (a) A pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and therefore, (e) is to be taught to new members as well (f) correct way to perceive, think and feel in relation to those problems

A pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide those terms of behavior in the organization (Deshpande and Webster, 1989)

Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it for example, the culture of a large profit corporate organization is quiet different from that of a hospital which is quiet different from that of a University. One can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, and what members wear.

Corporate Culture can be looked at as a system. Input includes feedback from for example, society, professions, laws, stories, heroes, values on competition or service, etc. The process is based on assumptions, values and norms, for example, values on money, time, facilities, space and people. Output or effects of culture include; organizational behavior, technologies, strategies, image, products, services and appearance.

Some organizations have very strong cultures, which mean that the core values are intensely held and widely shared within the organization.

Strong cultures have a great influence on the commitment of staff. Religious organizations, clubs, sporting teams and Japanese companies are examples of organizations with strong cultures. In large organizations, there are often sub-cultures which are shaped by the different circumstances and values within the smaller departments and teams within the organization. The core or dominant culture of an organization is modified and added to by the values within these sub-sectors

Organizational Culture affects the way in which people consciously and subconsciously think, make decisions and ultimately the way in which they perceive, feel and act (Lok & Crawford, 2004; Hansen & Wernerfelt 1989; Schein, 1990). Schein (1992) proposed three levels of organizational culture. These are basic underlying assumptions, values, artifacts and behaviour. Organisational culture can be described as bureaucratic, role task or control oriented (Lashley 1999; Ninsiima, 2003).

Organizational culture has in the last two decades drawn a lot of focus from researchers for various reasons; some of these reasons include the noticeably direct effect it has on the performance, survival and longevity of an organization (Zineldin 2005). Lok & Crawford, 2004 also suggested that organizational culture can exert considerable influence in organizations particularly in areas such as performance and commitment.

2.2 Employee Commitment

Employee commitment is defined as employees' acceptance, involvement and dedication towards achieving the organizational goals. It is the willingness of employees to accept organizational values and goals and to work towards achieving these; to be fully involved and participate in all the activities both work and non-work related of the organization and to dedicate time and effort towards the betterment of the organization (Muthuveloo & Rose, 2005).

Meyer and Allen (1991) give three dimensional constructs of commitment which are affective, normative and continuance which is sometimes labeled calculative commitment (Iverson & Buttigieng, 1999). Affective commitment refers to the employees' emotional attachment to, identification with and involvement in the organization (based on positive feelings or emotions towards the organization). Employees with a strong affective commitment continue their organizational membership because they want to do so (Gautam, Van Dick & Wagner, 2004).

Continuance commitment refers to commitment based on the costs that the employee associates with leaving the organization (Meyer & Allen, 1997; Hrebiniak and Allutio (1972) cited in Gautam Van Dick and Wagner (2004) argued that continuance commitment refers to the continued membership in an organization because of two reasons: perceived cost of leaving the organization such as reduction in pay, pension benefits or facilities and second due to the lack of alternative job opportunities.

Continuance commitment ensures that employees do not resort to exit in response to their dissatisfaction and ensure that organization members remain in their organization despite

being dissatisfied or discontented (Appelbaum, et al, 2004). This may be because such employees are likely to resort to loyalty or neglect as the response to their dissatisfaction.

Normative commitment on the other hand refers to an employee's feeling of obligation to remain with the organization (based on the employees having internalized the values and goals of the organization) (Meyer & Allen, 1997). Normative commitment means internalized pressure or feeling of obligation to continue employment due to work culture and other socially accepted norms. (Gautam, Van Dick & Waner, 2004).

2.3 Service Quality

Service quality is defined as the difference between expectations and actual performance (Ravald and Gronroos, 2000). Service quality as perceived by the customers focuses mainly on a high level of responsiveness this affects organizational culture in terms of changing the way clients are served. Service quality is further defined as focusing on meeting needs and requirements of customers and how well the service delivered matches customer expectations.

Consumer expectations are increasing and customers are becoming more critical of the service they receive hence service quality is increasingly recognized as being of key strategic value by organizations. The cost and benefit to be derived from successful service quality are highlighted by several authors, For example Crosby (1991) and Richfield and Sasser (1990) focus on the costs of attracting new customers relative to customer retention efforts, the benefits are satisfied and retained customers and employees, opportunities for cross-selling, the attraction of new customers, development

of customer relationships, increased sales and market share, enhanced corporate image, reduced costs and increased profit margins and business performance.

2.4 Organizational Culture and Employee Commitment

A committed employee according to Meyer and Allen (1997) cited in Rashid, Sambasivan & Johari 2003 is the one who stays with the organization whatever the circumstances and shares the company goals. Thus having a committed workforce would be an added advantage to an organization.

Commitment helps workers to identify with the organization's rules, rewards and values. Silverthorne (2004) found that there is a relationship between organizational culture and commitment whereby bureaucratic organizational culture had the lowest level of employee commitment.

2.5 Organizational Culture and Service Quality

Corporate personnel are increasingly of the view that the cultural values prevailing in an organization are very essential for the performance of an organization (Booth and Hamer, 2009). The way business is managed in an organization is becoming so crucial that organizations are realizing the need to give more attention to the welfare of their employees so that they can in turn create a welcoming atmosphere and good relationship with the ever needful customers (Tesco, 2008). Organizational culture has been defined by scholars as the values that are generally displayed or upheld by an organization. These values, it is argued could be coming right from the founders of the organization and get embedded in the regulatory structure and practice of the organization (Booth and Hamer, 2009).

The nature of the organizational culture in an organization has implications on the various functions of the firm such as sales and marketing (Alexandris et al 2007) the nature of the organizational culture also impacts on the quality of the service that the customer receives. Tukker and Tischner (2006) indicate that since products and services go hand in hand and the customer needs are dynamic the institution constantly has a challenge of ensuring that its values, management style and strategies are flexible if the organization is to maintain a competitive edge.

2.6 Service Quality and Customer Retention

For an organization to deliver superior value to clients does not only add benefits of customer retention but is also essential to creating and maintaining loyalty with clients. This has an impact on the preference of customers and their willingness to recommend the company's service to others (Storback et al, 1994; Rvyer, Wetzels and Bloemer, 1998). The consequence of this is that in case of a negative experience, the general level of perceived service quality will contribute to the willingness of customers to complain. Many researches have found service quality to have an influence on customer retention which also has a positive influence on intentions to recommend the service provider to others.

It is very important for companies today to build professional customer retention management systems, this is so because the cost of gaining new customers is high and the profitability of an individual customer grows permanently with the duration of the business relationship (Reinhard and Sasser, 1990).

2.7 Organizational Culture, Service Quality and Customer Retention

In trying to improve effectiveness by engaging the employees more in the organization activities, managers should explore issues relating to the influence of culture on the willingness to take on more tasks and provide quality service by all employees. Service quality has an integrating role between organizational culture and customer retention because service quality is the outcome of the internal organizational policies and practices, organizational culture is fundamental in the service process which impacts on to customer value, satisfaction and retention (Gerpott 2001).

2.8 Customer Retention and Organizational Culture

Customer retention is one of the most commonly seen outcomes of strong buyer-seller relationships (Crosby et al., 2000). Retaining customers is important to a business, as it is cheaper to keep current customers than to find new ones (Harley, 1984) in Boles, et al (1997). Customer retention can be regarded from a behavioral perspective to mean that a customer feels committed to the product/service (Oliver, 1999 in Strauss et al, 2001).

2.9 Organizational Culture, Employee Commitment, Service Quality and Customer Retention

Organizational culture that supports employee control and autonomy in work processes by reducing hierarchy is able to enhance intrinsically motivated and self directed behaviors among employees; employees can then focus offering good service and hence customer retention. When top management reduce on slow decision making, the hierarchical management style and routine in work processes, employees can work better and get more results in an environment where they feel informed and involved, similarly high

client retention rate indicates that the client derives satisfaction from the provided services, hence would see no reasonable cause to incur switching costs to get another service provider (Johnston 2003). A satisfied client will talk good about the service provided this word of mouth is likely not only to attract new clients but also cement the already existing business relationship, increase client patronage and thus client retention (Kotler 2000, Strauss et al 2001)

Regardless as to what business leaders may be trying to implement in their companies any employee interacting with customers is in a position either to increase customer retention or put it at risk (Erickson 2002). Employees in such positions should therefore be supported by the organizational culture effectively and efficiently (Evans 2002).

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The chapter presents the methodology that was used to carry out the study. It presents the research design, study population, sample size, sampling methods, data collection methods and instruments, procedure for data collection, validity and reliability, data management, analysis, measurement of variables and limitations of the study.

3.2 Research Design

The researcher used a cross sectional survey design. The design enabled the researcher to collect as much response options as possible from the organization under study. A correlation design was used to establish the existence of relationships between the independent and dependent variables.

3.3.1 Study population

The population of study comprised MED-Net's 12 branches. Managers, staff and customers of these branches were part of the study.

3.3.2 Sample Size

The researcher determined a sample size of six of MED-Net's 12 branches. This sample size was considered manageable and representative of the study. Each of the Managers from these branches was given a questionnaire this made 06 Managers, 12 employees from each of these branches was contacted; this made a total of 72 employees.

This made a total of 78 employee respondents. 15 customers from each of the six selected branches was selected, this made a total of 90 customer respondents. The total sample size was 168 respondents. The staff and customers were selected by simple random sampling method because each stood an equal chance of being selected Purposive sampling was used to select the managers. The sample size is in line with Roscoe's simple rule of the thumb 1975. The geographical area was because the selected branches had the highest number of customers.

3.4 Study Area

The study was carried out in six of MED-Net's 12 branches which included; City branch, Buwama branch, Mukono branch, Masaka branch, Mpigi and Rakai branches. Management, employees and customers of these branches were part of the study population.

3.5 Sampling Method

Purposive and convenience sampling was used in the selection of the management team and employees of the organization, this was done to ensure that personnel in high contact with customers were considered to contribute toward the study. It was also meant to enable deal with the respondents at their own convenience.

3.6 Sources of data

Data was collected from both primary and secondary sources.

- i. Primary data was collected from 168 respondents including Managers, employees and customers of MED-Net. This is because this type of data is original and was collected specifically for the problem under study.
- ii. Secondary data was sourced from published reports, journals and newspapers.

3.7 Measurement of Variables

In measuring the study variables the Likert scale and Intemised rating scale was used since they are behavioral aspects

Customer retention which is the dependent variable of the study was measured using repeat purchases, loyalty, increased referrals (Boles, Barksdale and Johnson 1997)

Organizational Culture which is the Independent variable in the study was assessed with a measure developed by Zammuto and Krakower (1991). This measure was used in several studies examing organizational culture (e.g. Bradley and Parker, 2001; Gifforg et al., 2002; Parker and Bradley, 2000) participants responded on a five point scale ranging from 1(strongly disagree) to 5 (strongly agree). The work of Lehman et al., (2002); Hoagwood, 2005; Sharp et al., (2003) also supported the self administered questionnaires.

Service quality In measuring service quality, the 22 item SERVQUAL (Parasuraman et al, 1988) adjusted to the context of microfinance institutions was used to measure the five dimensions (reliability, responsiveness, empathy, assurance and tangibility) of service

quality. These instruments have been used in hundreds of studies in financial institutions (Luk et al, 1993).

Employee Commitment was measured using Meyer et al (1997) measure.

3.8 Data collection instruments used

The primary data collection was through self – administered questionnaires. The quantitative measure on the variables was administered by structured questionnaire. These were adopted because they elicited specific responses that were easy to analyze. It was also economical in terms of time since it was easy to fill. Secondary data was collected from the management and administrative sectional reports and minutes.

3.9 Reliability and Validation of Instruments

For quality control, a pre-test of the research instrument to test its validity and reliability was done. Finally the questionnaire was checked for accuracy and completeness basing on an alpha cron-bach test of more than 0.7

The alpha cron-bach test is a measure of internal consistency of the items on each scale. It tested whether the items for each variable tap the concept. The alpha cron-bach coefficients are summarized in the table below:

Table 3.1: Reliability Coefficients

Variable	Alpha Co-efficient
Organizational Culture	.914
Employee commitment	.756
Service quality	.903
Customer retention	.737

Source: Primary data

3.10 Data Processing and Analysis

The researcher compiled, sorted, edited, classified and entered the data into the computer for analysis. The statistical package for Social Scientists (SPSS) was used in analyzing the data. In analyzing, the relationships between the independent variable, moderating and dependent variable factor analysis, correlations and multiple regressions were performed.

Cross tabulation was used to show the differences between customers and managers/employees with respect to their demographic aspects. A factor analysis was carried out to determine the actual factor loading of the items and the contribution of each factor to the different variables. Pearson's correlation was used to determine the degree of relationships between the variables. Regression analysis was used to determine the predictability (contribution) of the independent variable and moderating variable to the dependent variable.

CHAPTER FOUR

PRESENTATION OF FINDINGS OF THE STUDY

4.0 Introduction

The chapter presents the findings of the study in accordance with and in relation to the research variables and research questions of the study. The study sought to investigate the relationship between organizational culture, employee commitment, service quality and customer retention at MED-Net. In presentation of results and findings of the study the research objectives which were; Examine the relationship between organizational culture and service quality, establish the relationship between organizational culture and employee commitment, examine the relationship between employee commitment and service quality and establish the relationship between organizational culture, service quality, employee commitment and customer retention at MED-Net were followed. The chapter also presents background information of respondents that participated in the study and results are presented below.

4.1 Descriptive Statistics

The demographic characteristics of respondents was established to ascertain the nature of respondents that participated in the study in relation to their gender, category, age group, level of education, period with the institution and marital status. Cross tabulations were used to establish the covariance between these aspects and below are the results.

4.1.1 Sex of respondents

A cross tabulation was run between gender and category of respondents and results are presented in the table below.

Table 1: Cross tabulations of sex of respondents

			Respondent Category		Total
			<i>Customers</i>	<i>Staff</i>	
Gender	Male	Count	71	30	101
		Column %	55.5	56.6	55.8
	Female	Count	57	23	80
		Column %	44.5	43.4	44.2
Total		Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: primary data

From the study findings, it was revealed that male respondents that participated in the study comprised of 55.8% while the female respondents comprised of 44.2%. 70.7% of the respondents that participated in the study were customers while 29.3% were staff members. Among customers respondents 55.5% were male and 44.5% were female. Among staff members 56.6% were male respondents while 43.4% were female respondents. From the analysis of the information got from the respondents, it shows that both employee and customer composition at MED-Net seems to be dominated by males

4.1.2 Age of the respondents

A cross tabulation of age and gender of respondents was done to establish the covariance between variables and findings are presented in the table below.

Table 2: Age of respondents

			Respondent Category		Total
			Customers	Staff	
Age Group	Less than 30 yrs	Count	62	27	89
		Column %	48.4	50.9	49.2
	31 - 40 yrs	Count	48	21	69
		Column %	37.5	39.6	38.1
	41 - 50 yrs	Count	10	5	15
		Column %	7.8	9.4	8.3
	Over 50 yrs	Count	8		8
		Column %	6.3		4.4
Total	Count	128	53	181	
	Sample %	70.7	29.3	100.0	

Source: primary data

Analysis of the study results revealed that of the respondents that participated in the study 49.2% were aged less than 30 years, 38.1% were aged between 31-40 years, 8.3% were aged between 41-50 years of age and 4.4% were aged over 50 years. In the study, 70.7% were customers and 29.3% were staff members. Among customers majority (48.4%) were aged less than 30 years, 37.5% are between 31-40 years. For the staff members the majority 50.9% were aged below 30 years while 39.6% were aged between 31-40 years. This implies that most of the employees in MED-Net are below 30 years of age

4.1.3 Level of Education of the respondents

Cross tabulation of respondents level of education and respondents category was established and results are presented below.

Table 3: Level of Education of respondents

			Respondent Category		Total
			Customers	Staff	
Level of Education	<i>Diploma</i>	Count	31	8	39
		Column %	24.2	15.1	21.5
	<i>Degree</i>	Count	44	40	84
		Column %	34.4	75.5	46.4
	<i>Post Graduate</i>	Count	14	4	18
		Column %	10.9	7.5	9.9
	<i>Others</i>	Count	39	1	40
		Column %	30.5	1.9	22.1
	Total	Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: primary data

Figure 4.3 above, derived from the analysis of the information got from the respondents shows that majority of the respondents (46.4%) had a Bachelors' degree whereas, 21.5% had Diploma level Education, 9.9% of the respondents had Post Graduate degree qualification, 22.1% of respondents had other forms of education. In this category clients were 70.7% whereas staff members were 29.3%. In the analysis of the customers majority (34.4%) had a Bachelor's degree as their level of education whereas 30.5% had other forms of education. In the staff member category 75.5% had a Bachelors' degree and 15.1% had Diploma as their level of education.

4.1.4 Marital Status of the respondents

A cross tabulation between marital status of the respondents was established and the results are presented in the table below.

Table 4: Marital status of the respondents

			Respondent Category		Total
			Customers	Staff	
Marital Status	Single	Count	60	23	83
		Column %	46.9	43.4	45.9
	Married	Count	68	30	98
		Column %	53.1	56.6	54.1
Total		Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: Derived from the analysis of the information got from the respondents

From the study findings it was revealed that 54.1% of the respondents were married while 45.9% were single. Of these 70.7% were customers while 29.3% were staff members meaning that majority of the respondents were married.

The study revealed that 53.1% of the customers were married while 46.9% were single. In the staff category, it was revealed that majority 56.6% were married while 43.4% were single

4.1.5 Period spent with Microfinance Institution

The period respondents had spent interacting with the microfinance institution was established and findings are presented in the table below.

Table 5: Period respondents have spent with the Microfinance Institution

			Respondent Category		Total
			Customers	Staff	
Period with Microfinance Institution	Less than 3 yrs	Count	81	22	103
		Column %	63.3	41.5	56.9
	4 - 6 yrs	Count	36	25	61
		Column %	28.1	47.2	33.7
	7 - 8 yrs	Count	10	6	16
		Column %	7.8	11.3	8.8
	More than 8 yrs	Count	1		1
		Column %	.8		.6
	Total	Count	128	53	181
		Sample %	70.7	29.3	100.0

Source: Derived from the analysis of the information got from the respondents

The table above shows that 56.9% of the respondents had spent less than 3 years with the institution 33.7% had spent 4-6 years with the institution while 8.8% had spent 7-8 years with the institution.

In the category of customers, majority, 63.3% had spent less than 3 years with the institution, 28.1% had been with the institution for 4-6 years.

In the category of staff, majority, 47.2% had worked for the institution for 4-6 years while 41.5% had worked for the institution for less than 3 years

4.1.6 Family size being supported by Customer and Approach to MED-Net for a loan over past year

Results for size of family being supported by Customers and whether they approached MED-Net over the past year for a loan were analyzed and are presented in the table below.

Table 6: Family Size supported by respondents and whether they approached MED-Net for a loan in past year

			<i>Contacted MED-Net over past year for a loan</i>		Total
			Yes	No	
Family size being supported by the respondent	None	Count	35	17	52
		Column %	39.8	42.5	40.6
	1 – 3	Count	28	17	45
		Column %	31.8	42.5	35.2
	4 – 6	Count	15	3	18
		Column %	17.0	7.5	14.1
	More than 6	Count	10	3	13
		Column %	11.4	7.5	10.2
Total		Count	88	40	128
		Sample %	68.8	31.3	100.0

Source: Derived from the analysis of the information got from the respondents

The table above shows that, 68.8% of the customers had contacted MED-Net for a loan in the past year while 31.3% reported not applying for any loan. Among those who approached MED-Net for a loan 39.8% had no dependants while 31.8% had 1-3 dependants, 17% had 4-6 dependants. This implies that majority of the customers who contacted MED-Net for a loan in the past year had no dependants.

Means and standard deviations were performed on the study variables to examine the perceptions of both employees and customers as shown in table 4.7 below.

Table 7: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Organization culture	53	1	5	3.3671	.71846
Employee commitment	53	1	5	2.6667	.54948
Service Quality	128	1	5	3.7726	.42164
Customer Retention	128	1	5	3.7045	.56613

Source: Derived from the analysis of the information got from the respondents

There was a moderate perception of employees on organizational culture and indifferent on commitment.

Organizational culture as indicated by employees was to a moderate extent (mean= 3.367; moderate extent), while employees were not sure of commitment at MED-Net (mean=2.6667; not sure).

There was a positive perception of customers on service quality and customer retention.

Service quality and customer retention existed at MED-Net (Mean= 3.7726; 3.7045; Agree) respectively as indicated by customers.

4.2 Factor analysis of study variables

Principal component analysis and varimax rotation method were used to extract the most important factors that measured the study variables.

Organization Culture

Three factors namely; structure, leadership and supervisory support explaining 65% of organizational cultures variance were extracted with Eigen values above 1 and item loadings above ± 0.3 .

This implied that structure, leadership and supervisory support measured organizational culture.

Employee Commitment

Four factors namely; affective, calculative, continuance and normative were extracted explaining 67% of employee commitment variance with Eigen values above 1 and item loadings above ± 0.3 . This implied that affective, calculative, continuance and normative measured employee commitment.

Service Quality

Four factors namely; responsiveness, empathy, reliability and assurance were extracted explaining 61% of service delivery variance with Eigen values above 1 and item loadings above ± 0.3 .

Customer Retention

Two factors with Eigen values above 1 and item loadings above ± 0.3 were extracted explaining 50% of customer retention in terms of repurchases intention and willingness to recommend. This implied that repurchase intention and willingness to recommend measured customer retention.

Table 8: Factor Analysis for Organizational Culture

Rotated Component Matrix			
	Component		
	1	2	3
People in this organization are ambitious and ready to work hard to get ahead	.883		
It is important to treat every person equally in this organization	.861		
To you as an individual being very successful in this organization is acceptable.	.855		
Thinking up new ideas and being creative is acceptable in this organization by all members.	.801		
We are always polite to one another and to the rest of the people.	.789		
The workers in this organization have a sense of the organization's mission.	.783		
Employees show a lot of concern to seeing that they complete their day's work	.781		
People in this organization think they should do what others expect of them.	.760		
People in this organization are curious and try to understand everything.	.740		
People in this organization believe they must be honest in any situation and always tell the truth	.737		
Workers perform competently without pressure from their bosses.	.635		
Workers feel free to voice innovative suggestions to top management in this organization	.602		
People in this organization believe they should do what they are told. They believe that they should follow the rules at all times even when no one is watching.	.547		
People want to be in charge and tell others what to do in this organization		.781	
Departmental heads frequently discuss with the workers their task requirements in order to cope well with the organization's objectives		.680	
People in this organization do not like to boast or to draw attention to things they do. They want to be modest.			.861
Eigen value	7.802	1.683	1.618
% of variance	45.891	9.902	9.52

Table 9: Rotated Factor Analysis for Employee Commitment

Rotated Component Matrix				
	Component			
	1	2	3	4
It would be very hard for me to leave this organization even if I wanted to	.766			
I would be happy to spend the rest of my career with this organization	.759			
I believe in remaining loyal to one organization	.703			
I feel that there are too few options to consider leaving this organization	.660			
Even if this organization went down financially I will still be reluctant to change to another organization	.580			
Too much in my life would be disrupted if I decided to leave this organization now	.578			
If I got a better offer elsewhere I would not feel it right to leave my organization	.553			
It would be too costly for me to leave this organization now	.550			
I feel like “ part of the family in my organization”		.813		
This organization has a great deal of meaning to me		.785		
I am proud of my organization		.726		
I do not feel a strong sense of belonging to my organization			.873	
I do not feel “ emotionally” attached to this organization			.605	
I really feel as if this organization’s problems are my own			.605	
Jumping from organization to another does not seem at all ethical to me				.914
Eigen value	3.956	2.803	2.029	1.923
% of variance	24.727	17.517	12.684	12.017

Table 10: Rotated Factor Analysis for Service Quality

	Component			
	1	2	3	4
Staff have the knowledge to answer all my questions	.795			
Staff demonstrate professionalism about the service	.750			
I feel safe in my transactions with employees	.738			
Staff are dependable	.642			
Staff show a sincere interest in solving my problems	.623			
Complaints are received with a positive attitude	.591			
Staff perform the service right the first time	.461			
Loans are processed on time		.831		
Complaints are addressed within time		.685		
Staff provide a service with commitment in a timely manner		.649		
Staff have my best interests at heart		.648		
Staff are able to advise me on possible alternatives to my request, even those not provided by this organization		.569		
Employees are courteous			.732	
Staff provide personal care			.542	
The behavior of employees instills confidence in me			.539	
Staff are helpful			.509	
Staff provides all information that is needed				.682
Staff understand my specific needs				.672
Eigen value	3.842	2.984	2.205	1.913
% of variance	21.346	16.577	12.25	10.627

Table 12: Rotated Factor Analysis for Customer Retention

Rotated Component Matrix		
	Component	
	1	2
I would not have a problem giving referrals to this organization	.787	
I would provide referrals to this organization if they asked for them	.755	
If this organization asked me for suggestion of the customers I know who want to access its services I would be happy to provide them	.741	
If someone asked me to suggest a microfinance provider, I would suggest this institution	.656	
If asked, I would definitely recommend this organization to others requiring the services.	.520	
It is very likely that I will not use this microfinance institution for my next credit needs	.450	
Family size being supported by the respondent	.401	
Is MED-Net your primary microfinance provider		.899
contacted MED-Net Over Past year for a loan		.774
Eigen value	2.823	1.696
% of variance	31.369	18.842

4.3 Pearson Correlation Test

The study sought to establish the relationship between the variables of the study that were organizational culture, employee commitment, service quality and customer retention at MED-Net. The relationship between variables was established using the Pearson correlation tests (r , correlation coefficients). It should be noted that the Pearson correlation coefficient (r) tests the relationship between variables and it shows the magnitude of effect one variable has on another one and the table below presents the results.

Table 12: Relationship between the variables

	<i>Organizational Culture</i>	<i>Employee Commitment</i>	<i>Service Quality</i>	<i>Customer Retention</i>
<i>Organizational Culture</i>	1.000			
<i>Employee Commitment</i>	.487**	1.000		
<i>Service Quality</i>	.586**	.456**	1.000	
<i>Customer Retention</i>	.413**	.491**	.519**	1.000

** Correlation is significant at the 0.01 level (2-tailed).

Source: Derived from the analysis of the information got from the respondents

4.4 The relationship between study variables

4.4.1 The relationship between organizational culture and service quality at MED-Net (Objective 1)

From the analysis of results in the table above, it's indicated that there is a significant and positive relationship between organizational culture and service quality ($r = .586^{**}$, $p < 0.01$). These results imply that strengthening of organizational culture could better improve the quality of service offered.

4.4.2 The relationship between Organizational Culture and Employee Commitment at MED-Net (Objective 2)

A significant and positive relationship was observed to exist between organizational culture and employee commitment at MED-Net ($r = .487^{**}$, $p < .01$). This implies that improvement in organizational culture leads to employee commitment.

4.4.3 The relationship between Employee Commitment and Service Quality at MED-Net. (Objective 3)

The results in the table above present a significant and positive relationship between employee commitment and service quality at MED-Net ($r = .456^{**}$, $p < .01$). This implies that the presence of improved employee commitment at MED-Net will help improve the quality of service offered to customers.

4.4.4 The relationship between Organizational Culture, Service Quality, Employee Commitment and Customer Retention at MED-Net. (Objective 4)

It is observable that there is a significant positive relationship between organizational culture, service quality, employee commitment and customer retention at MED-Net as organizational culture ($.413^{**}$, $p < .01$), service quality ($.491^{**}$, $p < .01$) and employee commitment ($.519^{**}$, $p < .01$) positively relates to customer retention. This implies that improved organizational culture at MED-Net will enhance customer retention.

4.5 Regression Analysis of variables

To establish the extent to which employee commitment, service quality and organizational culture predicted customer retention at MED-Net, a prediction model using multiple linear regression analysis was used and results are presented in the table below.

Table 13: The Prediction Model

The regression model in Table 13 below was generated to show the extent to which the predictors i.e. Organizational Culture, Employee Commitment, Service Quality could explain the dependant variable (Customer retention)

	<i>Unstandardized Coefficients</i>	<i>Standardized Coefficients</i>		<i>t</i>	<i>Sig.</i>
Model	B	Std. Error	Beta		
(Constant)	1.418	.323		4.395	.000
Employee Commitment	.269	.075	.305	3.581	.000
Service Quality	.339	.090	.345	3.746	.000
Organizational Culture	.062	.094	.062	.665	.507
Dependent Variable: Customer Retention					
R	.596				
R Square	.355				
Sig.	.000				

Results in table 13 above show a combination of employee commitment, service quality and organizational culture in assessing the level to which they can predict customer retention. These variables explained 35.5% of the variance in Customer Retention (R Square =.355). The most influential predictor of customer retention was service quality (Beta = .345) with a relative importance of 3.746 (in t-test). Also employee commitment (Beta=.305) is a significant predictor of customer retention with a relative importance of 3.581(in t-test). Organizational culture is less likely to influence customer retention since it portrays no significance (.507) in the model. The implication in this model is that the nature of service quality offered by the institution and the manner in which employees are committed to doing their work significantly determines customer retention of the institution.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a discussion of the findings of the study, conclusions derived, recommendations given and areas of further research based on research findings in chapter four. Research results are discussed according to the objectives of the study in line with the research questions.

5.2 Discussion of study results

5.2.1 The Relationship between Organizational Culture and Service Quality

Findings indicated a positive significant relationship between organizational culture and service quality. This implies that setting strategies for having an Organizational culture that is customer oriented, improves the service quality in the institution. This finding relates to Tesco, (2008) who explains that the way business is managed in an organization is becoming so crucial that organizations are realizing the need to give more attention to the welfare of their employees so that they can in turn create a welcoming atmosphere and good relationship with the ever needful customers.

Customer retention directly translates into a sale which implies improved financial performance of the institution. According to Alexandris et al (2007), the nature of the organizational culture in an organization has implications on the various functions of the firm such as sales and marketing, the nature of the organizational culture also impacts on the quality of the service that the customer receives. Tukker and Tischner (2006) indicate that since products and services go hand in hand and the customer needs are dynamic the

institution constantly has a challenge of ensuring that its values, management style and strategies are flexible if the organization is to maintain a competitive edge. Therefore, an organization culture where the hierarchical structure is not over emphasized and there is supervisory support coupled with the leadership giving staff a chance to think up new and innovative ideas will improve the nature of service quality in the institution.

5.2.2 The relationship between Organizational Culture and Employee Commitment

Findings show that organizational culture positively relates to employee commitment. As Sambasivan & Johari (2003) states a committed employee is the one who stays with the organization whatever the circumstances and shares the company goals. Thus having a committed workforce would be an added advantage to an organization. This helps to improve organizational performance in various perspectives.

According to Silverthorne (2004) commitment helps workers to identify with the organization's rules, rewards and values. There is a relationship between organizational culture and commitment whereby bureaucratic organizational culture had the lowest level of employee commitment. Having an encouraging routine work schedule, smart decision making process, and an efficient hierarchical management style determines the nature of commitment employees are likely to have towards the institution. Therefore the capacity of MED-Net employees and management to show politeness to customers and be able to come up with new ideas, will result into a situation where by the employees feel they should continue working for MED-Net and are a part of the institution's family.

5.2.3 The relationship between Employee Commitment and Service Quality

From the findings, there is a positive significant relationship between employee commitment and service quality. According to Crosby (1991) employee commitment is reflected in seeing a satisfied customer. Consumer expectations are increasing and customers are becoming more critical of the service they receive hence service quality is increasingly recognized as being of key strategic value by organizations. This implies that when employees can emotionally attach themselves to the organization (affective commitment), and employees understanding that leaving the organization has implicative costs to the organization (continuance), and employees respect for the institutions values (normative) and accept to work for the institution significantly translates into the quality of services that are given to customers in the institution.

5.2.4 The relationship between Organizational Culture, Service Quality, Employee Commitment and Customer Retention.

Organizational culture, service quality and employee commitment are positively related to customer retention. According to Johnston (2003), Organizational culture that supports employee control and autonomy in work processes by reducing hierarchy is able to enhance intrinsically motivated and self directed behaviors among employees; employees can then focus on offering good service and hence customer retention. When top management reduce on slow decision making, the hierarchical management style and routine in work processes, employees can work better and get more results in an environment where they feel informed and involved, similarly high client retention rate indicates that the client derives satisfaction from the provided services, hence would see no reasonable cause to incur switching costs to get another service provider.

In line with the findings, Strauss et al (2001) explain that a satisfied client will talk good about the service provided this word of mouth is likely not only to attract new clients but also cement the already existing business relationship, increase client patronage and thus client retention. Having encouraging routine work for staff members, having effective decision making processes, an efficient management style that enable staff responsiveness, empathy, reliability, assurance in service delivery and an affective, calculative, continuance and staff normative employee commitment status can have a positive effect on customer retention.

From the findings with utmost employee commitment, customer retention likelihood is high, as Erickson (2002) explains regardless as to what business leaders may be trying to implement in their companies any employee interacting with customers is in a position either to increase customer retention or put it at risk. Employees in such positions should therefore be supported by the organizational culture effectively and efficiently (Evans 2002).

5.3 CONCLUSION

Given the findings of the study above, the following conclusions were reached;

It is evident that service quality greatly influences customer retention at MED-Net. All stakeholders in the organization are relevant in the achievement of customer retention.

The study revealed that there is a positive relationship between employee commitment and service quality.

The study further showed that there is a positive relationship between employee commitment and service quality

The study shows that where employee commitment exists, the quality of service is enhanced; the study established that organizational culture is less likely to influence customer retention since it portrays no significance. The nature of service quality offered by the institution and the manner in which employees are committed to doing their work significantly determines customer retention as per study findings.

5.4 Limitations Encountered

The following problems were encountered during the study:

1. The busy schedules of employees and customers of MED-Net made the researcher to reschedule appointments now and again.
2. The study required responses on matters of culture and practices which were fairly personal to some respondents. To remedy this however, questionnaires were sorted after being collected in order to minimize bias.
3. Time and resources could not allow the researcher to cover the total population. This was encountered by using a representative sample of branches.
4. Possibility of (higher level) of subjectivity in the responses from the respondents which may include biases in opinions were encountered using scientific sampling design

5.5 RECOMMENDATIONS

In reference to the findings of the study and the guidance derived from the literature review. It is evident that while there are several factors that are crucial for customer retention at MED-Net, service quality as reflected above plays a major role in customer retention

Employee commitment also has a strong significant relationship with customer retention therefore, basing on the literature review and the results of the study, the following recommendations are suggested:

As evidenced by the results of the sampled respondents, service quality is crucial in influencing customer retention at MED-Net, therefore it is important that management puts more emphasis on improving the quality of service offered to customers especially providing service in a timely manner as promised to the customers.

It is also important to note that while employee commitment is being improved, organization culture should as well be improved and emphasized, in effect, management of MED-Net should attempt to strengthen its systems alongside its organizational culture this is because it is notable that culture influences staff as they offer service to customers.

Finally since employee commitment and service quality are paramount to customer retention they require sufficient attention

5.6 Areas for further research

The need to retain customers in Microfinance Institutions is a vital way forward for those institutions that would like to remain competitive in the market place; retention can be achieved through offering excellent services through commitment of employees and exceeding customer expectations. Further research in areas of customer retention in all industries especially in the microfinance sector is recommended.

Further research should focus on the following areas:

1. The effect of corporate governance on customer retention in financial institutions in Uganda
2. Service quality dimensions and financial performance of financial institutions in Uganda
3. Price perception in relationship to service quality and customer retention.

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Appendix 1

MAKERERE UNIVESRTY BUSINESS SCHOOL

MED-Net Employees

Dear Respondent, This questionnaire is designed to facilitate a study on MED-Net. You have been identified as one of the resourceful persons and as such you are kindly requested to spare some of your valuable time and respond to the questions/ statements as frankly and honestly as possible. This research is purely for academic purposes and your responses will be treated with utmost confidentiality. Thank you.

Questionnaire for Employees:

Section A: Background Characteristics

B 1. Gender Male Female

B2. Age Group

Less than 30 yrs	31 – 40 yrs	41 – 50 yrs	Over 50 yrs
1	2	3	4

B 3. Highest level of education

Diploma	Degree	Post Graduate	Other (Please specify)
1	2	3	4

B 4. Marital Status

Single	Married
1	2

B 5. How long have you worked with MED-Net?

Less than 3 yrs	4 – 6 yrs	7 – 8 yrs	More than 8 yrs
1	2	3	4

SECTION 1: Organizational Culture (For employees)

Please respond to the following questions below by ticking the most appropriate number that corresponds to your level of agreement with the statement

1	2	3	4	5
To a very small extent	To a small extent	To a moderate extent	To a large extent	To a very large extent

1. We are always polite to one another and to the rest of the people.

1	2	3	4	5

2. Thinking up new ideas and being creative is acceptable in this organization by all members.

1	2	3	4	5
---	---	---	---	---

3. To you as an individual being very successful in this organization is acceptable.

1	2	3	4	5
---	---	---	---	---

1	2	3	4	5
<i>To a very small extent</i>	<i>To a small extent</i>	<i>To a moderate extent</i>	<i>To a large extent</i>	<i>To a very large extent</i>

4. It is important to do things the way you found them in this organization

1	2	3	4	5
---	---	---	---	---

5. It is important to treat every person equally in this organization

1	2	3	4	5
---	---	---	---	---

6. People want to be in charge and tell others what to do in this organization

1	2	3	4	5
---	---	---	---	---

7. People in this organization believe they must be honest in any situation and always tell the truth

1	2	3	4	5
---	---	---	---	---

8. People in this organization believe they should do what they are told. They believe that they should follow the rules at all times even when no one is watching.

1	2	3	4	5
---	---	---	---	---

9. People in this organization are ambitious and ready to work hard to get ahead

1	2	3	4	5
---	---	---	---	---

10. People in this organization are curious and try to understand everything.

1	2	3	4	5
---	---	---	---	---

11. People in this organization think they should do what others expect of them.

1	2	3	4	5
---	---	---	---	---

12. People in this organization do not like to boast or to draw attention to things they do. They want to be modest.

1	2	3	4	5
---	---	---	---	---

13. The workers in this organization have a sense of the organization's mission.

1	2	3	4	5
---	---	---	---	---

14. Workers feel free to voice innovative suggestions to top management in this organization

1	2	3	4	5
---	---	---	---	---

15. Departmental Heads frequently discuss with the workers their task requirements in order to cope well with the organization's objectives

1	2	3	4	5
---	---	---	---	---

1	2	3	4	5
<i>To a very small extent</i>	<i>To a small extent</i>	<i>To a moderate extent</i>	<i>To a large extent</i>	<i>To a very large extent</i>

16. Workers perform competently without pressure from their bosses.

1	2	3	4	5
---	---	---	---	---

17. Employees show a lot of concern to seeing that they complete their day's work

1	2	3	4	5
---	---	---	---	---

SECTION 2: EMPLOYEE COMMITMENT (To be filled by employees)

Please evaluate the following statements using these alternatives: (Write the number of your choice on the right hand side of the questions.

Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
1	2	3	4	5

1	I feel like " part of the family in my organization"	
2	I do not feel " emotionally" attached to this organization	
3	I really feel as if this organization's problems are my own	
4	I would be happy to spend the rest of my career with this organization	
5	I am proud of my organization	
6	This organization has a great deal of meaning to me	
7	I do not feel a strong sense of belonging to my organization	
8	Even if this organization went down financially I will still be reluctant to change to another organization.	
9	It would be too costly for me to leave this organization now.	
10	If I were offered a job in another organization with a slight increase in pay, I would definitely change my job	
11	Too much in my life would be disrupted if I decided to leave this organization now	
12	I feel that there are too few options to consider leaving this organization	

13	It would be very hard for me to leave this organization even if I wanted to.	
14	Jumping from organization to another does not seem at all ethical to me	
15	I believe in remaining loyal to one organization	
16	If I got a better offer elsewhere I would not feel it right to leave my organization.	

EC1 Please comment on the overall commitment of employees in the organization?

.....

...

EC2 What can be done to enhance commitment tin the organization?

.....

B7. Do you consider this microfinance institution to be your primary Microfinance provider?

Yes	No
1	2

Section C: Service Quality		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Uncertain</i>	<i>Agree</i>	<i>Strongly Agree</i>
	• Responsiveness of staff					
1	Our Loans from this Microfinance Institution are processed on time	1	2	3	4	5
2	Complaints are addressed within time	1	2	3	4	5
3	The staff of this Microfinance Institution are helpful	1	2	3	4	5
4	The staff of this Microfinance Institution are able to advise me on possible alternatives to my request, even those not provided by this organization	1	2	3	4	5
	• Empathy of staff					
1	The staff of this Microfinance Institution provide personal care	1	2	3	4	5
2	The staff of this Microfinance Institution understand my specific needs	1	2	3	4	5
3	The staff of this Microfinance Institution provide all information that is needed	1	2	3	4	5
4	The staff of this Microfinance Institution have my best interests at heart	1	2	3	4	5
	• Reliability of staff					
1	The staff of this Microfinance Institution provide a service with commitment in a timely manner	1	2	3	4	5
2	The staff of this Microfinance Institution show a sincere interest in solving my problems	1	2	3	4	5
3	The staff of this Microfinance Institution perform the service right the first time	1	2	3	4	5
4	The staff of this Microfinance Institution are dependable	1	2	3	4	5
	• Assurance of staff					
1	Complaints are received with a positive attitude	1	2	3	4	5
2	The behavior of employees at this Microfinance Institution instills confidence in me	1	2	3	4	5
3	I feel safe in my transactions with employees at this Microfinance Institution	1	2	3	4	5
4	Employees at this Microfinance Institution are courteous	1	2	3	4	5
5	The staff at this Microfinance Institution have the knowledge to answer all my questions	1	2	3	4	5
6	The staff at this Microfinance Institution demonstrate professionalism about the service	1	2	3	4	5

Section C: Customer Retention

		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Uncertain</i>	<i>Agree</i>	<i>Strongly Agree</i>
1	If asked, I would definitely recommend this Microfinance Institution to others requiring the services.	1	2	3	4	5
2	If someone asked me to suggest a Microfinance Provider, I would suggest this institution	1	2	3	4	5
3	If this Microfinance Institution asked me for suggestion of the customers I know who want to access its services I would be happy to provide them	1	2	3	4	5
4	I would not have a problem giving referrals to this Microfinance Institution	1	2	3	4	5
5	I would provide referrals to this Microfinance Institution if they asked for them	1	2	3	4	5
6	It is very likely that I will not use this Microfinance Institution for my next credit needs	1	2	3	4	5