



DETERMINANTS OF EFFECTIVE DELIVERY OF POSTAL MONEY TRANSFER SERVICES IN KENYA: A CASE OF POSTAL CORPORATION OF KENYA

GRACE MBERA, DR. MAKORI MORONGE

DETERMINANTS OF EFFECTIVE DELIVERY OF POSTAL MONEY TRANSFER SERVICES IN KENYA: A CASE OF POSTAL CORPORATION OF KENYA

¹Grace Mbera, ²Dr. Makori Moronge

¹Student, Jomo Kenyatta University of Agriculture & Technology (JKUAT), Kenya

²Lecturer, Jomo Kenyatta University of Agriculture & Technology (JKUAT), Kenya

Accepted October 10, 2016

ABSTRACT

The effective delivery of postal money transfer services is slowly yet steadily dwindling owing to the advent of technology and increase in the licensing of more players in the postal services arena. Services that were traditionally provided by the post office, thus its core function and the main revenue stream, today are procured electronically. In the same vein liberalization of the courier business has nibbled on the revenue generated by letter post, Postal financial service that enjoyed popularity across the globe owing to ubiquitous network, reliability and affordable fees, today face stiff competition from mobile wallet, brought about by penetration of the mobile phone technology. The general objective of this study is to establish the determinants of effective delivery of postal money transfer services in Kenya. The specific objectives of the study were to determine the influence of ICT Infrastructure and implementation strategy on effective delivery of postal money transfer services in Kenya. The study adopted descriptive design survey approach and used 133 staff of PCK. Primary data was collected through the use of questionnaires. On the other hand, secondary data was obtained from published documents such as journals, periodicals, magazines and reports to supplement the primary data. A pilot study was conducted to pretest the validity and reliability of instruments for data collection. The data was analyzed with help of SPSS version 21 and Excel and presented in charts, tables and graphs to facilitate comparisons and conclusions. The study variables were regressed at 5% level of significance to establish the strength and direction of their relationship. The analysis showed that infrastructure had the strongest positive (Pearson correlation coefficient =.843) influence on performance of postal money transfer services. In addition, implementation strategy was positively correlated to effective delivery of postal money transfer services. The study established that ICT was the most significant factor.

Key Words: *ICT Infrastructure, Implementation Strategy, Delivery of Postal Money Transfer Services*

INTRODUCTION

Technology embraces all of us; individuals, businesses, governments and entrepreneurs. It has made possible new business models and entrepreneurs but also radical innovations for accessing, using and delivering goods and services for everyone. It has transformed industries and governments through innovative approaches and changed how users engage the world. (Mathieu et al 2011). The Internet and the digital revolution are fundamentally changing the worlds of communications and commerce. Electronic substitution of traditional mail is accelerating as both consumers and businesses adopt electronic processes across multiple domains. Mail users are shifting from traditional hard copy distribution models to a variety of new ways to digitally communicate, advertise, or transact. They are attracted to greater convenience, faster service, and lower cost. There is need for the Postal Service to modernize its role to accommodate for the digital age. (Asher, Callan, & Marsh, 2012).

Most postal administrations enjoy monopoly status owing to the universal service obligation (USO) bestowed upon them. The monopoly status has led to complacency on especially the non urgent delivery of the lucrative first - class letter business. The advent of the internet however as in many other industries has made letters obsolete thus damaging the gains obtained from the monopoly status. Observers however believe that the Postal Service could have survived those challenges, and even prospered like other delivery companies, if it hadn't relied so heavily on the profits from its exclusive letter-delivery business. (Richard, 2008).

World over the postal industry is undergoing a transformation. Business models that have existed for generations are colliding with the latest technology and social trends, creating unprecedented market changes. This has triggered

Signs of change in the industry; with innovators already beginning to explore new models. The tumultuous business climate notwithstanding, there are postal organizations that are thriving. Those ranked as high performers have largely focused on diversification, launching profitable new business lines that are vastly different from their traditional business. They have also reworked their legacy mail networks into parcel networks that are well positioned to take advantage of the growing e-Commerce wave. Diversification has ensured the survival of postal operators, but it remains to be seen if there is still a profitable business to be found in mail. (Brody Buhler, 2013)

The decline of physical mail has been a constant trend for many years, to the point where many postal operators are now questioning the essence of their modus operandi. Can the mail business be turned into a profit center again? Or will it continue to have a dilutive effect on the overall business? Accenture believes the answer is positive—mail can be profitable again. That profit will only come as postal organizations aggressively shift their operating models to leaner networks that can quickly scale to shrinking volumes. This is dependent on developing new sales and marketing capabilities that will drive additional revenue (Accenture, 2013).

To drive more revenue postal organizations need to scrutinize their cost structures and challenge legacy ghosts by continual modernization and apply cost cutting measures with innovative approaches. They must reinvent the service they offer and keep the customer satisfied. Above all, they need to think of themselves as agile organizations. As they restructure to address their monopolistic legacy and become leaner and more efficient, postal organizations can develop the agility necessary to profitably diversify, effectively compete and drive high performance. (Brody Buhler 2013)

Egypt National Post Office (ENPO) services comprise the same traditional core services provided by postal systems in most countries: delivery services (addressed letters and parcels), a number of financial services and agency services. ENPO appears to exhibit patterns of the vicious cycle faced by many developing countries' postal authorities: low demand volumes resulting in poor financial performance, thus low investment levels causing reductions in quality of service that leads to further cycles of depressed demand. In addition, competition from other sectors and services exert more pressure on postal services.(World bank group,2005).

The owner of the ENPO, the Ministry of Communications and Information Technology (MCIT) has identified the postal system as a key component of the government's information infrastructure in, extending e-business and e-commerce activities to the grass roots level. MCIT launched a major pilot project in 2002 to establish an electronic fund transfer (EFT) network using automatic teller machines (ATMs) and points of sale (POS) in 56 post offices in Greater Cairo. Using smart card technology, this project will help establish the necessary infrastructure for electronic payments for government services at postal outlets. It will also facilitate access to pensions and salaries for more than 10 million individuals, in addition to Internet banking capabilities hence more revenue. (Firpo,Sayed and Bruel,2011).South African Post Office allows transfer of money outside the Country via money order, postal order "or [an] other document authorised to be used for the purpose of remitting money. " However, one cannot send money through a Money Order to Zimbabwe, Mozambique or Malawi. A ceiling of R2, 000.00 is allowed per transaction but the volume of such remittances is not stipulated. The Post Office process is similar to Western Union and MoneyGram service, the salient difference being

that one is not required to prove the source of funds being remitted. (Sarah Langhan and Craig Kilfoi 2011).

In Kenya money transfer services are offered by formal providers who entail commercial banks or the Postal Corporation of Kenya (PCK), by semi-formal providers courier or bus companies, and by informal services or means involving bus conductors and friends. Generally, commercial banks are the major players in money transfer business in Kenya, servicing mainly large users and, to a smaller extent, low-income users. In Kenya, commercial banks operate under the Banking Act of 1995 and are regulated and supervised by the Central Bank of Kenya. This also places restrictions on the types of services banks can offer and imposes limits on risks a bank can take with its capital. (Kabucho, Sander & Mukwana, 2003).

Kenya Post Office Savings Bank (KPOSB) was established by statute in 1978 under the Kenya Post Office Savings Bank Act. Its main objective is to mobilize savings for national development. Postal Corporation of Kenya (PCK) is a non-financial institution operating under the Postal Corporation of Kenya Act 1998 with the primary mandate to offer Postal and mail services. It has a branch network of 600 branches and sub-branches throughout the country. PCK and KPOSB have an agency relationship where the latter uses the staff and offices of the former for money transfers and other services. The two institutions form the largest branch network with the best potential capacity for money transfers in the country. (Economic Survey, 2013).

A report by Postal consumer service (2013) , intimate that the market share for PCK in remittance from abroad which is a major source of income for the Kenya economy has dwindled. This can be attributed to competition from other players who include western Union (WU), Money gram and

mobile phone company safaricom's M - pesa service. The foregoing notwithstanding, Posta is pinning its hope on agency business, which entails collection of utility bills, disbursement of payments on behalf of various principals and is looking to participate in cashless Kenya through introduction of prepaid card on the *Posta pesa* product (Kinara, 2014).

Mobile technology has spread throughout the developing world in the last dozen years faster than any other technology in history. In Kenya this is epitomized by Safaricom's M-pesa service. M-PESA is a small-value electronic payment and store of value system that is accessible from ordinary mobile phones. It has seen exceptional growth since its introduction by mobile phone operator Safaricom in Kenya in March 2007. In 2010 the service had a subscriber base of 16 million customers, corresponding to 40% of Kenya's adult population and processes more transactions domestically than Western Union does globally.(Ignacio & Radcliffe, 2010).

Statement of the problem

The effective delivery of postal money transfer services is slowly yet steadily dwindling owing to the advent of technology and increase in the licensing of more players in the postal services arena. Services that were traditionally provided by the post office, thus its core function and the main revenue stream, today are procured electronically. In the same vein liberalization of the courier business has nibbled on the revenue generated by letter post. (Okibo & Shikanda, 2011). Postal financial service that enjoyed popularity across the globe owing to ubiquitous network, reliability and affordable fees, today face stiff competition from mobile wallet, brought about by penetration of the mobile phone technology.

An evaluation of money transfer services across the globe shows that the postal network is perceived most ideal financial operator in serving under banked communities located across the globe. This can be realized through embrace of modern technology, hence facilitating quick transmission of money from sender to receiver in tandem with current market trends. Adoption of novel systems such as international financial services (IFS) developed by UPU – a modification of the current money order instruments will facilitate provision of money transfer service to the unbanked communities. Unfortunately not many administrations have been quick to adopt the new technologies. (Universal Postal Union ,2011)

Okibo & Shikanda (2011) intimate that the ability to build and sustain competitive advantages strategically depends mostly on how firms handle changes in their environment and demonstrate innovative behavior. In a dynamic environment, innovation is a means to adapt to change, surmount organizational weaknesses, and add value to the organization's products and services. Postal Corporation of Kenya (PCK) is therefore required to develop a positive organizational culture that scans various facets affecting delivery of its products, in response to changing market conditions. This study sought to establish determinants of effective delivery of postal money transfer services in Postal Corporation in Kenya.

General Objective

The main objective of the study was to establish determinants of effective delivery of postal money transfer services in Kenya. The specific objectives were:

- To find out how ICT infrastructure affect effective delivery of postal money transfer services in Kenya

- To examine how implementation strategy influence effective delivery of postal money transfer services in Kenya

LITERATURE REVIEW

The literature review will summarize the information from other researchers who have studied this field.

Theoretical Review

Theoretical review is explanations about a phenomenon and according to Marriam (2001).

Technology Acceptance Model

There are several models existing that have been used to investigate adoption of technology. Several studies focusing on adoption of mobile services have their roots in Technology Acceptance Model (TAM) originally proposed by Davies in 1986. The model is originally designed to predict user's acceptance of Information Technology and usage in an organizational context. TAM focuses on the attitude explanations of intention to use a specific technology or service; it has become a widely applied model for user acceptance and usage. There are a number of meta-analyses on the TAM that have demonstrated that it is a valid, robust and powerful model for predicting user acceptance (Bertrand and Bouchard, 2008).

The TAM model which deals with perceptions as opposed to real usage, suggests that when users are presented with a new technology, two important factors influence their decision about how and when they will use it (Davis, 1989). These key factors are: Perceived usefulness, perceived ease of use and attitude towards using Actual system Use. Perceived usefulness (PU) - This was defined by Davis as "the degree to which a person believes that using a particular system would enhance his or her job performance". And

Perceived ease-of-use (PEoU)- Davis defined this as "the degree to which a person believes that using a particular system would be free from effort"

Program Theory

Rossi (2004) describes program theory as consisting of the organizational plan which deals with how to garner, configure, and deploy resources, and how to organize program activities so that the intended service system is developed and maintained. The theory is further defined by (Donaldson, 2001) as process through which program components are presumed to affect outcomes and the conditions under which these processes are believed to operate. Program theory guides an evaluation by identifying key program elements and articulating how these elements are expected to relate to each other (Yin, 2004). This will help save program designers and evaluator's time and resources, Donaldson (2001). In relation to the study, the researcher seeks to establish whether there was regular implementation of strategy. There is no universally accepted definition of strategy implementation. Although there exist several books and articles on the subject, it has not been clearly defined by any of the writers.

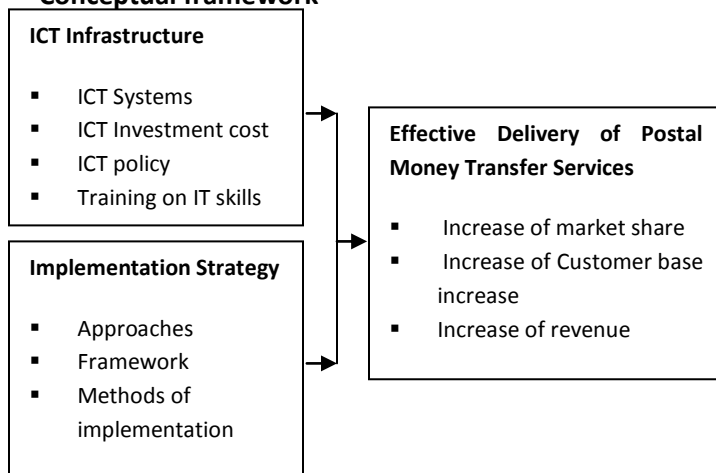
Stonich (1982), Cited in MacLennan (2011) distinguishes strategy formulation and implementation by suggesting that planning is about where the firm is going, whereas implementation is about how to get there. This distinction is a useful start, but it falls short in giving an accurate definition. Li, Guohui & Eppler (2008) Identified three distinct conceptions of the term when they collected all the different definitions they could find in relevant articles and books: "The first approach concentrates on a process perspective and takes strategy implementation as a sequence of carefully planned consecutive steps.

The second approach treats strategy implementation as a series of more or less concerted (but often parallel) actions and examines these actions from a behavior perspective. Some authors combine the process perspective and behavior or action perspective and form a third approach, which we label as a hybrid perspective” (Li, Guohui & Eppler 2008). They ultimately define strategy implementation as a “dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees affected by a number of interrelated internal and external factors – to turn strategic plans into reality in order to achieve strategic objectives” (Li, Guohui & Eppler 2008). Given uncertainty of how strategy implementation shall be defined, it will be treated as what the company does in order to get a strategy realized.

projects are being conducted accordingly and services are delivered respectively in line with the progress of information technology. The developments of ICT projects have increased in many organizations to ensure that overall needs of customers in business requirements are fulfilled.

However, many ICT projects failed to take off such as shown by a series studies (Ashraf, Sarfraz & Mohsin, 2010; Gartner Report, 2011; Liu, Wu & Meng, 2012; Stoica & Brouse, 2012, 2013) produced. Stoica & Brouse (2013) states that due to the ICT project failure and its impact to the organization, researchers and practitioners are asked to specifically look at the history of how the postal service’s project is carried out to find an effective approach and comprehensive ways to overcome this issue. Despite of having lots of standards on project management methodologies in ICT, most ICT postal services projects have yet to show a good track record of success (Marchewka 2010; SGR, 2009).

Conceptual framework



Independent variables Dependent variable
Figure 1: Conceptual framework

ICT Infrastructure

ICT infrastructure plays a key role in administration of postal services in organization today. Various studies have been conducted on the ICT project management in postal services to ensure that

Implementation Strategy

Strategy implementation has been defined in a number of ways by various scholars. Harrington (2006) defines implementation strategy as an iterative process of implementing strategies, policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in a competitive environment. Pearce II, (2008) view strategy implementation as the process of putting into action the strategy that has been chosen for the success of the organization. The strategy and the firm must become one, that is, the strategy must be reflected in the way the firm organizes its activities, the key organizational leaders, and the culture of the organization. Pride and Ferrell (2003) define strategy implementation

as the process that turns strategies and plans into actions to accomplish organizational objectives. It addresses who, where, when and how to carry out certain strategies successfully. Thus, taking these prior definitions and considerations into account, strategy implementation can be defined as a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees – affected by a number of interrelated internal and external factors – to turn strategic plans into reality in order to achieve strategic objectives (Li, Guohui, & Eppler, 2008).

Strategy implementation is an iterative process of implementing strategies, policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment (Harrington, 2006). Good strategies alone will not work; appropriate implementation processes to produce intended results have to be put in place. It is viewed that putting strategy into place and getting individuals and organization units to execute their part of the strategic plan is essentially an administrative task (Thompson & Strickland, 1992). Strategy implementation has become a significant management challenge which all types of organizations face today. To implement strategies successfully is critical for not only to the public but also for private organizations. Without proper implementation, even the most superior and fine strategy would not make the grade as established (Bhatti, 2011). Whether a strategy itself is consistent and fitting or not is a key question for successful strategy implementation, but even a consistent strategy cannot mean the same things to all people. Many factors influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for coordination and control (Li, Guohui, & Eppler, 2008). Organizational performance comprises the

actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added).

These are strategies that centre on how best to manage the organization. They include initiatives designed to achieve breakthrough productivity, better information systems, automation of flats and parcels handling, better use of transportation and resources and operating networks, and standardization of operating systems. In an independent study of the United Kingdom's Postal Services Sector, describes the sector as a labour-intensive network business, but notes that postal mail is unlike other utilities in many ways. One important feature, which is common with other products is that consumers value mail as they do energy or water not only when using the service, but also because the service is available to use at any time, as and when needed (Hooper and company 2008). The World Bank notes that there is a great demand for postal reform to respond to the ongoing lack of attention given to the sector by governments in developing countries (World Bank, 2001). Porter (1997) argues that competition is at the core of the success or the failure of a firm. Thompson and Strickland (1999) argue that organizations adopt strategies to help them acquire competitive advantages in the markets in which they operate that lead them to offer superior value to its customers resulting in high profits to themselves.

Empirical Review

The Universal Postal Union (UPU) is currently working to build a worldwide postal financial network that provides easy access to secure and affordable electronic money transfers through its International Financial System (IFS). This technology replaces paper money orders with electronic transfers and gives postal customers easy access to affordable financial services. (Universal Postal Union, 2007). Australia Post performs an extensive range of financial and agency services for 750 Australian businesses and government bodies attracted to its vast network of trusted retail outlets (including areas where services are otherwise limited). More than half the customers visiting postal outlets do so to access bill payment, agency banking, money transfer or application for identity services. In the financial year 2009-2010 Australia Post transacted, around \$77 billion in payments and banking transactions processed by 3,289 outlets with the technological capability to conduct these services. Billers large and small are drawn to the security of Post bill pay, as well as Australia Post's extensive customer reach. (Australia Post Annual Report 2009–10).

Kinara, (2014) in a special report to the press informed readers that PCK is diversifying her product offer by introducing the "Postapesa" a financial switch leveraged on information technology. This will enable the organization make inroads into the e-payments industry. Kenyans will thus enjoy access to services such as card processing, deposit and withdrawals from various commercial banks integrated on the PCK financial switch solution. The venture will certainly improve the financial performance of the post office.

Service refers to the outcome that is received by the customer (Lovelock and Wirtz 2004) and is made up of a "portfolio of core and supporting

elements" (Roth and Menor 2003) which can be both tangible and intangible. Service delivery refers to the direct interactions between customers and employees. Trust is a crucial asset in financial services, especially when considering bank-wary unbanked and under banked households that have been dealing with sometimes untrustworthy alternative financial services providers. A recent market survey of the United States Postal service (USPS) found that 68 percent of respondents agree or strongly agree that the Postal Service is reliable and trustworthy. The post is ranked fourth when it comes to privacy (Aytm, 2012).

The Swiss Post through its PostFinance product allows one to open an account and use other financial services such as savings or pension provision products. As a special product, in collaboration with an international money transfer operator, "PostFinance" offers the possibility of sending money online. This affords the technology savvy market an opportunity to employ modern trends that are more convenient in transacting money transfer business. To do this, one must have an account with Post Finance (SECO, 2009).

Correios Brasileiros (Brazil Post) has partnered with Banco do Brasil to provide financial services and enable the government to achieve financial inclusion. Today, more than 6,000 post offices in more than 5,000 municipalities are connected to the Internet and offer financial services. PCK has introduced an electronic funds transfer dubbed "POSTA EFT" allowing instantaneous money transfer thus endearing itself to the market along with competition.

In response to competition most postal operators beside basic transfer in money are also playing an important role in bill collection and disbursement of stipends on behalf of government for various programmes to its citizenry. They are partnering

with other players to remain relevant. In addition the Postal Service could create a “win-win” situation by partnering with banks and other organizations to reach customers in new geographic areas. (USPS, 2010).

The Postal Service offers trust, a vast physical network, and other critical assets. Banks offer reliability, expertise, competence when it comes to financial transactions and provide valuable knowledge that could help the Postal Service structure new offerings. The end results could be new services for customers, more revenue for both post office and banks, and an easier way for the Postal Service to expand its presence in the financial services market. In addition, the right partners could bring much needed startup cash to the table as part of the deal, thus overcoming the Postal Service’s current funding limitations. (U.S. Postal Service Office of Inspector General (OIG), 2011).

Person-to-person (P2P) payments are evolving to the next generation of electronic payments, the mobile money transfer (MMT) channel. Advances in technology have enabled alternative functionalities for mobile handsets beyond the original visions of communication architectures to supporting a new and viable channel for mobile financial services, including bill payment and account transfers, domestic and international P2P transfers, to mention a few. The favorable features of MMTs have endeared the product among Kenyans. By July 2010, M-Pesa, had been adopted by 11.9 million customers (54% of Kenya’s adult population). This activity level is more than what Western Union does globally (Mas, & Radcliffe, 2010)

Banks, particularly, do not view the poor as viable customers because often their transaction sizes are small (Wambari, 2009). Equally informal means are riddled with the risks of the money getting lost and lack confidentiality. These challenges have made

clear a huge gap that has been filled in part by the Mobile Money Transfer Services, which have a nationwide network of agents making the service accessible to all Kenyans, and the service is largely secure given use of Personal Identification Number (PIN). MMTs have turned out to be efficient and affordable and are therefore preferred by many people without discrimination on whether one is small or large (Kamau, Cerstin and Mukwana, 2003).Postal Corporation of Kenya has diversified use of her outlets by partnering with the government of Kenya, to host Huduma service centres within her major branch offices spread across the forty seven counties. This has restored visibility of the post office in the communication industry and subsequently, increasing traffic in money transfer hence more revenue collection on her existing products besides rent collection on space rented (Kinara, 2014).

RESEARCH METHODOLOGY

The research design constitutes the blue print for the collection, measurement and analysis of data, Kothari, (2004). A descriptive research design was used in this study.

The target population of this study was 133 staff composed of senior managers’ staff and middle-level managers staff of PCK Nairobi County the four branches; City Square Post Office, Tom Mboya Post Office, Ronald Ngala Post Office and General Post Office.

The study adopted a census survey design in respect to the employees of PCK branches. This therefore ruled out application of specific sampling technique. The study used a census since the population of 133 is small and the study aimed to reach all the targeted employees.

The study relied mainly on primary data collection. The researcher used questionnaires as the research

instrument. The study utilized a questionnaire that was developed for generating information on key variables of interest from the targeted respondents in the study. A self-administered questionnaire was given to each respondent and picked later. The questionnaire consisted of both open ended and closed ended questions. A pilot test was conducted on 13 respondents that constituted 10% of the population using questionnaires administered to the staff in Kiambu post office. For reliability, the study conducted factor analysis to select a subset of variables from a larger set based on the original variables with the highest correlations with, the principal component factors. Reliability analysis is conducted using Cronbach's alpha to determine whether the data gathered on each variable has a significant relationship with the determinants of profitability of postal money transfer services in Kenya.

The content validity was achieved by subjecting the data collection instruments to an evaluation group of experts who gave their comments and relevance of each item of the instruments and indicated whether the item was relevant or not. For data analysis, this study was expected to produce both quantitative and qualitative data. Once the questionnaires were received they were coded and edited for completeness and consistency. Quantitative data was analyzed by employing descriptive statistics and inferential analysis using statistical package for social science (SPSS) version 22.

DATA ANALYSIS, PRESENTATION AND DISCUSSION

This chapter is a presentation of results and findings obtained from field responses and data broken into two parts. From the data collected, out of the 133 questionnaires administered, 80 questionnaires were fully completed and returned making a response percent of 60%. This percentage concurs with Mugenda and Mugenda (2003) who argues

that for generalization a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is excellent, thus 60% was acceptable level for analysis. Cronbach's alpha was used to measure reliability. This was done on the three objectives of the study. For validity tests factor analysis was used to reveal whether the dimensions were indeed tapped by the items in the measures. The Cronbach's alpha results were ranging between 0.709 and 0.778 and therefore the constructs were acceptable. The study sought to find out the demographic information of the respondents which included gender, age, marital status and the level of education. Majority (53%) were male respondents with (47%) being females respondents. Majority (45%) indicated that they ranged between 41-50 years, followed by those who indicated that they are 51 and above years with few (15%) and (5%) indicating that they were 31-40 years and 20-30 years respectively. The study further found it paramount to determine the respondents' level of education in order to ascertain if they were well equipped with the necessary knowledge and skills for the running and the overall management of postal money transfer services. From the study findings majority (40%) indicated that they had university first degree, followed by those who indicated that they had diploma at (33%) with few (14%) indicating that they had master's degree and (8%) doctorate qualification respectively and this implies that respondents were well educated and that they were in a position to respond to research questions with ease.

Information Communication Technology infrastructure.

The study sought to establish the extent to which respondents agreed with the statements relating to ICT Infrastructure influenced postal money transfer services in the organization. A scale of 1-5 was used.

The scores “Very small extent” and “Small extent” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale ($1 \leq \text{small extent} \leq 2.5$). The scores of ‘Moderate extent’ were represented by a score equivalent to 2.6 to 3.5 on the Likert scale ($2.6 \leq \text{Moderate} \leq 3.5$). The score of “great extent” and “Very great extent” were represented by a mean score equivalent to 3.6 to 5.0 on the Likert Scale ($3.6 \leq \text{great extent} \leq 5.0$). The mean was generated from SPSS version 21. Majority of the respondents indicated that to a moderate extent that they had enough computers for the staff to use for postal money transfer services in the organization; to a moderate extent the respondents cited that the organization ensured that postal money transfer services software were available for the use by the staff; to a small extent respondents state that they got reference manual for use on the management of postal services.

The respondents to a great extent did find the system to be complex in processing of information thus affecting service delivery; to a moderate extent the respondents indicated that the systems complicate very simple manual processes thus affecting efficiency of postal money transfer and that there was accessibility of postal services to all users at any time (24 hours), from anywhere. Finally the respondents to a small extent did have relevant security to access the systems. This revealed that there was lack of enough computers, accessibility and software to enable the users perform their roles well thus affecting effective delivery of postal money transfer services in the organization. According to Wafula & Wanjohi (2009) the Kenyan government was undertaking ambitious reforms to further revitalize or transform the postal services. Thus lack of ICT support affects performance of the services in the organization. To accomplish this revitalization, the government is trying to ensure that there is well laid ICT to support postal services in Kenya.

Implementation Strategy

The study sought to establish the extent to which respondents agreed with the statements relating to implementation strategy influence effective delivery of postal money transfer services in Kenya. A scale of 1-5 was used. The scores “Very small extent” and “Small extent” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale ($1 \leq \text{Small extent} \leq 2.5$). The scores of ‘Moderate extent’ were represented by a score equivalent to 2.6 to 3.5 on the Likert scale ($2.6 \leq \text{Moderate} \leq 3.5$). The score of “Great extent” and “Very great extent” were represented by a mean score equivalent to 3.6 to 5.0 on the Likert Scale ($3.6 \leq \text{Great extent} \leq 5.0$). The mean was generated from SPSS version 21. From the research findings, majority of the respondents indicated that to a moderate extent that they had strategic plan for implementation of the postal money transfer services; the organization had proper systems approach of planning, scheduling of postal services; there was adequate project team involved in implementation of the postal services. The respondents to a great extent indicated that there was framework used to guide on how the plan can be realized and they had training program for the use of postal money transfer services on the organization. The study results revealed that lack of proper systems approach of planning, scheduling and training program in the strategic plan may have contributed non-performance of postal money transfer services in the organization. The findings of the study are in tandem with findings of Njonde & Kimanzi (2014) who indicated that strategic planning in implementation strategy is a process that results in decisions and actions to guide what your program is, what it does, and why it does it which enhance performance of postal transfer services.

Effective Delivery of Postal Money Transfer Services

The study sought from the respondents to indicate rate of change of increase of market share in the last five years .The study established a good market share increase with an average of 30% of the respondents stated that it increased by 10%, with an average of 40% of the respondents indicated that it increased by more than 10%, with an average of 32% of the respondents posited that it increased by less than 10%, with an average of 35 % of the respondents cited that it decreased by 10%, with an average of 55% of the respondents indicated that it decreased by more than 10% and an average of 23% of the respondents indicated that it decreased by less than 10% in the last five years. The study findings imply that there was poor improvement on market share of the organization in the last five years .

The study sought from the respondents to indicate the percentage rate of change on increase of customer base in the last five years (2011 to 2015). The study established that on increase of customer base did not make a good increase with an average of 24% of the respondents stating that it increased by 10%, with an average of 55% of the respondents indicated that it increased by more than 10%, with an average of 65% of the respondents posited that it increased by less than 44 %, with an average of 76 % of the respondents cited that it decreased by 10%, with an average of 54 % of the respondents indicated that it decreased by more than 10% and an average of 54 % of the respondents indicated that it decreased by less than 10% in the last five years. The study findings imply that there was slow increase of customer base in the organization in the last five years.

The study also sought to find out percentage rate of change on the increase of revenue in the organization in the last five years (2011 to 2015).

The study established that the increase of revenue was poor with an average of 36 % of the respondents stated that it increased by 10%, with an average of 68 % of the respondents indicated that it increased by more than 10%, with an average of 54 % of the respondents posited that it increased by less than 10%, with an average of 54 % of the respondents cited that it decreased by 10%, with an average of 44 % of the respondents indicated that it decreased by more than 10% and an average of 53 % of the respondents indicated that it decreased by less than 10% in the last five years. The study findings imply that there was poor increase of revenue in the last five years.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In assessing the drivers the study focused on how select factors (implementation strategy and ICT infrastructure) influenced the effective delivery of postal money transfer services. This chapter captures the summary of findings, from which conclusions were drawn and recommendations made.

Summary of the Findings

ICT Infrastructure

From the descriptive study results, it was revealed that majority of the respondents to a moderate extent that they had enough computers for the staff to use for postal money transfer, the organization ensured that postal money transfer services soft wares are available for the use by the staff; to a small extent did the respondents state that they got reference manual for use on the management of postal money transfer services , to a great extent did find the system to be complex in processing of information thus affecting service delivery to a moderate extent the respondents indicated that the systems complicate very simple manual

processes thus affecting efficiency of postal money transfer services. Further, the study revealed that the variable (Pearson correlation coefficient = 0.644) and p-value ($0.001 < 0.05$) statistically, strongly and significantly correlated to performance of postal money transfer services at 5% level of significance as it had a positive relationship with the dependent variable. This reveals that ICT infrastructure is an important factor that can enhance effective delivery of postal money transfer services. This also reveals that the more ICT infrastructure is in place the more the effective delivery of postal money transfer services. Therefore, from these quantitative results it can be deduced that the study which sought to establish the influence of ICT infrastructure on effective delivery of postal money transfer services was achieved, because it established that ICT infrastructure influences effective delivery of postal money transfer services.

Implementation Strategy

The study sought to establish whether implementation strategy influence effective delivery of postal money transfer services in the organization. From the descriptive analysis, the study results revealed that majority of the respondents indicated that to a moderate extent that they had strategic plan for implementation of the postal money transfer services, the organization had proper systems approach of planning, scheduling of postal money transfer services, they had training program for the use of postal money transfer services on the organization. Further, the study revealed that the variable (Pearson correlation coefficient = 0.632) and p-value ($0.001 < 0.05$) statistically, strongly and significantly correlated to performance of postal money transfer services at 5% level of significance as it had a positive relationship with the dependent variable. This reveals that implementation strategy is an important factor that can enhance performance of postal money transfer services. This also reveals that the more implementation strategy

becomes the more the performance of postal money transfer services. Therefore, from these quantitative results it can be deduced that the study which sought to establish the influence of implementation strategy on effective delivery of postal money transfer services was achieved because it established that implementation strategy influenced effective delivery of postal money transfer services

Conclusions

The study established that ICT infrastructure influenced effective delivery of postal money transfer services. The system was found to be complex in processing of information thus affecting service delivery and efficiency of postal money transfer. This also reveals that the more ICT infrastructure becomes the most effective delivery of postal money transfer services.

The study also established that implementation strategy especially strategic plan and the organization systems approach of planning, scheduling of effective delivery of postal money transfer services, were inadequate thus affecting performance of postal money transfer services. This reveals that implementation strategy is an important factor that can enhance effective delivery of postal money transfer services

Recommendations

The study established that ICT infrastructure need to be improved to boost performance of postal money transfer services. The systems need adequate enhancement as it was found to be complex in processing of information thus affecting service delivery and efficiency of postal money transfer. This indicates that by improving ICT infrastructure the effective delivery of postal money transfer services would also improve.

The implementation strategy especially strategic

plan and the organization systems approach of planning, scheduling of postal money transfer services should be improved to better performance of postal money transfer services. This reveals that implementation strategy is an important factor that can enhance effective delivery of postal money transfer services.

Recommendations for Further Studies

Since this study sought to establish the determinants of effective delivery of postal money

transfer services in Kenya, it was established that from literature review that there are scanty studies available on effective delivery of postal money transfer services. Additionally, very little has been undertaken to explore drivers of performance of postal money services in Kenya, giving reason why the study recommends for similar studies to be undertaken in other organizations for generalization of the findings of this study.

REFERENCES

- Accenture Achieving High Performance in the Postal Industry (2013) Accenture Research and Insights 2013.
- Accenture Research and Insights, (2014). *Achieving High Performance in the Postal Industry*:
- Adams, R., Bessant, J. and Phelps, R. (2006), "Innovation management measurement: a review", *International Journal of Management Reviews*, Vol. 8 No. 1, pp. 21-47.
- Alawode, Ademola John & Emmanuel Uche Kaka (2011) (*ISSN 2039-2117 Mediterranean Journal of Social Sciences Vol. 2 (4) September*) Information and Communication Technology (ICT) and Banking Industry.
- Alexander, Ralph S., Chairman, (1960). *Marketing Definitions, A Glossary of Marketing Terms*, Chicago, American Marketing Association.
- American Marketing Association (2004), "Definition Marketing," <http://www.marketingpower.com/live/content4620.php>, [04/02/2004].
- Anahita Baregheh, Jennifer Rowley, Sally Sam Brook, (2009) *Towards a multi - disciplinary definition of innovation*.
- Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). *Customer satisfaction, market share, and profitability*. *Journal of Marketing*, 58, 53 – 66.
- Andreu Mas-Colell (1984) - the Theory of Perfect Competition.
- Aytm, (April 21, 2012). United States Postal Service Brand Survey.
- Babbie, E. (2009). *Survey research methods* (2nd ed.). Belmont: Wodsworth
- Barnett, W. P., & McKendrick, D. 2004. *Why are some organizations more competitive than others? Evidence from a changing global market*. *Administrative Science Quarterly*, 49: 535– 571.
- Bashshur, R., Sanders, J., and Shannon, G, (1997), "Telemedicine Theory and Practice"
- Baumol, W. J. 2004. Red-queen games: Arms races, rule of law and market economies. *Journal of Evolutionary Economics*, 14: 237–247.
- Berger, H, Dittenbach, M., Merkl, D., Bogdanovych, A., Sierra, C. & Simon, S. (2009). *Playing the e – business game in 3ed virtual worlds, OZCHI'06 Proceedings of the 18th Australia conference on „Computer-Human Interaction: Design: Activities, Artefacts and Environments“*; pp. 333 – 336. doi. 10. 1145/1228175.1228237.
- Bessant, J., Lamming, R., Noke, H. and Phillips, W. (2005) "Managing innovation beyond the steady state", *Technovation*, Vol. 25 No. 12, pp. 1366-76.

Bichanga Walter Okibo & Evans Wanga Shikanda , (2011). *Effects of Organizational Culture on Innovation in Services Industry: A Case Study of Postal Corporation of Kenya*. The European Journal of Business and Management.

Bunge, M.(1967) Scientific Research 1: *The Search For System*. Springer-Verlag, New York.

Cascio, W.F. (1992). *Managing human resources: productivity, quality of work life, profits*. (3rd ed.), New York: McGraw-Hill Inc.

Clayton M. Christensen, (1997) *The Innovator's Dilemma*, (Boston: Harvard Business Press).

Cole, G.A. (1993). *Personnel management*, London: DP Publication.

Cooper, D. R., & Schinder, P. S. (2010). *Business research methods*. 11th Ed. New York: McGraw-Hill.

Cooper, D. R., & Schindler, P. S. (2003). *Business research methods (8th ed.)*. United States of America: Tata McGraw-Hill.

Cooper, D., & Schindler, P. S. (2011). *Business research methods (8th ed)*. New Delhi: Tata: McGraw-Hill Publishing Company. India.

Creswell, J. W. (2003). *Research design: Quantitative, qualitative, and mixed methods approaches* (2nd Ed.). Thousand Oaks, CA: Sage.

Creswell, J. W., (2002). *Educational research: Planning, conducting, and evaluating quantitative and qualitative approaches to research*. New Jersey: Merrill/Pearson Education.

Cronbach, L. J. (1971). *Test validation*. In R. L. Thorndike (Ed.). Educational Measurement (2nd Ed.). Washington, D. C.: American Council on Education

Damanpour, F. (1991), "Organizational innovation – a meta-analysis of effects of determinants and moderators", *Academy of Management Journal*, Vol. 34 No.3, pp. 55-90.

Damanpour, F. and Schneider, M. (2006), "Phases of the adoption of innovation in organizations: effects of environment, organization and top managers", *British*

Journal of Management, Vol. 17 No. 3, pp. 215-36.

Danneels, E. and Kleinschmidt, E.J. (2003), "Product innovativeness from the firm's perspective: its dimensions and their relation with project selection and performance", *Journal of Product Innovation Management*, Vol. 18 No. 6, pp. 357- 73.

Darrell M. West Brown - University , (2004). "E-Government and the Transformation of Service Delivery and Citizen Attitudes" *Public Administration Review* January/February, Vol. 64, No. 1

David Asher, John Callan, and Bruce Marsh (2012). *The Postal Service Role in the Digital Age - Expanding the Postal Platform .The Role of Postal Networks in Expanding Access to Financial Services*.

David Souter and Monica Kerretts-Makau, (2012). *INTERNET GOVERNANCE IN KENYA – AN ASSESSMENT*.

Elnaga1, A. & Imran, A (2013). The Effect of Training on Employee Performance, *European*

Enock Kinara, (May 2014). Captains of industry. *The Standard*. pp.46-47.

Ettlie, J.E. and Reza, E.M. (1992), "Organizational integration and process innovation", *Academy of Management Journal*, Vol. 35 No. 4, pp. 795-827.

Finger, Matthias; Alyanak, Ismail; Mollet, Patrick (2005) . *Postal Sector Overview and Dynamics*. Ecole Polytechnique Fédérale de Lausanne, Chaire de management des industries de réseau . June 2005 MIR-REPORT-2005-005.

Gabi G. Afram (2012) The Remittance Market in India *Opportunities, Challenges, and Policy Options*. Homewood, Ill. GAO (18 March).

Goldratt, Eli M.. (1984). *Essays on the Theory of Constraints*. [Great Barrington, MA]: North River Press. ISBN 0-88427s

Grigsby, J., Barton, P.L., Kaehny, M.M., Schlenker, R.E., Shaughnessy, P.W., and Beale, S.K., (1993). "*Analysis of Expansion of Access to Care Through Use of Telemedicine and Mobile Health Services*." Report 1, Literature Review and Analytic Framework, Denver: Center for Health Policy Research, P 13.

Gupta, P. (2004). *Six Sigma Business Scorecard*. New York: McGraw-Hill

Hunt, S.D., (1991). *Modern Marketing Theory: Critical Issues in the Philosophy of Marketing Science*. Southwestern Publishing, Cincinnati, OH.

Ignacio Mas and Dan Radcliffe, Bill & Melinda Gates Foundation¹ (March 2010) Mobile Payments go Viral MPESA in Kenya.

Ittner, C. D., & Larcker, D. F. (1996). Measuring the impact of quality initiatives on firm financial performance. In: D. B. Fedor, & S. Ghosh (Eds.), *Advances in the management of organizational quality*, vol. 1. London: JAI Press.

Jagero, N. and Komba, H. V. (2012). "Relationship between on the Job Training and Employee's Performance in Courier Companies in Dar es Salaam, Tanzania" *International Journal of Humanities & Social Science*, Nov.

Jensen, M. C., & Meckling, W. H. (1976). THEORY OF THE FIRM: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3, 305- 360.

Johnson, M. D. (2001). Customer satisfaction. In: N. J. Smelser, & P. B. Baltes (Eds.), *International encyclopedia of the social and behavioral sciences*. Amsterdam, the Netherlands:Elsevier (forthcoming). *Journal of Business and Management*, Vol. 5 (4).

- Kabbucho, Kamau., Sander, Cerstin. and Mukwana, Peter. (2003). *Passing The Buck; Money Transfer Systems: The Practice and Potential for Products in Kenya* May. MicroSave-Africa. Retrieved January 6, 2012 from www.dai.com.
- Kahn, K.B., Franzak, F., Griffin, A., Kohn, S. and Miller, C.W. (2003), "Editorial: Identification and consideration of emerging research questions", *Journal of Product Innovation Management*, Vol. 20, pp. 193-201.
- Kim, J., & Mahoney, J. T. (2005). Property Rights Theory, Transaction Costs Theory, and Agency Theory: An Organizational Economics Approach to Strategic Management. *Managerial and Decision Economics*, 26, 223-242.
- Kiser, E. (1999). Comparing Varieties of Agency Theory in Economics, Political Science, and Sociology:
- Kothari, C. R. (2009) *Research Methodology. Methods and Techniques*, 2ndEd. New Age International Publishers, New Delhi
- Kotler P, Armstrong G.(2001)."principle of marketing",9thedition,new jersey:prentice hall.
- Kristian J. Sund, PhD, (2008) Innovation in the postal sector: *Strategies, barriers and enablers*.
- Kumar, C. (2000). *Research Methods*.(2ndedn.). New York: Harper and Row.
- Li, Yang, Sun Gou---hui and Martin J.Eppler (2008). " *Making Strategy Work: A Literature Review on the Factors influencing Strategy Implementation (Working Paper)*". ICA Working Paper 2, pp. 1---46.
- Lin-lin, X., Yang, Y. Hu, Y. & Chan, A.P.C. (2014). Understanding project stakeholders' perceptions of public participation in China's infrastructure and construction projects: Social effects, benefits, forms, and barriers", *Engineering, Construction and Architectural Management*, 21(2), 224 – 240
- Llorens, F.J., Ruiz, A. & Molina, L.M. (2003). An analysis of the relationship between quality and perceived innovation: The case of financial firms. *Industrial Management & Data systems*, 103, 579-90.
- MacLennan, Andrew (2011). *Strategy Execution: Translating strategy into Action in complex organizations*. Abigdon: Routledge.
- Marchewka, J.T. (2006). *Information Technology Project Management: Providing Measurable Organizational Value*, 2nd ed., Wiley, New York, NY.
- Mas, I. and Radcliffe, D. (2009). Mobile Payments Go Viral: M-PESA in Kenya. Yes Africa Can: Success Stories From a Dynamic Continent, World Bank, 2010. Retrieved January 6, 2012 from www.microfinancegateway.org.
- Matthieu Pe`lissie`du Rausa, James Manyika, Eric hazan, Jacques Bughin, Michael Chui and Remi Said (2011)Internet Matters; *the net's sweeping impact on growth, jobs and prosperity*. McKinsey global institute.
- McCarthy, E. Jerome (1964), *Basic Marketing. A Managerial Approach*, 2nd Ed.,

Morawczynski, Olga and Mark Pickens. 2009. "Poor People Using Mobile Financial Services: Observations on Customer Usage and Impact from M-PESA" CGAP Brief

Morawczynski, Olga, (2009). "Exploring the usage and impact of "transformational" mobile financial services: the case of M-PESA in Kenya." *Journal of Eastern African Studies*. 3(3):509-525.

Mugenda, O.M., & Mugenda A.g. (2003). *Research methods, quantitative and qualitative approaches*. Nairobi: Acts press.

Mwangi & Namusonge M J (2014). Influence of innovation on small and medium enterprise (SME) growth- a case of garment manufacturing industries in Nakuru County. *International Journal for Innovation Education and Research*. Vol.2-05.

Neuman, W.L. 2006. *Social Research Methods: Qualitative and Quantitative Approaches*. Pearsons Education Inc. Boston. USA

Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.

Ohinmaa, A., Hailey, D., and Roine, R., (2001), "Assessing telemedicine: a systematic review of the literature." *Canadian Medical Association Journal*, 165(6), 765- 771.

Olver, I., and Selva-Nayagam, S., (2000). "Evaluation of a telemedicine link between Darwin and Adelaide to facilitate cancer management." *Telemedicine Journal*, 6(2), 213- 218.

Online bill payment and e-bill adoption takes off in U.S., The Paypers Survey. May (2010).

Orodho, A.J. (2003). *Essentials of Educational and Social Science Research methods: Qualitative and Quantitative Approaches*. Nairobi: Acts Press.

Pistelli, Micol, Anton Simanowitz, and Veronika Thiel. (2011). "Survey of 405 MFIs Reporting to MIX2009-2010." *Microbanking Bulletin*. Washington, D.C.: MIX. [http://www.themix.org/sites/default/files/MBB %20SoPinSPReporting%20and%20Management_FINAL.pdf](http://www.themix.org/sites/default/files/MBB%20SoPinSPReporting%20and%20Management_FINAL.pdf)

Pistelli, Micol, Armonia Pierantozzi, and Gianfranco Vento. Forthcoming. (2011). "Social Performance Metrics Inspected: What Any Good Microfinance Business Should Track and Why." Washington, D.C.: MIX.

Republic of Kenya, (2008). *Information Communication Technology Sector Report*.

Reynolds, P.D., (1971). *A Primer In Theory Construction*, Bobbs- Merrill Educational Publishing, IN.

Richard Hooper (2008), *Saving the Royal Mail's universal postal service in the digital age* ; The Stationery Office Limited on behalf of the Controller of Her Majesty's Stationery Office.

Saeed, M. & Asghar, M. A. (2012). Examining the Relationship between Training, Motivation and Employees Job Performance – The Moderating Role of Person Job Fit, *Journal of Basic and Applied Scientific Research*.

Sarah Langhan and Craig Kilfoil (2011) FinMark Trust April - The Cross-border Money Transfer Experience.

Schumpeter, J.A. (1950), *Capitalism, Socialism and Democracy*, Harper & Row, New York, NY.

Sekaran, U. (2003). *Research Methods for Business: A Skill Building Approach*. (4thedn.). USA: John Wiley & Sons Publishers.

Shankman, N. A. (1999). Reframing the Debate Between Agency and Stakeholder Theories of the Firm. *Journal of Business Ethics*, 19, 319-334.

Shelby D. Hunt (2000) *A General Theory of Competition: Resources, Competences, Productivity, Economic Growth*, Thousand Oaks, London and New Delhi: Sage Publications.

Stonich, Paul J. (1982). *Implementing Strategy: Making Strategy Happen*. Pensacola: Ballinger Publishing.

Thomas. In Darkins, A.W., Cary, M.A., (2000) "*Telemedicine and telehealth : principles, policies, performance and pitfalls*", Springer Publishing Company, New York ,P 2.

Tromp & Kombo P.O. (2006). *Proposal and Writing: An Introduction*. Pauline's Publications Africa.

Tromp, L.A. (2006) proposal and thesis writing. Pauline publications: Makuyu

U.S. Postal Service (2010): *Financial Crisis Demands Aggressive Action*. Washington:

UNESCO (2003). Institute for Information Technologies in Education (IITE).

UPU, (2009) The role of postal services in channelling remittances and promoting access to finance. POC Sustainable Development Symposium. April 2007, Berne, Switzerland.

UPU, The role of postal services in channelling remittances and promoting access to finance. POC Sustainable Development Symposium. April 2007, Berne, Switzerland.

Valérie Godin Manager Solutions bpost – Post Expo 2012. Volume I ; world bank Discussion Paper November 2006.

Wambari, A. and Mwaura, P. (2009). *Mobile Banking in Developing Countries*. (A Case Study on Kenya). Retrieved January 6, 2012 from <https://publications.theseus.fi/bitstream/>.

World Bank Global Information and Communication Technologies Department & ING Advisory (2004-2005).

Zahra, S.A. and G. George. (2002). "*Absorptive Capacity: A Review, Reconceptualization, and Extension*." *Academy of Management Review* 27: 185-203.