

## KNOWLEDGE ACQUISITION AND QUALITY OF SERVICE DELIVERY AT EQUITY BANK HEADQUARTERS IN NAIROBI CITY COUNTY, KENYA

Deborah Nyanchama Ong'era<sup>1</sup> & Dr. Jane Wanjira<sup>2</sup>

<sup>1</sup>Master of Business Administration (Strategic Management) Scholar, Kenyatta University, Kenya

<sup>2</sup>Lecturer: Department of Business Administration, School of Business, Economics and Tourism,  
Kenyatta University

Accepted, April 25<sup>th</sup>, 2025

### Abstract

Effective service delivery is a fundamental component of any firm's success. Organizations strive to ensure that clients receive high-quality service at every point of interaction. However, in the case of Equity Bank, satisfactory service delivery has remained a significant challenge and a major source of frustration for its customers. A review of existing literature reveals limited empirical evidence on the effect of knowledge acquisition on service delivery within the banking industry. Therefore, the study sought to establish the effect of knowledge acquisition on quality service delivery at Equity Bank headquarters in Nairobi City County. The research was based on knowledge-based theory of the firm. The research utilized both descriptive and explanatory research designs. The unit of observation was 25 staff working in middle level management and 105 staff working in low level management at the Equity Bank head Office. A census approach was used. Semi-structured questionnaires were employed for primary data collection. Validity and reliability were assessed through pilot study and cronbach alpha. Both quantitative and qualitative data was collected. Content analysis was used to analyse qualitative data obtained while quantitative data was analyzed using both inferential and descriptive statistics. The study found that knowledge acquisition has positive and significant effect on quality of service delivery at Equity Bank headquarters in Nairobi City County ( $\beta_1=0.629$ ,  $p\text{-value}=0.000$ ). The study concludes that employees' proactive efforts to seek knowledge from both external and internal sources greatly contribute to enhanced efficiency and improved service delivery at Equity Bank. To enhance service delivery, Equity Bank should establish structured cross-functional knowledge-sharing platforms and invest in regular training programs focused on strategic knowledge acquisition. Additionally, the bank should adopt advanced documentation systems to streamline knowledge storage and retrieval, ensuring employees have timely access to accurate and relevant information.

**Keywords:** Knowledge Acquisition, Quality Service Delivery, Customer Satisfaction

### INTRODUCTION

The banking industry is one of the most crucial sectors of any economy as it plays a central role in financial intermediation. It serves as a vital component of economic activity by mobilizing deposits and extending credit to governments, individuals, households, and businesses, thereby

supporting investment, consumption, and overall economic growth (Gakuo & Rotich, 2019). Over the past two decades, the industry has witnessed significant growth and undergone considerable structural and technological changes, driven by globalization, financial innovation, and regulatory reforms. Globally, the sector is marked by intense competition resulting from the entry of new financial players and the growing expectations of increasingly informed and demanding customers (Chesaina & Gitonga, 2019). In this highly dynamic and competitive environment, commercial banks must prioritize delivering high-quality services to retain clients, build customer loyalty, and maintain a competitive edge within an ever-evolving financial landscape.

The banking sector industry is one that prioritizes customer service. Efficiency and effectiveness are crucial, especially when it comes to offering services to clients. (Galdolage & Rasanjalee, 2022). The provision of efficient service to customers involves satisfying the needs of customers consistently. Service quality is essential in building and maintaining valuable connections with clients and stays up to date with their constantly evolving needs (Wanyama, 2018). However, in developing countries banking industry's service delivery has been defined as poor leading to loss of financial service accessibility. For instance, the World Bank Global Financial inclusion database (2019) report indicates that 37 percent of the population in developing nations is still unbanked. Additionally, commercial banks have long queues, a high turnaround time and consistent complaints about poor attitude of tellers (Ocloo & Dzisah, 2019).

Knowledge acquisition plays a crucial role in ensuring quality service delivery by enabling organizations to gather, integrate, and apply relevant information to better understand customer needs, improve decision-making, and enhance operational efficiency. Knowledge acquisition encompasses the process of obtaining and understanding relevant data from a variety of external and internal sources, like plans, experiences, relevant documents, experts, and so on, is referred to as knowledge acquisition. The most well-known methods for gaining knowledge are training, teaching, observing, concept mapping, process mapping, laddering and interviewing. Kijugu and Moronge (2021) indicate that knowledge acquisition, capturing, or gathering is the process of integrating knowledge into an organization.

Knowledge acquisition plays a fundamental role in enhancing organizational performance by enabling firms to gather and internalize valuable information necessary for innovation, adaptability, and improved service delivery. In China, Sahibzada and Sahibzada (2022) found that knowledge acquisition, as a core component of knowledge management, significantly contributes to operational efficiency by helping organizations respond to technological and market changes. Similarly, in Pakistan, Akram (2018) emphasized that acquiring relevant knowledge supports the optimization of internal banking processes, leading to better customer service and operational effectiveness. In Jordan, Shawaqfeh (2019) observed that systematic knowledge acquisition improves employee functionality by fostering informed decision-making and productivity.

Quality Service delivery challenges, such as long waiting times, transaction errors, and rising customer complaints, have become prevalent across several African countries, including Zimbabwe, Nigeria, Ghana, and Tanzania. These inefficiencies point to deeper organizational issues that could be addressed through strategic knowledge acquisition. By systematically gathering customer feedback, market intelligence, and internal process evaluations, organizations can identify service gaps and implement targeted improvements. For instance, in Ghana, Ocloo and Dzisah (2019) emphasized that knowledge acquisition enables employees to make informed decisions, fostering operational efficiency and improved customer experiences. Similarly, in

Nigeria, Osayande (2021) found that effective knowledge acquisition enhances marketing and customer engagement, directly contributing to better service outcomes. In Uganda, SMEs utilizing knowledge-based strategies reported improved customer satisfaction (Wijaya & Suasih, 2020). These findings collectively suggest that enhancing knowledge acquisition processes is key to addressing service bottlenecks and delivering timely, efficient, and customer-centered services in the region.

In Kenya, commercial banks face mounting pressure to enhance quality of service delivered amid rising customer volumes and increasing competition within the financial sector. Many institutions struggle with long waiting times, frequent transaction errors, and rising customer dissatisfaction, with complaints increasing by over 30% in recent years (Ouma & Kirori, 2019; Koskei, 2020). In response, banks have increasingly adopted knowledge management practices to address these service inefficiencies. Knowledge acquisition, in particular, plays a vital role by enabling banks to systematically collect valuable insights from customer interactions, market trends, and internal processes. According to Wamwea (2019), acquiring relevant knowledge equips employees with the information needed to identify service gaps, tailor solutions, and respond more effectively to client needs. This is supported by Omar and Kilika (2018), who emphasized that knowledge-based employee empowerment enhances service quality. Consequently, improved knowledge acquisition strategies have become essential for boosting responsiveness, efficiency, and overall customer satisfaction in Kenya's banking sector.

### **Statement of the Problem**

Commercial banks in Africa, particularly those aiming to grow and gain market share, must focus on maintaining financial stability while also improving customer service (Njenga, 2022). This is evident from a survey by the Kenya Bankers Association, which found that 59.8% of respondents indicated that service quality could influence their decision to remain with or leave a financial institution (Kenya Bankers Association, 2022). While customers consider various factors when choosing a bank, the study showed that bank stability was initially the most important criterion, likely due to the global trend of bank collapses at the time. However, this trend has since shifted, and customer service has emerged as the top factor influencing bank selection (Wanjohi, 2023). Quality of service has become a key differentiator that separates market leaders from competitors.

At Equity Bank, service quality has reportedly declined, as reflected in a drop in customer satisfaction, long queues (despite the adoption of digital platforms), and a rise in customer complaints (Agatha, 2022). According to Rotich (2021), customers wait an average of 30 to 45 minutes before being served in Equity Bank branches. Additionally, Wambugu (2021) observed that only 48% of Equity Bank customers reported satisfaction, implying that 52% were dissatisfied. It is therefore critical to explore how knowledge management practices influence service delivery quality in Equity Bank.

Recent findings further highlight the decline in Equity Bank's service quality. For instance, Agatha (2022) reports that the customer satisfaction index dropped by 12%, from 85% in 2021 to 73% in 2022. Mwaura (2023) noted that average waiting times in branches increased by 15%, with 35% of customers experiencing delays, despite the implementation of digital platforms like mobile and online banking aimed at alleviating such issues. Karanja and Ombui (2020) add that customer complaints rose by 20%, largely due to poor service delivery and slow response times. Kalinda, Rukangu, and Rintaugu (2022) also observed that while digital platforms have improved accessibility, they have been accompanied by increasing complaints about money loss

and service interruptions. These indicators point to urgent service quality challenges that the bank must address.

Various studies have examined the effect of knowledge acquisition on service delivery quality. For instance, Chebet and Njuguna (2020) studied the relationship between Knowledge acquisition and service delivery at Oxfam International, Kenya; Kijugu and Moronge (2021) examined the influence of knowledge acquisition on service delivery in Nairobi County's public hospitals; and Ouko and Gatero (2023) conducted a study on the effect of knowledge acquisition on service delivery performance in Nairobi City County's Huduma Centres. However, these studies were limited contextualized to specific organizations and hence the findings cannot be generalized to commercial banks. In addition, the three studies utilized descriptive research design while this study utilized both explanatory and descriptive research designs. Thus, the focus of this study was to examine the effect of knowledge acquisition on quality of service delivery at Equity Bank headquarters in Nairobi City County.

## **LITERATURE REVIEW**

### **Theoretical Framework**

The study was anchored on the Knowledge-Based Theory of the organization, introduced by Grant (1996). It emphasizes that a firm's most critical asset is its knowledge. According to the theory, diverse knowledge capabilities and intellectual assets within an organization determine its ability to gain a competitive advantage and achieve superior performance. Unlike tangible resources, knowledge is often socially embedded, complex, and difficult for competitors to imitate (Zhao & Gong, 2021). It is stored and transmitted through personnel, systems, organizational culture, procedures, and routines (Srivastava & William, 2022). This embedded nature makes knowledge uniquely valuable and sustainable as a strategic resource. As businesses increasingly operate in complex, knowledge-driven environments, leveraging internal knowledge becomes essential for driving innovation, improving operational efficiency, and securing long-term success in competitive and dynamic markets.

The Knowledge-Based Theory also serves as a robust framework for organizational learning and strategic knowledge management. It provides guidance on how firms can effectively mobilize and utilize their knowledge assets to achieve a sustainable competitive advantage. This is largely facilitated through active employee participation in decision-making processes, strategy development, and long-term planning (Kengatharan, 2019). In rapidly changing market conditions, driven by globalization, technological innovation, and deregulation, continuous knowledge acquisition and transfer are increasingly necessary (Zhao & Gong, 2021). Firms that manage knowledge well are better positioned to adapt, innovate, and outperform competitors. The theory emphasizes that socially embedded knowledge is difficult to replicate, making it a powerful tool in sustaining economic performance, enhancing productivity, and fostering organizational resilience amid shifting business environments.

According to the knowledge-based perspective, a firm operates as a distributed system where valuable knowledge resides within individuals and teams, and the role of the organization is to coordinate this knowledge to produce value. Employees are seen not only as operational staff but also as vital knowledge holders and contributors to strategic development (Kengatharan, 2019). Knowledge assets, such as skills, expertise, and experience, are considered equally or more important than physical or financial capital for achieving competitive advantage. Hodgkinson (2022) argues that knowledge is the foundation for innovation, diversity in strategic thinking, and long-term adaptability. As such, knowledge-based and capability-oriented views have



broadened the scope of strategic management by placing intellectual capital at the center of sustainable growth, competitive strength, and value creation in modern organizations.

The theory anchored the independent variable - knowledge acquisition. Knowledge acquisition, as a key element of knowledge management, involves the systematic gathering of relevant information, expertise, and insights necessary to meet customer expectations and adapt to market dynamics. Drawing from both internal sources—such as employee experiences—and external ones like customer feedback and industry trends, this process enables the bank to make informed decisions that improve operational efficiency and client satisfaction. According to the knowledge-based theory of the firm, knowledge is viewed as a strategic asset that can drive innovation and competitive advantage (Srivastava & William, 2022). At Equity Bank, the effective acquisition of knowledge is expected to empower employees to anticipate client needs, enhance service delivery, and maintain a responsive approach in the fast-evolving financial services sector.

### **Empirical Literature Review**

Agbim (2019) conducted an evaluation of the impact of knowledge acquisition on service delivery in Nigerian hotels. The research utilized a multi-stage sampling method and an ex-post-facto research approach to choose the participants who answered the questionnaire from the pool of workers of the chosen hotels. It was determined that service delivery and knowledge gain are strongly correlated. To further improve knowledge acquisition, the study recommended that hotel managers and hoteliers utilize ICT systems, knowledgeable staff, and all other pertinent knowledge management tools. The study findings though valuable do not apply to commercial banks environment in Kenya because of the significant variations in socio-cultural and macroeconomic environments between the two countries. In addition, an ex-post-facto research methodology was utilized in the research, but the current study used both descriptive and explanatory research designs.

Ibojo and Mobolade (2023) examined the impact of knowledge acquisition on organizational performance among manufacturing companies in Ghana. The study used a survey research design. The findings revealed a significant positive relationship between knowledge acquisition and organizational performance. It emphasized that enhanced knowledge acquisition supports sustainability and the development of organizational competencies. However, having been limited to the manufacturing companies in Ghana, the findings of this study cannot be generalized to the banking industry in Kenya due to differences in business environment. In addition, the study used organizational performance as the dependent variable, but the current study adopted quality of service delivery as the dependent variable. Also, the study used survey research design, but the current study used both descriptive and explanatory research designs.

Matar and Raudeliūnienė (2021) conducted a study on the influence of knowledge acquisition on key knowledge management processes within higher education institutions in Lebanon. The study employed a quantitative research design, collecting data through a structured questionnaire. The findings revealed that knowledge acquisition plays a leading and highly significant role in shaping other knowledge management processes, particularly knowledge creation. However, the study also acknowledged its geographical limitations, noting that the results are specific to Lebanon and may not be generalizable to institutions in other countries. In addition, the study used key knowledge management processes as the dependent variable, which is different from quality of service delivery used in this study. In addition, the study was limited to Lebanon and hence the findings cannot be generalized to commercial banks in Kenya.

Aslam, Ali and Dhir (2022) explored how knowledge acquisition influence competitiveness among international alliance partners like Pakistani and Chinese engineering firms. The study employed a qualitative case study approach. The findings revealed that both explicit and implicit knowledge acquisition took place through integrated consultancy work, leading to an improvement in the competitiveness of the engineering firms. However, the study was limited to Pakistani and Chinese engineering firms, which are different from commercial banks in Kenya in terms of operational business environment, regulatory frameworks, and industry-specific dynamics, suggesting that the findings may not be directly applicable to the banking sector in Kenya without further research tailored to that context. Moreover, the study used competitiveness as the dependent variable, which is different from quality of service delivery, which was used as the dependent variable in this study.

Ouko and Gatero (2023) conducted a study on the effect of knowledge acquisition on service delivery performance at Huduma Centres in Nairobi City County. The research adopted a descriptive approach. The findings indicated that knowledge acquisition has a substantial impact on service delivery at the Huduma Centres, highlighting the critical role knowledge acquisition plays in improving service performance. However, the results may not be generalizable to the banking sector, as the study focused on Huduma Centres, which have different objectives, vision, and mission compared to Kenyan commercial banks. Additionally, the study targeted 700 employees, making its findings less applicable to the current study, which focuses on 130 employees. Furthermore, the research concentrated on the impact of knowledge acquisition in Huduma Centres, limiting the generalizability of its findings to sectors beyond the public service context.

Kijugu and Moronge (2021) examined the influence of knowledge acquisition on service delivery in public hospitals within Nairobi County. The study employed a descriptive research methodology. The findings indicated that knowledge acquisition positively and significantly impacted service delivery. Furthermore, the study demonstrated that knowledge facilitates the development of new goods and services to meet consumer needs, highlighting the importance of innovation in enhancing service quality. However, the study focused on public hospitals in Nairobi City County, which differ from Kenyan commercial banks in terms of mission, services, and objectives, thereby limiting the applicability of the findings to the banking sector. Additionally, while the research employed a descriptive research methodology, the current study utilizes both descriptive and explanatory research designs, further differentiating the two approaches.

Njoroge and Bula (2020) assessed the impact of knowledge acquisition on employee performance in classified hospitality companies in Kenya. The study employed a descriptive research design. The findings revealed a significant positive relationship between knowledge acquisition and employee performance, with a particularly strong effect on service delivery and operational efficiency. However, the study was limited to the hospitality industry, and the dependent variable was employee performance, which differs from service delivery. As such, the findings may not be directly transferable to other sectors, such as commercial banks, which operate under different structures and pursue distinct objectives.

Mungai (2019) examined the influence of knowledge acquisition on service delivery within SMEs in Nairobi City County, Kenya. The study adopted a descriptive research design. The findings indicated that knowledge acquisition, measured through external surveys and technological advancement had a significant impact on the service delivery of SMEs. However, the study focused on SMEs, which differ substantially from Kenyan commercial banks in terms

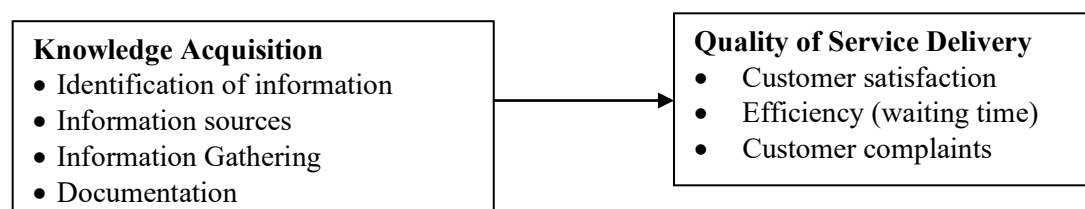
of structure, services, and objectives, making the findings less generalizable to the banking sector. Additionally, the study employed a descriptive research design, which does not establish causation, whereas the current research adopts both descriptive and explanatory designs to better explore the cause-and-effect relationship between knowledge acquisition and service delivery.

Chebet and Njuguna (2020) investigated the relationship between knowledge acquisition and service delivery at Oxfam International in Kenya. The study employed a descriptive research design. The findings revealed that knowledge acquisition significantly affects service delivery at Oxfam International. The process of acquiring knowledge enhances the efficiency, quality, and impact of the organization's services. By actively seeking and applying knowledge, Oxfam International strengthens its capacity to address complex global challenges and improve the lives of its beneficiaries. However, since the study focused on a nonprofit organization, its findings may be less applicable to profit-oriented institutions such as commercial banks in Kenya, which operate under different financial goals, structures, and objectives.

### Conceptual Framework

Figure 1 provides a conceptual framework, a diagrammatic conceptualization of the relationships between study variables. The independent variable was knowledge acquisition and the dependent variable was quality of service delivery as illustrated in Figure 1.

**Figure 1: Conceptual Framework**



### Independent Variable

Knowledge acquisition, as operationalized in this study, comprises three key dimensions: identification of information, identification of information sources, and information gathering. Identification of information refers to the ability of employees to recognize the specific types of knowledge or data required to enhance service delivery, such as customer needs, operational challenges, or market trends. Identification of information sources involves pinpointing both internal (organizational databases, experienced staff) and external (industry reports, competitors, academic publications) avenues from which this information can be obtained. Information gathering entails the systematic collection of relevant data from these sources to inform decision-making and improve service outcomes.

Quality of service delivery in this study is operationalized using three measurable indicators: customer satisfaction, efficiency (measured by waiting time), and customer complaints. Customer satisfaction is assessed through client feedback on how well the services provided meet or exceed their expectations, often measured using satisfaction surveys or rating scales. Efficiency, specifically reflected by waiting time, is gauged by tracking the average duration customers spend before receiving services—shorter wait times are taken as a sign of efficient service delivery. Customer complaints are measured by the number and nature of grievances recorded over a specific period, highlighting areas where service quality may fall short.

### RESEARCH METHODOLOGY

The study utilized both explanatory and descriptive research designs. The unit of observation was 130 employees in middle and lower level management serving at the Equity Bank

headquarters. Frontline employees, often have direct and frequent interaction with customers. Employees such as customer service representatives, sales associates, or support staff, play a critical role in providing immediate assistance, resolving issues, and ensuring a positive customer experience. They are the first point of contact for customers and handle day-to-day customer service tasks. The study used a census approach to select 130 staff working in middle and low level management at the Equity Bank head Office.

Both secondary and primary data was used. Secondary data was sourced from Equity Bank's annual reports by use of a data extraction checklist. Primary data was collected using semi-structured questionnaires. A pilot study was conducted at Equity Bank Mundi Mbingu branch with 10% of target population (13). The study will focus on three types of validity, which include content validity, face validity and construct validity. Content validity was evaluated through a comprehensive process that involved not only the input of the research supervisor but also insights from relevant theories and prior studies. In enhancing face validity, the researcher reviewed the instrument by seeking opinion of the university supervisor to recommend for improvement and verify whether the instrument was able to address the aims of the research. Construct validity was measured using confirmatory analysis. Reliability of the research instrument was tested using Cronbach's alpha. In this investigation, a Cronbach's alpha of 0.7 was deemed appropriate.

Content analysis was used to analyse qualitative data obtained from open-ended questions and the results were presented in a narrative form. Quantitative data was analyzed using both inferential and descriptive statistics. Descriptive statistics included frequency distribution, percentages, mean and standard deviation. Inferential statistics comprised of regression and correlation analysis. The regression model used was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where: Y = Quality Service Delivery;  $X_1$  = Knowledge Acquisition;  $\beta_0$  = constant;  $\beta_1$  = coefficients of determination and  $\varepsilon$  is the error term.

## RESEARCH FINDINGS AND DISCUSSIONS

A total of 130 questionnaires were distributed, out of which 25 were distributed to middle-level management staff and 105 to low-level management staff at Equity Bank Headquarters. Out of these, 23 questionnaires from middle-level management and 93 from low-level management were completely filled and returned back, resulting in a total response of 116 questionnaires. The valid questionnaires accounted for an overall response rate of 89.23%. According to Waddell (2020), a 75% response rate is considered adequate for population analysis and inference deeming the 89.23% response rate adequate for conducting further analysis.

### Descriptive Statistics

Quantitative data was obtained from closed-ended questions and items assessed using a 5-point Likert scale, where 1 represents "Not at all," 2 indicates "Strongly Disagree," 3 signifies "Disagree," 4 denotes "Agree," and 5 stands for "Strongly Agree." The study also used secondary data on customer satisfaction index, waiting time and customer complaints obtained from Equity Bank's yearly reports of for the period between 2019 and 2023.

### Knowledge Acquisition

The participants were requested to rate their agreement with different aspects of knowledge acquisition. The results were as summarized in Table 1.



**Table 1: Aspects of Knowledge Acquisition**

Statements	Mean	Std. Deviation
I am aware of the various internal sources of knowledge within my organization.	4.284	0.453
I actively seek knowledge from external sources to enhance my work within the bank.	4.327	0.766
Our organization has clear processes for identifying and validating knowledge sources.	4.285	0.629
I regularly explore new sources of knowledge to stay informed and improve my work.	4.138	0.617
I collaborate with colleagues from different departments to identify valuable knowledge sources within the organization.	4.293	0.457
I am aware of the various data sources available for information gathering within the organization.	4.293	0.659
I frequently engage with colleagues to gather information and insights relevant to my tasks and projects.	4.207	0.947
I am comfortable utilizing various data collection methods, like surveys, observations and interviews.	4.379	0.599
I actively seek out new data sources to improve the quality of information I gather for my work.	4.163	0.721
I am confident in my ability to analyze and interpret the data I collect from various sources within the organization.	4.224	0.576
Our organization maintains a systematic approach to documenting acquired knowledge.	4.103	0.464
I am aware of the available documentation methods and systems for recording knowledge within the bank.	4.198	0.4
Our organization's documentation process encourages collaboration and input from employees at all levels.	4.181	0.909
I consistently follow the organization's guidelines for documenting knowledge and information.	4.146	0.675
I find the available documentation systems easy to use and effective for recording important knowledge.	4.017	0.769
<b>Average</b>	<b>4.216</b>	<b>0.643</b>

From the results in Table 1, the overall average mean of 4.216 (SD = 0.643) indicates a strong agreement among respondents on aspects of knowledge acquisition, including the identification of knowledge sources, information gathering, and documentation. The standard deviation suggests moderate variability in responses. Respondents expressed the greatest agreement with actively seeking knowledge from external sources to enhance their work within the bank (Mean = 4.327, SD = 0.766), and collaborating with colleagues from different departments to identify valuable knowledge sources within the organization (Mean = 4.293, SD = 0.457). These findings align with those of Ouko and Gatero (2023), who also observed high engagement in diverse knowledge gathering practices.

There was relatively less agreement with statements concerning the ease of use and effectiveness of available documentation systems for recording important knowledge (Mean = 4.017, SD = 0.769), and the regular exploration of new sources of knowledge to stay informed and improve work performance (Mean = 4.138, SD = 0.617). Despite the slightly lower scores, these means still reflect overall agreement among respondents, indicating a generally strong knowledge

acquisition culture. Furthermore, respondents affirmed awareness of various internal and external sources of knowledge, confidence in analyzing collected data, and participation in collaborative documentation processes. These insights support the findings of Agbim (2019) and Kijugu and Moronge (2021), who emphasized the importance of structured knowledge systems in enhancing employee performance and fostering organizational learning.

### **Quality of Service Delivery**

The participants were asked to rate their agreement level on a number of aspects regarding quality of service delivery in Equity Bank. The observations related to aspects indicating quality service delivery have been analyzed and depicted in Table 2.

**Table 2: Quality of Service Delivery**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
Equity bank strives to meet or exceed customer expectations in my interactions and service delivery.	3.922	0.886
Equity bank receives referral from customers for offering best services to them	4.172	0.815
Our customers are always happy and satisfied with our services	4.129	0.797
I believe that customer satisfaction is a key priority for Equity Bank and drives our service delivery approach.	4.051	0.883
I actively seek feedback from clients to ensure that their expectations and necessities are being met or exceeded by our services.	4.258	0.439
Equity bank reduces waiting times and queues in my area of responsibility to enhance customer satisfaction.	4.172	0.48
Equity bank reviews customer wait times to identify opportunities for improvement.	4.387	0.489
Equity bank emphasizes the importance of reducing customer wait times as part of its service culture.	4.344	0.561
I believe that minimizing customer wait times is crucial for improving the overall customer experience at Equity Bank.	3.939	0.847
I actively contribute to identifying and implementing solutions to reduce waiting times and enhance service efficiency.	4.043	0.75
Equity bank listens to customer complaints and takes prompt action to resolve their issues to enhance customer satisfaction.	3.956	0.806
Equity bank reviews customer complaints to identify patterns and opportunities for service improvement.	3.913	0.928
Equity bank places a strong emphasis on addressing and resolving customer complaints	4.189	0.709
I believe that addressing customer complaints effectively is essential for building long-term customer loyalty at Equity Bank.	4.034	0.617
I actively participate in processes aimed at resolving customer complaints and improving service quality based on customer feedback.	4.008	0.597
<b>Average</b>	<b>4.101</b>	<b>0.707</b>

From the findings as indicated in Table 2, the overall average mean of 4.101 (SD = 0.707) indicates a strong agreement among respondents on the identification of knowledge sources, information gathering, and documentation. With a mean of 4.387 (SD = 0.489), respondents agreed that Equity Bank reviews customer wait times to identify opportunities for improvement. Respondents also agreed with a mean of 4.344 (SD = 0.561) that Equity Bank emphasizes the importance of reducing customer wait times as part of its service culture.

Conversely, the two statements with the lowest mean scores included respondents agreeing that they believe minimizing customer wait times is crucial for improving the overall customer experience at Equity Bank (Mean = 3.939, SD = 0.847), and that Equity Bank reviews customer complaints to identify patterns and opportunities for service improvement (Mean = 3.913, SD = 0.928). Despite being the lowest, these means still reflect a strong agreement on the importance of addressing wait times and customer complaints. These findings align with Anamarija and Colnar (2023), who observed that reducing customer wait times is essential for enhancing the overall customer experience and increasing operational efficiency.

Secondary data was retrieved from Equity Bank's yearly reports of for the period between 2019 and 2023. Table 3 illustrates the study results.

**Table 3: Quantitative Measures of Quality of Service Delivery**

	2019	2020	2021	2022	2023
Customer Satisfaction Index (%)	78	80	85	73	70
Waiting Time (Minutes)	25	20	30	32	25
Customer complaints (%)	32	28	24	27	25

Secondary data retrieved from Equity Bank's yearly reports for the period between 2019 and 2023 further validates these findings. As shown in Table 3, the data reflects fluctuations in customer waiting times, decreasing from 25 minutes in 2019 to 20 minutes in 2020, rising to 32 minutes in 2022, and then dropping back to 25 minutes in 2023. Additionally, the percentage of customer complaints declined from 32% in 2019 to 24% in 2021, with slight increases in 2022 and 2023, ending at 25%. These trends confirm the bank's ongoing efforts to reduce wait times and address customer complaints, as reflected in the respondents' views.

### **Inferential Statistics**

#### **Correlation analysis**

Pearson correlation analysis was employed to ascertain the link between response (quality service delivery) and independent variable (knowledge acquisition). The results were as illustrated in Table 4.

**Table 4: Correlation analysis**

	Quality of Service Delivery	Knowledge Acquisition
Quality of Service Delivery	Pearson Correlation	1
	Sig. (2-tailed)	
	N	116
Knowledge Acquisition	Pearson Correlation	.737**
	Sig. (2-tailed)	.000
	N	130

The study found a strong and statistically significant positive relationship between knowledge acquisition and service delivery quality at Equity Bank headquarters in Nairobi City County ( $r = 0.737$ ,  $p\text{-value} = 0.000$ ). This indicates that as the bank improves its processes of acquiring relevant knowledge—whether from internal sources such as employee insights or external sources like customer feedback and market trends—there is a corresponding enhancement in the quality of services delivered. The  $p\text{-value}$  being well below the 0.05 significance level confirms that this relationship is not due to chance. These findings suggest that organizations that actively invest in gathering and integrating useful information are better positioned to respond to customer needs, make informed decisions, and maintain a competitive edge through improved service performance and client satisfaction.

## Regression Analysis

Linear regression analysis was utilized to examine the impact of the predator variables on the response variable. In this study, regression analysis was used to examine the effect of knowledge acquisition on quality of service delivery. The regression model was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Whereby: Y = Quality Service Delivery;  $X_1$  = Knowledge Acquisition;  $\beta_0$  = constant;  $\beta_1$  = coefficients of determination and  $\varepsilon$  is the error term.

**Table 5: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 <sup>a</sup>	0.543	0.454	0.2259

a. Predictors: (Constant), Knowledge Acquisition

As illustrated in Table 5, the R-squared value for the association between knowledge acquisition and quality of service delivery at Equity Bank headquarters in Nairobi City County is 0.543. This means that 54.3% of the variation in the quality of service delivery could be explained knowledge acquisition. These findings align with Kijugu and Moronge (2021) observations that knowledge acquisition significantly impacts service delivery by improving efficiency, decision-making, and innovation.

**Table 6: Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.935	1	14.935	108.694	.000 <sup>b</sup>
	Residual	15.664	114	0.1374		
	Total	30.599	115			

a. Dependent Variable: Quality of Service Delivery

b. Predictors: (Constant), Knowledge Acquisition

ANOVA was used to assess whether the model is a good fit for the data. As presented in Table 6, the F-calculated was 108.694, while the critical F-value from the F-distribution table was 3.92. Since the calculated F-calculated exceeded the F- critical and the p-value (0.000) was less than the significance level of 0.05, the model was considered a good fit for the data.

**Table 7: Regression Coefficients**

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	0.231	0.081		2.852	0.005
Knowledge Acquisition	0.629	0.135	0.548	4.659	0.000

a. Dependent Variable: Quality of Service Delivery

The regression was as follows:

$$Y = 0.231 + 0.629X_1$$

The study established that knowledge acquisition has positive and significant effect on quality of service delivery at Nairobi City County's Equity Bank headquarters ( $\beta_1=0.629$ , p value= 0.000). Because the p-value (0.000) was less than the significant level of (0.05), the relationship was considered significant. This indicates that improvements in knowledge acquisition directly contribute to enhanced service delivery outcomes. Organizations aiming to improve service quality should, therefore, prioritize strategies that support effective knowledge acquisition—such

as facilitating access to relevant information, promoting knowledge-sharing platforms, and investing in staff training programs. These findings align with descriptive statistics, showing that employees who are proficient in sourcing diverse information can better understand customer needs and provide more informed, responsive services. Moreover, the results support previous research by Agbim (2019), who found a strong link between knowledge acquisition and service delivery, as well as Ouko and Gatero (2023), who reported similar effects within Kenya's Huduma Centres.

### **Conclusions**

The study found that knowledge acquisition has a positive and significant effect on quality of service delivery at Equity Bank headquarters in Nairobi City County. This means that employees effectively gather and utilize knowledge through various data collection methods, such as surveys, interviews, and observations. They actively seek external knowledge, collaborate across departments, and leverage well-structured internal knowledge sources. The bank has clear processes for identifying and validating knowledge, ensuring access to credible information. Additionally, employees confidently analyze data, engage in knowledge-sharing, and utilize user-friendly documentation systems for systematic knowledge management. In summary, knowledge acquisition is embedded in the bank's culture, fostering informed decision-making and service quality. The study concludes that structured knowledge acquisition creates a well-informed workforce, leading to improved efficiency, productivity, and customer satisfaction.

### **Recommendations**

To enhance quality of service delivery at Equity Bank, the management should implement structured cross-departmental knowledge-sharing forums to foster collaboration and knowledge exchange among employees. Additionally, forming strategic partnerships with external organizations can provide valuable insights and industry best practices. The bank should also regularly review and update its knowledge identification and validation processes to align with emerging trends, ensuring that employees have access to the most relevant and credible information. Furthermore, improving the organization's systematic documentation processes by adopting advanced, user-friendly documentation software will enhance efficiency and accessibility, making it easier for employees to record, retrieve, and share knowledge.

### **Areas for Further Research**

The aim of this study was to establish the effect of knowledge acquisition on quality of service delivery at Equity Bank headquarters in Nairobi City County. However, the study was limited to Equity Bank headquarters in Nairobi City County thus; results cannot be applied to other Kenyan banks. Thus, the research recommends that more research ought to be conducted to establish the effect of knowledge acquisition on quality of service delivery in other commercial banks in Kenya. Furthermore, the study discovered that knowledge acquisition explains 54.3 per cent of quality of service delivery at Nairobi City County's Equity Bank headquarters. As a result, further research ought to be conducted to establish other factors that affect quality of service delivery at Equity Bank headquarters in Nairobi City County.

### **REFERENCES**

- Agatha, N. (2022). *Effect of Innovation and Technology as a Strategy on Customer Retention at the Equity Bank Kenya Limited* (Doctoral dissertation, University of Nairobi).
- Agbim, K.C. (2019). Assessing the Effect of Knowledge Acquisition on Competitive Advantage: A Knowledge-Based and Resource-Based Study. *Information and Knowledge Management*, 4(11), 101-132.



- Akram, K. (2018). Effect of Knowledge Management Activities and Dynamic Capabilities on Employee Performance in the Banking Sector: Empirical Evidence from Pakistan. *Studies in Business and Economics*, 13(2) 41-54.
- Anamarija, K. & Colnar, S. (2023). The impact of knowledge management on the quality of services in nursing homes. *Frontiers in Psychology*, 23(3), 199-221.
- Aslam, M. S., Ali, I. & Dhir, A. (2022). How knowledge acquisition creates a competitive edge? A qualitative inquiry from international consultancy alliance. *International Marketing Review*, 39(3), 653-681.
- Banking Association of Kenya (2022). *State of the Banking Industry Report 2022*. Retrieved from <https://www.kba.co.ke>
- Central Bank of Kenya (2022). *Bank Supervision Report*. Retrieved from <https://www.centralbank.go.ke>
- Chebet, D. & Njuguna, R. (2020). Knowledge management practices and service delivery at Oxfam International, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(9), 55-74.
- Chesaina, F., & Gitonga, E. (2019). Service Delivery and Performance of Kenya Commercial Bank Limited: A Critical Review of Literature. *International Journal of Current Aspects*, 3(2), 71-82.
- Gakuo, E. W. & Rotich, G. (2019). Effect of strategic knowledge management on performance of commercial banks in Kenya. *International Academic Journal of Human Resource and Business Administration*, 2(3), 19-45
- Galdolage, B. S., & Rasanjalee, R. M. K. S. (2022). Customer capabilities and value co-creation practices in self-service technologies: insights from commercial banks in Sri Lanka. *Asian Journal of Management Studies*, 2(1), 1-27.
- Hodgkinson, I. (2022). Knowledge-based theory, entrepreneurial orientation, stakeholder engagement, and firm performance. *Strategic Entrepreneurship Journal*, 16(3), 633-665.
- Ibojo, B. O., & Mobolade, G. O. (2023). *Effect of knowledge acquisition on organizational performance*. *IIARD International Journal of Economics and Business Management*, 9(8), 10–24. <https://doi.org/10.56201/ijebm.v9.no8.2023.pg10.24>
- Kalinda, J. K., Rukangu, S., & Rintaugu, G. (2022). Influence of agency banking services on service delivery in equity bank: A study of Meru County, Kenya. *International Journal of Economics, Commerce and Management*, 4(11), 1441-1457.
- Karanja, M. N. & Ombui, K. (2020). The Impact of Equity Bank Services on Individuals and Organizational Performance within Nairobi. *International Journal of Scientific and Research Publications*, 7(5), 865-889.
- Kengatharan, N. (2019). A knowledge-based theory of the firm: Nexus of intellectual capital, productivity and firms' performance. *International Journal of Manpower*, 40(6), 1056-1074.
- Kenya Bankers Association (2022). Bank Customers Satisfied with Industry Service Standards, Technology – Survey. Retrieved from <https://www.kba.co.ke/over-80-percent-of-bank-customers-satisfied-with-industry-service-standards-technology-survey/>
- Kijugu, M. M., & Moronge, M. (2021). Role of knowledge management on service delivery in public hospitals in Nairobi City County, Kenya. *The Strategic Journal of Business & Change Management*, 8(4), 357 – 371.
- Koskei, L. (2020). Determinants of banks' financial stability in Kenya commercial banks. *Asian Journal of Economics, Business and Accounting*, 18(2), 48-57.

- Matar, I., & Raudeliūnienė, J. (2021). The role of knowledge acquisition in enhancing knowledge management processes in higher education institutions. *International Journal of Knowledge Management*, 18(1), 1-13.
- Mungai, J. W. (2019). *Knowledge Management Practices and Performance of Small and Medium Enterprises in Nairobi City County, Kenya*. Retrieved from <https://ir-library.ku.ac.ke>
- Mureebe, D. & Lwanga, E. K. (2023). The effect of Records creation on Service Delivery among private higher institutions of learning. *International Journal of Library and Information Science Studies*, 9(1), 30-39.
- Njoroge, P. T. & Bula, H. W. (2020). Examining the Effect of Knowledge Acquisition and Information Distribution on Employees' Performance in Classified Hospitality Firms in Kenya. *Journal of Human Resource Management*. 8(3), 2020, 200-208.
- Ocloo, C.E. & Dzisah, W.E. (2019). Banks and Customer Service Delivery: Attracting and Retaining Customers in the Ghanaian Banking Sector. *European Journal of Business and Management*, 5(25), 186-198.
- Omar, M. B. & Kilika, J. (2018). Service delivery practices and performance of selected banks in Nairobi County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(4), 228-249
- Ouko, C. O. & Gatero, G. (2023). Knowledge Management Practices and Service Innovation Performance in the Huduma Centres in Nairobi City County, Kenya. *Journal of Social Sciences Management and Entrepreneurship*, 7(2), 016-027.
- Ouma, M. O., & Kirori, G. N. (2019). Evaluating the financial soundness of small and medium-sized commercial banks in Kenya: an application of the bankometer model. *International Journal of Economics and Finance*, 11(6), 93-100.
- Rotich, P. (2021). *Organizational Policies and Performance of Equity Bank in Kenya* (Doctoral dissertation, University of Nairobi).
- Shawaqfeh, G.N. (2019). The Impact of Knowledge Management on the Performance of Commercial Banks' Employees in Jordan (A Field Study on Commercial Banks' Employees in Irbid Governorate of Jordan). *European Journal of Accounting, Auditing and Finance Research*, 7(4), 1-16.
- Srivastava, B., & William, R. M. (2022). The Knowledge Based View of the Firm: An Assessment. *Journal of Organizational Psychology*, 22(3), 1-14.
- The World Bank (2019). *Financial inclusion is a key enabler to reducing poverty and boosting prosperity*. Retrieved from <https://www.worldbank.org>
- Tseole, T. & Ngulube, P. (2022). Knowledge Sharing and the Improvement of Service Delivery in an Academic Library. *International Journal of Knowledge Management*, 18, 199-223.
- Waddell, C.D. (2020). *A Step-by-Step Guide to Complete a Dissertation: Using a Quantitative Research Methodology*. London: SAGE Publications.
- Wambugu, L. (2021). Impact of internal marketing on service quality and customers satisfaction: A case study of Equity Bank, Kengeleni Branch. *Research Journal of Finance and Accounting*, 6(19), 57-67.
- Wamwea, A. W. (2019). *Impact of Mobile Banking Innovations on Service Delivery on Commercial Banks in Kenya: A Case of Kenya Commercial Bank*. Retrieved from <http://erepo.usiu.ac.ke/11732/4601>

- Wanjohi, E. W. (2023). Knowledge management practices and performance of commercial banks in Nyeri Town, Kenya. *VINE Journal of Information and Knowledge Management Systems*, 51(3), 492-514.
- Wanyama, V. T. (2018). Effect of Knowledge Management on Organization Performance in the Public Service Sector in Kenya. *Information and Management*, 43(7), 874–883.
- Zhao, J. & Gong, C. (2021). A quantum mechanics-based framework for knowledge-based innovation. *Journal of Knowledge Management*, 26(30), 642-680.