

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
KUMASI
INSTITUTE OF DISTANCE LEARNING**

**EVALUATION OF QUALITY SERVICE DELIVERY IN THE BANKING
INDUSTRY- A CASE STUDY OF GUARANTY TRUST BANK (GHANA)
LIMITED**

KNUST

By

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**A Thesis submitted to the Institute of Distance Learning,
Kwame Nkrumah University of Science and Technology in partial fulfillment
of the requirements for the degree**

Of

**COMMONWEALTH EXECUTIVE MASTER OF BUSINESS
ADMINISTRATION**

June, 2011

DECLARATION

I hereby declare that this submission is my own work towards the CEMBA and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

KNUST

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Date

DEDICATION

I dedicate this work to my lovely wife Deborah Asare, my precious mum, Sarah Amoatemaah, my wonderful sister, Millicent Tweneboah.

God bless you all!



Acknowledgement

This thesis brings to an end my studies for a Commonwealth Executive Master in Business Administration at the Faculty of Distance learning, KNUST.

First of all, I would like to express my genuine gratitude to my supervisor, Mr. Aristotle Ayensu, of the KNUST Quality and Assurance Department, for his thoughtful supervision, invaluable guidance and constructive suggestions throughout the process of writing this thesis.

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I deeply acknowledge the words of encouragement from all my friends and colleagues, especially, Yahaya Atchulo of GTBank Kumasi Branch, and Andrews Kwakye of Vodafone, Accra. I really appreciate your support.

Finally, my deepest gratitude goes to the All-knowing God for His continuous blessing of my life.

ABSTRACT

Service quality is an important antecedent of consumer assessments of value. Value assessments in turn have been found to influence consumer satisfaction and motivate behavioural intentions (Zeithaml, 1988; Babakus and Boller, 1992). Notable examples of behaviours motivated by a favourable service quality assessment are branding, intentions, advertising, loyalty and word of mouth. Recent research also suggests that the causal order of this means-end value chain (i.e. service quality-satisfaction-behavioural intentions) is robust across national borders and as such has utility for international marketers (Brady and Robertson, 2001).

In an attempt to establish a competitive advantage, marketing practitioners often seek to differentiate their service offering upon service quality. Leveraging service quality has been shown to assist in both the retention and expansion of the existing customer base (Zeithaml, 2000).

Service quality and customer satisfaction are inarguably the two core concepts that are at the crux of the marketing theory and practice (Spreng and Mackoy, 1996).

In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers (Shemwell *et al.*, 1998).

The study sought to assess the of quality customer care and service delivery at GT Bank and to examining the level of customers satisfaction of the service delivery. According to some employees of the bank, even though GT Bank provides a higher level of satisfactory service to its customers but rather a much more improvement is needed in its operations. Again the service

quality dimensions all affects the total service delivery of GT Bank and their inclusion is very significant to the overall performance of the company. In summary this study will help managements of GT Bank to know the performances of their service delivery and improve upon the various variables which fall below the expectation of their customers which in the end will generally aid in the improvement of the overall service quality and customer care of GT bank.

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APPENDIX I

KNUST INSTITUTE OF DISTANCE LEARNING (IDL) QUESTIONNAIRES FOR EVALUATION OF QUALITY SERVICE DELIVERY IN THE BANKING INDUSTRY (A CASE STUDY OF GUARANTY TRUST BANK [GH] LTD)

QUESTIONNAIRE FOR CUSTOMERS

The purpose of this questionnaire is to gather data for the “Evaluation of Quality Service Delivery in the Banking Industry (A Case Study of Guaranty Trust Bank [GH] Ltd)”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

A. *Personal Information*

1. Gender: Male () Female ()
2. Age Group:
 16 – 30 years ()
 31 – 45 years ()
 46 – 60 years ()
 61 years and above ()
3. Marital Status:
 Married () Single () Divorced () Separated () Widow/ Widower ()
4. Level of education
 Basic () SHS/ Commercial () Diploma () 1st and/or 2nd Degree ()
 Professional () No formal education () Others () Specify

5. What type of business are you engaged in?
 Sole Proprietor () Joint Venture () Micro Scale Enterprise ()
 Small & Medium Scale Enterprise () Private Limited Company () Public/Civil
 Servant ()

6. How long have you been with the bank?.....

B. Service Quality

Listed below are five major features pertaining to GTBank Ltd and the services they offer. We would like to know how important each of these features is to you when you evaluate the company's quality of service. Please show the extent to which GTBank Ltd would possess the features described by each statement. If you feel a feature is not at all essential for GTBank, circle the number 1; if you feel a feature is absolutely essential circle 5 and if your feelings are less strong, circle 3. There are no rights or wrong answers – all we are interested in is a number that truly reflects your feelings regarding GTBank as one that delivers excellent quality of service.

Scale: 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Tangibility	GTBank has up-to-date or state of the art equipment.	1 2 3 4 5	
	GTBank employees are professional and always appear neat	1 2 3 4 5	
	Physical facilities and interior décor are visually appealing	1 2 3 4 5	
	Equipments and materials for service delivery are modern and efficient	1 2 3 4 5	
Reliability	GTBank provides services at scheduled times as promised	1 2 3 4 5	
	GTBank employees keep accurate records of customers.	1 2 3 4 5	
	When you have a problem GTBank shows a sincere interest in solving it.	1 2 3 4 5	
	Customers are satisfied with the quality of service provided by GTBank	1 2 3 4 5	
	GTBank insists on error-free records		
	GTBank performs the service right the first time	1 2 3 4 5	
Responsiveness	GTBank response to client complaints at the right time	1 2 3 4 5	
	Employees of GTBank tell customers exactly when service will be performed	1 2 3 4 5	
	Employees of GTBank gives you prompt service.	1 2 3 4 5	
	Employees of GTBank are always willing to help you.	1 2 3 4 5	
	Employees of GTBank are never too busy to respond to your requests	1 2 3 4 5	
SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT

Assurance	The behaviour of employees in the Company instills confidence in you.	1 2 3 4 5	
	You feel safe in your transactions with the Company	1 2 3 4 5	
	Employees of GTBank are consistently courteous with customers.	1 2 3 4 5	
	Employees in the Company have the knowledge to answer your questions	1 2 3 4 5	
Empathy	The Company gives you individual attention.	1 2 3 4 5	
	The Company has operating hours convenient to customers.	1 2 3 4 5	
	GTBank employees show concern when queue get too long.	1 2 3 4 5	
	Employees of GTBank understand the specific needs of customers.	1 2 3 4 5	

C. Recommendation

1. What kind of service do you undertake with GTBank?
Corporate Banking () Retail Banking () Any other, please specify.....
2. Could you recommend GTBank to others?
Yes () No ()
Provide reasons for the choice ticked above.....
.....
.....
3. How often do you receive statement of accounts from GTBank?.....
4. Do you have to request for it; and how do you get it?
.....
.....
5. How would you rate the services of GTBank?
Excellent ()
Good ()
Satisfactory ()
Poor ()

Very Poor ()

6. Would you recommend GTBank to potential customers?

Yes () No ()

Please provide reasons for answer.....

.....

.....

7. Would you like to maintain GTBank as your partner on long term bases?

Yes () No ()

Please provide reasons for answer.....

.....

.....



APPENDIX II

KNUST INSTITUTE OF DISTANCE LEARNING (IDL) QUESTIONNAIRES FOR EVALUATION OF QUALITY SERVICE DELIVERY IN THE BANKING INDUSTRY (A CASE STUDY OF GUARANTY TRUST BANK [GH] LTD)

QUESTIONNAIRE FOR GTBANK EMPLOYEES

The purpose of this questionnaire is to gather data for the “Evaluation of Quality Service Delivery in the Banking Industry (A Case Study of Guaranty Trust Bank [GH] Ltd)”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

A. Personal Information

1. Gender: Male () Female ()
2. Age Group:
 16 – 30 years ()
 31 – 45 years ()
 46 – 60 years ()
 61 years and above ()
3. Level of education
 Basic () SHS/ Commercial () Diploma () 1st and/or 2nd Degree ()
 Professional () Others please specify.....
4. How long have you been with GTBank?
 Less than 5 years ()
 Between 6 and 9 years ()
 10 years and more ()
5. Rank: Lower level () Middle level () Senior level

B. Service Quality

Listed below are five major features pertaining to GTBank Ltd and the services they offer. We would like to know how important each of these features is to you when you evaluate the company's quality of service. Please show the extent to which GTBank Ltd would possess the features described by each statement. If you feel a feature is not at all essential for GTBank, circle the number 1; if you feel a feature is absolutely essential circle 5 and if your feelings are less strong, circle 3. There are no right or wrong answers – all we are interested in is a number that truly reflects your feelings regarding GTBank as one that delivers excellent quality of service.

Scale: 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Tangibility	GTBank has up-to-date or state of the art equipment.	1 2 3 4 5	
	GTBank employees are professional and always appear neat	1 2 3 4 5	
	Physical facilities and interior décor are visually appealing	1 2 3 4 5	
	Equipments and materials for service delivery are modern and efficient	1 2 3 4 5	
Reliability	GTBank provides services at scheduled times as promised	1 2 3 4 5	
	GTBank employees keep accurate records of customers.	1 2 3 4 5	
	When you have a problem GTBank shows a sincere interest in solving it.	1 2 3 4 5	
	Customers are satisfied with the quality of service provided by GTBank	1 2 3 4 5	
	GTBank insists on error-free records		
	GTBank performs the service right the first time	1 2 3 4 5	
Responsiveness	GTBank response to client complaints at the right time	1 2 3 4 5	
	Employees of GTBank tell customers exactly when service will be performed	1 2 3 4 5	
	Employees of GTBank gives you prompt service.	1 2 3 4 5	
	Employees of GTBank are always willing to help you.	1 2 3 4 5	
	Employees of GTBank are never too busy to respond to your requests	1 2 3 4 5	
SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Assurance	The behaviour of employees in the Company instills confidence in you.	1 2 3 4 5	
	You feel safe in your transactions with the Company	1 2 3 4 5	

	Employees of GTBank are consistently courteous with customers.	1 2 3 4 5	
	Employees in the Company have the knowledge to answer your questions	1 2 3 4 5	
Empathy	The Company gives you individual attention.	1 2 3 4 5	
	The Company has operating hours convenient to customers.	1 2 3 4 5	
	GTBank employees show concern when queue get too long.	1 2 3 4 5	
	Employees of GTBank understand the specific needs of customers.	1 2 3 4 5	

C. Employees Assessment of Internal Quality

1. Do employees of GTBank participate in decision making process?

Yes () No ()

Please provide reasons for answer.....

.....

.....

2. Do management respond promptly to concerns of GTBank staff?

Yes () No ()

Please provide reasons for answer.....

.....

.....

3. How often does GTBank organize capacity building for staff for efficient delivery of duty?

Monthly ()

Quarterly ()

Semi-annually ()

Annually ()

As and when need arises ()

4. How often does management of GTBank hold departmental meeting to discuss issues pertaining to customer care and quality service delivery?

Monthly ()

Quarterly ()

Semi-annually ()

Annually ()

As and when need arises ()

5. Are products and services of GTBank tailored to suit customer needs?

Yes () No ()

Please provide reasons for answer.....

.....

.....

6. What are the challenges you encounter in the course of performing your duty as a banker?

.....

.....

7. How do the above mentioned challenges affect your quality of service delivery?

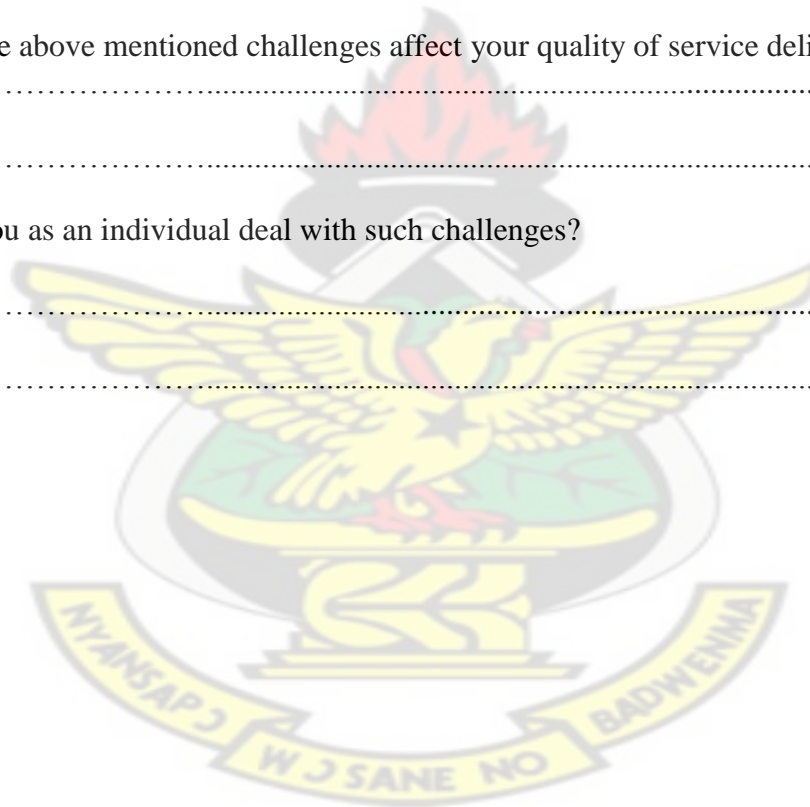
.....

.....

8. How do you as an individual deal with such challenges?

.....

.....



Interview Guide to GTBank Managers

The purpose of this questionnaire is to gather data for the “Evaluation of Quality Service Delivery in the Banking Industry (A Case Study of Guaranty Trust Bank [GH] Ltd)”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

1. Besides traditional functions what additional services are provided by GTBank?
2. With respect to the list of services provided are there regulatory limitations that constrain GTBank to offer some of them?
3. Are there regulatory limits on the ability of GTBank to operate effectively?
4. Is there one single consumer of the product or service considered? Are there many consumers or large entities as major consumers?
5. In geographic terms how wide is the market for the services of GTBank? Are customers’ branches or location dependent? What is the willingness of customers to use distant branches?
6. Is the expansion of GTBank regulated?
7. How does quality service delivery affect the operations of GTBank?
8. Please indicate how GTBank has responded to quality of service over the years.

CHAPTER ONE

1.0 Introduction

This chapter which is the first chapter looks at the background of the study, the statement of the problem and objectives. It also looks at the significant of the study and organization of the study.

1.1 Background of the Study

Service quality is an important antecedent of consumer assessments of value. Value assessments in turn have been found to influence consumer satisfaction and motivate behavioural intentions (Zeithaml, 1988; Babakus and Boller, 1992). Notable examples of behaviours motivated by a favourable service quality assessment are branding, intentions, advertising, loyalty and word of mouth. Recent research also suggests that the causal order of this means-end value chain (i.e. service quality-satisfaction-behavioural intentions) is robust across national borders and as such has utility for international marketers (Brady and Robertson, 2001).

In an attempt to establish a competitive advantage, marketing practitioners often seek to differentiate their service offering upon service quality. Leveraging service quality has been shown to assist in both the retention and expansion of the existing customer base (Zeithaml, 2000).

Service quality and customer satisfaction are inarguably the two core concepts that are at the crux of the marketing theory and practice (Spreng and Mackoy, 1996). In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers (Shemwell *et al.*, 1998).

Customer satisfaction is considered a prerequisite for customer retention and loyalty, and obviously helps in realizing economic goals like profitability, market share, return on investment, etc. (Scheuing, 1995; Reichheld, 1996; Hackl and Westlund, 2000). The customer's overall satisfaction with the services of the organization is a function of all the encounters/experiences of the customers with that organization.

Similar to service quality, customer satisfaction can occur at multiple levels in an organization, example, satisfaction with the contact person, satisfaction with the core service and satisfaction with the organization as a whole.

In the banking sector customers are not that loyal to one particular bank, especially when they are not receiving value for money kind of service. Hence, contemporary companies are forced to consider how to create a loyal customer base that will not be eroded even in the face of fierce competition. Therefore, the banks must realize the necessity of studying and understanding various antecedents (viz. service quality, switching cost, trust, corporate image, and customer satisfaction) of the customer loyalty which might help them to develop a loyal customer base (Sharp & Sharp, 1997).

High quality service as reported in several literature, helps to generate customer satisfaction, customer loyalty, and growth of market share by soliciting new customers, and improved productivity and financial performance (Lewis, 1993; Andereson, Fornell, & Lehmann, 1994). Hackl, Scharitzer, and Zuba (2000) had substantiated the point by adding that customer satisfaction is a prerequisite of customer retention and loyalty.

This work is therefore an exploratory study to unearth quality service in the delivery of quality customer service in the banking industry and to channel future research in customer service in Ghana.

1.2 The Statement of the Problems

As noted earlier, the economic climate in the country over the last decade has been relatively turbulent for banking business. This notwithstanding, not all the banks can be said to have performed to the level that meets industry and stakeholders' expectations. The upsurge of banking activities in Ghana is good news for the country. Recent trends indicate that in Ghana's banking market, customers are looking for more enriching service qualities rather than what is typically offered by the conservative banking system. Customers are becoming more aware of the fact that players in the industry are offering a wide diversity of products and services which are almost be done by every bank in the country under different names. In view of this, all players are certain that one can only remain in business when the service delivery is beyond par excellence. Quality service delivery has become the most critical successful factor for a bank to either sustain gains made or move to the next level of efficiency and improve and enhance its operations, particularly in case of GTBank.

The banking industry in Ghana is undergoing a major transformation due to changes in economic condition and continuous deregulation; thus resulting in the banking sector becoming extremely competitive with greater autonomy, operational flexibility, and decontrolled interest rate and liberalized norms for foreign exchange. Banks are transforming to universal banking, adding new channels with lucrative pricing and freebies to offer. Natural fall out of this new players, new channels squeezed spreads, demanding customers better service, marketing skills heightened competition, new rules of the game pressure on efficiency missed opportunities. Need for new orientation diffused customer loyalty. Competitive banking has led to a series of innovative product offerings catering to various customer segments, specifically retail credit. This in turn has made it necessary to look for efficiencies in the business. Banks need to access low cost

funds and simultaneously improve their efficiency. The banks are facing pricing pressure, squeeze on spread and have to give thrust on retail assets.

These have definitely impacted on customer preferences. Customers have become demanding and the loyalties are diffused. These are multiple choices; the wallet share is reduced per bank with demand on flexibility and customization. Given the relatively low switching costs; customer retention calls for customized service and hassle free, flawless service delivery.

The problem statement is that in order to achieve competitive advantage and efficiency, the banks have to seek profitable ways to differentiate themselves by adopting prudent strategies to reach success; and the delivery of excellent service quality has highly been recommended, especially, during these era of turbulent competition in the banking sector. The intensified focus has made quality as a business objective where service quality is a key success factor that can bring about the much sought after strategic competitive edge. It is therefore opportune to examine the extent that quality service delivery has impacted on the general performance of GTBank in the ever-competitive banking sector of Ghana.

1.3 Objectives of the Study

Service quality is a considerable part of business, which makes it important to properly and correctly assess its effectiveness and efficiency. It is upon this premise that the general objective to evaluate the quality of service delivery in the Ghanaian banking industry was adopted. Specifically, the study is aimed at:

- To identify and assess the key determinants of service quality using SERVQUAL;
- To determine ways to improve service delivery in the banking industry.
- To ascertain methods of maintain customer loyalty and trust.
- To determine which dimension of service quality is significant to the Guaranty Trust

Bank Ghana Limited

1.4 Research Questions

In order to attain the main objective of the study the following research questions were posed.

- What are the key determinants of service quality in GTBank using SERVQUAL?
- What are the ways to improve service delivery in the banking industry, particularly GTBank?
- Which appropriate methods are to be adopted in order to maintain customer loyalty and trust?
- Which dimension of service quality is significant to the Guaranty Trust Bank Ghana Limited?

1.5 Hypothesis

1.5.1 First Set of Hypotheses

To test for the perceptions of customers on the correlation of quality service delivery on one hand, customer satisfaction, loyalty and trust on the other, the following hypotheses have been formulated:

H_{1a}: Customers' perceived quality service delivery has a positive effect on customer satisfaction.

H_{1b}: Customers' perceived quality service delivery does not have a positive effect on customer satisfaction

1.5.2 Second Set Of Hypotheses

In order to test for the strength of the relationship between service quality delivery and the bank's general performance using SEQUAL, the following hypotheses have been formulated.

H_{2a}: There is no significant correlation between service quality and customer satisfaction with respect to service reliability.

1.6 Scope and limitation of the study

The study was conducted within the framework of evaluation of quality service delivery in the banking industry. The study was carried out at the Guaranty Bank of Ghana Limited branches in Kumasi and in Accra. It is a case study approach of one particular bank (Guaranty Bank of Ghana Limited - GTB) and did not cover other banks to reflect the entire industry approach to quality service delivery. Hence the result was not generalized but its findings placed it in the relevant context of the individual bank studied.

1.7 Significant of the Study

The purpose of this study could be outlined below:

Academic purpose: The output of this study will contribute to knowledge and literature in the subject area under investigation; and serve also as a base for further research for students, teachers, researchers and consultants interested in the topic who wants to conduct similar studies into other related fields.

Management of Banks in Ghana: it will also provide a framework for handling and offering quality services to their clients' satisfaction.

Policy makers: It is expected that the study will help the government especially the Bank of Ghana in regulating the activities of the banks in the area of quality services to clients. The study could also inform national and corporate policies. The results would be of relevance to other non- bank financial institutions facing competition and will serve as a guide on what strategies to adopt in quality service delivery.

1.8 Organizational Structure

The study is structured into five main chapters:

Chapter One: It captures the background of the study, the problem statement, objectives, and research questions and the significant of the study. **Chapter Two:** This examines the review of both the theoretical and empirical literature. **Chapter Three:** This section looks at how the research is going to be conducted by looking at the research methodology. **Chapter Four:** It looks at the analysis and discussion of the data. **Chapter Five:** The chapter five which is final chapter looks at summary of the findings, conclusions, recommendations and areas for further research.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is devoted to the literature review on service quality for the purpose of orderly presentation; the study reviewed related literature such as those which impinged on the research problem, definition and measurement of service quality, cost of poor service quality and its management and improvements.

Literature Review provides the foundation upon which a research is built to confirm, compliment, counter or establish any new trends that possibly might have emerged. This research proceeds accordingly to review literature that is relevant to the research topic

2.1 The Concept of Service Quality

Service quality is an important antecedent of consumer assessments of value. Value assessments in turn have been found to influence consumer satisfaction and motivate behavioral intentions (Zeithaml, 1988; Babakus and Boller, 1992). Notable examples of behaviors motivated by a favourable service quality assessment are repurchasing intentions, loyalty and word of mouth. Recent research also suggests that the causal order of this means-end value chain (i.e. service quality-satisfaction-behavioural intentions) is robust across national borders and as such has utility for international marketers (Brady and Robertson, 2001).

The phenomenal acceleration of changes in the nature of financial institutions in recent times in Africa brought about by the entry of new aggressive competitors, deregulation, globalization and

automation, customers now have a wide array of choices in banking services (Owusu-Frimpong, 1999; Opoku et al 2009; Mehta & Tambe, 1997). Shook & Hassan (1988) suggested that in the developing countries, only those commercial banks that are able to apply effective consumer oriented marketing management will grow and prosper. When individual purchase a service, they are influenced by the service provider and the quality of the experience they have with the service provider. There is no quality in the customer contact. If the transaction is done poorly, the organization ends up with a dissatisfied customer. Such customers may not only take their business elsewhere but also share their negative experiences with others (Burke, Graham & Smith, 2005). It is important to understand how service employees feel about the quality of service they provide to clients since some previous research has shown that these assessments have positive correlation with client perception of service offered (Burke, Graham & Smith, 2005). Conversely, researchers in Ghana revealed a significant difference between the perceptions of service quality among management and employees when compared to the external customers. The customers believed that the level of service quality is low whereas employees think high of their service quality. The implication of this dichotomy where employees hold a higher view of their product in comparison to external perceptions is that employees feel a reduced to improve quality (Opoku et al 2009). Knowledge of banking services and procedures is an absolute precondition for quality of service. An employee's knowledge can be assessed by the level of their understanding of their changing work environment and will depend on their ability to implement banking procedures, policies, products and services. Employee attitude relates to the reaction, response or behaviour displayed by employees towards their jobs. There is positive attitude and effectiveness of Customer Relationship Management (Rootman, Tait and Bosch, 2008). Investment in training has intangible benefits such as improved attitudes and increased skills that may presage higher levels of service quality, customer satisfaction, and loyalty. Training also provides organizational members with values and culture cherished by the

organization and communicates the organization's commitment to employee's careers development (Bansal et al, 2001)

2.1.1 Definition of Quality

Quality has been variously defined as “fitness for use” conformance to requirements and freedom from variation (Wall street journal 14/5/92 p.1). The American Society for Quality Control defines quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implies needs. This is clearly a customer – centered definition of quality. It suggests that a company has delivered quality whenever the quality of its products and services meets or exceeds customer needs, requirements and expectation. A company that satisfies most of its customers' needs most of the time is a quality company.

Gerson (1993 p14) defines quality as “whatever the customer says. He explained that quality is a little harder to define than customer satisfaction because quality is subjective. Our measurement objective is implying to find out what the customers think quality is”.

The perceived service quality is a major component of customer satisfaction. Practitioners and writers in the popular press tend to use customer satisfaction and quality interchangeably but researchers have attempted to be more precise about meanings and measurement of two concepts, which resulted in considerable debate (Journal of marketing No. 1 Jan. 1999 ph 112).

Quality is defined by Berry et al (2000 p. 81) as the ability of the product or service to continually meet the need and expectation of the customer. Smith (1998, p. 54) also defined quality as conforming to customer requirements. It means providing both external and internal customers with innovative products/services that fully satisfy their requirements.

Stevenson (1996 p. 94) broadly defined quality as the ability of a product or service to consistently meet or exceed customer expectations. Quality means getting what you pay for.

The above definitions indicate that quality can only be perceived from the customer's point of view. Companies clearly have recognized the importance of quality. Quality is not something that is tacked on as a special feature but is an integral part of a product or service.

2.1.2 The Concept of Quality

Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs (Miller, 1993). According to Kotler & Keller (2006:146), the above definition is a customer-centred. He stated that "the seller has delivered quality when the seller's product or service meets or exceeds the customers' expectation. An organization or company that satisfies most of its customers' needs most of the time is called a quality company, but it is important to distinguish between conformance quality and performance quality (or grade). Continuous improvement of quality is necessary because expectations change thus what meet today's' expectation may not meet tomorrow's expectation. Total quality is the key to value creation and customer satisfaction. Hence ensuring total quality is every one's job, just as marketing is everyone's job.

According to JBR (2006), service quality is a multinational concept; which means different things to different people. First service is abstract so service is difficult for suppliers to explain and for customers to assess. Secondly, no global definition of quality has been established until the time of speaking even though this has been the focus of discussion throughout history. Rather different definitions are accepted under different circumstances. The search for definition carried

out by Chase, Aquilato and Jacobs (1995) showed that quality has been defined variously as excellent value (Feigenbaum, 1991); conformance to specifications (Levitt, 1972); conformance to requirements (Crosby, 1979); fitness for use, that is satisfies customer's needs (Juran, 1980); loss avoidance (Taguchi, 1987) and meeting or exceeding customers' expectation (Gronroos, 1982). Quality is also defined as "measure of the extent to which the service delivered meets the customers' expectation" Finally; Deming (1982) also defined quality as a predictable degree of uniformity and dependability at low cost and suited to the market.

2.1.3 The Concept of Quality Assurance

Quality assurance in banking is a planned systematic approach for continuously monitoring, measuring and improving quality of services with available resources, to meet the expectations of both providers and users. According to Chase, Aquilato and Jacobs (1995), there are five basic principles of quality assurance. These are:

- Oriented towards meeting the needs and expectation of the clients and the community
- Focuses on systems and processes
- Use data to analyze service delivery process
- Encourage team approach to problem solving and quality improvement
- Is vital to success of quality assurance.

However, there are several situations that make the principle of quality assurance to apply. The tool to overcome these situations is determination. Service providers are morally bound to give quality services to their client. Also, the community is getting more aware of their rights and

therefore making lots of complaints. In conclusion, quality assurance is important because poor quality is costly and good quality is beneficial.

2.1.4 Quality Specification

Chase, Aquilano and Jacobs (1985), stated that the fundamental to any quality program is the determination of quality specifications and the cost of achieving (or not achieving) those specifications. The quality specification of a product or service derives from decisions and actions made relative to the quality of its design and the quality of its conformance to that design. Design quality refers to the inherent value of the product in the market place and thus a strategic decision for the firm. Conformance quality refers to the degree to which the product or service design specifications are met. Executions of the activities involved in achieving conformance are a tactical day-to-day nature. It should be evident that a product or service have high design quality but low conformance and vice versa.

2.1.5 The dimensions of quality

The term quality is used in a variety of ways. Sometimes it refers to the grade of a product, at other times, it refers to materials, workmanship or special features. Sometimes it is related to price, as in “cheap” or “expensive” (Stamford, 1998, p.5). Stevenson (1996) again explained that the implications of these various connotations of quality is that customers value certain aspects of a product or service and therefore associate those aspect with the quality that a perceived product or service has. In fact, it may be obvious that from a customer perspective, quality does not pertain to a single aspect of a product or service but of different dimensions of a product or service. Generally speaking he outlined the following dimensions of quality.

- Performance – the main characteristics of the product or services
- Special features – extra characteristics
- Conformance – how well a product or service corresponds to the customers expectation
- Reliability – consistency of performance
- Durability – the useful life of the product or service
- Perceived quality – indirect evaluation of quality (e.g. reputation)
- Service after sales – handling of complaints or checking on customer satisfaction

2.2 Definition and Concept of Services

According to www.businessdictionary.com, (2010) service is defined as a valuable action, deed, or effort performed to satisfy a need or to fulfill a demand. It further explained that intangible products that are not goods (tangible products), such as accounting, banking, cleaning, consultancy, education, insurance, know how, medical treatment, transportation. Sometimes services are difficult to identify because they are closely associated with a good; such as the combination of a diagnosis with the administration of a medicine. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.

The International Standardization Organization (ISO) defines service as part of the total production concept. A product is the result of a production process. To produce means to create an added value. That is, the created value is larger than the sum of resources expended during the production process.

Services are often “invisible” and thus difficult for the supplier to explain and for the customer to assess. Scholars have defined the service concept in many different ways. For instance, Vargo and Lusch, (2004) define the concept of service as “activities, deeds, processes and interactions”. Lovelock (1991) defined services as “a process or performance rather than a thing”. Most definitions also focus on the customer, and on the fact that services are provided as solutions to customer problems (Gronroos, 2001).

As a process, the marketing of services is thus different from consumer goods, and generally more difficult to manage than product marketing. This is due to the four unique features of services: intangibility (Lovelock, 1981), perishability (Bateson, 1977), inseparability of provision and consumption (Booms et al, 1981), and variability (Berry, 1980).

Edvardson, (1998) suggested that service is customer result and customer process. He explained further that the concept of service must be approached from a customer perspective. It is the customer’s total perception of the outcome which is “the service”. A customer forms the perception of quality and determines whether he is satisfied or not. Customers have different values and different grounds for assessment, they may perceive one and the same service in different ways, but what they do not perceive does not exist, is not a customer outcome. It can therefore be suggestive that the quality of a service is linked to activities, interactions and solutions to customer problems.

The services literature highlights differences in the nature of services versus products which are believed to create special challenges for services marketers and for consumers buying services. To help understand these differences a number of characteristics that describe the unique nature of services have been proposed. These characteristics were first discussed in the early services marketing literature and are generally summarised as intangibility, inseparability, heterogeneity and perishability (Regan, 1963; Rathmell, 1966; Shostack, 1977; and Zeithaml *et al* 1985).

Although there has been debate on the effectiveness of the four characteristics in distinguishing between products and services (e.g. Regan, 1963; Shostack, 1977; Onkvisit and Shaw, 1991) these are nevertheless widely accepted by scholars and marketers (e.g. Zeithaml, 1981, 1985; Levitt, 1981) and used both as the basis for examining services buyer behaviour and developing services marketing strategies.

2.2.1 Characteristics of Services

Bitner, Fisk and Brown (1993) suggest that the major output from the services marketing literature up to 1980 was the delineation of four services characteristics: intangibility, inseparability, heterogeneity and perishability. These characteristics underpinned the case for services marketing and made services a field of marketing that was distinct from the marketing of products.

Intangibility in Services

The literature highlights intangibility as one of the key characteristics of services. Regan (1963) introduced the idea of services being “activities, benefits or satisfactions which are offered for sale, or are provided in connection with the sale of goods”. The degree of intangibility has been proposed as a means of distinguishing between products and services (Levitt, 1981). Darby and Karni (1973) and Zeithaml (1981) highlight the fact that the degree of tangibility has

implications for the ease with which consumers can evaluate services and products. Other studies suggest that intangibility cannot be used to distinguish clearly between all products and services. Bowen (1990) and Wyckham, Fitzroy and Mandry (1975) suggest that the intangible-tangible concept is difficult for people to grasp. Bowen (1990) provides empirical evidence to support this view.

Onkvisit and Shaw (1991) feel that the importance of intangibility is over-emphasised. They believe that the service provider's offer is their "productive capacity" and not the (in) tangible nature of the offer.

Inseparability of Services

Inseparability is taken to reflect the simultaneous delivery and consumption of services (Regan 1963; Wyckham *et al* 1975; Donnelly 1976; Grönroos 1978; Zeithaml 1981; Carman and Langeard 1980; Zeithaml *et al* 1985; Bowen 1990 and Onkvisit and Shaw 1991) and it is believed to enable consumers to affect or shape the performance and quality of the service (Grönroos, 1978; Zeithaml, 1981).

Heterogeneity of Services

Heterogeneity reflects the potential for high variability in service delivery (Zeithaml *et al* 1985). This is a particular problem for services with a high labour content, as the service performance is delivered by different people and the performance of people can vary from day to day (Rathmell, 1966; Carman and Langeard, 1980; Zeithaml, 1985; Onkvisit and Shaw, 1991). Onkvisit and Shaw (1991) consider heterogeneity to offer the opportunity to provide a degree of flexibility and customisation of the service. Wyckham *et al* (1975) suggest that heterogeneity can be introduced as a benefit and point of differentiation.

Perishability of Services

The fourth characteristic of services highlighted in the literature is perishability. In general, services cannot be stored and carried forward to a future time period (Rathmell, 1966; Donnelly, 1976; and Zeithaml *et al*, 1985). Onkvisit and Shaw (1991) suggest that services are “time dependent” and “time important” which make them very perishable. Hartman and Lindgren claim that the “issue of perishability is primarily the concern of the service producer” and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service.

2.3 What Goes Into Service Performance?

In their comprehensive work on service quality,(Parasuraman, *et al*. 1985, 1988, 1990, 1991, 1993) developed an extended model of service quality, based on the definition of five distinctive gaps between what customers expect and what they perceive they receive. “Gap 3” is the service performance gap. The service performance gap occurs when there is a discrepancy between the specifications and the delivery of service (Parasuraman, *et al.*, 1985; Zeithaml, *et al.*, 1988) and consequently has organizational determinants.

From a management point of view, the service performance gap is important in terms of resource utilization, because its occurrence generates the costs of eliminating service failures, costs which in turn affect the financial results of the firm (Edvardsson and Gustavsson, 1990; Schlessenger and Heskett, 1991). Empirical research by Parasuraman, *et al.* (1990) demonstrated that the service performance gap has significant effects on the service quality gap. In other words, service performance is directly correlated to service quality. Since service delivery is a process between the customer and a company’s employee, it represents a “moment of truth” (Carlzon, 1987)

where the underlying assumption is that the customer's perception of a service encounter is an important element of his/her satisfaction, perception of quality and long-term loyalty.

To perform the service, the employee has to meet certain specifications of service. Extensive researches which have been examined are the management of customer and employee interactions in service encounters and the way through which customers evaluate individual service encounters (Bitner, et al., 1990; Lewis and Entwistle, 1990).

2.3.1 Service Performance Gap

Zeithaml, et al. (1988) defined the service performance gap as the discrepancy between the specifications of service and the delivery. They conceptualized the service performance gap as having the following factors:

Team work: involves group cohesiveness, group commitment, participation in decisions and success sharing. Critical factors to this construct are co-operation versus competition, management care, personal involvement and commitment.

Employee-job fit: involves employees' skills and ability to perform the job.

Technology-job fit: is the appropriateness of the tools or technology the employees use to perform the job.

Perceived control: relates to the relationship between individual reactions to stress and their possibilities to control these situations. Rules and procedures, company's culture, predictability of demand are critical to this antecedent.

Supervisory control systems: is the measurement of employees' performance.

Role conflict: is the discord between the expectations of other parties (managers, customers etc.) and the employees' perception that they cannot satisfy these demands.

Role ambiguity: occurs when employees do not have the necessary information to perform the job. Critical factors to this antecedent are downward communication and training in communication skills.

Edvardsson, (1998) however concluded in a study that the absence of a service performance gap is first of all a function of trust, commitment, co-operation, perceived control and employee job fit.

2.4 Service Quality Concept

According to Carlzon, (1987), service quality is the major driving force for business sustainability and in today's competitive global marketplace, it is recognized that high quality service is essential for the success of the firm (Rust and Oliver, 1994). And to Lewis and Boon (1983), quality service is a measure of how well the service level delivered, matches customer expectations.

The central focus of the study of service quality is the customer gap, the difference between customers' expectations and perceptions of the service received. Expectations are the reference point customers have before experiencing the service whereas perceptions reflect their experience of the service that they have actually received. Hence, firms will strive to close or narrow this gap, that is, between what is expected and what is received, to satisfy their customers and to build long-term relationships with them. Lehtinen and Lehtinen (1982) defined service quality in terms of physical quality, interactive quality and corporate (image) quality.

Physical quality relates to the tangible aspects of the service. Interactive quality involves the interactive nature of services and refers to the two-way flow that occurs between the customer and the service provider, or his/her representative, including both automated and animated interactions. Corporate quality refers to the image attributed to a service provider by its current

and potential customers, as well as other publics. They also suggest that when compared with the other two quality dimensions, corporate quality tended to be more stable over time. When other factors have been considered, it leads to customer loyalty (Lewis, 1994) and higher profitability (Gundersen, et al., 1996).

A common definition of service quality is that the service should correspond to the customers' expectations and satisfy their needs and requirements. It is therefore evident that a key strategy for customer-focused firms is to measure and monitor customer satisfaction and service quality.

In the marketing literature, service quality, customer satisfaction and customer loyalty are three distinctive elements that firms offering services should strive for. The interactive nature of the service process results in the consumer's evaluation of quality immediately after the provision and performance of that service.

2.4.1 Effect of experience in service quality

Customer satisfaction or dissatisfaction results from experiencing a service and comparing that experience with the kind of quality of service that was expected (Oliver, 1980).

O'Neill and Palmer,(2003) concluded in a recent study that, experience exerts an overarching influence on the level of satisfaction or dissatisfaction which is derived from memories of previous experiences encountered in the delivery of similar services. This can lead to a modification in the attitude of the consumer to subsequent service encounters. This enhanced level of satisfaction or dissatisfaction cannot easily be identified or controlled by the service provider as it is unique and personal to that particular consumer at that moment in time.

2.4.2 Service quality and satisfaction

According to Bitner, (1990), service quality and satisfaction are distinct constructs. Yi, (1990) also mentioned that customer's satisfaction is influenced by two factors; experience and expectations with service performance. Crosby et al. (1990) demonstrated that customer's past satisfaction affects their decisions to have a continuing relationship with the service provider.

In a similar study, Fornel (1992) found that satisfied customers tend to maintain their consumption pattern and will consume similar products or services. Thus, customer satisfaction has become an important indicator of quality and future revenue (Andreassen, 1994). Oliver (1980) identified satisfaction and dissatisfaction in terms of the disconfirmation of consumers' expectation.

A positive disconfirmation leads to customer satisfaction and a negative disconfirmation leads to customer dissatisfaction. He contends that satisfaction is said to have occurred when the product positively disconfirms consumers' expectation by performing better than expected and when the product confirms consumers' favorable pre-purchase expectations.

Service quality has been described as that which satisfies needs and meets expectations of customers, employees and owners (Edvardsson 1998). It is essentially to fully understand the various needs and expectations of these groups, how they are formed and how they change.

When developing services, it is crucial to build in the right quality by balancing these partly contradictory demands on the service. According to Edvardsson, (1998), quality is a three tier phenomenon, that is, quality is for customers, employees and owners and quality is in the service concept, the service process and the service system.

2.5. Customer Satisfaction

Customer satisfaction is recognized as being of great importance to all commercial organizations because of its influence on repeat purchase behavior and word-of-mouth recommendations (Berkman and Gilson 1986). In general terms, customer satisfaction is seen as the essential determinant of business success (Moore et al., 1998).

On the other hand, as competition has increased, customer satisfaction has been identified as a determinant of market share, return on investment and cost reduction (Burch et al., 1995).

Nauman (1995) referred to several studies that had found that it costs about five times as much in time, money and resources, to attract a new customer as it do to retain an existing customer. This creates the challenge of maintaining high levels of service, awareness of customer expectations and improvement in services and products.

Satisfaction reinforces positive attitudes toward the product/service, leading to a greater likelihood that the same product/service will be purchased again and that dissatisfaction leads to negative product/service attitudes and lessens the likelihood of using the same product/service again (Assael, 1987).

2.5.1 Dimensions of Customer Satisfaction

Sureshchandar, et. al., (2002), emphasized in a study that customer satisfaction is a multi dimensional construct as in quality. Taylor and Baker (1994) also concluded that service quality and customer satisfaction are separate constructs. Whilst satisfaction indicates the state of a customer's psyche, quality refers to the state of a business' resources and efforts. Whiteley, (1991) differentiated product and service quality by defining the former as "What you get" and the latter as "How you get it". This is in agreement with Grönroos'(1990) two-dimensional

aspects of service quality (technical quality – the quality of what is delivered; and the functional quality – the quality of how the service is delivered). Whereas customer satisfaction could be seen as the outcome of the difference between customer's perception and expectation of service quality, it should not be forgotten that factors such as price, packaging and situational factors such as the service encounter, would also influence satisfaction.

2.5.2 Attitude and satisfaction

Hence, Zeithaml and Bitner, (1996) define service quality as the way in which the whole service experience is performed. Their model of customer perceptions of quality and customer satisfaction hypothesized that satisfaction is more of an attitude and this attitude would influence perceptions of service quality, which in turn would influence purchase intentions (service quality leads to satisfaction and eventually purchase intentions. Failure to provide reliable service may result in customer dissatisfaction and possible defection. This is based on the premise that a satisfied customer will continue to maintain a relationship (Hallowell, 1996) and that relationship will lead to loyalty and longevity. Zeithaml, *et al.*, (1990) arrived at the same idea by looking at the probable behaviour of the dissatisfied customer. They maintain that a dissatisfied customer is likely to switch to a competitor and may inform others of the bad experience.

2.6 Types of Customers

Mark Hunter, (2010) stated that in retail, the idea of focusing on the best current customers should be seen as an on-going opportunity. To better understand the rationale behind this theory and to face the challenge of building customer loyalty, there is the need to break down shoppers into five main types:

- **Loyal Customers:** They represent no more than 20 percent of our customer base, but make up more than 50 percent of our sales. These people are the ones who can and should influence ones buying and merchandising decisions. Nothing will make a Loyal Customer feel better than soliciting their input and showing them how much their views are value.
- **Discount Customers:** They shop our stores frequently, but make their decisions based on the size of our markdowns.
- **Impulse Customers:** They do not have buying a particular item at the top of their “To Do” list, but come into the store on a whim. They will purchase what seems good at the time.
- **Need-Based Customers:** They have a specific intention to buy a particular type of item.
- **Wandering Customers:** They have no specific need or desire in mind when they come into the store. Rather, they want a sense of experience and/or community.

If we are serious about growing our business, we need to focus our effort on the loyal customers, and merchandise our store to leverage the impulse shoppers. The other three types of customers do represent a segment of our business, but they can also cause us to misdirect our resources if we put too much emphasis on them.

2.6 Total Quality Management

One of the major values customers expect from bankers, credit unions and other organization is high product and service quality. Most of the clients will no longer accept or tolerate average quality. If companies want to stay in the race, let alone be profitable, they have no choice but to adopt total quality management (TQM).

Total Quality Management (TQM) is an organization wide approach to continuously improving the quality of all the organization's processes, products and services (Kotler, 2006). According to GE's former chairman, Welch Jr., "quality is our best assurance of customer, allegiance, our strongest defence against foreign competition, and the only path to sustained growth and earning" (Welch, 1982).

Product and service quality, customer satisfaction, and company profitability are intimately connected. Higher levels of quality result in higher levels of customer satisfaction which support higher prices and (often) lower costs. Greising (1994), states the bottom-line orientation forces companies to make sure that the quality of the product offering is in fact the quality consumers actually want.

2.7 Conceptual Framework

This section of the study explores the relationships among service quality, service performance, and customer satisfaction within the context of the banking industry. The proposed conceptual model is based on five existing service factors. Berry et al. (1985) provide a strong foundation for understanding the attributes of service quality. Their original qualitative study identified ten key dimensions of service quality, each of which relates not only to the service consumed, but also to the customers' confidence in those providing the service. These included: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and empathy. Over the years Berry *et al.* (1985) fused the list to five broader categories.

2.7.1 “Servqual and Rater”

Although widely referred to as SERVQUAL, Tenner and DeToro (1992) coined the acronym “RATER” “to describe the five elements which makes them more easily to remember. These are:

Reliability: ability to perform the promised service dependably and accurately.

Assurance: the knowledge and courtesy of employees and their ability to inspire trust and confidence.

Tangibles: The physical facilities, equipment, and appearance of personnel.

Empathy: The caring, individualized attention, and appearance of personnel.

Responsiveness: The willingness of staff to help customers and provide prompt service.

According to Zeithaml *et al.* (1990), the various statistical analyses conducted in constructing SERVQUAL revealed considerable correlation among items representing several of the original ten dimensions for evaluating service quality. SERVQUAL methodology has come to dominate the literature in relation to the evaluation of the service quality construct. SERVQUAL has been

applied over the years in a wide variety of sectors. Finn and Lamb, (1991), Teas, (1993) evaluated on retail shopping stores; Babakus and Boller, 1992 did research on public utilities, hospitals.

Cronin and Taylor (1992) on financial services sector, Walker (1996) on the tourism sector. Gabbie and O'Neill (1996) applied SERVQUAL on the hotel industry and more recently Sultan and Simpson (2000) did one on the international airline sector. In developing countries, SERVQUAL has been applied in the audit industry in Malaysia (Ishak et al, 2006) and in the ports of Nigeria (Ugboma et al, 2004). The construct of service quality as conceptualized in the service marketing literature centers on perceived quality, defined as a consumer's judgment about an entity's overall excellence or superiority (Zeithaml, 1987).

2.7.2 Objections to “Servqual” instrument

While the SERVQUAL instrument has been widely used, it has been subjected to various criticisms (Asubonteng et al., 1996). The criticisms include the use of difference scores, dimensionality, applicability and the lack of validity of the model, especially with respect to the dependence or independence of the five main variables (Babakus and Boller, 1992; Carman, 1990; Cronin and Taylor, 1992). Others include the fact that it does not address the service-encounter outcomes (Gronroos, 1990; Mangold and Babakus, 1991).

Although the developers of SERVQUAL initially considered service quality to comprise functional (process) and technical (outcome) dimensions, its instrument does not include any measure of the technical quality dimension. Essentially, technical quality has been neglected in

efforts to study and measure service quality. SERVQUAL has been challenged on a number of grounds.

One stream of objections suggest that absolute measures of attitudes provide a more appropriate measure of quality than explanations based disconfirmation models (Cronin and Taylor, 1994).

Cronin and Taylor (1992) conclude that current performance best reflects a customer's perception of service quality and that expectations are not part of this concept. They perform an empirical test with four alternative service quality models:

SERVQUAL: Service quality = performance - expectations

Weighted SERVQUAL: Service quality = importance \times (performance - expectations)

SERVPERF: Service quality = performance

Weighted SERVPERF: Service quality = importance \times performance

From the results of their empirical investigation they conclude that the unweighted SERVPERF measure (performance only) performs better than any other measure of service quality. Despite Parasuraman *et al.*'s (1988) initial claim that their five service quality dimensions are generic, it is generally agreed that this is not the case, and that the number and definition of the dimensions varies depending on the context.

When measuring the quality of accounting firms, Freeman and Dart (1993) conclude that service quality is a seven-dimensional construct. Robinson and Pidd (1998) propose 19 dimensions of service quality in the context of management science projects. According to Robinson (1999), developing separate instruments depending upon the purpose and context of the service quality measurement may be the most fruitful way forward. Since the understanding of service quality is

so limited it seems unrealistic to be aiming for a global measurement approach until a much better understanding is obtained.

According to Stauss & Weinlich (1997), a closer look, however, reveals some deficits of attribute-based quality measurement (like SERVQUAL). First, the data collected by these methods cannot completely reflect the customer's quality perception. Second, the respondents are forced to aggregate their quality experiences in a problematic way.

A customer of a bank asked to evaluate the friendliness of customer contact employees of a bank is forced to tick a single point on a scale even if he/she had contacts with three employees whose behaviour and friendliness differed considerably.

Third, as the quality items are formulated in a necessarily abstract manner, survey results are not particularly concrete (Bitner *et al.*, 1985).

2.8 Service Quality Measurement

According to Wilson et al (1994 pg. 31) quality is about listening to our customers and delivering more than what they expect. It is about paying attention to the smallest details and getting to the smallest details and getting it right for the first time every time. Most importantly, quality is a continuous process that involves employees. By making small improvements every day, we can make real progress and deliver increasingly higher level of customer value and satisfaction. Quality allows us to measure and compare our performance against the “best in class”. It sets the standard, for our support services and enables us to focus on training and development on the most important areas. In terms of service quality dimension, Zeithmal et al

(2000 pg. 82) emphasize that customers do not perceive quality as an un-dimensional concept. It is customers' assessment of quality which includes perceptions of multiple factors. Buttle (1996, pg. 102) in European Journal of marketing – SERVQUAL state that researcher have found that consumers consider five dimensions in their measurement of service quality.

2.9 Consequences of Poor Quality Service

Weimershirch *et al.*(1994) comments that, it is important for management to recognize the different ways that the quality of a firm's product or service can affect the organisation; and to take these into account in developing and maintaining a quality assurance programme. He outlined some of the major ways that poor quality affects an organisation to include the following:

- Loss of business: failure to devote adequate attention to quality can damage a profit oriented organizations image and lead to a decreased share of the market, or it can lead to increased criticism and controls from a government agency or non profit organisation
- Liability – poor quality may create potential liability for a firm due to damages or injuries resulting from either faulty design or poor services.
- Productivity – productivity and quality are often closely related. Poor quality can adversely affect productivity during the production process through rework. Conversely, improving and maintaining good quality can have a positive effect on productivity.
- Costs – poor quality service increases certain costs incurred by the organisation. They include payments of discount to customers to offset the inferior quality, rework costs, warranty cost, replacement cost.

2.10 Managing Service Quality

Kotler (2000 pg 438) pointed out that service firms may win by delivering consistently higher quality service than competitors by exceeding customers expectations. Customers compare the perceived service to find whether the service meets exceeds their expectations. What exceeds expense use the service provided again? A model is thus presented:

Model of Service Quality Gaps

There are seven major gaps in the service quality concept, which are shown in Figure 1. The model is an extension of Parasuraman et al. (1985). According to the following explanation (ASI Quality Systems, 1992; Curry, 1999; Luk and Layton, 2002), the three important gaps, which are more associated with the external customers, are Gap1, Gap5 and Gap6; since they have a direct relationship with customers.

Gap1: Customers' expectations versus management perceptions: as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap2: Management perceptions versus service specifications: as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardisation and an absence of goal setting.

Gap3: Service specifications versus service delivery: as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

Gap4: Service delivery versus external communication: as a result of inadequate horizontal communications and propensity to over-promise.

Gap5: The discrepancy between customer expectations and their perceptions of the service delivered: as a result of the influences exerted from the customer side and the shortfalls (gaps) on

the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap6: The discrepancy between customer expectations and employees' perceptions: as a result of the differences in the understanding of customer expectations by front-line service providers.

Gap7: The discrepancy between employee's perceptions and management perceptions: as a result of the differences in the understanding of customer expectations between managers and service providers.

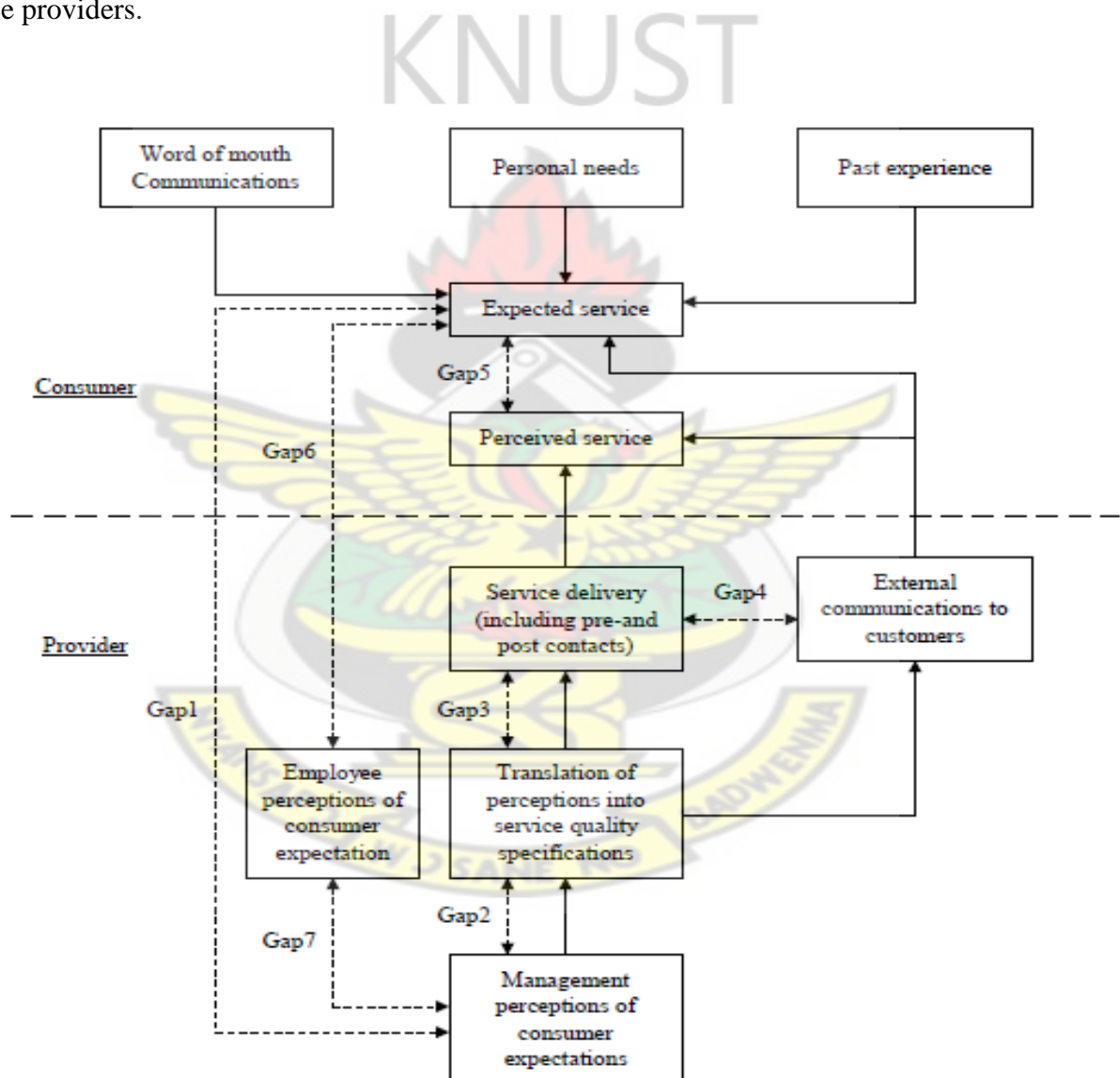


Figure 1. Model of service quality gaps (Parasuraman et al., 1985; Curry, 1999; Luk and Layton, 2002)

2.11 Banking in Ghana

Ghana has a well-developed banking system that was used extensively by previous governments to finance attempts to develop the local economy. By the late 1980s, the banks had suffered substantial losses from a number of bad loans in their portfolios. In addition, cedi depreciation had raised the banks' external liabilities. In order to strengthen the banking sector, the government in 1988 initiated comprehensive reforms. In particular, the amended banking law of August 1989 required banks to maintain a minimum capital base equivalent to 6 percent of net assets adjusted for risk and to establish uniform accounting and auditing standards. The law also introduced limits on risk exposure to single borrowers and sectors. These measures strengthened central bank supervision, improved the regulatory framework, and gradually improved resource mobilization and credit allocation.

The landscape of the Ghanaian Banking industry has however, seen dramatic changes in the last decade (1999-2008). New companies both local and foreign (particularly Nigeria and South Africa) have emerged some as start-ups others through mergers or acquisitions. Some are the Stanbic Bank, Ecobank Ghana Ltd. and International Commercial Bank Company to mention a few; all virtually offering similar products in the industry. Guaranty Trust Bank (Ghana) Limited however, was registered in Ghana in October 2004 and obtained its universal banking license from the Bank of Ghana on 23rd February, 2006, thereby paving the way for the commencement of operations.

The liberalized economic environment as mentioned earlier lead to the influx of banks hence the need to ascertain each company's performance in the last decade and the resulting effectiveness of its quality of service. On this premise, the concepts of quality of service, its importance and impact on corporate performance are now considered.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0. Introduction

This chapter looked at the methodology employed to achieve the objective of the study. It focused on the population, sampling, research instrument; administration of questionnaire etc. The staff and valued customers of GT Bank in the twenty branches in within Accra, Tema, Kumasi, Takoradi and Techiman metropolises were targeted.

3.1 Research Instruments

The survey was conducted based on both primary and secondary data.

3.2 Primary Data

Two different types of questionnaires consisting of both open and close ended items were developed purposely for gathering of primary data, one of which was a semi-structured interview questionnaire.

3.3 Secondary Data

Materials meant for secondary data are the various publications and reports regarding the banking industry both in Ghana and abroad, texts and articles on quality service delivery, Financial Reports and Ratio Analysis etc. form part of the secondary data.

3.4 Sample and Sampling Techniques

Two separate samples were selected based on staff and valued customers of the organization. The sampling techniques used in this study were purposive, quota and simple random sampling. The purposive sampling was adopted because the intension was to gain an insight into the service quality phenomenon, hence the need to choose personnel who were well versed in the industry. Purposive sampling was also used to select which branch of the organization to visit for the study. This is guided by the fact that even though major branches in regional capitals have been chosen for the study, all them could not be chosen for the study. Again there are not equal number of branches in the ten towns or cities that have been chosen, hence quota sampling. Quota sampling was also used. Simple random sampling was important to the study, since the study was intended to ensure some randomness and representativeness in the sample. The selection of the respondents for the study was guided by sampling procedure: the process involving sampling frame identification and the determination of relevant sample size. At the branches, stratified random sampling was used to select staffs for the study. This was guided by the structure of leadership that is in use by the organization at the various branches. This method of sampling was therefore ensured that staffs in the clerical, supervisory and managerial categories were interviewed. Prior to the administration of the questionnaire, managers of the branches that were chosen for the study were conducted for permission and staff list of their respective branches obtained. Names of staff were randomly selected from the various levels. The number of staff picked from a particular level depended on the number of staff. For instance clerical staff dominated the branches and so was the number that was chosen for the study. After this questionnaires were sent to staff via the mail (both electronic and internal mails) to complete. In the case of the top management members an appointment was booked with them and information collected from them with the help of the interview guide.

Also the customers were chosen from all the classified customer groups: for example salaried workers, retail, small and medium enterprises as well as corporate clients using the simple random sampling method. This was intended to ensure representativeness in the sample. Some assistants were employed and trained to assist in the administration of the questionnaire to customers. While at the branches, customers that come to do business were counted and a tenth of each of the customers was approached and the purpose of the study explained to him/her. This was done for all the branches, the corporate service centre as well as the SME centre that was visited. This was repeated until the number of respondents were obtained in every branch that was visited.

Table 1 Guide: sample size and technique for selecting respondents

Target Group	Sample Method Required		Technique used
	Estimated Number	Sample Selected	
Staff			
Clerical	100	50	Questionnaire Interview
Supervisory	20	15	
Top Management	10	5	
Customers			
Individual Customer	200	150	Questionnaire
Corporate Customers	40	20	
SMEs	30	10	
Total	400	250	

Sources: Researcher's field work, February, 2011

The non-probability sampling method of random sampling, specifically, Quota Sampling, was adopted in the selection of the sample size for the staff at the major offices chosen. This method ensured that representative samples of all the known elements of the population occur in the sample

3.5 Data Collection Instrument

The main instruments that will be used to collect information for the study were the questionnaire and interview schedule (both structured and unstructured). Questionnaires were given out to both staff and customers at the selected branches of the organization. A total of two hundred and fifty (250) respondents comprising staff and customers were given questionnaires. The questionnaire was administered to both corporate and retail customers as well as individual customers. The questionnaire was structured to consist mainly of closed ended type questions in order to elicit feedback from respondents about what their experiences with the post office in terms of facilities, customer service, and product innovation, how responsive and competitive the organization is. The questions that were designed for the external clients (external customers) were structured around specific criteria based mainly on customer service, and whether or not the post office is the best of choice. Other information collected include how long respondents have been with the organization, how the organization was responding to competition with regards to access to product innovation, and customer base among others. These were the main areas around which data gathered from clients were analyzed.

Responses categories mainly range from strongly disagree, disagree, neutral, agree to strongly agree. In some, customers were asked to rate their responses on how they compare GT Bank Ghana Ltd with other competitors in the banking industry of Ghana. Here the respondents were to choose either of the following: the Best, Better than most, same as most, Not as good as most or don't know in instances where they cannot decide.

Few interviews (structured and unstructured) were also conducted. Personal observations were also made throughout the data collection period. Care was taken in order not to be biased but to come out with objective interpretations of what was observed.

3.6 Data Analysis

The raw data obtained from a research is useless unless it is transformed into information for the purpose of decision making (Emery and Couper, 2003). The data analysis involved reducing the raw data into a manageable size, developing summaries and applying statistical inferences. Consequently, the following steps were taken to analyze the data for the study. The data was edited to detect and correct, possible errors and omissions that are likely to occur, to ensure consistency across respondents. The data was then coded; to enable the respondents to be grouped into limited number of categories. The Statistical Package for Social Sciences (SPSS) software was used for this analysis. Data was presented in tabular form, graphical and narrative forms. In analyzing the data, descriptive statistical tools such as bar graph, pie charts complemented with mean, median and standard deviations.

3.7 Limitations to Data Collection

Some of the respondents saw the exercise as a waste of time as they put it and for that matter were not prepared to compromise few minutes of the precious time as it were to answer the questions. As a result 150 of the targeted respondents out of the estimated 400 could not be reached for their responses.

It took more than three months to get the approval and a further delay caused by the department in charge of required information is also worth mentioning. It was also with difficulty and a lot of resources getting the questionnaire that was given to the staff back, taking cognizance of the busy schedule of banking staff.

3.8 Data and Information Processing

Quantitative

Data collected (via questionnaires and interviews for primary data) were collated and analyzed using the appropriate statistical techniques such as distribution tables, which culminated into bars and pie charts via the SPSS Software.

Qualitative

Information, such as specific comments and issues raised by respondents, were analyzed and summarized into tables.

3.9 Brief Historical Background of GTBank (GH) Limited

Guaranty Trust Bank (Ghana) Limited was registered in Ghana in October 2004 and obtained its universal banking license from the Bank of Ghana on 23rd February, 2006, thereby paving the way for the commencement of operations. The Bank is a subsidiary of Guaranty Trust Bank Plc, one of the foremost banks in Nigeria with a Triple A rating; the first indigenously owned sub-Saharan bank to be quoted on the London Stock Exchange and the first new generation indigenous African bank to obtain a banking license in 2008 to carry out fully fledged commercial banking activities in the United Kingdom.

Good Corporate Governance remains high on the Bank's agenda. GTBank is governed by a framework that facilitates checks and balances and ensures that appropriate controls are put in place to facilitate best practices for the Board of Directors and senior management in order to maximize stakeholder value.

The Bank is built on the strengths of its staff, its structures, policies and procedures. Of total staff strength of 380 people, only two members are Nigerian, the rest are all Ghanaian, reflecting the

bank's preparedness to invest and develop the country's human capital. The Bank leverages on its robust IT infrastructure to roll out customized e-banking products and services to meet its Ghanaian customer needs, anytime and anywhere within and outside Ghana.

The architectural presence and serene ambience of the banking premises is a hallmark of the Guaranty Trust brand and is a reflection of the care they take of their environment and of course, their customers and other stakeholders. Within this short period of their existence, they now have 20 branches covering Accra, Tema, Kumasi, Takoradi and Techiman. They intend to spread to other regions and increase their brand network to a minimum of 25 by end of 2010.

The Bank also has an open door policy. This reinforces the informal atmosphere and breeds a feeling of equality. Everyone is accessible and approachable, working in open offices alongside their colleagues. In addition, they have a flat organizational structure that engenders effective communication and prompt decision-making.

Mission Statement:

We are a high quality financial services provider with the urge to be the best at all times whilst adding value to all stakeholders.

Vision Statement:

We are a team driven to deliver the utmost in customer services. We are synonymous with innovation, building excellence and superior financial performance; and creating role models for society.

Beliefs & Culture:

The Bank maintains a culture of excellence, and goes to great lengths to ensure that customers are satisfied at all times. Their values are hinged upon professionalism, integrity and superior service delivery. They maintain an informal but competitive environment where people call each other by their first names from entry level through to the Managing Director - no Sirs or Madams. This informal culture is not common practice in Ghana, but true to its convictions, the non-regimented and open environment brings out the best in Guaranty Trust Bank employees.

The Bank also maintains an open door policy. This reinforces the informal atmosphere and breeds a feeling of equality. Everyone is accessible and approachable, working in open offices alongside their colleagues. The work environment is built saliently on Total Quality Management, and a thirst for excellence in everything they do. Quality is an integral part of the Bank and its improvement is not just in the hands of a few but in the hands of every member of staff. Delivering quality is the way they know how to sustain their competitive advantage.

Products and Services

The focus of Guaranty Trust Bank (Ghana) Limited is to provide top quality financial services to their clients. They also stand for excellent customer service.

CHAPTER FOUR

DATA ANALYSIS, DISCUSSIONS AND PRESENTATION

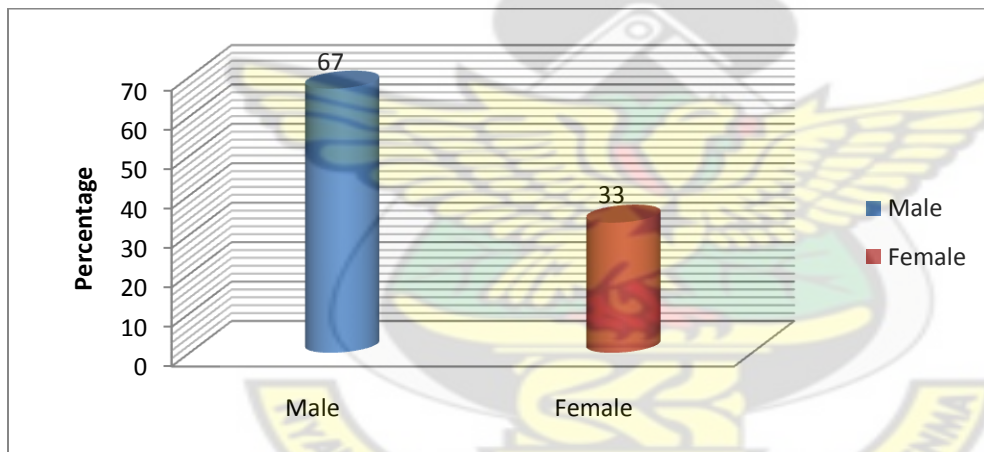
This chapter brings into bear the analysis, discussions and presentation of the questionnaire distributed to the respondents, the respondents consists of two groups: customers of GT Bank and Employees of GT Bank to assess the service quality dimension of the Bank.

4.1 Demographic Studies of Respondents

4.1.1 Demographic Studies on Customers of GT Bank

Various questions concerning the personality of the respondents were asked to know the demography of our respondents.

Figure 4.1 Sexes of Customers



Sources: Researcher's field work, February, 2011

The researcher take into consideration the distribution of sex for the study, the above figure 4.1 show that out of the 100 respondents of the customers of GT Bank, 67 of them were male whiles 33 female, this shows a fair distribution of sex for the respondents as the researcher during questionnaire administration in the banking hall encountered a lot of male than female, by frantic effort was made to include as many female it could in order to have a fair view from both sex.

Table 4.1 Age Group of Respondents

Age Group/Sex	Male	Female	Total	Percentage
16 – 30 years	47	16	63	63
31 – 45 years	12	13	25	25
46 – 60 years	4	4	8	8
61 years and Above	4	0	4	4
Total	67	33	100	100

Sources: Researcher’s field work, February, 2011

Table 4.1 summarizes the exploratory data of the age group of the 100 respondents by their sex, it was found that, 63 percent of the respondents falls within 16 – 30 years of which 47 are males and 16 are females, where as 25 percent are within the age limit of 31 – 45 years in which we have 12 males and 13 females. This in summary suggests that most of the respondents for the study are below 46 years and indicate a youth respondents taking for the study.

Table 4.2 How long have you been with GT Bank

Period of relationship	No of Respondents	Percentage
Less than 5 years	79	79
Between 6 – 9 years	21	21
10 years and Above	0	0

Sources: Researcher’s field work, February, 2011

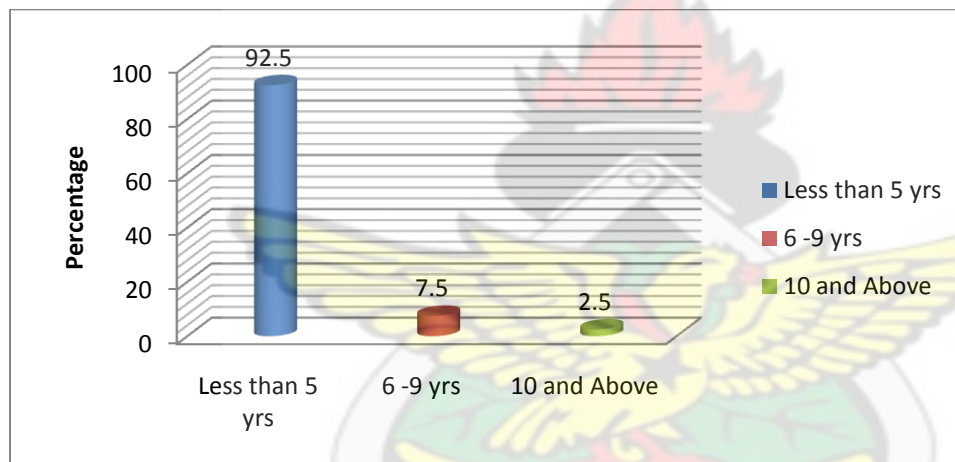
Clearly, it was found that majority of the respondents thus customers have been with GT Bank for less than 5 years which is 79 percent where as 21 percent have been with the bank between 6-9 years and none of the respondents have been with the bank for 10 years and above, however, this does not defeat the objective for the study since majority of the respondents falls within 1 – 9 years. Service quality delivery is measured on daily basis as customers receive various service quality level for each transaction taking with bank, this shows that irrespective of how long one

has transact business with the bank, each visit accounts for a service quality delivery to be measured by the customer.

4.1.2 Demography Studies for GT Bank Employees.

In all 40 respondents were taking from the bank to answer various questions to help the researcher for the study, it was realized that 28 of the respondents from the bank were males whiles 12 were females.

Figure 4.2 How long have you work with GT Bank



Sources: Researcher's field work, February, 2011

How long one has work with the bank helps in answering of the service delivery pertaining to the bank, service delivery is done uniquely to each customer and independently from each day and customer, figure 4.2 clearly shows that out of the 40 respondents, 37 of workers have worked for less than 5 years which represents 92.5 percent, 3 have worked between 6 – 9 years which also stood for 7.5 percent and only 1 respondent have work for more than 10 years also representing for 2.5 percent of the total respondents. This indicates that most of our respondents in the GT Bank have worked for few years with bank, however, this has no effect on the outcome of the

study, as explain earlier service quality delivery is done day by day and uniquely and independently to each customer's transaction and for each particular day.

4.2 Analysis of the Service Quality Level of Customers

The service quality level of customers and the employees of the bank were measured using the five dimensional measuring scale by Parasuraman and Zeithaml. These were measured using the five categorization dimensions which were:

- 1 --- Strong Disagree
- 2 --- Disagree
- 3 --- Neutral
- 4 --- Agree
- 5 --- Strongly Agree

4.2.1 Tangibility Dimension

Tangibility- physical elements of the service such as facilities and equipment Carlzon, (1987). It measure, the physical structures or tangibles of the company, in this study the tangibility comprises the up-to-date or state of the art equipments, professionalism and neatness of appearance of employees of the company, physical facilities and interior décor and materials for service delivery Lehtinen (1982).

Table 4.3 Tangibility Dimension on Perception

	Mean	Stand Dev.	Coef. Of Variation
GT Bank has up-to-date or state of the art equipment	4.4	0.46992	0.1068 (10.68%)
GT Bank employees are professional and always appear neat	4.5	0.42705	0.0949 (9.49%)
Physical facilities and interior décor are visually appealing	4.4	0.49921	0.1135 (11.35%)
Equipment and materials for service delivery are modern and efficient	4.4	0.59921	0.1362 (13.62%)

Sources: Researcher's field work, February, 2011

The perception of the tangibility dimension of the GT Bank, shows a convincing outcome from the customers , it was recorded that all the questions asked from the respondents thus the customers indicates a high ranking of the tangibility dimensions. As is indicated in table 4.3, GT Bank employees are professional and always appear neat recorded a mean score of 4.5 which is the highest among all the tangibility dimensions used which represents 90 percent of the dimension value signifying that customers were receiving a higher service quality level, up-to-date equipments, physical facilities and interior décor as well as equipment and materials for service delivery all recorded a mean of 4.4 with different standard deviations Bitner, (1990), in all the tangibility of the GT Bank was rated high with respect to the perception of the customers . However, it was noted that all the dimension variables have a low coefficient of variation which shows a better rating of the dimension.

Table 4.4 Tangibility Dimension on Expectation

	Mean	Stand Dev.	Coef. Of Variation
GT Bank has up-to-date or state of the art equipment	3.2	0.90921	0.2841 (28.41%)
GT Bank employees are professional and always appear neat	3.7	0.25005	0.0676 (6.76%)
Physical facilities and interior décor are visually appealing	4	0.6434	0.16085 (16.085%)
Equipment and materials for service delivery are modern and efficient	3.8	0.7654	0.2014 (20.14%)

Sources: Researcher's field work, February, 2011

On the other hand, as indicated in table 4.4 the expectation of the customers regarding to the tangibility dimension was also recorded high thus customers were expecting a higher service quality level for the tangibility dimension as was explain by Lewis and Entwistle (1990), with Physical facilities and interior décor are visually appealing having a mean score of 4.0, Equipment and materials for service delivery are modern and efficient 3.8. In the entire tangibility dimension with respect to the expectation of the customers were approximately 4.0 which show that most of the respondents agree with dimension of the study.

Table 4.5: Comparison of the Expectation and Perception of Tangibility Dimension

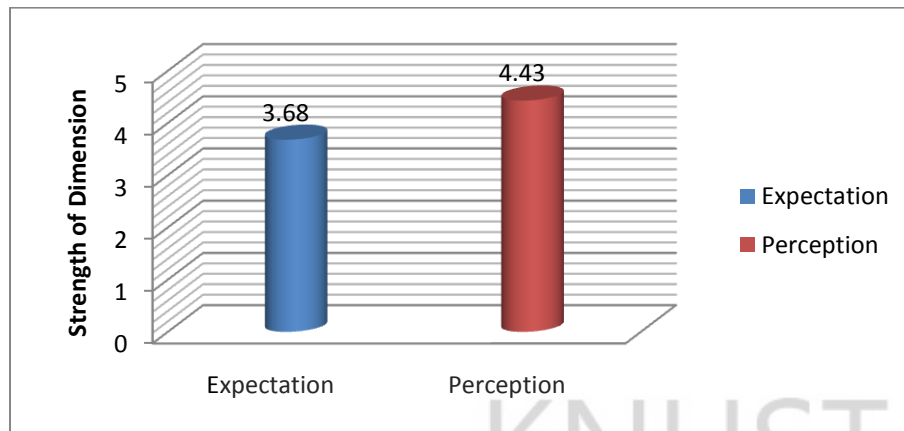
	Percept (Mean)	Expect (Mean)	Difference
GT Bank has up-to-date or state of the art equipment	4.4	3.2	1.2
GT Bank employees are professional and always appear neat	4.5	3.7	0.8
Physical facilities and interior décor are visually appealing	4.4	4	0.4
Equipment and materials for service delivery are modern and efficient	4.4	3.8	0.6
Mean	4.43	3.68	0.76

Sources: Researcher's field work, February, 2011

As shown in table 4.5, the entire dimension used for the tangibility score a high rank value with positive differences, Customer expectation is what they believe will be provided by GT Bank. It is this service quality expectation that is compared with the perceived service quality and which results in satisfaction or dissatisfaction of a particular service delivery. If perceived service falls below the expected service, customers will be dissatisfied.

On the other hand, if service perception exceeds customer expectations, customers become highly satisfied. With this result, it is clear that the physical facilities of GT Bank are modern and up-to-date state of the art equipments and well dressed employees. The tangible facilities of GT Bank exceeded customers expectation by in all 5 dimension variables used as clearly indicated in table 4.5 Among all the variables used for this category, GT Bank has up-to-date or state of the art has the highest mean differences of 1.3.

Figure 4.3 Differences in Tangibility Dimension



Sources: Researcher's field work, February, 2011

Figure 4.3 clearly illustrates that with regards to tangibility dimension, customers expect GT Bank to provide a service quality level of approximately 3.68 representing 73.6 percent of quality, but customers experienced the services of GT Bank and were of the estimation that GT Bank actually provide service quality level of approximately 4.43 representing 88.6 percent far above their expectation, in general the tangibility dimension has an increase of 1.2 of the service quality of the services provided to the customers and shows that the customers are actually receiving a service higher than what they were expecting in terms of tangibility dimension of the GT Bank Parasuraman et al (1988,1993).

4.2.3 Reliability Dimension

Reliability - the ability to deliver promised services in a dependable, accurate manner Parasuraman et al 1993), it measures the reliable of services provided by the bank, this study seeks to study the scheduling of services as promised, accurate keeping of the employees records, quality of services provided by the bank and others such as the taking sincere interest in solving customer's problems and the likes.

Table 4.6 Reliability Dimension on Perception

Variation	Mean	Stand Dev.	Coef. Of
GT Bank provides services at scheduled times as promised	3.8	1.13529	0.2988 (20.88%)
GT Bank employees keep accurate records of customers	4.4	0.59921	0.1362 (13.62)
When you have a problem GT Bank shows a sincere interest in solving it	4	0.86603	0.2165 (21.65%)
Customers are satisfied with the quality of service provided by GT Bank	4.3	0.48305	0.1123 (11.23%)
GT Bank insists on error-free records	4	0.66667	0.1667 (16.67%)
GT Bank performs the service right the first time	4.1	0.56765	0.1385 (13.85%)

Sources: Researcher's field work, February, 2011

Under the perception of the reliability dimension, as clearly shown in the table 4.6, all the variables used have mean of values approximately to the notion of agreement of a better service provided by the bank in-terms of reliability, it is noted that, customers satisfaction with the quality of service provided by the GT Bank had the highest mean in the dimension of 4.3 representing 86 percent with GT Bank provision of services at scheduled time as promised had a mean of 3.8 approximately 4 which goes to show that customers actually agree that the bank provides services as scheduled. Moreover, all the coefficient of variation for the analysis have values being small indicating a small variations hence a better service delivery for the reliability dimension in terms of perception of customers.

Table 4.7 Reliability Dimension on Expectation

Variation	Mean	Stand Dev.	Coef. Of
GT Bank provides services at scheduled times as promised	4.2	0.74599	5.6301
GT Bank employees keep accurate records of customers	3.5	0.82365	4.2493
When you have a problem GT Bank shows a sincere interest in solving it	3.7	0.81033	4.566
Customers are satisfied with the quality of service provided by GT Bank	3.3	0.57845	5.7049
GT Bank insists on error-free records	3.9	0.93452	4.1733
GT Bank performs the service right the first time	4.3	0.72354	5.943

Sources: Researcher's field work, February, 2011

On the expectation of the reliability dimension, it was found that, customers were expecting the GT Bank to perform service right at the first time, indicating with a mean of 4.3, in addition to the above, provision of services at scheduled time as promised was also important to customers which had a mean of 4.2 and that of error-free records which had a mean of 3.9. All these goes to the extent that, customers were expecting GT Bank to perform creditably well under the reliability dimension.

Table 4.8: Comparison of the Expectation and Perception of Reliability Dimension

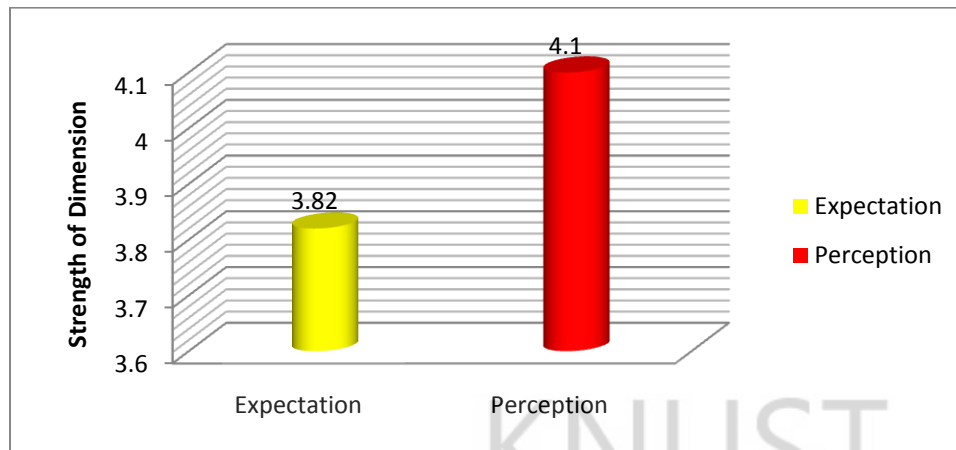
	Percept(Mean)	Except(Mean)	Differences
GT Bank provides services at scheduled times as promised	3.8	4.2	-0.4
GT Bank employees keep accurate records of customers	4.4	3.5	0.9
When you have a problem GT Bank shows a sincere interest in solving it	4	3.7	0.3
Customers are satisfied with the quality of service provided by GT Bank	4.3	3.3	1
GT Bank insists on error-free records	4	3.9	0.1
GT Bank performs the service right the first time	4.1	4.3	-0.2
Mean	4.1	3.82	0.28

Sources: Researcher's field work, February, 2011

To know the extent of service delivery of the bank a comparison of the expectation and the perception was conducted, from the table 4.8, it was realized the provision of services as schedule which recorded an average 3.8 showing agreeable but rather fell below the expectancy of the customers who was expecting quality level of 4.2 , this recorded a difference of 0.4 signifying that customers experienced service quality level lower than their expectation.

Meanwhile, the GT Bank performs the service right the first time which had a quality level of 4.1 giving an indication that respondents agree also fall below the expected mean of 4.3, with a difference of 0.2, however the other variables recorded an increase in the perception as with regard to the expectation.

Figure 4.4 Differences in Reliability Dimension



Sources: Researcher's field work, February, 2011

Nevertheless, as exposed from the figure 4.4, even though some of the variable fall below the expectation of the customers, generally the reliability of service of GT Bank had its overall perception higher than the expectation, this confirm that customers are satisfied with the reliability of service provision in terms of the reliability dimension of the GT Bank. The perception had a mean mark of 4.1 which represents 82 percent, where as expectation had 3.82 which also represents 76.4 percent with customers expectation increase by 5.6 percent which is 0.28 of the quality of service dimension.

4. 4 Responsiveness Dimension

Responsiveness - the willingness to help customers and provide prompt service Carlzon, (1987)., which measure the promptness of responses given to customers, this study dealt with issues such as the bank's response to client's complaints at the right time, when exactly services will be performed and the willing to help customers.

Table 4.9 Responsiveness Dimension on Perception

	Mean	Stand Dev.	Coef of Variation
GT Bank response to client complaints are the right time	3.2	0.6164	0.19263 (19.263%)
Employees of GT Bank tell customers exactly when service will be performed	3.5	0.78881	0.2257 (22.57%)
Employees of GT Bank gives you prompt service	3.8	0.67495	0.1776 (17.76%)
Employee of GT Bank are always willing to help you	4.3	0.68305	0.1588 (15.88%)
Employees of GT Bank are never too busy to respond to your requests	3.4	0.78305	0.2303 (23.03%)

Sources: Researcher's field work, February, 2011

Meanwhile, the responsiveness dimension on the part of perception had a mean ranging from 3.2 to 4.3 thus 64 to 86 percent of the service quality, this indicate that customers were receiving service quality level of much higher, ideally, all the coefficient of variation also have smaller values showing a better service quality delivery for all the variables. On the part of employees always willing to help, it is been noticed from table 4.9 that, it had the highest mean among all the variables used for the responsiveness dimension.

Table 4.10 Responsiveness Dimension on Expectation

	Mean	Stand Dev.	Coef of Variation
GT Bank response to client complaints are the right time	3.8	0.9934	0.2614 (26.14%)
Employees of GT Bank tell customers exactly when service will be performed	3.2	0.8645	0.2702 (27.02%)
Employees of GT Bank gives you prompt service	3.4	0.83645	0.2460 (24.60%)
Employee of GT Bank are always willing to help you	3.5	0.98745	0.2821 (28.21%)
Employees of GT Bank are never too busy to respond to your requests	3	0.99764	0.3325 (33.25%)

Sources: Researcher's field work, February, 2011

Conversely, all the mean register for the responsiveness dimension on expectation had lower values than the perception, which shows that customers expectation fall below the service quality level they are receiving, on the employees willingness to help customers had a service quality level value of 3.5 in the expectation with the response to clients complaints at the right time had 3.representing 76 percent.

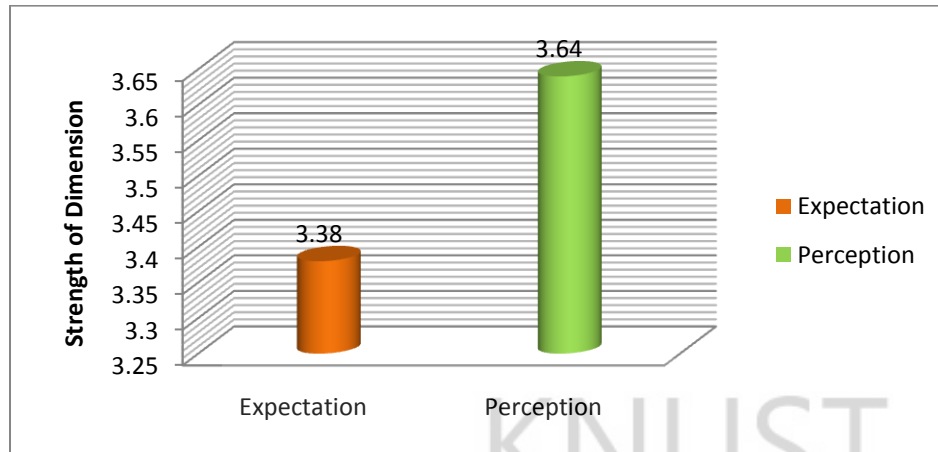
Table 4.11: Comparison of the Expectation and Perception of Responsive Dimension

	Percept(Mean)	Expect(Mean)	Differences
GT Bank response to client complaints are the right time	3.2	3.8	-0.6
Employees of GT Bank tell customers exactly when service will be performed	3.5	3.2	0.3
Employees of GT Bank gives you prompt service	3.8	3.4	0.4
Employee of GT Bank are always willing to help you	4.3	3.5	0.8
Employees of GT Bank are never too busy to respond to your requests	3.4	3	0.4
Mean	3.64	3.38	0.26

Sources: Researcher's field work, February, 2011

Table 4.11 shows the comparison of the expectation and perception of the responsive dimension, it is noted that customers were expecting GT Bank to response to clients complaints at the right time at a percentage of 76 but rather service rendered to them is that of 64 percent with a deficit of 0.6 representing 12 percent, thus customers are not satisfied with response to client complaints, on the other hand the rest of the variables used were all above the expected value, this shows that customers are satisfied with other dimensions with the exception of the response to clients complaints.

Figure 4.5 Differences in Responsive Dimension



Sources: Researcher's field work, February, 2011

All the same, the entire responsiveness dimension had a stronger perception mean mark than its expectation, as indicated from figure 4.5, clearly, customers are satisfied with the total responsiveness dimension which had an overall mean of 3.64, 0.26 more than the expectation of the dimension. Figure 4.5 shows that while customer expect responsiveness quality level of 3.38, rather the GT Bank provides 3.64 far above their expectation.

Assurance Dimension

This dimension involves employees' knowledge of service and courtesy towards customers and the ability of staff to convey trust and confidence to customers Carlzon, (1987)., this study took into notice message employees carry to customers as they served as the ambassadors of the company, various variables such as behavior of employees in the company as regards to instill confidence in customers, feeling safe in transactions with the company, consistency and courteous with customers and others.

Table 4.12 Assurance Dimension on Perception

	Mean	Stand Dev.	Coef of Variation
The behaviour of employees in the Company instills confidence in you	4.3	0.67495	0.1569 (15.69%)
You feel safe in your transactions with the Company	4.2	0.63246	0.1506 (15.06%)
Employees of GT Bank are consistently courteous with customers	4.5	0.43487	0.0966 (9.66%)
Employees in the Company have the Knowledge to answer your questions	4.5	0.70711	0.1571 (15.71%)

Sources: Researcher's field work, February, 2011

Customers show that they received service quality level of 4.3 with regards to behavior of employees to instill confidence in customers, 4.2 quality level with regards to safe in transaction business with the bank, 4.5 quality level for consistency and courteous with customers and 4.5 for employees in the company knowledge to answers to customers questions. As exposed in table 4.12 all the dimension for the assurance had a service quality level ranging form 4.2 to 4.5 this shows that customers agree that they receive better service with small variations in the service quality provided by GT Bank.

Table 4.13 Assurance Dimension on Expectation

	Mean	Stand Dev.	Coef of Variation
The behaviour of employees in the Company instills confidence in you	3.5	0.78945	0.2256 (22.56%)
You feel safe in your transactions with the Company	3.8	0.86574	0.2278 (22.78%)
Employees of GT Bank are consistently courteous with customers	3.4	0.56795	0.1670 (16.70%)
Employees in the Company have the Knowledge to answer your questions	3.9	0.58694	0.1505 (15.05%)

Sources: Researcher's field work, February, 2011

On the expectation of the assurance dimension, customers were expected a service quality level of 3.5 for the employees behaviours which instills confidence, 3.8 for safe of transacting business, 3.4 for consistency and courteous and 3.9 for employees knowledge to answer questions, table 4.13 shows that, customers expectation were high with respect to the assurance dimension.



Table 4.14: Comparison of the Expectation and Perception of Assurance Dimension

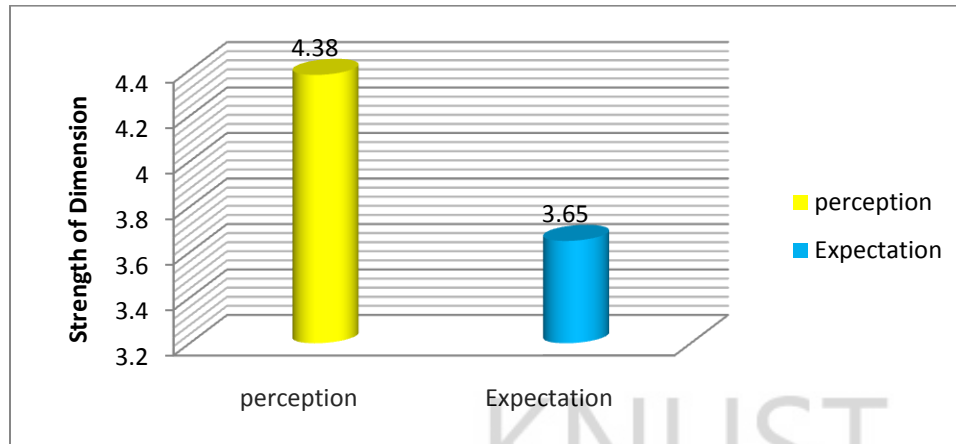
	Percept(Mean)	Expect (Mean)	Differences
The behaviour of employees in the Company instills confidence in you	4.3	3.5	0.8
You feel safe in your transactions with the Company	4.2	3.8	0.4
Employees of GT Bank are consistently courteous with customers	4.5	3.4	1.1
Employees in the Company have the Knowledge to answer your questions	4.5	3.9	0.6
Mean	4.38	3.65	0.73

Sources: Researcher's field work, February, 2011

The comparison table 4.14 on the assurance dimension gives a clear picture on the perception and expectation, it clearly shows that as customers were expecting service quality level of 3.5 on behaviour of employees in the company instills confidence in customers, they were rather receiving a service quality level of 4.3, with an increase of 0.8.

In addition to this, it was noticed that the rest of the variables were having service quality level higher than the expectation of the customers, among them the highest differences occur in the employees of GT Bank are consistently courteous with customers, as customers were expecting service quality level of 3.4, GT Bank employees were providing quality level of 4.5 representing 90 percent with an increase of 1.1 quality level above the expectation of customers.

Figure 4.6 Differences in Assurance Dimension



Sources: Researcher's field work, February, 2011

Figure 4.6 clearly shows that, in general as customers were expecting a service quality level of 3.65, GT Bank provides service quality level of 4.38 representing 87.6 percent, which has an increase of service quality of 0.73. Generally, it indicates a satisfaction level of the service delivery, as perception is much higher than the expectation of the customers of GT Bank.

Empathy Dimension

Empathy is the aptitude to share another's feelings, in this study it encompasses the individual attention, convenience of operating hours Carlzon, (1987)., concerns of long queue and the understanding of the specific needs of customers.

Table 4.15 Empathy Dimension on Perception

	Mean	Stand Dev.	Coef of Variation
The Company gives you individual attention	4.2	0.7280	0.1733 (17.33%)
The Company has operating hours convenient to customers	4.5	0.4205	0.0934 (9.34%)
GT Bank employees show concern when queue get too long	4.2	0.63246	0.1506 (15.06%)
Employees of GT Bank understand the specific needs of customers	4.7	0.48305	0.1028 (10.28%)

Sources: Researcher's field work, February, 2011

The service quality level experience by the customers on the various variables on the empathy suggests that the customers receive better services, the mean value as indicated in table 4.15 shows that respondents generally agree that they are provided with the good service quality.

Table 4.16 Empathy Dimension on Expectation

	Mean	Stand Dev.	Coef of Variation
The Company gives you individual attention	3.4	0.76855	0.2260 (22.60%)
The Company has operating hours convenient to customers	3.9	0.87635	0.2247 (22.47%)
GT Bank employees show concern when queue get too long	4	0.66345	0.1659 (16.59%)
Employees of GT Bank understand the specific needs of customers	4.3	0.67434	0.1568 (15.68%)

Sources: Researcher's field work, February, 2011

Customers on the other hand were expecting a high service quality for the empathy dimension of GT Bank, from table 4.16 it was realized that individual attention was expected to 3.4 , the convenience of operating hours to customers also was also expected to 3.9, concern was also expected a service quality level of 4.0 and the understanding of the specific needs of customers to be 4.3, in view of the above service quality level, it was noted that, employees were expecting a higher service quality level from the bank.

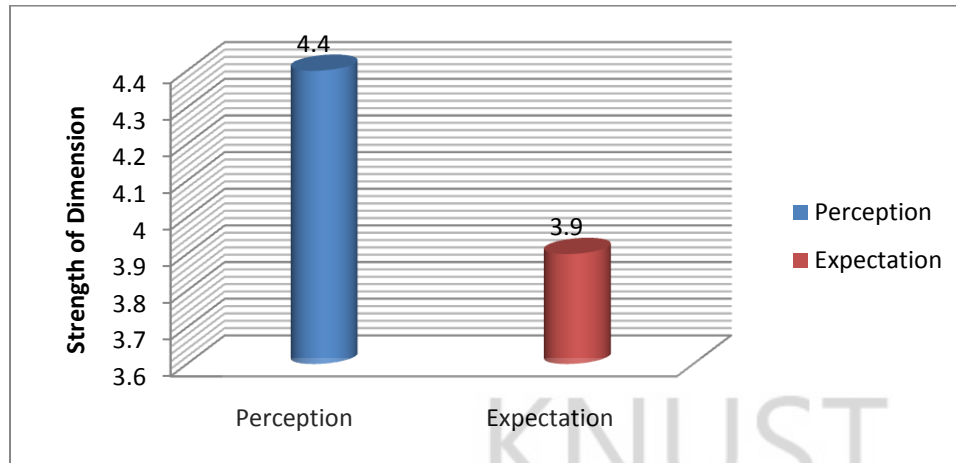
Table 4.17 Comparison of the Expectation and Perception of Empathy Dimension

	Percept(Mean)	Expect (Mean)	Differences
The Company gives you individual attention	4.2	3.4	0.8
The Company has operating hours convenient to customers	4.5	3.9	0.6
GT Bank employees show concern when queue get too long	4.2	4	0.2
Employees of GT Bank understand the specific needs of customers	4.7	4.3	0.4
Mean	4.4	3.9	0.5

Sources: Researcher's field work, February, 2011

The comparison of the expected and the perception shows and increase of all service variables for the empathy, it clearly shown in table 4.17, that on the giving of individual attention , as customers were expecting service quality level of 3.4, GT Bank was providing 4.2 an increase of 0.8 service quality level. With regards to the operating hours, there was a rise of 0.6 level of service quality above the mean expected of the customers, where as the other variables all recorded an increase in service quality level above what customers were expecting. This indicates that customers were satisfied with all the variables for the empathy dimension.

Figure 4.7 Differences in Empathy Dimension



Sources: Researcher's field work, February, 2011

The difference in empathy dimension with regards to the perception and expectation gives the clear view of the satisfaction of the customers. As shown in figure 4.7, as customers of GT Bank were expecting a service quality level of 3.9, GT Bank were providing 4.4 service quality which is far above the expectation of the customers, it shows that customers were satisfied with the overall service quality level of the empathy dimension of GT Bank.

4.3 Paired Sample Correlation and Significance for Hypothesis

Table 4.17 Paired Sample Correlations

		N	Correlation	P-Value
Pair 1	EX TANG & PERC TANG	100	0.618	0.0012
Pair 2	EXP RELIABLE & PERC RELIABLE	100	0.767	0.00006
Pair 3	EXP RESPV & PERC RESP	100	0.567	0.00047
Pair 4	EXP ASSURE & PERC ASSURE	100	0.837	0.0064
Pair 5	EXP EMPATHY & PERC EMPATHYY	100	0.744	0.0031

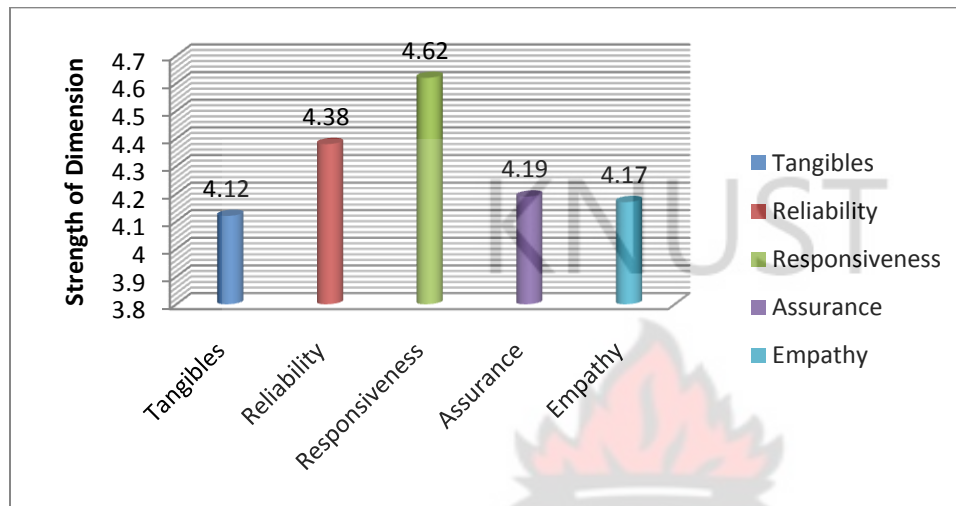
Sources: Researcher's field work, February, 2011

The paired sample correlation shows the strength of association for the service quality dimensions for their expectation and perceive quality of service, as indicated in table 4.17, there exist a strong correlation between the expectation variables and perception variables used in the service quality for GT Bank, Moreover, the p – values for each dimension is less than 1% , which shows that at 99% confidence the pair variables are significant to the overall service quality of the bank, as shown the pair 1 of the tangibility dimension has p- value of 0.0012 indicating a significance of the correlation of the tangibles, where as that of the reliable, responsiveness, assurance and empathy have 0.00006,0.00047,0.0064 and 0.0031 respectively. This concludes that all the service dimensions used contributes to the overall performance of the service quality level of GT Bank.

4.4 Service Quality Dimension by the Employees of GT Bank

In measuring the service quality level of the general operation of the bank, employees of the bank were also given the opportunity to access the bank on its service quality dimensions.

Figure 4.8 Service Quality Dimension by Employees of GT Bank



Sources: Researcher's field work, February, 2011

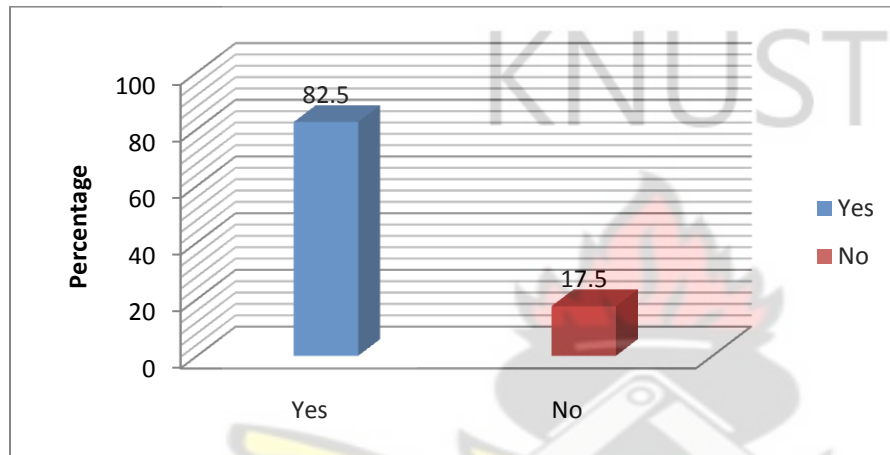
As clearly indicated from figure 4.8, the employees rated responsiveness of the highest among all the dimension, which can be explain that, employees are of the view that, GT Bank provides better service quality level with respect responsiveness, which had a mean value of 4.62 representing 92.4 percent, followed by reliability which had 4.38 representing 87.6 percent, assurance had 4.19, empathy 4.17 and tangibility 4.12 representing 83.8 percent, 83.4 percent and 82.4 percent respectively. This clearly exposed that tangibility is rated the least by the employees of GT Bank and attached much importance to responsiveness and reliability of services.

4.5 Results and Discussions on Employees Response.

Various activities concerning the general operation of the Bank was also asked, with all the 40 respondents sample from the bank's employees various conclusions were drawn with regards to the various questions put to the employees of GT Bank.

4.5.1 Staff Participation In Decision Making

Figure 4.9: Response of Staff Participation In Decision Making



Sources: Researcher's field work, February, 2011

In providing quality service, every staff plays a greater role in achieving the vision and mission of the company, the service delivery is solely base on employees of the company thus having a great impact on every aspect of the company. The manner in which service is delivered by the employees of the bank contributes significantly to customer's satisfaction. In sampling the views of the employees, out of the 40 respondents 33 of them asserted to the fact that they do participate in decision making that affect the delivery of service to their customers. This figure represents 82.5 percent the respondents. Figure 4.9 above shows that only 17.5 percent representing 7 respondents responded No, denoting that employees do not participate in decision making.

4.5.2 Capacity building Training of Employees

Table 4.18 Capacity building Training of Employees

Period of Training	Number of Respondent	Percentage
Monthly	8	20
Quarterly	6	15
Semi annually	2	5
Annually	10	25
As and when need arises	14	35
Total	40	100

Sources: Researcher's field work, February, 2011

Capacity building is one of the tools used for improving service quality delivery, employees are taking through series of programs to adequately prepared them to the various challenges of the system, when challenges are met with enthusiasm and dissolve much earlier to helps to improve the overall service quality delivery of the firm, on the basis, employees of GT Bank were asked to estimate how frequent do capacity training take place , as shown from table 4.18, 14 respondents representing 35 percent indicated that it happens as and when need arises, while 10 respondents show that of annually which also take 25 percent of the total respondents, in all it can drawn to a conclusion that most of these training happens annually and in the course of the year as when the need arises various training are organized for capacity building in GT Bank.

Table 4.19 Holding of Departmental Meetings pertaining to Customer Care and quality of service delivery.

Period of Training	Number of Respondent	Percentage
Monthly	12	30
Quarterly	1	2.5
Semi annually	6	15
Annually	3	7.5
As and when need arises	18	45
Total	40	100

Sources: Researcher's field work, February, 2011

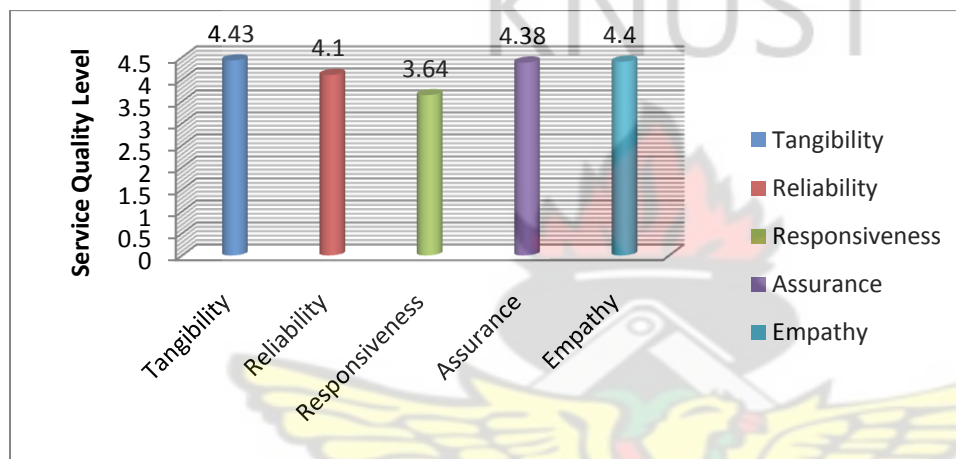
Holding of department meetings to discuss service quality delivery is very vital in the building of a strong customer relationship and retention strategy, as indicated in table 4.19, 18 respondents asserted to fact that it happens as and when need arises. This means that such meetings may or may not held frequently, however, 12 respondents representing 30 percent of the total respondents of the employees shows that such meetings are done on monthly basis to increase the service delivery to customers, 6 respondents which also take 15 percent also indicate that is happens semi-annually, these variation in answers can be attributed to the various departments that respondents were taken. In all it been established that GT Bank hold meetings periodically to discuss customer care and service quality delivery for the customers.

It is also worth mentioning that all employees sample for the study agree to the fact that product and service of GT Bank tailored to suit customer needs.

4.6 Overall Service Quality Satisfaction

The overall service quality level by the customers shows the extent of satisfaction of services receive from GT Bank, A 5- item series of questions relating to overall satisfaction with various aspects of the banking experience were also asked of the customers. Figure 4.10 shows how the various service quality dimension fell for its overall service satisfaction to the customers of GT Bank.

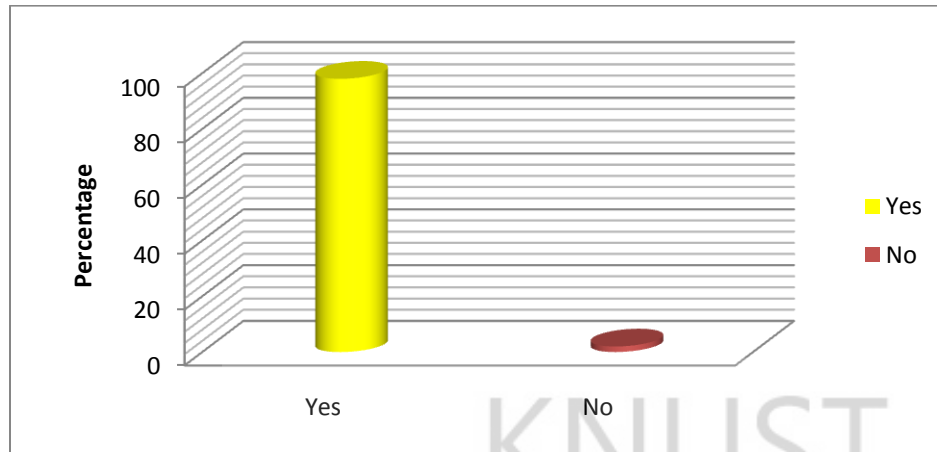
Figure 4.10: Service Quality Level Receive by Customers of GT Bank



Sources: Researcher's field work, February, 2011

From figure 4.10 which gives the perception service quality level of all five dimensions used for the service quality shows a high service quality provide by GT Bank, customers were receiving a service quality level of 4.43 for tangibility, 4.1 for reliability, 3.64 for responsiveness, 4.38 for assurance and 4.4 for empathy, as clearly shown, among all the service quality provided, customers asserted to the fact that tangibility recorded the highest and responsibility had the lowest contradictory what is supposed to ranked by the workers of GT Bank.

Figure 4.11 Overall Satisfaction



Sources: Researcher's field work, February, 2011

On the overall satisfaction of service delivered, customers verify and made it known from figure 4.11 that 98 percent are satisfied with the service provision by GT Bank while only 2 percent representing 2 respondents indicated for not satisfaction.



CHAPTER FIVE

Findings, Conclusions and Recommendations

This chapter presents the findings of the analysis, conclusions made and recommendation for the study, various findings from the discussion of the service quality level are presented in this section

5.1 Major Findings

5.1.1 Hypothesis Summary

The hypothesis analysis bring into bear that there is a strong correlation between the service quality dimension and the overall service quality delivery, all the dimensions have a positive value and shows a significant contribution to the service quality delivery by having its p - values less than one percent, the first hypothesis was failed to be rejected since all the variables contributes to the total service delivery whiles the second hypothesis was rejected since there exist a strong relationship between the dimensions and service quality delivery of GT Bank Ghana Limited.

The study tackles the various aspects on the service quality provision by GT Bank, various findings were found based on the respondent's answers given.

5.1.2 Findings on Demographic studies of Respondents

The demographic studies shows that, the study composed of 67 percent of males and 33 percent of females, which gives a fair representation of sex on the study, this was done in order to achieve a fair representation on both sex for the study.

On the age range, it was found that, most of the respondents thus customers falls within the range of 16 – 30 which takes 63 percent of the study, whiles 25 percent of the customers fall within 31 – 45 years, which shows that our respondents for this study falls within a youthful group which of course helps in the study as they will give quality of service based on their feelings and what they think they are being served by GT Bank.

5.1.3 Findings of Service Quality Delivery to Customers

Tangibility

On the tangibility dimension various variables which were used gave different satisfaction, it was found that customers were expecting service quality level of 3.68, however GT Bank were providing service quality at service level of 3.68. The variable of GT Bank has up to date or the state of the art equipment, customers gave a service quality level of 4.4 as against their expectation of 3.2 which gives a satisfaction for that variable, on the professionalism and appearance also found to a service quality level of 0.4 higher than what customers were expecting. Moreover, all the other variables found to be higher in service quality level than customers expecting.

Reliability

Generally it was found under the reliability dimension that, all the variables used for the dimension performed higher than the expectations of the customers with the exception of the the variables “GT Bank provides services at scheduled times as promised” and “GT Bank performs the service right at the first time” of which recorded points of 0.4 and 0.2 respectively lower than the expectations of the customers.

Generally, the reliability dimension had a mean value of 4.10 for the perception and 3.82 for expectation, which signifies that as customers were expecting service quality level of 3.82, they were rather experiencing service quality level of 4.10 above their expectation, irrespective of the two variables which fall under customer’s expectation; reliability dimension recorded a satisfaction level for customers.

Responsiveness

The various variables which also fall under responsiveness were recorded to be a satisfaction level which is much higher than the expectation of the customers, with the exception of the variable “GT Bank response to client complaints are the right time” which was found to be a service quality level of 0.6 lower than the expectation of the customers, which shows that, customers were not satisfied with the variables.

Cumulatively, as customers were expecting quality level of 3.38 customers were provided with quality level of 3.64, 0.26 higher than their expectation. Interestingly, it was found that, employees of GT bank rated responsiveness dimension as the highest on contradictory to the expectation of the customers, the customers in all dimension found the responsiveness to lower even though higher than their expectation. This shows the extent of which responsiveness is essential to the general service quality delivery of the company.

Assurance

Assurance dimension, recorded among all its variables higher than the expectation of the customers. It was found that, GT Bank’s assurance was consistently rated higher in terms of delivery by customers, which goes to the extent of how GT Bank work on the assurance to customers.

The service quality level was 4.38, 0.73 higher than the expectation of customers which was 3.65. In all assurance level was satisfied as it was found to be higher than what was expected.

Empathy

Empathy which based on how one feels and share concern with that particular person, the various variables were all having performance higher than what customers were expected.

GT Bank provides service quality level of 4.4 as against the expectation of customers which was 3.9 given an indication of satisfaction by customers.

5.1.4 Determinants of Service Quality

To identify and assess the key determinants of service quality using SERQUAL: Various findings attributed to the other variables for the study shows that, on the service quality dimensions, the employees of GT Bank recorded the higher in terms of provision of the service to be responsiveness which had 4.62, however, it was found that the same dimension recorded lower in terms of what the customers were receiving which actually had 3.64. On the other hand, Tangibility which was recorded lowest among all the service quality dimensions by the employees of GT Bank was rather the higher for the customers. Customer satisfaction due to service quality from the perspective of Aquilano and Jacobs (1985) “is how organization’s product performs in association to the expectation of the customer’. The study show that the key determinants of service quality using the SERQUAL is the responsiveness and reliability since these are the determinants found to be assessed by the customers to be low, rather high on the side of management.

5.1.5 Service Quality Delivery

In the bid to achieve the objective, to determine ways to improve the delivery in the banking industry, exceeding customers' expectation is a main agenda for organizations for an effective service quality delivery (Gronroos, 1982). It was realized that, some dimension needs much more effort to ensure its sustainability while others do not need much effort, in this case responsiveness and reliability need much effort, much more emphasis is needed to ensure the sustainability of these two to deliver higher above the expectations of customers.

Moreover, on the side of the employees, it was found that holding of departmental meetings pertaining to customer care and service delivery are mostly done as and when the need arises which actually had 45 percent, apart from that, it was found to be held on monthly basis and semi annually to tackle and improve service delivery.

5.1.6 Determination of the Significance of the Service Quality

To determine which dimension of service quality is significant to the Guaranty Trust Bank Ghana Limited. It is worth noting that, all the service quality dimension were found to be correlated with the delivery of overall service satisfaction by showing that their p-values were less than one percent thus at 99 percent confidence level, all the dimensions were significant and contribute to the overall service quality delivery of the bank.

Employees also gave to the assertion that they are highly involved in decision making, as 82.5 percent of the respondents of 40 employees shows they are involved in decision making. Capacity building was also found to be held as and when need arises. In conclusion it was found customers are well satisfied with quality of service delivery of the bank.

5.2. Conclusion

By and large, all the service quality dimension experienced by the customers of GT Bank are higher than their expectations, however some individual variables fall below the expectation of customers of GT Bank.

The study sought to assess the of quality customer care and service delivery at GT Bank and to examining the level of customers satisfaction of the service delivery. According to some employees of the bank, even though GT Bank provides a high level of satisfactory service to its customer a much more improvement is needed in its operations. Again the service quality dimensions all affect the total service delivery of GT Bank and their inclusion is very significant to the overall performance of the company. In summary this study will help managements of GT Bank to know the performances of their service delivery and improve upon the various variables which fall below the expectation of their customers which in the end will generally aid in the improvement of the overall service quality and customer care of GT bank.

On the hypothesis Customers' perceived quality service delivery has a positive effect on customer satisfaction, thus we fail to reject the null hypothesis since it was found from the correlation that the service quality dimension have positive correlation to the overall service quality.

Moreover, on the hypothesis of significant correlation between service quality and customer satisfaction with respect to service reliability, it was found to be rejected since there exist such relationship on the reliability and customer satisfaction.

5.3 Recommendations

Generally, various recommendation were made by employees and customers of GT Bank, and from the analysis it brings into bear to make the following recommendations to help improve customer care and service delivery by GT Bank.

Monitoring Service Quality Dimensions

Management of GT Bank must take a critical look at the responsiveness dimension as it is lower than all the dimensions service quality, on the basis that, employees of the bank rated responsiveness as the highest service quality delivery of which the customers who were the receiving end tends to show otherwise.

There should be a conscious effort to improve the general service delivery, as the expectations of the customers of GT Bank as higher and closer to the perceived service delivery of the bank.

There should be the need for management to take a look at other dimensions apart from the other five dimensions used for this study.

Involvement of Staff in Decision Making and Departmental Meetings

It is recommended that all views of staff members especially that of operations and marketing be sought in drawing strategic plan for the service delivery to customers. The study reveals that customers first contact are with the operations staff who represents on behalf of the company, the kind of service delivery by these staffs actually constitute the perceived service quality for the customer.

Further Studies

Another study should be made into the service quality dimension by using all the ten dimensions proposed by Parasuraman and Zeithaml and should included portions where the respondent will have an open section to grade each dimension in order to know how customers also ranked the dimensions in terms of priorities to them.

Resources should be gathered to study the effect of the customer relationship with management and its impact on the expectations of customers on the general service quality dimensions put forward by Parasuraman (1993).



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APPENDIX I

KNUST INSTITUTE OF DISTANCE LEARNING (IDL) QUESTIONNAIRES FOR EVALUATION OF QUALITY SERVICE DELIVERY IN THE BANKING INDUSTRY (A CASE STUDY OF GUARANTY TRUST BANK [GH] LTD)

QUESTIONNAIRE FOR CUSTOMERS

The purpose of this questionnaire is to gather data for the “Evaluation of Quality Service Delivery in the Banking Industry (A Case Study of Guaranty Trust Bank [GH] Ltd)”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

A. Personal Information

8. Gender: Male (☐) Female (☐)
9. Age Group:
- 16 – 30 years (☐)
- 31 – 45 years (☐)
- 46 – 60 years (☐)
- 61 years and above (☐)
10. Marital Status:
- Married (☐) Single (☐) Divorced (☐) Separated (☐) Widow/ Widower (☐)
11. Level of education
- Basic (☐) SHS/ Commercial (☐) Diploma (☐) 1st and/or 2nd Degree (☐)
- Professional (☐) No formal education (☐) Others (☐) Specify
-
12. What type of business are you engaged in?
- Sole Proprietor (☐) Joint Venture (☐) Micro Scale Enterprise (☐)
- Small & Medium Scale Enterprise (☐) Private Limited Company (☐) Public/Civil
- Servant (☐)

13. How long have you been with the bank?.....

B. Service Quality

Listed below are five major features pertaining to GTBank Ltd and the services they offer. We would like to know how important each of these features is to you when you evaluate the company's quality of service. Please show the extent to which GTBank Ltd would possess the features described by each statement. If you feel a feature is not at all essential for GTBank, circle the number 1; if you feel a feature is absolutely essential circle 5 and if your feelings are less strong, circle 3. There are no rights or wrong answers – all we are interested in is a number that truly reflects your feelings regarding GTBank as one that delivers excellent quality of service.

Scale: 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Tangibility	GTBank has up-to-date or state of the art equipment.	1 2 3 4 5	
	GTBank employees are professional and always appear neat	1 2 3 4 5	
	Physical facilities and interior décor are visually appealing	1 2 3 4 5	
	Equipments and materials for service delivery are modern and efficient	1 2 3 4 5	
Reliability	GTBank provides services at scheduled times as promised	1 2 3 4 5	
	GTBank employees keep accurate records of customers.	1 2 3 4 5	
	When you have a problem GTBank shows a sincere interest in solving it.	1 2 3 4 5	
	Customers are satisfied with the quality of service provided by GTBank	1 2 3 4 5	
	GTBank insists on error-free records		
	GTBank performs the service right the first time	1 2 3 4 5	
Responsiveness	GTBank response to client complaints at the right time	1 2 3 4 5	
	Employees of GTBank tell customers exactly when service will be performed	1 2 3 4 5	
	Employees of GTBank gives you prompt service.	1 2 3 4 5	
	Employees of GTBank are always willing to help you.	1 2 3 4 5	
	Employees of GTBank are never too busy to respond to your requests	1 2 3 4 5	
SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT

Assurance	The behaviour of employees in the Company instills confidence in you.	1 2 3 4 5	
	You feel safe in your transactions with the Company	1 2 3 4 5	
	Employees of GTBank are consistently courteous with customers.	1 2 3 4 5	
	Employees in the Company have the knowledge to answer your questions	1 2 3 4 5	
Empathy	The Company gives you individual attention.	1 2 3 4 5	
	The Company has operating hours convenient to customers.	1 2 3 4 5	
	GTBank employees show concern when queue get too long.	1 2 3 4 5	
	Employees of GTBank understand the specific needs of customers.	1 2 3 4 5	

C. Recommendation

- What kind of service do you undertake with GTBank?
Corporate Banking () Retail Banking () Any other, please specify.....
- Could you recommend GTBank to others?
Yes () No ()
Provide reasons for the choice ticked above.....
.....
.....
- How often do you receive statement of accounts from GTBank?.....
- Do you have to request for it; and how do you get it?
.....
.....
- How would you rate the services of GTBank?
Excellent ()
Good ()
Satisfactory ()
Poor ()

Very Poor ()

6. Would you recommend GTBank to potential customers?

Yes () No ()

Please provide reasons for answer.....

.....

.....

14. Would you like to maintain GTBank as your partner on long term bases?

Yes () No ()

Please provide reasons for answer.....

.....

.....



APPENDIX II

KNUST INSTITUTE OF DISTANCE LEARNING (IDL) QUESTIONNAIRES FOR EVALUATION OF QUALITY SERVICE DELIVERY IN THE BANKING INDUSTRY (A CASE STUDY OF GUARANTY TRUST BANK [GH] LTD)

QUESTIONNAIRE FOR GTBANK EMPLOYEES

The purpose of this questionnaire is to gather data for the “Evaluation of Quality Service Delivery in the Banking Industry (A Case Study of Guaranty Trust Bank [GH] Ltd)”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

A. Personal Information

4. Gender: Male () Female ()
5. Age Group:
- 16 – 30 years ()
- 31 – 45 years ()
- 46 – 60 years ()
- 61 years and above ()
6. Level of education
- Basic () SHS/ Commercial () Diploma () 1st and/or 2nd Degree ()
- Professional () Others please specify.....
4. How long have you been with GTBank?
- Less than 5 years ()
- Between 6 and 9 years ()
- 10 years and more ()
5. Rank: Lower level () Middle level () Senior level

B. Service Quality

Listed below are five major features pertaining to GTBank Ltd and the services they offer. We would like to know how important each of these features is to you when you evaluate the company's quality of service. Please show the extent to which GTBank Ltd would possess the features described by each statement. If you feel a feature is not at all essential for GTBank, circle the number 1; if you feel a feature is absolutely essential circle 5 and if your feelings are less strong, circle 3. There are no rights or wrong answers – all we are interested in is a number that truly reflects your feelings regarding GTBank as one that delivers excellent quality of service.

Scale: 1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Tangibility	GTBank has up-to-date or state of the art equipment.	1 2 3 4 5	
	GTBank employees are professional and always appear neat	1 2 3 4 5	
	Physical facilities and interior décor are visually appealing	1 2 3 4 5	
	Equipments and materials for service delivery are modern and efficient	1 2 3 4 5	
Reliability	GTBank provides services at scheduled times as promised	1 2 3 4 5	
	GTBank employees keep accurate records of customers.	1 2 3 4 5	
	When you have a problem GTBank shows a sincere interest in solving it.	1 2 3 4 5	
	Customers are satisfied with the quality of service provided by GTBank	1 2 3 4 5	
	GTBank insists on error-free records		
	GTBank performs the service right the first time	1 2 3 4 5	
Responsiveness	GTBank response to client complaints at the right time	1 2 3 4 5	
	Employees of GTBank tell customers exactly when service will be performed	1 2 3 4 5	
	Employees of GTBank gives you prompt service.	1 2 3 4 5	
	Employees of GTBank are always willing to help you.	1 2 3 4 5	
	Employees of GTBank are never too busy to respond to your requests	1 2 3 4 5	
SEQUAL	DETAIL	SCORE	ADDITIONAL COMMENT
Assurance	The behaviour of employees in the Company instills confidence in you.	1 2 3 4 5	

	You feel safe in your transactions with the Company	1 2 3 4 5	
	Employees of GTBank are consistently courteous with customers.	1 2 3 4 5	
	Employees in the Company have the knowledge to answer your questions	1 2 3 4 5	
Empathy	The Company gives you individual attention.	1 2 3 4 5	
	The Company has operating hours convenient to customers.	1 2 3 4 5	
	GTBank employees show concern when queue get too long.	1 2 3 4 5	
	Employees of GTBank understand the specific needs of customers.	1 2 3 4 5	

C. Employees Assessment of Internal Quality

9. Do employees of GTBank participate in decision making process?

Yes () No ()

Please provide reasons for answer.....

.....

.....

10. Do management respond promptly to concerns of GTBank staff?

Yes () No ()

Please provide reasons for answer.....

.....

.....

11. How often does GTBank organize capacity building for staff for efficient delivery of duty?

Monthly ()

Quarterly ()

Semi-annually ()

Annually ()

As and when need arises ()

12. How often does management of GTBank hold departmental meeting to discuss issues pertaining to customer care and quality service delivery?

Monthly ☐

Quarterly ☐

Semi-annually ☐

Annually ☐

As and when need arises ☐

13. Are products and services of GTBank tailored to suit customer needs?

Yes ☐ No ☐

Please provide reasons for answer.....

.....

.....

14. What are the challenges you encounter in the course of performing your duty as a banker?

.....

.....

15. How do the above mentioned challenges affect your quality of service delivery?

.....

.....

16. How do you as an individual deal with such challenges?

.....

.....

Interview Guide to GTBank Managers

The purpose of this questionnaire is to gather data for the “Evaluation of Quality Service Delivery in the Banking Industry (A Case Study of Guaranty Trust Bank [GH] Ltd)”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

9. Besides traditional functions what additional services are provided by GTBank?
10. With respect to the list of services provided are there regulatory limitations that constrain GTBank to offer some of them?
11. Are there regulatory limits on the ability of GTBank to operate effectively?
12. Is there one single consumer of the product or service considered? Are there many consumers or large entities as major consumers?
13. In geographic terms how wide is the market for the services of GTBank? Are customers’ branches or location dependent? What is the willingness of customers to use distant branches?
14. Is the expansion of GTBank regulated?
15. How does quality service delivery affect the operations of GTBank?
16. Please indicate how GTBank has responded to quality of service over the years.