MARKETING QUALITY SERVICE IN THE BANKING INDUSTRY: A CASE STUDY OF CITIZENS INTERNATIONAL BANK LTD.

BY

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DECLARATION

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CERTIFICATION

This project entitled "**MARKETING QUALITY SERVICE IN THE BANKING INDUSTRY: A CASE STUDY OF CITIZENS INTERNATIONAL BANK LTD." by Ameh O. Friday, meets** the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria, and is approved for it's contribution to knowledge and Literacy presentation.

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DEDICATION

This work is deservedly dedicated to the memory of my late father Mr. Solomon Uhiene Ameh and my dear mother Mrs. Hannah Solomon Ameh for her ceaseless prayers.

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I wish to express my special gratitude and appreciation to the Almighty God, immortal, invisible, for the special guidance through the environmental turbulence and the economic doldrums in the cause of this programme.

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ABSTRACT

" Banks are necessary evil in any economy"

F. O. **Ameh(1998)**

A bank is an institution which receives surplus funds from the public, safe guard it and give it back to their true owners on request, but part of the money which is not given back to their owners are given to those who are in need of them and can provide collateral security.

The need for the banking sector in any economy can not be over-emphasised. As an institution which is responsible for financing the economy, they provide funds required to develop the economy. As a medium through which the monetary policy and fiscal policy of the government are implemented, they are used to bring about changes in the economic policies of government all over the world. The idea of banking was developed after the trade by barter system of those days crumbled due to its inability to solve the increasing needs of the people. Banking became a source of keeping, protecting and preserving excess funds of the people. It also became a source through which people who do not have these funds could make use of them to their advantage while simultaneously benefiting the banks.

Professor G. O. Nwankwo, Femi Adekanye and others have over the years compiled a full history of banking system in Nigeria. The first Commercial bank in Nigeria was the African Banking Corporation which was established in coalition with Elder Dempster and Co, a shipping company based in Liverpool in 1892 with a branch in Lagos. They experienced some difficulty initially due to the orientation of Nigerians then, eventually its interest was transferred to Elder Dempster and Co. in 1 893.This brought about a new bank known as the British Bank of west Africa (BBWA) in 1893. This was registered in London as a limited liability company in March 1894 and the first Lagos branch was opened that same year. Since then several other banks have been established to bring about competition and fast development of the banking sector. It is vital to mention here that these banks were off shoots from our colonial masters in Europe who have developed the sector in their continent to assist them in mopping up excess funds from their economy. The establishment of the banking sector was also to enhance, the

repatriation of the excess funds from the under developed economies like the Nigerian economy *and* to establish their superiority politically and economically over the colonised territories.

With the inability of the then government of President Ibrahim Badamasi Babangida to properly manage the economy due to lack of funds and the need to secure loans from the World Bank and International Monetary Fund (IMF) a lot of conditionalities were given as prerequisites to obtain the loan. One of such was the Structural Adjustment Program (SAP) which was implemented in 1986.

Some of the conditions of SAP includes: Trade Liberalization, Privatisation and commercialization, Devaluation of currency, Deregulation of interest rate and so on.

These SAP conditions brought about an economy that is open to the forces of demand and supply to operate and this led to the licensing of more banks by the Central Bank of Nigeria. The banks were licensed to facilitate the financial transaction in the economy and aid the achievement of the SAP mission.

The bank under consideration in this thesis Citizens International Bank Limited was one of the new generation banks established to compete with several licensed banks and bring about the expected transformation in the banking sector. It was incorporated as a private limited liability company on 22 December 1989. The bank wholly owned by indigenes has 32 Nigerian citizens who are shareholders. As at today the bank has about 17 branches located in strategic regions of the country. They have been able to position themselves strategically in the banking sector with the cooperation of professionals that form the management team. The enduring corporate culture throughout the bank and pursued corporate strategy based on traditional banking business offered to select customer groups and supported by superior relationship management and service quality, in the process have earned a strong reputation for service, professionalism and excellence in this Bank.

The objective of this thesis with Citizens Bank under consideration is to determine whether the bank offers quality service to its customers and simultaneously reap the gain from quality service offering. One interesting fact is that the bank seems

conscious of the most recent concept in Nigeria today called (TQM) Total Quality Management which is a concept that encompasses the effective high quality management that gives the best of service and at the same time reap the benefits that goes with such high class services. Questionnaires were distributed to the staff and personal interviews held with some of the managers. It is observed that the bank is conscious of the concept of customer care, quality customer service and Total Quality Management, however, there is need for the management to introduce the 'concept' of a "MYSTERY SHOPPER" to enhance their leadership in the industry.

It is not enough to be conscious of all the relevant concepts as above, given the fact that the staffs are human beings who have diverse attitudes, reasoning, behaviours and often acts irrationally. There is therefore the need for the mystery shopper concept, which in summary implies a close monitoring of the application of the other concepts to bring about the desired conventional objective of customer satisfaction and profitability to the organisation.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND INFORMATION

Citizens International Bank Ltd was established in 1989 as one of the new generation banks that came up as a result of the Structural Adjustment Programme (SAP). It was established with the major objective of contributing to the effort geared towards revamping the crumbling economy of Nigeria through the provision of sufficient funds to investors who are very much willing to raise the economy out of the doldrums. With the traditional function of the bank being to attract deposit from individuals and corporate organisations, they began their operations by introducing various services that will attract depositors which they would have enough funds to give out to investors.

With their headquarter in Lagos, they operated gradually and expanded to about 17 branches strategically located in various parts of Nigeria. Coupled with their on-line network facility, they have been able to over the years satisfy their customers by providing funds simultaneously to them wherever they find themselves in any part of the country where they have their branches without much hassles. The bank has steadily grown from the share holding of N26,751,000.00 in 1990 to N284,117,000.00 in 1994. The top management is composed of professionals who have served in various capacities the world over in other banks such as Citibank in the United States of America. Their total assets increased from N282,266,006.00 in 1990 to N3,505,003,000.00 in 1994. Their total deposits increased from N193,274,000.00 in 1990 to N2,440,592,000.00 in 1994.

Similarly, their after tax profit increased from N6,751,000.00 in 1990 to N134,306,000.00 in 1994. All these achievements were as a result of professionalism with which, they entered the banking industry with the aim of transforming the industry to a more advanced, improved, latest mode of operation which is capped with the customers' interest as basis.

Between the period 1992 to 1994 in which Citizens Bank recorded steady growth in all facets of their operation, the banking industry suffered a major set back

which led to some of them becoming distressed that they could not cope with the downward trend in the economy. Although, some individuals and groups engaged in the draining of the funds through the advance of loans and other facilities without sufficient collaterals, they could not cope with innovations that were developed by other banks like Citizens Bank to survive the challenge that borders on the bank's ability to make SAP succeed in its mission to revamp the economy. Some of the distressed banks were taken over by the government of Nigeria in view of their failure to provide the machinery required to turn the excess funds in the economy around to the advantage of the Nigerian economy.

Over the years, the bank engaged in its principal activities of providing commercial banking services to institutional, commercial and individual customers. They also invested in discount houses. The bank invested also in the computer technology to build processing capacity and installed a radio- based communication system to provide effective back up to their on-line capabilities via leased lines through the national communication system.

The economic doldrums coupled with worsened political crisis and instability over the years and deregulation of interest and exchange rates particularly created the turbulent banking environment as they drastically constrained bank margins in both local and foreign currency business activities. The quagmire in the economic environment created severe operating problems for a number of their clients/ customers, which resulted in more than anticipated portfolio problems.

An interesting plus to the bank was that it recognised the importance of operating an equal opportunity employment policy which does not discriminate on the basis of race, colour, tribe, religion, physical disability or relationships. The attitude of the old generation banks in this direction affected their operations as staff were not up to the task to effectively carry out their assignments. Provision of quality training, challenging responsibilities and conducive work environment kept the staff highly motivated.

The idea of marketing quality service in the banking industry became apparently important in view of the strong competition that developed as a result of the expansion of the banks from a paltry 35 in 1984 to 115 in 1992. Although, by 1995, about five commercial and merchant banks had to wind up because they

could not cope with the trend in the industry. Marketing quality service implies the ability of the banks to provide such services that will convince the customers to stick to them and attract potential customers. The idea is predicated upon the principle of marketing concept which is the satisfaction of the customers through the provision of the needs of the customers. The banks are in this regard expected to continuously carry out the research on determining the needs of the customers so as to satisfy them while simultaneously reaping the benefit that comes with such developments. However, marketing concept alone is not enough to favourably compete in the banking industry of today, that is why the most current concept of Total Quality Management (TQM) is very vital as it borders on the overall awakening of the entire organisation to the new trend, tickle the staff to wake up from their slumber and be able to deliver the desired services and on time too to their customers. This is what Citizens International Bank needs to be able to survive in the banking industry of today.

1.2 STATEMENT OF THE PROBLEM

In today's banking industry, individuals and corporate organisations are discouraged with the kind of services offered in banks coupled with the legacy of the distress syndrome which is one trade mark of today's banks. This has led to loss of confidence in the banks by existing and potential clients/ customers to the banks.

As the industry experiences a gradual recovery from the distress situation with government 's sanitization efforts, the need for banks to step up their efforts in the provision and marketing of quality customer service has become inevitable, hence the need for this investigation.

1.3 OBJECTIVE OF THE STUDY

The objective of this thesis is to determine whether Citizens International Bank Limited actually offers quality services to their clients or otherwise. Quality service covers all aspects of the banking operations from the top management to the traditional services on the counter - viz deposits and withdrawals including other services such as treasury operations, credit and marketing, critical assessments of application for loans and other facilities and the general relationship of the staff to the customers formally and informally.

The second issue is to determine the position of Total Quality Management as an instrument required to enhance marketing quality services in the bank to bring about an increase in customer volume which would ultimately increase the profitability of the bank which is the next most important objective of any bank.

The final issue is to determine the practicality of the combination of the marketing concept with the concept of Total Quality Management to bring about the desired result to the bank. Basically, it is believed that at the end of this write up, the bank should be able to apply the two concepts to market quality services to their existing and potential customers.

1.4 SIGNIFICANCE OF THE STUDY

Realities confronting the nation and the banking industry today require an immediate change of orientation in the manner in which customer service transactions are carried out in banks that want to stand out clearly and survive the current trend of events especially now that the customer, the reason for which banks are established have greater choice from a fleet of alternative service/ product offerings.

This is the only way to guarantee strong confidence in a bank, increased inflow of investors and reduced loss of high networth individuals and corporate customers to other banks, such that the vested interest of stakeholders in the area of profit making, dividend, overall growth and survival will be achieved. And as long as this survival cuts across the industry, the study must have successfully contributed to the rapid growth of the banking industry in particular and the nation in general.

If this situation is not quickly arrested, the colossal spending on current technology and general office automation will not be recovered. Besides, only constantly increasing profits can provide:

(i) the necessary solution to dividend sharing,

(ii) convenient adjustments to such threats as sudden tax increases by the government, competition in the industry, inflation in the economy and new developments in technology,

(iii) positive adjustments to issues that boarder on payment of interest on loans, insurance premium, transport, advertising, employees' salaries and fringe benefits and a host of other overheads.

Finally, a properly satisfied and peaceful banking industry will positively contribute to national stability, rapid economic development and the Federal Military Government's commitment to a peaceful transition to civil rule.

1.5 SCOPE OF RESEARCH

The scope of the research covers the extent to which all aspects of TQM that have direct bearing on improved service quality have been applied and are currently being applied in Citizens International Bank. It covers an honest analysis of the real meaning of TQM, background to this quality movement, its impact on the performance of Citizens International Bank within the first five years of operation since inception from 1991 - 1995 *(pre-operational period not inclusive)*. This study covers a sound presentation and analysis of data obtained through structured questionnaire, oral interviews, unobtrusive observations and based on sound research assumptions. This is adequately covered in Chapter four. In addition, the research covers a series of suggestions based on a comparative analysis of an ideal Total Quality Bank and research findings in chapter four all aimed at addressing the research problem. The aim here is to justify the rationale for the study.

1.6 LIMITATIONS TO THE STUDY

In every effort such as this, there are always hinderances and obstacles that will not make it a total SUCCESS. Some of them include:

1. Questionnaires were not returned fully as some staff claimed they have misplaced it because of the nature of their work.
2. Some questionnaires were not properly filled by the staff because some staff do not see the contribution of the research to the bank and their individual growth, as important.
3. The competition in the banking industry and the fact that the managers and the staff do not want to reveal some information affected the conduct of this research.
4. The customers being time conscious do not feel they have time to answer questions that are not related to their banking transactions, while some were

busy depositing cash, withdrawing cash, raising bank drafts and so on, others were busy discussing with the staff concerned on how to apply for loans and facilities while some were busy following up their application for loans and facilities.

5. The staff themselves under the guise of providing speedy services felt they cannot talk to the interviewer and moreso, they do not have the time to complete the questionnaire.
6. The managers in various branches were busy with inter-bank transactions by making phone calls to other banks and simultaneously receiving calls from these other banks while they keep their customers waiting which gives an indication of their limitations to offer quality services.
7. The researcher due to time and funds constraints could not make repeated calls on all the branches to continue the discussions and to collect the questionnaires. However, it was noticed from the several visits that there is a lot of laxity on the part of the staff to attend to customers.

Despite the above limitations the research was smoothly conducted and the relative results achieved which the researcher feels would be useful to the bank if practiced according to the results and recommendations.

1.7 RESEARCH ASSUMPTIONS

1. That the current level of operating results of Citizens International Bank could still increase with direct injection of TQM processes into the system.
2. That the current level of competition in the banking industry is growing hotter and hotter day by day.
3. That there is a general "lull" (down- turn) in the banking industry due to the problem of confidence arising from the earlier collapse of some banks that were initially considered strong and virile.
4. That the current "happenings" in Citizens International Bank in particular serves as a reflection of the "happenings" in other banks in the industry.
5. That the entire responses obtained through the questionnaire, observations and oral interviews are *"the whole truth and nothing but the truth"*.
6. That there is an increase in the current level of negative impact (threat) from he entire business environment which affects the day-to-day running of Citizens International Bank since no bank operates in a vacuum.

7. That the performance of each staff is directly or indirectly reflected in the operating results of the bank for the period under review, hence the author's confident reliance on operating results of the bank for the first five years of operations.

1.8 DEFINITION OF RELEVANT TERMS

In order to avoid losing value of this work, there is need for a common understanding of very essential terms that may look "Arabic" to the reader. Such terms are hereunder described in a language the reader will understand.

1. THE BANKING INDUSTRY

The banking industry refers to that aspect of the entire structure of the Nigerian Financial Market comprising of Commercial Banks, Merchant Banks and Development Banks like **NIDB, NBCI** etc. Their activities are all regulated by the CBN (See diagram of the structure of the Nigerian Financial Market below)

THE STRUCTURE OF THE NIGERIAN FINANCIAL MARKET

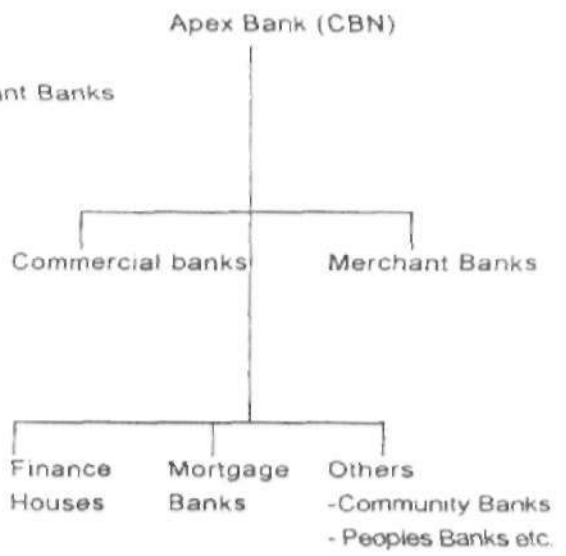
1. Apex Institution
   (Regulatory Authorities)
   - CBN - Commercial & Merchant Banks
   - NDIC - Bank deposit cover
   - FMBN - Building societies
   - SEC - Capital market

2. Banking Institutions
   - Commercial Banks
   - Merchant Banks
   - Development Banks
     - NIDB, NBCI

3. Non-Banking Financial Institutions
   - Finance Houses
   - Mortgage Banks
   - Pension & Provident Funds
   - Insurance Companies

4. The Financial Markets
   - Money & Capital Markets

5. The Financial Public Sector
   - Federal & State Governments



2. QUALITY

Quality means the totality of features and characters of a product or service that bears on its ability to satisfy stated or implied needs. It refers to an equilibrium level of functionality possessed by a product or service based on the producer's capability and the customer's needs. It means meeting the agreed requirements of the customers now and in the future.

3. SERVICES

A service is the outcome of an intangible valuable, non-physical offer capable of satisfying a desired need or want at a particular point in time. The impact of a service can only be seen. It is not like a product that can be physically touched e.g. safe keeping of deposits and valuable documents by banks.

4. THE CONCEPT OF ``MYSTERY SHOPPER"

The mystery shopper concept is the most recent tool used to monitor the success or otherwise of Total Quality Management. It involves a situation where customers who are also agents of quality management visits the organisation in the name of normal business transactions and in the process record all their observations on the contribution and performance of each staff in the area of speed, efficiency, effectiveness, display of intelligence and dexterity on the job including proper use of the company's materials and other resources. On the other hand, the mood of the customer, the reason for which the bank was established is also observed for possible display of satisfaction or dissatisfaction with the services rendered.

CHAPTER TWO

2.0 LITERATURE REVIEW/THEORETICAL FRAMEWORK

2.1 DEFINITION OF QUALITY

According to George Benard Shaw "There are only two qualities in the world, efficiency and inefficiency; and only two sorts of people, the efficient and the inefficient". From this we could see that quality in its raw form implies subjective judgement. This means that quality perse is viewed by the people in different forms and given different remarks. But within the framework under consideration "Total Quality Management" or Total Quality Assurance has a unique definition: This is the totality of features and characters of a product or service that bears on its ability to satisfy stated or implied needs.

In addition to the above definition as given by the International organisation for Standardization in Geneva, many other authorities in the quality theory have given several definitions. Joseph Juran defines quality as "fitness for purpose of use" Philip Crosby defines quality to mean conformance while in Mike Robinson's film, Journey to excellence, he defined quality as "meeting the agreed requirements of the customer now and in the future". Adedeji Badiru and Babatunde Ayeni (1989)in their book Practitioner's guide to quality and process improvement gave the systems -oriented definition of quality as follows:
"Quality refers to an equilibrium level of functionality possessed by a product or service based on the produce "capability and the customer, needs ".

Dr. Armand V. Feigenbaum is known to be the best advocate of total systems approach to quality. According to him, a total quality system is defined as "The agreed company wide and plant wide operating work structure documented in effective, integrated technical and management procedures for guiding the coordinated actions of the people, the machines and the information of the company and plant in the best and most practical ways to assure customer quality satisfaction and economical costs of quality.

From the above, quality has become an essential element in modern management. In essence it is a way of managing a typical organisation to bring about the desired result in a more flexible and less conservative way.

In summary, quality definition can be summarised as follows:

1. Conformance to specification - which implies the relative absence of defects.
2. Meeting customers requirements - which implies that quality is measured by the degree of customer satisfaction with a product or service characteristics and features.

Buzzell and Gale (1987) distinguished the traditional thought of quality which is conformance from relative perceived quality. Relative perceived quality is not identical but different from conformance quality, and this demands an entirely new perspective which calls for external view of quality from the customers perspective other than internally from quality - assurance point of view. Confirming conformance quality and relative perceived quality is the essence and at the heart of the Total Quality Management.

2.2 BRIEF BACKGROUND TO THE QUALITY MOVEMENT

The TQM movement started in the early 80's when fierce competition was raping between companies in Japan, North America and Europe. This was the period the Japanese started landing and selling quality products at prices lower than what it was costing the Americans and Europeans to produce them! These miraculous achievements forced the Americans and Europeans to unravel the mystery of Japanese' success story. They discovered that the secret lay in quality. Since then, serious nations and organisations have joined the' quality train. They came to discover quality as the most potent defence against competition. In Nigeria, most serious minded organisations, especially banks have since joined the train.

2.3 TOTAL QUALITY MANAGEMENT

Total Quality Management (TQM) is a concept that was developed to achieve a systems' approach to quality management. It refers to a total commitment to quality. The totality here encompasses all the spheres of the organisation i.e. the people or internal customers (labour), the working tools (materials) and work process, the organisation's resources (capital) and interest of the stake holders, suppliers and external customers. It involves an integrated management of all the function that can impact and distinguish the quality of a product or service.

The goal of TQM is to achieve greater efficiency and effectiveness, lower operating cost, increased market share and increased profit.

The most popular and core concepts are:

1. Achieving quality in everything: People, processes, products/services.
2. Doing the right things right, first time, every time.
3. Continuously striving for improvement.
4. Having commitment to and obsession for customers who are both internal and external.
5. Strengthening the supplier-customer chain.
6. Manage business through team building and team-working.
7. Flatten hierarchies to encourage effective communication system and have stable structures.
8. Reduce cost of bad quality by investing reasonably in cost of good quality.
9. Pro-actively tackling business problems through the use of a structured process.
10. Use total quality tools to generate hard facts to manage business rather than depend on opinions and whims. '
11. Provide quality leadersh4 and motivation to enable all employee commit to the total quality process.

1. QUALITY IN EVERYTHING, PEOPLE, PROCESSES, PRODUCTS/SERVICES

Any organisation that imbibes this culture (quality organisation) must be ready to achieve a corporate culture of quality in everything it has or does - its people, processes, products/services.

Achieving quality in people calls for quality in recruitment and selection, quality in orientation, quality in job description, quality in appraisals, quality in promotion and rewards and quality in human resource development and management.

Attaining quality in processes means all business processes of administration, strategic planning, information, finance, audit, reception, telephone, sales/marketing etc. must be capable of delivering to the customers the correct product and services correctly, the first time and every other time at the lowest overall cost.

A quality product or services (the outcome of any process) is that which fully meets the customers' needs and expectations.

Hence, for an organisation to be perceived and acknowledged as a quality organisation, it must achieve quality in all three areas. It is not sufficient to achieve excellence in one or two areas.

2. DOING THE RIGHT THINGS RIGHT, FIRST TIME, EVERY TIME

When Total Quality Management has become the culture of an organisation, the employees in that organisation are tuned to striving to doing only the right things. The right things are judged strictly from the perspective of the customer. Thus, only activities that help to satisfy the requirements of the customers are considered acceptable.

Having identified the right thing to do, a structured process is used to ensure that all associated activities are correctly performed, that is done right so that output (product or service) meet the customer's requirement first time every time. By first determining what is the right thing to do and doing right every time, the Total Quality management tool ensures that money, time and energy are not expended on correcting errors, shaping output or re-works.

3. CONTINUOUSLY STRIVING FOR IMPROVEMENT

Excellent organizations using the Total Quality Management tool continuously strive for improvement to achieve quality excellence. In such organisations complacency with current performance does not have room. The culture is, regardless of how good present performance may be, it can be improved. They aim at perfection and accept as a credo the words of **Thomas J. Watson,** former MD/CEO of IBM *"It is better to aim at perfection and miss, than to aim at imperfection and hit"*.

To achieve this, **Quality Improvement Teams (QIT)** must be entrenched in Total Quality Management based organisations. These teams are perpetually looking for the problem in processes and outputs *(pro-active management)* before the problems look for them *(reactive management or fire fighting)* which if eliminated raise the quality of their products or services to their customers, admiration at the lowest cost.

4. HAVE COMMITMENT TO AND OBSESSION FOR CUSTOMERS WHO ARE BOTH INTERNAL AND EXTERNAL

The Total Quality Management concept accepts that there is a causal relationship between the way the employees are treated, the growth in external customerships and therefore the fortunes of their business. The Total Quality Management tool for this reason recognises the employee as the internal customer of management and organisational excellence can only be achieved if the internal customers are treated well. Because services unlike products are intangibles, higher values are attached to well packaged and well presented (excellent) services because their impact is only imagined. The impact lasts longer in the minds of a customer (whether internal or external) if excellent services are provided and vice versa if services are poor.

In the words of American Society for Quality Control "the frontline providers of services treat customers in much the same way that they, as employees, are treated by their employers." And even **Tom Peters** agrees whole "heatedly". "I *can think of no company that has found a way to look after external customers while abusing internal customers.*"

Customers must be constantly listened to via the use of external customers and employee surveys, face to face discussions, focus groups, advisory panels and market research.

5. STRENGTHENING THE SUPPLIER-CUSTOMER CHAIN

The Total Quality Management tool defines the customer as one who receives an input to be able to complete his job to an agreed level or standard. The input may be information, data, resources, decision or pieces of advice. The supplier is the person or work group or department or unit which provides the information, resources, services, decision, advice or goods.

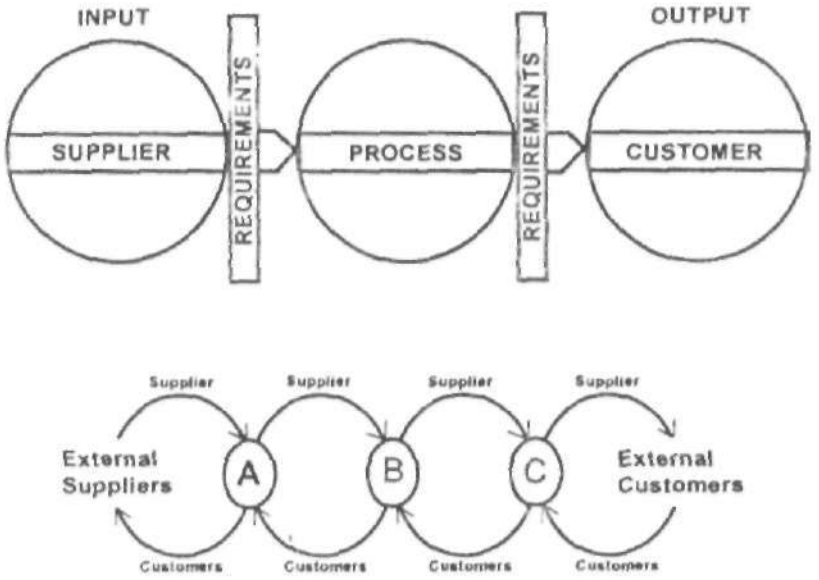
Establishing the requirements (Everyone has suppliers and customers - See diagram on the next page)

In a quality organisation, each work group determines who its internal customers are, talks to them to agree what their needs and expectations are and work to

provides those requirements one hundred percent. Each work group ensures that everything they deliver as suppliers to their internal customers are of quality so that they in turn can deliver quality product or service to the end user - the external customers.

Organisations that take quality journey with seriousness often introduce very powerful quality partnership by bringing external suppliers into their organisation by jointly solving problems to improve their business processes to quality processes.

In a quality organisation, those at the sharp end, i.e. those who deliver to, or inteiact with the external customers - the marketing executives in insurance companies, the salesmen, the treasury staff in the Banks, the receptionists etc. are supported, coached by senior management, middle management and supervisors to enable them deliver service quality to the external customer.



figs 2.1: The customer-supplier chain

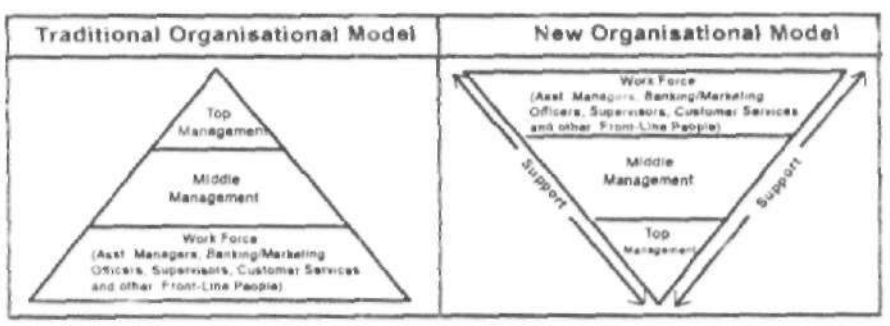


fig 2.2 Inverted Organisation Pyramid

In fact, using the Total Quality Management tool, the traditional organisational model must be inverted so that those at the top and middle portions of the organisation expend all their energy working towards satisfying the work force that interfaces with the end customers who matter most to the business instead of the top boss! *(see fig 2.2)*.

Many people in an organisation do not deal with external customers directly. Such employees must define their contributions on the basis of how well they are serving their internal customers so that external customers can be better served. So the customer-supplier chain is critical to the success of the quality process, critical to the success of the business, critical to suppliers operational employees, senior management and everyone working within an organisation.

Every effort must be made to nurture and sustain the quality chain so that the end customer receive prompt quality service first time all the time.

6. TEAM BUILDING AND TEAM WORKING

Research over many years has shown categorically that the quality of decisions made by teams is generally better than that from one single individual. And the reason is that in team working, the skills, knowledge and ability of each member of the team are pulled together to develop a synergy in which "the sum of the whole is greater than the sum of its parts."

7. FLATTENING HIERARCHIES AND HAVING STABLE STRUCTURE

Many organisations have too many levels of management. The more the levels, the greater the communication difficulties and the slower the response time to customers' needs and expectations. The Total Quality Management tool rejects the multiple layers and states that to achieve excellence, the organisation must be "lean and fit" four or five levels of management is considered ideal.

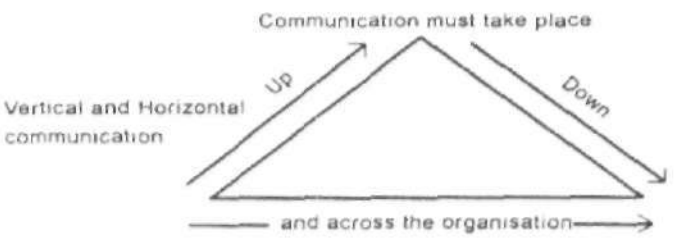


fig 2.3 Two dimensional communication model

The two-dimension modes of communication, up and down, must be extended to include communication across the organisation thus breaking down artificial boundaries, *(see above diagram)*. Requirements, plans, changes, goals and objectives, progress should all be considered with the scope of effective communication.

8. REDUCE COST OF BAD QUALITY BY INVESTING REASONABLY IN COST OF GOOD QUALITY

Cost of Quality **(COQ)** are the cost of activities, additional to the basic work process used in business. They include:

- the cost of activities which are designed to ensure conformance to agreed customer requirements ie. cost of good quality (or **cost of conformance).**
- the cost of activities which result from failure to conform to agreed customer requirements i.e. cost of bad or poor quality **(cost of non-conformance).**
- Cost of lost opportunities - **cost of loss sales.**

In developing countries such as ours where there is so much waste such cost could be as high as 60%.

Activities which qualify as cost of good quality include; haphazard hiring practices, employee turnover, excess marketing costs, excess services or product features, lost customers and market share, absenteeism, re-work, excess managerial and professional staff, excess overtime, law suits, re-design, unproductive meetings and lateness.

Training is the heaviest good COQ investment that drives out bad COQ. Mediocre or poor service/quality providers do not save anything by not training extensively.

9. PRO-ACTIVELY TACKLING BUSINESS PROBLEMS THROUGH STRUCTURED PROCESS

Excellent TQM companies adopt a six step structured process to analyse and identify the route causes of problems and proffer solutions so that they are eliminated once and for all.

The structure process in the TQM arsenal include:

1. Brain storming
2. Amplifier-Filter model
3. Juran's project approach of "journey from symptom to cause and from cause to remedy"

1. Brain storming is a powerful tool for generating a lot of good ideas on a problem in a very short time.
2. The Amplifier-Filter model has six important steps namely:

(a) Brain storming as many problems as possible.

(b) Select the most important problem by filtering the problem identified by (a) above.

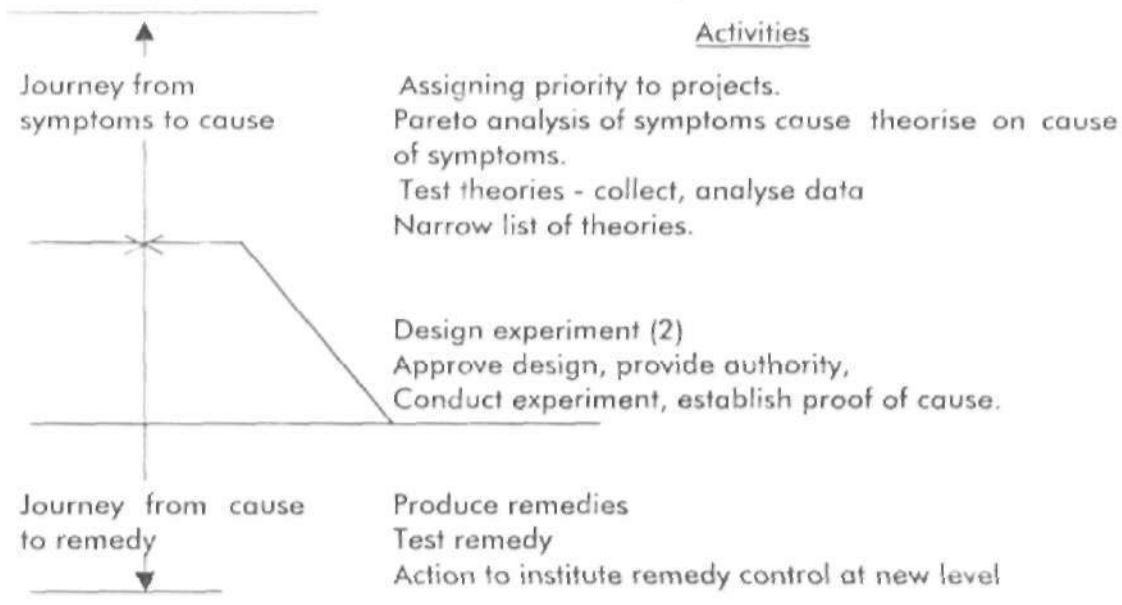
(c) Generate as many causes as possible that are responsible for the key problem in (b) above.

(d) Select the main cause.

(e) Generate as many solution as possible for the main cause(s) identified in (d) above.

(f) Select the best solution by filtering the many solutions identified in (e) above and implement the solution.

3. Another problem solving method is the Juran's project approach of "journey from symptom to cause" and "cause to remedy."



10. GENERATING HARD FACTS TO MANAGE BUSINESS

It is crucial for cause(s) of problems identified to be substantiated with facts, and a causal relationship established between cause(s) and effects before solutions are implemented by teams.

Management by fact remains the corner stone of TQM initiatives rather than personal fancy, feel, opinion or whim.

The TQM tools generally used to generate hard facts to justify a problem, cause or solution are flow charts, scatter diagram (to establish correlation) histograms, Pareto Analysis (to identify the most significant cause(s) of a business problem), prioritization by criteria, and impact diagram (for sorting out solutions that are winners from losers) ie TQM relies on statistics for problem solving.

11. QUALITY LEADERSHIP AND MOTIVATION

Traditionally, managers have been figures of authority who wielded the big stick and perhaps encourage compliance through fear. In a TQM environment, that style of leadership is inappropriate, employees can not be coerced to be innovative or think of improvement.

Besides, the customer supplier/chain has inverted the traditional organizational pyramid, and has imposed or`, senior management, middle management and supervisors the more powerful roles of coach, enabler and Facilitators.

These and new management roles obviously are for new leadership approach called situational leadership-a concept which was pioneered by **Kenneth Blanchard** an American management guru. Four styles of leadership are recognised under this concept;

i. the directing style which is a blend of high directive and low supportive behaviour,
ii. the coaching style which is a blend of high directive and high supportive behaviour,
iii. the supporting style which is a blend of high supportive and low directive behaviour and

iv. the delegating style which is a blend of low supportive and low directive behaviour.

There is however no one best leadership style out of the four styles.

It is difficult to define leadership but Warren Bennis (1981) said like beauty, it is easy to recognise good leadership when you see one. Bennis after futile attempts to define leadership settled for the following.

- The leader is the original, the manager is the copy
- The leader develops, the manager maintains
- The leader originates, the manager imitates
- The leader focuses on people, the manager focuses on systems.
- The leader challenges status quo, manager accept it
- The leader does the right things, the manager does things right.

Steven Covey et al (1989, 1994) observed that Leadership is the first creation while management is the second creation. It is the leader's duty to create shared vision, strengthen, coach and mentor to help develop capacities of individuals and teams, it is the leader's duty to build relationships of trust, do long-range planning, scan horizon, look at stock holder's needs and study the trends of the market. The leadership is the organ that spends time doing important things that make the significant difference.

Both **Tom Peters** and **Robert H. Waterman Jr.** agreed that the leader has three key responsibilities.

i. Creating an empowering shared vision
ii. Articulating the business mission and
iii. Cultivating shared values.

According to **Covey et al**, vision is the ability to see beyond our present reality, to create, to invent what does not exist, to become what we not yet are. Vision affects the choices that we make. It is fuelled by the realization of the unique contribution we have the capacity to make-the legacy we can leave. It clarifies purpose, gives direction and empowers us to perform beyond our resources. Shared vision becomes the constitution.

Strong leadership is the sine qua non for successful implementation of TQM.

Sue Mc Kibbin Ph.D (1990) in his manual ***"The search for quality'*** identifies the following quality leadership action steps:

1. **Be a Role Model**

   Reinforce your company's quality vision and goals through words and deed. Remember that associates look to senior management for inspiration, strategic direction and a sense of purpose. Articulate a quality-based vision for the company, then back it up with your actions.

2. **Live Quality**

   Make quality your number one pre-occupation in all you do. Think and talk quality day in day out. Whenever there is a choice to be made, ask "what is the best way to assure quality on this?"

3. **Communicate**

   Encourage two-way communication. Listen to everyone all the time. Ask questions and encourage honest answers. By keeping your finger on the pulse of the company you will be able to quickly spot problems and anticipate opportunities for quality improvements.

4. **Remain Flexible**

   Stay flexible even if it feels uncomfortable at times. Flexibility has been known to foster cohesive work teams and employee-management collaboration because it:

   - Banishes personal uncertainties and the fears which come at the beginning of Total Quality Journey from *"can I live up to the expectation of others? Am I Competent to do the new things?"*
   - Minimises the perceived loss of control on the side of upper managers, managers and supervisors as the organizational structure is transformed to a team-based one.
   - Gives room for accessibility, support and encouragement and less of directives as teams mature and
   - Minimises the resistance to change when the TQM tool is introduced.

5. Facilitate employee involvement, delegate responsibilities, then step aside. Empower associates throughout your organisation not just those in management positions. Remember that every one wants to do their best and make significant contribution. Turn that desire into reality.

6. Reward competence with increased authority. Encourage decision making at all level by informed, competent individuals and teams. As a leader considering less decisive and more supportive, refrain from second-guessing the work of others.

7. Find errors in the system. Don't blame others if something goes wrong. That is the surest way to stifle initiative and quench motivation. Instead of pointing the finger at people, identify process improvement alternatives so the mistake doesn't happen again.

8. **Coach, don't boss**

   Don't be surprised if you do a little backsliding. It is perfectly normal to slip back into "I *am telling you what to do*" mode. When that happens, just change gears. Remember your job is to coach and support-not to boss.

9. **Show that you care.**

   Make trust, respect, and caring your own personal quality benchmarks. Without these three lynch pins, there can be no gains in your company's overall quality. Treat people inside and outside the company this way, and you will be well rewarded.

Since service quality to the external customers depends on how well the front line teams that deliver the services are coached, supported, led and encouraged by their immediate superiors and managers, care must be taken to motivate them to continue to improve on their quality services day-in-day out. This is the only way they can enthusiastically move the Total quality process forward.

Employees have been known to be motivated for quality (apart from financial motivation and bonuses) through effective communication, team meetings, special recognition and reward schemes for excellent performance and

empowerment to shorten response time to external customer complaints, queries and empowerment to eliminate internal bottlenecks.

2.4 MARKETING CONCEPT AND ITS APPLICATION

Generally speaking, the marketing concept and the concept of total quality management are strong determinants of the growth of any organisation particularly in the service industry such as the banks. A situation where there are proliferation of banks thereby bringing about strong competition should therefore encourage them to introduce the two concepts as weapons to weather the storm of competition. The phrase "The customer is king" though may sound ambiguous, organisations may escape from quality at their own risk. This is the time for the banking industry in Nigeria particularly Citizens Bank to embrace quality as Buzzell and Gale stated "Quality is king". Marketing Concept is a customer oriented philosophy developed after the failure of other concepts viz:- production concept, product concept and sciling concept to bring about the achievement of the organisations primary objective of profitability. This concept has been expressed in so many ways thus:

" Find wants and fill them"

" Make what will sell instead of trying to sell what you can make"

" Love the customer and Mot the product"

" Have it your way" (Burger King)

" You're the boss" (United Airlines)

" To do all in our power to pack the customers dollar full of value, quality and satisfaction" (J.C Penney)

'Kotler

The concept though with a tong history, its main principle did not fully appear on the business scene until 1950s.

The concept holds that the key to achieving organisational goals consists in determining the needs and wants of target market and delivering the desired satisfactions more effectively and efficiently than competitors. The primary aim of marketing is to know and understand the customer so well that the product or service fits him and sell itself.

This concept confirms that the customer is the life-line to any organisation, they can make and unmake an organisation by the way they express their feelings to others. This concept can be expressed in the following way;



Marketing concept basically encompasses four principles as expressed in the diagram, these are; Market focus, Customer orientation, coordinated marketing and profitability. Simply put, marketing concept is a market focused customer-oriented, coordinated marketing effort that is aimed at generating profits through customer satisfaction. The concept takes the perspective of what may be called "outside-in". This is because it encourages the achievement of organisation's goal through identifying the target market with a special focus on the customers' needs and coordinating all the necessary activities required to provide these needs to satisfy the customers and simultaneously achieving profitability.

The four pillars of marketing concept are:

MARKET FOCUS: It is impossible for any organisation to operate in all markets idetifiable and satisfy every need. That is why companies perform better when they define their target market and prepare the relevant marketing program for such markets. For instance, in the service industry like the bank, some might prefer to transact business with corporate organisations than individuals while some might prefer to deal with individuals who have what they need (funds) and can simultaneously provide collateral security when they need facilities from the bank because corporate organisations could go bankrupt and it might become difficult to recover funds borrowed out. This concept therefore emphasises that specific target markets be identified and independent marketing programmes be designed for the focused markets.

CUSTOMER ORIENTATION: Target markets can not be identified by organisations without a customer-oriented thinking which is also vital in the discharge of their services. Customers, being the most important asset to any organisation needs to be treated and handled with care in order to achieve organisations' goals. Therefore, the needs of the customer must be identified and provided through a comprehensive marketing program at a profit. Customer

satisfaction is very important for the reason that a company's sales at any point in time come from two groups vis: new customers and repeat customers. It is more costly to attract new customers than to retain existing ones. Therefore, customer retention is more vital than customer attraction. Satisfying the customers therefore ensures the retainership of the customer. Some of the advantages of satisfying a customer are:

(i) The customer makes a repeat purchase

(ii) The customer tells others about the organisation positively

(iii) The customer de-emphasises competition

(iv) The customer buys other products from the same company.

Organisations are therefore encouraged to maximize the customers' opportunity to complain given the fact that customers being human beings and operating in diverse ways may not find it necessary to complain when they are dissatisfied. This could be done by setting up suggestion and survey systems that will produce the relative measure of customer satisfaction. This could be summarised in the following ways:

A customer is the most important person in the organisation

A customer is not dependent on us, .. we are dependent on him

A customer is not an interruption of our work .. he is the purpose of it

We are not doing a favour by serving him .. he is doing us a favour by giving us the opportunity to do so.

The customer is not someone to argue or match wits with, nobody ever won an argument with the customer.

A customer is a person who brings us his wants. It is our job to handle them profitably for him and for ourselves.

'Kotler

COORDINATED MARKETING: The concept on marketing as the generator of sales for an organisation is not clearly understood by all staff in an organisation. For instance, in the banking industry where you have the operations department, personnel department and so on, the staff of such department do not know the value of those in marketing department basically because they do not have the orientation. This therefore brings about their jealousy for commissions and other motivational supports given to marketing department staff forgetting that

marketing dept. staff of the bank have the big task of attracting customers to deposit funds with the bank.

Co-ordinated marketing implies proper coordination of the marketing function such as sales force, advertising, product management, research etc and secondly other depts. such as personnel, finance, production etc must be fully integrated into the marketing process organised by the marketing dept. These should be done with the customers impression and opinion in mind. Marketing does not operate as a department alone, it succeeds when all the employees appreciate the result of their efforts upon customer satisfaction. The marketing concept therefore requires that a typical organisation must carry out internal and external marketing. Internal marketing involves the successful hiring, training and motivating able employees to serve the customers properly. Infact this must be carried out first before reaching the target customers. The importance of coordinated marketing to achieve results can not be over-emphasised. David Packard of Hewlett Packard summarised it thus: " marketing is too important to be left for the marketing dept. alone".

PROFITABILITY: The essence of marketing concept is to aid the organisation to achieve its goals. A private firm's major objective is to make profit while nonprofit and public organisations' mission is survival and attraction of enough funds to perform their work. Marketing concept idea is not just for profit but the achievement of this as the benefit of doing the job well. This is not to say that marketers are not concerned with profits because they are simultaneously involved in analysing the profitability Potential of different marketing opportunities. The concept means in summary that if the other factors are strictly adhered to, the ultimate objective of the organisation would be achieved. It also confirms that in carrying out the marketing functions, the issue of targeting profitable customers should be uppermost in their thinking.

From the above, we can see the simplicity and the benefits derivable from this concept. The concept emphasises customer orientation with the provision of the best product or services to satisfy the needs of the customers while simultaneously achieving the organisations goals. This also goes to explain the double benefits that could be derived through the conjugation of TQM with marketing concept to provide quality services or product that will satisfy the customers' needs. While

marketing concept emphasises the determination of customers' needs, TQM provides the means through which quality product or service will be provided to satisfy the customers at a profit.

2.5 EFFECTIVE MANAGEMENT OF QUALITY CUSTOMER SERVICE

A service is often an intangible solution that is provided to a client. **Kotler** (1988) defines service as *many act or performance that one party can offer to another, that is, essential production may or may not be tied to a physical product"* Companies offer to the market place range from pure tangible goods to pure services. A pure service offer consists primarily of a service. Services differ as to whether they are people-based or equipment based and as to whether they meet a personal need (personal services) or a business need (business services).

As a consequence of the varying goods-to-service mix, it is difficult to generalise about services unless some further distinctions are made. Here are some commonly held perceptions of what makes a service different from a product.

1. Sales, production and consumption of a service take place almost simultaneously.

2. A service cannot be centrally produced inspected stockpiled or warehoused. It is usually delivered to wherever the customer is by people who are beyond the immediate influence of management.

3. A service cannot be demonstrated, nor can a sample be sent for customer approval or trial in advance of purchase. The provider can explain promise and tell how the service has benefited others but the service doesn't exist for the prospective customer.

4. The person receiving the service generally owns nothing tangible once the service has been delivered. The value is frequently internal to the customer.

5. A service is frequently an experience that cannot be shared, passed around or given away to someone else once it is delivered.

6. The more people there are involved in the delivery of the service, the less likely it is the receiver will be satisfied.

7. The receiver of the service frequently has a critical role to perform in the actualisation of the service. The customers, then have to know their role in the delivery process.

8. Delivery of the service usually requires some form of human contact. Receiver and deliverer frequently come into contact in some relatively personal way.

9. The receivers' expectations are critical to their satisfaction with the service. What they get compared or contrasted to what they expect to get determines satisfaction.

10. Exerting quality control over a service requires monitoring of processes and attitudes.

From the foregoing, we note that services differ from tangible products in four key characteristics, namely:

1. **Intangibility:** Unlike physical products, they cannot be seen, tasted, felt, heard, held, or smelled before they are bought.
2. **Inseparability:** Unlike physical goods that are manufactured, stored and sold later, services are typically produced and consumed at same time. It is difficult to separate the service provider from the service. If the service is rendered by a person, then the person is part of the service. Since the client is also present as the service is being produced, both the provider and the client affect the service.
3. **Variability:** Services are highly variable as they depend on who provides them and when and where and how they are provided.
4. **Perishability:** Services cannot be stored.

To some extent, managing service quality is more difficult because some elements are intangible and difficult to measure. A survey of service employees by a company (**Inset Systems company of Brookfield, Connecticut, USA, The Inserter, 1992**) concerning what "quality" means in terms of job performance yielding the following responses.

"Providing extremely polite, prompt, and accurate service".
"Viewing the customer as having done us a favour by buying our product".
"Knowing as much as possible about products in order to support them better".
"Researching problems to come up with good, solid solutions".
"Maintaining good relationships with distributors and dealers to make customers feel comfortable".
"Giving your all and going all out to die for customers".
"Providing the customers with simple solutions that enable them to do their own work more efficiently".

Despite the difficulty in defining service and measuring some service elements, one advantage of managing service quality can be that greater percentage of a company's employees are in contact with the external customer. Therefore, customer orientation can be easier to achieve. This increased customer contact has been described as "*moments of truth*" *by* **Jan Carlson**, then President of the Scandinavian Airlines Systems (SAS). He says each time customers come into contact with an organisation, they form an impression; each time is a *moment of truth*. The sum of the moments of truth forms the overall company quality rating.

To be successful, companies need to manage the moments of truth so that a good quality impression is formed and the customers will come back.

Berry et al. have developed a list of major determinants of service quality They found that customers use basically similar criteria regardless of the type of service. The criteria are described below:

1. **Access:** This refers to the receptiveness of the service provider to the customer requests: the service is easy to access in convenient locations at convenient times with little waiting
2. **Courtesy:** The employees are friendly, respectful, polite, considerate, empathetic.
3. **Competence:** This refers to the adequacy of skills and knowledge required to deliver service by employees.

4. **Communication:** This refers to the ability to listen to the customer. Keep the customer informed, describe the service accurately in the customer's language and accept customer feedback.
5. **Credibility:** The company and employees are honest, trustworthy and have the customer's best interest at heart.
6. **Reliability:** This deals with the consistency, accuracy, and dependability of service.
7. **Responsiveness:** The employees respond quickly, willingly, promptly and creatively to customers' requests and problems. Responsiveness encompasses timeliness.
8. **Understanding (Comprehension):** The readiness of the service provider and all employees to know the customer, understand the customer's need and provide individual attention.
9. **Security:** The service is free from danger, risk or doubt.
10. **Tangibles (Tools):** This deals with the appearance of physical facilities, equipment, personnel and communication materials.

Laura Liswood (1991) adds the following customers' wants.

1. Personal treatment: Not becoming a statistic.
2. Price/Value legitimacy: Getting what you pay for.

Various studies of excellently managed service companies show that they share a number of common practices with respect to service quality. Among them are the following:

1. **A history of top management commitment to quality:**
Companies such as **Marriott, Disney, Delta and McDonalds** have thorough commitments to quality. Their management look not only at financial performance on a monthly basis but also at service performance. ***Ray Kroc*** of McDonalds insisted on continually measuring each McDonald's outlet on its conformance to **QSCV,** namely, Quality, Service, Cleanliness, and Value. Franchisers that failed to conform were dropped.

2. **The setting of high standards:**

The best service providers set high service quality standards. Swissair, for example, aims for 96 per cent or more of its passengers rating its service as good or superior; otherwise it takes action.

3. **Systems for monitoring service performance:**

The top service companies audit service performance, both their own and competitors' on a regular basis. They use a number of devices to measure performance, comparison shopping, ghost shopping, mystery shopper, customer surveys and suggestion and complaint forms. General Electric sends out seven hundred thousand response cards a year to households to rate its service people's performance. Citibank checks continuously on measures of ART, namely, Accuracy, Responsiveness, and Timeliness. It does *"ghost shopping"* to check on its employees' delivering good service.

4. **Satisfying the employees as well as the customers:**

Excellently managed service companies believe that employee relations will reflect on customer relations. Management creates an environment of employee support and rewards for good service performance. Management regularly audit employee satisfaction with their jobs.

Parasuraman, Zeithhaml and Berry (1985) formulated a service quality model that highlights the main requirements for a service provider delivering the expected service quality. The model shown in figure 2.4. It identifies five gaps that cause unsuccessful service delivery. The gaps are described below:

1. **Gap between consumer expectations and management perception:**

Management does not always perceive correctly what customers want or how customers judge the service components. Thus hospital administrators might think that patients judge hospital service by the food quality whereas patients may be more concerned with nurse responsiveness.

2. **Gap between management perception and service quality specifications:**

Management might not set quality standards or very clear ones, or they might be clear but unrealistic; or they might be clear and realistic but management might

not be fully committed to enforcing this quality level. For example, an airlines management may want phones to be answered within ten seconds of ringing but not provide enough operators nor do much about it when service falls below this level.

3. **Gap between service quality specifications and service delivery:**
The personnel might be poorly trained or overworked. Their morale might be low. There might be equipment breakdowns. Those handling operations typically drive for efficiency and sometimes this runs counter to a drive for customer satisfaction. Consider the cross-pressure on the bank teller who is told by the operations department to work fast and by the marketing department to be courteous and friendly to each customers.

4. **Gap between service delivery and external communication:**
Consumer expectations are effected by promises made by the service provider's communications. If a resort hotel's brochure shows a gorgeous room but the guest arrives and finds the rooms to be cheap and tacky looking, then the fault lies in the expectations created by the external communication.

5. **Gap between perceived service and expected service:**
This gap results when one or more of the previous gaps occur. It becomes clear why service providers have a hard time delivering the expected service quality.

A fundamental change in the culture of the organisation is required to sustain long term quality improvement. Changes in the corporate culture in turn demand more than executive support or involvement. They necessitate leadership by example, objective analysis, the courage to take risks and allocate money, a willingness to share responsibility and rewards with employees, and an intensive commitment to the ideal of creating value and satisfaction for customers. **Robert Galvin,** Chairman of Motorola, says the commitment has to be "*deep/y persona/e* and that real change won't take place until this personal feeling is transmitted throughout the ranks. And **John C. Marous,** Chairman of Wetinghouse Electric adds that "*total quality is a cultural change which requires and emotional experience*". Strong leadership is the crucial ingredient to create and sustain a quality culture. The leadership must completely embrace the quality process in everything it and its organisation does.

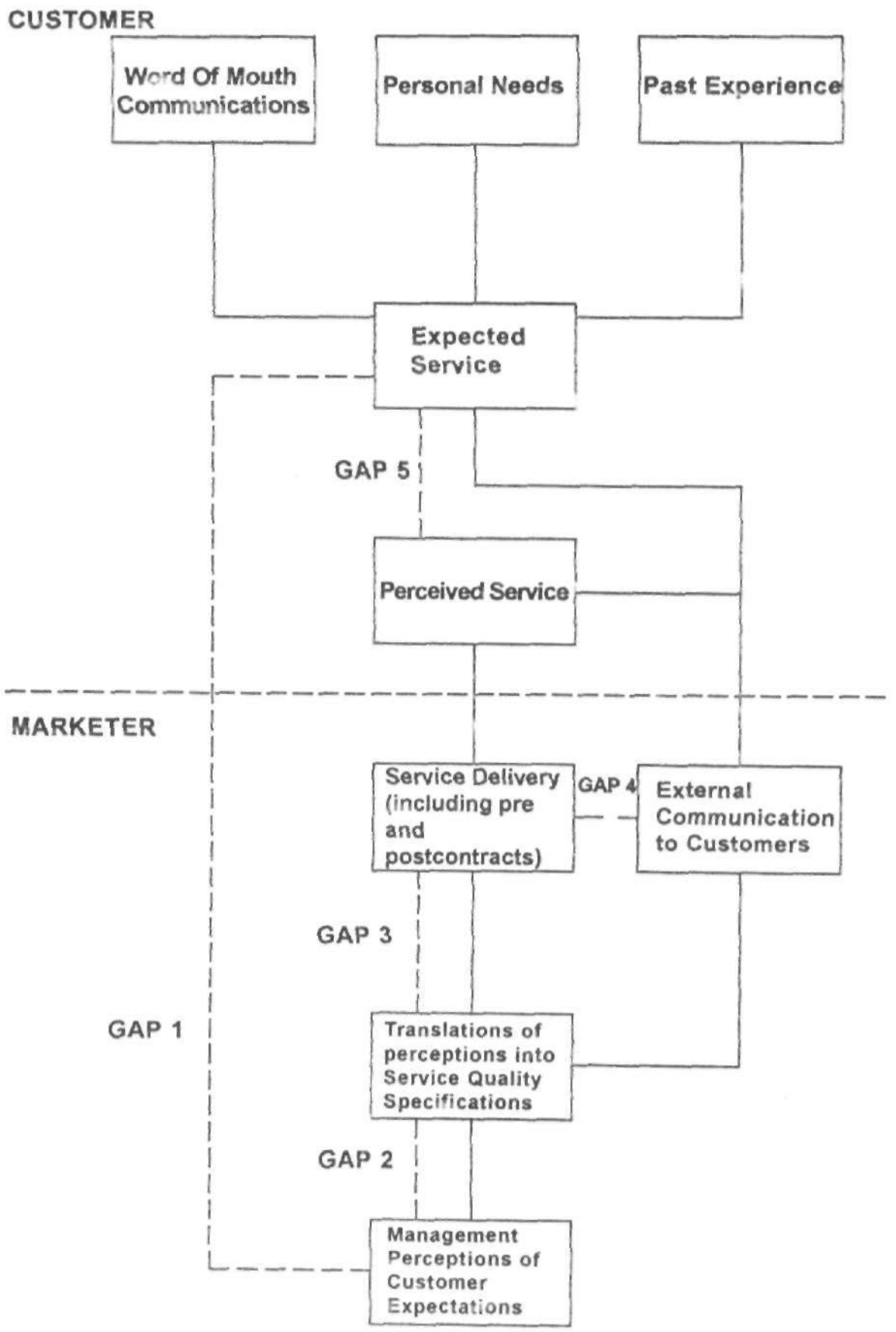


Fig: 2.4 A Service Quality Model

Source: Berry et. al. 1985.

Managing quality customer service as **Carl Sewell** (1992) points out requires the key element of strategy, systems, standards, staff, communication, coordination, cooperation, and measurement. A quality service strategy must be guided by a compelling vision, built around customers priorities, communication through out the organisation and be subjected to frequent and formal measurement. Customer oriented systems are designed for the convenience of the customers; constantly reviewed, provide the customer with added value and allow swift and effective recovery. Quality staff have the following characteristics: they are carefully selected, undergo excellent training; are empowered to work for the customer and are generously rewarded.

On the whole, pro-active tools of assessment as essential elements of the improvement strategies are needed. The techniques listed below are representative of the sort of pro-active methods from which an organisation should select an appropriate mix and develop its own strategies. To devise a strategy for service you need to:

1. Have a vision of the sort of experience you want the customers to have.
2. Have a vision of how the service strategy will make a difference.
3. Express your core purpose in a mission statement and communicate it to your staff.
4. Know your customers, their needs and satisfaction levels.
5. Understand how service can be used to create a competitive edge.
6. Know why some customers choose to use your competitors.
7. Build an organisation designed to respond to the customer.
8. Develop systems which ensure quality of your product, service, environment and delivery.
9. Create a climate in which staff wish to respond to customers needs and provide them with the skills and knowledge to do so.
10. 10. Establish people systems, policies and procedures which facilitate excellent service.

Tony Ansell (1993), Head of Quality Assurance, Banking Operations, Midland Bank points out that, applying quality in financial services industry is not just a matter of taking the techniques developed in other industries and using them without change. There are some important differences that need to be understood.

1. Customers are usually suppliers as well as buyers.
2. Many areas require cooperation with competitors to complete, example, money transmission.
3. Customers often have only a very limited understanding of what they are buying.
4. Most banks are large integrated companies with central purchasing and relationship management for large clients.
5. Manufactured goods can have tolerance level, money must be accurate (a customer would not be pleased if he paid in N1,000 and found his account was credited for N999.99k and error of only 0.001% - *being close is not enough.*

Managing quality customer service in the banking industry is difficult but it is certainly attainable. The first step in that journey is the need to pay great attention to details. Bank management thinks in terms of hundreds of millions of Naira and tens or hundreds of thousands of customers, but that one customer whose cheques are bouncing because a deposit did not get credited promptly is thinking in equally great terms on a personal level. To the bank manager, a N100 return cheque may seem trivial; to the customer, it can mean the difference between good or bad credit rating. To the cashier, a long queue may be normal way of doing banking business, to the customer, it may be the difference between meeting or losing an appointment. The issue is customer empathy, as Laura Liswood points out. Many banks are so caught up in their internal policies, procedures, and systems that managers and frontline employees forget or never learn, how to be empathetic towards the customer. For that matter, the delivery chain itself may contain built-in-barriers to empathy.

In the delivery of a product or service there is a chain of events cutting across departmental boundaries which need to be diagrammed and continuously audited to ensure that all its links are in placed. Someone, should have an overview of how the chain fits together and be in position to predict where breaks may occur. This is nowadays called **Business Process Management Mapping (BPM) or Business Process Re-engineering (BPR).** This involves re-examining the fundamental ways in which the business is operated. Re-engineering is even a more relevant phrase as it involves taking processes to pieces and building a

better, different, more effective process that more closely meets the objectives of the customer and the business.

In the Trustee Savings Bank, their BPM consisted of six phases, as reported by **Peter Ellwood,** (1993), Group Chief Executive, TSB Group. These were:

1. Identifying, mapping and costing the core business processes.
2. Selecting the process on which to work and establishing stretching goals for their redesign.
3. Conducting a detailed analysis of the process, asking fundamental questions like "what does the customer want?" and "what would we have to do to be, and be seen as, the best?"
4. Radically redesigning the process by simplifying and rationalising.
5. Managing the change cl4bely to ensure that real benefits are obtained.
6. Establishing measurement and improvement programmes to ensure that the process continues to improve.

In a paper written for the 21st Cambridge Seminar of The chartered Institute of Bankers, held at Christ's College, Cambridge, in September 1993, **Peter Ellwood** whose bank is implementing TQM said: "We have already identified and mapped 54 key processes, including their associated costs for our business. The first process we selected for redesign was home buying, because it incorporates major contact with the customers. Even the first measurements we made showed that there was considerable waste which could be avoided thereby removing hassles both within TSB and for our customers. The average turnaround time from mortgage: application to formal offer was 30 days, with less than one third achieved within 20 days. It took an average of four to five interviews with the customer to achieve completion, and there were five forms covering 167 questions of which only 24 were unique - for instance we asked them to fill fin their account number no less than seven time. Not only was this an inefficient process, it also put us at some competitive advantage for a key product area. Our only comfort is that in the year to October 1992, we grew mortgage balances at a rate two and a half times the rate of national market growth, and in six months to April 1993 this rose four times the rate of national market growth without detracting from credit quality or varying our criteria for lending, which remain in line with those of the competitors. Clearly the strength of our products and our promotion of them have more than made up for any deficiencies in pro··sing.

But I also suspect that the issues we have identified are not unique within the industry or indeed to the home buying process. TSB's redesigned process cuts the cost by more than 25% and cuts the time from application to formal offer to less than seven days. The customer need complete only one form, which has been greatly simplified. We believe we have proved the principle of BPM, and we are now carrying this sort of analysis forward to other parts of the business."

Having mapped out the chain the question arises: At what juncture is it most likely that a customer can become dissatisfied? One believes it does not require complex mathematical calculations to establish the weak links in the service chain. What is needed is the organisation's willingness to see things from the customer's view point. Seeking and understanding the customers' requirements and putting in place a system for regular customer feedback is therefore the necessary starting point. Liswood (1991) suggests using simple device such as telephone surveys, mail surveys (with pre-paid envelopes), in-house suggestion boxes, mystery shoppers, focus groups, mail "intercept" interviews; interactive video systems, in detecting how customers feel.

Another is the willingness of the top management to put in place an organisation that encourages employees to constantly question the status quo. Employee must be positively motivated to question "the way we do things around here". Bland statements that *"constructive criticism" is* welcome is never enough. Such gimmicks, as Liswood point's out can even be counter productive if employees sense unwillingness on the part of the management to effect changes in the way things are carried out despite management's claimed intentions. Take a simple case of almost any bank on Friday afternoon. The typical scene is usually the long lines of frustrated customers. What the banks in these cases fail to recognise or refuse to accept is their own responsibility for repairing this weak link in their service chain. With these same Friday afternoon scenes recurring week in and week out, year in and tear out, its about time somebody in the bank said "we have got a *service problem. All these customers cannot always* be wrong. *They must be trying to tell us something.*" To ask these sort of questions and initiate an action process of change requires courage.

Sometimes you have a customer who has diligently operated his account for five or eight years and has had his cheque bounced for minor infringement without

attempt to find out if there was a death in the family or something happened that took him away from his normal routine. Somebody in the bank may blame the computer for such lapses but the customer's loyalty to your company may be suddenly and seriously diminished. The message you have sent to the customer as Liswood says is "we are *interested in you when all is well, we do not really appreciate your loyalty, in fact, we do not even know about it.*"

Organisations and their employees always have to be alert to the customer-satisfaction implications of all the company's standard procedures and policies. There are a number of simple but effective actions that will show customers the bank really cares about what happens to them. Liswood suggests for example, somebody can call the customer a day after a new cheque booklet is supposed to arrive and ask whether the booklet arrived and if the cheques were printed correctly. After the first statement is sent, somebody can call ask whether it is accurate and if the customer needs anything explained. On the first anniversary of the account's opening, a phone call or letter might ask: "*Are you pleased with our services? What can we do better? Can we advise you on anything involving finances or perhaps help you with some major purchases you are planning to make?*"

One bank sends birthday cards, and sometimes presents to its important customers and members of their families. Using information technology each customer's birthday appears on **Visual Display Unit** (VDU) screens once the account is accessed.

2.6 BRIEF HISTORY OF THE BANKING INDUSTRY IN NIGERIA

The history of the development of the banking system in Nigeria has been well documented by scholars **such as Professor Green O. Nwankwo** and others. The following brief history is from the book, The Elements of Banking in Nigeria, by **Femi Adekanye** (1986), pp 167-169.

The first commercial bank-the African Banking Corporation-opened its first branch in Lagos in 1892. Messrs. **Elder Dempster & Co.,** a shipping firm based in Liverpool, was instrumental to its formation. The bank experienced some initial difficulties and eventually decided to transfer its interest to Elder Dempster & Co. in 1893. This led to the formation of a new bank known as the **British Bank of**

West Africa (BBWA) in 1893 with £10,000 capital, (which was) later increased to £100,000 during the same year. It was registered in London as a limited liability company in March 1894 and the first Lagos branch was opened that same year.

Other branches were opened in major West African cities like Accra, Freetown and Bathurst. The bank opened its second branch in Old Calabar in 1900.

Another bank called the **Anglo-African Bank** was established in 1899 in Old Calabar by the **Royal Niger Company** (now UAC) to compete with BBWA. The bank later changed its name to Bank of Nigeria and established branches in Burutu, Lokoja and Jebba. However, due to fierce competition and the monopoly for the importation of silver from the Royal Mint enjoyed by BBWA, they sold out to BBWA, now First Bank, in 1912.

The second bank to establish a presence in Nigeria was Barclays Bank DCO (Dominion, Colonial and Overseas). Its first branch was opened in Lagos in 1917. Soon after, 9 other branches were opened in different parts of the country. Following the indeginisation decree of 1968 Barclays Bank became the Union Bank.

The third commercial bank with expatriate connections to set up in Nigeria was The British and French Bank, now called United Bank for Africa Ltd. The bank was established in 1949.

Together these 3 banks controlled close to 90% of aggregate bank deposits. From 1914 to early 1930s, several abortive attempts were made to establish locally owned and managed banks to break the foreign monopoly.

The foreign banks came principally to render services in connection with international trade, so their relations at that time were chiefly with the expatriate trading companies and with the government. They largely ignored the development of local African entrepreneurship.

Indigenous banks came into the scene around 1929 when the Industrial and Commercial Bank was set up by a group of Nigerians. The bank folded up in 1930 due to under capitalisation, poor management and aggressive competition

from the expatriate banks. In 1931 another indigenous bank, the Nigerian Merchant Bank was established. Like its predecessor, it went into liquidation in 1936. Earlier in 1933 a group of pioneers launched the National Bank of Nigeria Limited, which was the first indigenous bank to survive. The next private indigenous bank to be established was the Agbonmagbe Bank founded by **Chief Okupe** in 1945. This bank was taken over by the then Western State Government in 1969 and its name changed to Wema Bank. The fifth Bank, the Nigerian Penny Bank, set up in the early 1940s collapsed in 1946 due to mismanagement. This was followed by the Nigerian Farmers & Commercial bank in 1947 which failed in 1953. The Merchants Bank was the next to open for business in 1952 but closed in 1960.

Between 1947 and 1952 a total of 22 banks were registered in Nigeria according to a study conducted by the Central Bank of Nigeria. However, a figure as high as 185 banks was quoted from government records and was confirmed by the Financial Secretary as the number actually registered as banking companies between 1947 and 1952, of which 145 were registered in 1947 and in 1952. Most of these banks however merely registered without actually commencing operations.

One of the more successful indigenous banks was the African Continental Bank (ACB) founded by Nnamdi Azikiwe in 1947.

The need for legislation for the control of banking in Nigeria became very apparent, if only to protect depositors. The Colonial Government therefore set up a commission of inquiry- the Paton Commission. Consequent upon the report of the Commission the first banking legislation was passed in 1952 banks were still indulging in some malpractices which the Act could not effectively control. Therefore, the necessity for establishing a Central Bank to supervise and control the banks became more apparent and pressing. Thus, the Central Bank came into being in 1959.

A new Banking Ordinance was promulgated in 1958. Through this Act, the conditions for establishing new banks were tightened and the capital requirements, especially for foreign banks, were doubled from N200,000 under the 1952 Act to N400,000. This was again increased to N1.5 million in 1969.

Up to the year 1984, there were only 35 commercial and merchant banks in the country but between 1985 and 1992, there was an explosion in bank numbers brought about by the deregulation of the financial system. By 1992 the number of merchant and commercial banks in the country hand climbed to 115. However, by 1995 about 5 commercial and merchant banks had been wound up. As at the time of writing this project (September-December 1995) many banks were distressed and were in the process of merging with one another while many others are under the direct supervision of the CBN and NDIC. Today, 26 more banks have been liquidated by the CBN on the instruction of The Federal Military Government for failing to meet the CBN prudential guidelines.

The major legislations regulating the practice of banking in the country at present are:

- The Central Bank of Nigeria Decree (Decree No. 24) of 1991.
- The Banks and other Financial Institutions Decree (BOFID) (Decree No. 25) of 1991.
- The Failed Banks (Recovery Of Debts) And Financial Malpractices In Banks (Decree No. 18) of 1994.

CHAPTER THREE

RESEARCH METHODOLOGY/HISTORICAL BACKGROUND OF CITIZENS INTERNATIONAL BANK

3.1 RESEARCH METHODOLOGY

This chapter is divided into five major parts;

1. a definition of the entire population used as a basis for the investigation,
2. an explanation of the sampling methods,
3. the instrumentation,
4. the procedure for data gathering and
5. the primary and secondary data sources.

3.11 THE POPULATION

The population for this study comprises of the entire management and staff of Citizens International Bank (**Board of Directors inclusive**) ie from the chairman to the cleaners of the bank and secondly all the major and regular customers of the bank.

3.12 SAMPLING METHOD

The following sampling methods were largely employed in the study;

(a) Simple Random sampling and

(b) Stratified sampling.

An unbiassed, randomly selected sample representative of the entire population were served with questionnaires and interviewed accordingly such that each member of the entire population had an equal chance of being included. In stratified sampling, the entire population was divided into three sub-population called strata. The three groups were:

(a) The Board of Directors Management of Citizen International Bank Limited (covering the Head office mainly)

(b) All managers and entire staff of the Bank (covering both heed office and branches)

(c) Major and regular customers of the Bank. Here in order to get a representative national and international opinion of all customers, the sample

was further sub-divided into four geographical areas covering the North, East, South and West with one branch representing each geographical area. The fifth classification of customers are the Expatriates.

Each of this strata was treated as a separate population from which a representative sample was obtained.

3.13 THE INSTRUMENTATION

The major techniques employed for data gathering in this investigation include.

(a) The questionnaire

(b) Interviews and

(c) Observation

Believing that the questionnaire serves as the foundation for both empirical and behavioural research and realising that a bad instrument implies wrong data, wrong result and wrong conclusion, the researcher took time to construct a questionnaire based on a strong knowledge of the scope of the study in very simple consistent and straight forward language with details of all "the necessaries" to confirm validity, moreover the instrum~nt was compiled putting into consideration the educational background of all the correspondents especially those customers in the north *(one of the reasons why oral interview became inevitable)*. The questionnaire was used to obtain more candid, more objective and more considered answers mainly from the management and officers of the Bank. Closed ended questions including both the dichotomous (Yes or No) type and multiple choice questions were used to elicit more valid response and to avoid frustrating the respondent who wants to be truthful. Closed ended questions were used to make analysis easier. Most oral questions were open-ended. In the oral interview which also involves a randomly selected respondents, questions were asked regarding the subject matter of the investigation. The interview was really aimed at probing and seeking more information than were put down in the questionnaire. This method paid off as the bulk of the facts used in this work were obtained from this technique. The oral interview also covered a representative sample of the population.

The questionnaire and the oral interviews were also buttressed by extensive observation at the Head office and selected Branches of the Bank.

Here, staff and customers were obtrusively observed to determine first, staff's ability to render quick quality service and the mood of customers during and after each transaction or service.

3.14 PROCEDURE FOR DATA GATHERING

Having identified the "boundaries" for ease of investigation, it was possible for the researcher to travel round personally to collect the data directly to ensure a valid analysis although this was not achieved without difficulties.

3.15 SOURCES OF PRIMARY AND SECONDARY DATA

In order to obtain the exact information required, the writer relied largely on primary data which were expressly collected for the purpose of this investigation only. All the fact and figures collected were from a representative sample of the population as well as Citizens international Bank's archives. Annual report and Accounts covering the first five years of operation (1991-1995) were made available from the Head office of the bank in Victoria Island Lagos, This was to enable the author to assess the banks performance within the period under review.

Secondary data sources include the Kashim Ibrahim and Kennedy Libraries of the Ahmadu Bello University, Zaria. A lot of information was obtained for proper review of related literature. Also the Nigeria Institute of International Affairs Library at Kofo Abayomi in Victoria Island Lagos was also useful during the investigation. Some part of CBN archives in Abuja were also useful during the investigation.

3.2 HISTORICAE BACKGROUND OF CITIZENS INTERNATIONAL BANK

3.21 BACKGROUND INFORMATION

Citizen Bank came into existence along with those banks licensed to facilitate the financial transaction in the economy and aid the achievement of the SAP mission of a deregulated economy. It was licensed as one of the new generation banks established to compete with several other licensed banks and bring about this expected transformation in the banking sector.

3.22 INCORPORATION/OWNERSHIP

Citizens international Bank Limited was incorporated as a private Limited Liability company on 22nd December, 1989. It was Licensed to carry out Commercial

banking services to institutional, commercial and individual customers. The bank is wholly owned by 32 Nigerian Citizens who are Shareholders. The bank commenced full banking operation on 14th May, 1990 at the Broad street location of the bank with the approval of CBN, the bank relocated its head office to Victoria Island and later opened four additional automated, modern branches in Victoria Island and Idumota (both in Lagos), Onitsha and Kano.

Later, the bank got CBN's approval to open new branches at Aba, Port Harcourt and Warri today, the bank has additional branches at Ariria (Abe) and Abuja the Federal Capital Territory.

3.23 INITIAL DIRECTORS OF THE BANK

The bank initially had a list of 7 directors.

1.	Lord Chief Dike Udensi Ifegwu	Pioneer Chairman
2.	Dr. Lawrence O. Osa-Afiana	Managing Director
3.	Alhaji Hassan Momodu	Director
4.	Moses A. Agoh	Director
5.	Aneru A. Esivue	Director
6.	Olayemi Cardoso	Director
7.	Alh. Muhammadu Jibo MFR	Director

3.24 DIRECTORS' INITIAL INTEREST IN SHARES

Name of Director	Descriptio of Shares	Numbers of shares held As at31 Dec, 199	31 Dec, 199
Lord chief D. U. Ifegwu	Ordinary	1,250,000	1,000,000
Dr. Lawrence Osa-Afians	Ordinary	1,250,000	1,000,000
Alh. Hassan Momodu	Ordinary	1,250,000	1,000,000
Moses A. Agor	Ordinary	1,250,000	1,000,000
Aneru A. Esivue	Ordinary	1,250,000	1,000,000
Olayemi M. Cardoso	Ordinary	1,250,000	1,000,000

3.25 ACQUISITION OF THE BANK'S SHARES

The shares of the Bank are all privately held in accordance with the Articles of Association of the Bank. Two shareholders once expressed interest in transferring

the shares held in individual names to companies in which they have interests. The bank is currently pursuing CBN's approval for such transfers. Nevertheless no transfer of the bank's shares has yet been made. All shares are free of lien or charge and the bank has no beneficial interest in any of it's shares. By 31st Dec, 1992 Directors' interest in shares remained the same except for the introduction of a new Director, Alh. Mohammadu Jibo MFR with an ordinary share of 100,000 while all other directors increased their from 1,250,000 to 2,500,000 each.

3.26 MANAGEMENT AND ORGANIZATIONAL STRUCTURE OF THE BANK

The bank has a cohesively flattened hierarchical type of management and organizational structure. This is to enable free flow of communication of ideas, authority and responsibility within the organization. This is purely in line with TQM's core concept of having flattened structures in organization. *(Please see diagram on next page)*

3.27 INITIAL OPERATIONS

The bank started operations on a good note. Below is a brief results of operations as at 31st December, 1991.

Results of Operations as at 31st Dec: 1991

	N '000
Profit before tax	32,327
Income tax	(8,075)
Profit after tax	24,252
It was recommended that the profit for the year be dealt with as follows;	
Transfer to statutory reserve .	7,276
Transfer to general reserve	16,976
Appropriation from General reserve for Bonus issue	17,000

Source: 1992 Annual Reports & Accounts

A well focused bank, Citizens International Bank was thrown into lime light through a major corporate image advertising campaign in 1991 tagged "The Citizens Bill of Rights". This campaign achieved an effective market positioning for

the bank, established the bank's name in the market place while reinforcing the bank's core business values of professionalism integrity and excellence.

The year 1992 marked the end of the start-up phase having established a solid foundation for long term sustainable growth. Citizens Bank is a Bank with a secure future, having the structure, principles and resources to withstand volatile economic conditions. For instance, the bank survived all the panic funds withdrawal pressures caused by the aftermath of the annulment of June 12 1993 presidential elections and resultant social unrest which further disrupted economic and commercial activities throughout the country. Within 5 years, the bank's capital base grew 10 fold. Today, the bank has the financial stature to withstand liquidity problems, earnings decline and even capital erosion.

In the face of all these, Citizens Bank commits 1% of its income to support various educational and charity organization. This is the very reason why the author's attention was drawn to the recent observed stagnation in the level of efficiency, effectiveness and general output of staff in terms of customer satisfaction and increase in operating results, since the bank can not afford to mire the enviable track record of excellence in the past.

3.28 BOARD RE-ORGANISATION

In March, 1995 there was a major re-organisation of the Board of Directors. This reorganisation brought in Lady Barr. Joy D. U. Ifegwu as chairman of the Bank. The changes are as follows.

1.	Lady Barr. Joy D. U. Ifegwu	Chairman
2.	Dr. Lawrence O. Osa-Afiana	Managing Director
3.	Mr. Olayemi Cardos	Executive Director
4.	Mr. Anera Esivue	Executive Director
5.	Mr. Moses Agoh	Executive Director
6.	Mr. Austen Obigwe	Executive Director
7.	Alhaji Hassan Momodu	Non-Executive Director
8.	Mr. Onyekwere Ogba	Non-Executive Director
9.	Chief Dr. Chima Nwafor	Non-Executive Director

New Interest in Shares

		Description	No of shares as at	
			Dec31,1995	31 Dec, 1994
1.	Lady Barr. J. D. U Ifegwu	Ordinary	7,600,000	5,000,000
2.	Dr. Lawrence O. Osa-Afiana	Ordinary	7,500,000	5,000,000
3.	Mr. Olayemi Cardoso	Ordinary	7,500,000	5,000,000
4.	Mr. Aneru Esivue	Ordinary	7,500,000	5,000,000
5.	Mr. Moses Agoh	Ordinary	7,500,000	5,000,000
6.	Aihaji Hassan Momodu	Ordinary	7,500,000	5,000,000
7.	Mr. Austen Obigwe	Ordinary	3,750,000	2,500,000
8.	Mr. Onyekwere Ogba	Ordinary	750,000	500,000
9.	Chief Dr. China Nwafor	Ordinary	Nil	Nil

By May, 1995, the bank completed its first five years in operation. In spite of the vicissitudes of the operating environment, the bank successfully established itself as a viable and Leading banking institution in Nigeria.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 PRESENTATION AND ANALYSIS OF DATA

This chapter is divided into four different parts;

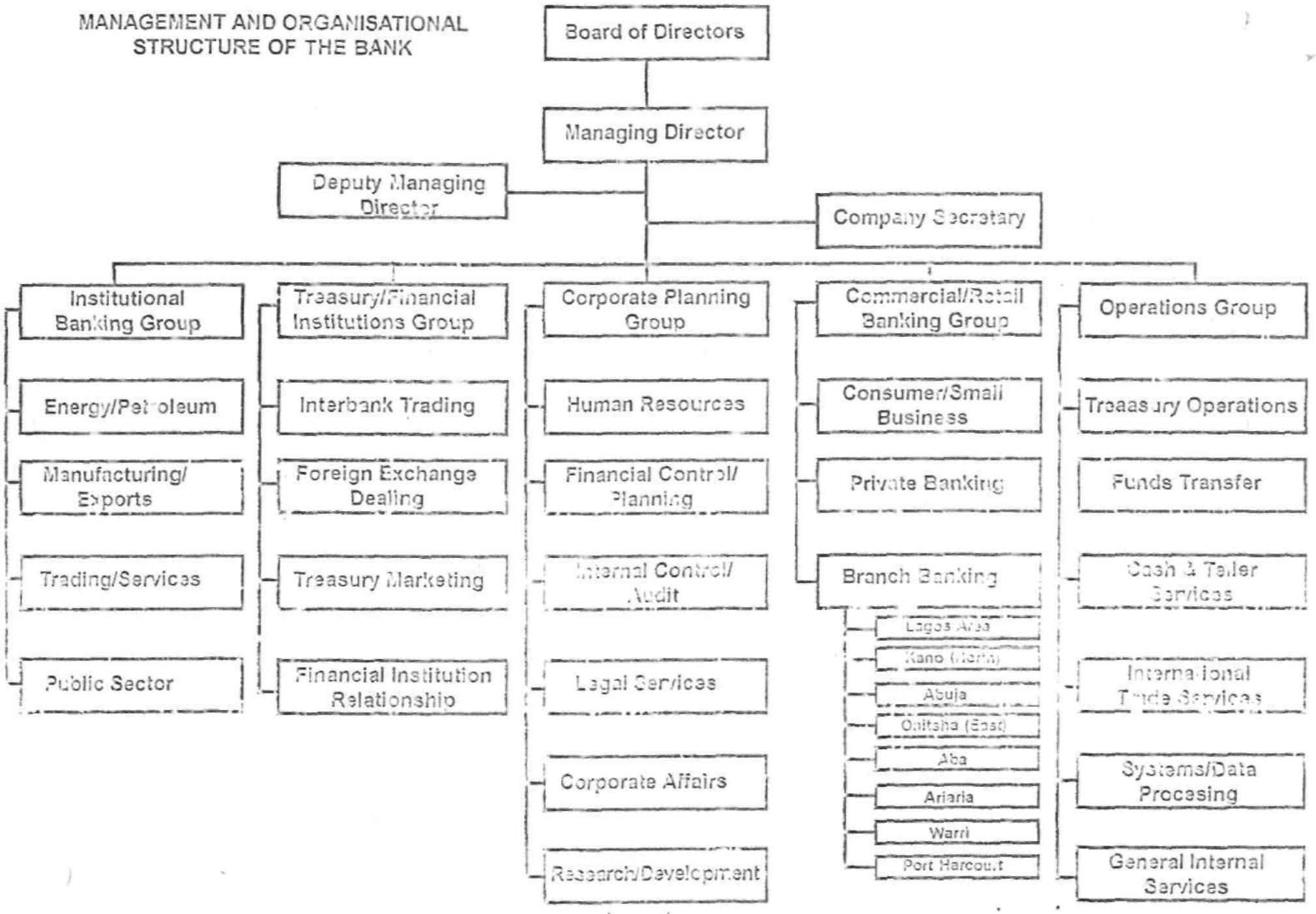
1. An analysis of the performance of Citizens Bank based on the bank's 5-year Financial Summary covering 1991 -1995' - source; 1995 Annual Report and Accounts.
2. An analysis of data obtained through both oral interview of senior management staff and questionnaire served other staff of the bank on the extent to which the bank has imbibed and implemented the TQM concept.
3. Analysis of data obtained through oral interview with randomly selected major customers and observations recorded in Lagos, Abuja and Kano offices and
4. Research findings

4.11 PERFORMANCE ANALYSIS BASED ON 5 YEAR FINANCIAL SUMMA!8Y (1991-1995)

Since the author had no access to actual yearly targets for profit after tax, total deposits, total assets and shareholders' funds, it was a bit difficult to measure performance in terms of a detailed comparison between actual operating results and set targets in order to arrive at both positive or negative deviations. However, the author opted for the use of a simple trend analysis to be able to register some inferences.

NOTE: *Reliance on there indices alone does not imply an exhaustive or a schemed spread of the bank's statements; as theauthor recognises the importance of ratio analysis covering every the statement of source and uses of finds as well as bonus issues and dividend sharing. This aspect of the analysis is not intended to be exhaustive since adequate data on set targets are not available for such details. These indices will only serve as a guide purely for the academic purpose of this investigation rs regards the performance rating of Citizens International Bank.*

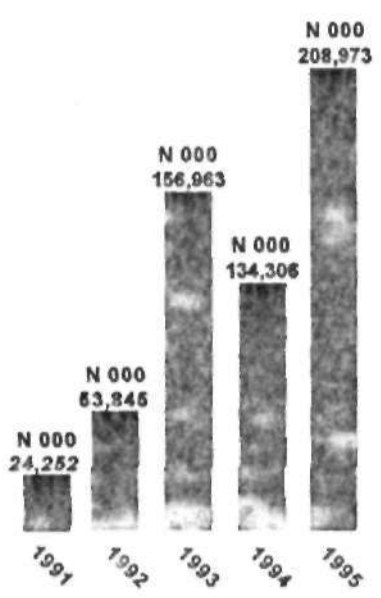
MANAGEMENT AND ORGANISATIONAL STRUCTURE OF THE BANK



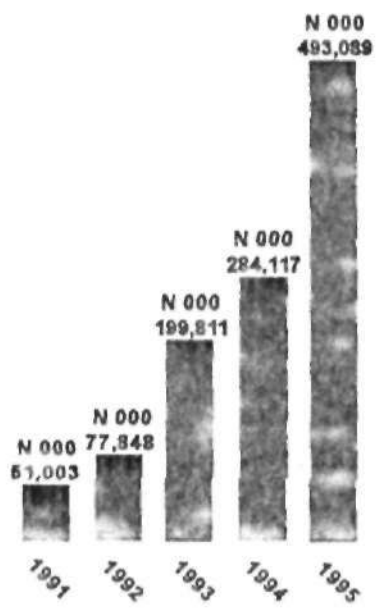
Below is the 5 year trend analysis for profit after Tax, Total Deposits, Total Assets and shareholders' funds.

FIVE YEAR FINANCIAL SUMMARY

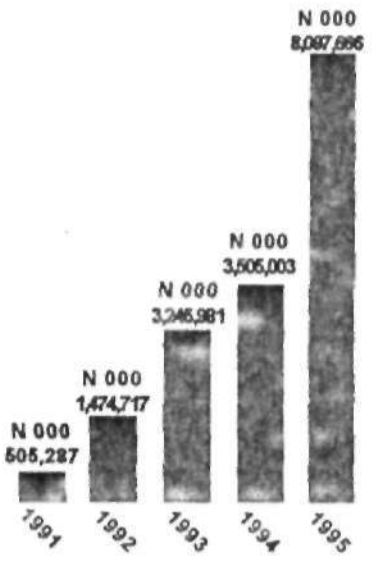
Profit After Taxation



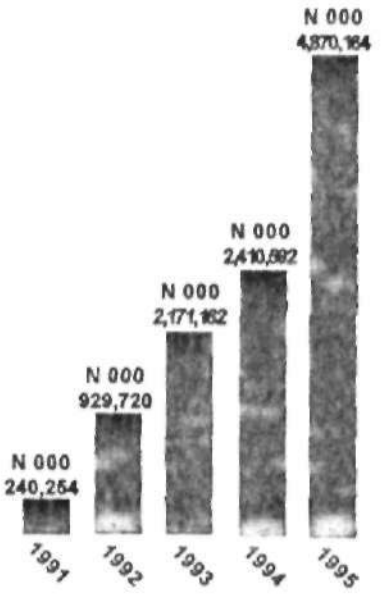
Shareholders' Fund



Total Assets



Total Deposits



TREND ANALYSIS FOR PROFIT AFTER TAX, TOTAL DEPOSIT, TOTAL ASSETS AND SHAREHOLDERS' FUND

(1) **TIME PLOT FOR PROFIT AFTER TAX**

Year	Actual Value	2 Years Moving Average	Trend Values
	N 000	N 000	N 000
1991	24,252	$\frac{24,252+53,845}{2}$	39,048.5
1992	53,845		
1993	156,963	$\frac{53,845+156,963}{2}$	105,404
1994	134,306	$\frac{156,963+134,306}{2}$	145,634.5
1995	208,973	$\frac{134,306+208,973}{2}$	171,639.5

(2) **TIME PLOT FOR TOTAL DEPOSITS**

Year	Actual Value	2 Years Moving Average	Trend Values
	N 000	N 000	N 000
1991	240,252	$\frac{240,252+929,720}{2}$	584,987
1992	929,720	$\frac{929,720+2,171,162}{2}$	1,550,441
1993	2,171,162	$\frac{2,171,162+2,440,592}{2}$	2,305,877
1994	2,440,592	$\frac{2,440,592+4,870,164}{2}$	3,655,378
1995	4,870,164		

(3) TIME PLOT FOR TOTAL ASSETS

Year	Actual Value	2 Years Moving Average	Trend Values
	N 000	N 000	N 000
1991	505,287	$\frac{505,287+1,474,717}{2}$	990,002
1992	1,474,717	$\frac{1,474,717+3,245,981}{2}$	2,360,349
1993	3,245,981	$\frac{3,245,981+3,505,003}{2}$	3,375,492
1994	3,505,003	$\frac{3,505,003+8,097,666}{2}$	5,801,334.5
1995	8,097,666		

(4) TIME PLOT FOR SHAREHOLDERS' FUNDS

Year	Actual Value	2 Years Moving Average	Trend Values
	N 000	N 000	N 000
1991	51,003	$\frac{51,003+77,848}{2}$	64,425.5
1992	77,848	$\frac{77,848+199,811}{2}$	138,8229.5
1993	199,811	$\frac{199,811+284,117}{2}$	241,964
1994	284,117	$\frac{284,117+493,089}{2}$	388,603
1995	493,089		

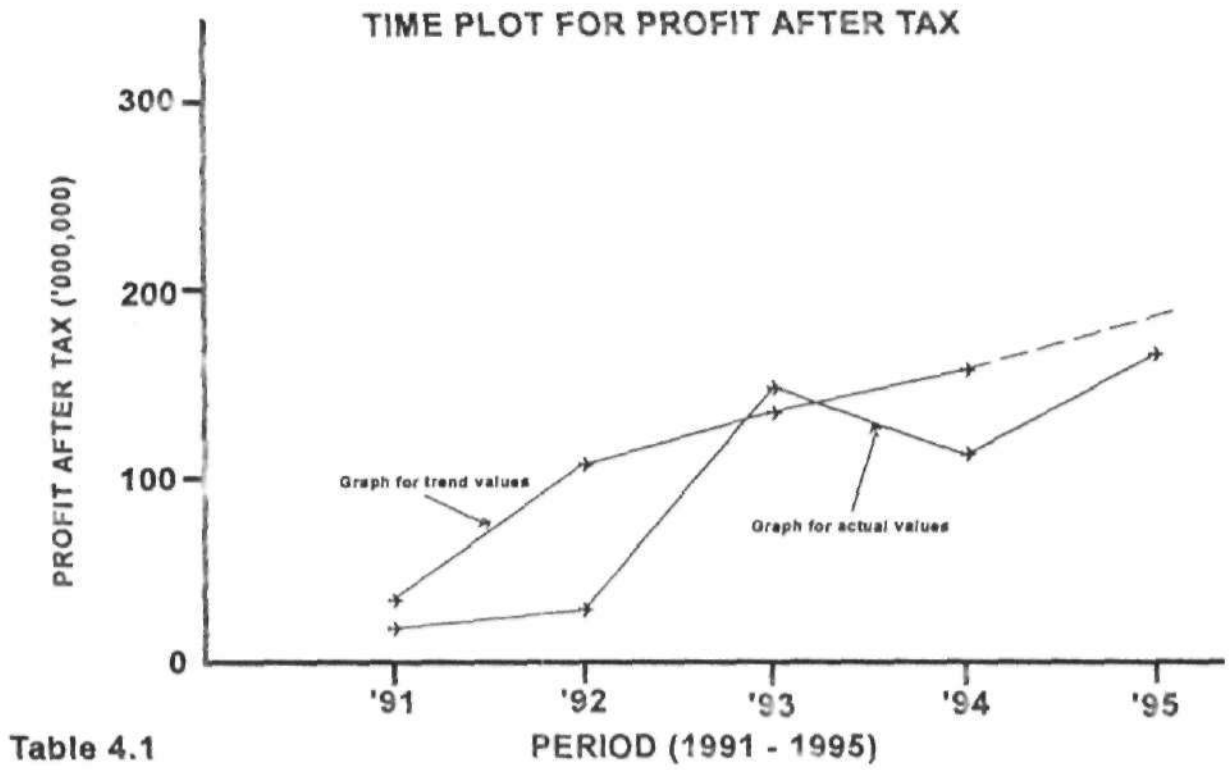


Table 4.1

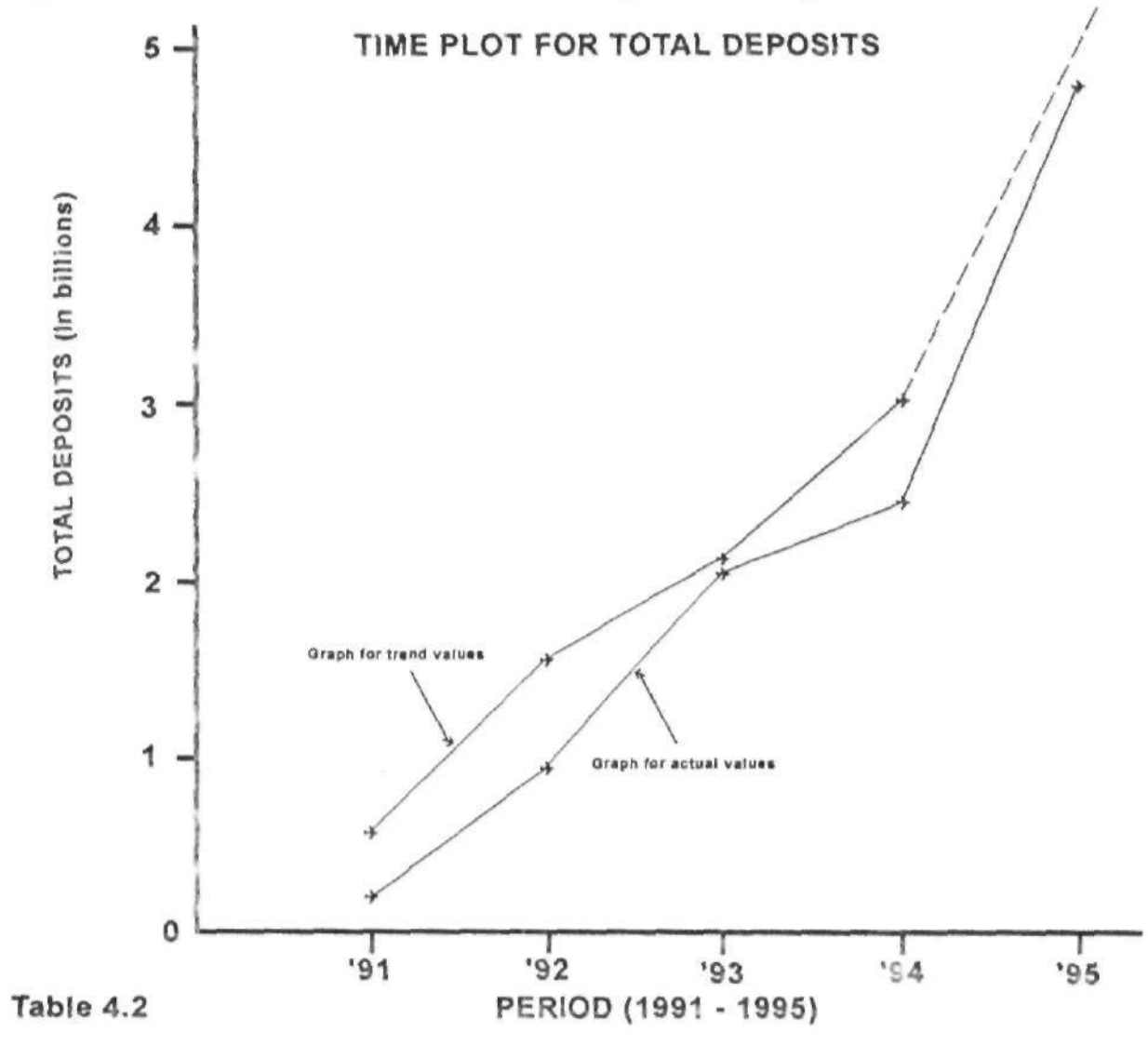


Table 4.2

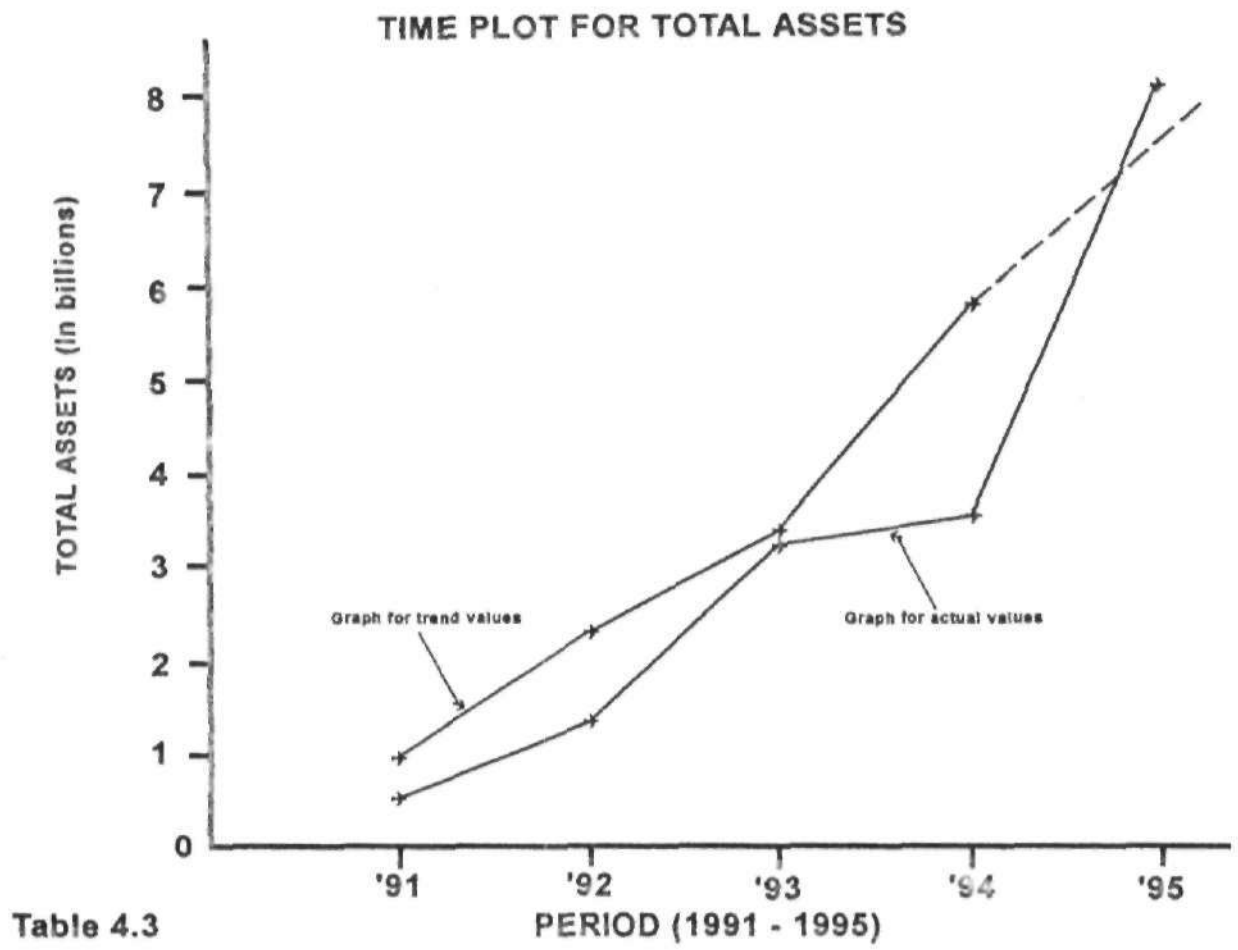


Table 4.3

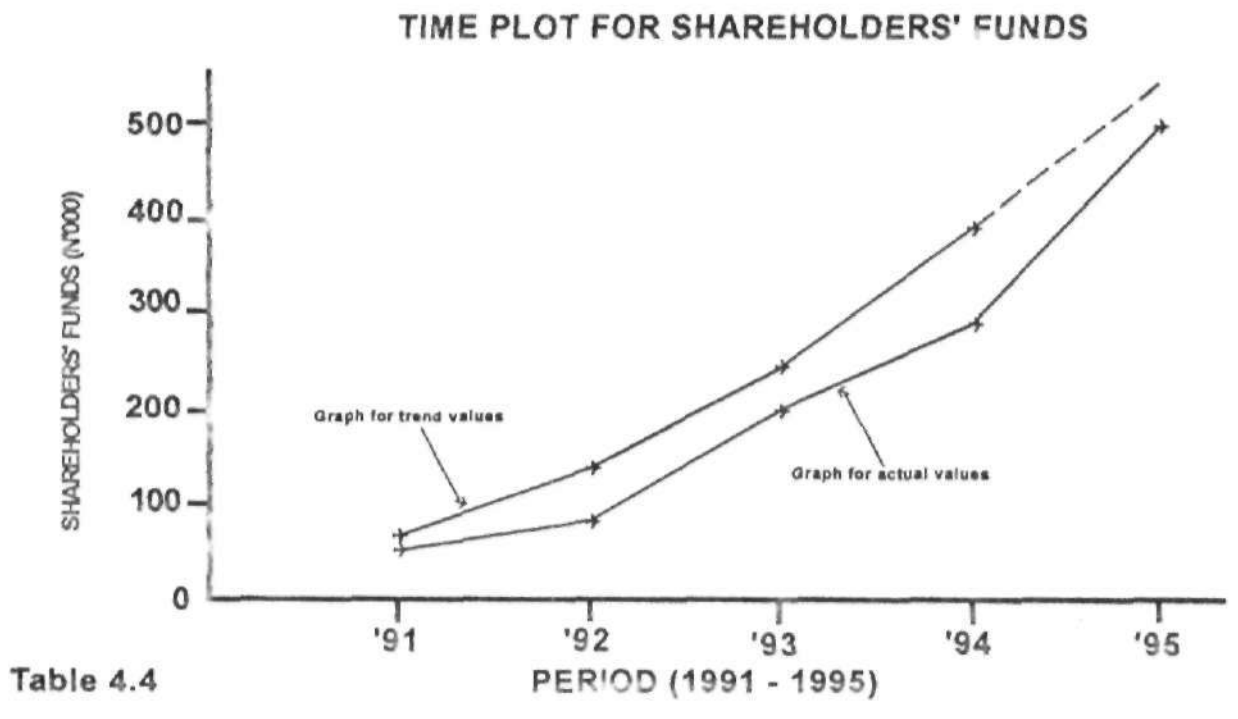


Table 4.4

All trend value graph show a gradual and steady corresponding increase in total deposits, total assets and shareholders. Funds except for profit after tax which shumped from N 156, 963, 000 to N 1 34, 306, 000.

4.12 ANALYSIS OF DATA OBTAINED THROUGH BOTH ORAL INTERVIEW AND QUESTIONNAIRE SERVED SENIOR MANAGEMENT OF THE BANK

The essence of the interview and observations was to probe further into other details that may not necessarily be covered by the questionnaire. This analysis is divided into two major parts;

(a) an analysis of information obtained through interview and questionnaire served senior and management staff of the Bank
(b) an analysis of information obtained through interview with randomly selected major customers and observation recorded in Aba, Lagos, Abuja and Kano offices.

(a) INTERVIEW WITH SENIOR AND MANAGEMENT STAFF OF THE BANK

Four staff in this category were duly interviewed. They include the Regional manager, North, Branch managers for Aba, Lagos (Victoria Island Branch) Kano Branch and a senior officer from the Human Resources Dept. at the Head office in Lagos.

The aim of this interview is two-fold;

- to reveal the extent to which the core concepts of TQM has been applied in Citizens Bank and
- to find out the practical steps taken so far towards full implementation of TQM in the bank.

INTERVIEW RESPONSES

1. ACHIEVING QUAUTY IN EVERY THING, PEOPLE, PROCESSES, PRODUCTSISERVICES

Since achieving quality in people calls for quality in reointment and selection, the bank has a policy of recruiting only the best brains in the industry. The bank normally follow this up with quality in orientation, job description, quality in appraisals, quality in promotion and rewards.

The same situation according to their responses applies to administrative procedures, strategic planning, information, audit reception, telephone marketing etc.

They are all designed to offer the customer the right product and services right the first fine, all the fine and at the lowest overall cost.

2. DOING THE RIGHT THINGS RIGHT, FIRST TIME EVERY TIME

According to the Regional Manager North, TQM has become the culture of the Bank and employee are turned to striving to doing only right things. And those right things are judge from the perspective of the customer. Thus, only those activities in the bank that help to satisfy the requirements of the customers are considered acceptable.

3. CONTINUOUS STRUGGLE FOR IMPROVEMENT

The general belief In Citizens bank is that regardless of how good the current performance may be, it can be improved. However, responses were indifferent on whether Quality Improvement Teams (Q.I.T) are already put in place. Such teams in quality organizations help to perpetually look for problems in processes and outputs (pro-active management) before the problems look for them (reactive management or fire-fighting).

4. THE BANK'S COMMITMENT TO AND OBSESSION FOR CUSTOMERS WHO ARE BOTH INTERNAL AND EXTERNAL

At Citizens bank, the staff is seen and the internal customer of management and treated well because the achievement of organizational excellence depends on him. In the words of the American society for Quality control, "*The front line providers of services treat customers in much me same way that they, as employers, are treated by their employers*".

5. STRENGTH OF THE BANK'S CUSTOMER-SUPPLIER CHAIN

The TQM tool define the customer here as one who, receives an input to be able to complete his job to an agreed level or standard. The input mat be information, decision or a piece of advice. The suppiier is the person or unit which provides the information idea or advice. In Citizens bank, each work group according to the Regional Manager North ensures that everything they deliver as suppliers to their

internal customers are of quality so that they in turn can deliver quality product or service to the end user-the external customers.

6. TEAM BUILDING AND TEAM WORKING

Two heads they say are better than one. Citizen Bank according he Kano Branch manager has in place a policy of h based on team work as no particular person is a resinous of knowledge. The Regional Manager also share the same opinion because they rely on committees from time to time to get things done.

7. FLATTENING OF HIERARCHIES TO ENSURE PROPER COMMUNICATION AND STABLE STRUCTURES

Most staff interviewed on this simply referred the author to their organizational structure which shows picture of a completely flattened structure for ease of communication. Such position's as General Manager Deputy General Manager etc. does not exist in the bank rather you have group heeds who work hand in hand with the M.D.

8. COST REDUCTION

The general opinion is that a proper internal control system exists in Citizens bank purely to ensure that cost of bad quality is reduced considerably. While investing reasonably in cost of good quality. A very good example is seen in the amount of money the bank spends on knowledge capital in the from of local and off shore training for staff.

9. PRO-ACTIVE PROBLEM SOLVING THROUGH STRUCTURED PROCESS

The bank largely relies on structured processes (i.e use of statistical models) to identify the route causes of problems and proffer solutions that will eliminate such problems once and for all.

10. GENERATION OF FACTS TO MANAGE BUSINESS

Most management staff interviewed on this agreed that they don't here a choice other than to rely on management by facts rather than personal final, opinion or whim.

11. NATURE OF BANK'S LEADERSHIP

Most staff talked to on the quality of the bank's leadership simply attributed the success of the bank so far to the dynamic and quality leadership of Dr. Larry Osa Afiana whose experience, hard work and pleasant personal attributes have always served as the benchmark and a general example for others to follow.

QUESTIONNAIRE RESPONSES

The author's intention here was to find out the authenticity of the claims made by the management staff and look at other important TQM attributes that were not mentioned during the interview process as the turn available for the interview was rather too short. The second intention was to also solicit other staff's opinion on Total Quality management as it affects the bank.

On the whole, 10 questionnaire were served each at the Human Resources Department and four other branches of the bank viz -Abe, V.I., Abuja and Kano branches. So out of the entire 50 questionnaires served only 30 were returned and out of there 30, five were returned blank leaving the author with just 25 questionnaire for analysis. Worthy of mention here is the cooperative attitude of the entire Kano branch staff.

The analysis is presented as follows;

1. RECRUITMENT QUALITY

Calibre of staff employed		Number
A.	Experienced graduates	3
B.	Experienced Non-graduates	-
C.	ND, NCE & others	-
D.	Fresh graduates only	5
E.	A and D	17
	TOTAL	**25**

Table 4.1

Table 4.1 above shows that the bank mostly employs both experienced graduates and fresh graduates as in Letter E (10).

2A. JOB SATISFACTION

Orientation, job description and job satisfaction	Number
A. Excellent	6
B. Satisfactory	15
C. Average	4
D. Net satisfactory	-
E. Poor	-
TOTAL	25

Table 4.2 Majority are satisfied on the job.

B. REMUNERATION

Satisfaction with present salary	Number
Yes	20
No	5
TOTAL	25

Table 4.3 Majority are satisfied with present salary.

3.

Appraisals promotion and Reward quality	Number
A. Excellent	-
B. Satisfactory	-
C. Average	6
D. Not Satisfactory	17
E. Poor	2
TOTAL	25

Table 4.4 Appraisals, promotion and reward quality is not satisfactory.

4.

Speed of internal procedures and information flow	Number
100% Highly favourable	-
50% Favourable	20
0% No opinion	5
-50% Unfavourable	-
-100% Highly unfavourable	-
Total	25

Table 4.5 Speed of internal procedures are favourable to the customer

5.Performance of internal control

Cost cutting and overall performnce	Number
A. Excellent	5
B. Good	17
C. Average	3
D. Fair	-
E. Poor	-
Total	25

Table 4.6 Overall performance is good.

General reception attitude and marketing	Numbe
A. Highly Satisfactory	3
B. Satisfactory	-
C. Just Average	5
D. Not Satisfactory	15
E. Highly Unsatisfactory	2
TOTAL	25

Table 4.7 Customer services performance is not satisfactory

B. RECOMMENDATION FOR CHANGES

Changes recommended	Number
Yes	20
No	5
TOTAL	25

Table 4.8 Customer services require changes

C. RECOMMENDATION FOR TRAINING

Training recommended	Number
Yes	5
No	20
TOTAL	25

Table 4.9

7. CONTENTMENT WITH CURRENT BANK'S PERFORMANCE

Contented	Number
Yes	18
No	7
TOTAL	25

Table 4.10 Majority contented with bank's current performance.

8. POSSIBILITY OF PRESENT PERFORMANCE IMPROVING

Could be improved	Number
Yes	18
No	7
TOTAL	25

Table 4.11 Could still be improved upon

9A. PRESENCE OF QUALITY IMPROVEMENT TEAM (QIT)

QIT available	Number
Yes	2
No	8
No idea	15
TOTAL	25

Table 4.12 Even if QIT is present, the impact is yet to be felt

10. KNOWLEDGE OF THE CONCEPT OF TQM

A.

Has heard of TQM	Number
Yes	19
No	6
TOTAL	25

Table 4.13

B.

Detailed Knowledge of TQM	Number
Yes	5
No	20
TOTAL	25

Table 4.14

Have heard of TQM but no detailed knowledge of it.

4.13 ANALYSIS OF DATA OBTAINED THROUGH QUESTIONNAIRE SERVED RANDOMLY SELECTED MAJOR CUSTOMERS AND OBSERVATIONS RECORDED IN MBA LAGOS AND KANO OFFICES

An average of 5 customers each were interviewed and served with questionnaires in each of the four branches Aba, Victoria Island, Abuja, and Kano.

The questionnaire responses are sumrnarised as follows;

1. Source of knowledge (information) about Citizens Bank Performance

Information Source		Number
A.	Radio/TV advert	15
B.	Staff	3
C.	Relation	2
D.	Friend	
E.	Others	
TOTAL		**20**

2. Account opening

Procedure for a/c opening	Aba Branch	Kano branch	VI Branch	Abuja Branch	Number
Rigid	2	2	2	1	7
Flexible	3	3	3	4	13
Total	**5**	**5**	**5**	**5**	**20**

Flexible a/c opening procedures

3. Delays in withdrawals

Withdrawal delays	Aba Branch	Kano Branch	VI Branch	Abuja Branch	Number
Rigid	2	1	3	3	9
Flexible	3	4	2	2	11
Total	**5**	**5**	**5**	**5**	**20**

4. **Delays in cash/cheque lodgements**

Lodgement Delays	Aba Branch	Kano Branch	VI Branch	Abuja Branch	Number
Yes	2	-	2	2	6
No	3	5	3	3	14
TOTAL	5	5	5	5	20

5. **Security of deposit with Bank**

Deposit Secured	Number
Yes	20
No	-
TOTAL	20

6. **Bank's concern for customers' private business**

Concern for customers' business	Number
Encouraging	6
Not Encouraging	14
TOTAL	20

7. **Hours of operation**

Hours open to customers	Number
Not Enough	9
Enough	11
TOTAL	20

8. **Saturday Banking**

Saturday Banking required	Number
Yes	13
No	7
Total	**15**

9. **Delay in sending account statements**

Delay in sending accounts statements	Number
Yes	15
No	5
Total	**20**

10. **Speed of credit approval procedures**

Speed	**Fast**	**Slow**	**Number**
7 – 14 days OD	3	4	7
60 – 90 days facility	3	4	7
Above 90 days	2	4	6
Total	**8**	**12**	**20**

4.14 SUMMARY OF OBSERVATIONS

The attitude of 5 customers each was observed in the four branches visited -Abe, V. I, Abuja and Kano. The essence of this is to onfirm some of the vital claims made by both senior management and staff of the bank and to elicit a further confirmation of customer service satisfaction through a very objective attitude measurement pattern. The author observes and records both the behaviour of the staff concerned and the mood of the customer after each transaction.

Below is the summary.

Observed countenance/conduct of customers at the end of transactions

Observed attitude	Aba Branch	Kano Branch	VI Branch	Abuja Branch	Number
Moody	2	3	3	1	9
Relaxed and Normal	3	2	2	3	10
Happy	-	-	-	1	1
Total	**5**	**5**	**5**	**5**	**20**

4.15 RESEARCH FINDINGS

The entire findings from this research work are summarised in three categories as follows:

1. The performance of Citizens Bank based on the first 5 years of operation.
2. The extent of TQM application in Citizens International Bank.
3. The impact of practical TQM application on external customer satisfaction.

The performance of Citizens Bank based on 5 - year Financial Summary

The performance of the Bank within the first five years in terms of Profit After Tax, Total Assets and Shareholders' funds are considered satisfactory. However as earlier noted, since the author had no access to set targets' data on each of these performance indices, a detailed analysis of deviations *(whether positive or negative)* from actual performance was difficult, hence the authors' reliance on a simple trend analysis. But on the whole, research inferences show an upward trend of performance in both 1996, 1997 and 1998 results all things being equal. Although there was a sudden decline, in profit after tax in 1994 as a result of the aftermath of June 12,1993 election annulment, this was quickly corrected in 1995. But even then trend values still show a steady increase from N105,400,000 in 1993 to N145,634,500 in 1994 (based on simple two years' moving average) as against the reduction from N156,963,000 in 1993 to N134,306,000 in 1994.

The Extent of TQM application in Citizens Bank

1. Staff's knowledge of the concept

Most staff of the bank appear to know or have heard of TQM concept but they don't fully understand what the concept is all about.

The few staff of the bank that are aware and fully knowledgeable on TQM concept (mostly management staff) even believe to a large extent that the concept has received enough publicity but the practical implementation and its impact in the entire operations of the bank has not been fully established. For instance there are no Quality Implementation Teams (QIT). There are no established Monitoring Systems to assess the performance of such committee and periodically review the extent of application by staff in their day to day dealings with the customer.

2. Organisational Structure (Nature of hierarchy)

The bank scores 100% in the nature of organisational structure. This is because the bank has a consistent and cohesively flattened organisational structure which makes communication and flow of work within the organisation very easy. This aspect of TQM is properly taken care of.

3. Quality of staff recruitment

The quality of staff hired in Citizens Bank are considered satisfactory ~s the bank concentrates mostly on fresh graduates and experienced bankers who must also be graduates. The bank normally goes for the best brains in the industry.

4. Job satisfaction and remunerations

This from investigation was considered satisfactory by the entire staff of the bank.

5. Appraisals, promotion and rewards

Staff responses here show that the present approach to appraisals, promotions and rewards is subjectively schewed and considered unsatisfactory by the staff.

6. Investment in the cost of good quality

Investment in the cost of good quality is properly handled by the bank by investing so much in knowledge capital for both local and offshore training. The bank also invests wisely in office automation and current discoveries especially in the area of communication and information technology. The internal control unit from research findings has supported very well in this regard especially in the area of keeping overheads low.

7. Team Work

The input of team work from general responses is more with the management staff. Other staff don't feel adequately carried along. Other than general staff or branch meeting hey are not adequately involved at committee levels.

8. Reliance on hard facts and use of structured processes for problem solving.

This is adequately imbibed by the bank's leadership. This was reflected in the way and manner the bank handled it's Boards' reorganisation of 1995.

9. Security of Depositors' funds

The bank scores another 100% here. This is because customers' responses even show that they have 100% trust and confidence in the bank. Over the years, the bank has developed an enviable financial stature to withstanding all forms of liquidity problems.

10. Bank's leadership

The leadership of the bank has so far been adjudge excellent but requires the kind of followership that must believe in the long term vision and aspirations of the bank even if it requires some level of firmness or the use of stick approach rather than 80% reliance on the carrot style.

The impact of TQM application on customer satisfaction

The management team of the bank believes that TQM has become the culture of the bank and that employees are now tuned to striving to doing only the right things which are usually judge from the perspective of the customer but this claim does not correlate with other staff responses, customer responses and recorded observations. Very good instance are as follows:

1. Special obsession for both internal and external customers

There is a strong obsession for internal customers (the staff) who in the face of the author are over pampered, but nothing or little of such obsession is extended to the external customers. The impact of proper staff welfare is not felt by external customers given the aggregate response by these customers. Rather, such obsession is replaced by a demonstration of an attitude of laziness, you are not the only customer syndrome and general "I don't care" attitude. Most customers

leave the bank unhappy, their only consolation being the bank is a strong one and their deposits are secured.

One member of the senior management team argued that only a select few customers ie. the high networth group enjoys such obsession but at an extra cost. But because these category (high networth) of customers are handled by selected few staff on a personal basis, they don't feel the negative impact of lack of obsession like the low income group.

2. Customer services performance

The customer services performance from investigation is rated as poor. This was even confirmed by most staff of the bank who rather recommended changes instead of training (see tables). Even the recorded mood of customers after transactions based on observations also confirms this. This implies that there is no correlations between management team's claim of front line service providers extending a reciprocal external customers as demonstrated in recorded observations in V. I and Abuja branches. Even the bank's concern for the progress of customers' private business is not encouraging (see table).

3. Speed of Internal procedures

This is considered normal by management team but considered dull given customers' attitude and responses. The customers observed that there are still delays in sending account statements and a generally slow speed of credit approval procedures.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

This investigation centres on the topic **"Marketing Quality Service in the banking industry; A Case study of Citizens International Bank." Citizens International** Bank Limited was chosen as a case study on the assumption that the situation at Citizen Bank significantly serves as a reflection of what obtains in the industry. The negative attitude towards full implementation of the marketing concept coupled with a colossal ignorance of the concept of TQM led to low level of customer satisfaction leaving a legacy of observed inefficiency of bankers, reduced patronage and relatively retarded speed of growth of most banks at a time that sky should have been the limit.

The study because vital recognizing the importance of bot the marketing concept and the concept of TQM which is the backbone on which increased patronage, increased profit after tax and continuous survival of the industry and Citizen Bank is based. Besides, the mere fact that competition is currently on the increase coupled with the glaring opportunities to be tapped from other sectors of the economy like the government parastatals and the energy sector pushed the author into attempting to confirm the extent to which this widely acclaimed concept has been implemented in the banking industry, with a ~view to prescribing solution that will aid the entire banking industry and Citizen bank in particular to be properly positioned for rapid growth.

While Chapter two exposes the professionally recommended nature and modes of applying the concept, Chapter three and four attempts to compare Chapter two with what currently obtains in Citizens Bank. The analysis and subsequent research findings in Chapter four confirms the problem identified in Chapter one (ie. inadequate implementation-of the concept of TQM in banking operations to the satisfaction of the external customer). The Chapter four has not only confirmed this story but has successfully exposed those areas that actually require

adjustments, the nature of which shall be exposed in the recommendations and conclusion. Prominent attention areas in the research findings are:

1. Staff's inadequate knowledge of the concept.
2. Lack of Quality Improvement Teams and Monitoring Consultants.
3. Inadequate appraisals, promotions and reward systems.
4. Inadequate involvement of non-management staff in team work.
5. Lack of special obsession for the external customer.
6. Poor customer services performance.
7. Low personal aggressive marketing efforts especially of non-management staff.
8. Observed delays in sending account statements and a generally slow speed of credit approval procedures.

It is on the basis of these research findings that the recommendations and conclusion are based (the business of Chapter five). Chapter five of this study covers the summary, conclusion and recommendations.

5.2 CONCLUSION

In this write up, it is observed that banks are vital in the development of any economy. The banking industry in Nigeria have developed over the years from the colonial era to the post independence era and today, the banking industry is so complex due to the distress syndrome that developed as a result of the failure of the Structural Adjustment Programme (SAP), competition, financial malpractices and the general downward trend in the economy.

In this circumstance, marketing quality services and high quality service delivery has become the solution to the survival of the banks, because customers look out for effective and efficient services to establish their confidence in any bank. We have seen that the combination of Total Quality Management (TQM) and the marketing concepts will bring about the desired quality service offered to potential and existing customers to the advantage of the bank.

Citizens bank was one of the new generation banks that was established in the midst of the economic doldrums in 1989 and commenced operation in 1990. The

bank has in the present circumstance survived the dwindling trend in the economy. However, the research result indicates that the bank needs to fully implement the Total Quality Management (TQM) and-the marketing concept to provide the kind of service that is required by the customers. It is not enough to be conscious of the concept in the face of stiff competition in the sector, rather the practicability in terms of monitoring and implementation to bring about the desired service/satisfaction to the customers that will result in the achievement of the corporate objectives should be pursued. Citizens bank will be better positioned in the industry if the management strictly adhere to the recommendations below.

RECOMMENDATIONS

The following "tips" are objectively recommended *(although not exhaustive)* to assist in addressing the identified research problem and specifically those aspects of research findings that require immediate overhaul or special attention.

1. **The need to practically inbibe the marketing concept immediately by installing the concept of TQM in Citizens Bank**

The success of marketing concept is a function of full application of the concept of TQM. However, being aware of TQM concepts can never transform any bank into an excellent one. The documentation of a **Quality Management System** (QMS) that embraces all key activities of the business is a crucial process of ensuring that every product and service emanating from the bank are produced in accordance with it's documented standards for consistency and reliability. There are no set rules for TQM application. But it is **important to have** at the highest level a STEERING GROUP which may have subsets depending on the geographical location or branch network of the bank.

Reporting to the Steering group are the **PROJECT TEAMS or QUALITY IMPROVEMENT TEAMS (QIT)** which address the issue or directly exploit the quality opportunities.

TQM also needs an outside Consultant or Coordinator responsible for constant training of individuals and project teams. Such a person must be competent and have a track record of previous practical application of TQM model. He must not have career aspiration within the bank. He should be able to look at the bank

dispassionately, provide objective advice and monitor the strategic quality planning process where employees at all levels participate in a Button-up and Top-down planning process to evolve a sound long term plan which defines the organisation's mission, vision, values and strategic direction.

2. **The need for effective monitoring of implementation success through the use of the "MYSTERY SHOPPER" concept**

The "Mystery Shopper" concept is the most recent tool used to monitor the success or otherwise of TQM implementation. It involves a situation where customers who are also agents of quality management visits the bank in the name of normal business transactions and record all their observations on the contribution and performance of each staff in the area of proper application of his experience, and use of the bank's materials and resources. The only short coming here is possible victimization of staff due to human (emotional) factors and possible subjective reasoning. But this can be eliminated with proper monitoring supervision from the office of the Managing Director.

3. **Constant discouragement of staff's general idea of full contention with bank's current performance and the encouragement of a strong individual desire to continuously strive for improvement**

This requires total overhaul and the need for a pragmatic change in attitude to work especially those of non-management staff. All those "I don't care" and lazy attitude of front line service providers must change or get adequately punished.

4. **The need to recognise the external customer as "king" through the development of a special obsession not only for internal customers but for external customers**

This must be pursued vigorously by showing some concern for the growth of the customer's private business. Delays in sending his account statements for two to three months must stop. Cash withdrawal and lodgement of large sums must be handled with speed. This level of obsession must be extended to all category of customers not only the high networth individuals. We might not necessarily assist him in paying his NEPA or NITEL bills or pay his children school fees but saving his time in the banking hall with speed and smiles will not cost us much.

5. **The need for constant training and implementation of affective staff motivation patterns through objective appraisal, promotions and rewards**

The bank needs to organise constant training programmes for their staff in the area of Total Quality Management and Marketing concepts to enhance their marketing of quality services to actual and potential customers. To enable the bank keep its policies and strategies there is the need to have an in-house training school where staff could go and rejuvenate their knowledge when obsolescence sets in. This idea is cheaper and forms a basis for constant research and innovation.

Nothing dampens the spirit of a worker than subjective appraisals of his performance especially if he is good and every body knows he is good. Intimidation to a large extent should be discarded completely. This is contrary to the concept of TQM which replaces such attitude with being a role model and developing a special obsession too for the subordinate's efforts.

Apart from financial motivation, special recognition and rewards helps to increase that internal drive to win more laurels.

6. **The need to overhaul the entire bank operations with specific emphasis on the customer services desk**

A total assessment of the branch operations is urgently required as the researcher discovered that a lot of laxity exists in the branches in terms of service delivery. Some branch managers are overwhelmed with their positions as head of branches forgetting that those seats are more tasking than they think. The idea of quality service needs to be once again entrenched in the banks operations at branch levels because the staff are ignorant of the importance of quality service delivery.

In fact, some of our customer services desks are repulsive. Where they are not repulsive, they lack that corporate touch, decorum and worst still they lack vital information about the bank's offerings. But success or failure of a bank starts from the customer services desk. Thus care must be taken not only to sanitise customer services desks but to constantly evaluate their performance, review them and effect transfers and replacements where necessary. Sound knowledge of a bank's

offerings and a cute smile depicting happiness on the job does not cost us anything whether on phone or during physical visits of customers. Let us always "make their day."

7. **Continuous product innovation and the need to carry all category of customers along**

Product innovation must be seen as an on-going thing. And it must be done both for the wealthy and the low income earners. We must not be carried away completely by the accounts the wealthy citizens and forget our long standing and consistent customers. Most of such high networth accounts are vulnerable to sudden changes of mind either for one political reason or some other influence. They could even gang up and change their minds as a group (God forbid). Because of their delicate nature, they must be handled with extra care but that must not erase the general opinion that all customers are the same and they must be handled thus. A low income earner tomorrow can suddenly become wealthy. Tailor-made products should therefore be developed in their favour according to their income from time to time. The author gives kudos to the release of the **PIONEER** and the **RESERVE** accounts. Also, the **EXCLUSIVE GOLD CLUB** account developed for the wealthy is also in the right direction. But all those relationship private bankers assigned to those accounts must be hard-working to ensure that they or the bank for any reason is not found wanting suddenly. All the customers' instructions must be strictly adhered to. More of such products should be introduced immediately. This however calls for continuous research.

8. Enlisting the bank on the proposed Abuja stock exchange

In order to increase the overall performance of the bank, it is recommended that the bank should join other banks on the **ABUJA STOCK EXCHANGE**. But before this is done, the bank must have been convinced that the concept of TQM has been fully implemented in the bank's day to day operations. This recommendation became necessary in view of the bank's impressive performance within the first five years of its operations, and having developed such financial stature, the bank will definitely compete effectively in the Capital market.

However, it is important to wait for the Abuja Stock Exchange proposal to materialise and ensure its working before plunging into it.

Secondly, the bank should be ready to establish with immediate effect a new unit to be called the **CAPITAL MARKET GROUP.** This is to enable the bank mop up more stocks in sight given the 1998 BUDGET proposal. For instance over 30 billion has been given to PTF (Petroleum Trust Fund) to spend this year and PTF has singled out some sectors' activities to fund. For example construction, building and health care. Already, about 54 Pharmaceutical companies have clinched N4.2 Billion to supply drugs to teaching and Specialist Hospitals and local Government Institutions. Shares for such companies quoted on the Nigerian Stock Exchange will definitely soar and those banks who already hold such shares can sell at the appropriate time and make their money. The same situation applies to the Brewery Sector with the lifting of the ban on the importation of barley *(the most essential ingredient for the manufacture of beer)* and the removal of excise duties which means more beer will be sold locally and broad. Their shares will definitely soar much later so it is good to have them now!

9. The need to pursue the ENERGY SECTOR objective Vigorously

With all the goodies showed on the Petroleum Industry, this is the time to achieve this laudable objective whatever it takes! Some of those goodies include among others:

- release of more marginal oil fields by government
- tax free dividends for 5 years
- duty and VAT - free importation of machinery and holiday for five years

This is a very good opportunity to compete and win such accounts such that this objective can be achieved even before the end of the second quarter. And the only way to achieve this objective is through aggressive marketing of the bank's services by all staff of the bank.

10. Effective monitoring of the business environment.

Every bank is affected on a daily basis by developments in the entire macro (political, economic and social) business environment. The TQM leader(s) must have ears to the ground and eyes widely open to developments in the entire business environment as this will enable him change those that can be changed and adjust timely and correctly to those that can not be changed. Example are government legislations decrees, ordinances, in the area of Taxation and restrictions on trade. Others are economic recessions, down-turns inflationary

trends etc. Yet others are possible changes in taste, attitudes, fashion had culture. They are affect the day to day running of the bank. And so, a reasonable TQM helms man will keep the environment under constant check and can even at times predict what is likely to be such that while other CEOs are biting their fingers, his bank is already strategically positioned to face the challenge. All opportunities and threats must be constantly monitored.

It is hoped that the above recommendations would to a large extent contribute to the success of Citizens Bank by elevating the bank to the much desired leadership position in the banking industry and subsequently serve as a role model and the pivot on which the entire growth of the banking industry is anchored.

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Department of Business Admin.,
Faculty of Administration
Ahmadu Bello University
Zaria.
December 2, 1992.

Dear Respondent,

MARKETING QUALITY SERVICES IN THE BANKING INDUSTRY: A CASE STUDY OF CITIZENS INTERNATIONAL BANK

As part of my MBA studies, I am currently conducting research as regards the impact of the concepts of Total Quality Management and Maarketing concept on organizational performance in the banking industry. Your organization has been chosen as a case study.

The purpose of this questionnaire is to enable me obtain all the necessary imformation with the hope of achieving a better understanding of the extent to which the concept of TQM has been imbibed in the banking industry and Citizens Bank in particular. The study will also expose the extent to which the application of this concept has contributed to the performance of the bank over the years.

As a staff of the bank, your assistance in completing this questionnaire will help this study achieve it's main objective which is to provide suggestions for enhancing the overall performance of the bank.

I would like to assure you most sincerely that whatever information supplied by you through this questionnaire will be held confidential and used for this research only. Therefore, Kindly complete the questionnaire as truthfully as possible.

Thank you.

Your's faithfully,

AMEH O. FRIDAY

QUESTIONAIRE

NOTE: Part A is for citizens Bank staff and part Bis for customers only.
(All responses will be treated strictly as confidential)

Please tick as appropriate

PART A: FOR CITIZENS BANK STAFF

1. What quality of people do you recruit mostly in your Bank?

A. Graduates with experience
B. Non-graduates but experienced
C. Intermediate level (ND, NCE, CERT. etc.)
D. Fresh graduates only
E. A and D.

2a) How would you rate your present quality in orientation, job description and job satisfaction

A. Excellent
B. Satisfactory
C. Average
D. Not satisfactory
E. Poor

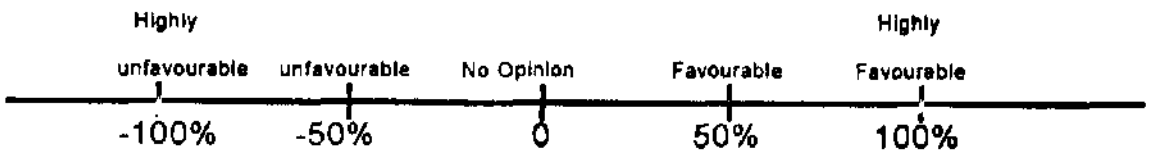
(b) Are you satisfied with your present salary ?

Yes ☐ No ☐

3. What form of rating would you give your present quality in appraisals, promotion and rewards.

A. Excellent
B. Satisfactory
C. Average
D. Not satisfactory
E. Poor

4. What is your opinion on the bank's current administrative processes, strategic planning and information flow as they affect the customer.



5. How would you rate your present internal control system in terms of cost cutting and overall performance ?

A. Excellent
B. Good
C. Average
D. Fair
E. Poor

6(a) What is your candid assessment of the quality of customer services desks in terms of use of telephone, general reception, attitude towards customers and marketing.

A. Highly satisfactory
B. Satisfactory
C. Satisfactory
D. Not satisfactory
E. Highly unsatisfactory

(b) Would you rather recommend changes?

Yes ☐ No ☐

(c) If No, would you recommend training?

Yes ☐ No ☐

7. Are you contented with the current performance level of the Bank?

Yes ☐ No ☐

8. Do you think the present performance can still be improved upon ?

Yes ☐ No ☐

9(a) Do you have any form of quality improvement Team (QIT) or committee in place in the Bank ?

Yes ☐ No ☐ No Idea ☐

(b) If Yes, please indicate composition_____

10. Have you ever heard of the concept of TQM?

Yes ☐ No ☐

11. Are you knowledgable about the concept in details?

Yes ☐ No ☐

PART B: FOR CUSTOMERS ONLY

12. What is your candid assessment of the Bank's account opening procedures ?

RIGID ☐ FLEXIBLE ☐

13. Do you normally experience delays in withdrawals ?

YES ☐ NO ☐

14. Do you also experience delalys in cash\cheque Lodgements ?

YES ☐ NO ☐

15. How did you get to know about the bank ?

A. Radio/Tv Advert.
B. Staff
C. Relation
D. Friend
E. Others

16. Are you sure that your deposit is secured with the Bank ?

YES ☐ NO ☐

17. HOW would you rate the Bank's concern for the growth of your private business ?

ENCOURAGING ☐ NOT ENCOURAGING ☐

18. What is your opinion about hours of operation?

NOT ENOUGH ☐ ENOUGH ☐

19. Would you recommend Saturday Banking?

YES ☐ NO ☐

20. Are there delays in sending your account statements?

YES ☐ NO ☐

21. What is your opinion on the speed of credit approval procedures?

(a) 7-14 Days OD

FAST ☐ SLOW ☐

(b) 60-90 Days Facility

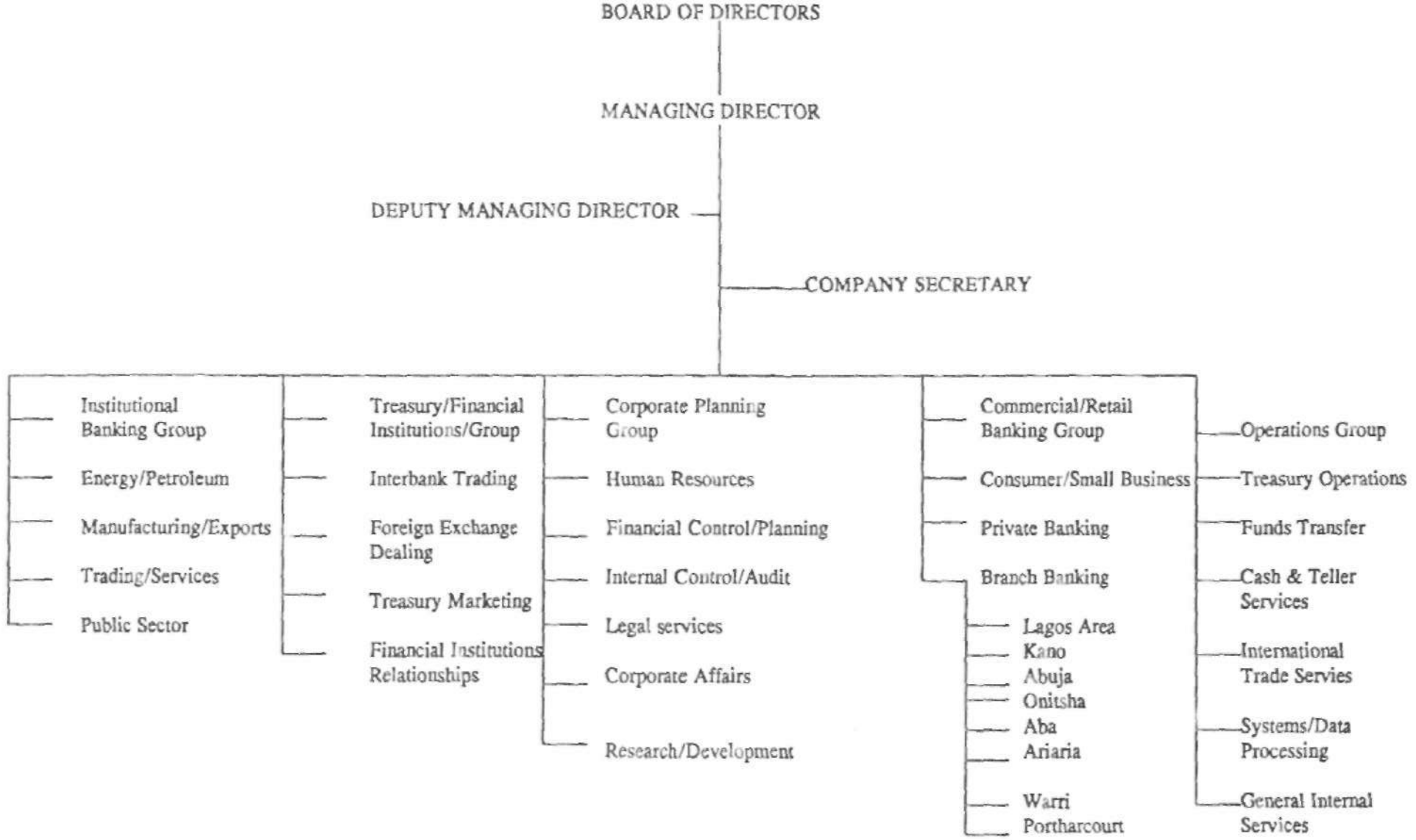
FAST ☐ SLOW ☐

(c) Above 90 Days

FAST ☐ SLOW ☐

Thank you very much.

ORGANISATION STRUCTURE OF CITIZENS INTERNATIONAL BANK LIMITED



BANKS LIQUIDATED / TAKEN OVER BY THE CENTRAL BANK OF NIGERIA AS AT 31ST DECEMBER 1995

A . LIQUIDATED BANKS

1. Financial Merchant Bank Ltd
2. Kapital Merchant Bank Ltd
3. Republic Bank Ltd
4. Alpha Merchant Bank Plc
5. United Commercial Bank Ltd

B. BANKS TAKEN OVER AND MANAGED DIRECTLY BY CBN/NDIC

1. Credit Bank Nigeria Ltd
2. Progress Bank Nigeria Plc
3. North-South Bank Nigeria Ltd
4. Abacus Merchant Bank Ltd
5. First African Trust Bank Ltd
6. Amicable Bank of Nigeria Ltd
7. Lobi Bank of Nigeria Ltd
8. Premier Commercial Bank Plc
9. Ivory Merchant Bank Nigeria Ltd
10. Great Merchant Bank Ltd
11. Nation-wide Merchant Bank Ltd
12. Victory Merchant Bank Ltd
13. Merchant Bank of Africa Ltd
14. Prime Merchant Bank Ltd
15. Century Merchant Bank Ltd
16. Group Merchant Bank Ltd
17. African Continental Bank Ltd
18. Pan African Bank Ltd
19. National Bank of Nigeria Ltd
20. Merchant Bank of Nigeria Ltd
21. Cooperative & Commerce Bank Ltd
22. New Nigeria Bank Ltd

Source Central Bank of Nigeria

LIST OF BANKS IN NIGERIA AS AT 31ST DECEMBER, 1994

	COMMERCIAL BANKS	YEAR OF COMMENCEMENT OF OPERATIONS
1.	Access Bank Nigeria Ltd	1989
2.	Afribank Nigeria Plc	1959
3.	African Continent Bank Ltd	1947
4.	African International Bank Ltd	1979
5.	Allied Bank of Nigeria Plc	1962
6.	Allstates Trust Bank Limited	1989
7.	Amicable Bank Limited	1991
8.	Bank of the North Limited	1959
9.	Broad Bank of Nigeria Limited	1990
10.	Chartered Bank Limited	1988
11.	* Citizens International Bank Ltd	1990
12.	Commerce Bank Plc	1989
13.	Commercial Bank of Africa	1990
14.	Commercial Bank (CLN) Ltd	1983
15.	Commercial Trust Bank (Nig.) Ltd	1988
16.	Co-operative Bank Plc	1953
17.	Co-operative and Commerce Bank Plc	1954
18.	Co-operative Development Bank Ltd	1986
19.	Credits Bank Nigeria Limited	1990
20.	Crystal Bank of Africa Limited	1990
21.	Diamond Bank Limited	1991
22.	Ecobank Nigeria Plc	1989
23.	Eko International Bank Plc	1988
24.	Equatorial Trust Bank Limited	1990
25.	First African Trust Bank Ltd	1991
26.	First Bank of Nigeria Plc	1894
27.	FSB International Plc	1991
28.	Gamji Bank of Nigeria PLC	1984
29.	Gateway Bank of Nigeria Ltd	1990

30.	Guaranty Trust Bank Ltd	1990
31.	Gulf Bank of Nigeria Ltd	1990
32.	Habib Nigeria Bank Ltd	1983
33.	Hallmark Bank Nigeria Ltd	1991
34.	Highland Bank of Nigeria Plc	1988
35.	Inland Bank (Nigeria) Plc	1988
36.	Intercity Nank Limited Plc	1987
37.	Lion Bank of Nigeria Ltd	1987
38.	Lobi Bank of Nigeria Ltd	1983
39.	Magnum Trust Bank Ltd	1992
40.	Merchantile Bank of Nigeria Plc	1971
41.	Meridian Equity Bank Ltd	1989
42.	National Bank of Nigeria Ltd	1933
43.	New Nigeria Bank Plc	1970
44.	Nigeria-Arab Bank Ltd	1962
45.	Nigeria International Bank Ltd	1984
46.	Nigeria Universal Bank Ltd	1974
47.	North South Bank (Nig) Plc	1988
48.	Oceanic Bank International (Nig) Ltd	1990
49.	Orient Bank of Nigeria Plc	1987
50.	Owena Bank (Nig) Plc	1981
51.	Pan African Commercial Bank Ltd	1971
52.	Pinacle Commercial Bank Ltd	1991
53.	Premier Commercial Bank Plc	1987
54.	Progress Bank of Nigeria	1982
55.	Savannah Bank of Nigeria Plc	1960
56.	Societe Generale Bank Nig. Ltd	1977
57.	Trade Bank (Nig) Plc	1987
58.	Trans International Bank Plc	1989
59.	Tropical Commercial Bank Plc	1976
60.	Union Bank of Nigeria Plc	1917
61.	United Bank For Africa Plc	1961
62.	Universal Trust Bank Ltd	1985

63.	Wema Bank Plc	1945
64.	Zenith International Bank Ltd	1990
	MERCHANT BANKS	**YEAR OF COMMENCEMENT OF OPERATIONS**
65.	Abacus Merchant Bank Ltd	1987
66.	ABC Merchant Bank	1984
67.	Afribank Int Ltd (Merchant Bankers)	1990
68.	Centre-Point Merchant Bank Ltd	1989
69.	Century Merchant Bank Ltd	1989
70.	Citi Trust Merchant Bank Ltd	1988
71.	Comet Merchant Bank Ltd	1990
72.	Continental Merchant Bank Plc	1975
73.	Crown Merchant Bank Ltd	1988
74.	Devcon Merchant Bank Ltd	1989
75.	FBN (Merchant Bankers) Ltd	1990
76.	Fidelity Union Merchant Bank Ltd	1988
77.	First City Merchant Bank Ltd	1983
78.	First Interstate Merchant Bank	1987
79.	Fountain Trust Merchant Bank Ltd	1991
80.	Great Merchant Bank Ltd	1990
81.	Group Merchant Bank Ltd	1990
82.	Hillcrest Merchant Bank Ltd	1990
83.	ICON Limited (Merchant Bankers)	197S
84.	Indo-Nigeria Merchant Bank Ltd	1982
85.	Industrial Bank Ltd	1988
86.	International Merchant Bank (Nig) Plc	1974
87.	Investment Banking & Trust Co.	1989
88.	Ivory Merchant Bank Ltd	1989
89.	Lead Merchant Ltd	1989
90.	Liberty Merchant Bank Ltd	1990
91.	Manufacturers Merchant Bank Ltd	1990
92.	Manna Inter. Bank Ltd	1990
93.	Merchant Bank of Africa Ltd	1987

94.	Merchant Bank of Commerce	1990
95.	Merchant Banking Corporation	1982
96.	Metropolitan Merchant Bank Ltd	1989
97.	Midas Merchant Bank Ltd	1990
98.	NAL Merchant Bank Plc	1960
99.	Nationwide Merchant Bank Ltd.	1989
100.	New Africa Merchant Bank Ltd	1989
101.	New World Merchant Bank Ltd	1990
102.	Nigbel Merchant Bank Ltd	1987
103.	Nigerian Intercont. Merchant Bank	1989
104.	Nigeria Merchant Bank Plc	1973
105.	Nigerian-American Merchant Bank Ltd	1979
106.	Pacific Merchant Bank Ltd	1990
107.	Peak Merchant Bank Ltd	1991
108.	Prime Merchant Bank Ltd	1988
109.	Prudent Merchant Bank Ltd	1990
110.	Rims Merchant Bank Ltd	1988
111.	Royal Merchant Bank Ltd	1991
112.	Societe Bancaire Nigeria Ltd	1991
113.	Triumph Merchant Bank Ltd	1991
114.	Stanbic Merchant Bank Ltd	1984
115.	Victory Merchant Bank Ltd	1990