Effect of Employee Involvement on Customer Service Delivery of Restaurants in Nairobi Kenya

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ABSTRACT

In the global market today, competition between various providers of service is brutal and firms in the service industry continuously endeavor to create, manage and maintain healthy relationships with customers, to gain competitive advantage over the others. When services are inappropriately handled and coordinated, the outcome is wrong perception of service quality, client's complaints, staff turnover, low sales and customer dissatisfaction. This study investigated the effect of employee involvement on customer service delivery. The study was guided by Resource based view theory, the SERVQUAL model and the Kanter's theory of empowerment. Descriptive research design was adopted. This study targeted 50 full-service restaurants in Nairobi city. Six workers were then selected in the category of operational staff, supervisors and senior management. This formed a total population 740 respondents. The study adopted multistage sampling technique and obtained a sample of 216 respondents. The study used self-administered questionnaires as the major instrument for data collection. Pretesting the validity of the questionnaires a pilot study was done. Reliability of the questionnaire was evaluated using the Cronbach alpha test, which provided an acceptable threshold of 0.7. Descriptive statistics (in form of means, percentages & measures of dispersion) and analysis of inferential (multiple regressions) were applied to show the level of the association between the dependent and independent variables and the effect of the independent variables on dependent variables. The results indicated that there was a significant statistical relationship between the independent and the Customer service delivery, employee involvement R=0.212. The study therefore rejected the null hypotheses (H0) and accepted the alternate hypotheses (HA), that there is a significant relationship between Employee Involvement and Service delivery based on the correlational analysis and regression analysis results. The study concluded that it's important for restaurants to involve employees in decision making in order to create competitiveness in service delivery so as to achieve maximum customer satisfaction.

Key Words: Employee Training, Leadership, Employee Involvement, Incentives, Small and Medium Size Restaurants in Nairobi City County

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1. Introduction

In the global market today, competition among service providers is stiff and service firms continuously struggle to create and maintain quality relationships with customer, which has intensified the desire for companies to become very creative and aggressive so as to strive in the market and gain competitive advantage over the others (Shapiro & Nieman-Gonder, 2006, cited in Ndegwa 2013). As competition in the hospitality industry becomes stiffer, it becomes more challenging to meet the service anticipations of customers as a result of the challenges in the market which arise majorly from the characteristics of services which include heterogeneity, intangibility, perishability and inseparability (Kotler & Armstrong, 2008). In the economy today, the service industry occupies a very large position of the developed as well as developing nations. The increased rivalry and enlargement of amenities and services that are unique in the hospitality industry has made entrepreneurs to vigorously search for ways of gaining competitive advantages, with service quality being the most critical factor distinguishing industries in the hospitality sector Ugboro 2000, cited in Ambani (2016). Quality service is a crucial determinant of the customer’s level of satisfaction and the exact amount they will be willing to pay, commercial enterprises view quality service as the most important aspect in achieving competitive advantage as well as differentiation of the market (Aziz, 2018).

According to the trend briefing done globally on the future trends of customer service that will redefine excellent service for 2015 and the years to come, globally 66% of consumers changes businesses and/ or brand due to poor customer service. 82% said the brand could have done something to stop them from moving, 75% of those who switched the brand it was not because of the service itself but how it was delivered to them (Paul, 2013). Ambani (2016) recommends in his study that for companies to be successful they must engage proactively is service delivery, customers will always explore the various channels of communication as a result they will be expecting personalized, proactive and even preemptive services. Organizations must hold insights from previous experiences, transactions, and interactions to meet those expectations. In Kenya today, Global players such as Mc Donald’s, Java and KFC are the classic examples of foreign players in fast food restaurants who have mainly dominated the Kenyan food service market in the organized fast food segment. Other modern formats like supermarkets and shopping malls have also become a favorite destination for the outlets (Aziz, 2018). To lure the local customers, they have come out with various offers and discounts. Some have even gone to the extent of making the customer feel of the particular place of which their menu comprises of like if you go to Chinese Restaurant, you will feel the Chinese culture in there. With this kind of competition, it’s important for restaurant owners to develop methods that will assist them in retaining the customers or risk the loss of closing down the business. Kanana (2013) noted that as a result of the stiff competition in the hotel industry, organization’s strategies have shifted from customer acquisition to customer loyalty and retention which can be made possible by delivering excellent customer services.

Customer service is the art of looking after the needs and wants of the customers by delivering and offering professional, quality services and help before, during, and after the customer's needs are achieved, it is how you deliver your products and services to the customer and includes accessibility, efficiency and cost effectiveness (Kanana 2013). Delivering remarkable customer service refers to creating extra ordinary and memorable experiences for customers, it’s far from having a friendly face at the customer care desk and attending to phones; it should be included in
the whole organization and emphasized to every employee (Aziz, 2018). Businesses that empower employees to do whatever it takes to make the customer happy typically develop a reputation for delivering excellent customer service (Aziz, 2018).

Happy customers share the gospel with others; one of the best strategies for marketing that can easily sell the organizations is the word of mouth. When customers enjoy your services and have great experiences they always tell their friends and families, which is good marketing and publicity for any business (Paul, 2013). According to Onyisi (2016), good customer service results in happier employees, when employees know that the organization they work for is committed to delivering services of high quality, they become more fulfilled with their work, their duty and their ability to interact with and help the clients they deal with frequently. A survey by KPMG (2013) on customers’ perception of banks in Africa indicated that clients consider friendliness of the employees as the crucial aspect determining their contentment to the bank. Out of ten, three customers indicated they were very happy with the knowledge of the staff’s on the banking products and how the services were delivered to them, only ten percent of the total showed that they were satisfied extremely that their concerns and complaints were being handled as required. Each firm has to therefore put its best foot forward to enhance employee knowledge of the products and services rendered This has been the only way in the present employee productivity situation for survival, growth, stability and excellence in the business.

The service quality Gap model elaborates the link between perception’s of managers and employees actions, there is a disconnect when it comes to the set service expectations and the actual service delivered to the customers (Njoroge, 2013). Conversion of perceptions into quality service requirements by the leaders will result to staff actions that affect the service standards perceived by the customer; this could be as a result of poor communication to the customer, absence of needed training on customer service delivery, absence of morale and low satisfaction from the jobs (Njoroge, 2013). Taylor (2002) is of the opinion that customers desire personalized experience and humane interactions during service delivery from the employees, which should be obtained through empowerment of employees. According to the Business Daily (2015), 300 fourth year students at Strathmore University on 24th of March 2015, were admitted due to food poisoning after attending a dinner party. Another report on the Star by Erick (2012) Villa Hotel in Siaya was closed by public health officials after 200 of its health workers complained of diarrhea after having a meal. In 2017, the minister for health Cleopa Mailu ordered the closure of two hotels in Nairobi that were linked to Cholera Outbreak San Valencia and Jacaranda. Most of these cases arise as a result of employee negligence and overlooking hygiene issues which can be addressed by empowering them through training. Tangibles take variety of ways in restaurants, critical one being the quality of food which is key in service delivery. A description of quality of food generally narrows down on how the presentation is done, health benefits and other options available, taste, temperature, and the freshness Namkung & Jang, (2008) cited in (Onyisi 2016). It is also noted that these characteristics serve as tangible signs of quality services in restaurants and thus a foundation for measuring satisfaction. Presentation is explained as how well food is served and decorated as a palpable sign of customer perception of quality. Onyisi (2016) pointed out that how the food presentation is done is a key determinant of dining satisfaction. The menus provide evidence that is tangible and a reflection of the restaurants image. The design, colors, paper, illustrations and type should influence the appearance of the restaurant; the extension of
the personality therefore of the restaurant is the menu. With these challenges of stiff competition, how then do restaurants achieve competitive advantage over the others?

Cap (494) of the Hotel and Restaurants Act defined a restaurant as any premises on which is carried on business of supplying any food or drinks in exchange for money, it does not include staff canteens or place where food or drinks are served to people who live, work or board at such a place. Brown and Monique (2000) defined a restaurant as a place that cooks and serves food and drinks to customers in exchange for money. Restaurants form a substantial number of SMEs in the CBD Nairobi, they offer a range of products including from juices, cold Smoothies & ice creams, Coffee among others. The number of restaurants in Nairobi are increasing day by day due to various reasons one of them being the increasing number of customers. Being the capital city of the country, the restaurant business tends to be doing very well basically because the city is highly populated and also because many visitors coming in from other countries would always want to spend some time in Nairobi (Okoth, 2014). According to Okoth (2014) Cleanliness, good service and reasonable pricing based on the menu and quality of food are features that restaurants emulate in order to stay in business. With the unique selling points in restaurants; where they expect people to just walk in and eat, unlike other organizations that have a database of clientele and can always call them after service to ensure retention, how then do they manage to stay in business and gain competitive advantage over the others?

Restaurants can be classified as either fast food service restaurants or full-service restaurants (Mueller & Kleiner, 2004). For fast food restaurants they are identified by simplicity of the menu, limited seating and the quick service speed which mostly is done by (self) individual customer, full service restaurants are defined as those that either offer buffet, offer service to families individuals, here customers seat to be served (Angelo & Vladmir, 2007). There are also separate or trail of restaurants that offer various kinds of biting and snacks such as sandwich & pizza places, cakes, fish, chicken and chips entities. (Reviera & Muller, 2007). With increase competition in the market, entrepreneurs like supermarkets (Naivas, Eastmatt, Uchumi, Nakumatt and Tuskys) are now offering restaurant services to customers. Hotels offer same services as well as online platforms like Jumia where one can order food and it will be delivered to them. This study focused at various full-service restaurants that serve over 40 customers per sitting with no lodging; it also looked at restaurants within Nairobi CBD that offer meals within the price of Kshs.300 to Kshs.1,250.

2. Problem Statement

In today’s competitive environment organizations must be quick, adept, offer quality services, efficient, and profitable, so as to remain in business, for this to happen an empowered and energized service team is thought to be important (Melhem, 2014). Unlike manufacturing firms that can attract customers with special offers and volume discounts, service industries must offer quality services with top notch values to customers which make them loyal and content with the business (Mullins, 2014). A lot of businesses are spending a lot of money to bring on board new clients when they should focus on retention of the existing clients by offering exemplary services (Brand & Barry, 2008). Mullins (2014) concurs that for businesses to gain competitive advantage their objective should be offering the right service to the clients and building relationships that are long lasting. A study conducted by Stephen, Robert, Kenneth & Joseph, (2015) on the effect of employee empowerment on service recovery in the banking sector found out that it is
necessary for the employees to be empowered with good interpersonal skills that will be essential in addressing failures in the delivery process.

Augustine and Bamidele, (2013) in their study on the effect of employee empowerment on customer satisfaction in insurance industry in Nigeria found out that the needs of customers will be met satisfactorily after the employees’ needs have been completely met and this can be made possible when the organization puts in place various empowerment strategies. Study carried out by Julia (2014) in Austria on benefits of empowerment for service quality and job satisfaction in the hotel industry found out that empowerment is able to influence staff performance to the guests’ satisfaction, which results to retention of the clients and as a result good publicity. From empowerment, employees happily participate to the success of the organization, low rate turnover and job satisfaction. This study was limited as it looked at the benefits of empowerment in general and not the specific aspects of empowerment like Training, Leadership, Employee involvement and incentives and how they affect service delivery. Empowerment is a well-studied subject in the East Africa countries, but little research has been conducted so far on employee empowerment in the Kenya. Recent studies on empowerment have been found to focus on other institutions, however studies focusing on service entities that are not majorly restaurants which is a major player in the economy, is still lacking. The study therefore focused on how the restaurants in Nairobi can gain competitive advantage over the others so as to still remain in business.

3. Study Objectives

The objective of this study was to determine the effect of employee involvement on customer service delivery of restaurants in Nairobi Kenya.

4. Theoretical Literature Review

This section discusses theories relevant to the study which inform this study.

4.1 Resource Based View Theory

The RBV emerged as a supplement to the industrial organization (IO) view with Porter (1985), Bain (1968), and Birger Wernerfet (1984) as some of its main proponents. They argued that organizations should sources for competitive advantage from within and not without. It views resources as an essential element for excellent performance; firms differ in rudimentary ways because each firm have resources that are unique and non-imitable by competitors. Barney, (1991) proposes that for organization to achieve competitive advantage the resources must be rare, immobile, heterogeneous, of value and not easy to imitate. A study by Onyisi (2016) on the influence of employee empowerment as an enabler of knowledge management on sustainable competitive advantage noted that employee empowerment disseminates Knowledge and skills to staff which are necessary for improving performance levels; employee participation and achievement of organization goals thus gaining competitive advantage over the others. The theory was critical to the study as it emphasized on how the organization could utilize its internal resources to offer excellent services as a result attain competitive advantage. These resources are the people in the organization that need to be empowered through training so that they can be rare and add value to the organization. The resources are also the service delivery processes that are unique and immobile to any given organization.
4.2 Service Quality Model

The Service Quality/ SERVQUAL Model was introduced and implemented by the American marketing gurus (Zenithal, 1988). It is a method used to address and quantify the level of service quality customer’s experience which consists of five dimensions: responsiveness, tangibility, reliability, empathy, and security. The three argued that quality service should be determined by the difference between expectations and perception of quality perceived by the customers as captured in the SERVQUAL model. A study by Mahmood, Khalil & Abdulghani (2013) on competitive study of service quality based on customer’s perception of the Islamic banks found that quality service is the prime aspect for client’s satisfaction and loyalty with the Islamic banking. Organizations are specifically focusing on quality products and services they deliver to customers in order to retain them for long. It is also believed that satisfaction can be termed as the difference between the customer’s perceptions and expectations after using the products and services. It is simple to recognize that in service organizations; the human-related aspects tend to outweigh the technology-oriented aspects when it comes to high quality service delivery. Therefore, it is necessary for the leaders and managers to emphasize on ‘high touch’ and not ‘high tech’ management of quality (Duong, 2015). Hence, employee empowerment is considered the most essential technique to boost quality service for boost competitive advantage. The model was critical to the study as it emphasized on aspects of quality services that organizations should adopt in order to become competitive in the market, viewed excellent service as a highly rewarding strategy as it results in attraction of new clients, enhances retention of existing customers, fewer exiting customers, cautioning from price competition and less failures in service provision that require re-performance of service.

4.3 Kanters’s Theory of Empowerment

Empowerment theory is classified in three distinct levels which include structural, leadership and psychological empowerment (Menon, 2001). Kanters empowerment theory elaborates structural empowerment dimensions while Spreitzer theory of empowerment elaborates on psychological empowerment (Kanter, 1993; Spreitzer 1995). Kanters theory of empowerment argued that employees show different behaviors depending on how various structural were in place to support them like power, resources and increased skills and knowledge. Spreitzer psychological theory of empowerment on the other hand explains that employee focus towards work depends on aspects such as self-determination, impact, competence and meaning. These are the inner triggers that make employees to perceive or feel they have the energy to get issues sorted (Spreitzer, 1993). A study by Bello (2017), on employee empowerment, customer satisfaction and service quality in the hotel industry, found out that orienting individual front line employees on aspects of their duties is influenced by four factors like impact, knowledge, importance and self-belief. The four worked as intrinsic motivators which allowed employees feel like they possess the capacity to make work accomplished. The feeling leads to quality service delivery that generates customer satisfaction. This theory lays emphasis on the benefits of having proper structures within the organization, these structures can either be formal or informal, and addresses aspects of leadership that are very crucial as there are powers assigned to each structure. The form of leadership adopted by each structure has an impact on the service delivered to the customers.
5. Research Methodology

The study adopted the descriptive design approach. This design was appropriate as it attempts to collect quantifiable data that can be used statistically to analyze the audience targeted. It also enables the study generalize the findings to a larger population. A population refers to entire aggregation of items, elements or set of units having a common observable characteristic from which samples can be drawn and concerning which the result of a survey apply (Bienstock, 2006). The study targeted 50 full service restaurants in Nairobi city. In each restaurant, the study targeted at least one senior manager, one Supervisor and four operational staffs (cooks, waiters/waitress, cashiers and cleaners). Considering the gender factor, the study sought to get both male and female respondents from the category of operational staffs. A sample size of between 10% for a population above 1000 and 30% for a population below 1000 is enough to represent a population (Mugenda & Mugenda 2003). This study used a sample of 216 employees from small and medium sized restaurants in CBD. Multi stage sampling technique was adopted; this is where sampling is carried done in various levels such that the sample size reduces at every level (Beinstock 2006). Simple random sampling method was used to select the restaurants to be used in the study, this involved arranging the restaurants alphabetically in excel and selecting the fourth restaurant on the list.

A letter of introduction was obtained from the Kenyatta University graduate school which was submitted to the National Commission for Science, Research, Technology and Innovation (NACOSTI) to acquire a research permit foe data collection. The management of the various restaurants was informed about the study a week prior to data collection who thereafter appointed contact persons to make the process smooth and avoid work interruptions. The study adopted pick and drop method of questionnaire administration, this allowed the respondents ample time to respond to the questionnaires. The filled questionnaires were collected after a week of administration from the various contact persons. Correlation analysis was adopted to find out whether there was an association between the dependent and the independent variables. To determine the effect independent variables on dependent variable, multivariate regression analysis was adopted.

6. Data Analysis

The study null hypothesis was that employee involvement has no statistical significance on customer service delivery of restaurants in Nairobi Kenya. Regression analysis was used to establish the influence of employee involvement on customer service delivery of restaurants in Nairobi Kenya. The null hypothesis used was tested at 5% level of significance.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.461a</td>
<td>.212</td>
<td>.189</td>
<td>1.46507</td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), Service delivery*

The regression results in the Table 1 above show the R-Square value of 0.212, implying that 21.2% of variation of customer service delivery was explained by employee leadership as shown in the model summary. Further test by analysis of variance (ANOVA) on the null hypothesis was conducted and the results are shown in the Table 7 below.
Table 2: ANOVA on leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>117.400</td>
<td>6</td>
<td>19.567</td>
<td>9.116</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>435.724</td>
<td>203</td>
<td>2.146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>553.124</td>
<td>209</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), employee involvement
b. Dependent Variable: Rate of level of customer service delivery

The results show that, at 5% level of significance F (6, 203), p-value=0.000 < 0.05) the null hypothesis that employee involvement has no statistical significance on customer service delivery of restaurants in Nairobi Kenya (t-statistic= 7.780 p-value=0.000<0.05) and conclude that employee training an influence on customer service delivery of restaurants in Nairobi Kenya. The finding agree with This agrees with the findings of Bello (2017), in his study on employee empowerment service quality and customer satisfaction in the hotel industry who found out that employee involvement has a positive impact on quality of service and customer satisfaction, he also found that that those organizations that had quality circles and encouraged informal groupings among employees had less complaints when it came to solving employee’s problems.

7. Conclusions

Junior staffs should be engaged in making decisions and setting out goals, as they form a bigger part of operational services of the hotels. This will encourage productivity among employees. They encourage them to achieve set targets so fast and aim higher. Involvement should also be evaluated jointly with incentives which can be inform of bonuses, recognition for good works, salary increment and commissions. Incentives keep employees encouraged with willingness to achieve more; it also creates competitiveness among the employees. For hotels to survive, and reduce on employee turnover over poor terms of employment, they should use incentives to keep their workers. Employee involvement in the organization is the easiest way of setting achievable targets. Employee understand what customers want in the hotels, they directly interact with them and directly get what the customers demand. Therefore, it is important that at any decision made on behalf of the employees, it’s important to consider their input.

8. Recommendations

The study has revealed that demographic variables have an impact on customer service delivery therefore, it’s recommended that planning for training, tasking and alike demographic consideration should be considered as these groups have different likes and dislikes. The study recommends that the management should adopt the participatory kind of leadership where they involve employees in setting goals and objectives affecting their work and also involved in decision making; this will help employees understand the organization ‘s business goals, policies and vision, and keep them informed about what is going on in the organization (George, 2012). The study also recommends that management should encourage formation of quality circles and work groups which should be checked regularly, as employees feel engaged at various levels, delegation of authority allows employees to be broader minded and ready to pick up supervisory positions as and when called upon to do so (Koskey, 2013). The findings indicated that salaries, flexible working hours, bonuses and job security are the key important aspect that employees look for in their responsibilities. Previous studies Kwamboka (2014) found out that employees
value both monetary and non-monetary benefits provided by their employers and these are the things that make them leave one job for the other. The study therefore recommends that management should link pay to performance which can be by introducing service charge (a percentage of profit shared by all the employees). The study also recommends that it’s important for management to adopt flexible work arrangements to allow employees solve their other issues outside work.

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