

**THE ROLE OF CUSTOMER CARE ON THE FINANCIAL PERFORMANCE OF  
PRIDE MICROFINANCE LIMITED (KABALAGALA BRANCH)**

**BY:**

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**1163-05014-06550**

**A RESEARCH DISSERTATION SUBMITTED TO THE COLLEGE OF ECONOMICS  
AND MANAGEMENT IN PARTIAL FULLFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF A BACHELOR'S  
DEGREE IN BUSSINESS ADMINISTRATION OF  
KAMPALA INTERNATIONAL  
UNIVERSITY**

**AUGUST, 2019**

## DECLARATION

I Bukenya Deziderio, do declare that this work is my original work and has never been submitted to any college or institution for any academic award.

Signature ..... 

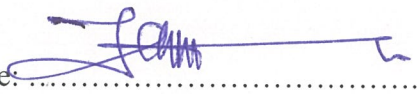
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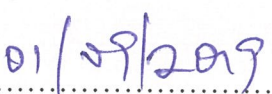
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### APPROVAL

This is to certify *that* the research report on the topic “The role of customer care on the financial performance of Pride microfinance limited (Kabalagala branch)” has been conducted under my supervision.

Signature:  .....

Date:  .....

Mr. MASEMBE MUZAMIL

(UNIVERSITY SUPERVISOR)

## **DEDICATION**

This work is humbly dedicated to research report to my parents my father Mr. Mugumya Flugentius, My mother Ms. Nakirembeka Rose, for his financial assistance, my sister Nalubega Christine, my friend Naluzze Sohpie for his guidance.

## ACKNOWLEDGEMENT

With much pleasure I wish to recognize the effort of the following people without whose assistance this work could not have been finished.

First and foremost, I would like to extend my special thanks to the entire staff of Kampala International university in Uganda (Kampala campus) (department of Business studies and Management) most especially Mr. Masembe Muzamil who supervised me during the writing of my report respectively.

I am also grateful to the management of Pride Microfinance Limited especially loans Department who provided me with the information in compiling this research project.

I wish to pass my thanks to my parents my father Mr. Mugumya Flugentius, My mother Ms. Nakirembeka Rose Nathan for his financial assistance, my friend Naluzze Sohpie, for their guidance, counseling and financial support given ever since the beginning of my academic journey “Daddy I love you so much.

May the Almighty Lord reward you.

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## **ABSTRACT**

*The study concentrated on the role of customer care on the performance of the microfinance institutions, a case study of Pride Microfinance Limited Kabalagala Branch. And the Objectives of the study was include, to determine the impact of employees training, how to examine employees behavior towards the customers, in providing customer care services well, Such services include, compatibility, efficiency, reliability, And all these improves performance and examines if high pay thus increases the performance of the pride Microfinance Limited Kabalagala Branch.*

*Chapter one includes presentation of background of the study, statement of the problem, purpose of the study, scope of the study, signification of the study and definition of terms*

*Chapter two is a review of the related literature about the impact of customer care on performance of microfinance institution.*

*Chapter three include the methodology thus research design was descriptive in nature and a quantitative approach, the study population includes the employees from sales department and marketing department, employees from Administrative and Human resource Unit, employees from the Accounts department, auditors, casual workers, and residents from around Pride Microfinance Limited Kabalagala Branch.*

*Chapter four includes presentation. discussion. interpretation and analysis of research findings*

*Chapter five includes the conclusion, recommendation and summary of findings.*

## **CHAPTER ONE:**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter is a presentation of the study, statement of the problem, purpose of the study, scope of the study, significance of study and definition of terms.

#### **1.1 Background for the study**

Customer care refers to the provision of services to customers before, during and after a purchase. In broader terms it refers to systems in the business place that will maximize your customers' satisfaction with your business. Customer care is vital to any business, because if your customers are satisfied and happy so profits and sales figures will be generated.

Customer care is of more direct importance in some positions. For example employees such as the receptionist, sales people, and other employees interacting with customers directly on a daily basis; customer care is core to their job description and should also be when recruiting for such staff members.

There are several factors that contribute to customer satisfaction for both the customers and the business itself, such factors includes compatibility, reliability, level and quality of the after- sales service, professionalism, efficiency and friendliness of employees, and how well you keep your customers informed. In working setting. The customer care services are aroused as a result of needs, which have to be satisfied. (Jennifer Kyrnin in web). Inserting such services is an important inter control tool and should therefore be

adhered to in order to attain advantages like increased employee commitment, increased productivity and efficiency. Customer care services emphasize result oriented management through setting of smart objectives and effective communication systems in an organization.

Pride Microfinance limited Kabalagala Branch institution belongs to wider group of Financial Institutions regarded as formal Financial Institution. These are Institutions which are registered as Non –Government organization performing financial functions of lending and taking deposits (microfinance Act 2003). These institution in Uganda begun their operation in 1984 . Hence pride microfinance Limited Kabalagala Branch is licensed and regulated by the Bank of Uganda as micro deposit taking institution [MDI] and recognized as a key player and part of Uganda's formal financial sector. The branch serves entrepreneurs and salary earners. Currently it has reached over 140000 savers ad 20000 borrowers in Kabalagala and other neighboring towns.

The branch employs several services to employees such as motivation methods which include performance based reward program which is the most effective way to motive employees to excel in the promotion of employees, big salary packages for the best performer, medical allowance to employees, housing allowance, transport allowance to the employees who are coming from very far distances However, frequent absenteeism of employees as an indication of dissatisfaction detaches employees from the Branch and some tasks that contribute to profitability are compromised, medical allowances and transport allowances are irregularly provided and are costly to organize. Hence, employee motivation methods employed by the Branch characterized by ineffectiveness,

inappropriateness and inadequacy, to equip staff members with loan recovery skills, customer care skills, cost management skills and loan client's scrutiny skills to manage financial resources of the Branch. [Musinguzi 2010],

This has led to poor performance of employees as a result of demonization leading to frequent absenteeism, poor financial performance in terms of reduction in profits, actual results not tallying with expected results, increment in operation and administrative costs for example profit after tax reduced from 859m USHS [2007] to 762m USHS [2008], operating expenses increased from 8.335bn USHS [2008] to 10.124bn USHS [2009], borrowed funds increased from 8.233bn USHS [2008] to 9.843bn USHS.

## **1.2 Statement of the Problem**

In spite of pride microfinance limited Kabalagala Branch employees serving the residents with zeal through coordinated service delivery focusing on local priorities, loan repayment and contribute to improvement on the quality of life and their productivity.

The Branch does not motivate its employees reflected by frequent absenteeism of employees which means employees needs have not been met through promotions of employees, rewarding the best performer, lack of transport benefits, housing benefits which are the drivers if a Branch is to hit up the goal. An organization which is able to motivate its employees and maintain it, is able to leverage their zeal and drive them in order to ensure staff performance. In pride microfinance Limited Kabalagala Branch, employees receive allowances, bonuses, leaves among others but still there is a lot of continued complaints and facts about the inefficiency and performance of the pride

microfinance staff, hence it is upon this that the researcher felt concern and went ahead to carry out the study of customer care services to pride micro finance Kabalagala branch to ensure better performance within the organization.

### **1.3 Purpose of the study**

The study established the relationship between customer care services and performance in pride Microfinance Limited Kabalagala Branch.

### **1.4 Objectives of the study**

The objectives of the study are;

To find out how credit facilities encourage an increase in customers.

To establish whether quick and fast services promote customer satisfaction.

To determine the impact of customer care on performance of pride microfinance limited Kabalagala branch.

### **1.5 Research questions**

1. How do credit facilities encourage customers to the branch?
2. How quick and fast delivery of services leads to customer satisfaction?
3. How does customer care services determines performance in pride micro finance Kabalagala branch?

### **1.6 Scope of the study**

This consisted of the subject scope, time scope and content scope

### **1.6.1 Subject scope**

The study focused on customer care services and performance in pride microfinance limited having customer care as the independent variable and performance of microfinance institution as the dependent variable.

### **1.6.2 Time scope**

The study covered a period of three years that is from (2010-2013).

### **1.6.3 Geographical scope**

The research was carried out in pride microfinance limited Kabalagala branch in Makindye division, Kampala district. This place has been chosen because the place is near the home of the researcher therefore easy access to the data required.

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

The research was to be of great importance to various groups of people like to the current researcher, policy makers, future researchers and the management of Pride microfinance.

As discussed below;

The research was to be of great importance to me as a researcher because I hope to acquire research skills which I can apply to conduct research in other subjects. Skills like developing questionnaires, interacting with new people and get the necessary information and analyzing data.

The research was to help the management of Pride microfinance Kabalagala branch to discover the contribution of customer care service on the performance of microfinance

institutions. This was to help them come up with better service techniques which resulted into improved performance.

The research was to benefit the future researchers who will carry out research about the same topic of customer care and branch performance and will learn more about customers care practices, factors affecting customer care services, the relationship between customer care and employee performance among others.

The study was to benefit policy makers like the International Labor Organization, workers' Union and other government organizations to come up with effective realistic policies of making customers happier.

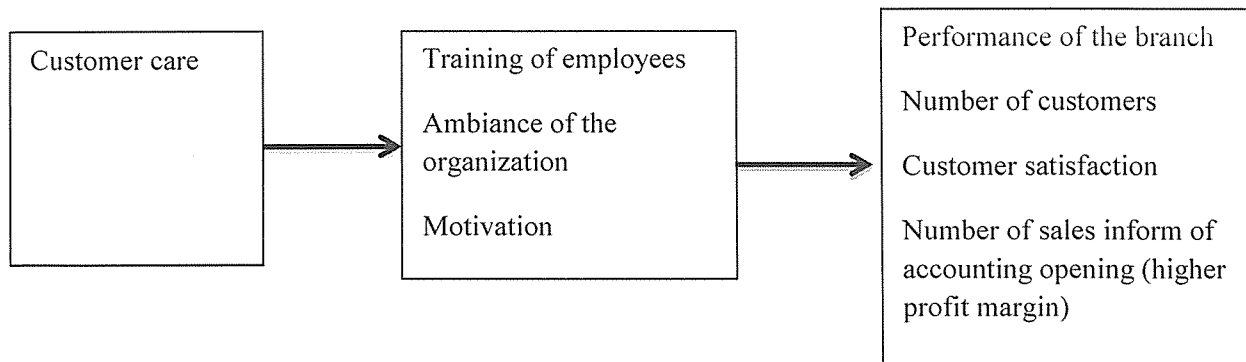
## **1.8 Conceptual frame work**

The conceptual frame work postulates the impact performance of microfinance institutions on customer care services.

As shown in the figure below, there are various activities that influence simultaneously towards the performance of microfinance institutions on customer care services.

- Giving allowances to employees.
- Training and development of employees.
- Performance appraisal of employees.
- Setting general specific management policy for the organization.



**Independent Variable****Intervening Variables****Dependent Variables****Explanation of the Conceptual Frame Work**

In every organization, there is need for manpower resources to operate in the day to day activities of the organization. The HR manager has to perform these activities or functions in order to improve on organizational performance. These activities are independent, dependent and other variables. Independent variables include customer care such as accessibility and cleanliness. Dependent variables include recruitment, selection of employees and training, organization performance but also variables of motivation and communication cannot be left out when planning for manpower towards the best of the organization.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents the review on how customer care has contributed to the performance of pride microfinance kabala gala branch, the effects of customer care and challenges face in the implementation of customer care in pride microfinance.

#### **2.1 Implementation of customer care in pride microfinance.**

A number of scholars have defined “Customer care” as the provision of services to customers before, during and after a purchase. They also added that in broader terms that it refers to systems in business places that will maximize your customers’ satisfaction with your business. Customer care is vital to any business, because if your customers are satisfied and happy so will generate more profits and sales figures.

Traditionally, customer care services were not seen as an important issues. because the business people could take it for granted because they were not seeing any value to it, because they were having it in mind that, customer has to buy every things which is offered for sale on the market without any impressive force which the business people they had to perform towards their buying habit which drives their interests towards buying things.

Organizations get established, businesses survive and thrive because they sell products and services to customers and earn revenue. Globalization and increased competition have increased the demand for organizations to continually provide excellent products and services. Business performance depends largely upon how well the product or service is. Only satisfied and motivated customers can easily be retained and become loyal the organization.

Although many organizations provide their customers, with these services to progress within the organization structure, little has been focused upon customer satisfaction for organizations' efficiency and performance. Performance oriented market; constantly changing environment and globalization are influencing the workplace structure and leading to increased reliance on employee skills for providing better products and services. Employees not trained to deal with the advanced management methods and techniques can not work towards the better business performance.

This concept is now well established and is increasingly affecting the field of management. It has proved particularly valuable for those organizations who seek better performance.

Organizations survive, grow and earn profits by meeting the needs and requirements of customers.

To survive in the ever changing environment, it is critical for any organization to satisfy the needs of the customers (Mullins, 2007). Customers' decision to buy the product also depends upon the service or treatment provided by the Branch. That's why companies put a great emphasis on its employees training of skills as well as continuous development over the years; especially for the ones which provide services directly or interact with customers often.

According to the (Armstrong, 2000). Training of employee is a human resource (HR) activity. It is a set of practices that defines the nature of work that regulates the employees' development and is usually carried out by HR professionals.

Training is expected to equip employees to help them become "strategically unique", in addition to the provision of skills, knowledge and attitudes needed to achieve operational efficiency. Organization's performance legally depends upon the employees that work in it. THEY are the key resources and considered as capital for any organization. Employees' training is important for any business which helps in overall improvement and development of the employees and business performance (Armstrong, 2008).

Effectiveness of employees can be improved by developing a strategy and implementing training programs. Employee training can improve employees' satisfaction that may result in high level of service to customers. Not just offering quality services to customers, but making them feel valued by the organization. Effective training is paramount for survival and growth of business.

Training plays an important role in entry development and satisfaction /morale/motivation. It not only helps in acquiring new skills or publishing the establishing ones, but also helps to perform their jobs effectively and efficiently. Employees with trained skills are satisfied and more productive which motivates them to perform better (Green, 2001).

Other advantages of training and developments includes: increased capacity to adopt new acknowledges and methods, development and promotion of own culture and to adapt to changes in the business environment (Wilkinson, 2006) and (Bratton and Gold, 2003).

Training is a planned process to change attitudes, skills, knowledge and behavior through a range of activities to achieve effective performance. Employee is trained to satisfy current or future needs of the organization (Wilson, 1999).

Training and development deals with the design and delivery of learning to improve organization performance. It is generally accepted that training methods can usually be separated into two categories: “On-the-Job training” is carried out at the trainee’s work place and “Off –the –Job training” is conducted away and takes employees outside of their work environment (Mullins, 2007).

In the words of Brimley, (2003) “Training implies learning to do something and when it is successful, it results in things being done differently. It’s a process which is planned to facilitate leaning so that people can become more effective in carrying out aspects of their work”. Most organizations treat training not as opportunity for people to lean something, but as an investment that produces returns that can be related to the business plans of the organization.

HR mangers are involved in planning and implementing programs designed to improve the effectiveness with which the organization functions. Their responsibilities include improving the quality of the employment relationship by creating a climate of trust, getting better results from the organization, teams and individuals by measuring and requiring performance within agreed framework of objectives and competence requirements, assessing and improving performance; identifying learning and development needs (Armstrong, 2008).

The main objective of any organization is to increase the business value and therefore enhance its owners’ wealth. Every in the organization has their role to fulfill at some time and every encouragement must be given to them to do so.

All stakeholders need feedback. For employees it is important for their progress and advancement. Evaluation is one way to provide that feedback, especially when it comes to employee training. “Evaluation is a process of establishing the worth or value of

something” (Rae, 2002). It is a procedure information gathering for making decisions regarding training practices (Sloman, 1999).

Businesses apply evaluation of performance appraisal to assess employee effectiveness and work performance which can help in defining and developing training needs for the organizations. Many employee development programs not succeed to deliver the anticipated benefits. Business can determine the problem areas by having a well-structured measuring system in the companies (Mullins, 2007).

The organizations need taking into account different aspects of the organizational context and future organizational plans before making any decision. Training evaluation will encourage employees to think that their future is being reviewed and the branch to considers their needs, other may assume it as important or else why would the organization spend resource on it? This may encourage close involvement, cooperation and coordinating. Training evaluation may also help in improving quality of training activities which in turn result in greater benefit.

Today’s business environment demands that organization train their employees. This not only helps the employees communicate effectively and efficiently, it also results in gaining customer loyalty and increase in Pride Micro Finance performance. Training is a planned process that helps the employees to gain skills that are required to cope with organizational and environmental changes. It provides essential abilities to perform organizational tasks to deal with the customers who help in raising customer satisfaction. Better trained, motivated and satisfied employees are in much better position to serve the customer needs. Companies that evaluate training, provide feedback and enough employee participation can easily adopt to change nature of the business world.

To respond to the limits of re-engineering work processes and to the requirements of organizational productivity and efficiency, numerous researchers have examined the impact of customer care services to work on performance (Mark Kolakousk. Mausner and Snyderman 1959; McGregor 1960; Vroom 1964; Porter and Lawler 1968). These studies quickly highlighted employee recognition as an essential component of customer care. Moreover, Porter and Lawler (1968) put forward an intrinsic and extrinsic motivation model specific to the world of work.

Organizational performance is determined by gaining intrinsic and extrinsic rewards. Several studies are in line with this theory, which can be referred to as motivation as a predictor of organizational performance (Deci and Ryan 2000). However, the goals of research on customer care services are no longer limited solely to the achievement of work performance but have evolved to respond to new management concerns related to employee commitment (Meyer and Herscovitch, 2001), turnover (Richer, Blanchrd and Vallerand, 2002), mental health in the workplace (Locke, 1997) and recognition (Browne 2000, Franco, Bennett, Kanfer and Stubblebine 2004; Sanderson, 2004).

The essential nature of employee recognition as a vector of motivation (Dutton 1998; Appelbaum and Kamal 2000; Sanderson 2004; Grawitch Gottschalk and David 2006), identity (Dejours 1993) and component of meaningful work (Mow 1987; Morin 1996, 2001). Indeed, it acts as a personal development agent as well as a binder and dynamic factor in industrial relations. It also proves to be pivotal to workplace mental health. In fact, Brun and Biron et al. (2003) reveals that a lack of recognition constitutes the second-largest risk factor psychological distress in the workplace.

Among managers, for instance, it would appear to constitute a stress-tolerance factor and a key element in their ability to handle difficult professional situations (Dany and Livian

2002). One of the most important sources of organizational mobilization and engagement (Wills, Labelle, Guerin and Tremblay 1998; Tremblay, Gay and Simard 2000), recognition plays a key role in the success and continuity of organizational change (Atkinson 1994; Fabi, Martin and Valois 1999; Evans 2001).

Moreover, it promotes on-the-job learning (Lippit 1997) and is a building block of learning organizations (Griego, Geroy and Wright 2000). Finally, by contributing to employee job satisfaction, it has a positive impact on organizational productivity and performance (Applebaum and Kamal 2000). Admittedly, most employees express a need to be recognized by their supervisors, co-workers and clients, regardless of their job status or type (Burn 1999, 2000). In the same vein, respondents to a UK survey of construction industry professionals (Bennet, Davidson and Gale 1999) ranked “recognition of their efforts” as the most important organizational practice or metric among those listed.

However, both the qualitative and quantitative data suggest a discrepancy between the need for recognition and HR Management practices developed in the workplace. Indeed, these practices are still very much oriented towards the control and domination model of organizational and personal conduct (Linhart and Linhart 1998). This growing need for recognition among workers is partly due to specific social and organizational contexts.

A great extent of empirical research has been conducted to define the factors of job satisfaction. For example, some studies have shown that job satisfaction is influenced by gender and age (Mesh'al, 2001; Gazioglu, Tansel, 2006), or tenure and the level of education (Zhanh, Lam & Baum, 1999; Lura et al. 2010) and, of course, the level of income (Oshagbemi, 2000; Bender & Heywood, 2014; Janes & Sloane, 2007).

According to the income, some studies noted that the level of the salary is a secondary variable that can not stand and its influence may be limited when the work quality is



unsatisfactory. A study conducted by Brown and his colleagues (Brown et al, 2007) supports this notion. The researchers surveyed 16266 workers and employees who work in more than 800 institutions to determine the factors of happiness at work.

The results indicated that the level of salary minimally influenced job satisfaction. Yet, when the researchers looked at an employee's position in a Pride Microfinance they found a strong link with job satisfaction and concluded that rank increased happiness to a great extent when compared with higher salaries.

The researchers explained this relationship and indicate that rank influenced how proud employees were with their professional achievements. In a similar study conducted on nurses, (Shields and Ward 2007) found that the lack of opportunities for career advancement or the possibility of promotion affect the job satisfaction of employees more than the size of the salary.

Other studies indicated that salary raise can only influence jobs with low level income, but not the high level ones and in some cases raise might have negative effect on job satisfaction. Therefore, there might be some evidence to suggest that the relationship is not linear, but it rather a curvilinear one. For example, Bender and Heywood (2004) found that university professors who receive high income-in comparison with other jobs-have low job satisfaction because they think that PhD holders who work in industry earn more than them.

(Clarke, Oswald & War, 1996) have it that the relationship between age and salary and job satisfaction, the researchers found out that there is a direct correlation between job satisfaction and salary after controlling the age variable. This means that job satisfaction for the salary increase with age due to the low financial responsibilities with the growth of age.

They further say that, the job satisfaction declines with high level of education. The theory suggests that education has a negative impact on job satisfaction because increased education is associated with higher expectations; such a person may become dissatisfied with performing the routine tasks required of most jobs even their salary might be higher than younger employees. Such studies may indicate that the salary does not influence job satisfaction directly, but through other factors.

## **2.2 Effect of customer care on performance**

With the ability to quickly adapt and handle customer concerns, customer service represents an area small business excel in, according to the University of Maryland's Robert H. Smith School of Business. Good customer service has the potential to alter Customer service is the provision of service to customers before, during and after a purchase. Customer service is a series of activities designed to enhance the level of customer satisfaction that is, the feeling that a product or service has met the customer expectation (Turban et al. 2002)

The importance of customer service may vary by product or service, industry and customer. The perception of success of such interactions will be dependent on employees "who can adjust themselves to the personality of the guest," according to Micah Solomon. From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement. A customer service experience can change the entire perception a customer has of the organization. Some have argued that the quality and level of customer service has decreased in recent years, and that this can be attributed to a lack of

support or understanding at the executive and middle management levels of a corporation and/or a customer service policy. To address this argument, many organizations have employed a variety of methods to improve their customer satisfaction levels, and other key performance indicators (Turban, Efraim 2002). In many European countries like UK Netherlands, German USA and Canada the management knows that effects of customer service benefits the customer because the customer's needs are met, whether it's a product or service. It benefits the organization because it helps to build customer loyalty, repeat business, and positive word of mouth. Ultimately, this translates into higher sales for the organization and a positive reputation in the community. Because effective customer service leads to higher sales and a positive reputation in the community, it benefits the employee from the standpoint of the company doing well. When the company does well, the employee's job security is greater.

In African countries like Kenya higher sales in many organizations is due to effective customer service thus increasing thus salaries, benefits, compensation package, rewards, more money available for training and development of the employee, etc. It also benefits the employee who is providing efficient customer service in that they feel good about what they do and improves morale. (Buchanan, Leigh 1 March 2011). Kenya Power is a state corporation charged with supplying power to the public this organization has tremendously expanding customer net work which is as result of many people being connected with electricity in various parts of this country. This research is seeking to establish if the rapidly growing clientele base is due to the customer care service the organization is offering to the customers and if the organization is training its employees on the effective customer care service.

Good customer service departments understand the relationship between the way they greet, treat and handle customers and the bottom line. Efficient customer service departments seek to solve problems as they occur, and, if possible, prevent them in the first place. For instance, when processing an order for products or services, good customer service departments will ask necessary questions to ensure the customer is ordering the correct item or service, and will verify the data before ending the call or contact to verify accuracy. This can reduce the drain on company resources and increase customer satisfaction by reducing the number of returns, complaints and problems that crop up because of poor handling. In addition, properly trained representatives can effectively cross-sell additional products or services while processing customer orders, thereby increasing sales.

Loyalty. Treating customers with respect, greeting them with enthusiasm and going above and beyond to resolve any problems and issues can keep customers coming back. When companies seek to resolve problems and issues in a quick, pleasant and efficient manner, customers remain confident in the company and continue the business relationship. In addition, happy customers help spread positive word-of-mouth, resulting in an additional avenue for marketing and advertising for your company. Small businesses can compete with larger businesses by cultivating customer relationships through personal attention and care.

Internal benefits. Good customer service provides exceptional customer service to external and internal customers. Internal customers, including marketing and product development, depend on the data collected from customer service contacts to improve existing products and services. This data can include information related to safety issues, production

problems and poor performance. The internal benefits of good customer service also stretch beyond current products and services. Good customer service departments capitalize on the ideas customers provide for suggested products and services, leading to opportunities for new innovations and revenue streams.

Since the main goal of an organization is to satisfy the needs of customers which will lead to increased profit. This indicates that without the existence of customers business activities

will be futile. Business owners often concentrate on the improvement of their products; this is one of the basic features of the production concept. Often they ignore their customer care and relationship; as a result, many of their customers move their purchasing interests to organizations who can serve them better. The problem here is that they fail to understand that customers' value, care and concern is far above the product quality. So organizations tend to try their best as much as possible to retain their customers and even attract more.

The ultimate purpose of customer care, like any organizational initiative, is to increase profit. In the case of customer care this is achieved mainly by providing a better service to customers than competitors do. Customer care does not only improve the service to customers, a good customer care capability will also reduce costs, wastage, and complaints. Customer care also reduces staff stress, because attrition – a major cause of stress – reduces as services and relationships improve. Customer care enables instant market research as well: opening the lines of communications with your customers gives you direct constant market reaction to your products, services and performance, Customer service comes in different form but the goal is to keep the

customer happy at all times, even when they are in the wrong. Far better than any market survey. Good customer care also helps you grow your business: customers stay with you longer; customer churn rates reduce while referrals to new customers increase from the increasing numbers of satisfied customers; demand reduces on fire-fighting and trouble-shooting staff, the organization's service flows and the teams work more efficiently and more happily.

Customer satisfaction is a vital customer care variable that must not evade our empirical scrutiny. Indeed, customer satisfaction is central to successful application of the marketing concept. Many company mission statements and marketing plans are designed around the goal of increasing customer satisfaction. (Claudia, et al 2001) The concept of relationship is very complex because it relates to different disciplines but with regards to the topic at hand, relationship or business relationship can be viewed or described as being distinct from, but related to, concepts such as Enterprise relationship management, consumer behavior and customer relationship management Customer relationship management seeks to provide a complete and holistic model of business relationships and business relationship value over time, in order to make the various aspects of business relationships both explicit and measurable (Parvatiyar et al 2000). A mature customer care model will ultimately support both: · Strategic business research and development efforts, · Tools and techniques that implement customer care principles. As a result of the effectiveness and intensity of the concept of customer care, customers would benefit from it through experiencing enhanced product delivery and organizations themselves would gain from it through increase in customer database, increase in performance and profitability.

At Aiba-staffing.com, we know that keeping existing customers happy, with expected and desired service is less costly than trying to attract and retain new customer's. Having the Right

People, in the Right Place and at the right time will ensure that the company is providing the service's that customer's come to expect.

### **2.3 The challenges faced in implementing customer care in pride microfinance**

Many organizations are considering introducing customer care, in the process of doing so. The main concern of these organizations is their ability to make the necessary changes at the level of organizational strategy that the introduction of the CRM system requires. Organizations are also concerned about damaging their existing customer care system. Their fears are based on past failures in their own or in other organizations.

With most other types of information systems we are concerned mainly with operations relevant to the organization's internal resources. By contrast, introducing a CRM system affects the company's customers, who are external to the organization and beyond its control. The company's reputation and future are greatly dependent on the success of the CRM implementation. Failure in the introduction of the CRM system, especially in service and sales phone centers, can result in real disaster for the organization. The present article focuses on issues that must be addressed in order to ensure that a new CRM system is introduced in the organization in the best possible way, generating maximum return on investment, without affecting current activity, and with minimal risk.

The implementation of customer care varies from one organization to the next; each one must be treated as a separate application, having different needs and requiring different

solutions.

We identify seven types of customer care applications: (1) customer care for call centers; (2) customer care systems for service representatives in the field; (3) customer care for telemarketing; (4) customer care for sales managers in the field (sales managers who are in direct contact with the client); (5) customer care for marketing; (6) analytic customer care for the creation of BI insights and reports based on a database of client contacts; and (7) customer care for servicing partners and clients over the Internet. The last three are not discussed in this article.

What factors can interfere with the successful implementation of customer care system at the functional and technological level? In our experience, three main factors are responsible for crucial failures. To the extent that IT can solve these problems, part of the difficulties in introducing customer care systems into the organization would disappear. Note however, that in some cases IT is not in a position to solve these problems, and the implementers of the customer care system must cope with these failures.

The first problem occurs when the customer care system is not connected directly to the operational systems. In the worst case it is not possible to access the operational and legacy data about clients and products through the customer care system, and users must access simultaneously other systems, resulting in double entries. In another problematic case the connection is not complete and transparent. In this case it is possible to access the operational system not only through customer care but also directly, circumventing customer care and rendering its use optional. The second problem has to do with a client database that contains low quality data or with data that is missing altogether. The third



problem is one of poor performance, the result of the fact that customer care system is connected to a large number of systems and often interacts with various technologies, many of them legacy systems. If the transition to customer care does not include the upgrading of the technology of legacy systems, performance is degraded. Even if customer care system was developed under optimal conditions, several failures and challenges are built into every customer care system at the organizational level. We must be aware of these failures and challenges and create solutions for them as part of the training and deployment process. The introduction of the customer care system requires a period of time for entering client data into the system. This detailed information is needed later to conduct an intelligent dialog with the client. But often those who feed the data into the customer care system are not the ones who benefit from the data, and have therefore no interest in entering the data in the first place, and certainly not in the best and most reliable way possible. Another phenomenon we encountered in the implementation of customer care is that those who could benefit from the data are not using it often enough, which reduces the business value that customer care was supposed to provide to the organization. The infrequent use is the result of a lack of awareness of its existence or of a lack of faith in its quality.

At call centers, implementation of customer care involves several unique issues related to the fact that these vital, 24/7 systems cannot be down even for a few moments. Call centers experience a high turnover of personnel. Heavy use of students creates additional problems customer care personnel intended for sales managers are subject to conflict with the sales manager's personal interest. Sales managers prefer not to expose their leads,

contact persons, and the status of their transactions, and may try to prevent entering the complete data into the system.

Customer experience management is a tough job. It involves understanding what your customers want and knowing when they want it.

The complexity of the customer experience has resulted in an increased demand for customer experience professionals. Google trends shows that the number of searches for ‘customer experience jobs’ has increased 40% from July 2013 to July 2014.

With this added complexity and increased demand, there’s now more pressure on your business to deliver a better customer experience. However, this can be difficult, so let’s look at six challenges you might face when attempting to deliver a world-class customer experience.

Delivering a consistent customer experience across all channels. Research by Rawson, Duncan, and Jones found that customers do not care about singular touch points across the customer journey. Instead, they care about their cumulative experiences across multiple touch points and channels over time.

This means customers no longer rate your service based off individual interactions – they look at the service you deliver as a whole and rate you based off that experience.

As a business, you need to focus your efforts on making each and every experience equally good. Whether a customer is engaging with you on their mobile, in store or over the phone, they should receive a consistently good experience.

Understanding this is one thing, but implementing it is another. It can be hard to get all your departments talking to one another to ensure you are delivering a consistent message.

One way to overcome this challenge is to make sure you enable cross-department collaboration. Your team needs to be in constant communication and work collaboratively on new marketing and customer support initiatives.

Choosing the right technology to create better experiences. Esteban Kolskey, a customer strategist, suggests that technology can speed up existing processes and outcomes. He says, “this acceleration by itself (meaning nothing else changes) can shine a light on previously non-performing processes that are inefficient.”

But before you race off and try and use technology as a quick fix, Esteban warns that technology is not always the answer. He says, “Some of the experiences your customers expect are not based on more or better technology, but in changing the training plan, or changing a location, or even changing a manual process.”

The challenge lies in finding the right technology to improve the right parts of the customer experience. You cannot rely on technology as the answer to your poor customer experience. It is simply an enabler that can improve your experience and expand on the customer experience strategies you are implementing.

When evaluating technology, make sure you involve all key stakeholders across all departments of your business. Everyone needs to be working together to find the right technology that can enhance the customer experience from the first interaction, through to sales, through to support and on into accounting.

Creating a customer-first culture. As you begin to focus more on customers, your employees may find it hard to adjust priorities. Where in the past they may have been rewarded and incentivized around speed of service and number of support tickets closed, with a customer-first culture, they may now be expected to go the extra mile for customers, which will slow them down and reduce their speed.

As a manager driving this initiative, you need to be aware of these priorities and adjust your rewards and incentives based on the new preferred outcomes. It would not make sense to reward 'total number of calls' if a customer support team member is leaving inquiries half-answered.

This shift towards a customer-first culture can be a tough one to manage. In essence, a customer-first culture is formed through the values your business embodies. It will take time to readjust your company values and communicate them to your entire time. It is only through these values that your employees can acquire direction as to how they should properly engage, interact and communicate with customers.

A great example of a company that has a great customer-first culture is Zappos. CEO Tony Hsieh encourages his employees to break the rules in order to create amazing customer experiences. He helps employees to think outside the box and gives them extra flexibility to spend longer on customer interactions in order to create memorable experiences.

Systemizing a customer feedback process. Customer feedback is the essential component that you need in order to benchmark and improve the customer experience. Without feedback from your customers, you have very little hope of improving the experience.

This can be a challenge for businesses that don't have a customer feedback system in place. You should have – at a minimum – three customer feedback loops, or three opportunities where you can gather feedback from customers. This way, you give yourself lots of chances to get insights that can help guide your customer experience decisions.

Here are some popular customer feedback loops to consider:

- Customer satisfaction surveys
- Quarterly business reviews
- Post-interaction surveys
- Comment boxes on website, mobile and in store

Understanding customer expectations and knowing how to exceed them. Customer expectations are constantly changing. A big challenge for businesses is keeping up with what their customers want and then knowing how to exceed those expectations.

This is where talking to customers is the best strategy. Listen to customers – ask them questions and analyze the data to see any trends in customer behavior. For example, if you notice more customers spending time on mobile, ask them why and if the experience on mobile is good or could be improved.

Often times, customer expectations are being set by other companies and your competitors. Keep an eye out for what other companies are doing and what's being well received.

Try to stay ahead of your competition by implementing new initiatives based off the feedback from your customers and industry trends. The best way to exceed expectations is to stay one step ahead of everybody else.

Finding skilled customer experience professionals that can lead a strategy. Skilled customer experience professionals are in high demand. As more and more businesses begin to invest in customer experience, no longer is it a task that can be ‘added on’ to the service delivery or marketing manager’s role. Businesses are creating new roles and hiring professionals that specialize in customer experience.

Without the right expertise, you can miss opportunities to enhance the customer experience. Don’t be afraid to invest in up skilling your team – hire someone with existing experience or engage a third party that could design and implement a customer experience solution.

Defining Clear Objectives. The organization should have a clear set of objectives which it would like to achieve through customer care. These objectives need to be listed and defined as measurable metrics. Without doing so, the company can’t assess the benefits or the ROI of the customer care

Appointing a core customer care team. The CRM initiative is not an IT project. A core CRM team should be formed in addition to the participation from Top Management, Senior Executives, Customer Service, IT and end-users. Only after the requirements are clear should they be handed over to IT for implementation.

Defining the processes. It is important for the processes to be clearly defined and enforced in order to set up the CRM project for success. One good practice is to create a central repository, accessible to all, which stores all the process definitions. This allows the document to be available for referencing by anyone using the system.

Key processes that need to be defined from the start are Change Management process, Feature Re-evaluation processed. Also, clear security measures with access management need to be in place to make sure that important data is not accessible by those who shouldn't be accessing it. Managing the application. Once the CRM has been rolled-out, it is important to re-align the work culture of the teams around it. The business operation should properly map with the CRM application. This also means that end users should perform day-to-day operations through the CRM application by default and not optionally.

Finding the right partner. The rate of CRM success considerably goes up with the right solution partner. Ideally select a partner who can do both, strategy & implementation. It is important that your partner shares the risks of your implementation. Working with a vendor who understands local work culture, technology limitations and listens to the employees, are ideal.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This presents the methods employed in data collection and analysis. It describes research design, study population, sample design, sample procedure. Data collection tools, data processing and analysis.

#### **3.1 Research Design**

The study adopted descriptive research design where both qualitative and quantitative data where be collected to gain an in-depth understanding of the contribution of customer care services on the performance of Microfinance Institutions with a case study of Pride Microfinance Kabalagala.

#### **3.3 Area of study**

The study was carried out in Pride Microfinance Kabalagala branch which is located in Kampala district.

#### **3.4 Study Population**

The study was carried out in Pride Microfinance Kabalagala branch. Kampala district which has a population of around 10000 people both clients and employees to the branch. The study targeted 24 respondents. Simple random sampling method was used to select 12 male and 12 female respondents from the ages of 18-45. Purposive sampling was used to select 2 manage mental officers and Accountant officials, 8 sales personnel, Tellers 4, 2



casual workers, and 30 customers or clients from around Pride Microfinance Kabalagala branch. Purposive sampling was used because the researcher had already predetermined people to contact.

### 3.5 Sample size

The sample size consisted of 24 respondents whose structure was the employees and clients of Pride microfinance Kabalagala branch to obtain relevant information.

This is shown in table below:

**Table 3:2: Sample of population size**

| Category of respondents | Population | Sample    |
|-------------------------|------------|-----------|
| Branch manager          | 2          | 1         |
| Accountants             | 2          | 1         |
| Sales personnel         | 8          | 4         |
| Tellers                 | 4          | 2         |
| Casual workers          | 2          | 1         |
| Residents               | 30         | 15        |
| <b>Totals</b>           | <b>48</b>  | <b>24</b> |

**Source: Primary Data**

### 3.6 Sample design

The researcher used stratified random sampling technique during the study. Stratified random sampling is a process of sample selection which involves dividing the population into none overlapping groups called strata or selecting the sample from each stratum using a simple random technique. The choice was made in order to enable the researcher get

adequate representation of the whole population. With a stratified random sampling, the sample can be kept small without losing its accuracy. Besides this, the characteristics of each stratum can be estimated and hence a comparison between the two variables is easily made. This is because it is not possible to survey the entire population due to financial and time constraint.

### **3.7 Source of Data**

Both primary and secondary data were collected. Primary data was collected using questionnaires and interview guide including observation method, while Secondary data was collected by reviewing performance reports and returns of pride microfinance Kabalagala branch.

#### **3.7.1 Primary source**

The primary sources of data were both questionnaire and interviews.

#### **3.7.2 Secondary source**

This was obtained through review of textbooks, journals, newspaper articles, internet and earlier researches on the problem.

### **3.8 Data collection methods / Tools**

The researcher used the following data collection tools to gather data from the field.

### **3.8.1 Interviews**

An interview guide was used to enable respondents to give wide range of views and opinions. The interview guide was pre-tested and later administered to a convenient sample of respondents.

### **3.8.2 Questionnaires**

Questionnaire was chosen because they generated a comprehensive information at a short period of time and they encourage frank response on account of their confidential nature.

### **3.8.3 Observation**

Direct methods of gathering data from and within the branch took place to see clearly how they conduct their work and formulate clear information out them without knowing.

## **3.9 Procedure of Data Collection**

The researcher acquired a letter of introduction from the department of Business Studies and Management. This letter was presented to the Head of Human Resource Pride Micro Finance to seek permission to carry out the study which was granted and the researcher went a head to carry out the study.

### **3.9.1 Data Analysis**

This talks about the qualitative and quantitative analysis of the study.

### **3.9.2 Qualitative Data**

The data was processed and analyzed thoroughly to ensure that all questions are given full responses. The researcher edited the data to give a clear meaning to the information gathered.

### **3.9.3 Quantitative Data**

The researcher used graphical presentations to give data more meaning.

### **3.9.3 Editing**

This intended to detect and eliminate errors that are likely to occur. Only relevant, correct and crucial information will be identified and used to draw conclusions.

## CHAPTER FOUR

### PRESENTATION, DISCUSSION, INTERPRETATION AND ANALYSIS OF THE RESEARCH FINDINGS

#### 4.0 Introduction

Under this chapter presentation and analysis of findings was done in relationship to the study findings.

#### 4.1 Data Presentation

The sample consisted of 40% questionnaires and 45 respondents positively respond. The response rate was 100% of the set sample

**Table 4:3: Gender Characteristics of respondents**

| Sex of respondents | Frequency | Percentage    |
|--------------------|-----------|---------------|
| Male               | 22        | 55.00         |
| Female             | 18        | 45.00         |
| <b>Total</b>       | <b>40</b> | <b>100.00</b> |

**Source: Primary data 2019**

From table 2 above, responses indicated that the majority of respondents were male who accounted for (55%) and female respondents who accounted for (45%). Hence there was relative equality of both sexes in the branch. This shows that the responses got about the impact of Customer care on the performance of microfinance institution, a case study of pride microfinance Kabalagala branch were from both sexes.

**Table 4:4: The Age of respondents**

| <b>Age brackets</b> | <b>Frequency</b> | <b>Percentage</b> |
|---------------------|------------------|-------------------|
| Between 18-25       | 12               | 30                |
| Between 26-35       | 10               | 25                |
| Between 36-46       | 14               | 35                |
| ABOVE 46            | 4                | 10                |
| <b>Total</b>        | <b>40</b>        | <b>100.0</b>      |

**Source: Primary data 2019**

Table 3 shows that, most respondents (35%) belonged to the age bracket of between 36-46 followed by 30 percent between 18-25, and 25 percent in the age bracket of between 26-35 and lastly 10 percent above 46 Years. Hence valid and reliable information was obtained about the impact of customer care on the performance of the microfinance institutions in Pride microfinance Kabalagala branch most of the respondents were mature and knew about the topic of study.

**Table 4:5: Academic qualification of respondents**

| <b>Academic qualification</b> | <b>Frequency</b> | <b>Percentage</b> |
|-------------------------------|------------------|-------------------|
| Bachelors Degree and above    | 13               | 32.5              |
| Diploma level                 | 20               | 50                |
| Below diploma level           | 7                | 17.5              |
| <b>Total</b>                  | <b>40</b>        | <b>100.0</b>      |

**Source: Primary data 2019**

Table 4 shows that most respondents were diploma holders (50%), 32.5% of the respondents were degree holders and above while 17.5% were below diploma level. This

shows that the responses got from the branch may be reliable as the respondents were all elites who were well versed with the impact of customer care and therefore knew about the topic of study, the impact of customer care services on the performance of the microfinance institutions in Pride microfinance Kabalagala Branch.

**Table 4:6: Period of employment of respondents**

| Period of employment | Frequency | Percentage   |
|----------------------|-----------|--------------|
| Over 5 yrs           | 15        | 37.5         |
| 3-5 yrs              | 10        | 25.0         |
| 1-3 yrs              | 8         | 20.0         |
| Less than 1 yr       | 7         | 17.5         |
| <b>Total</b>         | <b>40</b> | <b>100.0</b> |

**Source: Primary data 2019**

Table 5 shows 62.5% had spent over 3 years working with the branch, while 37.5% had spent less than 2 years working with the branch. Therefore the majority of the despondence had the information about the Pride Microfinance Kabalagala branch.

**Table 4.7 showing that ability, training, and experience improve an individual's capability to perform a task**

| Response                 | Frequency | Percentage |
|--------------------------|-----------|------------|
| Strongly agree           | 25        | 62.5       |
| <b>Agree</b>             | 5         | 12.5       |
| <b>Fairly agree</b>      | 0         | 0          |
| <b>Disagree</b>          | 6         | 15         |
| <b>Strongly disagree</b> | 4         | 10         |
| <b>Total</b>             | <b>40</b> | <b>100</b> |

**Source: Primary Data 2019**

From the table 7 above, the findings indicated that 62.5% of the despondence strongly agrees that ability, training and experience can improve an individual's capability ion the branch, 12.5% agree that on the assertion while a percentage of 15% disagree and 10% strongly disagreed. This is according to the responses got from the respondents in the branch who said that the ability, training and experience can improve an individual's capability hence Pride Microfinance Kabalagala branch. Enjoys the advantage's customer care services within the branch, which involves, training and experience which results into an individual's capability to perform. This agrees with green (2001) who says training plays an important role in employee development and satisfaction/ morale/motivation. It not only helps in acquiring new skills or polishing the existing ones, but also helps to perform their jobs effectively and efficiently. Employees with trained skilled are satisfied and more productive which motivates them to perform better.

**Table 4:8 showing that the branch offers training services to its employees.**

| Response                 | Frequency | Percentage |
|--------------------------|-----------|------------|
| Strongly agree           | 20        | 50         |
| <b>Agree</b>             | 5         | 12.5       |
| <b>Fairly agree</b>      | 5         | 12.5       |
| <b>Disagree</b>          | 7         | 17.5       |
| <b>Strongly disagree</b> | 3         | 7.5        |
| Total                    | 40        | 100        |

**Source: Primary data 2019**

The findings in table 8 above indicated that (50%) of despondence strongly agreed that the branch offers training services to its employees, 12.5% agreed and 12.5%fairly agreed to the as assertion while 17.5% of the respondents disagree that the branch offers training



services to its employees and 7.5% strongly disagree to the assertion. This agrees with the Responses got the respondents interviewed who said that the branch offers training services to its employees. This concurs with (Wilkinson, 2006) and (Bratton and Gold, 2003) offering training to workers as advantages of training development which is increased capacity to adopt new technologies and methods, developments and promotion of own culture to adopt to changes but in the business environment. This is in line with (Wilson, 1999) who says that training is a planned process to change attitude, skills, knowledge and behavior through a range of activities to achieve effective performances. Employee is trained to satisfy current or future needs of the organization. In the words of Brimley (2003) training implies learning to do something and when it's successful, it results in things being done differently. It is a process which is planned to facilitate learning so that people can become more effective in carrying out aspects of the work most organizations treat training not as an opportunity for people to learn something but as an investment that produces returned that can be related to business plans of the organization.

**Table 4:9 showing that employee training has increased the productivity level of the branch.**

| <b>Response</b>          | <b>Frequency</b> | <b>Percentage</b> |
|--------------------------|------------------|-------------------|
| <b>Strongly agree</b>    | 15               | 37.5              |
| <b>Agree</b>             | 5                | 12.5              |
| <b>Fairly agree</b>      | 5                | 12.5              |
| <b>Disagree</b>          | 10               | 25                |
| <b>Strongly disagree</b> | 5                | 12.5              |
| <b>Total</b>             | 40               | 100               |

**Source: Primary data 2019**

When it came to this assertion that employee has increased the productivity level of the branch, 37.5% of the respondents strongly agreed, 12.5% agree and 12.5% fairly agreed that employee training has increased the productivity level of the branch while 25% of the respondents disagreed to the assertion and 12.5% strongly disagreed that employee training has increased the productivity level of the branch. This shows that most of the respondents agreed to assertion. This concurs with Balunywa, T. (2005) who said that in order an organization to increase productivity then the branch must motivate its employees and this may be through training. Bulunywa therefore defines motivation as the inducement of a desire behavior with in subordinates with a view of channeling their effort and activity to achieve an organization's goals. He adds that it's an internal drive to satisfy and unsatisfied need in an organization and also known as an incentive action.

**Table 4:10 showing that the branch has been able to meet its target as a result of training services its customers.**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 12        | 30         |
| Agree             | 5         | 12.5       |
| Fairly agree      | 2         | 25         |
| Disagree          | 10        | 25         |
| Strongly disagree | 21        | 52.5       |
| Total             | 40        | 100        |

**Source: Primary data 2019**

The findings indicated the 30 respondents strongly agreed that the branch has been able to meet its target as a result of training services to its customers, 12.5% strongly agreed 5%

fairly agreed to the assertion while 52.5% of the respondents relatively did not agree to the assertion. This is according to the responses got from the senior staff interviewed (Interview guide) who said that the branch has been able to meet its targets as a result of training services to its customers. This is in line with Organizations' surviving, grow and earn more profit by meeting the needs and requirements of customers. To survive in the ever changing environment, it is critical for any organization to satisfy the needs of the customers (Mullins, 2007). Customers' decision to buy the product also depends upon the customer care service of treatment provided by the branch. That's why companies put a great emphasis on its employees training on skills as well as continuous development over the years; especially for the ones which provide service directly or interact with customers often.

**Table 4: 11 showing that training equips employees with skills, knowledge and attitudes needed to achieve operational efficiency.**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 15        | 37.5       |
| Agree             | 2         | 5          |
| Fairly agree      | 3         | 7.5        |
| Disagree          | 2         | 5          |
| Strongly disagree | 18        | 45         |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From the table above 37.5% of the respondents strongly agree that training equips employees with skills, knowledge and attitudes needed to achieve operational efficiency, 5% agree and 7.5% of respondents fairly agree to the assertion with as % of other respondents disagree that training equips employees with skills, knowledge and attitudes needed to achieve operational efficiency and 45% strongly disagreed to the assertion. This agree with the response got from the interview guide from the senior staffs who were interviewed said that training equips employees with skills, knowledge and attitudes needed to achieve operational efficiency. Training is expected to equip employees to help them become “strategically unique” in addition to the provision of skills, knowledge and attitudes needed to achieve operation al efficiency. Organization’s performance largely depends upon the employees that work within it. They are the key resource and considered as capital for any organization. Employee training is important for any business which helps in overall improvement and development of the employees and business performance (Armstrong, 2008).

**Table 4:12 Showing that the branch offers rewards to the best performing employees at the end of the year.**

| <b>Response</b>   | <b>Frequency</b> | <b>Percentage</b> |
|-------------------|------------------|-------------------|
| Strongly agree    | 15               | 37.5              |
| Agree             | 5                | 12.5              |
| Fairly agree      | 10               | 25                |
| Disagree          | 0                | 0                 |
| Strongly disagree | 10               | 25                |
| Total             | 40               | 100               |

**Source: Primary data 2019**

The finding indicated that in table 12 above, that 37.5% of the respondents strongly agree to the assertion that the branch offers rewards to its best performing employees at the end of every year, 12.5% the branch reorganizes its employees through employee benefits like transport allowances, housing allowances, 25% of the other respondents fairly agree to the assertion while 25% strongly disagreed to the assertion. This is according to the respondent's interview who said that for any given organization, there's a need to motivate the best performing employees as this will improve on the performance of some employees to work with zeal.

**Table 4:13 showing that the branch reorganize employees through employee benefits**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 30        | 75         |
| Agree             | 10        | 25         |
| Fairly agree      | 0         | 0          |
| Disagree          | 0         | 0          |
| Strongly disagree | 0         | 0          |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From table 13 above, 75% of the respondents strongly agreed that the branch recognizes its employees through benefits like transport allowances, housing allowances, and 25% agreed that the branch recognizes its employees through employee benefits like transport allowances, housing allowances. The essential nature of employee recognition as a vector of motivation (Duration 1998, Appelbaum and Kamal 2000; Sanderson 2004; Grawitch

Gottschalk and David 2006), identity (Dejuors 1993) and component of meaningful work (Mow 1987; Morin 1996, 2001). Indeed, it acts as a personal development agent as well a binder and dynamic factor industrial relations. It also proves to be pivotal to workplace mental health. In fact, Brun and Biron et al. (2003) reveals that a lack of recognition constitutes the second-largest risk factors for psychological distress in the workplace.

**Table 4:14 showing that Employee recognition has increased organizational productivity and performance.**

| <b>Response</b>   | <b>Frequency</b> | <b>Percentage</b> |
|-------------------|------------------|-------------------|
| Strongly agree    | 25               | 62.5              |
| Agree             | 5                | 12.5              |
| Fairly agree      | 0                | 0                 |
| Disagree          | 5                | 12.5              |
| Strongly disagree | 5                | 12.5              |
| <b>Total</b>      | <b>40</b>        | <b>100</b>        |

**Source: Primary data 2019**

From the table above, 62.5% of the respondents strongly agreed to the assertion that Employee recognition has increased organizational productivity and performance 12.5% of the respondents disagreed that Employee recognition has increased by graining intrinsic and extrinsic rewards. Several studies are in line with this theory, which can be referred to as motivation as a predictor of organizational performance (Deci and Ryan 2000). However, the goals of research on motivation are no longer limited solely to the achievement of workers performance but have evolved to respond to new management

concerns related to employee commitment (Meyer and Herscovitch, 2001). turnover (Richer, Blanchard and Vallerand, 2002), mental health in the workplace (Locke, 1997) and recognition (Browne 2000; Franco, Bennett, Kanfer and Stubblebine 2004; Saunderson, 2004). Moreover, it promotes on-the-job learning (Lippit 1997) and is a building block of learning organizations (Griego, Geroy and Wright 2000). Finally, by contributing to employee job satisfaction, it has a positive impact on organizational productivity and performance (Applebaum and Kamal 2000). Admittedly, most employees express a need to be recognized by their supervisors, co-workers and clients, regardless of their job status or type (Brun 1999, 2000). In the same vein, respondents to a UK survey of construction industry professionals (Bennet, Davidson and Gale 1999) ranked 'recognition of their efforts' as the most important organizational practice or metric among those listed.

**Table 4:15 showing that Employee recognition has increased motivation leading to the expansion of the market base.**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 25        | 62.5       |
| Agree             | 2         | 5          |
| Fairly agree      | 5         | 12.5       |
| Disagree          | 3         | 7.5        |
| Strongly disagree | 5         | 12.5       |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From the table above, 80% of the respondents relatively agree to the assertion that the company while as 20% of the respondents do not agree to the assertion.

**Table 4:16 showing that the branch offer training to its employee which has improved on the employees skill hence good performance.**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 14        | 35         |
| Agree             | 2         | 5          |
| Fairly agree      | 0         | 0          |
| Disagree          | 6         | 15         |
| Strongly disagree | 18        | 45         |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From table 17 above, 35% of the respondents strongly agree to the assertion that the branch offers training to its employees which has improved on the employees skill hence good performance 5% of the respondents agree while as 15% of the respondents disagreed to the assertion that the branch offers training to its employees which has improved on the employees skills hence good performance.



**Table 4:17 showing that are employees dissatisfied always in the branch?**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 25        | 62.5       |
| Agree             | 5         | 12.5       |
| Fairly agree      | 0         | 0          |
| Disagree          | 0         | 0          |
| Strongly disagree | 10        | 25         |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From table 17 above, the findings indicated that 62.5% of the respondents strongly Agreed to the assertion that employees are dissatisfied always in the branch. 12.5% Agreed to the assertion while 25% of the respondents strongly disagreed that employees are dissatisfied always in the branch. This is in line of Balunywa. T. (2011). Who says that when employees believe they should be earning more money, they exhibit signs of overall dissatisfaction. Which is anger As a result, their workplace relationship suffer, particularly the professional relationships they will supervisors and managers. Balunywa says that employees who spend too much time thinking about their supervisors and managers earning more money can become guilty of displaced anger. Instead of directing their anger toward compensation and benefits specialists who determine the salary structure or toward executive leadership for not reconstructing compensation, they may feel inadequate compared to managers who earn higher wages.

**Table 4:18 showing that the branch has a strong incentive to implement a wage distribution that is more compress than the variation in workers' productivities.**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 15        | 37.5       |
| Agree             | 10        | 25         |
| Fairly agree      | 0         | 0          |
| Disagree          | 5         | 12.5       |
| Strongly disagree | 10        | 25         |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From table 18 above, 37.5% of the respondents strongly agree to the assertion that the branch has a strong incentive to implement a wage distribution that is more compressed than the variation in workers' productivities, 25% agree while as 12.5% of the respondents disagreed to the assertion and 25% strongly disagreed that the branch has a strong incentive to implement a wage distribution that is more compressed than the variation in workers' productivities. This agrees with the model of fairness, morale, and cohesiveness which according to Milgrom (1988) suggests that firms have a strong incentive to implement a wage distribution that is more compressed than the variation in workers' productivities. A complementary theory promoting wage compression to increase firm performance has been developed by and Milgrom and Roberts (1990). The authors emphasize that (white-collar) worker's workers have incentive to withdraw information from managers in order to increase their influence.

**Table 4:19 showing that workers reduce their effort actual wage falls short of the wage they regard as fair.**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 15        | 37.5       |
| Agree             | 5         | 12.5       |
| Fairly agree      | 5         | 12.5       |
| Disagree          | 10        | 25         |
| Strongly disagree | 5         | 12.5       |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From table 19 above, 37.5% of the respondents strongly agree to the assertion that workers reduce their effort if their actual wage falls short of the wage they regard as fair, 12.5% of the respondents agree to the assertion, 12.5% fairly agree while 25% disagreed and 12.5% of the respondents strongly disagreed that workers reduce their effort if their actual wage falls short of the wage they regard as fair E. This concurs with Mugisa (2011), who said that the implementation of some wage equity can reduce the potential tendency of workers to take personal interest decisions, which may not be profitable for the organization as a whole. Moreover, they stress that it is more costly to monitor the actions of white-collar workers. Some employers struggle to pay top wages. Economic conditions, organizational changes and demand for business services and products affect an employer's ability to compensate employees at extremely competitive wages. Low wages

can have devastating effects on employees in terms of anger and disappointment, stress, low morale and unemployment.

**Table 4:20 showing that workers often compare their salaries.**

| <b>Response</b>   | <b>Frequency</b> | <b>Percentage</b> |
|-------------------|------------------|-------------------|
| Strongly agree    | 0                | 0                 |
| Agree             | 0                | 0                 |
| Fairly agree      | 0                | 0                 |
| Disagree          | 0                | 0                 |
| Strongly disagree | 40               | 100               |
| <b>Total</b>      | <b>40</b>        | <b>100</b>        |

**Source: Primary data 2019**

The findings indicated that 100% of the respondents strongly disagreed to the assertion that workers often compare their wages. This true basing on the response got from the branch that workers often compare their wages. Relative wages are considered as a key determinant of the workers' effort. Indeed, because workers often compare their wages with those of their coworkers, it is argued that the intra firm wage dispersion has an impact on the individual worker's productivity and thus on the average firm performance. However, there is no consensus regarding the precise impact of intra firm wage dispersion on firm productivity. On the one hand, the single-period rank-order version of the tournament models (e.g. Lazear and Rosen 1981) stresses the positive influence of wage inequality within a firm on the worker's effort.

**Table 4:21 showing that Motivation levels drop when workers don't receive the compensation to which they are entitled.**

| Response          | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree    | 40        | 100        |
| Agree             | 0         | 0          |
| Fairly agree      | 0         | 0          |
| Disagree          | 0         | 0          |
| Strongly disagree | 0         | 0          |
| Total             | 40        | 100        |

**Source: Primary data 2019**

From table 21 above, the findings indicated that 100% of the respondents strongly agreed to the assertion that Motivation levels drop when workers don't receive the compensation to which they are entitled. According to the responses got from senior respondents in the branch, they said that branch they said that branch should ensure motivation levels are maintained among the employees in order to maximize profits. This is in line with Girma (2010) who said that Motivation levels drop when employees don't receive the compensation to which they are entitled. Those employees believe there's no use in putting forth the effort to do a good job when their pay is significantly lower than competitors' wages. Therefore Low levels of motivation have an impact on performance, and poor performance affects the organization's bottom line. Girma says that poor performance can affect the quality of product and services. In turn, customers will eventually seek the quality and quantity they deserve from a competitor. Losing business

to competitors will ultimately make your organization's profits drop and end in underemployment and, perhaps, unemployment. This agrees with Atuhaire Alex (2010) who said that compensation costs-salaries, wages, and benefits-are a large and increasing part of operating expenses underemployment; yet, productivity can decline among workers who get more pay and benefits. Workers are productive with fair pay tied to performance. Ironically, not all employee motivation and productivity problems are solved by pay raises and promotions. It isn't necessary to make pay adjustments beyond a fair industry-wide (market place) level.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.0 Introduction**

This chapter presents the discussion of the findings from the proceeding chapter. The chapter is divided into section. The first section gives the details of discussion while the second section deals with the conclusion, the third deals with recommendation, and the fourth and final section presents the areas for further research. Interpretation and discussion of the findings are presented in line with objectives of the study together with potential implication.

#### **5.1 Summary of findings:**

The study revealed that customer care in branch is an engine for better performance of works. This may be through the branch offering training employees, also through recognizing the efforts of works in the branch through employee competence, fringe benefits like houses allowance, transport allowances, rewarding the best performance, through promoting of works.

#### **5.2 Conclusion of the study**

Basing on the research finding of the study and interpretation attached to them the conclusion below were made.

1. The branch offers training of the study services to its employee which has led to increased capacity

2. Employee training increases the productivity level of the branch as works are motivated its employees and this may be through training, which training equips employees with skills, knowledge and attitudes needed to achieve operational efficiency, the branch offers rewards to its best performing employees at the end of every year including their customers thus promoting customer care services within the organization.
3. The branch recognizes its customers through providing to them benefits like better services, fast handling, reliability towards them, and customer recognition which increases organizational productivity and performance.

### **5.3 Recommendations**

In views of the conclusion and theoretical research has made the following recommendations.

- 1) Branch should offer customer care services to both the customers and the employees because this is an engine to greater productivity as this instills zeal among the employees to customers.
- 2) Branch should offer a reward to its best performing employees because this motivates them to work harder, and the branch should recognize its employees through employee benefit.
- 3) Branch should recognize their customers as the heart of the origination because they increase on the organizational productivity and performance.
- 4) Branch should treat their employees equally and fairly equitably because this improves their productivity.



## **5.4 Areas for further research**

The study did not exhaust all possible variables on the impact of customer care on the performance of the microfinance institution, thus more investigations should be conducted on the impact of customer care on the performance of the microfinance institution while in operation, in the current economic environment.

1. The impact of customer care services on performance of pride microfinance Kabalagala branch.
2. How employee recognition may improve performance in pride microfinance Kabalagala branch?
3. How high first delivery may increase the performance in pride microfinance Kabalagala branch?

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## APPENDICES

### APPENDIX I: QUESTIONNAIRES

Dear respondent,

I am Bukenya Deziderio a student of Kampala International University in pursuing a Bachelors degree of Business Administration. I am carrying out a study on the “**The role of customer care on the performance of the Micro finances**” A case study of pride microfinance Kabalagala branch in Kampala District. The study is purely for academic purposes and the information will be treated with strict confidentiality. (You are requested kindly to assist in filling this questionnaire and tick where necessary)

#### SECTION A

##### GENERAL INFORMATION

###### 1. Gender

a) Male ☐ b) Female ☐

###### 2. Age bracket (years)

a) Between 18-25 ☐ b) Between 26-35 ☐ c) Between 36-46 ☐  
d) Above 46 ☐

###### 3. Highest level of education attained

a) Bachelors Degree and above ☐ b) Diploma level ☐ c) Below diploma ☐

###### 4. Period of employment of respondents

a) Over 5 years ☐ b) 3-5 years ☐ c) 1-3 years ☐  
b) d) Less than 1 year ☐

## SECTION B

### Objectives one: Employee training and development in organization

Indicate the extent to which you agree with the following observations on Employee training and development in organization.

Please use the key below to answer the following questions by indicating: (1) for strongly agree, (2) for agree, (3) not sure, (4) for disagree, (5) for strongly.

|   | Employee training and development in organization  | 1 | 2 | 3 | 4 | 5 |
|---|--|---|---|---|---|---|
| 1 | Motivation is the inducement of a desired behavior with in subordinates with a view of channeling their efforts and activity to achieve an organization's goals. |   |   |   |   |   |
|   | Ability, training and experience improve an individual's capability to perform.  |   |   |   |   |   |
| 2 | The branch offers training services to its employees.  |   |   |   |   |   |
| 3 | Employee training has increased the productivity level of the branch.  |   |   |   |   |   |
| 4 | The branch has been able to meet its targets as a result of training Services to its customers.  |   |   |   |   |   |
| 5 | Training equips employees with skills, knowledge and attitudes needed to achieve operational efficiency.   |   |   |   |   |   |
| 6 | Organization's performance largely depends upon the employees that work in it.   |   |   |   |   |   |
| 7 | Employee training can improve employee satisfaction that may result in high level of service to customers.   |   |   |   |   |   |
| 8 | Customers are satisfied with the services offered by the branch.   |   |   |   |   |   |

If any others please specify

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**Objective TWO:** Employee recognition and business performance.

|   | Employee recognition and business performance  | 1 | 2 | 3 | 4 | 5 |
|---|--|---|---|---|---|---|
| 1 | The branch offers rewards to its best performing employees at the end of every year.   |   |   |   |   |   |
| 2 | The branch recognizes its employees through employee benefits like transport allowances, housing allowances and many others. |   |   |   |   |   |
| 3 | Employee recognition has increased organizational productivity and performance.  |   |   |   |   |   |
| 4 | Employee recognition increased motivation leading to the expansion of market base.   |   |   |   |   |   |
| 5 | Employees are proud of their professional achievements?  |   |   |   |   |   |
| 6 | To achieve any goal, an employee must be flexible and suitable for the job.  |   |   |   |   |   |
| 7 | Goal clarity among the employees helps to improve their performance.   |   |   |   |   |   |
| 8 | A feeling of acceptance by the employee may improve his/her performance.   |   |   |   |   |   |

If any other please specify

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**Objective three: Wages/Salaries and business performance**

|   | <b>Wages/Salaries and business performance</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
|---|---|----------|----------|----------|----------|----------|
| 1 | Are employees dissatisfied always in the branch?  |          |          |          |          |          |
| 2 | The firms has a strong incentive to implement a wage distribution that is more compressed than the variation in workers' productivities |          |          |          |          |          |
| 3 | Workers reduce their effort if their actual wage falls short of the wage they regard as fair.   |          |          |          |          |          |
| 4 | Workers often compare their wages.  |          |          |          |          |          |
| 5 | Motivation levels drop when workers don't receive the compensation to which they are entitled.  |          |          |          |          |          |
| 6 | There is strong relationship between employee performance and motivation.   |          |          |          |          |          |

If any other please specify

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***THANK YOU FOR YOUR TIME AND CO-OPERATION***



7) Are Customers are satisfied with the services offered by the branch?

**RQn.2**

- 1) Does the branch offers rewards to its best performing employees at the end of every year?
- 2) The branch organizes offers to its customers in foam of benefits like appreciating their contribution, and providing to them better services?
- 3) Does the branch recognize its Customers?
- 4) Has Employee recognition has increased organizational productivity and performance?

**RQn.3**

- 1) Are employees dissatisfied always in the branch?
- 2) Has the branch got strong incentive to implement a wage distribution?
- 3) Do workers reduce their effort if their actual wage falls short of the wage?
- 4) Has Customer care service levels drop when workers don't receive the compensation to which they are entitled.

***THANK YOU FOR YOUR TIME AND CO-OPERATION***

## APPENIX II: INTERVIEW GUIDE

I am Gibogi Titus Wabulo, a student of Kampala International University in Uganda pursuing a Bachelors degree of Business Studies in Marketing Section. I am carrying out a study on the “**The Role of customer care on the performance of the Micro finances**” A case study of pride microfinance Kabalagala branch in Kampala District. The study is purely for academic purposes and the information will be treated with strict confidentiality.

### RESEACH QUESTIONS

1. How does customer care services improves performance of microfinance institution?
2. How do credit facilities improve performance in microfinance institutions?
3. How does competence and reliability increase the performance of employees in microfinance institutions?

#### RQn.1

- 1) Does the branch offers training services to its employees?
- 2) Has Customer satisfaction lead to increased productivity level of the branch?
- 3) Has the branch ever been able to meet its targets as a result of customer care services to its customers?
- 4) Does training equip employees with skills, knowledge and attitudes needed to achieve operational efficiency?
- 5) Does Organization's performance largely depend upon the employees and customers within the organization?
- 6) Does Employee training improves employee satisfaction that may result in high level of services to customers?