

EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON  
PERFORMANCE OF HEALTH CARE PROVIDERS IN HOMA-BAY  
COUNTY, KENYA

BY

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DEPARTMENT OF BUSINESS ADMINISTRATION

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**DECLARATION**

This Research project is my original work and has not been presented for a Diploma or Degree in any other university.

Signed.....

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This Research project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

I dedicate my research project work to my family and many friends. A special feeling of gratitude to my supervisor Dr.Aila whose words of encouragement and push for tenacity ring in my ears. I will always appreciate all they have done, especially Dr. Aila for helping me develop my research skills.

## ABSTRACT

The consumer concept, customer orientation and interaction with customers are new areas of interest for many public run organizations like health care, yet the understanding of customer orientation, customer focus and customer satisfaction to enhance effective and efficient service delivery in health care industry in Homa Bay County is not known, given lack of prior studies in this field, which has prompted this study to be carried out. The main purpose of research study is to examine effect of customer relationship management on performance of health care providers in Homa-Bay County. Specific objectives were to examine effect of customer orientation, customer focus and customer satisfaction on performance of health care providers. using a descriptive research design. A target population of 44 staff from health care providers in Homa-Bay County were used with a sample size of 40 staffs, who were interviewed using questionnaires; the questionnaire was tested for reliability using Cronbach Alpha method of reliability test, reliability coefficient of (.926) and content validity index (CVI) had a coefficient of (0.869). A conceptual framework has been used to determine the effect of various dimensions: customer orientation; customer focus; and customer satisfaction on organizational performance. These theories guided the study: internal marketing theory; service marketing theory and service quality theory, Descriptive statistics and regression analysis were used, results for effect of customer orientation on organizational performance, indicate customer orientation (CO) has a mean  $M=6.18$  ( $SD=.43$ ) and ( $B=.228$ ,  $p =.021$ ), results for effect of customer focus on organizational performance, indicates that customer focus, has a mean  $M= 5.98$  ( $SD = .18$ ) and ( $B=-.059$ ,  $p =.812$ ), results for effect of customer satisfaction on organizational performance, indicates that customer satisfaction has a mean  $M=5.9$  ( $SD=.28$ ) and ( $B=.725$ ,  $p =.000$ ), customer orientation, customer focus and customer satisfaction together predicted 44.8 percent of the observed variance in organizational performance of health care providers in Homa Bay County, a significant model fitting ( $F=9.73$ ;  $p=.000$ ). This implies that public hospital can enhance customer satisfaction with an improvement on organizational performance. Based on findings, the study recommends that public hospitals should improve on their Customer Relationship Management dimensions, in particular customer satisfaction. Further research should be undertaken on effect of Customer Relationship Management dimensions on organizational performance in private hospitals. The findings of this study will add to the body of knowledge by building a profound foundation upon which other studies could be anchored on.

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## **LIST OF ABBREVIATIONS**

<b>CRM</b>	Customer Relationship Management.
<b>OPD</b>	Out Patient Department
<b>CO</b>	Customer Orientation
<b>CF</b>	Customer focus
<b>CS</b>	Customer Satisfaction
<b>SOCO</b>	Selling Orientation-Customer Orientation
<b>SERVQUAL</b>	Service Quality
<b>SERVPERF</b>	Service Performance
<b>SQ</b>	Service Quality
<b>UK (NHS)</b>	United Kingdom (National Health Service)
<b>BSC</b>	Balanced Score Card
<b>OP</b>	Organizational Performance
<b>SPSS</b>	Statistical Package for Social Science

## OPERATIONAL DEFINITIONS OF KEY TERMS

**Customer Orientation:** is the importance that service healthcare providers place on their customers' needs relating to service offering first and the extent to which service providers are willing to put forth in time and effort to satisfy their patients

**Customer Focus:** is the customer identification, attraction and retention.

Customer identification: is the comparison of customers' basic information used to segment and classify, as well as to clarify their characteristics and needs.

Customer attraction: after verifying the target customer, the organization is able to attract more customers through promotional activities.

Customer retention: the ability to retain customers by increasing customer satisfaction so that they are willing to make a repeat visit to the hospital.

**Customer Satisfaction:** is the evaluation of distinct healthcare dimensions and predicted by factors relating to caring, empathy, reliability, and responsiveness.

**Organization Performance:** is the evaluation of organization based on financial and non financial performance but this study will use the three non-financial performances: customer loyalty, operational excellence and organization values.

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## **CHAPTER ONE**

### **INTRODUCTION**

This chapter entails the background of the study, statement of the research problem, specific research objectives, and assumptions for the research study, scope of the study, justification of the study and conceptual framework.

#### **1.1 Background of the study**

Increasingly intense competition among healthcare providers has forced health sector to look for ways to achieve competitive advantage. Health sector operates at two-tier healthcare system within Kenya, which are Public and Private Healthcare. The government run health institutions are more focused to reduce the society's cost of seeking health services. Customer Relationship Management is one of the key strategies that aids in monitoring and maintain a good relationship with patients and how it impacts the organizational performance. Health care providers need to implement an efficient and effective Customer Relationship Management so as: to identify, attract and retain customer; to learn about patients and prospects; communicate timely, have relevant information and track results for services offered. A hospital plays a major role in maintaining and restoring the health of the people. Care of the sick and injured, preventive health care, health-related research and training of medical and paramedical staffs are general broad functions of a hospital. It involves both outpatient and inpatient hospital services and on many occasions, emergency medical services are included. The organization should recognize that a high level of customer orientation, customer focus and customer satisfaction, can only be achieved by enhancing service quality. Organizational performance is a measure and benchmark for organization to achieve their goals and objectives. (Xu et al., 2002, Adiele & Gabriel, 2013).

CRM is about making each and every customer feel like they have a one-to-one relationship with you. Effective CRM gives you the opportunity to show your customers that you know and recognize them, you understand them, you care about their needs, questions and concerns, you want to deliver services and products they need the most, you appreciate their time, winning their trust and making them your permanent customers. Management should align organizations' goals to meet customers' need which will attract and retain existing customers (Eskafi, Hossein Hosseini& Yazd, 2013).

Xu *et al.* (2002) believes that successful organization uses information wisely to build relationship with their customers, who lead to creating long-time relationship and a delighted customers. They wished that organizations should have central customer database where every employee can know each customer better and can also access the information to help in meeting the needs of your existing customers and in identifying new customers, resulting in customer satisfaction, brand equity and help you achieve competitive advantage.

To achieve an efficient customer relationship management (CRM) you need to have a system that will aid in collection of information about your patients, have a way to analyze the collected information, also develop a strategy for applying the analysis to better meet your patients' needs.

According Boateng (2014) customer orientation entails the employees' predisposition to meet the customers' needs; the essence of customer orientation (CO) is to increase long time satisfaction and to create loyal customers. Focal points that deal with patients directly should have staffs that are well motivated and rewarded in order to enable them build a friendly and long lasting relationship with these patients by giving best treatment. Based on a study of Customer orientation in Swedish county council, Karlsson *et al.* (2016) found that customer orientation customer orientation (CO) in healthcare is the way patients can participate in various ways to improve their own health. They noted that customer concept is key in quality and processes management. They believed that health care personnel requires quality support functions to improve their ability to satisfy patients' needs, and customer satisfaction is created through value chains of activities and processes that are performed to provide valuable services to the customers.

Halliday, (2002) noted that customer orientation has to do with information, using that information well in changing the behaviours, services and needs of customers. The customer orientation (CO) of service providers is unknown, yet service provider and the patient embodies the service, according to service marketing theory.

Eskafi *et al.* (2013) did a study on state-owned Khorazan-e-Razavi Telecom: 'The value of Telecom subscribers and Customer Relationship Management' they noted that organizations should prioritise gaining customers' satisfaction to be their main objective in service delivery. Customer Relationship Management (CRM) could be taken as wider customer focus strategy aimed at identifying, knowing and servicing the patients by integrating technology to create a personal, caring and service- oriented environment.

Preceding studies have identified growth in organizations which have efficient customer relationship management to includes: customers become loyal, to have a repeat purchase or revisit to facility, to maximize life time value of customer, word of mouth referrals, to understand their customers' needs and to serve them better, create more satisfied customers and, customers help organizations deliver their goals, reduction of uncertainties in conducting business. CRM also benefits the customers in that they will have increased confidence on services provided, trust on the service providers and know them at personal level, (Chahal & Kumari, 2011, Fathi et al, 2008).

In the review of various literatures, helped the researcher to examine how others have described and assessed CRM processes in various fields to provide background for this study, it confirmed that few empirical and analytical studies have been conducted on effect of CRM on performance, and most studies don't show the relationship between customer orientations and the need for health care providers in Homa-Bay County to design customer oriented services, customer focus and customer satisfaction with organizational performances. The review of literature also revealed a number of models and frameworks that addressed one or more aspects of CRM. Most studies were carried out in foreign countries hence there is need to carry out a study that show relationship between these CRM dimensions with increase organization performance within healthcare and in a Kenyan context, thus leading to development of the study objectives.

## **1.2 Statement of the Research Problem**

The customer relationship management is being jeopardized by inability to collect, integrate; apply data in a meaningful way and disconnected systems in health care industry. This has resulted to preeminent challenges of implementing an effective customer relationship management, these challenges include: quality of patient data; alignment of people and process; lack of skilled people; determine the right time for patient needs; using patient's data more intelligently; incorporating patient data and patient preferences to the patients' database; and having 360 degree view of patients (single view of patients) Unless separated systems are connected, the information they contain can't be leveraged to best advantage. Studies of this kind have not been carried out in Kenya context, specifically Homa-Bay County region with respect to health care sector. There is need to undertake a survey, in order to be able to understand all dimensions of CRM (customer orientation, customer focus and customer satisfaction) and to understand effect they have on performance of health care

provision. In this context this research study is making an attempt to understand the association of the dimensions of CRM on performance of healthcare providers.

### **1.3 Research objectives**

The main objective of this study is to examine effect of customer relationship management on performance of healthcare providers. Specific objectives of the study were to:

- i. Examine the effect of customer orientation on organizational performance of health care providers.
- ii. Examine the effect of customer focus on organizational performance health care providers.
- iii. Examine the effect of customer's satisfaction on organizational performance of health care providers.

### **1.4 Research hypotheses**

The study was guided by the following null hypotheses:

*H<sub>01</sub>*: Customer orientation has no effect on organizational performance.

*H<sub>02</sub>*: Customer focus has no effect on organizational performance.

*H<sub>03</sub>*: Customer satisfaction has no effect on organizational performance.

### **1.5 Scope of the study**

In this study we only investigated effect of CRM on performance of health-care provider. This research study examined what does CRM contributes to organization performance in 10 Sub-County Hospitals (Level 4) in Homa-Bay County (Homa-Bay District Hospital, Kandiege, Suba, Kabondo, Kendu-Bay, Kisegi, Mbita, Rangwe, Ogongo and Ndhiwa). All necessary information were gathered with the questionnaires which were dispatched to four staffs (Medical superintendent, Hospital Administrator, Nurse in-charge and Officer in-charge Out Patient Department) of the mentioned hospitals.

### **1.6 Justification of the study**

Public hospitals face intense competition from private health-care providers, coupled with patients, who want health care institutions to understand their desire for comprehensive care. Having efficient customer relationship management (CRM) systems will enable these public hospitals identify, attract, serve and retain their patients. This informed this study to examine three dimensions customer orientation (CO), customer focus (CF) and customer satisfaction

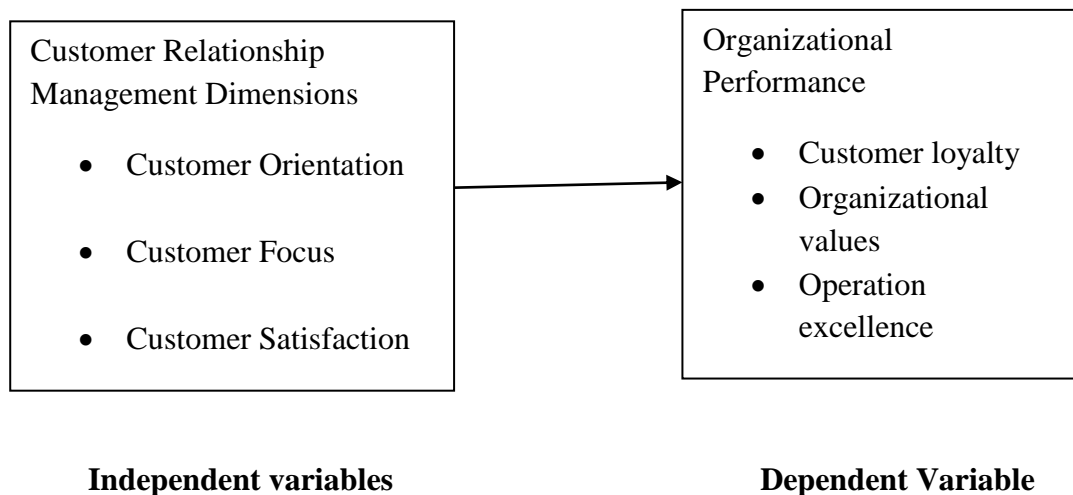


(CS) and how they impact performance. The study will contribute a lot to both academia and in practice on effective CRM which can lead to great organizational performance.

### 1.7 Conceptual Framework

Firstly, the model presented in the Figure1.1 seeks to explain factors when taken into account would help develop an effective customer relation management within the healthcare industry. Secondly, examine the interplay of these factors/dimensions of CRM during the uptake of services by the customers (patients, relatives and friends) and also to evaluate them as predictors of customer orientation, customer focus, customer satisfaction and performance on health care providers. Finally, the understanding will help healthcare industry both public and private to develop strategies that will make their services customer-centric and achieve competitive advantage.

This model in Figure1.1 proposes that performance on health care as the dependent variable is directly influenced by: customer orientation; customer focus and customer satisfaction as independent variables whereas organizational performance as dependent variable.



Source: modified and adopted from Operationalization of Customer Relationship Management and Business Performance by Adiele *et al.* (2013)

Figure 1.1: **conceptual framework for effect of customer relationship management on organizational performance.**

## CHAPTER TWO

### LITERATURE REVIEW

#### **2.1 Theories that justify the study**

Internal marketing theory, service marketing theory and service quality theory are the theories helping to develop a good and effective CRM in healthcare industry.

##### **2.1.1 Internal marketing theory**

Internal marketing is enabling the promise or involves activities that instil and maintain strong service mentality in the mindset of employees, these include what organization undertake to train, motivate, reward its employees, woo and win over the heart and minds of its employees to achieve service excellence. Internal marketing pay attention to values, attitudes, beliefs and personalities of employees offering services. Internal marketing theory helps institutions develop customer conscious and care oriented personnel, who do their best, follow laid down procedures and policies in order to support the service needed by patients. Institutions should launch any service scheme only after getting the acceptance of the patients/customers. Internal marketing theory indicates that unless the staffs are motivated they won't create customer satisfaction and can be used to achieve service excellence within an organization (Kottler& Keller, 2012, Halliday, 2002)

Bellou (2010) defines customer orientation (CO) as the ability of service providers to adjust their services in a way that reflects patient's reality, she acknowledges that internal marketing theory aids organizations' employees who are the internal customers to provide services to external customers who are the patients and their relations; their role is to deliver care of high quality and satisfying patients. Employees will be willing to do their best in order to satisfy the needs of patients only after effective internal exchanges at employees' level have taken place. Unless a healthcare provider focuses on internal excellence, other than the market, achievement and organizational effectiveness cannot be achieved.

##### **2.1.2 Service Marketing Theory**

Gronross (1982) in his study on 'An applied service marketing theory' identified five variables which are important for organizations which want to develop customer oriented services: service concept; the accessibility of the service; the interactive personnel/customer communication; auxiliary services and customer influence. Service marketing theory help to market services which are intangible to be offered and sold. In service marketing,

organization make promise to its customers; they can focus on promotion, endorsement, word of mouth, referrals and personal selling, all these are aimed at creating a customer focus and attaining customer satisfaction. Hospitals should consider their patients and their relatives as a marketer since better services in your healthcare facility induces patients to promote that hospital by word of mouth. Healthcare providers should have various service concepts and make them accessible to their patients. Better services should be provided at low and affordable prices to attract, retain and satisfy patients. Apart from pricing, up-to-date facility, well qualified doctors or nurses or clinical officers and well behaved hospital staffs contribute in promoting services and hospital in general. Once the awareness of your hospital spreads to the potential customers, automatically the patients seeking services will be increased.

### **2.1.3 Service Quality theory**

Service quality theory proposed by Gronroos (1984) looks at quality of services being offered in the lenses of expected services and perceived services, promised versus performed services. During production and consumption of healthcare services the customer/patient and with their relatives usually will find a lot of resources and activities to notice and evaluate. The patient/customer perceives quality of a given service to be the outcome of an evaluation process where he/she compares the expectation with service he/she has received. Service quality theory Parasuraman et al, (1985) believes that customer satisfaction develops, over points of contact, into improved perceived service quality. They believed there exist gaps between: executive's perceptions and customers expectations; management perceptions of consumer expectations and the quality of service offered by the firm; service quality specification and actual service delivered; actual service delivery and external communication about the service.

## **2.2 Review of Empirical studies**

### **2.2.1 Effect of Customer Orientation on organization performance**

Karlsson *et al.* (2016) reported a study whose aim was to describe the development towards a stronger customer orientation in a large healthcare support function in a Swedish County Council from a management team perspective. Secondary data were gathered from business plans and annual reports from 2003 and 2012 resulting in 20 documents spanning 253 pages. Semi-structured individual interviews were performed with 10 top management team

members. Secondary data showed that developments of business plans over time indicated: core processes were established in 2008; a vision and a value system in 2009; four prioritised strategies ('Making it easier for customers to be a customer', 'Collaboration ensures quality'; 'From manager to leader' and 'Toward a learning organization') in 2011; an overarching goal in 2012; and finally a new vision in 2013. Interview results indicated that the management team members stated a will to move toward a more customer oriented organization, which was reflected in the intentions to satisfy the customers in terms of quality, to learn more about customer needs and to involve customers in service development.

Halliday, (2002) reported findings from barriers to customer orientation, a three year longitudinal study into the perception of service quality by pregnant women and midwives. In United Kingdom (National Health Service) maternity services, the study used narratives of midwives views link with text of women perceptions of the midwives' work over 9 months of maternity care. The study investigated whether and to what extent women centred care is being carried out. A triangulation of interviews with group of midwives with observation of midwives and their midwives to reflect upon what midwifery meant to the midwives and what seemed to be their concerns. Semi structured interviews had two stages, the first stage comprise of 20-35 weeks pregnant women and with their midwives and the second stage had five focus groups with midwives working in the provider unit and connected clinics.

The study found cultural dynamics as defensive and retrospective, the pregnant women gain less value, since she loses the expert help she desired and has to accept the information she is given from the authoritative midwife. The concern which was raised in this case study found that culture is diverse, firmly rooted in the past and effectively transmitted to new entrants to the profession.

Gazzoliet *al.* (20013) reported finding from their study that the relationship between employee-level customer orientation (CO) and customer's perception of interaction quality is being mediated by job satisfaction and employee commitment. In a survey conducted at several restaurants from single chain in USA, they used a two-way sample design to integrated employees responses with customer responses: the first was through questionnaire which measured the service –worker customer oriented levels, job satisfaction, and employee commitment; the second instrument captured interaction quality and customer satisfaction. They developed a 13-item customer orientation (CO) scale which comprised 4 dimensions: need to pamper the customer; need to read customer's need; need for personal relationship and need to deliver the services required. They were measured on 7 point Likert type of scale

‘1- Strongly disagree to 7 –Strongly agree.’ Customer’s perception of Interaction Quality measurement reflected in their proposed SERVPERF construct, the scale includes 9 items representing the sub-dimensions of Interaction Quality (altitude, behaviour and expertise). Data was aggregated at individual level and group level which represented company units. The study highlights the importance of attracting, developing and retaining employees who display customer oriented personality. Those who have lower levels of customer orientation (CO) should go through specific intervention that may increase the level of customer orientation (CO), or place them in position which contact with customer is not extensive. Employees should have meaningful, competence, self determination and impact when dealing with customers.

In the a study done on Customer Orientation i a Swedish County Council and Barriers to customer orientation were drawn from health sector whereas the third study came from hospitality industry. Karlsson, (2016) used management team and secondary data while Halliday, (2002) used narratives from pregnant women, midwives for 3 years, whereas Gazzoli, (2013) uses cross-section data. The first and second studies respectively are qualitative in nature while Gazzoli, (2013) used confirmatory factor analysis. Respective studies has strengths such as in Karlsson et al.(2016) in their study shows the development of customer orientation (CO) in public support organization, Halliday,(2002) shows how cultural dynamics limits development of customer orientation and Gazzoli, (2013) used confirmatory factor analysis to link customer orientation (CO) to customer satisfaction. Weakness, none of the studies link customer orientation (CO) to organizational performance, moreover all studies are in foreign context. There is no evidence linking customer orientation to organizational performance in the Kenyan context of Health provision in the devolved system of governance.

### **2.2.2 Effect of Customer focus on organizational performance**

Eskafi *et al.* (2013) in their study ‘The value of telecom subscribers and customer relationship management’ which was cross-sectional in nature captured the entire mobile subscribers of Khorasan-e-Razavi Telecom Company and used Wang’s model in an Islamic country (Iran). The survey was descriptive-correlational in nature it was to investigate potential relationship between variables rather than the causes of such relationship. The study identify for a company to attract and retain existing customer the company need to align its objectives with customer demands and perceptions. Within telecommunication industry management should develop customer focused- structures, policies, culture and reward

systems which help in identification, attraction and retention of customers. The study identified market automation which aid CRM to provide up-to date information about customers' buying habits so the most effective campaigns can be launched to current customers and attract new customers. They identify six mutually dependent criteria: emphasis on quality; measuring customer satisfaction but managing customer service; investing in people; maintaining dialogue with customers; setting realistic targets and assessing performance and relationship-based interface. They noted shortcomings of state owned enterprises and their non-competitive nature.

Gustaffsson, Johnson & Roos, (2005) reported finding from a survey and cross sectional data collected through qualitative interviews from customers of a large Swedish Telecommunication company about the effect of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. They identify three drivers of retention that is customer satisfaction, affective and calculative commitment, and situational and reactional triggers. They noted customer satisfaction (CS) is primary driver of retention, so to attain customer retention the firm should aim at improving products and service quality, whereas if affective or calculative commitment is the driver for retention then the organization should build more direct relationship with customers or build switching barriers in relation to competition.

Adiele & Gabriel, (2013) noted in their finding from nomothenic methodology of study to examine impacts of CRM on the business performance of Nigeria money deposit banks, primary data was collected using 40 copies of structured questionnaire from 10 general and top managers of banks in South-South zone in Nigeria. The noted retail financial services are affected by driven change, deregulation and customer sophistication. The hypotheses were tested using Spearman Rank Correlation Coefficient (SRCC) which was facilitated by SPSS. They believe that CRM begins with customer identification which refers to customer acquisition, analysing customer who are being lost to competition and how they can be won back. Customer retention can be defined as the marketing goal of keeping your customer from going to the competitor. The study found that customer identification and retention has more impact on performance.

The first was on the value of telecom subscribers and customer relationship and second study was on the effects of customer satisfaction, relationship commitment dimensions and triggers on customer retention, they were carried out in Telecommunication industry while the third was in banking sector, one in Iran, another in Sweden and Nigeria respectively. Both studies 1&2 used survey and cross sectional data whereas the third used nomothenic methodology

and they were qualitative in nature. They had limitation Eskafi, (2013) noted the nature on how the state institutions are run, and they lack competition whereas Gustaffsson, (2005) acknowledges that nine months was too short to determine retention. Weakness, none of the studies link value of customers or retention to organization performance, moreover all studies are in foreign context. There is no evidence linking customer focus (identification and retention) to organizational performance in the Kenyan context of Health provision in the devolved system of governance.

### **2.2.3 Effect of Customer satisfaction on organizational performance**

Eiriz & Figueiredo, (2005) reported finding from a systematic review of literature on how healthcare services quality should be evaluated by customers only, in Portuguese healthcare industry. Study identifies changes in: healthcare ownership; customers' attitudes towards healthcare, concerns and demands. The study recognises the importance of quality evaluation of health care services as means of increasing customer satisfaction. Healthcare quality can be studied in two levels: one level, it can be assessed as a performance issue related to the entire health care system at organization; another level, patients and doctors/nurses involved in service delivery can assess healthcare quality. The study identified four satisfaction dimensions which affect patients' perception: doctor conduct; service availability; confidence and efficiency/outcomes. To have a reliable inquiry on healthcare quality involve all the actors such as senior and middle managers, doctors/nurses, patients/ (relatives, family) due to difference between expectation and perceptions of each actor. Parasuraman *et al.* (1985) identified 10 criteria which a customer uses to evaluate service quality using factor analysis, they were later reduced through empirical research to 5 SERVQUAL dimensions used by consumers when evaluation services: tangibles; reliability; responsiveness; assurance and empathy, Parasuraman *et al.* (1988).

Chalal & Kumari, (2011) reported finding from primary data collected from an indoor patients to evaluate customer relationship dynamics in healthcare sector, patients were drawn from departments such as general medicine, paediatrics, general surgery, gynaecology, ENT and orthopaedics of Udhampur Hospital India. Stratified random sampling from May – August 2007 was used to identify the participants to the study, personal contact was used to reach each patient, cross-sectional research design was adopted. Data validity and reliability was assessed using exploratory factor analysis. The study provides important insight for CRM theory and practice in understanding Service Quality, Customer Satisfaction and loyalty which helps in effective service management and retention customers. Learning

effects, by virtue of consistent and repeated transactions of customer with organization results in customer satisfaction.

Eskafi *et al.*, (2013) in their study ‘The value of telecom subscribers and customer relationship management’ which was cross-sectional in nature captured the entire mobile subscribers of Khorasan-e-Razavi Telecom Company and used Wang’s model in a Islamic country (Iran). The survey was descriptive-correlation in nature it was to investigate potential relationship between variables rather than the causes of such relationship. The study identifies new business trends; gaining customers’ satisfaction has a high order within companies’ objectives. Within telecommunication industry management should develop customer focused- structures, policies, culture and reward systems which help in identification, attraction and retention of customers. The study identified market automation which aid CRM to provide up-to date information about customers’ buying habits so the most effective campaigns can be launched to current customers and attract new customers. They identify six mutually dependent criteria: emphasis on quality; measuring customer satisfaction but managing customer service; investing in people; maintaining dialogue with customers; setting realistic targets and assessing performance and relationship-based interface. They noted shortcomings of state owned enterprises and their non-competitive nature.

The first study was done on quality evaluation in health care services based on customer-provider relationships whereas the second study was done on evaluating customer relationship dynamics in health care sector through in-door patients’ judgement, they were drawn from health sector while the third study is from Telecommunication industry and they were done in following countries: Portuguese; India and Iran respectively. Eiriz & Figueiredo, (2005) showed different actors has different expectation and perception about service quality and used systematic review of the literature, while Chalal & Kumari, (2011) used cross-sectional, used primary data from a sample size of 380 indoor patients who were associated with hospital for more than three years and present more than four to five stay in the six departments mentioned above. Whereas Eskaf *et al.*, (2013) used a cross-sectional survey on the entire mobile subscribers of a state owned telecommunication in Iran. Eiriz & Figueiredo, (2005) showed the development of a framework for evaluating the quality of Portuguese healthcare organizations. Chalal & Kumari, (2011) investigated the effects of service quality, interaction quality and physical environment quality on customer satisfaction. Notable weakness, two studies are in healthcare but not in the Kenyan context, none link



customer satisfaction to organizational performance. There is no evidence linking customer satisfaction with organizational performance in the Kenyan context of health provision in the devolved system of governance.

#### **2.2.4 Summary**

For a health institution to be patient centric they should care about ongoing relationship, education, prevention and overall wellbeing of their patients/customers. An effective and efficient CRM should help in identification, attraction, maintaining, satisfying and retaining their patients/customers. This can be achieved if CRM permeates from all functioning points that handle patients whether in outpatient department (OPD), in-patients, in the laboratory, pharmacy, or in administration/ management units. The types of staffs you have can also make a great difference in having an efficient and effective CRM system within an institution, so the employees should be well trained, motivated, rewarded to exude confidence when dealing with patients, this will create confidence in the whole process of providing the services offered.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This study is quantitative in nature and describes effect of customer relationship management on performance of health care providers. Multiple regression analysis is used in identifying effect independent variables have on the dependent variable.

#### **3.2 Study Area**

Homa-Bay County is the area of study. It is located in the former South Nyanza. Homa Bay county has a population of 963,794 and has an area of 3,154.7km<sup>2</sup>, with coordinates: (0.5287<sup>0</sup>S, 34.4594<sup>0</sup>E), bordering Kisii to East, Migori to the South and is located 130 km south of Kisumu City.

#### **3.3 Target Population**

The respondents are members of the ten selected Level 4 sub-county hospitals within Homa-Bay County (Homa-Bay District Hospital, Kandiege, Suba, Kabondo, Kendu-Bay, Kisegi, Mbita, Rangwe, Ogongo and Ndhiwa). The questionnaires were administered to 40 members from the targeted population of 44 that is (Medical superintendent, Nurse in –charge, Hospital administrator, and Officer in-charge of OPD) who have direct contact with patients.

#### **3.4 Sample Frame**

The sample size of the study were drawn from the 10 health care providers in Homa Bay Count, the county has only 10 health care facilities which are in Level-4 category (which act as referral facility for health centres and clinics within the district), so all the facilities were chosen. Four staffs were chosen (Medical superintendent, Nurse in –charge, Hospital administrator, and Officer in-charge of OPD) who represent all the characteristics of other staffs. The study had a sample size of 40.

#### **3.5Data Collection Method**

This is a quantitative study; the data was collected by direct interaction with individual respondents on a one to one basis. The primary data was collected through questionnaire by visiting the selected 10 sub county hospitals (Homa-Bay District Hospital, Kandiege, Suba, Kabondo, Kendu-Bay, Kisegi, Mbita, Rangwe, Ogongo and Ndhiwa). The data for this study was gathered from different respondents that may have adequate information about customers/patients.

### **3.5.1 Sources of data**

Primary data was collected using the structured questionnaires that were given to for staffs of each of the selected hospitals (Homa-Bay District Hospital, Kandiege, Suba, Kabondo, Kendu-Bay, Kisegi, Mbita, Rangwe, Ogongo and Ndhiwa).

### **3.5.2 Data Collection Procedure**

A go-head and a letter of introduction from Maseno University which gave the researcher permission to collect data from the randomly sampled Hospitals in Homa-Bay Counties in order to conduct this study. The researcher made a schedule on how to visit the hospitals to administer the questionnaires and conduct the interviews. The questionnaire contains Likert scale.

### **3.5.3 Instruments of Data Collection**

The researcher designed a questionnaire that was used in collecting quantitative data for the study. The SOCO which was developed by Saxe & Weitz (1982) to measure customer orientation of salespeople, customer orientation is a concept if used by health care givers to their patients, to help staffs make decisions that will satisfy customers. It was chosen because it has variables that help the staffs develop customer orientation. SERVQUAL was developed Parasuraman *et al*, (1985) to help service providers to measure the ever elusive construct of quality and Balanced Score Card (BSC) developed by Kaplan & Norton (1992) were modified to create a questionnaire that suit the research study. Respondents of the research are the staffs of selected healthcare providers.

### **3.5.4 Reliability Test(s) for Instrument of Data Collection**

The questionnaire was tested for reliability by using Cronbach Alpha method reliability test. Cronbach's alpha is a measure of internal consistency, to determine how closely related a set of items are as a group. It's considered to be a measure of scale reliability. Reliability coefficient of .70 or higher is considered acceptable in most social science research.

**Table 3.1 Case Processing Summary**

		N	%
Case s	Valid	40	100.0
	Exclud ed <sup>a</sup>	0	.0
	Total	40	100.0

**Source: Survey(2017)**

**Table 3.2: Reliability Statistics**

Cronbach's Alpha	N of Items
.926	27

**Source: Survey (2017)**

Table 3.2 present reliability statistics of 27 items in the questionnaire, the items had an overall Cronbach alpha of (.926) which is above the required (.70) to pass the test of reliability.

**Table 3.3 Cronbach alpha of Customer Orientation**

	Cronbach's Alpha if Item Deleted
Customer first	.941
Give correct information when patients demand so	.928
Provide services as per the patient's expectation	.931
Take care of customer's suggestions and complaints	.958

**Source: Survey (2017)**

Table 3.3 Cronbach alpha for customer orientation items: Customer first had a coefficient of (.941); Give correct information when patients demand so has a coefficient of (.928); Provide services as per the patient’s expectation has a coefficient of (.931); Take care of customer’s suggestions and complaints has a coefficient of (.958) which are above the required has a coefficient of (.700). There is internal consistency within the test items and closely related as a group.

**Table 3.4 Cronbach alpha for Customer Focus**

	Cronbach's Alpha if Item Deleted
Our healthcare facility can effectively analyze and compare patient data to understand patient characteristic	.855
Our healthcare facility can segment and classify our patient in order to provide effective services that suit our patients	.855
Our healthcare facility can design customized services based on patient preference	.806
Our patients are willing to revisit the healthcare facility	.842
Our healthcare facility always maintain close interaction with our patients to establish long time relationships	.820

**Source: Survey (2017)**

Table 3.4 present Cronbach alpha Reliability test result for Customer focus: the items have a coefficient above (.800) which indicates that the items are closely related as a group and has internal consistency.

**Table 3.5 Cronbach alpha for Customer Satisfaction**

	Cronbach's Alpha if Item Deleted
Have up to date modern technology and facilities	.956
It's physical environment is appealing	.958
Provides its services at the right time it promised to do so	.950
Performs the services right the first time	.955
Doctors/Nurses/Clinicians have a wide spectrum of knowledge and competence	.950
Keeping records correctly	.952
Consistent in its service delivery	.951
The personnel give prompt services	.951
The personnel are never too busy to respond to my request	.954
The personnel are always willing to provide services	.958
Have my best interest at heart	.954
The personnel give patients special attention	.952
Does patients feel safe in their visits	.953
Have knowledgeable employees to answer patients' questions	.953
The action of personnel instil confidence in patients	.953

**Source: Survey (2017)**

Table 3.5 Cronbach alpha for Customer satisfaction: the fifteen test items had a coefficient of above (.900), that shows how closely related are the items as a group and they have an internal consistency.

**Table 3.6 Cronbach alpha for Organizational performance**

	Cronbach's Alpha if Item Deleted
Enhance customer loyalty	.946
Achieve organizational values	.837
Promoting effective channels and pursuing operational excellence	.884

**Source: Survey (2017)**

Table 3.6 present Cronbach alpha for organizational performance which has three test items: Enhance customer loyalty has a coefficient of (.946); Achieve organizational values has a coefficient of (.837); and Promoting effective channels and pursuing operational excellence has a coefficient of (.884), this indicates a closely related items as a group and has internal consistency.

### **3.5.5 Validity Test(s) for Instrument of Data Collection**

Validity is the extent to which an instrument measures what it is supposed to measure and performs as it is designed to perform. To establish validity, the instrument was given to two experts to evaluate the relevance of the each item on the scale of : very relevant (4); quite relevant (3); somewhat relevant (2) and not relevant (1). Validity was determined by using Content Validity Index (CVI). CVI is item rated 3 or 4 by both judges divided by the total number of items in the questionnaire. The CVI of 0.70 is acceptable in research.

$$CVI = \frac{K}{N} = \frac{20}{23} = 0.869$$

Where:

K= Total number of items in the questionnaire declared valid by both judges.

N= Total number of items in the questionnaire.

The computed Content Validity Index (CVI) of the instrument was alpha =0.869

### **3.6 Data Analysis/ Presentation**

Data was analysed using SPSS version 20; regression analysis is useful for identifying the main factors related with independent variables that affect the dependent variable. According to the conceptual framework in which the dependent variable organizational performance is associated with: customer orientation, customer focus and customer satisfaction. The dependent variable in the regression equation works as a function of independent variables

plus constant and error term. The results from each objective associated with organizational performance were analysed using descriptive statistics and tabulated.

Regression model:

The regression model:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where  $b_0$  is constant, it gives the dependent variable a value when all independent variables are zero, and it determine where regression line meets the Y-axis;  $b_1...b_3$  are coefficients that represent the estimated change in dependent variable. We use a regression analysis to gain a deeper understanding about relationship between customer orientations, customer focus and customer satisfaction. Independent variables (X) the proposed three dimensions are treated as independent variables in the regression model: the customer orientation ( $X_1$ ), customer focus ( $X_2$ ), and Customer Satisfaction ( $X_3$ ) Dependent Variable (Y) organizational performance is treated as dependent variable.

### **3.7 Research Ethics**

The researcher made every effort to guarantee the respondents' rights to privacy was respected all the times during the research period. All respondents were made aware of informed consent and voluntary participation, while an assurance of confidentiality of information given, and finally the researcher did not make any citations that may compromise the respondent's confidentiality.



## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

This chapter presents finding of the study, which has been discussed under various study objectives. The key areas include demographic characteristics of respondents, customer orientation and organization performance, customer focus and organization performance, customer satisfaction and finally organization performance. These results are summarized below.

#### 4.1 Demographic Characteristic of Respondents

Four categories of respondents were identified namely ministry of health (MOH) superintendent, Nurse in-Charge, Hospital Administrator and officer in charge of outpatient department (OPD). Demographic characteristics that were considered included age, gender, and level of education of respondents. This gave an insight on understanding effect of variables under study on organizational performance.

**Table 4.1 Demographic Characteristics of Respondents**

	Frequency	Percent		Cumulative Percent
<b>Gender</b>				
Male	17	42.5	42.5	42.5
Female	23	57.5	57.5	100
<b>Total</b>	<b>40</b>	<b>100.0</b>	<b>100.0</b>	
<b>Age</b>				
25-30 years	6	15.0	15.0	17.5
31-34 years	8	20.0	20.0	37.5
35-40 years	7	17.5	17.5	55.0
41-44 years	11	27.5	27.5	82.5
45-50 years	4	10.0	10.0	92.5
Above 50 years	3	7.5	7.5	100.0
<b>Total</b>	<b>40</b>	<b>100.0</b>	<b>100.0</b>	

**Education level**

College	28	70.0	70.0	70.0
University	12	30.0	30.0	100.0
<b>Total</b>	<b>40</b>	<b>100.0</b>	<b>100.0</b>	

**Source: Survey (2017)**

The research had 40 respondents which 17 were Male accounting for 42.5 percent of respondents and 23 were Female which amounted to 57.5 percent; all the respondents filled the questionnaire which cumulatively accounted for 100 percent. The age varied from 18 years to above 50 years of age. Ages between: (25-30) were 6, (31-34) were 8, (35-40) were 7, (41-44) were 11, (45-50) were 4 and above 50 were 3. Education levels for 28 respondents were college level account for 70 percent and 12 had university education level accounts for 25 percent.

**Table 4.2 Mean Descriptive Analysis of Effect of Customer Relationship Management on Organizational Performance**

	Mean	Std. Deviation	N
Customer first	6.23	.480	40
Give correct information when patients demand so	6.20	.464	40
Provide services as per the patient's expectation	6.15	.427	40
Take care of customer's suggestions and complaints	6.15	.483	40
Our healthcare facility can effectively analyze and compare patient data to understand patient characteristic	5.95	.221	40
Our healthcare facility can segment and classify our patient in order to provide effective services that suit our patients	5.95	.221	40
Our healthcare facility can design customized services based on patient preference	6.00	.226	40
Our patients are willing to revisit the healthcare facility	6.03	.276	40

Our healthcare facility always maintain close interaction with our patients to establish long time relationships	5.98	.158	40
Have up to date modern technology and facilities	5.78	.480	40
It's physical environment is appealing	5.75	.494	40
Provides its services at the right time it promised to do so	5.83	.446	40
Performs the services right the first time	5.95	.389	40
Doctors/Nurses/Clinicians have a wide spectrum of knowledge and competence	5.88	.335	40
Keeping records correctly	5.93	.267	40
Consistent in its service delivery	5.90	.304	40
The personnel give prompt services	5.90	.304	40
The personnel are never too busy to respond to my request	5.90	.304	40
The personnel are always willing to provide services	5.90	.304	40
Have my best interest at heart	5.95	.316	40
The personnel give patients special attention	5.88	.335	40
Does patients feel safe in their visits	5.95	.316	40
Have knowledgeable employees to answer patients' questions	5.90	.379	40
The action of personnel instil confidence in patients	5.95	.316	40
Enhance customer loyalty	5.93	.350	40
Achieve organizational values	5.88	.335	40
Promoting effective channels and pursuing operational excellence	5.85	.362	40

**Source: Survey (2017)**

**Table 4.3 Mean Descriptive Statistics for Study Variables**

		N	Minimum	Maximum	Mean	Std. Deviation
Mean Customer Orientation	Customer	40	5.00	7.00	6.1813	.43481
Mean Customer Focus	Customer	40	5.00	6.40	5.9800	.18003
Mean Customer Satisfaction	Customer	40	4.93	6.20	5.8883	.28260
Mean Organizational Performance	Organizational	40	5.00	6.33	5.8833	.32511
Valid N (Listwise)		40				

Source: Survey (2017)

**Table 4.4 Regression Coefficients of Customer Relationship Management on Performance of Health Care Providers in Homa Bay County, Kenya**

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.555	1.448		.383	.704
	Mean Customer Orientation	.228	.095	.305	2.408	.021
	Mean Customer Focus	-.059	.246	-.033	-.239	.812
	Mean Customer Satisfaction	.725	.155	.630	4.684	.000
<b>SUMMARY</b>		<b>R</b>	<b>R Square</b>	<b>Adjusted R<sup>2</sup></b>	<b>F</b>	<b>Sign</b>
		.670 <sup>b</sup>	.448	.402	9.73	.000

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a: Dependent Variable= Mean Organizational Performance

b: Predictors, (Constant), Mean Customer Orientation, Mean Customer Focus, Mean Customer Satisfaction

**Source: Survey (2017)**

**Table 4.5 Residuals Statistics**

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	Minimu	Maximu		Std.	
	m	m	Mean	Deviation	N
Predicted Value	5.2553	6.1498	5.8833	.21769	40
Residual	-.77677	.65839	.00000	.24147	40
Std. Predicted Value	-2.885	1.224	.000	1.000	40
Std. Residual	-3.091	2.620	.000	.961	40

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a. Dependent Variable: Mean Organizational Performance

**Source: Survey (2017)**

Table 4.4 shows the result of multiple linear regressions of the coefficients of the independent variable (customer orientation, customer focus and customer satisfaction). The analysis established that customer orientation, customer focus and customer satisfaction together predicted 44.8 percent of the observed variances in organizational performance, with a significant model fit ( $F=9.73$ ;  $p=.000$ ). Therefore, the model is suitable for prediction and fulfilling the study objectives.

#### **4.2 Effect of customer orientation on organizational performance**

The first objective sought to examine the effect of customer orientation on organizational performance of health care providers in Homa-Bay County. Table 4.2 and 4.3 presents the findings that customer orientation (CO) has a mean  $M=6.18$  ( $SD=.43$ ) which is the overall mean of elements of customer orientation (CO) (customer first, give correct information when patients demand so, provide services as per the patient's expectation). Table 4.4 indicates that customer orientation (CO) ( $B=.228$ ,  $p=.021$ ), has a positive statistically significance effect on performance of health care providers in Homa-Bay County. The results are congruent with Karlson *et al.* (2016) who emphasized the need to move towards a more customer oriented organization as well as Gazzoli *et al.* (2013) whose finding indicated

employee-level customer orientation (CO) is related to customer perceptions of interaction quality. The results however contrast Halliday (2002) who found a unique culture among midwives hindering customer orientation. These results are robust as they give insight into the effect of customer orientation (CO) on performance of health care providers in Homa-Bay County hitherto not investigated. From these findings health care providers can confidently focus on customer orientation (CO) because it will enhance organizational performance.

#### **4.3 Effect of Customer Focus on Organizational Performance**

The second objective of the study is to examine effect of customer focus (CF) on organizational performance of health care providers in Homa Bay County. Tables 4.2 and 4.3 presents the finding that customer focus (CF) has a mean  $M= 5.98$  ( $SD = .18$ ) which is the overall mean of elements of customer focus (CF). Table 4.4 indicates that customer focus (CF) ( $B=-.059$ ,  $p =.812$ ), has a positive statistically significance effect on performance of health care providers in Homa-Bay County. The results are in agreement with Eskafi *et al.* (2013) who advocated that organizations need align its objectives customers demand and perceptions as well as Gustaffson, Johnson & Roos, (2015) noted that organizations should build more direct relationship with customers or build switching barriers as well as Adiele & Gabriel, (2013) whose finding indicated that customer identification and retention has big impact of organizational performance. These results give insight into the effect of customer focus (CF) on performance of health care providers in Homa-Bay County hitherto not investigated. From these findings health care providers can confidently take customer focus (CF) because it will improve organizational performance.

#### **4.4 Effect of Customer Satisfaction on Organizational Performance**

The third objective sought to examine the effect of customer satisfaction on organizational performance of health care providers in Homa-Bay County. Table 4.2 and 4.3 presents the findings that customer satisfaction (CS) has a mean  $M=5.9$  ( $SD=.28$ ) which is the overall mean of elements of customer satisfaction (CS). Table 4.4 indicates that customer satisfaction (CS) ( $B=.725$ ,  $p =.000$ ), has a positive statistically significance effect on performance of health care providers in Homa-Bay County, which is accepted if the hypothesis has to be rejected, so we reject the (Customer Satisfaction has no effect on organizational performance) and we confirm that there a significant effect on organizational performance attributed by customer satisfaction. The results are appropriate with Eiriz & Figueiredo, (2005) observed that health care services should only be evaluated by customers, and also noted four dimensions of satisfaction which affect customer (doctor conduct; service availability;

confidence; and efficiency/outcome) whereas Chalal & Kumari, (2011) provided insight for understanding of customer satisfaction, service quality and loyalty helps in effective service management and retention, while Eskafi *et al.* (2013) noted that organizations should develop customer focused structures, policies, culture and reward systems. These results are relevant as they give insight into the effect of customer satisfaction (CS) on performance of health care providers in Homa-Bay County til now has not been investigated. From these findings health care providers can confidently focus on customer satisfaction (CS) because it will enhance organizational performance.

#### **4.5 Effect of Customer Relationship Management on Organizational Performance**

The regression model:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where  $b_0$  is constant, it gives the dependent variable a value when all independent variables are zero, and it determine where regression line meets the Y-axis;  $b_1...b_3$  are coefficients that represent the estimated change in dependent variable.

Table 4.4 show the coefficients and we can make analysis of the various values of B.

Constant (Y-intercept) is 0.555

The coefficient customer orientation (CO) is 0.228. So for every unit increase in customer orientation (CO), a 0.23 unit increase in organizational performance (OP) is predicted, holding all other variables constant. Customer focus (CF) is -0.059 for every unit increase in CF we expect a – 0.06 unit decrease in organizational performance (OP) scores holding other variables constant.

Customer satisfaction (CS) is 0.725. For every unit increase in CS, that is 0.725 unit increase in organizational performance (OP) is predicted, holding other variables constant.

Regression Equation:

$$OP = 0.555 + 0.228 CO - 0.059 CF + 0.725 CS$$

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter presents a summary of the findings of the study, recommendations and conclusion. The researcher also makes suggestions on areas that need further research to be done based on the study finding.

#### 5.1 Summary of the finding

The general objective of the study was to examine effect of customer relationship management on performance of health care providers. The CRM practices examined effect of customer orientation, customer focus and customer satisfaction on organizational performance. In objective one of the study looked at effect of customer orientation on organizational performance. The study found that CRM dimension of customer orientation is being applied by the health care providers in Homa Bay County: customers first; give correct information when patients demands so; provide services as per the patient's expectation and take care of customer's suggestions and complaints are all used in a great extent within the study area. The new knowledge gained from customer orientation is committed employees are more enthusiastic towards customer, loyal a customer become, more committed a customer become, it helps in creating value profit chain.

The second objective of the study examined effect of customer focus on organizational performance of health care providers in Homa Bay County. The result showed customer focus had a negative B value which implied that it has negative effect on organizational performance; the item is not statistically significant. This is the reason for rejection.

The third objective of the study sought to examine effect of customer satisfaction on organizational performance of health care providers in Homa Bay County. It was found that there exists a statistical significant positive effect on organizational performance of health care providers in Homa Bay County that is caused by customer satisfaction.

#### 5.2 Conclusions

Based on the summary findings, effect of customer orientation on organizational performance had a (Mean =6.18 and SD=.43) and (B=.228 and p=.021), the result is statistically significant thus Health care providers should engage in activities that enhances customer orientation. For effect of customer focus had a (Mean=5.98 and SD=.18) and (B=-.059 and p=.812) which is not statistically significant. Finally customer satisfaction had a (Mean=5.9 and SD=.28) and (B=.725 and p=.000) which is statistically significant and it enhances



organizational performance. It is concluded that health care providers in Homa Bay County employed CRM practices (Customer orientation; Customer focus and Customer satisfaction) in ensuring that more patients are identified, attracted, retained, quality service given and patients are satisfied, making their organization customer oriented. Customer satisfaction contributed a positively hence organization should always thrive in creating environments that will enable efficient and effective service delivery and consumption processes for their patients.

### **5.3 Recommendations**

Based on findings and conclusion, public hospitals can enhance organizational performance by focusing on customer orientation and customer satisfaction. The study recommends that public hospitals should improve on their Customer Relationship Management practices, in particular customer satisfaction. Further research should be undertaken on effect of Customer Relationship Management dimensions on organizational performance in private hospitals.

### **5.4 Limitations of the study**

Due to the Nurse's strike, the researcher sought to overcome this challenge by doing a background check with the hospital administrators who contacted the nurses who later agreed to participate in the study. Some hospitals were inaccessible due to poor roads; the researcher engaged flexible means of transportation such as motor bikes to reach the inaccessible hospitals.

### **5.5 Suggestions for further studies**

This study found that CRM practices (Customer orientation, customer focus and customer satisfaction) has significant effect on organizational performance, further studies need to be done on: Impact of Customer Relationship Management on patients in public hospitals in Homa Bay County; and on low adoption of Customer Relationship Management within public run organization such hospitals.

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## APPENDICE

### **Appendix A: Letter of Introduction**

Dear Respondent,

I am, a postgraduate student undertaking a Degree of Master in Business Administration at Maseno University. I'm doing a research study on **'Effect of Customer Relationship Management on performance of health care providers in Homa-Bay County'**

I will use questionnaire to collect information for the study, it is my sincere request that you fill the questionnaire and do respond appropriately to questions by providing accurate and relevant information to facilitate the study. The information given will be treated with confidentiality. I am looking forward to administering the questionnaire to member of your staffs.

Regards,

Maurice Ochieng' Sewe.

MBA/BE/6026/2015

## Appendix B: Data collection instrument

This questionnaire consists of two parts; kindly answer all the questions by ticking appropriate box.

### SECTION A: GENERAL INFORMATION.

**1. Indicate your Gender:**

Male [ ]                      Female [ ]

**2. How old are you?**

18-24 years [ ]              25-30 years [ ]              31-34 years [ ]              35-40 years [ ]

41- 44 years [ ]              45- 50 years [ ]              Above 50 years [ ]

**3. What is your education level?**

Primary [ ]                      Secondary [ ]                      College [ ]

University [ ]

### SECTION B:

**4. What is the extent of Customer Orientation in your organization? Use a scale of 1-7 where 1=Strongly disagree, 2=Disagree, 3=Somewhat disagree, 4=Neither agree or disagree, 5=Somewhat agree, 6=Agree, 7=Strongly agree.**

	1.	2.	3.	4.	5.	6.	7.
Customer first							
Give correct information when patients demand so							
Provide services as per the patient's expectation							
Take care of customer's suggestions and complaints							

5. What is the extent of Customer Focus? Use a scale of 1-7 where 1= Strongly disagree, 2 =Disagree, 3=Somewhat disagree, 4=Neither agree or disagree, 5=Somewhat agree, 6=Agree, 7=Strongly agree.

	1.	2.	3.	4.	5.	6.	7
Our healthcare facility can effectively analyze and compare patient data to understand patient characteristic							
Our healthcare facility can segment and classify our patient in order to provide effective services that suit our patients							
Our healthcare facility can design customized services based on patient preference							
Our patients are willing to revisit the healthcare facility							
Our healthcare facility always maintain close interaction with our patients to establish long time relationships							

6. What is the extent of Customer Satisfaction in your organization? Use a scale of 1-7 where 1=Strongly disagree, 2=Disagree, 3=Somewhat disagree, 4=Neither agree or disagree, 5=Somewhat agree, 6=Agree, 7=Strongly agree.

	1	2	3	4	5	6	7
<b>Tangibles/Physical environment and Infrastructure</b>							
Have up to date modern technology and facilities							
It's physical environment is appealing							
<b>Reliability</b>							
Provides its services at the right time it promised to do so							
Performs the services right the first time							
Doctors/Nurses/Clinicians have a wide spectrum of knowledge and competence							
Keeping records correctly							

Consistent in its service delivery							
<b>Responsiveness</b>							
The personnel give prompt services							
The personnel are never too busy to respond to my request							
The personnel are always willing to provide services							
<b>Empathy</b>							
Have my best interest at heart							
The personnel give patients special attention							
<b>Assurance</b>							
Does patients feel safe in their visits							
Have knowledgeable employees to answer patients' questions							
The action of personnel instil confidence in patients							

7. What is the extent of your organizational performance? Use a scale of 1-7 where 1=Strongly disagree, 2=Disagree, 3=Somewhat disagree, 4=Neither agree or disagree, 5=Somewhat agree, 6=Agree, 7=Strongly agree.

	1.	2.	3.	4.	5.	6.	7.
Enhance customer loyalty							
Achieve organizational values							
Promoting effective channels and pursuing operational excellence							

### Appendix C: Research Plan

<b>Year</b>	<b>Month</b>	<b>Activity</b>
<b>2017</b>	<b>July-August</b>	<b>First proposal draft</b>
<b>2017</b>	<b>September</b>	<b>Review of first draft and defence of the proposal</b>
<b>2017</b>	<b>October</b>	<b>Data collection</b>
<b>2017</b>	<b>Oct</b>	<b>Submission of the final draft</b>

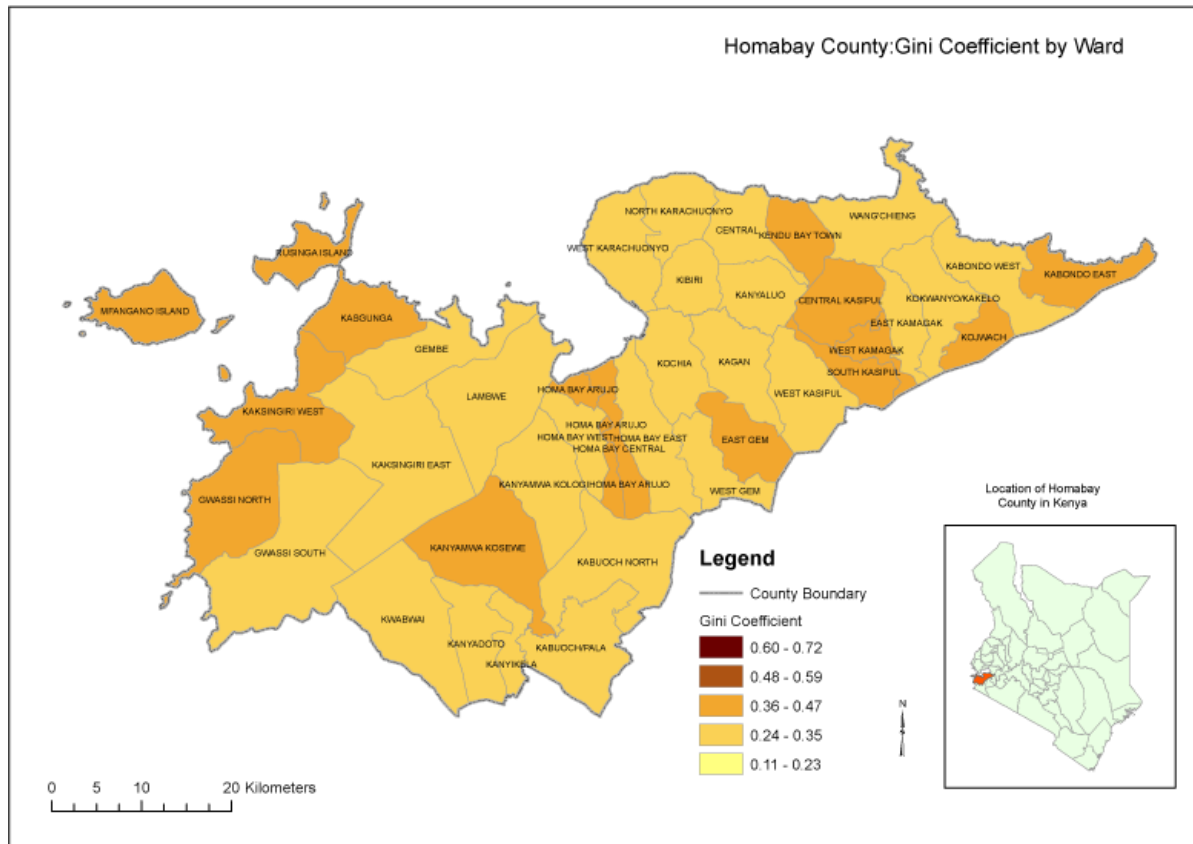
### Appendix D: BUDGET

<b>S/N</b>	<b>Item</b>	<b>Quantity</b>	<b>Unit price</b>	<b>Total Cost</b>
1.	Note books	10	60/=	600/=
2.	Photocopying papers	8	500/=	4000/=
3.	Pens /Pencils	20	30/=	600/=
4.	Typing services			4,000/=
5.	Computer services			5,000/=
6.	Binding			2,000/=
7.	Internet			10,000/=



8.	Memory card		2,500/=	2,500/=
9.	Data collection			
	Pre-test visits			10,000/=
	Field trips			20,000/=
10.	Data clerk			25,000/=
11.	Subsistence during field work			20,000/=
12.	Data Analysis			25,000/=
<b>Grand Total</b>				<b>128,700/=</b>

## Appendix E: Homa-Bay County Study Area



## Appendix F: Study Data Set

Id	Gender	Age	Educ level	COQu1	COQu2	COQu3	COQu4	CFQu1	CFQu2	CFQu3	CFQu4	CFQu5	CSQu1	CSQu2	CSQu3
1	2	4	3	6	6	6	5	6	6	6	7	6	5	5	5
2	1	5	4	7	7	6	6	6	6	7	7	6	6	6	6
3	2	4	3	7	6	6	6	6	6	6	6	6	6	6	6
4	1	4	3	6	6	6	6	6	6	6	6	6	4	4	5
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CSQu3	CSQu4	CSQu5	CSQu6	CSQu7	CSQu8	CSQu9	CSQu10	CSQu11	CSQu12	CSQu13	CSQu14	CSQu15	CRMQu1	CRMQu2	CRMQu3	
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**Source: Survey(2017)**