

# EFFECT OF LEADERSHIP EMPOWERMENT STRATEGY ON CUSTOMER SATISFACTION IN THE TELECOMMUNICATION COMPANIES IN MOGADISHU, SOMALIA

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**Abstract:** The purpose of the study was to establish the determinants of leadership empowerment strategy in the customer satisfaction in Hormud Telecom in Mogadishu, Somalia. Specifically, the study was necessary to address the following specific objectives that are, to find out the effects of leadership autonomy, knowledge development, information sharing, and leadership reward on customer satisfaction in telecommunication services in Mogadishu-Somalia. This is seen in the fact that the firms have problems with customers to satisfy which is a harmful for companies and can result in several consequences dilemma such as losing their customers in the future. This in the long run adversely affects profitability (Eljelly, 2004). The study research gap is demonstrated by the scarcity of empirical studies on determinants of leadership empowerment strategy. The target population of the study was 63 both managers and employees of Hormud Telecom in Mogadishu. A sample size of 54 respondents was selected using Slog van's formula. The study used primary data. Data collection methods were used including use of questionnaires. The selection sample technique was purposive or judgmental approach. Data was analyzed using SPSS version 22 for productions of tables, descriptive statistics and inferential statistics. The key findings were that leadership empowerment strategy drivers individually had a positive influence on customer satisfaction of Hormud telecom. The overall results indicated that there is a significant linear relationship between leadership autonomy, knowledge development, and information sharing and leadership reward on customer satisfaction of Hormud telecom in Mogadishu-Somalia. The conclusions were based on the objectives of the study that leadership empowerment strategy drivers had a significant influence on customer satisfaction of telecommunication services.

**Keywords:** Leadership Autonomy, Leadership Knowledge Development, Leadership Information Sharing, Leadership Rewarding and Customer Satisfaction.

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## 1. INTRODUCTION

In developed countries technology and communication firms like to concentrate on gaining a competitive advantage in the market. The advance equipment, new technology, good marketing strategic, excellent customer services and many other elements can be the factors to build up for the advantages. However, human resource is the most important assets of an enterprise and its success or failure depends on their qualifications and performance. The employees are the repository of knowledge, skills and abilities that can't be imitated by the competitors. Technologies, products and processes are easily imitated by the competitors; however, at the end of the day, employees are the most strategic resource of the company. This is especially true in the case of service organizations - telecommunication- as they depend heavily on their front line staff to provide high quality services to their customers (Palmer, 2001).

**Specific Objectives:**

- i. To find out the effect of leadership autonomy on customer satisfaction of telecommunication service in Mogadishu Somalia.
- ii. To establish the effect of leadership knowledge development on customer satisfaction in telecommunication service in Mogadishu Somalia.
- iii. To find out the effect of leadership information sharing on customer satisfaction in telecommunication service in Mogadishu Somalia.
- iv. To find out the effect of leadership rewarding on customer satisfaction in telecommunication service in Mogadishu Somalia

**Leadership Autonomy:**

This section tested the knowledge of the respondents on Leadership autonomy. Table 4.7 shows that 86% agreed that the company restricted guidelines direct me to handle problems. And 84% agreed that suggest different alternatives handling work-related problem, 78% agree that need of extra influence concerning the activities related to my job, 73% agree that I would like to take more initiatives to solve work problems. While 19% disagree I need extra freedom to decide how to accomplish my assigned jobs. The mean score for the responses was 3.77 which indicate that many employees agreed to the statements regarding alternatives handling work-related problem. The findings agree with those in Jian, Yang and Tsung (2011) who asserted that firms may extend autonomy more aggressively to promote employee morale, resulting in a positive correlation between employee morale and autonomies. Firms with more inventories are likely to extend more trade credit than other firms (Jian, Yang and Tsung, 2011).

**Leadership Knowledge Development:**

The second objective of the study was to determine the Knowledge development of Hormud Telecom in Mogadishu. Table 4.8 shows that 89% agree Training on regular occasions will improve my work performance and 87% agreed that I tend to help my colleagues without being asked to increase service effective and efficiency and 86% agree to Employee sufficient practical knowledge and skills will give more experience on his/her job and 80% agree that I feel that I can take more responsibilities with improving my current level of skills and training me. While 26% disagree that I believe to encourage other employees to overcome their differences. The mean score for responses for this section was 3.94 which indicates that majority of the respondents agreed that knowledge development was a major factor influences in both employee and customer satisfactions. The findings disagree (Lawrence, 2013) test reveals that there is no significant relationship between effective knowledge development and the customer satisfaction in Nigeria but this study indicates that there is a strongly positive relationship between knowledge development and customer satisfactions of Hormud Telecom in Mogadishu Somalia.

**Leadership Information Sharing:**

The Third objective of the study was to establish the Information Sharing of Hormud Telecom in Mogadishu. Results on Table 4.9 indicates that 87% agreed that I belief that my opinion sought before changes are made in the work I do, 84% agreed that I always pay close attention important details, 82% agree that To reduce service problems, I belief talking to other colleagues before I take actions that affect them. 70% agree that Setting change management procedures will enhance sharing work information between us and finally 15% of the respondents disagrees that Access to senior management as an employee for consulting critical issues. The mean score for responses for this section was 3.86. Which indicates that majority of the respondents agreed that information sharing was part of the most effect of Hormud Telecom in Mogadishu-Somalia.

**Leadership Rewarding:**

The last objective of the study was to determine the Leadership rewarding of Hormud Telecom in Mogadishu. Table 4.10 shows that 90% agree that praising my colleagues when I success will increase my self confidence, and 87% agreed that Increasing my responsibilities will be rewarding for me, and also 87% agree that Reward will encourage me to feel being part of the organization, and 86% agree that I believe fairly rewarded on employee will effect on job performance. While 10% disagree that Employee reward will result employee competition. The mean score for responses for this section was 3.94 which indicates that majority of the respondents agreed that employee reward was another major factor influences in

both employee and customer satisfactions. The findings disagree (Lawrence, 2013) test reveals that there is no significant relationship between effective employee reward and the customer satisfaction in Nigeria but this study indicates that there is a strongly positive relationship between employee reward and customer satisfactions of Hormud Telecom in Mogadishu Somalia.

**Regression Models:**

**Table 4.1: Models Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.771 <sup>a</sup>	0.581	0.500	.72830

Adjusted R<sup>2</sup> squared is coefficient of determination which tells us the variation in the dependent variables due to change in the independent variables. From the findings in the above table the value of adjusted R squared is 0.500 and indicates that there was variation of 50% on customer satisfaction of Hormud Telecom in Mogadishu due to changes in Leadership autonomy, Leadership knowledge development, Leadership information Sharing, and Leadership reward at 95% confidence interval. This shows the significant that 50% of the customer satisfaction of Hormud Telecom in Mogadishu is accounted for by the variations in the independent variables and the remaining 50% are accounted by other factors contained in the standard error.

**Table 4.2: ANOVA**

Model	Sum Squares	df	Mean Square	F	Sig.
1 Regression	7.710	4	1.9275	3.634	.003 <sup>a</sup>
Residual	25.990	49	.5304		
Total	33.700	53			

From the ANOVA statistics shown in table, the processed data, which is the population parameters, had a significance level of 0.5% which shows that the data is ideal for making a conclusion on the population’s parameter as the value of significance (p-value ) is less than 5%. The F critical at 5% level of significance was 1.72. Since F calculated (3.634) is greater than the F critical (1.72), this shows that the overall model was significant and that leadership autonomy, leadership knowledge development, leadership information sharing and leadership rewards significantly affect the customer satisfaction of Hormud Telecom in Mogadishu- Somalia.

**Multiple Regression Analysis:**

**Table 4.3: Coefficients**

Model	Un standardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1. (Constant)	.782	.861		3.107	.003
Leadership autonomy	.320	.253	.147	2.908	.008
Knowledge development	.256	.218	.293	4.195	.006
Information Sharing	.123	.104	.301	2.097	.004
Leadership reward	.565	.042	.129	1.191	.003

From the data in the above table the established regression equation was;

$$Y = 0.782 + 0.320X_1 + 0.256X_2 + 0.123X_3 + 0.565X_4$$

From the above regression equation it was revealed that holding leadership autonomy, knowledge development, information sharing and leadership reward to a constant zero, customer satisfaction of Hormud Telecom in Mogadishu would be at 0.782. A unit increases in leadership autonomy would lead to increase in the customer satisfaction of Telecom in Mogadishu by a factor of 0.320. A unit increases in knowledge development would lead to increase in the customer satisfaction of Telecom in Mogadishu in Mogadishu by a factor of 0.256 and a unit change in Information Sharing would lead to increase in the customer satisfaction of Telecom in Mogadishu by a factor of 0.123. A unit change in leadership reward would lead to increase in the customer satisfaction of Telecom in Mogadishu by a factor of 0.565.

## 2. CONCLUSIONS

The conclusions are based on the objectives of the study that leadership empowerment strategy drivers had a significant influence on customer satisfaction. The results established from when all the stated variables were tested in the regression model they were found to have a significant relationship between themselves and customer satisfaction in Hormud Telecom. Reward was the driver which had the highest effect on customer satisfaction followed by autonomy, knowledge development and information sharing. The findings of the study established that Hormud Telecom was operating under a highly competitive environment between them. However, this moderate result revealed that there were all variables which were influencing the customer satisfaction of Hormud Telecom in Mogadishu- Somalia. It was concluded that Hormud Telecom needed to embrace leadership empowerment strategy drivers in order to achieve sustainable competitive advantage. The results obtained from this study were important in terms of reflecting the situation on the usage and performance levels of leadership empowerment strategy drivers of customer satisfaction of Hormud Telecom. The results provide an insight to Hormud telecom managers on the importance of the use of leadership empowerment strategy in all Hormud telecom branches.

## 3. RECOMMENDATIONS

1. It was found that management policies influenced reward. It is recommended to the Hormud telecom management to ensure that the company has put in place policies and procedures to be adhered to during leadership reward. The branches management is also urged to ensure that there are standardized and written manuals with the policies regarding reward and its management. From the findings and conclusion, the study further recommends that there is need for Hormud telecom in Mogadishu to increase their employee motivation so as to increase their leadership empowerment strategy as it was found that an increase in reward positively affect the customer satisfaction.
2. There is need for the Hormud telecom in Mogadishu to increase their knowledge to current stage as it was founded that knowledge development positively affects the customer satisfaction of Hormud telecom in Mogadishu.
3. There is need for the communication to introduce information sharing controls that will be applied across all the Hormud employees and customers. This will go way further towards increased information sharing in all braches and contributes towards better customer satisfaction in the Hormud Telecom. The study further recommends that there is need for information sharing of Hormud telecom branches in Mogadishu to increase their operating in order to positively influence their customer satisfaction.

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