CUSTOMER PERCEPTION ON THE OVERALLQUALITY OF SERVICE DELIVERED A CASE STUDY OF THE ELECTRICITY COMPANY OF GHANA (ECG

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CUSTOMER PERCEPTION ON THE OVERALL QUALITY OF SERVICE DELIVERED A CASE STUDY OF THE ELECTRICITY COMPANY OF GHANA (ECG)

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Abstract

Purpose: The purpose of this study was to ascertain customer perception on the overall quality of service delivered by ECG

Methodology: The study adopted an explanatory research design in order to achieve the study objectives. The population for this research was made up of the employees of ECG and the customers of ECG, who were systematically sampled. Data was then analyzed through descriptive statistics using the Statistical Package for Social Science. The study employed descriptive statistics, multivariate data analysis as well as regression models

Results: The study found out that customers perceived the quality of services being offered by the energy company as unsatisfying.

Unique contribution to theory, practice and policy: To improve service quality, ECG would have to isolate the dimensions that were noted to be weak; being empathy and responsiveness. These may be addressed by professional training and retraining front line personnel and technical rapid response teams to address the concerns of customers with urgency and a human face

Key words: *Customer Perception, Quality of Service Delivery ,ECG*

1.0 INTRODUCTION

Perceptions are defined in various ways. Strydom, Jooste and Cant (2008) define customer perception as the process of receiving, organizing and assigning meaning to information or stimuli detected by the customer's five senses and opine that it gives meaning to the world that surrounds the customer. Perceptions are also described as the end result of a number of observations by the customer. Customers perceive services in terms of quality of services provided and the satisfaction level attained. Perceived value is a subjective score attributed to the usefulness or pleasure derived from the consumption of a good or service or relationship. This value moves in tandem with the costs or trade-offs associated with the perceived value. Being a psychometric quantity, the unbiasedness of the consumer or reported is assumed at all times to ensure an objective analysis of a subjective quantity. It is therefore conceived as a highly subjective and personal concept (Parasuraman, Zeithaml & Berry, 1985). There is considerable evidence to show that customers who get more value for money are more satisfied compared to those who have less (Zeithaml, 1988). This perceived value is received through relatively low prices and an attendant superior quality for the price (Caruana, *Money & Berthon, 2000*).

Service quality, perceived value and customer satisfaction have a convoluted relationship with several layers. The three are connected by latent factors that, in some cases, may seem trivial. For example, a brand may give one individual more satisfaction while another independent individual may gain no satisfaction at all, under similar conditions. Perceived value initiates the relationship, service quality services it, and customer satisfaction ensures a repeated patronage. So firms provide services that yield value, serve the customers well and gain their loyalty in return (Heskett, *Sasser & Schlesinger,* 1997). Furthermore, a statistically significant positive linear correlation exists between service quality and perceived value (Liliander & *Mattsson,* 2002).

Although the rating of the customer is subjective, the analysis of service quality is objective. This initiates the lines of argument for and against the use of this approach. The measurement of service quality still excites academia and the world of business because each approach that has been proposed has been criticized extensively (Zeithaml, 1988). By far, the SERVQUAL (service quality) model is the most acceptable yardstick for the purpose of measuring service quality. The debate arises from the fact that a psychometric quantity is being measured on a logical yardstick. The other argument is that the "ordinality" (increasing or decreasing) order of measurement is ignored in most discussions of service quality. However, until there is a better or more scientific way of measuring perceptions, the SERVQUAL model is one of the best available (Jamal, 2004).

Hui, Othman, Omar, Abdul Rahman and Husna Haron (2011) studied the perceptions of the major stakeholders in the procurement system of Malaysia. They used a binomial approach to address procurement officials and suppliers for their assessment of the transparency and integrity of the previous and adopted procurement systems. In the end, bore the burden of malpractice and sheer disregard for the statutes of procurement. This indicates the high level of non-compliance to procedures and regulations regarding public procurement amongst public officials. The

account of Hui *et al.* (2011) resonates with that of ECG, hence the need to find ways of improving procurement compliance and service quality in this government institution.

Service quality can be improved and there is ample evidence in extant literature to prove that. In the case of ECG, improvements in service quality have been inorganic; funded or initiated from other sources, government or through borrowing. Services delivered by ECG to the public are affected by several factors and their interactions. Procurement non-compliance has been hypothesized as one of these factors. However, there isn't sufficient empirical evidence to connect service quality to procurement compliance. How the two are connected and the strength of association between the two is unknown, at least in academic and public sectors. Institutions around the world have sought to improve service quality and procurement compliance independently; however, this research will connect the two.

2.0 RESEARCH METHODOLOGY

The study adopted an exploratory research approach and employed the quantitative method to establish a hypothesis between the variables and generate numeric data by using statistical instrument. This study used a positivist perspective because it made use of a controlled methodology, measurable exploration and organized responses so as to achieve the study objectives.

The population for this research was made up of the employees of ECG and the customers of ECG. ECG managers, engineers, relationship officers, procurement officers, client services and every office in between formed part of the population; and people who use the services of ECG formed the customer population. However the study went on to conduct a purposive sampling to collect information from key informants such as project managers, financial controllers and the sales manager.

The study used primary data the study employed a five point Likert scale was used to measure the variables used in this research. The use of frequencies informed the decision to employ an ordinal categorical data collection structure. The research instruments used in the research were questionnaires both structured and unstructured.

A pilot test that used seven and three questionnaires for customers and ECG officers respectively was conducted for this study. The study employed descriptive statistics, multivariate data analysis as well as regression models. The data was tested for reliability to determine if the study was devoid of any random mistakes. Data was then analyzed through descriptive statistics using the Statistical Package for Social Science

3.0 RESULTS

3.1 Introduction

This section presents the findings as observed through empirical research using a structured questionnaire. The presentation covers a preliminary analysis, gap analysis, presentation of the dimensions and the display of procurement compliance levels in the context of service quality in ECG.

3.2 Preliminary Analysis

The length of time in years as observed through the descriptive chart below shows that most of the respondents had been customers of ECG for more than 6 years. This gives an indication that the responses are coming from people who have enjoyed the benefits of ECG and suffered the miseries of ECG too. The distribution of the length of patronage of ECG is given in the table below.

How long have you been a customer of ECG?
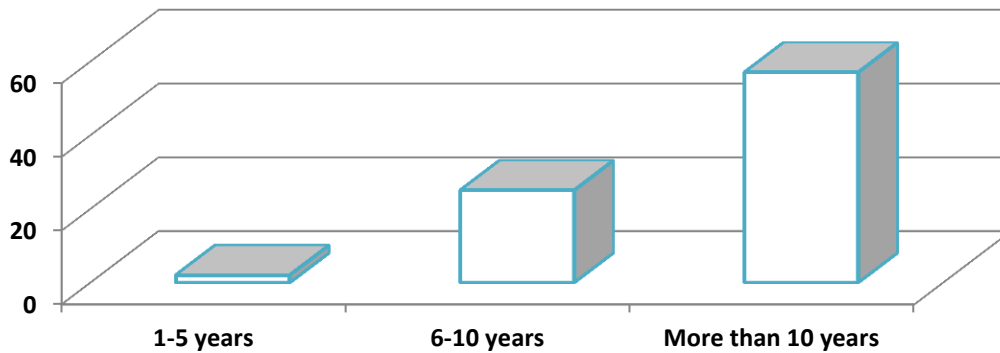
Source: *Authors field survey, September, 2016*

Figure 1: Length of exposure to ECG's procurement processes

The types of services demanded by the customers of ECG are presented in the table below. The distribution shows that all respondents were customers of ECG. They had been connected to the national grid and paid bills to ECG. Twenty-six (26) of the respondents acknowledged the street lights provided by ECG and another 57 showed that their meters had been replaced by ECG.
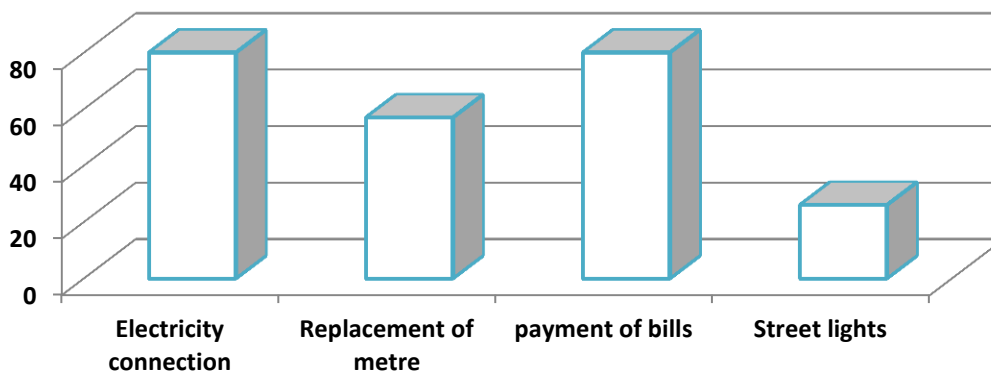
Types of services demanded by ECG's customers

Figure 1: Distribution of services demanded by ECG's customers

3.3 Dimensions

3.3.1 Tangibility

This dimension of the SERVQUAL analysis is made up of the questionnaire items that assess the availability of the requisite tools for effective service delivery by ECG. This is where this research puts the most weight due to its direct link to procurement compliance.

Table 1: Distribution of tangibility

Tangibility	Score
Modern equipment	3
Visually appealing materials	4.5
Visually appealing facilities	2
Professional appearance	1.1
Unweighted average	**2.7**

Source: Authors field survey, September, 2016

Tangibility had an unweighted average score of 2.7 compared with the threshold of 3.5. This shows that ECG had poor ratings (54%) in terms of the tangible markers or milestones set for this research.

3.3.2 Reliability

This dimension of the SERVQUAL analysis is made up of the questionnaire items that assess ECG's ability to fulfill their promises; eagerness to resolve problems; performing their services right at the first attempt; on time; and with minimal aberrations to the itinerary of their clients (questions 5 through 9). This is where customers of ECG place the most weight due to its direct link to their convenience. The role of procurement compliance, as seen through the availability of equipment, materials, and skilled labour in their required judicious proportions, was also called into question.

Table 2: Distribution of reliability

Reliability	Score
Act according to promises	1.8
Interest in solving problems	2.3
Delivering services on time	2.9
Delivering services with minimal errors	2.5
First attempts are good enough	2.8
Unweighted average	*2.5*

Source: Authors field survey, September, 2016

Reliability had an unweighted average score of **2.5** compared with the threshold of **3.5.** This shows that ECG had poor ratings (50%) in terms of the reliability markers used in this research.

3.3.3 Responsiveness

This dimension of the SERVQUAL analysis is made up of the questionnaire items that assess the availability of the requisite information about when services will be delivered; promptness; willingness to help; and working according to a service order by ECG staff.

Table 3: Distribution of responsiveness

Responsiveness	*Score*
Specific about when services will be delivered	2.8
Prompt service delivery	3.6
Willingness to help	3.2
Work according to service order	4
Unweighted average	**3.4**

Source: Authors field survey, September, 2016

Responsiveness had an unweighted average score of **3.4** compared with the threshold of **3.5.** This shows that ECG had good (68%) ratings in terms of the responsiveness markers used in this research.

3.3.4 Assurance

This dimension of the SERVQUAL analysis is made up of the questionnaire items that assess the availability of the requisite employee behaviour that inspires confidence; security in their dealings; employees' courteousness; and employees' understanding to respond to questions.

Table 4: Distribution of Assurance

Assurance	Score
Professional confidence	1.4
Customers feel secure	2.6
Professional courtesy	1.9
Commanding knowledge to answer questions	3.1
Unweighted average	**2.3**

Source: Authors field survey, September, 2016

Assurance had an unweighted average score of **2.3** compared with the threshold of **3.5**. This shows that ECG had poor ratings (46%) in terms of the assurance markers used by this research.

3.3.5 Empathy

This facet of the SERVQUAL analysis is made up of the questionnaire items that assess the availability of separate consideration; suitable working hours; personnel deliver individual attention; has the greatest concern of the customer at the core; and staff appreciate the needs of the patrons.

Table 5: Distribution of Empathy

Empathy	Score
Individual attention	3.5

Expedient working hours	3.9
Individual consideration from employees	3.8
Has the greatest concern for patrons	3.3
ECG staff empathize with their customers	4.6
Unweighted average	**3.8**

Source: Authors field survey, September, 2016

Empathy had an unweighted average score of **3.8** compared with the threshold of **3.5**. This shows that ECG had high ratings (76%) in terms of the markers for empathy used in this research.
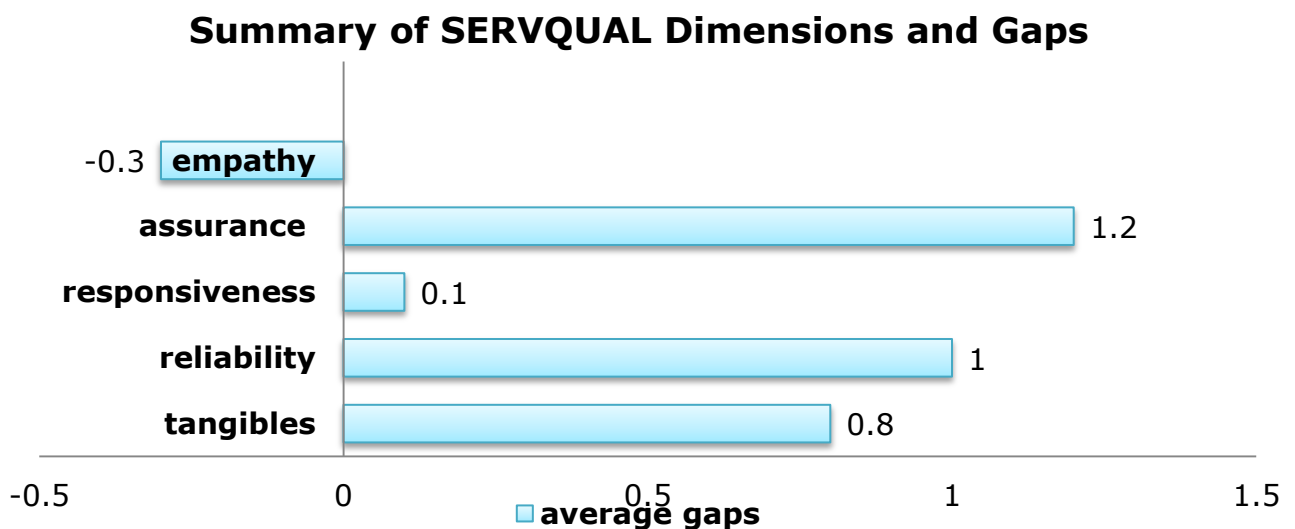

Figure 3: Distribution of ECG's Dimensions

4.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

4.1 Discussion

The dimensions of the SERVQUAL model used in the context of this research show that;

Empathy: ECG services and approach to service delivery was observed to be insensitive to the emotional attachment of their customer base. This is not a good sign for any organisation since it fuels the agenda of any competitor or potential entrant into the market.

Assurance: The assurance of quality service was rated high by respondents. This shows that, with the right motivation and facilitation, the managers and employees of ECG could deliver high quality services to their customers.

Responsiveness: This aspect of ECG service performance was rated really poor. The insensitivity reported by customers is confirmed intuitively by the poor levels of responsiveness. The level of responsiveness recorded rather resembled sluggishness.

Reliability: For being the Ghana's main energy sales point, ECG performed decently on the reliability scale. Until recently, the reliability of power supply from ECG would have scored a near zero. However, improvements in the supply yielded this high score in reliability.

Tangibles: The physical structures and tools for ECG to deliver its promised services were ranked quite high. Infrastructure, presentation of front line personnel, vehicles among others showed that ECG was on track to impress its customers and to meet their expectations.

4.2 Conclusion

It can be concluded, based on evidence from field data and analysis, that ECG's customers are not completely satisfied with their service provider. Along sensitive dimensions like empathy and responsiveness, ECG attained poor ratings. ECG needs to commit resources to enhancing this aspect of their service delivery, especially the front line respondents like repair men and point of sales personnel.

However, along the lines of assurance, reliability and tangibles, the results were fairly in favour of ECG. Despite the popularity and critique the SERVQUAL method has received so far, it is not foolproof yet, therefore other confirmatory methodologies and designs would be needed to expand and utilize the conclusions of this research.

5.3 Recommendations

To improve service quality, ECG would have to isolate the dimensions that were noted to be weak; being empathy and responsiveness. These may be addressed by professional training and retraining front line personnel and technical rapid response teams to address the concerns of customers with urgency and a human face. Better monitoring and supervision would help to sustain this line of response among ECG stuff. After that it would be necessary to track the service experiences of particular clients and chart that against time and the intervention to improve service quality.

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